Growing healthier futures

Annual Report 2021

T&G
A BayWa Company

About this report

Over the last three years, we have continued to evolve our approach to reporting to show a more integrated view of our economic, social and environmental performance and activities.

Since 2016, we've annually contributed to the Global Reporting Initiative (GRI) Reports for our ultimate parent company, BayWa AG. This 2021 Annual Report is T&G Global's second integrated report which we've prepared in accordance with the GRI Standards: Core option. The GRI Standards are the world's most widely used global sustainability reporting standard.

To guide the structure of our report, we continue to reference the Integrated Reporting <IR> framework, in conjunction with GRI principles and indicators. Integrated thinking and reporting is a process of continuous improvement, and we will continue to strengthen this in the years to come. One example of this is in 2021 we sought external assurance for our Scope 1 and 2 Greenhouse Gas (GHG) Emissions for the period from 1 January 2021 to 31 December 2021 to provide certainty in our data and to highlight gaps and areas of improvement to ensure best practice reporting is followed.

This report is for the period 1 January 2021 to 31 December 2021 and includes T&G Global Limited and its subsidiaries.

In this report we use some words in te reo Māori, including: Aotearoa, which is New Zealand's Māori name; whānau, which means a family group, extended family; mahi, which means to work, accomplish, make; kaitiaki, which means a guardian, caregiver, custodian; and Kaitiakitanga, which means guardianship, stewardship, trustee.

Please note, the photos in this report were taken both before and after the arrival of COVID-19 and at different Alert Levels, so physical distancing and facemasks are not always in place.

Contents

At a glance

Operating profit
$16.9m
2020: $32.4m

Revenue
$1.37b
2020: $1.41b

Net profit (before tax)
$9.8m
2020: $22.0m

Profit (after tax)
$13.6m
2020: $16.6m

Apples revenue
$851.4m
2020: $872.3m

Apples operating profit
$40.6m
2020: $54.7m

International Trading revenue
$129.2m
2020: $178.7m

International Trading operational (loss) / profit
($12.4m)
2020: $2.3m

VentureFruit™ revenue
$19.0m
2020: $2.9m

VentureFruit™ operating profit / (loss)
$2.3m
2020: ($2.6m)

T&G Fresh revenue
$365.5m
2020: $357.7m

T&G Fresh operating profit
$18.0m
2020: $18.4m

Employee Connection meter
74%
2020: 75%

Total recordable injuries
167
2020: 175

Fairgrow donations
1m kg
of fresh produce = 5.5m servings
2020: 264, 475kg

Greenhouse gas emissions*
32,520 tCO_2e
2017: 35,779 tCO_2e (our baseline year)
*Greenhouse gas emissions includes Scope 1 and 2 only

Chair and CEO review

Tēnā koutou

2021 has been a year that we've continued to make strong progress in delivering our strategy and building a sustainable foundation for growth. However, it has also been a year interrupted by some significant challenges which have had a disappointing impact on our financial results.

Benedikt Mangold
Chair (left)

Gareth Edgecombe
Chief Executive Officer (right)

Challenging environment

Leading into the 2021 apple season, the December 2020 hail event in Nelson adversely impacted our apples in the region, reducing both our own and independent growers' volumes. This was followed by the early ripening of apples across the country, compressing the harvest period. Given COVID-19 related border closures and the tight labour market, we had labour shortages of both local and Recognised Seasonal Employer (RSE) team members, which meant some apples were left unpicked.

Global supply chains have been significantly disrupted, seriously affecting our apple exports as well as the importing of tropical produce into Aotearoa New Zealand. There were fewer ships visiting Aotearoa New Zealand, reduced calls at regional ports, container shortages, delays to schedules and increased waiting times in destination ports. We worked tirelessly to address this, chartering ships and partnering with primary sector exporters to get produce to markets. Despite our best efforts, our market access was constrained, and some produce arrived late into market leading to quality issues and missed sales opportunities.

Our 2021 performance

For the year ending 31 December 2021, our operating profit decreased from $32.4 million to $16.9 million, a 48% decline on last year. This was largely due to the impact of the aforementioned hail, labour shortages, increased shipping costs and shipping delays, as well as the COVID-19 influence on market and customer access - both in Aotearoa New Zealand and offshore markets. This was offset to some extent by increased Envy™ licensing revenue.

Revenue remained largely constant, down from $1.41 billion in 2020 to $1.37 billion this year. Net profit before tax decreased from $22.0 million to $9.8 million in 2021, and profit after tax decreased by 18%, from $16.6 million to $13.6 million this year.

Total equity grew 10.4%, from $519.8 million to $573.6 million in 2021, enhanced by unlocking significant underlying value from the Company's strategic capital recycling programme. This followed the sale of 490 Nayland Road in Nelson and the subsequent sale and leaseback of our post-harvest facility at 22 Whakatu Road in Hastings. The Whakatu sale generated $79.5 million and was one of the country's largest commercial sales in 2021. From these sales we've reduced debt and invested in the future growth of our business, including orchard redevelopment, new automation technology and a new state-of-the-art packhouse.

Apples

As a result of the end-to-end supply chain challenges faced by our Apples business, including reduced volumes, variable fruit sizes, shipping disruptions, in-market quality issues and a longer sales window overlapping with Northern Hemisphere fruit, our Apples operating profit decreased by 26%, from $54.7 million in 2020 to $40.6 million in 2021. Revenue decreased from $872.3 million in 2020 to $851.4 million in 2021.

International Trading

Revenues in our International Trading division decreased, from $178.7 million in 2020 to $129.2 million this year. While margins remained strong, particularly in our Asian business, supply was constrained in many regions due to labour shortages, shipping constraints and inclement weather. Operating profit decreased from $2.3 million in 2020 to an operating loss of $12.4 million in 2021.

Our Peruvian grape operation posted poor results with a loss of $17.3 million, largely due to a review and subsequent write down of asset values.

T&G Fresh

It has been a year of two halves for T&G Fresh. In the first six months we dealt with ongoing COVID-19 shocks from the previous year, including supply chain challenges reducing our ability to export and import fresh produce, combined with an oversupply of some categories such as tomatoes. The second half of the year showed evidence of stabilisation of the business, despite protracted lockdowns in key domestic markets, and this provides a strong platform for growth in 2022 and beyond. In 2021, revenue increased from $357.7 million in 2020, to $365.5 million. Operating profit decreased from $18.4 million in 2020 to $18.0 million this year.

VentureFruit™

With the establishment of VentureFruit™, our global genetics and variety management business, all trading income for our plant variety rights (PVR), such as Envy™ and JAZZ™, has this year moved into this new reporting segment. VentureFruit™ receives royalties from the sale of T&G's PVR varieties; and in addition, in 2021 strong demand from growers to plant Envy™ generated significant revenue for the business.

Strong progress against strategy

Driven by our purpose to grow healthier futures, this year we made solid progress against our strategy and against our ongoing transformation ambition to become a customer-driven, high-performing, premium fresh produce business.

With global consumer demand for our premium Envy™ apple brand projected to increase five-fold by 2030, we've continued to build the platform to support this growth.

In critical and key markets, we've strengthened our in-market capabilities and expertise to build deeper partnerships with customers and consumers.

This has been supported by new plantings of Envy™ as part of our development programme to supply 10 million more tray carton equivalents (TCEs) from Aotearoa New Zealand and the United States. This additional volume is a key part of the next phase of our growth which is grounded in highly productive orchard and post-harvest systems that utilise best practice technology and automation.

In Aotearoa New Zealand, old orchards have been replanted with Envy™, on future-proofed, automation-ready 2D structures, with a further 300 hectares to be redeveloped over the next three years. In addition, a further 400 global hectares of new Envy™ plantings have been contracted. Significant investment has also been made on new picking platforms to further enhance safety and efficiency.

Three Hawke's Bay orchards were sold to the New Zealand Superannuation Fund, through its rural investment manager FarmRight, with T&G contracted to provide orchard services and all post-harvest, export and marketing services. This partnership highlights the strong investment opportunity and potential in Envy™ and demonstrates the strength of our strategy and future direction.

With the proceeds from recycling capital from the sale of 490 Nayland Road and 22 Whakatu Road, as well as the aforementioned orchards, we've not only redeveloped orchards and acquired new automated orchard equipment, we've embarked on the construction of a new $100 million, leading-edge, automated packhouse in the Hawke's Bay. As well as improving productivity, it will accommodate increasing volumes of Envy™ and other apple varieties.

A critical element in realising future value and delivering our strategy is capturing and maximising intellectual property (IP). Throughout our business we have exceptional IP in a variety of areas, including deep global expertise in genetics, IP management and commercialisation of plant varieties. Building off this experience, we launched VentureFruit™, our global genetics and variety management business. We have big plans for VentureFruit™, which will bring new and superior fruit to consumers, retailers and growers around the world.

For T&G Fresh, our Aotearoa New Zealand business, it's been a challenging year - with COVID-19 related issues, labour constraints, adverse weather and tough trading conditions in the first half of the year. Throughout this difficult environment the team has focused on what's in their control, and it's been pleasing to see their hard work translate into positive momentum in the latter half of the year, particularly in our tomatoes, Pacific Island exports and our Fijian domestic businesses. On top of this, the integration of Freshmax New Zealand was completed early in the year.

Early in 2022, we look forward to welcoming Rod Gibson to the business in the role of Managing Director T&G Fresh and seeing the benefit he'll bring to T&G from his extensive fresh produce and retail experience.

While many challenges have come our way, we're incredibly proud of the continued progress made in building a high-performance culture. Leadership and capability has been a key focus because we know that when we improve our team's skills and capabilities, we grow careers, create new opportunities and drive performance.

Underpinning this is our shared mindsets, which play a critical role in culture, performance and ambition. This year we identified that as we embark on the next stage of our growth strategy, we needed to capture the values required for success. Our four new mindsets: be bold, do the mahi, one team and take good care, are grounded in our unique identity, uniting and guiding our behaviour and actions into the future.

Outlook ahead

While 2021 has been challenging, we've delivered on our strategy and built a solid platform for growth, while staying focused on the safety and wellbeing of our people, growers, customers and communities.

We have a phenomenal team who've worked together to solve problems, find opportunities, keep each other safe and deliver an essential service. While many of our people worked from home during the lockdowns across Aotearoa New Zealand and most of our global markets, for the majority of our people in front-line operational roles, they worked on-site to keep fresh produce flowing to Kiwis and consumers around the world. This wasn't always easy, and on behalf of everyone, thank you.

We also want to acknowledge the leadership of Prof. Klaus Josef Lutz, who stepped down as Chairman in June. Under his leadership over the past nine years, T&G has evolved into a strong global player in the premium fresh produce sector, and we thank Klaus for his leadership, guidance and support over the years.

As we look ahead to 2022, we expect many of the challenges to continue, with supply chain constraints, inflation and rising costs in labour, freight and utilities. On top of this, in all of our global markets we have ongoing uncertainty with COVID-19 as countries learn to live and work with it. While we're very pleased with the outcome of the industry's combined efforts in working with the Government on quarantine free travel for some RSE nations, it's likely we, along with many of our growers, will struggle for enough seasonal workers this coming harvest, given low unemployment and the absence of backpackers.

Despite this and other challenges, we'll do everything to find ways to deliver and mitigate any adverse impacts. Our tight control on costs and prudent spending will continue, as will our ongoing efforts to capture value and efficiencies from continuous improvements.

At the same time, together with BayWa Global Produce, in 2022 we will make solid progress on our new strategy for managing climate change. We will establish and verify an emissions reduction target through the Science Based Target initiative (SBTi) and implement an internal shadow carbon price to guide business decisions and strategy. We look forward to seeing the positive outcome of these actions and playing a role in supporting Aotearoa New Zealand's climate ambitions.

As we close out 2021, it's important we remain resilient in these volatile and uncertain times. We have an incredible team doing a great job to deliver our strategy despite any curveballs that come our way. With our confidence, energy, determination and strong underlying business momentum, the future is bright. We look forward to a stronger and improved 2022.

Noho ora mai,

Gareth Edgecombe
Chief Executive Officer

Benedikt Mangold
Chair

Year in review

January

February

- Launched our early-ripening apple brand, Poppi™, enabling an early entry of Aotearoa New Zealand apples into highly competitive Asian markets.

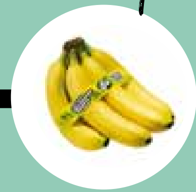
March

- Welcomed eight new automated apple picking platforms in the Hawke's Bay, helping increase productivity and provide greater safety for our people.
- Shipped the first of our refreshed JAZZ™ branded premium apples from Aotearoa New Zealand to the world.

April

- Launched GoodYarn, a peer-delivered mental health awareness programme to encourage everyday conversations about mental health.

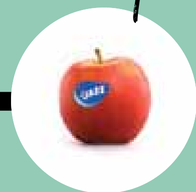
May



- Partnered with All Good to deliver the first Fairtrade and Zero Carbon certified bananas in Aotearoa New Zealand.

June

July



- JAZZ™ apples celebrated 10 years of being sold in Japan – one of our key export markets.
- Launched Ka Awatea, our new Māori and Pasifika leadership programme.

August

- Created 150 new permanent positions across our Hawke's Bay apple operations.
- VentureFruit™, our new global genetics and variety management business, is launched.

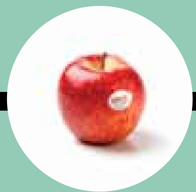
September

- Joined forces with Lincoln University to offer students hands-on learning and a pathway into employment in the horticulture sector.

October

- Introduced four new mindsets (company values) to help propel us into the future.
- Sold 25,000 gift packs of Envy™ apples in one-minute on Tmall - China's largest business-to-consumer online retail website.

November



- Generated $79.5 million from the sale and leaseback of 22 Whakatu Road in Hastings.
- Teamed up with Zespri and Plant & Food Research on a regenerative horticultural programme within the kiwifruit, apple and berry industries.
- Sold 40 hectares of orchards to the New Zealand Superannuation Fund, through its rural investment manager FarmRight, with T&G contracted to provide orchard services and all post-harvest, export and marketing services.

December

- In its first year of operation, our Fairgrow charity donated more than 1 million kilograms of fresh fruit and vegetables to New Zealanders in need.

Growing healthier futures

About T&G

Our story began 124 years ago as Turners and Growers, a fruit auction business only located in Auckland.

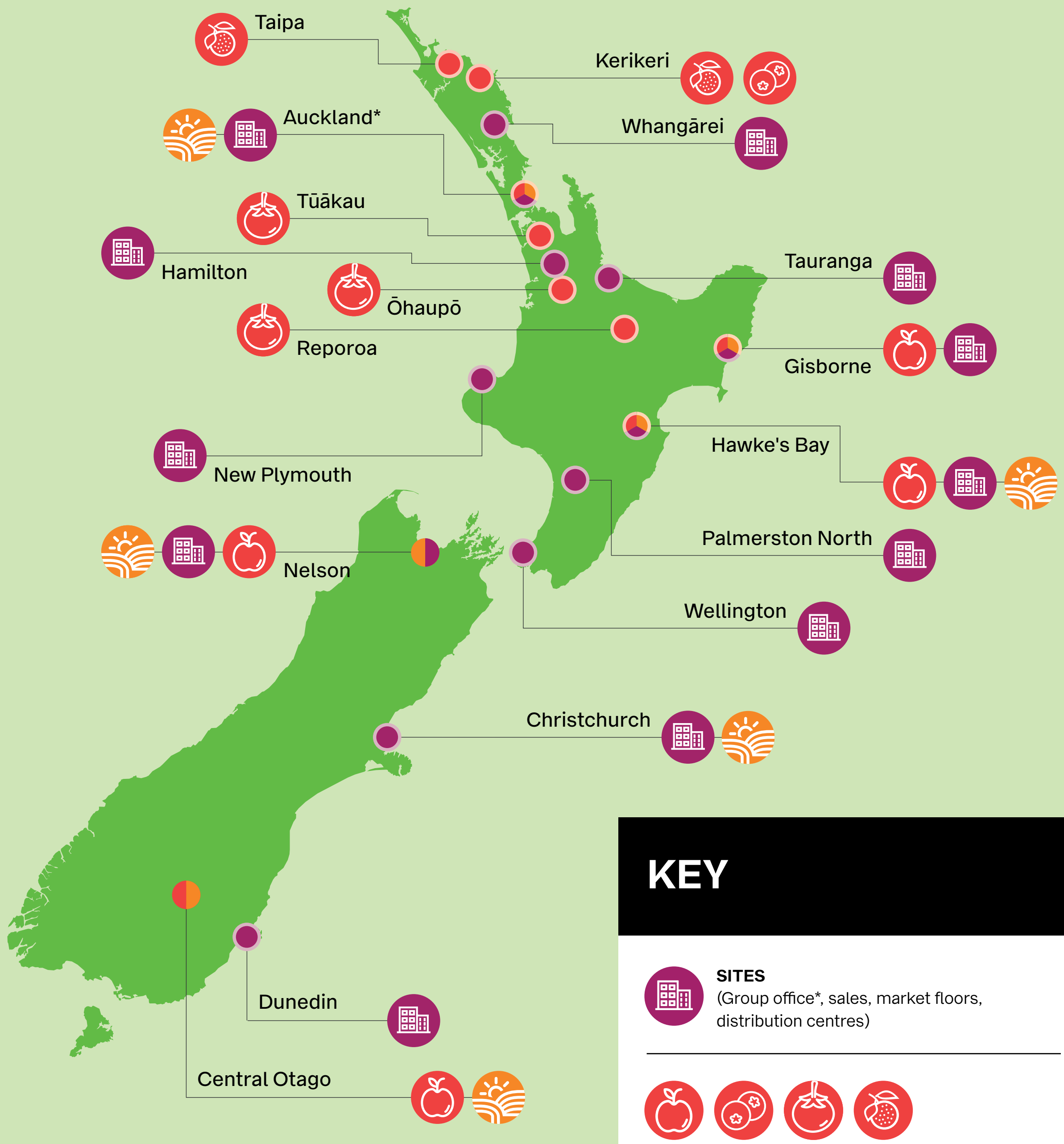
Today, as T&G Global, our fresh, delicious produce nourishes people in more than 60 countries around the world.

Our team of 2,000 people, located across 13 countries, is united by our purpose of growing healthier futures. Together we grow apples, tomatoes, citrus, blueberries and grapes, and partner with growers around the world who share the same passion for sustainability and excellence.

With our clear strategy in place, we're focused on growing great brands, winning in key global markets and leading Aotearoa New Zealand's fresh produce future. Enabling the delivery of our strategy is a high-performance culture and a deep commitment to Kaitiakitanga. As kaitiaki we're committed to treating the land, people, produce, resources and community with the greatest of respect and care, as guardians of their future. This is central to who we are and what we do.

Together, with the shared vision and expertise of our global network, we create value every day for our people, growers, customers, consumers, communities and shareholders.

Our footprint



KEY

SITES
(Group office*, sales, market floors, distribution centres)

GROWING SITES / REGIONS
T&G apple, blueberry, tomato and citrus regions, and third party apple suppliers

Note: In addition, T&G Fresh partners with over 1,000 third party fruit and vegetable growers throughout Aotearoa New Zealand

POST-HARVEST AND PACKING FACILITIES
T&G facilities

UK & Europe

Revenue ($'000)	$506,166
Employees (permanent)	470
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

Asia

Revenue ($'000)	$284,291
Employees (permanent)	31
Offices (Group or Sales)	5

Growing regions

South Korea
- Boeun
- Geochang
- Hongcheon
- Yesan

Thailand

Australia & Pacific Islands

Revenue ($'000)	$87,760
Employees (permanent)	129
Offices (Group or Sales)	4

Growing regions

New South Wales
- Coffs Harbour
- Griffith
- Wamuran

Queensland

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)	$ 75,479
Employees (permanent)	350
Offices (Group or Sales)	4

Growing regions

Argentina

Canada
- British Columbia

Chile
- Angol
- Talca
- Temuco

Ecuador

Guatemala

Mexico

Panama

Peru
- Ica
- Piura

USA
- California
- Oregon
- Washington State

Africa

Growing regions

Egypt

Morocco

South Africa
- Eastern Cape
- Western Cape

Zambia

Aotearoa New Zealand

Revenue ($'000)	$411,717
Employees (permanent)	1,208
Offices (Group or Sales)	12

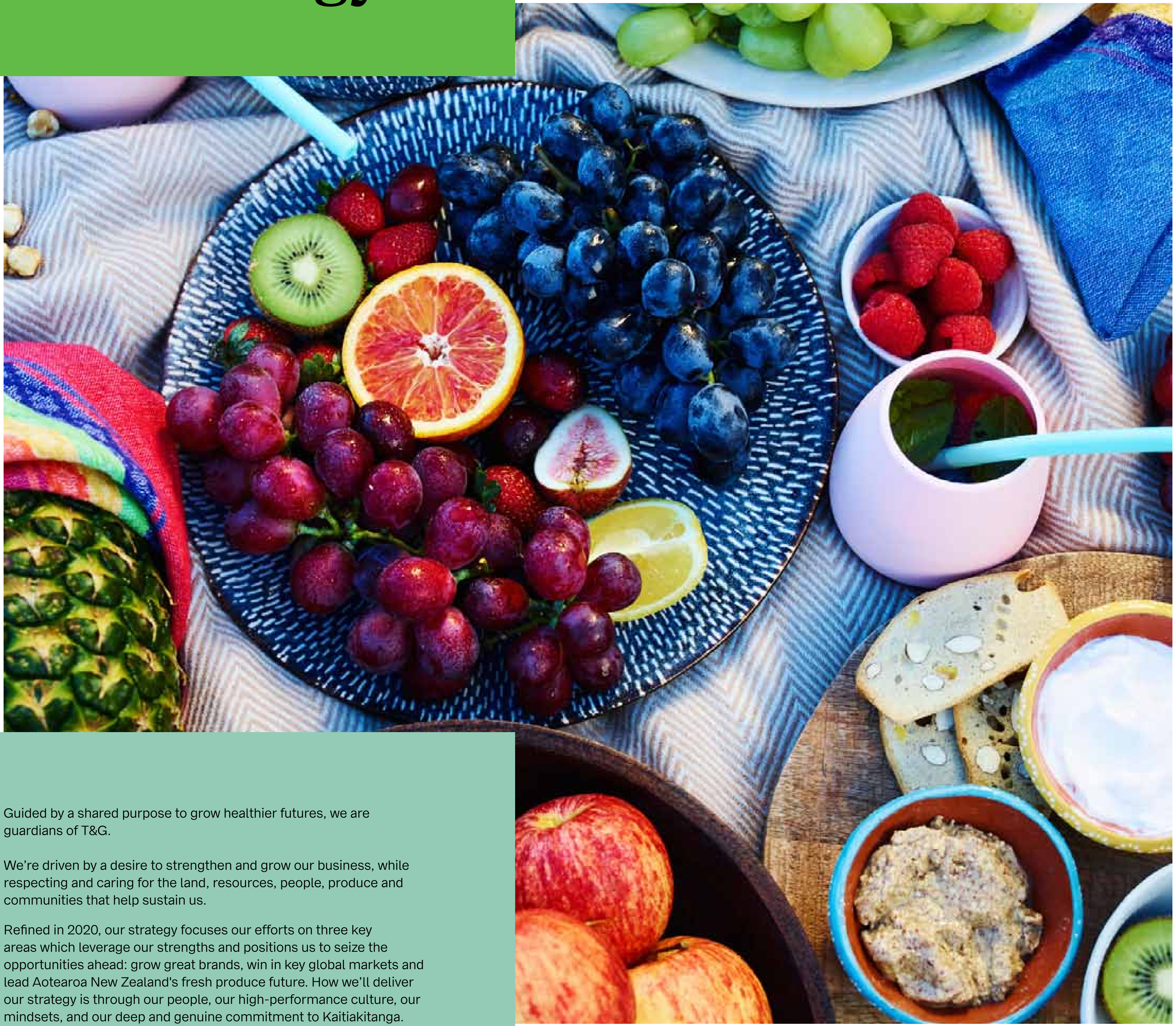
Growing regions

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

KEY

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

Our strategy



Guided by a shared purpose to grow healthier futures, we are guardians of T&G.

We're driven by a desire to strengthen and grow our business, while respecting and caring for the land, resources, people, produce and communities that help sustain us.

Refined in 2020, our strategy focuses our efforts on three key areas which leverage our strengths and positions us to seize the opportunities ahead: grow great brands, win in key global markets and lead Aotearoa New Zealand's fresh produce future. How we'll deliver our strategy is through our people, our high-performance culture, our mindsets, and our deep and genuine commitment to Kaitiakitanga.

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, berries and grapes
- 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 key categories
- Optimise channels to market
- Create valued partnerships

Grow great brands

Great brands are brands you love. They build deep consumer connections with their clear core values and differentiated positioning. At T&G, we're focused on growing great brands and building consumer demand. We have unique varieties and the world's best genetics in apples, berries and grapes; supported by world class growing and production systems, marketing, in-market teams and partnerships.

Envy™ - creating shared value from Aotearoa New Zealand's IP

Envy™ is a real Kiwi horticultural success story, harnessing local IP to provide consumers with an exceptional tasting, perfectly balanced, premium apple, while delivering strong returns to growers, communities and shareholders.

In the 13 years since we first released Envy™ to Aotearoa New Zealand growers, it's now grown under licence in 13 countries – with Aotearoa New Zealand and North America our key supply regions, and it's sold year-round to consumers in over 60 countries.

Over the years, we've developed Envy™ into a brand that customers can trust and our consumers seek out, and today it's on track to be a billion-dollar brand with standout performance in key markets across Asia and North America. With projected global consumer demand requiring an additional 10 million TCEs to meet the required 25 million TCEs by 2030 (an additional 760 million apples), in 2021 we secured and increased new plantings and strengthened our foundation for the future.

Envy™, the ultimate celebration apple

Envy™ apples are a natural fit for festivities and gifting occasions, due to their large size, sophisticated flavour and fresh aroma. As part of our marketing strategy to position Envy™ as the ultimate celebration apple, in 2021 we delivered multiple global integrated marketing campaigns for key festivities.

In key Asian markets, the Mid-Autumn Festival represents one of the largest celebrations of the year, with millions of people recognising the full moon occasion. To celebrate, we collaborated with key influencers and developed eye-catching point of sale displays and special premium Envy™ gift boxes. This year we also diversified our sales channels by trialling Tmall, China's largest business-to-consumer online retail website. Through our collaboration with Viya, the number one opinion leader on Tmall, in just one minute we sold a record 25,000 Mid-Autumn Festival gift packs of Envy™ apples, totalling 100,000 apples sold.

In the United States, special occasions like Valentine's Day and Mother's Day have seen huge success for Envy™. This year the brand become the official partner of Kitchn's first-ever virtual Brunch Fest to celebrate Mother's Day. Kitchn is one of the United States' most popular food and lifestyle media outlets, with 25 million unique monthly visitors. Our Mother's Day campaign received over 200 million views, helping further grow brand recognition and strong sales growth in our key United States market.

New look for JAZZ™

Following extensive market research in 2020 across key global markets, we identified the opportunity for our JAZZ™ apple brand to develop more differentiated positioning. With more people looking for healthier snacking choices, the unique premium qualities of JAZZ™ make it the ideal snacking apple. Shaped by these consumer and market insights, a broad strategy was developed to position the brand in this category.

A key component was this year's refresh and the strengthening of the look and feel of the 25-year-old brand. JAZZ™ now stands out and appeals as the ideal snack on the go, with a more vibrant colour palette. This has been supported with new packaging formats in key markets, including cardboard recyclable multipacks.

In mid-2021, we launched a global marketing campaign emphasising the new JAZZ™ catchphrase "Is it JAZZ™ time yet?". This puts the apple at the heart of the snacking occasion, in a conversational and spontaneous way, promoting it as a healthier snacking choice.

Introducing Poppi™

In February 2021, we launched a new apple brand Poppi™ for an early ripening variety, which was developed to strategically extend the season for our Aotearoa New Zealand export apples in our key high-growth Asian markets.

The Poppi™ brand name was developed as a nod to the distinctive red colour of the apple and appeals to consumers who prefer sweeter tasting, radiant red apples. Thanks to its early ripening qualities, Poppi™ was one of the first apples of the 2021 season to arrive in key Asian markets, helping to fill a seasonal gap in the market.

World-class growing systems

In 2021, we made good headway on our roadmap to a highly productive future through automation of orchards and post-harvest services.

Traditionally, apple orcharding systems have been grown and geared towards a manual harvesting process and our success has been based on selling high quality, premium apples to consumers around the world. The focus on manual harvesting has been due to technology solutions not yet being commercially available or viable. This is changing. While robotic pickers are still some years away, for the past five years we have embraced technology to increase productivity, improve quality and yields, and help address workforce shortages.

This tech-driven future requires a new way of growing apple trees to provide the density and uniformity required by future automation. At T&G we've selected 2D orchard structures as our structure of choice. It increases the quality, consistency and yield of our fruit, and by using automated platforms - and in future other forms of new technologies, it delivers efficiencies for our team by standardising tasks and making it easier and safer to access fruit and conduct a range of orchard activities.

This year we removed 61 hectares of old orchards and replanted with Envy™, on new future-proofed 2D structures. Of our total 737 hectares of T&G owned and leased orchards in Aotearoa New Zealand, we now have 180 hectares in 2D structures and over the next three years we plan to redevelop a further 300 hectares. As our leased orchards come up for renewal, we will look to recontract them and re-plant in 2D structures. In addition, we've contracted a further 400 hectares of Envy™ plantings globally, with 250 hectares planted in 2021.

Supporting this has been significant investment in tech-enabled orcharding equipment. Eight picking platforms were purchased in 2021 to further enhance safety and efficiency, bringing our total platforms to 12. We partnered with Fruition Horticulture to trial a pneumatic defoliator which uses alternating pulses of air to remove leaves from the lower parts of trees, exposing the fruit to sunlight – which is important for fruit colour and premium pricing in export markets. This machine replaces the manual work done by orchard crews. And planning is underway for unmanned automated mowers and sprayers as part of a five-year technology programme of work.

Partnering to accelerate growth

To help further increase the supply of Envy™, in November we partnered with the New Zealand Superannuation Fund through its rural investment manager FarmRight. This saw us sell 40 hectares of Hawke's Bay orchards to the Fund, with T&G contracted to provide orchard services and all post-harvest, export and marketing services. This freed up capital to invest in Envy's™ growth, whilst providing the Fund with returns to help fund the future superannuation costs of New Zealanders.

Building the packhouse of the future

With increasing volumes of Envy™ and other varieties over the next five to ten years, a future-ready, highly productive automated packhouse is required.

In December 2021, we started building a new $100 million state of the art packhouse at our Whakatu West site in the Hawke's Bay.

With the capacity to pack more than 125 million kilograms of apples per season, it will be one of the largest packhouses in the Southern Hemisphere.

The packing lines have been designed to allow for a combination of fully automated, partly automated and standard packing lines – and when operating with its new automated technology, we expect to be able to pack more than twice the volume we currently pack with a similar number of team members. Our two existing packhouses at our East and West sites in the Hawke's Bay will then be converted to apple cool stores.

150 new roles

In 2021, we created 150 new permanent roles across our Hawke's Bay apple operations to help us meet worldwide demand for our premium brands.

These new roles help us deliver on our future growth objectives and provide people with an opportunity to build skills, capabilities and career pathways in horticulture.

New team members work across harvest and post-harvest roles, developing a thorough understanding of both operational and growing processes. This also includes spending time developing our 2D orchards as part of our pathway to automation.

VentureFruit™ – bringing high value superior fruit to global consumers

T&G has established a track record in global IP management and commercialisation, growing, and sales and marketing, by tapping into leading genetics from our extensive network of the world's best plant breeding and research partners. In August, we announced the launch of VentureFruit™, a global genetics and variety management business built on deep expertise in creating value from new fruit varieties.

VentureFruit™ has been set up to collaborate 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. With this, increased value will be generated for consumers, retailers, growers and communities, and we can help nurture our natural environment through adaptation and innovation.

Coinciding with the launch of VentureFruit™, we signed two key partnerships. Firstly, a co-investment alongside science organisation Plant & Food Research in a range of new and unique berries, of which VentureFruit™ is the exclusive global commercialisation partner. In addition, VentureFruit™ also announced a partnership with Plant IP Partners to test and evaluate new varieties of apples which have been bred in Aotearoa New Zealand.

With consumers' needs continually evolving and costs of production rising, it's vital our sector brings new, high quality fruit to market which delivers on taste, nutrition, convenience and sustainability at a premium price. By working alongside key partners, VentureFruit™ will deliver great tasting, healthy fruit and help alleviate and adapt to environmental pressures.

VentureFruit
A T&G Global Company

Win in key global markets

The partnerships we have with our customers around the world are vital in ensuring our global sales programmes are a success and continue to grow year-on-year.

To unlock and deliver this potential, over the past five years we've established and expanded the capabilities of our in-market teams in Asia, the United States, Europe and the United Kingdom – all markets where there is significant future growth potential and where demand for our produce is high.

Depending on the market size, the team's capabilities now include sales and marketing, supply chain and quality. With T&G being the Importer of Record in many of these markets, we can now import the fruit ourselves and take a greater degree of control over that fruit. We can ensure it gets to our end customers and consumers at the right time while maintaining high quality standards.

The challenges of global trade

This year, our global sales programme faced a number of challenges, including severe hail in the Nelson region in December 2020 which affected the region's apple crop. Further impacting this was the seasonal worker shortage experienced during 2021. With borders still restricted as a result of COVID-19, there were significantly fewer RSE workers in Aotearoa New Zealand and a lack of backpackers. Our team undertook an extensive local recruitment campaign and partnered with the Ministry of Social Development to successfully hire over 950 New Zealanders during the season, however despite best efforts, at the peak of the season we were still short 300 people per day. This meant an unprecedented amount of fruit was unable to be picked in 2021, thereby reducing export volumes.

On top of this we experienced shipping issues, including delays, congestion in international ports and ships bypassing some Aotearoa New Zealand ports. This impacted not just our Southern Hemisphere apples but also our Northern Hemisphere season and the export of apples from Washington State in the United States to Asia. It also impacted other traded categories, such as grapes, berries and citrus, and their movement from Australia, North America and South America into our Asian destination markets.

Due to these factors, our Aotearoa New Zealand apple crop for the 2021 season was 5.05 million TCEs, a 20% reduction on the year prior. Our United States crop for 2021 was 3.8 million TCEs, an 8.7% increase from 2020.

Despite this, our teams worked creatively to get fruit to market, stabilise pricing and do whatever possible to meet global sales programmes and manage expectations with our retail customers. This included working closely with other primary industry businesses to get fruit to market, and sourcing four charter ships of our own – two to the United States and two to Europe/United Kingdom.

Less fruit in market did have a positive impact on pricing, with prices generally holding. However, this was offset by increases in costs of freight and shipping, delayed shipments and the late arrival of fruit in some markets, leading to price erosion.

The United Kingdom performed well, with excellent quality JAZZ™ apples in market. Customers were sufficiently supplied, despite lower volumes given aforementioned shipping constraints and delays from Aotearoa New Zealand. In Europe, due to the slow arrival of Aotearoa New Zealand fruit, the season started slowly, however our team on the ground worked hard to fill retail programme gaps.

Having a team on the ground in the United States was invaluable in 2021. The issues with managing the late arrival of Envy™ and other varieties from Aotearoa New Zealand and the smooth transition to selling Northern Hemisphere fruit was managed carefully in order to avoid competition with local fruit.

Consumer demand for Envy™ in Asia continues to be very robust and pricing levels in both China and Singapore in particular were strong, setting us up for a positive season ahead in 2022. Consumer demand in Thailand and Vietnam was excellent at the beginning of the season, which was really pleasing to see. However, COVID-19 restrictions in both countries saw the closure of many wholesale markets, resulting in significant drops in demand.

While pricing in Japan was very good towards the start of the season, we saw some erosion in price with the late arrivals, as we ran into competition with local apples.

Overall, despite the challenges of this season, we've seen some real pockets of excellence and great opportunity for 2022. Demand for our apples is incredibly high in our markets, but ensuring our crop is delivered into markets at the right time is crucial to maximising prices.

Ensuring year-round supply of Envy™ in key markets

A key competitive advantage to supporting Envy's™ growth strategy is T&G's globally controlled 365 day a year delivery programme to key markets. This ensures consumers enjoy year-round supply of Envy™.

Our global Envy™ expansion programme focuses on the key global markets of Asia, the United States, Europe and the United Kingdom, and establishing in-market offices and in-market teams with the right capabilities. This enables us to build strong relationships with our customers and partners, and develop an in-depth understanding of consumer needs.

In-market teams allows consistent channel development, such as the e-commerce ecosystem in China. We can also proactively respond to and manage market and consumer changes, while enhancing global reach and the ability to drive consumer demand and loyalty, further underpinning and enhancing the global success of Envy™.

As part of our global consumer demand programme, in 2021 we created our own simple framework for demand growth, which orientates our focus and activities across our end-to-end value chain. This includes the key success factors for every apple so that we capture the projected Envy™ demand and deliver the ultimate apple experience to every consumer.

We have identified the critical and key markets which we have to win in and each of these markets has a specific and tailored accelerated demand plan. This maps out the areas of focus and the key actions required to grow demand and attain the premium pricing we desire. Having in-market teams further strengthens our accelerated demand plans, as teams are closer to consumers, and retail and wholesale customers, and by using their in-depth knowledge we can proactively address challenges and identify future customer focused solutions.

Lead Aotearoa New Zealand's fresh produce future

We're proud of our Aotearoa New Zealand business, T&G Fresh, and the vital role it plays in growing healthier futures for generations of New Zealanders.

As a grower in its own right with an expansive, vertically integrated growing business, we ensure we have the right genetics in our own growing operations and that we strive for excellence in the categories in which we grow fresh produce - citrus, berries and tomatoes.

T&G Fresh also represents more than 1,200 independent growers, selling their produce to retailers and foodservice providers nationwide through our 12 regional trading floors, and through our direct relationships with the major supermarket retailers, quick service restaurants and in-home meal kit delivery services.

We also import produce not readily grown or available in Aotearoa New Zealand, as well as exporting fresh produce to the Pacific Islands, Australia, Asia, Europe and North America.

Continuing COVID-19 challenges

Following on from the year prior, in 2021 our T&G Fresh business continued to experience supply chain challenges as a result of COVID-19. Given global shipping constraints and delays, this hampered the importing of tropical fresh produce and the exporting of some categories, such as tomatoes. Severe weather events including hail also impacted Nelson apples and Central Otago summer fruit.

The lack of exports accompanied with flat local demand impacted values across our markets and covered crops divisions in the first quarter of the year.

Our markets business was also impacted by COVID lockdowns, which also had a real impact on Aotearoa New Zealand's foodservice sector. Our T&G Fresh imports division was heavily impacted by shipping disruptions, especially the lack of consistency of vessels out of Long Beach, California.

At times, resourcing was also affected as team members were identified as close contacts and required to isolate. This put pressure on some of our sites, with office-based colleagues and workers from temp agencies stepping in to ensure business continuity and the ongoing supply of fresh produce to New Zealanders.

A focus on sales and operations planning and our decision to rationalise our footprint by exiting our Favona glasshouse early, led to a significant financial turnaround in the second half of the year.

Surplus tomatoes from COVID-19

In the first quarter of the year, Aotearoa New Zealand experienced a surplus of cheap tomatoes as a result of growers being unable to export fruit to Australia and the Pacific Islands given reduced freight space. While consumers may have welcomed the low pricing, it was not beneficial for growers in terms of covering the costs of production. This affected our sales in the first half of the year.

With T&G's tomato growing operations spanning sites at Favona Road in Māngere, Reporoa, Ōhaupō and Tūākau, a decision was made to bring forward the closure of the Favona Road glasshouse site to June 2021. All team members who wished to continue working with us secured new roles, and production was moved across our other glasshouses.

Growing through adversity for our Pacific Islands business

In 2021, our Fijian domestic business experienced very challenging times due to COVID-19, with the closure of international borders meaning one of the country's main sources of income - tourism, was significantly impacted. Furthermore, due to widespread infection of COVID-19 throughout Fiji and lockdowns, we were operating with a limited number of team members.

Despite these challenges, our team showed extreme resilience and flexibility. They worked closely with suppliers and partners to diversify our product offering, making use of our infrastructure and reliable supply chain. This ensured food was able to get to customers at a challenging time in Fiji, whilst adhering to strict COVID-19 safety protocols.

Demand for imported produce also remained strong from customers throughout the Pacific region despite COVID-19 challenges. The strength of our grower and customer partnerships, combined with our fast and adaptive actions, held the business in good stead, leading to a positive financial performance for our Pacific Islands business, including Fiji.

Investing in the future of blueberries

With consumer demand for blueberries increasing, this year we invested in the future growth of the category in Aotearoa New Zealand, positioning ourselves to provide year-round supply of superior, premium berries. Utilising our expertise and strength in sales, marketing, brand development and new genetics through VentureFruit™, we have secured the sole rights to grow new premium Southern Highbush varieties in Aotearoa New Zealand. These berries are currently only grown in Australia.

The results from consumer trials of the berries have been very positive. The new varieties are high yielding and have good storability as well as fantastic taste, firmness and size. They also produce fruit in the months when supply is lower in Aotearoa New Zealand and Asian markets.

The first stage of the development will see 2.5 hectares planted in Kerikeri, Northland, with production growing to 60 tonnes over the next five years. The second stage will see up to 20 hectares planted by 2024, which will be a combination of T&G owned and third-party investment and production, with the final stage looking to grow to 70 hectares of production.

High-performance

Building a high-performance culture

We know our success as a business is dependent on our people. That's why we're committed to helping our team be their very best, day after day, year after year.

Our high-performance framework has been developed to foster an environment that enables everyone at T&G to reach their full potential. Together, we're purposefully shaping our culture so everyone understands what we've set out to achieve and we all have the ability to influence outcomes, operate with autonomy, know our ideas are deeply valued, and have ownership for the outcomes.

Our framework

In 2021, we simplified the well-researched performance framework to fit more effectively into our business.

The framework below has a focus on empowering our purpose, building belief in our strategy, ensuring transparency and accountability, growing capability, and having a clear understanding of, and connection to, our mindsets and our practices.

Leadership

- Purpose
- Strategy & plan
- Performance transparency & accountability
- Capability
- The way we work

Culture

This year our key focus was building leadership and capability. By improving the skills and capabilities of people at every level within T&G, we're able to grow careers and make skilled opportunities more accessible, in turn driving business performance.

Strengthening commercial acumen

Given the complex nature of our business, we continually strengthen the commercial acumen of our broader leadership group.

Throughout 2021, we presented hypothetical scenarios that challenged our leaders' decision-making processes and enhanced their awareness of team dynamics. In teams, our leaders provided recommendations on the case studies, with the objective of maximising return to both T&G and our growers.

In 2022, we will continue to focus on capability build sessions to further enhance our leaders' abilities.

Leaders in Action: Fostering career progression

In 2021, we offered our Leaders in Action development programme to 48 mid-level leaders within our global business. The programme is designed to foster and support career progression into greater leadership positions within our business.

Designed around our high-performance framework, participants took part in eight modules, building knowledge on a range of topics, including design thinking, continuous improvement, performance transparency, through to leading change.

Not only has this programme had an incredible impact on the participants, but the skills taught have positively benefited their teams, as leaders have increased their leadership capability.

Joining forces with Lincoln University

As part of our commitment to provide more accessible pathways into our industry and support positive career growth at every level, in September we partnered with Lincoln University to offer students a hands-on learning experience and pathway into employment.

The two-year programme sees students earn a fulltime wage while gaining valuable, practical work experience as they study towards a Level 5 Diploma of Horticulture. We also provide T&G trained tutors and paid study time to help with the academic components of the course.

This partnership makes obtaining a qualification, practical experience and a long-term career pathway, more attainable and appealing. At the same time, it provides increased support during our peak season and brings new talent into our industry.

The first T&G Fresh graduates from the Emerging Leaders programme.

A pathway for our emerging leaders

Following on from a successful launch in 2020, our Emerging Leaders programme returned this year and was introduced to our T&G Fresh business. This programme focuses on providing a pathway for our frontline and future leaders to reach their greatest leadership potential.

Throughout the 14-week period, our people build on various leadership skills including effective communication, developing people, and leading safety and wellbeing. Since developing the programme in 2020, we've rolled out 13 cohorts within Aotearoa New Zealand, totaling 161 graduates.

Branch Out: Raising literacy and numeracy skills

In 2021, we also saw the return of our Branch Out programme to help raise core communication, literacy and numeracy skills within our team. With four out of ten Kiwis having literacy and/or numeracy challenges, we want to help our people have the confidence and skills to thrive – both at work and personally.

This year, we had two cohorts complete the programme from our Ōhaupō and Hawke's Bay sites. From the programme, participants gain confidence in workplace literacy and numeracy, as well enhancing their digital skills. Not only has this programme improved productivity in our workplace, it's also positively impacted people's personal lives.

Connection Meter

It's been a year of challenges, both at work and personally, for our global team given the COVID-19 environment. This meant we had to find new ways to stay connected, share what's going on and support each other to keep motivation levels high. One way we've done this is through our Connection Meter survey, which is run three times a year by Human Synergistics. It provides our leaders and their teams with a clear understanding of how people feel, their sense of connection, and the areas where we can create positive change.

We ended 2021 with 74% of our people feeling connected, which is 2% above the global benchmark and a 2% increase from our March survey. Guided by these insights, our leaders work with their teams to create connection action plans to help make a positive difference at T&G. Given the challenges we've faced this year, including extended lockdowns for many of our people around the world, we're pleased we were able to maintain connection levels similar to 2020 levels.

Mindsets

Creating new mindsets for future success

Fundamental to our success are our shared mindsets. We know our values and attitudes ultimately impact our ability to achieve what we set out to do, and having a connected, aligned and empowered team is critical to our success.

In early 2021, we reviewed our T&G mindsets to see if they reflected the attitudes we need for the next stage of our growth strategy. It was decided a new set of mindsets would better capture the values needed for us to reach our greatest potential.

Throughout the year, over 100 global team members came together to form a collaborative cross-sectional working group, and together they created four new, uniquely T&G mindsets.

Grounded in our Kiwi roots, and together with our global ties, our mindsets guide how we act, what we do, what's expected of us and what we reward.

In the last quarter of the year, a series of purpose and mindset workshops began to be rolled out, exploring our purpose – both what it means and how we contribute to it as a team, as well as understanding our own personal values and how they align to our new mindsets. The impact of these workshops has been huge, with our people developing a deeper connection with their teammates and our business, and it's from this strong base that we'll achieve our growth strategy as one collective team.

Be Bold
Lead. Push boundaries.
Create the future.

Do the Mahi
Own it. Improve it.
Set high standards.

One Team
Work together.
Strong partnerships.
Have fun.

Take Good Care
Listen. Support.
Make a difference.

Kaitiakitanga

At T&G, Kaitiakitanga captures what sustainability means to us - treating the land, people, produce, resources and community with the greatest of respect and care, as guardians of their future. This is central to who we are and what we do. We're committed to wanting to do and be better, and help grow a healthier and more sustainable future.

Our Kaitiakitanga framework aligns to 9 of the 17 United Nations Sustainable Development Goals.

Our Kaitiakitanga framework

Our Kaitiakitanga framework has three pillars, each with its own aspirations and targets. Each pillar is committed to making a contribution towards achieving 9 of the 17 United Nations Sustainable Development Goals (UN SDGs), and by doing this, we'll make progress towards growing a healthier tomorrow.

Our Kaitiakitanga governance and management

Kaitiakitanga is deeply ingrained in T&G's business and strategy, with accountability sitting with the Chief Executive and Executive team. To inform our focus, in 2019 we conducted a materiality assessment to detail the issues most material to our stakeholders. This assessment found climate change, water availability, food safety, and financial management and performance are our top issues. Projects have been developed to address the identified material issues. These key projects are managed by several senior team members from across the business, which is in line with our ambition to embed Kaitiakitanga within our operations. Projects of work are supported by T&G's Sustainability Manager who oversees core Kaitiakitanga strategies and associated projects. Projects which are material to the success of our Kaitiakitanga framework, and which reduce our impacts and enhance our efforts as kaitiaki, are regularly reviewed by the T&G Executive Team to ensure project cadence and delivery.

Our people

We're growing a safe, healthy and passionate team, where everyone's empowered to be their best and thrive.

Aspirations

- Protect and grow
- Fairness in our workplace

Our place

As kaitiaki, we're building a healthier planet by protecting and nurturing our natural environment and using our resources responsibly.

Aspirations

- Climate action
- Closing the loop
- Lower impact, smarter growing

Our produce

Our safe and sustainable produce value chain provides nutrition to our customers and consumers, and enhances livelihoods.

Aspirations

- Safe food
- Responsible partnerships
- Healthy communities

Our people

To build a strong, resilient and high-performing business it comes down to your people, and at T&G we have a talented, hard working team powering us forward. We're committed to enhancing their lives and helping them thrive.

To do this, we're building a positive and productive culture, where health, safety and wellbeing is paramount and we can be ourselves. Nurturing an inclusive and diverse culture is vital to our success, and we're determined to make progressive steps to ensure everyone is welcome, regardless of their gender, age, ethnicity, sexual orientation or abilities.

Our two aspirations of ***Protect and grow***, and ***Fairness in our workplace*** are about growing a safe and healthy team and creating positive change through an inclusive and diverse business.

Protect and grow

We're determined to have a leading safety and wellness culture. To do this, we have a robust three-year health, safety and wellbeing strategy which is designed to move T&G from a SafePlus grading of 'developing' to a business which is 'leading'. In 2021 we made good progress towards achieving this.

Decreasing our Total Recordable Injuries

As we learned to live and work with COVID-19, we've focused on keeping our people safe and reducing the risk of transmission in our workplace. This year, we reduced our Total Recordable Injuries from 175 in 2020 to 167 in 2021. Whilst the number remained consistent with last year's, there were no notifiable injuries to WorkSafe. Although this reduction was not as large as previous years, it shows we're continuing to move the numbers in the right direction.

In 2022, we will retain the same key performance indicators and work towards our ambitious target of reducing injuries by 15% on the previous year.

Building strong and safe role models

Our Protect and Grow leadership training programme is for site operational people leaders and health and safety representatives. The programme has four modules: CARE, RISK, ENGAGE and LEARN. In 2021 we completed rolling out our RISK and ENGAGE modules, with 311 people completing our RISK module and 244 completing ENGAGE. While we'd intended to develop and deliver our fourth and final module, LEARN, in 2021, given the pull of COVID-19 on our health and safety team, we decided to complete the first three modules and roll out LEARN in 2022. LEARN covers incident reporting and investigation processes to ensure our team supports our continual learning and improvement programme.

Critical hazard and risk management

This year was intended to be the second year of a three-year programme of work to assess the risks associated with our critical hazards. Unfortunately, given COVID-19, this programme was significantly impacted. We have employed a dedicated Health & Safety Manager Critical Risk to lead this work in 2022.

A new health, safety and incident reporting system

As part of our continual improvement programme, we have entered into an agreement with ecoPortal to introduce its health, safety, environmental and risk management reporting system into our global business. This will provide a central system to monitor and manage incidents, hazards and risks. The system has been configured to meet our requirements and will be rolled out as soon as COVID-19 response activities allow.

Investing in a safe and productive workplace

With a tight labour market and border restrictions, this year presented a challenge with many new and unexperienced workers joining our team to help with the apple harvest in the Hawke's Bay. Picking apples is labour-intensive work, and at times it's physically demanding, requiring strength and endurance. To ensure a safe and productive workplace, we invested in eight new state-of-the-art automated picking platforms to enable fast, efficient and safe picking of apples. This enabled our less fit or new team members to harvest around six bins per day, whereas traditional techniques using ladders would historically see around two to three bins harvested per day. Whilst this greatly contributed to productivity, it also reduced the number of injuries on our orchards and delivered on our commitment of getting everyone home safe every day.

Managing the risk of fatigue

Fatigue presents a huge risk in our workplace, especially in areas where our people are doing shift work, driving or have on-call requirements. This year, we introduced a new range of tools and resources for our people leaders and team members to help better understand and effectively manage and prevent fatigue in our workplace.

GoodYarn: Helping our people talk about mental health

In April, we launched GoodYarn, a peer-delivered programme which helps our team understand and build confidence talking about mental health and knowing where and when to get extra help. Originally started as an initiative for rural communities in Aotearoa New Zealand, GoodYarn has since branched into urban workplaces.

Thirty-eight team members from across Aotearoa New Zealand volunteered to complete the two-day training course, with the intention of then facilitating workshops at each of their sites afterwards. Unfortunately, due to COVID-19 lockdowns and restrictions, the workshops have not yet been able to take place. In 2022, once restrictions lift, we've prioritised a full schedule of workshops across the country.

Growing healthier futures for our people through Pulse

To help strengthen our team's health and wellbeing, in August we launched Pulse, a global wellbeing digital app. The app promotes the development of daily healthy habits, provides information and resources, and helps builds company and team culture through wellbeing challenges.

Our Pulse app proved incredibly beneficial during this year's COVID-19 lockdowns and restrictions, providing a virtual space for our global team to connect and support each other in our virtual Race Around the World step challenge. During September, 206 team members competed as part of 43 teams, and together walked an astonishing 47,146 kilometres – the equivalent of travelling around the world. The outcome from the challenge was excellent with teams feeling energised, connected and supported, in what was a challenging and long lockdown for many of our people.

Fairness in our workplace

At T&G, we know there's more we can do to build a more inclusive and representative business, reflecting the diversity of all our communities.

In 2020, we joined Diversity Works and following a stocktake identified that we're at 'starter' level. This year, Diversity Works launched its Aotearoa Inclusivity Matrix, a new evidence-based framework which allows workplaces to identify their diversity, equity and inclusion maturity and practices across seven areas. Guided by this new framework, we've updated our stocktake and developed our global Inclusion and Diversity (I&D) strategy, with the intention of developing a detailed action plan in 2022. At the same time, we've made solid progress on some key initiatives, as outlined below.

Ka Awatea: Nurturing strong Māori and Pasifika leaders

This year, we introduced a new leadership programme designed specifically to nurture, develop and support our Māori and Pasifika team members. Ka Awatea aims to connect people with their cultural heritage, and explore what leadership means for them, their whānau, hapū and iwi. Throughout the intensive five-month programme, 29 team members from across Aotearoa New Zealand discovered their leadership style and grew their confidence and capability in leading. Ka Awatea not only contributes to developing our team members' abilities, but it helps progress our journey to better integrating Māori and Pacifica cultures into our business. It does this through participants working on rōpū's and presenting business cases to the Executive team for initiatives which support inclusion and diversity. For example, forming a Māori and Pacifica engagement group to help foster deeper connections with our communities and iwi, and ensure more diverse celebrations are recognised at T&G. In 2022, we'll work with Ka Awatea graduates to refine and implement these ideas.

Ka Awatea graduates outside the Mataatua Marae in Māngere, Auckland.

Our T&G Fresh customer service and Auckland administration team celebrating Pink Shirt Day.

Helping young Kiwis succeed

Establishing strong partnerships with people from all backgrounds is vital to our business and society's success. At the beginning of 2021, we partnered with First Foundation, an organisation set up to help support young Kiwis whose socio-economic circumstances make it harder for them to attend university. This year we offered a four-year scholarship to a bright young man completing his final year of high school before venturing on to tertiary studies at the University of Auckland. He'll be the first in his family to attend university and will gain valuable work experience throughout his studies within our business. In 2022, we'll extend this sponsorship to three recipients to help progress young, talented individuals through the next stage of their lives.

Standing together to speak up and stop bullying

Celebrated annually around the globe, Pink Shirt Day recognises the importance of making sure everyone feels safe, valued and respected. In 2021 our business turned pink, to strongly support this important message. Our T&G whānau came together at each of our sites and virtually to share morning tea and hear about the importance of speaking up. At T&G, we take a strong stance against workplace bullying and encourage anyone to speak to their leaders or through our anonymous Speak Up hotline, to ensure our workplace is one where everyone is supported and can thrive.

Our place

Our business started from great soil, natural resources and care in our heart, and we're determined to keep it that way for future generations to come. We are committed to having a positive impact on our planet and using our resources responsibly. Our three aspirations of *Climate action, Closing the loop,* and *Lower impact, smarter growing* are grounded in helping build a healthy environment for tomorrow and beyond.

Climate action

As a food producer, the climate is pivotal to our business. Yet, with rising global temperatures, reduced rainfall and increasing weather events, we could face significant disruption. That's why we're minimising the effect our operations have on the planet by reducing our greenhouse gas (GHG) emissions, harnessing clean energy and adapting with innovative solutions. We're committed to planning and preparing for the future environment and the potential opportunities and challenges that may arise.

In December, T&G's climate change strategy was refreshed and will be implemented in 2022. Our key focuses for next year are to set a science-based emission reduction target through our majority shareholder, BayWa Global Produce, and to align with the recommendations set out by the Task Force on Climate-Related Financial Disclosures (TCFD). In addition, we will implement an internal shadow carbon price to guide business decision making and strategy as it relates to carbon intensity. As part of our 'carbon neutral by 2030' commitment, next year we'll look to offset some of our emissions where reductions are not possible. We will also prioritise working with our team and grower partners on climate change education.

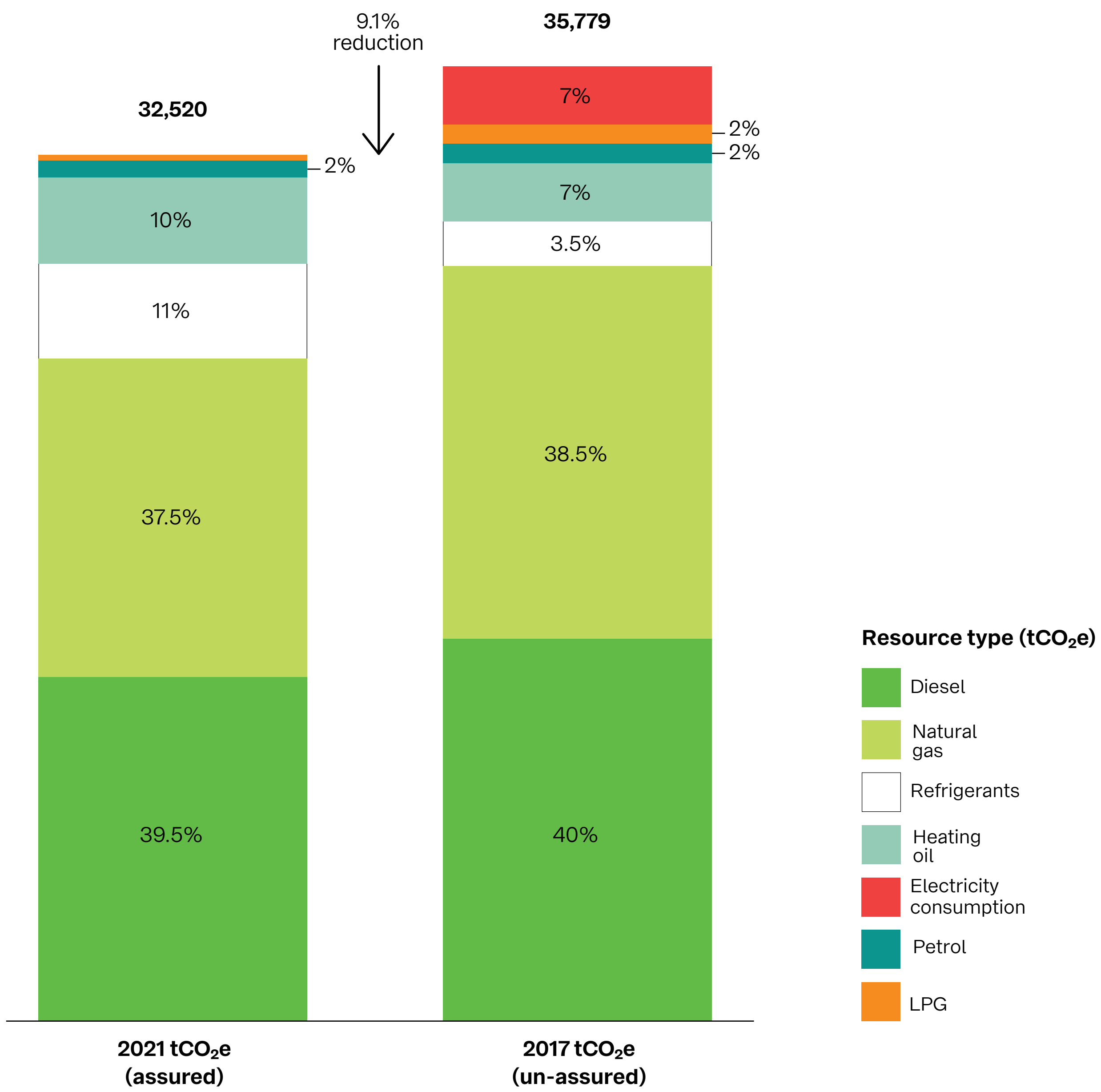
Reducing greenhouse gas emissions

As part of our commitment towards best practice reporting, this year we assured our Scope 1 and 2 emissions to provide certainty in our data and to help identify gaps and areas for improvement. Like all entities embarking on this journey, integrated reporting is a process of continual improvements.

Our target is to reduce T&G's Scope 1 and 2 GHG emissions by 22% by 2025, against our 2017 baseline. And then longer term, achieve carbon neutral operations by 2030.

Throughout 2021, efforts to reduce our GHG emissions have been made, resulting in a 9.1% decrease from 35,779 tCO_2e in 2017 to 32,520 tCO_2e in 2021, for Scope 1 and 2 emissions combined. In 2021, incremental reductions across T&G were made as a result of improved efficiencies such as route optimisation for freight in Aotearoa New Zealand and reduced forklift use in Peru. Emissions from refrigerants increased in 2021 from 2017 levels, this is primarily due to greater data capture this financial year compared to our base year. In 2021, T&G consumed 43,770,557 kWh of electricity, a 27% reduction from 2017 levels of 60,573,523 kWh. 2017 data has not been assured by a third-party provider. Where feasible, we will focus on the electrification of Scope 1 emission sources to ensure we maintain reductions.

CO_2 emissions - Scope 1 and 2



Scope	Resource type	FY21 tCO_2e assured	FY17 tCO_2e un-assured
	Diesel	12,878.42	14,159.57
	Natural gas	12,165.50	13,507.50
	Refrigerants	2,967.73	1,155.18
	Heating oil	3,462.53	2,582.35
	Petrol	717.99	845.02
	LPG	328.57	709.91
Scope 1	**Subtotal Scope 1**	**32,520.75**	**33,229.53**
Scope 2	**Electricity consumption (market based)**	**0**	**2,548.40**
Scope 1 & 2	**Subtotal Scope 1 & 2**	**32,520.75**	**35,779**

Renewable electricity

Together with BayWa AG, in 2020 we achieved our first climate objective of sourcing 100% of electricity from renewable energies. This year, we've continued to deliver on this. For our Aotearoa New Zealand sites, we've purchased renewable energy certificates from Meridian Energy, under its certified renewable electricity scheme. For our international sites, we will be achieving this by purchasing renewable electricity certificates through BayWa using a broker agency. These renewable electricity certificates will be purchased by the end of February 2022 to cover T&G Global's international electricity consumption for the period from 1 January 2021 to 31 December 2021. This has resulted in zero emissions being reported from our Scope 2 activities.

Carbon Disclosure Project: B rating

Since 2019, we've participated in the Carbon Disclosure Project (CDP) as part of BayWa AG. This year, in our third year of participation, BayWa was awarded a climate rating of B for its coordinated measures in response to environmental and climate action issues. In maintaining a B rating for the second year, BayWa scored better in the 'direct greenhouse gas (GHG) emissions' and 'energy consumption categories', in part due to achieving our first climate target at the end of 2020 - using renewable energy sources to cover all electricity needs across the Group. With a CDP rating of B, BayWa Group's commitment to environmental sustainability remains above the average for both Europe and the industry.

Life cycle assessment of JAZZ™ apples

Together with our majority shareholder, BayWa Global Produce, and our UK-based fruit marketing and distribution partner, Worldwide Fruit, we're mapping the baseline environmental impact and carbon emissions of JAZZ™ apples – those that are grown in Aotearoa New Zealand and sold in the United Kingdom, as well as those grown in the United Kingdom and sold in that market. From this, we'll develop a comprehensive emissions reduction and environmental management programme, with the intention of minimizing and – if still required – offsetting all emissions associated with JAZZ™ apples. This will ultimately enable us to offer customers and consumers a carbon neutral JAZZ™ apple.

This year we developed the proof of concept and in 2022 we'll continue to capture data from across the end-to-end supply chain, including orchards, packhouses and transport, to complete the life cycle assessment.

Aotearoa New Zealand's greenest bananas

In partnership with All Good, in May we delivered the first Fairtrade and Zero Carbon certified bananas in Aotearoa New Zealand. By working alongside Agrofair and our Ecuadorian growers, we were able to find a solution to offset the carbon footprint of every All Good banana. Now, every All Good banana is carbon neutral – certified by EKOS and offset in a permanent forest protection project in the Peruvian Andes, close to the Fairtrade farms in El Guabo, Ecuador.

The project protects the Amazonian Rainforest from road and agricultural development, with significant benefits to the indigenous people. It's also aligned to the UN SDGs and certified to the Verified Carbon Standard (VCS).

This is an Aotearoa New Zealand first, with our T&G Fresh business the first company to import, sell and distribute Zero Carbon bananas across the country.

50 Sustainability and Climate Leaders

Our ultimate parent company, BayWa AG, was selected by the United Nations and Bloomberg to appear in a film titled "50 Sustainability and Climate Leaders" for its activities in sustainability and climate protection. The film takes a look at how BayWa, as a traditional conglomerate in the agriculture, energy and building materials segments is driving the industry forward through sustainable innovation. In addition, it documents our activities of launching a climate change-resistant apple variety that is reliable in terms of yield and quality, even in dry and hot climates.

Closing the loop

Our Closing the Loop aspiration commits us to finding ways to design out waste across our end-to-end supply chain. We have three key areas of waste that we're trying to eliminate: packaging and materials, operational waste and food waste. We are committed to partnering and collaborating to create, develop and implement innovative solutions to help reduce the amount of waste in these areas. In 2021, we made progress in all three areas.

Diverting waste from landfill

This year, we sent 3,535 tonnes to landfill, an 8.5% reduction since 2017, when our waste disposal levels were 3,865 tonnes. This data has not been assured by a third-party provider.

In 2021, we conducted an internal audit of our waste to landfill data, noting a number of gaps in data collection. As such, in 2022 we will address the gaps found. This will ensure we have a robust and accurate understanding of the waste we send to landfill which will result in reporting consistency. T&G has strived to achieve zero waste to landfill; however, this has proven to be a difficult task due to the lack of recycling solutions for packaging and materials which we're currently unable to avoid as a result of there being no suitable alternatives. As a result, in 2022 we will review and if necessary, refine, our 2025 zero waste to landfill target.

Turning food waste into bioenergy

In August 2020, construction began on Aotearoa New Zealand's first large-scale food waste-to-bioenergy facility, which is being built by Ecogas on our Reporoa site. Construction has continued this year, under COVID-19 restrictions. This included installing equipment to pre-shred the plant and food waste and remove contaminants to achieve the highest degree of conversion to biogas.

Installation of the reactors and tanks will commence in January 2022, with the facility due to start test processing organic waste in winter 2022. By partnering with Ecogas to build the facility, in return for T&G providing 1,600 tonnes of plant waste from our tomato glasshouse operation, we'll purchase renewable heat and CO_2, which is needed for growing the fruit. This will see us using a carbon neutral, circular economy alternative to natural gas at our Reporoa operation.

Home compostable apple PLU trial

In 2021, we trialled a home compostable Price Look Up (PLU) sticker for a shipment of our Envy™ apples. The trial identified areas of improvement were still needed before moving to this solution for the long term. More work and collaboration with our partners will take place in 2022 to ensure we find a sufficient alternative.

New recyclable packing for JAZZ™

As part of our commitment towards achieving 100% recyclable packaging by 2025, this year we rolled out new recyclable packaging formats for our JAZZ™ brand.

The new packaging formats further support JAZZ's™ new brand positioning, as the ideal apple on the go. In 2021, we sold over 3.5 million cardboard foodtainers of JAZZ™ in Europe.

Finding a home for our surplus fresh produce in the UK

Every year, Worldwide Fruit has surplus produce that doesn't have a commercial home, however in the past we've struggled to redistribute the produce at scale due to the logistical complexities of pallets, punnets and trays. This year, partnering with The Bread and Butter Thing (TBBT) and Fareshare provided a solution, by creating a business-to-consumer model redistributing food directly to those who need it.

Not only does this partnership help support parents in feeding their families nutritious food, it also plays a part in reducing our food waste and its impact on the environment. Since June, Worldwide Fruit has redistributed more 65,300 kilograms of fresh fruit to TBBT - that's over 350,000 pieces of fresh fruit. In that time, we've also donated more than one million apples to Fareshare.

Lower impact, smarter growing

With an ever-growing global population and overall food demand increasing, we need to help meet this growing demand. However, at the same time, the world's natural resources are limited and we need to respect and help address the scarcity of resources. To do this, we're investing in innovation and genetics to increase our growing efficiency and improve the health and biodiversity of our land and ecosystem.

Regenerative horticulture

Sustainable food production is at the heart of Aotearoa New Zealand's horticultural sector and continually, over generations, T&G has kept evolving its growing practices. With consumers and businesses seeking to consume and produce food that improves, enhances and supports the environment, we want to validate and advance regenerative horticultural practices.

In November, we partnered with Zespri and Crown Research Institute Plant & Food Research on a project to research, develop, define and promote sustainable and regenerative horticulture practices within the kiwifruit, apple and berry industries.

The project, which has the potential to be one of the most extensive horticultural research programmes in Aotearoa New Zealand, is partially funded through the Ministry for Primary Industries' Sustainable Food and Fibre Futures Fund. Phase one of the six-year project is underway. It involves exploring regenerative practices and analysing consumer market insights with the goal to move to a longer-term programme of research, including scientific and market validation, along with the implementation of science and grower-backed practices in regenerative horticulture.

Collaborating to improve water resilience

In 2021, T&G's total recorded water consumption was 1,517,788 litres, with 5,704 litres being discharged as wastewater. This data is incomplete for the group and has not been assured internally or by a third-party provider.

We know many of the areas in which we grow produce are prone to drought and, as a result, their water resources are under stress. In 2021, Worldwide Fruit became a signatory to the Courtauld Water Ambition Project, a collaborative supply chain initiative to support South African growers who supply the United Kingdom market to improve water resilience in key priority catchments and growing areas.

Prior to signing up to the Courtauld Water Ambition Project, Worldwide Fruit was already actively involved in water stewardship activities within priority catchments in South Africa, and had developed its own water stewardship framework. This followed a global assessment of catchments in 2015.

An initial survey with Worldwide Fruit's South African growers identified numerous positives but also a number of opportunities that have the potential to improve water management, especially at catchment level. By working alongside their strategic growers and non-governmental organisations to discuss these issues, share learnings and collaborate on solutions, they're jointly helping protect the long-term future of water supply in key production regions.

In 2022, Worldwide Fruit will extend its water stewardship framework to its Spanish and Chilean supply chains, with the intention of fostering close collaboration around the water management at both farm and catchment level to support progressive change.

Our produce

For more than 124 years, with the help of our partners, we've provided communities around the world with safe, high-quality fruit and vegetables. This fresh produce not only provides essential vitamins, minerals and fibre, but also helps fuel people and enhances their livelihoods. Yet, we know not everyone can access or afford nutritious food. At T&G, we're committed to helping address food insecurity and building *Healthy communities* through *Responsible partnerships* and *Safe food*.

Safe food

Vital to our success is ensuring our produce is of the highest standards of food safety, quality and assurance. Our consumers deserve to know how and where their food is produced and have absolute confidence that it's safe to consume. That's why we're building a world-class, transparent supply chain that has the highest standards of food safety.

Meeting customer certifications

T&G is committed to providing our customers and export markets with assurances not only on the safety and quality of our produce, but also on our environmental and social standards. We do this through the application of our own strict standards, as well as adhering to third-party certifications and audits, and the individual requirements of our customers.

This year, all our apples met GLOBALG.A.P standards and our post-harvest packing operations were BRC certified. We also met additional requirements, such as Sedex and customer audits for Costco and Tesco.

In our T&G Fresh business, we met all requirements including our Food Control Plans, Hazard Analysis and Critical Control Point, as well as Woolworths Vendor QA Programme. All growers and suppliers that T&G Fresh trades on behalf of, also have recognised food safety certifications.

All T&G Fresh's growing and packing operations, aside from Northern Prepack which packs only third party supplied root vegetables, have GLOBALG.A.P certification. They also hold GRASP certification, which assesses social practices on farms, such as worker health, safety and welfare.

All T&G Fresh market sites supplying to supermarkets now have NZG.A.P. responsible sourcing certifications and our T&G Fresh blueberry and citrus growing operations in Kerikeri completed their Sedex certification requirements.

Our responsibility is ensuring that consumers can trust the safety and quality of our products. Therefore, all T&G sites comply with stringent food quality standards. In order to comply with these standards, our focus on food safety and quality covers the entire production chain, from growing right through to consumer. All growers and suppliers must comply with clear and strict product specifications, certifications and accreditations. We use quality advanced control systems and inspection equipment, combined with visual inspections by experienced quality specialists.

Responsible partnerships

Given the fundamental role our customers, growers, suppliers and partners play in our business, we're committed to building strong, long-lasting and mutually beneficial partnerships. From this and a set of shared social, environmental and economic objectives, we'll together have a positive impact on people, society and planet.

Responsible sourcing

We are committed to building sustainable food supply chains through long-term partnerships with our growers. We support them in their efforts to apply the highest environmental and social standards. It's our priority to ensure that we ensure a sustainable food chain, requiring full compliance of growers and suppliers to all relevant applicable standards.

Value chain risk assessment

In 2021, we undertook a value chain risk assessment in order to analyse any risks from a social or environmental perspective across our global value chain, and what measures we have in place within the organisation currently to address these risks.

With all data and information now gathered, the focus for 2022 will be on analysing the results and determining next steps – defining actions, where necessary, to address any potential gaps identified through the risk assessment.

Signing the United Nations Global Compact

As part of our commitment to build strong, long-lasting and mutually beneficial partnerships, in 2021 BayWa AG signed up to the United Nations (UN) Global Compact with immediate effect. With T&G part of BayWa AG, this displays our commitment to upholding and promoting the initiative's ten principles in the areas of human rights, labour, the environment and anti-corruption. By becoming a member of the world's largest multi-stakeholder initiative for corporate social responsibility, we are demonstrating that our commitment to sustainability is serious.

Healthy communities

We're passionate about the goodness that comes from fresh produce and we want to support our communities to share the same passion and thrive. That's why we're partnering with others to help address food insecurity and encourage a love for growing and eating fresh produce.

Growing budding gardeners

For over eight years, T&G has partnered with New Zealand's Garden to Table charity, which works with primary school children to change the way they think about food by teaching them how to grow, harvest, prepare and share fresh, seasonal food.

Garden to Table is now in more than 186 schools and reaches over 13,000 children, aged between 5 to 11 years old.

Despite COVID-19 limiting the extent of in-person activities this year, some of our team visited a number of local schools to garden alongside the children and share our knowledge. We also developed the JAZZ™ Real Life Maths resource which was distributed to all Garden to Table schools, linking our end-to-end JAZZ™ brand and supply chain to the country's maths and science curriculum.

In 2021, we signed a further three-year partnership with Garden to Table.

Students from Wesley Primary School, in Auckland, taking part in the Garden to Table programme.

Fairgrow donates one million kilograms of produce

In December 2020, we established Fairgrow to help increase the supply of donated fresh fruit and vegetables across Aotearoa New Zealand. Together with our network of growers, Fairgrow aggregates surplus produce and raises funds to help buy produce when it's not in abundance or readily available. We then partner with the New Zealand Food Network to connect donated fresh fruit and vegetables with their community of food rescue organisations, iwi and charities.

Within one year of Fairgrow's inception, the charity achieved the incredible milestone of donating its one millionth kilogram of fresh produce to food insecure Kiwis across Aotearoa New Zealand. This is the equivalent of 5.5 million servings.

To help support the New Zealand Food Network reach more people, this year we established an agreement to loan our Hastings site outside work hours so they have space to work from.

A number of our team have taken up the opportunity to participate in our Matched Giving Programme, where we match every dollar donated up to a total of $50,000 per annum. Other team members regularly volunteer at the New Zealand Food Network, including using their annual volunteer day, to help pack food deliveries for food hubs across the country.

In 2022, Fairgrow will continue to grow and maximise its impact by recruiting more growers to join our Fairgrow network and by raising increased funds to help purchase additional produce when it's not readily available. This will enable Fairgrow to have a greater reach nationally and help support more local communities and families in need.

Supporting Thailand's COVID response

In September 2021, as COVID-19 continued to severely impact Thailand, our local team reached out to help. We donated 300kg of JAZZ™ apples to three local non-profit organisations to help fuel their generous volunteers and workers. Food for Fighters, one of the recipient organisations, was set up to provide healthcare workers with lunch during long days at the hospital.

The other two recipient organisations, Scholars of Sustenance Thailand and Bangkok Community Help Foundation, have a team of volunteers who everyday aggregate food to feed communities in need. Our local Thailand team is incredibly grateful for the work these organisations do for their local communities, and we were honoured to be able to show thanks for their efforts.

Fuelling Kiwi kids with fresh fruit

This year we continued our partnership with 5+ A Day Charitable Trust to provide Kiwi kids with fresh fruit through the Ministry of Health's Fruit in Schools programme. Every school day, our T&G whānau provided over 260 low-decile schools – that's more than 64,000 kids – in Northland, Auckland, Hamilton, Gisborne, Hastings and Canterbury with delicious fresh fruit.

During the COVID-19 lockdown, when schools were closed, deliveries destined for over 67 schools across Auckland were instead redistributed to charities such as the Auckland City Mission and Fair Food New Zealand to be distributed to those in need.

T&G Global team members volunteering at the New Zealand Food Network.

Board of Directors

Benedikt Mangold
Chair and Non-Independent Director

Carol Campbell
Independent Director

Andreas Helber
Non-Independent Director

Rob Hewett
Independent Director

Ralf Tobias Priske
Non-Independent Director

Marcus Poellinger
Non-Independent Director

See full bios

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

Peter Landon-Lane
Managing Director VentureFruit™

Monique Mallon
Director IT

Adrienne Sharp
Head of Corporate Affairs

Rachel Stotter
Director International Sales

See full bios

Corporate governance

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

Role of the Board

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

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

Board membership

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

Conduct of the Board

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

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

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

Board access to advice

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

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

Board Committees

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

The FRIC meets at least three times per year and is responsible for overseeing compliance with statutory financial regulations and related responsibilities, ensuring that effective systems of accounting and internal control are established and maintained, overseeing internal and external audit, and liaising with T&G's independent auditors.

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

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

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

Interests register

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

T&G management structure

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

Risk identification and management

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

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

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

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

Directors' and officers' insurance

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

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

Tax strategy and governance

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

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

Tax value

Substantially minimise tax cost while complying with the law.

Risk and reputation

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

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

Business partnering

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

Positive tax authority relationship

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

Participating in the development of tax policy where appropriate.

People

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

Compliance

Meeting statutory requirements and regulations, filing required tax returns/disclosures, ensuring integrity in the reported tax disclosures, and making tax payments accurately and on time, in each jurisdiction in which T&G operates.

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

Statutory information

Auditors

Deloitte Limited has continued to act as the principal auditor of T&G and has undertaken the audit of the financial statements for the year ended 31 December 2021.

Directors' loans

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

Directors' remuneration

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

12 months to 31 December 2021

Directors of T&G Global Limited	$'000
Prof. K.J. Lutz (resigned on 23 June 2021)	26
B.J. Mangold	41
C.A. Campbell (Director fees)	93
C.A. Campbell (Committee work)	15
A. Helber	36
R.J. Hewett (Director fees)	93
R.J. Hewett (Committee work)	15
R.T. Priske	36

Mr M.A. Poellinger has been appointed on 14 May 2021, and in line with the recent changes to BayWa's subsidiary Board directorship policy received no Director's remuneration during 2021.

Directors and officers composition

At 31 December 2021 the gender composition of T&G's Directors and officers was as follows:

	Male	Female
Directors	5	1
Officers	4	4

Employee remuneration

T&G paid remuneration including benefits in excess of $100,000 to employees (other than Directors) during the 12 months. The salary banding for the employees is disclosed in the following table:

12 months to 31 December 2021

	NUMBER OF EMPLOYEES	
$'000 NZD EQUIVALENT	2021	2020
100-110	41	43
110-120	33	36
120-130	44	31
130-140	14	17
140-150	17	18
150-160	25	16
160-170	17	19
170-180	8	7
180-190	9	6
190-200	8	10
200-210	10	10
210-220	4	3
220-230	7	7
230-240	3	1
240-250	6	3
250-260	3	4
260-270	3	3
270-280	-	1
280-290	1	2
290-300	2	-
300-310	3	-
310-320	-	2
320-330	1	-
340-350	1	1
350-360	-	2
360-370	3	1
380-390	-	1
390-400	-	1
410-420	-	1
420-430	-	2
440-450	1	-
450-460	-	1
460-470	-	1
470-480	-	1
480-490	-	1
490-500	1	-
530-540	2	1
540-550	3	-
560-570	2	-
590-600	-	1
980-990	1	-
1,070-1,080	-	1
1,300-1,340	1	-
TOTAL	274	255

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 $1,333,346 during the 2021 Financial Year. This amount includes employer KiwiSaver contributions, a vehicle allowance and a short term incentive payment. His base salary for 2021 was $933,239.

Short term incentive

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

Long term incentive (LTI)

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

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

Directors shareholdings

As at 31 December 2021, no current Directors or parties associated with current Directors held ordinary shares (2020: nil). There were no share transactions during the year ended 31 December 2021 in which Directors held 'relevant interests'.

Indemnification and insurance of Directors and officers

The Company indemnifies all Directors named in this report, and current and former executive officers of T&G against all liabilities (other than to the Company or members of T&G) which arise out of the performance of their normal duties as Director or executive officer, unless the liability relates to conduct involving lack of good faith. To manage this risk, T&G has indemnity insurance. The total cost of this insurance including Directors and officers of offshore subsidiaries during the 12 months was $40,765 (2020: $40,765).

Information used by Directors

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

Interested transactions

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

Substantial shareholders

The following information is given pursuant to Section 26 of the Security Markets Act 1988. The following parties are recorded by the Company as at 31 December 2021 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 2021 was 122,543,204.

20 largest shareholders

as at 31 December 2021

Name	Units	% Of issued capital
BayWa Global Produce GmbH	90,671,206	73.99%
Wo Yang Limited	24,496,386	19.99%
Bartel Holdings Limited	1,319,154	1.08%
National Nominees New Zealand Limited	915,894	0.75%
HSBC Nominees (New Zealand) Limited	415,649	0.34%
R.J. Turner, C.E. Turner, Redoubt Trustees Limited & Evans Pennell Trustees Limited	202,689	0.17%
Tribal Nominees Limited	188,661	0.15%
New Zealand Depository Nominee Limited	156,736	0.13%
S.A. McCabe	131,181	0.11%
S.J. Turner, C.M. Turner & D.H. Turner	108,696	0.09%
Tribal New Zealand Traders Limited	108,374	0.09%
L.R. Hotham	101,482	0.08%
A.E. Waite	100,802	0.08%
P.J.S. Rowland	93,507	0.08%
FNZ Custodians Limited	93,379	0.08%
J. Backhouse	86,173	0.06%
M.C. Goodson, D.D. Perron, Goodson & Perron Independent Trustee Limited	79,339	0.06%
BNP Paribas Nominees (NZ) Limited	74,081	0.06%
R.M. Scott	63,494	0.05%
Accident Compensation Corporation	58,933	0.05%
Total	**119,465,816**	**97.49%**

Spread of security holders

as at 31 December 2021

Range	Total holders	% Of total holders	Units	% Of issued capital
1 to 499	84	13.95%	19,156	0.02%
500 - 999	86	14.29%	62,317	0.05%
1,000 - 1,999	122	20.27%	166,908	0.14%
2,000 - 4,999	123	20.43%	380,221	0.31%
5,000 - 9,999	77	12.79%	513,942	0.42%
10,000 - 49,999	87	14.45%	1,771,950	1.44%
50,000 - 99,999	10	1.66%	711,800	0.58%
100,000 - 499,999	9	1.49%	1,514,270	1.23%
500,000 - 999,999	1	0.17%	915,894	0.75%
1,000,000 and above	3	0.50%	116,486,746	95.06%
Total	**602**	**100%**	**122,543,204**	**100%**

Domicile of shareholders

as at 31 December 2021

Location	Total holders	% Of total holders	Units
New Zealand	578	96.01%	7,225,232
Australia	16	2.66%	63,276
Hong Kong	2	0.33%	24,497,644
Germany	2	0.33%	90,703,154
Singapore	2	0.33%	39,432
Malaysia	1	0.17%	11,716
United States of America	1	0.17%	2,750
Total	**602**	**100.00%**	**122,543,204**

Deloitte.

Independent Auditor's Report

To the Shareholders of T&G Global Limited

Opinion

We have audited the consolidated financial statements of T&G Global Limited and its subsidiaries (the 'Group'), which comprise the consolidated balance sheet as at 31 December 2021, and the consolidated income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements, on pages 64 to 135, present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2021, and its consolidated financial performance and cash flows for the year then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards ('NZ IFRS') and International Financial Reporting Standards ('IFRS').

Basis for opinion

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

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

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

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

Audit materiality

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

We determined materiality for the Group financial statements as a whole to be $7.0 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 $25.1 million (2020: $23.5 million) predominantly represent produce such as apples, grapes, blueberries, citrus fruits and tomatoes, growing on bearer plants (e.g. trees and vines) at balance date. Biological assets are measured at fair value less estimated point-of-sale costs. This is calculated by the Group using discounted cash flow models. The valuation of biological assets is a key audit matter due to the subjective judgements and assumptions in the valuation models, many of which are specific to the location of the asset and therefore unobservable in the market. These unobservable inputs and assumptions include the forecast production yield per hectare per annum by weight, annual gate prices expected to be received, costs expected to be incurred and a discount rate reflecting the risks inherent in the crops. The discount rate takes into account the risk of unknown adverse events including natural events, the possible impact of diseases and other adverse factors that may impact on the quality, yield or price.	We held discussions with management to understand if there were changes in market or environmental conditions, or other risks inherent in the current crop valuations. Our audit procedures were focused on the higher value biological assets, or where in our professional judgement there is a greater level of uncertainty associated with the cash flow forecasts. We engaged our internal valuation specialist to consider whether the valuation methods applied were reasonable. We compared the forecast production per hectare, forecast prices, and forecast costs to the approved budgets for the relevant fruit growing activities, and assessed the historical accuracy of the Group's forecasts. With input from our internal valuation specialist we assessed the discount rates assumed in the model and evaluated changes from the prior year. We also performed a sensitivity analysis to assess the impact that a change in the discount rate would have on the valuation of the biological assets. We checked the mechanical accuracy of the discounted cash flow models.
Property, plant & equipment valuations (Note 9) Commercial and orchard land, improvements and buildings ('land and buildings') of the Group amounting to $240.9 million (2020: $243.9 million) are measured at fair value less accumulated depreciation and impairment losses at balance date. Revaluations are performed with sufficient regularity to ensure that the carrying amount does not differ materially from the fair value. As disclosed in Note 9, land and buildings were valued using a combination of market comparison, income capitalisation and depreciated replacement cost methodologies. The valuation of land and buildings is a key audit matter because changes to key assumptions used in the valuation methods could have a material impact on the carrying amount of land and buildings, with changes recognised in either other comprehensive income or profit or loss, as appropriate.	Our procedures have focused on the appropriateness of the valuation methodologies and the reasonableness of the underlying inputs and assumptions. We obtained an understanding of the Group's process for valuing the land and buildings as at 31 December 2021. We evaluated the independence and competence of the Group's external valuers engaged to perform the valuation of land and buildings. On a sample basis: ▪ We considered whether the underlying assumptions used by the external valuers were consistent with our knowledge of the properties in their specific locations; ▪ We assessed comparable sales data used in the valuations to independent sources; and ▪ We compared capitalisation rates used, as applicable, to market reports to check that those rates reflected market trends. We also performed sensitivity analysis to assess the robustness of the methods used by the Group's external valuers on valuation of the land and buildings.

Other information	The directors are responsible on behalf of the Group for the other information. The other information comprises the information in the Annual Report that accompanies the consolidated financial statements and the audit report. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and consider whether it is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If so, we are required to report that fact. We have nothing to report in this regard.
Directors' responsibilities for the consolidated financial statements	The directors are responsible on behalf of the Group for the preparation and fair presentation of the consolidated financial statements in accordance with NZ IFRS and IFRS, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. In preparing the consolidated financial statements, the directors are responsible on behalf of the Group for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.
Auditor's responsibilities for the audit of the consolidated financial statements	Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and ISAs (NZ) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements. A further description of our responsibilities for the audit of the consolidated financial statements is located on the External Reporting Board's website at: **https://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-1** This description forms part of our auditor's report.
Restriction on use	This report is made solely to the Company's shareholders, as a body. Our audit has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Deloitte Limited

Hamish Anton

Partner
for Deloitte Limited
Wellington, New Zealand
28 February 2022

Contents

Income statement

For the year ended 31 December 2021

	NOTES	2021 $'000	2020 $'000
Revenue from contracts with customers	4	**1,365,413**	1,412,590
Other operating income	5	**10,861**	10,019
Purchases, raw materials and consumables used		**(1,007,737)**	(1,086,876)
Employee benefits expenses	6	**(175,775)**	(177,458)
Depreciation and amortisation expenses	6	**(52,645)**	(45,879)
Other operating expenses	6	**(123,230)**	(80,020)
Operating profit		**16,887**	32,376
Financing income	13	**1,234**	1,334
Financing expenses	13	**(16,866)**	(14,108)
Share of (loss) / profit from joint ventures	22	**(114)**	65
Share of profit from associates	23	**2,139**	2,357
Other income	5	**7,384**	-
Other expenses	6	**(866)**	-
Profit before income tax		**9,798**	22,024
Income tax credit / (expense)	7	**3,754**	(5,434)
Profit after income tax		**13,552**	16,590
Attributable to:			
Equity holders of the Parent		**8,876**	11,056
Non-controlling interests		**4,676**	5,534
Profit for the year		**13,552**	16,590
Earnings per share (in cents)			
Basic and diluted earnings	15	**7.2**	9.0

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

Statement of comprehensive income

For the year ended 31 December 2021

	NOTES	2021 $'000	2020 $'000
Profit for the year		**13,552**	16,590
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss:			
Gain on revaluation of property, plant and equipment:			
Held by subsidiaries of the Group	14	**67,658**	38,582
Deferred tax effect on revaluation of property, plant and equipment	14	**(12,961)**	(2,976)
Deferred tax effect on sale of property, plant and equipment	14	**5,977**	(61)
		60,674	35,545
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		**2,672**	(3,861)
Cash flow hedges:			
Fair value (loss) / gain, net of tax		**(13,448)**	14,420
Reclassification of net change in fair value to profit or loss		**2,602**	(4,178)
		(8,174)	6,381
Other comprehensive income for the year		**52,500**	41,926
Total comprehensive income for the year		**66,052**	58,516
Total comprehensive income for the year is attributable to:			
Equity holders of the Parent		**60,822**	53,563
Non-controlling interests		**5,230**	4,953
		66,052	58,516

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

Statement of changes in equity

For the year ended 31 December 2021

2021

	NOTES	Share capital $'000	Revaluation and other reserves $'000	Retained earnings $'000	Total $'000	Non-controlling interests $'000	Total equity $'000
Balance at 1 January 2021		**176,357**	**113,289**	**216,961**	**506,607**	**13,147**	**519,754**
Profit for the year		**-**	**-**	**8,876**	**8,876**	**4,676**	**13,552**
Other comprehensive income / (expense)							
Revaluation of property, plant and equipment	14	**-**	**67,658**	**-**	**67,658**	**-**	**67,658**
Deferred tax effect on revaluation of property, plant and equipment	14	**-**	**(12,961)**	**-**	**(12,961)**	**-**	**(12,961)**
Deferred tax effect on sale of property, plant and equipment	14	**-**	**5,977**	**-**	**5,977**	**-**	**5,977**
Exchange differences on translation of foreign operations	14	**-**	**2,114**	**-**	**2,114**	**558**	**2,672**
Movement in cash flow hedge reserve	14	**-**	**(10,842)**	**-**	**(10,842)**	**(4)**	**(10,846)**
Total other comprehensive income		**-**	**51,946**	**-**	**51,946**	**554**	**52,500**
Transactions with owners							
Dividends	16	**-**	**-**	**(7,353)**	**(7,353)**	**(4,849)**	**(12,202)**
Total transactions with owners		**-**	**-**	**(7,353)**	**(7,353)**	**(4,849)**	**(12,202)**
Transfer from asset revaluation reserve due to asset disposal	14	**-**	**(52,123)**	**52,123**	**-**	**-**	**-**
Balance at 31 December 2021		**176,357**	**113,112**	**270,607**	**560,076**	**13,528**	**573,604**

2020

	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 2020		176,357	111,623	172,726	460,706	13,697	474,403
Profit for the year		-	-	11,056	11,056	5,534	16,590
Other comprehensive income / (expense)							
Revaluation of property, plant and equipment	14	-	38,582	-	38,582	-	38,582
Deferred tax effect on revaluation of property, plant and equipment	14	-	(2,976)	-	(2,976)	-	(2,976)
Deferred tax effect on sale of property, plant and equipment	14	-	(61)	-	(61)	-	(61)
Exchange differences on translation of foreign operations	14	-	(3,288)	-	(3,288)	(573)	(3,861)
Movement in cash flow hedge reserve	14	-	10,250	-	10,250	(8)	10,242
Total other comprehensive income / (expense)		-	42,507	-	42,507	(581)	41,926
Transactions with owners							
Dividends	16	-	-	(7,353)	(7,353)	(5,441)	(12,794)
Acquisition of non-controlling interest's share in subsidiaries		-	-	(309)	(309)	(62)	(371)
Total transactions with owners		-	-	(7,662)	(7,662)	(5,503)	(13,165)
Transfer from asset revaluation reserve due to asset disposal	14	-	(40,841)	40,841	-	-	-
Balance at 31 December 2020		176,357	113,289	216,961	506,607	13,147	519,754

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

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

Balance sheet

As at 31 December 2021

	NOTES	2021 $'000	2020 $'000
Current assets			
Cash and cash equivalents		**59,005**	44,664
Trade and other receivables	18	**147,550**	184,948
Inventories	19	**45,560**	39,666
Taxation receivable		**12,334**	9,942
Derivative financial instruments	27	**3,630**	14,832
Biological assets	8	**25,129**	23,449
Total current assets		**293,208**	317,500
Non-current assets			
Trade and other receivables	18	**39,360**	17,087
Derivative financial instruments	27	**1,311**	6,561
Deferred tax assets	7	**1,320**	1,166
Investments in unlisted entities		**86**	87
Property, plant and equipment	9	**399,806**	392,700
Right-of-use assets	11	**139,461**	119,198
Investment property	24	**-**	13,500
Intangible assets	10	**75,853**	77,842
Investments in joint ventures	22	**3,238**	3,347
Investments in associates	23	**30,637**	31,753
Total non-current assets		**691,072**	663,242
Total assets		**984,280**	980,742
Current liabilities			
Trade and other payables	20	**162,693**	179,098
Loans and borrowings	12	**10,879**	24,729
Lease liabilities	11	**21,330**	21,282
Taxation payable		**11,717**	1,861
Derivative financial instruments	27	**3,397**	1,547
Total current liabilities		**210,016**	228,517

Table continues next page

	NOTES	2021 $'000	2020 $'000
Non-current liabilities			
Trade and other payables	20	**592**	1,320
Loans and borrowings	12	**32,345**	76,400
Lease liabilities	11	**134,745**	102,457
Derivative financial instruments	27	**3,158**	5,623
Deferred tax liabilities	7	**29,820**	46,671
Total non-current liabilities		**200,660**	232,471
Total liabilities		**410,676**	460,988
Equity			
Share capital	14	**176,357**	176,357
Revaluation and other reserves	14	**113,112**	113,289
Retained earnings		**270,607**	216,961
Total equity attributable to equity holders of the Parent		**560,076**	506,607
Non-controlling interests		**13,528**	13,147
Total equity		**573,604**	519,754
Total liabilities and equity		**984,280**	980,742

Approved for and on behalf of the Board

B.J. Mangold
Director (Chair)
28 February 2022

C.A. Campbell
Director (Chair of Finance, Risk and Investment Committee)
28 February 2022

Statement of cash flows

For the year ended 31 December 2021

	NOTES	2021 $'000	2020 $'000
Cash flows from operating activities			
Cash was provided from:			
Cash receipts from customers		**1,400,352**	1,442,418
Other		**683**	71
Cash was disbursed to:			
Payments to suppliers and employees		**(1,336,693)**	(1,374,939)
Interest paid		**(6,582)**	(10,997)
Income taxes paid		**(2,400)**	(272)
Net cash inflow from operating activities		**55,360**	56,281
Cash flows from investing activities			
Cash was provided from:			
Cash acquired with business		**-**	605
Dividends received from joint ventures and associates		**2,854**	2,430
External loan repayments from suppliers, customers, associates and joint ventures		**2,024**	2,808
Sale of apple orchards		**13,279**	-
Sale of investment property		**15,500**	-
Sale of Whakatu Road site		**79,545**	-
Sale of other property, plant and equipment		**4,194**	605
Sale of Nayland Road site		**-**	50,514
Cash was disbursed to:			
Purchase of property, plant and equipment	9	**(49,093)**	(41,193)
Purchase of intangible assets	10	**(4,107)**	(5,584)
Purchase of Freshmax NZ Limited		**-**	(27,904)
Purchase of non-controlling interest's share in subsidiary		**-**	(371)
Loans to suppliers, customers, associates and joint ventures		**(3,407)**	(449)
Net cash inflow / (outflow) from investing activities		**60,789**	(18,539)

Table continues next page

	NOTES	2021 $'000	2020 $'000
Cash flows from financing activities			
Cash was provided from:			
Net proceeds from short-term borrowings		**-**	22,600
Proceeds from long-term borrowings		**70,325**	48,953
Cash was disbursed to:			
Dividends paid to non-controlling interests	16	**(4,849)**	(5,441)
Dividends paid to Parent's shareholders	16	**(7,353)**	(7,353)
Repayment of long-term borrowings		**(115,421)**	(56,512)
Net repayment of short-term borrowings		**(13,000)**	-
Repayment of related party loan		**-**	(5,270)
Repayment of lease liabilities		**(30,413)**	(21,658)
Bank facility fees and transaction fees		**(3,083)**	(3,311)
Net cash outflow from financing activities	17	**(103,794)**	(27,992)
Net increase in cash and cash equivalents		**12,355**	9,750
Foreign currency translation adjustment		**1,986**	(1,294)
Cash and cash equivalents at the beginning of the year		**44,664**	36,208
Cash and cash equivalents at the end of the year		**59,005**	44,664

Statement of cash flows (continued)

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

	NOTES	2021 $'000	2020 $'000
Profit for the year		**13,552**	16,590
Adjusted for non-cash items:			
Amortisation expense	6	**4,359**	2,672
Depreciation expense	6	**48,286**	43,207
Movement in deferred tax	7	**(20,392)**	882
Movement in expected credit loss allowance	18	**(125)**	1,837
Revenue from sale of licences		**(14,308)**	-
Share of loss / (profit) of joint ventures	22	**114**	(65)
Share of profit of associates	23	**(2,139)**	(2,357)
Other movements		**(5,764)**	(1,422)
		10,031	44,754
Adjusted for investing and financing activities:			
Bank facility and line fees		**3,083**	3,311
Fair value adjustment of investment property	24	**(2,000)**	1,500
Gain on sale and leaseback of Whakatu Road site	5	**(7,384)**	-
Impairment of assets	9	**4,821**	-
Impairment of intangible assets	10	**1,437**	-
Impairment of loans to associates		**-**	921
Loss on sale of apple orchards	6	**438**	-
Loss on disposal of other property, plant and equipment	6	**7,486**	2,838
Net gain from reversal of previous impairment losses through profit and loss	5	**(1,870)**	-
Net gain from reversal of previous property, plant and equipment revaluation changes through profit and loss	5	**(946)**	(13)
Write down of investment in associate	6	**428**	-
		5,493	8,557
Impact of changes in working capital items net of effects of non-cash items, and investing and financing activities:			
Decrease in debtors and prepayments		**33,170**	6,278
Increase in biological assets		**(1,680)**	(816)
Decrease in creditors and provisions		**(6,776)**	(9,468)
Increase in inventories		**(5,894)**	(11,350)
Decrease in net taxation receivable		**7,464**	1,736
Total		**26,284**	(13,620)
Net cash inflow from operating activities		**55,360**	56,281

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 New Zealand's leading grower, distributor, marketer and exporter of premium fresh produce. Key categories for the Group include apples, grapes, 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 2021.

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

The Parent is a limited liability company incorporated and domiciled in New Zealand and is listed on the New Zealand Stock Exchange. The address of its registered office is 1 Clemow Drive, Mount Wellington, Auckland.

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

Statement of compliance

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

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

Measurement basis

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

Basis of consolidation

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

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

Notes to the financial statements (continued)

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

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

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

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

Basis of accounting

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

Foreign currency translation

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

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

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

Fair value estimation

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
Fair value of biological assets	8	Biological assets
Valuation of property, plant and equipment	9	Property, plant and equipment
Carrying value of intangible assets	10	Intangible assets
Calculation of lease liabilities	11	Leases

COVID-19 pandemic

The Group's result was impacted by the ongoing COVID-19 pandemic particularly with:

- Shipping delays in the Apples and International Trading business units and associated impacts on pricing and shipping costs;
- Market access and supply shortages in International Trading;
- Shipping delays of imported produce, availability and cost of labour, and restrictions on physical openings of independent retailers and foodservice in the T&G Fresh business unit.

The impact of the pandemic on the balance sheet is assessed on an ongoing basis throughout the year specifically looking at balance sheet items held at fair value, rely on market inputs, or where management judgement is applied in the valuation of a balance sheet item.

The carrying values of these areas in particular were considered:

- Trade receivables and inventory
- Commercial land and buildings, and orchard land and improvements
- Biological assets
- Goodwill
- Investments in associates and joint ventures
- Borrowings

From the Group's assessment, no material adjustments were required on the reported results. These assessments were based on information available at the time of preparing these financial statements and will be monitored on an ongoing basis.

2. New accounting standards, amendments and interpretations

New standards, amendments and interpretations adopted in the current year

Implementation of IFRS Interpretations Committee ('IFRIC') agenda decision on Configuration and Customisation costs incurred in implementing Software-as-a-Service ('SaaS').

The International Financial Reporting Interpretations Committee ('IFRIC') issued an agenda decision on *Configuration or Customisation Costs in a Cloud Computing Arrangement* in April 2021. This Interpretation clarifies the accounting treatment in respect of costs of configuring or customising a Software as a Service ('SaaS') arrangement. The Group adopted this Interpretation retrospectively for the period beginning 1 January 2021 and has completed a review noting no material impact on the Group's financial statements.

Notes to the financial statements (continued)

Standards on issue not yet effective

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

NZ IFRS 17 *Insurance Contracts* (NZ IFRS 17) has not been adopted early. This standard provides consistent principles for all aspects of accounting for insurance contracts. This standard becomes effective for annual periods commencing on or after 1 January 2023. The impact on the financial statements has not yet been determined.

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 although may result in change in disclosure.

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

3. Segment information

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

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

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

Operating segments

The Group comprises the following main operating segments:

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

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

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

The VentureFruit™ segment result reported above eliminates intercompany royalties received from the Apples operating segment. These royalties are derived by the Apples operating segment from external sources and as such, are reported in the Apples operating segment.

	Apples $'000	International Trading $'000	T&G Fresh $'000	VentureFruit™ $'000	Other $'000	Total $'000
2020 [1]						
Total segment revenue	944,414	199,392	370,546	2,924	930	1,518,206
Inter-segment revenue	(72,111)	(20,676)	(12,829)	-	-	(105,616)
Revenue from external customers	872,303	178,716	357,717	2,924	930	1,412,590
Purchases, raw materials and consumables used	(695,568)	(168,679)	(222,564)	-	(65)	(1,086,876)
Depreciation and amortisation expenses	(20,101)	(776)	(22,433)	(69)	(2,500)	(45,879)
Net other operating expenses	(101,914)	(6,935)	(94,316)	(5,468)	(38,826)	(247,459)
Segment operating profit / (loss)	54,720	2,326	18,404	(2,613)	(40,461)	32,376
Financing income						1,334
Financing expense						(14,108)
Share of profit from joint ventures						65
Share of profit from associates						2,357
Profit before income tax						22,024

[1] Prior year segment results have been re-presented to ensure consistency in the composition of business segments to reflect the Group's internal reporting. This had no impact on the income statement or other primary statements with the only impact being in the 2020 segment information presentation. Refer to Note 4.

Notes to the financial statements (continued)

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

	2021 $'000	2020 $'000
New Zealand	**411,717**	331,894
Australia and Pacific Islands	**87,760**	101,310
Asia	**284,291**	355,898
Americas	**75,479**	87,649
Europe	**506,166**	535,839
Total	**1,365,413**	1,412,590

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:

	2021 $'000	2020 $'000
New Zealand	**601,212**	583,730
Other	**47,783**	54,610
Total	**648,995**	638,340

4. Revenue from contracts with customers

The Group records revenue from the following sources:

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

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

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

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

Sale of licences

The Group has developed a new revenue stream from the sale of right-to-grow licences for its premium apple variety Envy™. A right-to-grow licences 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 judgment applied by the Group is around the determination of the performance obligations in the 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.

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

	Apples $'000	International Trading $'000	T&G Fresh $'000	VentureFruit™ $'000	Other $'000	Total $'000
2020 [1]						
Nature of revenue						
Sale of produce	813,072	173,136	287,198	-	-	1,273,406
Sale of licences	-	-	-	2,373	-	2,373
Commissions	20,915	2,465	21,294	-	-	44,674
Services	29,920	3,115	49,225	547	930	83,737
Royalties	8,396	-	-	4	-	8,400
Revenue from external customers	872,303	178,716	357,717	2,924	930	1,412,590
Timing of revenue recognition						
At a point in time						
Sale of produce	813,072	173,136	287,198	-	-	1,273,406
Sale of licences	-	-	-	2,373	-	2,373
Commissions	20,915	2,465	21,294	-	-	44,674
Services	20,415	3,115	49,210	547	930	74,217
Royalties	8,396	-	-	4	-	8,400
	862,798	178,716	357,702	2,924	930	1,403,070
Over time						
Services	9,505	-	15	-	-	9,520
	9,505	-	15	-	-	9,520
Revenue from external customers	872,303	178,716	357,717	2,924	930	1,412,590

[1] Prior year segment results have been re-presented to ensure consistency in the composition of business segments to reflect the Group's internal reporting. This had no impact on the income statement or other primary statements with the only impact being in the 2020 segment information presentation note. Refer to Note 3.

5. Other income

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

Other operating income consists of the following:

	NOTES	2021 $'000	2020 $'000
Net exchange gains		**-**	580
Net gain from changes in fair value of biological assets	8	**2,174**	5,698
Net gain from change in fair value of investment property	24	**2,000**	-
Net gain from reversal of previous property, plant and equipment revaluation changes through profit and loss		**946**	13
Net gain from reversal of previous impairment losses through profit and loss	10	**1,870**	-
Rent - others		**1,957**	2,095
Rent from subleases		**1,452**	1,120
Other		**462**	513
Total		**10,861**	10,019

Other income consists of the following non-operating activities:

	NOTES	2021 $'000	2020 $'000
Gain on sale and leaseback of Whakatu Road site	11	**7,384**	-
Total		**7,384**	-

6. Other expenses

Depreciation and amortisation expenses

	NOTES	2021 $'000	2020 $'000
Depreciation of property, plant and equipment	9	**22,410**	20,790
Depreciation of right-of-use assets	11	**25,876**	22,417
Amortisation of intangible assets	10	**4,359**	2,672
Total		**52,645**	45,879

Other operating expenses

Other operating expenses includes the following:

	NOTES	2021 $'000	2020 $'000
Directors' remuneration	25	**355**	386
Fleet costs		**11,099**	10,135
Impairment of assets	9	**4,821**	-
Insurance		**8,455**	6,991
Net exchange losses		**14,036**	-
Net loss on disposal of property, plant and equipment		**7,486**	2,838
Professional fees		**15,536**	13,643
Promotion costs		**9,460**	8,014
Rental and property related costs		**18,051**	15,354
Repairs and maintenance		**10,220**	10,759
Research and development		**750**	2,047
Travel and accommodation		**1,477**	2,109

Net exchange losses do not include a net realised foreign exchange gain of $14.2 million (2020: $2.3 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 $0.1 million (2020: $2.9 million).

Impairment of assets includes $4.7 million related to bearer plants at the Peru grape growing operations. This was recognised in the International Trading operating segment.

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 $4.3 million were made by the Group towards employees' superannuation schemes (2020: $4.1 million).

Audit fees

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

	2021 $'000	2020 $'000
Deloitte Limited and affiliated firms[1]		
Audit of the financial statements	**601**	613
Audit related services	**7**	9
Other services	**20**	20
Other auditors		
Audit services provided	**501**	612
Other services[2]	**178**	134

[1]Services performed by Deloitte Limited in 2021 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.
- Review of solvency return for a captive insurance subsidiary.
- Other services including agreed upon procedures relating to packhouse settlement. The Group has also paid $0.02 million 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 relates to internal audit services performed by Ernst & Young Global Limited.

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

	2021 $'000	2020 $'000
BDO for Delica (Shanghai) Fruit Trading Company Limited	**27**	10
Burgess Hodgson LLP for Worldwide Fruit Limited	**99**	103
HLB Mann Judd for Delica Australia Pty Limited, Delica Domestic Pty Limited, T&G Vizzarri Farms Pty Limited	**103**	178
Hutchinson and Bloodgood LLP for Delica North America, Inc.	**86**	110
Moss Adams LLP for ENZAFRUIT Products Inc.	**92**	76
JPAC for T&G South East Asia Limited	**94**	135
Total	**501**	612

Other expenses

Other expenses consists of the following non-operating activities:

	2021 $'000	2020 $'000
Loss on sale of apple orchards	**438**	-
Write down of investment in associate	**428**	-
Total	**866**	-

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

	2021 $'000	2020 $'000
Current tax expense	**(16,638)**	(4,552)
Deferred tax credit / (expense)	**20,392**	(882)
Total	**3,754**	(5,434)

(B) Reconciliation of prima facie taxation and tax expense

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

	2021 $'000	2020 $'000
Profit before income tax	**9,798**	**22,024**
Prima facie taxation at 28% (2020: 28%)	**(2,743)**	(6,167)
(Add) / deduct tax effect of:		
Non-deductible items	**(2,608)**	(1,778)
Effect of tax rates in non-NZ jurisdictions	**1,631**	1,533
Tax on share of joint ventures' and associates' profits	**393**	551
Deferred tax assets not recognised	**(5,375)**	(1,308)
Reinstatement of tax base on depreciable buildings in New Zealand	**-**	1,173
Adjustments in respect of prior periods	**(279)**	276
Unutilised foreign tax credits not available for future periods	**(298)**	(99)
Non-taxable capital gain on sale	**6,859**	-
Deferred tax liability unwind due to sale of Whakatu Road site	**5,439**	-
Non-taxable items	**1,136**	247
Change in tax rate in non-New Zealand jurisdiction	**(422)**	-
Other	**21**	138
Total	**3,754**	(5,434)

(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
2020							
Balance as at 1 January	(42,032)	(2,015)	(6,680)	2,885	7,536	(596)	(40,902)
Additions through business acquisition	177	(1,879)	-	332	-	-	(1,370)
Recognised in income statement prior year	(84)	-	24	(165)	(960)	-	(1,185)
Recognised in income statement	5,124	150	(393)	1,548	(5,889)	(237)	303
Recognised in equity prior year	-	-	-	-	-	278	278
Recognised in equity	(3,037)	-	-	-	-	499	(2,538)
Foreign exchange movements	16	(16)	-	(6)	(85)	-	(91)
Balance as at 31 December	(39,836)	(3,760)	(7,049)	4,594	602	(56)	(45,505)
2021							
Balance as at 1 January	**(39,836)**	**(3,760)**	**(7,049)**	**4,594**	**602**	**(56)**	**(45,505)**
Recognised in income statement prior year	**(82)**	**(188)**	**-**	**(573)**	**(962)**	**395**	**(1,410)**
Recognised in income statement	**11,708**	**1,330**	**(367)**	**269**	**8,412**	**450**	**21,802**
Recognised in equity	**(6,984)**	**-**	**-**	**-**	**4,152**	**(516)**	**(3,348)**
Foreign exchange movements	**(51)**	**(9)**	**-**	**(9)**	**32**	**(2)**	**(39)**
Balance as at 31 December	**(35,245)**	**(2,627)**	**(7,416)**	**4,281**	**12,236**	**271**	**(28,500)**

Net deferred tax balance of $28.5 million (2020: $45.5 million) is represented by deferred tax assets of $1.3 million (2020: $1.2 million) and deferred tax liabilities of $29.8 million (2020: $46.7 million).

Expected settlement

	2021 $'000	2020 $'000
Deferred tax assets / (liabilities) expected to be settled within 12 months	**9,101**	(2,318)
Deferred tax liabilities expected to be settled in more than 12 months	**(37,601)**	(43,187)
Total	**(28,500)**	(45,505)

(D) Imputation credits

The Group had a negative imputation credit account balance of $2.7 million as at 31 December 2021 (2020: $2.3 million negative balance) and the Group will be making a voluntary payment before 31 March 2022 to ensure the balance is in credit at that time.

(E) Additional tax disclosures

The tax credit for the year of $3.8 million (2020: $5.4 million charged), equates to an effective tax rate of negative 38.3% (2020: 24.7%). This represents a tax credit on a profit before tax. The principal reasons for the tax credit are the significant non-taxable capital gains on disposals and the sale of 22 Whakatu Road which has released a $5.0 million credit to deferred tax expense. The initial $5.0 million deferred tax liability arose on the acquisition of 22 Whakatu Road in 2014 as the fair value of the business combination (initial accounting value) was higher than the purchase price paid (initial tax value). Excluding this event, the Group's effective tax rate is higher than the New Zealand statutory corporate tax rate of 28% due principally to the non-recognition of deferred tax assets on losses in Peru. In 2020, the rate of 24.7% (tax charge on a profit) was lower than the NZ statutory rate principally due to the different corporate tax rates applicable for the subsidiaries operating in foreign jurisdictions, and the impact of non-deductible and non-taxable items.

At the reporting date, the Group had unrecognised tax losses from its Peru operations that arose between 2018 and 2021 of approximately $25.0 million (2020: $4.0 million) which are available for offset against future Peru profits. The losses will all expire within the next 4 years, with the first expiry in 2022.

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

8. Biological assets

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

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

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

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

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

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

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

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

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

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

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

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

	Apples $'000	Tomatoes $'000	Citrus $'000	Grapes $'000	Blueberries $'000	Total $'000
2020						
Balance at 1 January	18,360	1,854	1,977	611	(169)	22,633
Capitalised costs	31,267	-	5,982	692	1,796	39,737
Change in fair value less costs to sell	2,077	3,327	272	-	22	5,698
Decrease due to harvest	(31,860)	(3,708)	(6,497)	(1,303)	(1,251)	(44,619)
Balance at 31 December	19,844	1,473	1,734	-	398	23,449
2021						
Balance at 1 January	**19,844**	**1,473**	**1,734**	**-**	**398**	**23,449**
Capitalised costs	**34,374**	**-**	**5,957**	**8,262**	**1,490**	**50,083**
Change in fair value less costs to sell	**(2,600)**	**3,739**	**1,389**	**-**	**(354)**	**2,174**
Decrease due to harvest	**(32,704)**	**(1,578)**	**(6,564)**	**(8,262)**	**(1,469)**	**(50,577)**
Balance at 31 December	**18,914**	**3,634**	**2,516**	**-**	**65**	**25,129**

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	
		2021	2020
Apples	Tray carton equivalent (TCE) per hectare per annum	270 to 4,996	117 to 5,500
	Weighted average TCE per hectare per annum	1,931	2,335
	Export prices per export TCE	$10 to $73	$10 to $71
	Weighted average export prices per export TCE per annum	$32.34	$35.39
	Risk-adjusted discount rate	25%	35%
Tomatoes	Tonnes per hectare per annum	48 to 541	159 to 582
	Weighted average tonnes per hectare per annum	359	435
	Annual price per kilogram (kg) per season	$1.46 to $18.97	$1.34 to $18.98
	Weighted average price per kg per season	$3.97	$3.53
	Risk-adjusted discount rate	25%	25%
Citrus	Tonnes per hectare per annum	35	36
	Weighted average tonnes per hectare per annum	35	36
	Annual gate price per tonne per season	$792 to $2,569	$750 to 2,570
	Weighted average gate price per tonne per season	$2,154	$2,139
	Risk-adjusted discount rate	14%	14%
Blueberries	Tonnes per hectare per annum	6.9	6.3
	Weighted average tonnes per hectare per annum	6.9	6.3
	Annual gate price per kg per season	$8.14 to $17.95	$8.50 to $18.50
	Weighted average gate price per kg per season	$17.47	$17.67
	Risk-adjusted discount rate	18%	18%

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

For the Group's apples crop, an increase of 5% in the discount rate would decrease the crop's fair value by $0.4 million (2020: $0.4 million). A decrease of 5% in the discount rate would increase the fair value of crop by $0.4 million (2020: $0.5 million).

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

Risk

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

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

Activity on productive owned and leased land

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

	Hectares		Production units		
	2021	2020	2021	2020	Unit measure
Apples	661	739	1,270,035	1,603,147	TCE
Tomatoes	28	28	10,205,439	12,372,771	kg
Citrus	90	90	3,150,426	3,223,001	kg
Grapes	59	115	202,326	340,000	kg
Blueberries	11	11	71,332	69,711	kg

Notes to the financial statements (continued)

9. Property plant and equipment

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

Revaluations

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

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

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

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

Depreciation

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

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

Impairment

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

	Commercial land and improvements $'000	Orchard land and improvements $'000	Buildings $'000	Bearer plants $'000	Glass-houses $'000	Motor vehicles $'000	Plant and equipment and hire containers $'000	Work in progress $'000	Total $'000
At 1 January 2020									
Cost or valuation	47,394	81,705	140,883	36,547	27,915	6,487	140,576	40,160	521,667
Accumulated depreciation and impairment	(348)	(1,213)	(9,154)	(8,079)	(12,893)	(4,490)	(99,411)	-	(135,588)
Net carrying amounts	47,046	80,492	131,729	28,468	15,022	1,997	41,165	40,160	386,079
Year ended 31 December 2020									
Opening net carrying amounts	47,046	80,492	131,729	28,468	15,022	1,997	41,165	40,160	386,079
Additions	243	159	1,039	178	45	2,058	9,751	27,720	41,193
Additions through business acquisition	-	-	1,063	-	-	2	2,310	104	3,479
Reclassifications	1,133	1,136	1,730	13,951	-	13	5,009	(22,972)	-
Depreciation	(1,211)	(759)	(6,540)	(1,644)	(962)	(647)	(9,027)	-	(20,790)
Disposals	(16,695)	(756)	(33,699)	(1,122)	-	(131)	(1,227)	(992)	(54,622)
Revaluations	12,193	-	12,426	-	-	-	-	108	24,727
Depreciation write back on revaluations	869	-	13,296	-	-	-	-	-	14,165
Foreign exchange movements	(69)	(375)	(530)	(849)	-	9	274	9	(1,531)
Closing net carrying amounts	43,509	79,897	120,514	38,982	14,105	3,301	48,255	44,137	392,700
At 31 December 2020									
Cost or valuation	43,876	81,828	125,248	49,275	27,960	7,552	151,195	44,137	531,071
Accumulated depreciation and impairment	(367)	(1,931)	(4,734)	(10,293)	(13,855)	(4,251)	(102,940)	-	(138,371)
Net carrying amounts	43,509	79,897	120,514	38,982	14,105	3,301	48,255	44,137	392,700
Year ended 31 December 2021									
Opening net carrying amounts	**43,509**	**79,897**	**120,514**	**38,982**	**14,105**	**3,301**	**48,255**	**44,137**	**392,700**
Additions	**78**	**118**	**1,395**	**1,629**	**388**	**267**	**5,265**	**39,953**	**49,093**
Reclassifications	**1,131**	**-**	**520**	**11,726**	**-**	**-**	**3,247**	**(16,624)**	**-**
Depreciation	**(1,160)**	**(733)**	**(6,486)**	**(2,347)**	**(970)**	**(874)**	**(9,840)**	**-**	**(22,410)**
Disposals	**(12,880)**	**(7,748)**	**(47,215)**	**(7,396)**	**(17)**	**(22)**	**(1,706)**	**(7,437)**	**(84,421)**
Impairment through profit and loss	**-**	**-**	**-**	**(4,710)**	**-**	**-**	**(111)**	**-**	**(4,821)**
Revaluations	**8,904**	**14,989**	**38,780**	**-**	**-**	**-**	**-**	**(639)**	**62,034**
Depreciation write back on revaluations	**966**	**1,367**	**4,287**	**-**	**-**	**-**	**-**	**-**	**6,620**
Foreign exchange movements	**95**	**228**	**338**	**(335)**	**-**	**11**	**480**	**194**	**1,011**
Closing net carrying amounts	**40,643**	**88,118**	**112,133**	**37,549**	**13,506**	**2,683**	**45,590**	**59,584**	**399,806**
At 31 December 2021									
Cost or valuation	**41,189**	**89,400**	**115,983**	**46,513**	**28,323**	**7,347**	**139,030**	**59,584**	**527,369**
Accumulated depreciation and impairment	**(546)**	**(1,282)**	**(3,850)**	**(8,964)**	**(14,817)**	**(4,664)**	**(93,440)**	**-**	**(127,563)**
Net carrying amounts	**40,643**	**88,118**	**112,133**	**37,549**	**13,506**	**2,683**	**45,590**	**59,584**	**399,806**

Notes to the financial statements (continued)

Revaluations

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

The following table presents the valuers and valuation techniques of the most recent valuation of the Group's commercial land and improvements, and buildings, carried out between October to December 2021. Overall uplift from the revaluation of property amounted to $52.3 million.

Property	Valuer
Depreciation replacement cost / discounted cash flow / income capitalisation approach	
29 Stuart Road, Pukekohe	Telfer Young
5125 Roxburgh-Ettrick Road, Ettrick, Roxburgh	Telfer Young
Depreciation replacement cost / market comparison approach	
153 Harrisville Road, Tuakau, Waikato	Telfer Young
292 Harrisville Road, Tuakau, Waikato	Telfer Young
133 Lynd Road, Ohaupo, Waipa	Telfer Young
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
Income capitalisation approach / market comparison approach	
20 Mihaere Drive, Roslyn, Palmerston North	Telfer Young
Market comparison approach	
37 Goodall Road, Riwaka, Motueka	Telfer Young
3800 Sint-Truiden, Belgium	Vangronsveld & Vranken
Apple Way, Pinchbeck, Spalding, United Kingdom	Jones Lang LaSalle

The following table presents the valuers and valuation techniques of the most recent valuation of the Group's orchard land and improvements, carried out between October and December 2021. Overall uplift from the revaluation of orchards amounted to $16.4 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
Tambo Grande District, Sullana Province, Piura, Peru	Invalsa
657 Main Road, Riwaka, Motueka	Logan Stone
99 Swamp Road, Riwaka, Motueka	Logan Stone
83 Swamp Road, Riwaka, Motueka	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 This approach involves assessing the replacement cost of building and site improvements, adjusting this cost for depreciation and any obsolescence and the market value of land.	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 with a range from 8.3% to 9.4% (2020: 8.5% to 9.5%)	The higher the discount rate, the lower the fair value.
▪ Terminal yield rates with a range from 7.0% to 10.0% (2020: 7.8% to 10.5%)	The higher the terminal yield rate, the lower the fair value.
▪ Investment horizon of 10 years (2020: 10 years)	The longer the investment horizon, the higher the fair value.
▪ Rental growth estimated at between 0% to 5.9% per annum (2020: 0.1% to 9.3% 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 6.0% to 9.1% (2020: 6.5% to 9.3%).	The higher the capitalisation rate, the lower the fair value.
Market comparison approach This approach analyses comparable sales evidence to a sale price per square metre of floor area and makes adjustment to these rates to reflect differences in the location, size and quality of the buildings, together with an adjustment for any market movement since the sales occurred.	The higher the sale price per square metre after adjustments, the higher the fair value.

Notes to the financial statements (continued)

Land and buildings at historical cost

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

	2021 $'000	2020 $'000
Commercial land and improvements		
Cost	**14,967**	20,814
Accumulated depreciation and impairment	**(6,691)**	(5,599)
Net carrying amount	**8,276**	15,215
Orchard land and improvements		
Cost	**59,710**	63,939
Accumulated depreciation and impairment	**(21,140)**	(21,087)
Net carrying amount	**38,570**	42,852
Buildings		
Cost	**67,967**	95,034
Accumulated depreciation and impairment	**(33,741)**	(34,350)
Net carrying amount	**34,226**	60,684

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.

	2021 $'000	2020 $'000
Commercial land and improvements	**40,643**	43,509
Orchard land and improvements	**88,118**	79,897
Buildings	**112,133**	120,514
Total	**240,894**	243,920

10. Intangible assets

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

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

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

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

	Goodwill $'000	Software $'000	Plant variety rights $'000	Other intangibles $'000	Total $'000
At 1 January 2020					
Cost	21,140	25,571	4,638	9,630	60,979
Accumulated amortisation	-	(17,540)	(3,683)	(1,180)	(22,403)
Net carrying amounts	21,140	8,031	955	8,450	38,576
Year ended 31 December 2020					
Opening carrying amounts	21,140	8,031	955	8,450	38,576
Additions	-	4,525	678	381	5,584
Additions through business acquisition	30,057	47	-	6,712	36,816
Reclassifications	-	61	-	(61)	-
Amortisation	-	(1,315)	(53)	(1,304)	(2,672)
Impairment through profit or loss	-	-	-	-	-
Disposals	-	(458)	(139)	-	(597)
Foreign exchange movements	(225)	401	(9)	(32)	135
Net carrying amounts	50,972	11,292	1,432	14,146	77,842
At 31 December 2020					
Cost	50,972	29,852	1,609	22,787	105,220
Accumulated amortisation	-	(18,560)	(177)	(8,641)	(27,378)
Net carrying amounts	50,972	11,292	1,432	14,146	77,842
Year ended 31 December 2021					
Opening carrying amounts	**50,972**	**11,292**	**1,432**	**14,146**	**77,842**
Additions	**-**	**1,169**	**81**	**2,857**	**4,107**
Reclassifications	**-**	**1,520**	**-**	**(1,520)**	**-**
Amortisation	**-**	**(1,774)**	**(87)**	**(2,498)**	**(4,359)**
Impairment through profit or loss	**-**	**-**	**(147)**	**(1,290)**	**(1,437)**
Reversal of impairment through profit or loss	**-**	**-**	**1,870**	**-**	**1,870**
Disposals	**-**	**(48)**	**(1,924)**	**(140)**	**(2,112)**
Foreign exchange movements	**(33)**	**(47)**	**8**	**14**	**(58)**
Net carrying amounts	**50,939**	**12,112**	**1,233**	**11,569**	**75,853**
At 31 December 2021					
Cost	**50,939**	**32,306**	**1,389**	**22,334**	**106,968**
Accumulated amortisation	**-**	**(20,194)**	**(156)**	**(10,765)**	**(31,115)**
Net carrying amounts	**50,939**	**12,112**	**1,233**	**11,569**	**75,853**

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

	2021 $'000	2020 $'000
ENZAFruit New Zealand Limited	**1,395**	1,395
Delica Australia Pty Limited	**3,290**	3,312
T&G Fresh - Covered Crops	**8,699**	8,699
T&G Fresh - Markets	**30,057**	30,057
T&G Vizzarri Farms Pty Limited	**1,609**	1,620
Worldwide Fruit Limited	**5,889**	5,889
Total	**50,939**	50,972

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

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

	EBIT growth rate		Discount rate		Terminal growth rate	
	2021	2020	2021	2020	2021	2020
Cash-generating units						
ENZAFruit New Zealand Limited	**1.50%**	1.50%	**9.50%**	9.50%	**1.50%**	1.50%
Delica Australia Pty Limited	**1.50%**	1.50%	**9.50%**	9.50%	**1.50%**	1.50%
T&G Fresh - Covered Crops	**1.50%**	1.50%	**9.50%**	9.50%	**1.50%**	1.50%
T&G Fresh - Markets	**1.50%**	1.50%	**9.50%**	9.50%	**1.50%**	1.50%
T&G Vizzarri Farms Pty Limited	**1.50%**	1.50%	**9.50%**	9.50%	**1.50%**	1.50%
Worldwide Fruit Limited	**1.50%**	1.50%	**10.30%**	11.90%	**1.50%**	1.50%

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

Notes to the financial statements (continued)

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

11. 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 the initial measurement of the corresponding lease liability, lease payments made at or before the commencement date and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

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

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

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

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

Lease liabilities

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

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

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

The Group remeasures the lease liability if:

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

Key judgement areas include:

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

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

Asset	2021	2020
Orchard land	5.22%	5.22%
Property	5.22%	5.22%
Glasshouses	5.22%	5.22%
Motor vehicles	4.96%	6.01%
Plant and equipment	5.15%	6.18%

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

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

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

Right-of-use assets

	Orchard land $'000	Property $'000	Glasshouses $'000	Motor vehicles $'000	Plant and equipment $'000	Total $'000
2020						
As at 1 January 2020	14,945	24,340	3,662	13,838	3,281	60,066
Additions	5,831	39,601	-	14,088	1,141	60,661
Additions through business acquisition	-	19,738	-	1,249	-	20,987
Terminations (net)	-	-	-	(29)	-	(29)
Depreciation expense	(1,905)	(10,257)	(1,049)	(8,303)	(903)	(22,417)
Foreign exchange movements	-	(26)	-	(40)	(4)	(70)
As at 31 December 2020	18,871	73,396	2,613	20,803	3,515	119,198
2021						
As at 1 January 2021	**18,871**	**73,396**	**2,613**	**20,803**	**3,515**	**119,198**
Additions	**1,636**	**40,090**	**-**	**4,073**	**3,075**	**48,874**
Terminations (net)	**(325)**	**-**	**(1,460)**	**(493)**	**(497)**	**(2,775)**
Depreciation expense	**(1,785)**	**(14,191)**	**(600)**	**(7,843)**	**(1,457)**	**(25,876)**
Foreign exchange movements	**-**	**3**	**-**	**33**	**4**	**40**
As at 31 December 2021	**18,397**	**99,298**	**553**	**16,573**	**4,640**	**139,461**

Notes to the financial statements (continued)

Lease liabilities - maturity analysis

	2021 $'000	2020 $'000
Lease liabilities		
Less than one year	**21,330**	21,282
Between one and two years	**15,468**	16,440
Between two and three years	**13,928**	12,391
Between three and four years	**11,262**	11,130
Between four and five years	**9,985**	7,674
More than five years	**84,102**	54,822
Total lease payable	**156,075**	123,739
Current	**21,330**	21,282
Non-current	**134,745**	102,457

The Group leases various items of property, plant and equipment under non-cancellable operating leases expiring within 3 months to 23 years. The leases have varying terms and with no renewal option to purchase in respect of the leased operating plant and equipment in the financial year ended 31 December 2021.

Sale and leaseback

On 15 November 2021, the Group completed a transaction to sell and leaseback its post-harvest operations, packhouse, warehousing and coolstores at 22 Whakatu Road, Hastings. The site was sold for $79.5 million to Property For Industry Limited, and the sale continues the Group's strategy of releasing capital for reinvestment in business growth.

The Whakatu Road site has an initial lease term of 15 years with rights of renewal for a further 20 years. The Group has recognised a right-of-use asset from the leaseback of the Whakatu Road site based on a 15 year lease term, representing the initial assessment that the site will be occupied for a period of 15 years.

Total right-of-use asset additions recognised from the leaseback of the property amounted to $32.2 million. Proceeds from the sale of the site and associated lease payments are included in the statement of cash flows. A gain on sale of $7.4 million from the sale and leaseback was recognised in Other Income (refer Note 5).

Amounts recognised in the income statement

	NOTES	2021 $'000	2020 $'000
Expenses			
Depreciation of right-of-use assets	6	**25,876**	22,417
Interest expense on lease liabilities		**7,498**	5,181
Short-term leases		**3,152**	3,238
Leases of low-value assets		**465**	594

The total cash outflow for leases in 2021 was $30.4 million (2020: $21.7 million).

12. 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.

	2021 $'000	2020 $'000
Current		
Secured borrowings	**10,879**	24,729
Total	**10,879**	24,729
Non-current		
Secured borrowings	**32,345**	76,400
Total	**32,345**	76,400

Interest rates

As at 31 December 2021 the weighted average interest rate on the secured and unsecured borrowings is 2.3% (2020: 1.8%), fixed for periods up to 3 months (2020: 3 months).

	2021 $'000	2020 $'000
Secured and unsecured borrowings repayment schedule		
Within one year	**10,879**	24,729
Between one and two years	**32,345**	76,400
Total	**43,224**	101,129

Security and bank facilities

As at 31 December 2021 the Group had a term debt facility from the Bank of New Zealand, HSBC, Rabobank and Westpac amounting to $140.0 million (2020: $140.0 million). The seasonal facility is renewed annually and is not drawn as at 31 December 2021. These facilities are secured by a guarantee from the Ultimate Parent for no consideration.

The banking facilities for the 2022 year are as follows:

	Amount $'000	Expiry date
Banking facilities in New Zealand		
Term debt facility	140,000	27 Feb 2023
Seasonal facility	90,000	30 Nov 2022
Money market facility	40,000	27 Feb 2023
Overdraft facility	3,000	Uncommitted
Banking facilities in the United Kingdom		
Term debt facility	3,816	30 Mar 2022
Term debt facility	4,361	30 Jul 2025
Banking facilities in Australia		
Overdraft facility	3,100	Uncommitted

13. Net financing expenses

	2021 $'000	2020 $'000
Finance income		
Interest income	**1,234**	1,334
Total	**1,234**	1,334
Finance expenses		
Interest expense on borrowings	**(8,910)**	(8,836)
Effective interest on long-term receivables	**(212)**	(108)
Interest expense on lease liabilities	**(7,498)**	(5,181)
Capitalised interest	**115**	315
Bank fees	**(361)**	(298)
Total	**(16,866)**	(14,108)
Net financing expenses	**(15,632)**	(12,774)

14. Capital and reserves

Share capital

	2021 Shares	2020 Shares	2021 $'000	2020 $'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.

Notes to the financial statements (continued)

Revaluation and other reserves

	2021 $'000	2020 $'000
Asset revaluation reserve		
Balance at 1 January	**110,223**	115,519
Gain on revaluation of property, plant and equipment	**67,658**	38,582
Deferred tax effect on revaluation of property, plant and equipment	**(12,961)**	(2,976)
Transfer to retained earnings due to sale of property, plant and equipment	**(52,123)**	(40,841)
Deferred tax effect on sale of property, plant and equipment	**5,977**	(61)
Balance at 31 December	**118,774**	110,223
Foreign currency translation reserve		
Balance at 1 January	**(7,406)**	(4,118)
Exchange differences on translation of foreign operations	**2,114**	(3,288)
Balance at 31 December	**(5,292)**	(7,406)
Cash flow hedge reserve		
Balance at 1 January	**10,472**	222
Movements in fair value	**(17,085)**	17,447
Reclassification of net change in fair value	**2,606**	(4,170)
Taxation on reserve movements	**3,637**	(3,027)
Balance at 31 December	**(370)**	10,472
Total	**113,112**	113,289

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.

15. Earnings per share

The earnings used to calculate basic and diluted earnings per share is net profit after tax attributable to equity holders of the Parent of $8.9 million (2020: $11.1 million).

The weighted average number of shares used to calculate basic and diluted earnings per share is 122,543,204 shares (2020: 122,543,204 shares).

The basic and diluted earnings per share is 7.2 cents (2020: 9 cents).

16. Dividends

	2021 $'000	2020 $'000	2021 Cents per share	2020 Cents per share
Ordinary shares				
Final dividend	**7,353**	-	**6**	-
Interim dividend	**-**	7,353	**-**	6
Dividends to non-controlling interests in Group subsidiaries	**4,849**	5,441	**-**	-
Total	**12,202**	12,794		

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.

17. 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 2020 $'000	Non-cash changes [1] $'000	Recognised on acquisition $'000	Financing cash flows [2] $'000	Balance at 31 December 2020 $'000
Borrowings						
Secured borrowings	12	86,259	(171)	-	15,041	101,129
Loans from related parties	12	5,193	77	-	(5,270)	-
Lease liabilities	11	61,563	62,308	21,526	(21,658)	123,739
Total		153,015	62,214	21,526	(11,887)	224,868
Other current liabilities						
Deferred payments	20	-	202	-	-	202
Deferred payments to related parties	20	144	2,055	-	-	2,199
Total		144	2,257	-	-	2,401
Total liabilities arising from financing activities		153,159	64,471	21,526	(11,887)	227,269

	NOTES	Balance at 1 January 2021 $'000	Non-cash changes [1] $'000	Recognised on acquisition $'000	Financing cash flows [2] $'000	Balance at 31 December 2021 $'000
Borrowings						
Secured borrowings	12	**101,129**	**191**	**-**	**(58,096)**	**43,224**
Lease liabilities	11	**123,739**	**62,749**	**-**	**(30,413)**	**156,075**
Total		**224,868**	**62,940**	**-**	**(88,509)**	**199,299**
Other current liabilities						
Deferred payments	20	**202**	**(66)**	**-**	**-**	**136**
Deferred payments to related parties	20	**2,199**	**(1,584)**	**-**	**-**	**615**
Total		**2,401**	**(1,650)**	**-**	**-**	**751**
Total liabilities arising from financing activities		**227,269**	**61,290**	**-**	**(88,509)**	**200,050**

[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, and bank facility fees and transaction fees, which do not result in liabilities on the balance sheet.

18. Trade and other receivables

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

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

- Trade receivables
- Loan receivables
- Related party receivables
- Receivables from joint ventures and associates
- Receivables from the Ultimate Parent and associates of the Ultimate Parent
- The Group applies the simplified approach to measuring expected credit losses which uses a lifetime expected credit loss allowance for all the above receivables as they all display the same risk profile. Related party receivables are mainly trade in nature and are on terms consistent with external customers.

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

Notes to the financial statements (continued)

	NOTES	2021 $'000	2020 $'000
Current			
Gross trade receivables		**125,475**	156,937
Prepayments		**13,624**	15,111
GST and other taxes		**8,831**	11,154
Receivables from joint ventures	22	**312**	-
Receivables from associates	23	**-**	539
Receivables from related parties	25	**129**	-
Receivables from Ultimate Parent's subsidiaries and associate	25	**5**	27
Other receivables		**468**	2,619
Expected credit loss allowance		**(1,294)**	(1,439)
Total		**147,550**	184,948
Non-current			
Trade receivables		**23,404**	4,883
Prepayments		**-**	575
Other receivables		**15,956**	11,629
Total		**39,360**	17,087
Total trade and other receivables		**186,910**	202,035

Included in 'Other Receivables' is a loan receivable from a growing partner of $11.9 million (2020: $13.1 million) and interest charged of $0.6 million (2020: $0.6 million) for the year. The loan is expected to fund joint activities in new growing ventures between the Group and the growing partner, and repayment of the loan is expected within 3 years (2020: 4 years).

Analysis of receivables

	Gross receivables		Impaired receivables	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Not past due	**164,027**	164,361	**-**	-
Past due 1-30 days	**17,365**	28,373	**-**	-
Past due 31-60 days	**2,881**	5,340	**-**	1
Past due 61-90 days	**1,983**	1,453	**20**	24
Past due over 90 days	**1,948**	3,947	**1,274**	1,414
Total	**188,204**	203,474	**1,294**	1,439

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

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

	2021 $'000	2020 $'000
Analysis of movements in the expected credit loss allowance		
Balance at 1 January	**1,439**	997
Net remeasurement of expected credit loss allowance	**(125)**	140
Change in expected credit loss allowance due to new trade and other receivables	**-**	1,697
Amount written off during the year	**(20)**	(1,395)
Balance at 31 December	**1,294**	1,439

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 $1.0 million (2020: $1.1 million) for certain balances being past due. The remaining loss allowance balance represents the expected amount of default from customers as well as advances made to customers, suppliers, joint ventures and associates over their lifetime based on historical trends of defaults from customers.

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

	Trade receivables - days past due					
	Not past due $'000	Past due 1-30 days $'000	Past due 31-60 days $'000	Past due 61-90 days $'000	Past due over 90 days $'000	Total $'000
At 31 December 2021						
Expected credit loss rate	**0.00%**	**0.00%**	**0.02%**	**1.65%**	**23.61%**	**5.06%**
Loss given default rate	**60%**	**60%**	**60%**	**60%**	**60%**	**60%**
Estimated total gross carrying amount at default	**164,027**	**17,365**	**2,881**	**1,983**	**1,948**	**188,204**
Lifetime ECL	**-**	**-**	**-**	**20**	**276**	**296**
At 31 December 2020						
Expected credit loss rate	0.00%	0.00%	0.03%	2.77%	11.45%	2.85%
Loss given default rate	60%	60%	60%	60%	60%	60%
Estimated total gross carrying amount at default	164,361	28,373	5,340	1,453	3,947	203,474
Lifetime ECL	-	-	1	24	271	296

19. 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.

	2021 $'000	2020 $'000
Finished and semi-finished goods	**38,143**	32,564
Consumables (including packaging)	**7,417**	7,102
Balance at 31 December	**45,560**	39,666

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 2021 amounted to $923.9 million (2020: $1,004.1 million).

20. Trade and other payables

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

	NOTES	2021 $'000	2020 $'000
Current			
Trade payables		**91,750**	73,703
Employee entitlements		**14,087**	14,908
Accrued expenses		**42,939**	53,232
Payables to associates	23	**1,353**	18,320
Payables to related party	25	**11,675**	17,768
Payables to Immediate Parent	25	**600**	-
Payables to Ultimate Parent's subsidiaries and associate	25	**87**	43
Deferred payments		**68**	66
Deferred payments to related parties	25	**134**	1,058
Total		**162,693**	179,098
Non-current			
Employee entitlements		**43**	43
Deferred payments		**68**	136
Deferred payments to related parties	25	**481**	1,141
Total		**592**	1,320

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

21. Investments in subsidiaries

Significant subsidiaries of the Group are listed below:

Name of entity	Place of business and country of incorporation	Ownership interest (%) 2021	Ownership interest (%) 2020	Principal activity
Delica Limited	New Zealand	100	100	Investment company
Delica Australia Pty Limited	Australia	100	100	Fruit exporter
Delica Domestic Pty Limited	Australia	100	100	Fruit and produce wholesale distributor
Delica North America, Inc.	United States of America	50	50	Fruit exporter
Delica (Shanghai) Fruit Trading Company Limited	China	100	100	In-market services and fruit importer
ENZAFRUIT New Zealand (CONTINENT)	Belgium	100	100	Apple marketing
ENZAFRUIT New Zealand International Limited	New Zealand	100	100	Apple sales and marketing
ENZAFRUIT Peru S.A.C	Peru	100	100	Horticulture operations
ENZAFRUIT Products Inc.	United States of America	100	100	Fruit variety development and propagation
Fairgrow Limited[1]	New Zealand	100	100	Facilitate donation of fresh produce items
Freshmax New Zealand Limited	New Zealand	100	100	Fresh produce wholesale distributor
Fruit Distributors Limited	New Zealand	100	100	Investment company
Fruitmark Pty Limited	Australia	100	100	Processed foods broking
Fruitmark USA Inc.	United States of America	100	100	Processed foods broking
Status Produce Favona Road Limited	New Zealand	100	100	Holding company
T&G CarSol Asia PTE. Limited	Singapore	50	50	In-market services and fruit importer
T&G Chile SpA[2]	Chile	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

Table continues next page

Notes to the financial statements (continued)

Name of entity	Place of business and country of incorporation	Ownership interest (%)		Principal activity
		2021	2020	
T&G Japan Limited	Japan	100	100	In-market services and fruit importer
T&G Orchard Services Limited[3]	New Zealand	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
VentureFruit ™ Australia Pty Limited[4]	Australia	100	100	Variety management services
VentureFruit ™ Global Limited [5]	New Zealand	100	100	Investment company
VentureFruit ™ International Limited[5]	New Zealand	100	100	Investment company
VentureFruit ™ NZ Limited[5]	New Zealand	100	100	Variety management services
VentureFruit ™ USA Inc.[6]	United States of America	100	-	Variety management services
Worldwide Fruit Limited	United Kingdom	50	50	Apple importer and packing services

The balance date of all subsidiaries is 31 December.

[1] On 6 October 2020, Fairgrow Limited was incorporated. Operating activities only commenced in February 2021. The entity is located in Auckland, New Zealand.

[2] On 14 March 2017, T&G Chile SpA was incorporated. Operating activities only commenced in January 2021. The entity is located in Santiago, Chile.

[3] On 21 May 2021, T&G Orchard Services Limited was incorporated. The entity is located in Auckland, New Zealand.

[4] On 10 December 2020, VentureFruit™ Australia Pty Limited was incorporated. Operating activities only commenced in March 2021. The entity is located in Victoria, Australia.

[5] On 9 December 2020, VentureFruit ™ Global Limited, VentureFruit ™ International Limited and VentureFruit™ NZ Limited were incorporated. Operating activities only commenced in January 2021. The entities are located in Auckland, New Zealand

[6] On 25 May 2021, VentureFruit™ USA Inc. was incorporated. The entity is located in Delaware, United States of America.

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	
		2021	2020
Delica North America, Inc.	United States of America	**50%**	50%
Worldwide Fruit Limited	United Kingdom	**50%**	50%

Name of entity	Profit allocated to non-controlling interests		Accumulated non-controlling interests	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Delica North America, Inc.	**289**	1,120	**2,982**	3,607
Worldwide Fruit Limited	**2,719**	2,915	**7,270**	6,408
Individually immaterial subsidiaries with non-controlling interests	**1,668**	1,499	**3,276**	3,132
Total	**4,676**	5,534	**13,528**	13,147

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.

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.

Notes to the financial statements (continued)

	2021 $'000	2020 $'000
Balance sheet		
Current assets	**33,100**	48,456
Non-current assets	**72**	106
Current liabilities	**(27,763)**	(41,510)
Non-current liabilities	**(52)**	(50)
Equity attributable to owners of the Company	**(2,375)**	(3,395)
Non-controlling interests	**(2,982)**	(3,607)
Income statement		
Revenue	**76,256**	117,082
Expenses	**(75,678)**	(114,842)
Profit for the year	**578**	2,240
Profit attributable to owners of the Company	**289**	1,120
Profit attributable to non-controlling interests	**289**	1,120
Profit for the year	**578**	2,240
Dividends paid to non-controlling interests	**1,111**	1,524
Cashflows		
Net cash inflow / (outflow) from operating activities	**2,652**	(1,058)
Net cash outflow from investing activities	**(2,018)**	(3,344)
Net cash outflow from financing activities	**(183)**	(213)
Total net cash inflow / (outflow)	**451**	(4,615)

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.

	2021 $'000	2020 $'000
Balance sheet		
Current assets	**42,229**	50,140
Non-current assets	**19,609**	19,614
Current liabilities	**(39,998)**	(48,792)
Non-current liabilities	**(3,775)**	(5,172)
Equity attributable to owners of the Company	**(10,795)**	(9,207)
Non-controlling interests	**(7,270)**	(6,408)
Income statement		
Revenue	**398,206**	409,160
Expenses	**(392,768)**	(403,330)
Profit for the year	**5,438**	5,830
Profit attributable to owners of the Company	**2,719**	2,915
Profit attributable to non-controlling interests	**2,719**	2,915
Profit for the year	**5,438**	5,830
Dividends paid to non-controlling interests	**2,177**	3,190
Cashflows		
Net cash inflow from operating activities	**6,636**	10,758
Net cash outflow from investing activities	**(3,711)**	(11,115)
Net cash (outflow) / inflow from financing activities	**(2,511)**	2,202
Total net cash inflow	**414**	1,845

Notes to the financial statements (continued)

22. 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 2021. 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 2021 and 2020 are:

Name of entity	Place of business and country of incorporation	Ownership interest (%)		Principal activity
		2021	2020	
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 2021 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 2021 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:

	2021 $'000	2020 $'000
Group's share of (loss) / profit and comprehensive income of joint ventures	**(114)**	65
Carrying amount of the Group's interest in joint ventures	**3,238**	3,347

Transactions with joint ventures of the group

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

	2021 $'000	2020 $'000
Sale of produce to joint ventures	**2,172**	3,033
Purchase of produce from joint ventures	**(1,137)**	-
Loans provided to joint ventures	**300**	-
Interest on loan charged to joint ventures	**1**	-
Services provided to joint ventures	**58**	1,046
Current receivables owing from joint ventures	**312**	-
Dividends from joint ventures received by the Group	**-**	625

Loans provided to joint ventures relates to a loan provided to Wawata General Partner Limited. The loan is repayable on 27 January 2022 with interest charged at a rate of 3.7% per annum.

23. 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 2021. The associates have share capital consisting solely of ordinary shares, which are held directly by the Group.

The Group's investments in associates in 2021 and 2020 are:

Name of entity	Place of business and country of incorporation	Ownership interest (%)		Principal activity
		2021	2020	
Allen Blair Properties Limited (1)	New Zealand	**-**	33	Property investment
Grandview Brokerage LLC	United States of America	**39**	39	Investment company
Intelligent Fruit Vision Limited	United Kingdom	**24**	24	Orchard technology development
The Fruit Firm Limited	United Kingdom	**20**	20	Stonefruit importer and packing services

(1) Allen Blair Properties Limited operations wound down and distributed their final shareholders distribution in December 2021.

Allen Blair Properties Limited and The Fruit Firm Limited have a balance date of 31 March. These were the reporting dates established when these companies were incorporated and it is impractical for these companies to change their balance dates. The remaining associates of the Group have a balance date of 31 December.

For the purposes of applying the equity method of accounting, management accounts of the companies for the period ended 31 December 2021 have been used. Differences in accounting policies between the Group and the associates 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

	2021 $'000	2020 $'000
Balance sheet		
Current assets	**167,530**	143,851
Non-current assets	**36,209**	32,974
Current liabilities	**(173,409)**	(146,997)
Non-current liabilities	**(6,969)**	(7,051)
The above amounts of assets includes the following:		
Cash and cash equivalents	**14,820**	12,260
Income statement		
Revenue	**1,070,785**	1,069,098
Depreciation and amortisation expenses	**(1,674)**	(1,426)
Interest expense	**(1,358)**	(1,182)
Income tax expense	**(3,132)**	(1,099)
Profit after tax and total comprehensive income	**8,105**	8,782
Group's share of carrying amount		
Carrying amount from Group's share in associate	**9,202**	8,972
Goodwill on acquisition	**26,348**	25,028
Other adjustments	**(5,253)**	(3,233)
Group's adjusted share of carrying amount in associate	**30,297**	30,767
Group's share of profit from continuing operations		
Gain from Group's share in associate	**3,193**	3,459
Other adjustments	**(1,100)**	(765)
Group's adjusted share of profit from continuing operations in associate	**2,093**	2,694
Dividend received from associate	**2,564**	1,805

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

	2021 $'000	2020 $'000
Group's share of profit and comprehensive income of associates		
Grandview Brokerage LLC	**2,093**	2,694
Other	**46**	(337)
Total	**2,139**	2,357
Carrying amount of the Group's interest in associates		
Grandview Brokerage LLC	**30,297**	30,767
Other	**340**	986
Total	**30,637**	31,753

Transactions with associates of the group

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

	2021 $'000	2020 $'000
Sale of produce to associates	**26,597**	33,911
Services received from associates	**(4,620)**	(3,641)
Current receivables owing from associates	**-**	539
Current payables owing to associates	**(1,353)**	(18,320)
Dividends received from associates	**2,564**	1,904

Notes to the financial statements (continued)

Other disclosures
This section presents disclosures required to provide readers with an understanding of the Group's activities during the financial year.

24. Investment property

Investment properties are properties held either to earn rental income, for capital appreciation or for both.

Investment properties are measured at fair value as determined by property valuers who are members of the New Zealand Institute of Valuers. Revaluations are conducted annually.

The fair value is determined based on quoted market prices and is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing where the parties have each acted knowledgeably, prudently and without compulsion.

Transfers are made to investment properties when there is a change in use of the property. This may be evidenced by ending owner occupation, commencement of an operating lease to another party or commencement of construction or development for future use as investment property.

Investment properties are derecognised when they have been disposed of. Any gains or losses arising from a change in fair value are recognised in the income statement.

	2021 $'000	2020 $'000
At fair value		
Balance at 1 January	**13,500**	15,000
Net gain / (loss) from fair value adjustment	**2,000**	(1,500)
Disposal	**(15,500)**	-
Balance at 31 December	**-**	13,500

During the year, investment property which comprised of the commercial property on 490 Nayland Road in Nelson was sold to Willis Bond Capital Partners No3 Limited at fair value.

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 22 and 23 respectively.

Transactions with the Ultimate Parent

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

	2021 $'000	2020 $'000
Services received from the Ultimate Parent	**(724)**	(915)

Transactions with the Immediate Parent

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

	2021 $'000	2020 $'000
Services received from the Immediate Parent	**(600)**	-
Current payables owing to the Immediate Parent	**(600)**	-

Transactions with the Ultimate Parent's subsidiaries and associates

The Group has related party transactions with BayWa IT GmbH, BayWa Obst GmbH & Co. KG and BayWa r.e. Bioenergy GmbH, three wholly-owned subsidiaries of the Ultimate Parent, and the transactions with these subsidiaries are detailed as follows:

	2021 $'000	2020 $'000
Sale of produce to the Ultimate Parent's subsidiaries	**157**	30
Purchase of produce from the Ultimate Parent's subsidiaries	**(476)**	(287)
Services provided to the Ultimate Parent's subsidiaries	**30**	-
Services received from the Ultimate Parent's subsidiaries	**(1,867)**	(1,872)
Current receivables owing from the Ultimate Parent's subsidiaries	**5**	-
Current payables owing to the Ultimate Parent's subsidiaries	**(87)**	(43)

The Group also has related party transactions with Obst vom Bodensee Vertriebsgesellschaft mbH, an associate of the Ultimate Parent, and the transactions with this associate are detailed as follows:

	2021 $'000	2020 $'000
Sale of produce to the Ultimate Parent's associate	-	1,889
Current receivables owing from the Ultimate Parent's associate	-	27

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:

	2021 $'000	2020 $'000
Sale of produce to related parties	**1,166**	1,173
Purchase of produce from related parties	**(16,508)**	(24,815)
Services received from related parties	**-**	(769)
Current receivables owing from related parties	**129**	-
Current payables owing to related parties	**(11,675)**	(17,768)

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

	2021 $'000	2020 $'000
Short-term employee benefits	**5,445**	4,831
Long-term employee benefits	**88**	44
Termination benefits	**170**	134
Directors' remuneration	**355**	386
Total	**6,058**	5,395

At 31 December 2021, the Group had outstanding deferred payments to key management personnel of $0.6 million (2020: $2.2 million) relating to short-term and long-term incentives. Refer to Note 20.

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.

The global Interest Rate Benchmark Reform has led to some interest rate benchmarks, such as interbank offered rates, being reformed or discontinued. The Group considered the impact of moving to alternative benchmark interest rates and no material impacts or adjustments were considered necessary. The two main areas which could have been impacted were the Group's bank debt and derivative financial instruments. For bank debt, the Group did not historically utilise relevant interbank offered rates and the reform had no impact on the Group's measurement of bank debt. For derivative financial instruments, the Group did not have material amounts of derivatives linked to interbank offered rates and the reforms did not have a material impact on this area.

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 2021, the Group held foreign exchange contracts and currency options with a contract value of $322.0 million (2020: $278.3 million).

The below tables highlight the foreign exchange cover in place, average exchange rate, notional foreign currency and New Zealand dollar value of the contracts as at 31 December:

	% of forecast exposure			
	2022		2023	
	Actual	Policy	Actual	Policy
USD	57.61%	31%-75%	43.42%	25%-50%
GBP	63.00%	31%-75%	38.70%	25%-50%
EUR	59.00%	31%-75%	35.13%	25%-50%
JPY	55.73%	31%-75%	35.23%	25%-50%

	Average exchange rates		Notional value: Foreign currency		Notional value: Local currency	
	2021 $'000	**2020 $'000**	**2021 $'000**	**2020 $'000**	**2021 $'000**	**2020 $'000**
USD	**0.68**	0.65	**174,898**	133,492	**256,329**	205,251
GBP	**0.51**	0.51	**11,300**	11,100	**22,291**	21,858
EUR	**0.57**	0.56	**17,215**	21,904	**30,203**	39,165
JPY	**74.56**	68.55	**881,475**	548,075	**11,823**	7,995

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%	
	2021 $'000	**2020 $'000**	**2021 $'000**	**2020 $'000**
Pre-tax (profit) / loss	**(1,142)**	(1,272)	**934**	1,041
Equity	**(33,639)**	(25,310)	**27,535**	21,066

(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 2021, $30 million of interest bearing loans are subject to interest rate repricing within the next 14 months (2020: $73.0 million).

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

	2021		2020	
	Weighted average interest rate	**Loans and borrowings**	**Weighted average interest rate**	**Loans and borrowings**
Australian dollars	**-**	**-**	-	-
British pounds	**2%**	**3,524**	2%	5,429
New Zealand dollars	**2%**	**39,700**	2%	95,700
United States dollars	**-**	**-**	-	-
Total		**43,224**		101,129

Interest rate derivatives

The Group's treasury policy allows up to 100% (2020: 100%) of forecasted core debt to be fixed via interest rate derivatives to protect the Group from exposure to fluctuations in interest rates. Accordingly, the Group has entered into interest rate swap contracts under which it is obliged to receive interest at variable rates and to pay interest at fixed rates.

Swaps currently in place cover approximately 100% (2020: 93.8%) of the forecasted core debt. The fixed interest rates average 3.4% (2020: 3.4%). The variable rates are set at the bank bill rate 90 day settlement rate, which at balance date was 0.96% (2020: 0.3%). 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 2021, the Group held swaps with a contract value of $80 million (2020: $95.0 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 2021, $30 million (2020: $73.0 million) of loans are at fixed rates for defined periods of up to 3 months, after which interest rates will be reset. Additionally, the Group has overnight deposits that are subject to fluctuations of interest rates. If the Group's loan and deposit balances at 31 December had remained the same throughout the year and interest rates moved by 1.5% then the impact would be a $0.28 million gain or loss on pre-tax profits (2020: 1% movement, $0.5 million gain or loss).

A 1.5% sensitivity has been used as this is what management estimates is a likely range within which interest rates will move for the year.

Notes to the financial statements (continued)

(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 2021 is equal to the carrying value for cash and cash equivalents, trade and other receivables, derivative financial instruments and a guarantee claimable of $25.5 million (2020: $24.2 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
2021							
Borrowings	**43,224**	**10,077**	**370**	**36,299**	**-**	**-**	**46,746**
Trade and other payables (excluding employee entitlements)	**149,155**	**148,606**	**-**	**549**	**-**	**-**	**149,155**
Derivative financial instruments - cash flow hedges:	**6,453**	**-**	**-**	**-**	**-**	**-**	**-**
Inflows	**-**	**(15,642)**	**(83,006)**	**(81,115)**	**-**	**-**	**(179,763)**
Outflows	**-**	**16,823**	**86,930**	**84,732**	**1,774**	**-**	**190,259**
Derivative financial instruments - fair value through profit or loss:	**102**	**-**	**-**	**-**	**-**	**-**	**-**
Inflows	**-**	**(716)**	**-**	**(2,897)**	**-**	**-**	**(3,613)**
Outflows	**-**	**730**	**-**	**2,985**	**-**	**-**	**3,715**
Lease liabilities	**156,075**	**16,172**	**13,774**	**22,653**	**52,688**	**109,207**	**214,494**
Financial guarantees	**25,472**	**25,472**	**-**	**-**	**-**	**-**	**25,472**
Total	**380,481**	**201,522**	**18,068**	**63,206**	**54,462**	**109,207**	**446,465**

	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
2020							
Borrowings	101,129	24,425	1,705	81,678	-	-	107,808
Trade and other payables (excluding employee entitlements)	165,467	164,190	-	1,277	-	-	165,467
Derivative financial instruments - cash flow hedges:	7,040	-	-	-	-	-	-
Inflows	-	(8,964)	(604)	(493)	-	-	(10,061)
Outflows	-	10,191	1,601	1,826	1,086	-	14,704
Derivative financial instruments - fair value through profit or loss:	130	-	-	-	-		-
Inflows	-	(2,984)	(394)	-	-	-	(3,378)
Outflows	-	3,129	403	-	-	-	3,532
Lease liabilities	123,739	15,858	15,152	22,785	44,053	73,226	171,074
Financial guarantees	24,200	24,200	-	-	-	-	24,200
Total	421,705	230,045	17,863	107,073	45,139	73,226	473,346

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% (2020: 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% (2020: 45% to 55%).
Tangible net worth	The tangible net worth of the Group shall not be less than $270.0 million (2020: $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 (2020: 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 (2020: 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% (2020: 90%) of the total tangible assets of the whole Group.
- At all times, the total earnings before interest and tax (EBIT as defined within the banking agreement) of the Group entities that form part of the guaranteeing group shall not be less than 75% for the year (2020: not less than 75% for the year) of the total EBIT of the Group.

The Group complied with all financial covenants during the year.

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 $'000 (mandatory)	Derivatives for hedging $'000	Equity instrument designated at fair value through OCI $'000	Total $'000
2021					
Cash and cash equivalents	**59,005**	**-**	**-**	**-**	**59,005**
Trade and other receivables (excluding prepayments and taxes)	**164,455**	**-**	**-**	**-**	**164,455**
Investment in unlisted entities	**-**	**-**	**-**	**86**	**86**
Derivative financial instruments	**-**	**476**	**4,465**	**-**	**4,941**
Total	**223,460**	**476**	**4,465**	**86**	**228,487**
2020					
Cash and cash equivalents	44,664	-	-	-	44,664
Trade and other receivables (excluding prepayments and taxes)	175,195	-	-	-	175,195
Investment in unlisted entities	-	-	-	87	87
Derivative financial instruments	-	1,388	20,005	-	21,393
Total	219,859	1,388	20,005	87	241,339

Financial liabilities

	Measured at amortised cost $'000	Fair value through profit or loss (held for trading) $'000	Derivatives for hedging $'000	Total $'000
2021				
Borrowings	**43,224**	**-**	**-**	**43,224**
Trade and other payables (excluding employee entitlements)	**149,155**	**-**	**-**	**149,155**
Lease liabilities	**156,075**	**-**	**-**	**156,075**
Derivative financial instruments	**-**	**102**	**6,453**	**6,555**
Total	**348,454**	**102**	**6,453**	**355,009**
2020				
Borrowings	101,129	-	-	101,129
Trade and other payables (excluding employee entitlements)	165,467	-	-	165,467
Lease liabilities	123,739	-	-	123,739
Derivative financial instruments	-	130	7,040	7,170
Total	390,335	130	7,040	397,505

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.

	2021 $'000	2020 $'000
Current assets		
Cash flow hedges		
Forward foreign exchange contracts	**3,103**	13,018
Foreign currency options	**51**	1,423
Fair value through profit or loss (held for trading)		
Forward foreign exchange contracts	**476**	391
Total	**3,630**	14,832
Non-current assets		
Cash flow hedges		
Forward foreign exchange contracts	**302**	5,305
Foreign currency options	**-**	259
Interest rate swaps	**1,009**	-
Fair value through profit or loss (held for trading)		
Forward foreign exchange contracts	**-**	997
Total	**1,311**	6,561
Current liabilities		
Cash flow hedges		
Forward foreign exchange contracts	**3,076**	392
Foreign currency options	**219**	535
Interest rate swaps	**-**	490
Fair value through profit or loss (held for trading)		
Forward foreign exchange contracts	**102**	130
Total	**3,397**	1,547
Non-current liabilities		
Cash flow hedges		
Forward foreign exchange contracts	**1,915**	1
Interest rate swaps	**1,243**	5,622
Total	**3,158**	5,623

28. Contingencies

The Group has the following guarantees:

	2021 $'000	2020 $'000
Bonds and sundry facilities	**75**	75
Guarantees of bank facilities for associated companies	**25,397**	24,125
Total	**25,472**	24,200

29. Commitments

Capital commitments

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

	2021 $'000	2020 $'000
Property, plant and equipment	**21,983**	12,085
Intangible assets	**217**	445
Total	**22,200**	12,530

Non-cancellable operating leases receivables

When 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.

Operating leases receivables

Future minimum rentals receivable under non-cancellable operating leases as at 31 December are as follows:

	2021 $'000	2020 $'000
Within one year	**1,537**	1,344
One to two years	**874**	968
Two to five years	**1,802**	1,691
Later than five years	**300**	270
Total	**4,513**	4,273

30. Events occurring after the balance date

There are no material events that occurred after the balance date that would require adjustment or disclosure in these accounts.

Five year financial review

	2021 $'000	2020 $'000	2019 $'000	2018 $'000	2017 $'000
Revenue					
Continuing activities	**1,365,413**	1,412,590	1,216,409	1,188,203	1,068,145
Profit					
Pre-tax profit	**9,798**	22,024	10,311	13,242	41,954
Net profit after tax	**13,552**	16,590	6,611	10,394	40,246
Funds employed					
Paid up capital	**176,357**	176,357	176,357	176,357	176,357
Retained earnings and reserves	**383,719**	330,250	284,349	223,942	237,417
Non-controlling interests	**13,528**	13,147	13,697	13,321	11,819
Non-current liabilities	**200,660**	232,471	181,276	192,854	217,164
Current liabilities	**210,016**	228,517	198,553	147,207	155,959
Total	**984,280**	**980,742**	**854,232**	**753,681**	**798,716**
Assets					
Property, plant and equipment	**399,806**	392,700	386,079	396,546	450,981
Other non-current assets	**291,266**	270,542	176,651	103,503	93,254
Current assets	**293,208**	317,500	291,502	253,632	254,481
Total	**984,280**	**980,742**	**854,232**	**753,681**	**798,716**

	2021	2020	2019	2018	2017
Statistics					
Number of ordinary shares on issue	**122,543,204**	122,543,204	122,543,204	122,543,204	122,543,204
Earnings per share - cents	**7.2**	9.0	0.7	4.6	30.2
Net tangible assets per security	**$4.06**	$3.61	$3.56	$3.08	$3.17
Percentage of equity holders funds to total assets	**58%**	53%	56%	55%	53%
Ratio of current assets to current liabilities	**1.39**	1.39	1.47	1.74	1.63
Ratio of debt to equity [1]	**0.72**	0.89	0.80	0.81	0.88
Dividends					
Cents per share on paid up capital	**6**	6	-	12 [2]	6
Total dividend paid	**$7,352,592**	$7,352,592	-	$14,707,592	$7,352,592

[1] Debt includes trade payables.

[2] An interim dividend and final dividend were paid out at 6 cents each in 2018.

Appendices

Appendix 1
How we create value

We grow, partner, source and supply high quality fresh produce which is desired by consumers and customers around the world.

Inputs

Social capital

T&G relies on strong and trusted relationships with growers, distributors, customers and external stakeholders around the world to enable year-round supply of key varieties into global markets.

Intellectual capital

Intellectual property, including premium brands and in-market expertise are key to our competitive advantage and future growth.

Financial capital

We invest financial capital across our operations (including land, glasshouses, orchards and post-harvest infrastructure), support growers and invest in genetics and facilities.

Physical capital

Tangible assets including land, packhouses, cool stores, trucks, post-harvest facilities, 12 market locations, vehicles, equipment and our in-market facilities, enable us to supply key global markets.

Human capital

A diverse, talented, global workforce, with the best knowledge and insights, ensures we have the skills to develop, grow, pick, sell and deliver our produce to the world's consumers.

Natural capital

Natural resources are fundamental to our business and future prosperity. Soil, water, atmosphere, energy and sunshine, and our precious pollinators, are utilised to grow healthy and nutritious produce.

Outcomes

Leadership

Creating a sustainable business model creates prosperity for our growers, employment in our communities and year-round supply of fresh produce for our customers.

Loyalty

Meeting consumer and customer needs through high quality premium produce and brands, and the rights to unique Plant Variety Rights (PVRs), drives loyalty from our customers and consumers and enhanced returns for our growers.

Fuel for growth

Recycling capital is future-proofing our business for a more sustainable future, including improved efficiencies, stronger yields, enhanced returns and fit-for-purpose assets.

Global reach

Our infrastructure gives us the scope to drive sustainable performance across our supply chain, and provide a secure global network for year-round supply of healthy produce and our premium brands.

Great workplace

Creating a high performing, exciting, global workplace that attracts the best talent armed with the best global knowledge, invests in its people, has efficient processes and is a safe place to work.

Guardianship

Land that is healthy and continues to support fresh produce production.

A strong focus on conserving water, reducing our greenhouse gas emissions and reusing resources, while providing healthy and nutritious produce to the world.

Appendix 2
Responding to what's important

Identifying, understanding and closely managing what matters most to our stakeholders is vital to the long-term success of our business.

In 2021, we focused engagement on two of the four metrics which we measure company performance against: Partner of choice and Best place to work. This saw us engage with our customers, growers and team members to identify and understand sentiment, expectations, what's important and what drives value and connection.

Customers

An independent Customer Value Management survey was conducted to gain greater understanding of our global customer sentiment. Insights were gathered on what drives value for our customers, how we're performing relative to their expectations, and how we perform versus our competitors. Ninety-four customers participated, including importers, receivers, distributors, retailers and wholesalers, across all our produce categories. We saw improvements relative to our 2020 findings; with 80% of customers giving T&G an overall 'good' or 'great' score. Our strengths continue to be in the performance of our strong partnerships and relationships, along with our image and reputation. For 2022, our focus remains on our operational performance in a challenging global environment and providing consistency for our customers.

Growers

In 2020, an independent review was conducted with our Hawke's Bay, Gisborne, Nelson and Otago apple growers to understand their alignment with our apples strategy, the value they place on supporting services, and any potential risks and opportunities. This year, we acted on these findings. Communications have been strengthened with monthly calls and updates providing a forum for growers to both hear from and raise questions and concerns with management; technical and supplier support was enhanced with more time spent on the ground with growers; seven new varieties were piloted; and a new interim grower payment was introduced for four key varieties to help improve grower cashflow. In early 2022, we will complete an updated grower survey to benchmark progress and identify further steps to further enhance our relationships and deliver greater value.

Employees

Keeping our team safe, well, engaged and connected is crucial to our business' success. Throughout the year and amidst the challenges COVID-19 presented, we've used different ways to engage and connect with each other, including daily Tier or stand-up meetings, monthly leadership updates, workshops, strategy town halls and our Connection Meter surveys.

Three times a year we use Human Synergistics' Connection Meter to better understand our team's connection, including their wellbeing, stress levels, practicality, and the quality of leadership. The results are openly shared across the business, with each team identifying and actioning two fast actions which will make an immediate difference.

In 2021, we developed our new mindsets (company values). To do this, we brought together over 100 global team members to form a collaborative cross-sectional working group. Members included graduates, both new and long-standing employees, office-based team members and people from our operational front-line. Through an extensive process of surveys, focus groups and workshops, stories and experiences were shared about what makes us unique, how we perform when we're at our best, what's common and shared amongst all of us, what's important, and what's needed to carry our business forward into the future. From these rich and personal insights, our people distilled this into our four new mindsets: be bold, do the mahi, one team and take good care.

Appendix 3
GRI index

GRI Standard	Description	Reference	Page
General standard disclosures			
102-1	Name of the organisation	T&G Global Limited	-
102-2	Activities, brands, products and services	About T&G Appendices: How we create value	14-17 138-139
102-3	Location of headquarters	1 Clemow Drive, Mt Wellington, Auckland 1060, Aotearoa New Zealand	-
102-4	Location of operations	About T&G	14-17
102-5	Ownership and legal form	New Zealand limited liability company Listed on the New Zealand Stock Exchange	-
102-6	Markets served	About T&G	14-17
102-7	Scale of the organisation	About T&G	14-17
102-8	Information on employees and other workers	Appendices: Employee and workforce data	145-147
102-9	Supply chain	Our strategy Appendices: How we create value	18-29 138-139
102-10	Significant changes to the organisation and its supply chain	Chair and CEO review Our strategy	6-9 18-29
102-11	Precautionary principle or approach	T&G applies a precautionary approach through our sustainability strategy (Kaitiakitanga), and we continue to seek to improve our capability in doing this	-
102-12	External initiatives	About this report Kaitiakitanga	2 36-51
102-13	Membership of associations	Appendices: Associations and memberships	148-149
102-14	Statement from senior decision-maker	Chair and CEO's review	6-9
102-16	Values, principles, standards and norms of behaviour	Our strategy High-performance Mindsets	18-29 30-33 34-35
102-18	Governance structure	Corporate governance	52-59
102-40	Stakeholder groups	Appendices: Responding to what's important	140-141
102-41	Collective bargaining agreements	3.71% of our workforce is covered by collective agreements	-
102-42	Identifying and selecting stakeholders	Kaitiakitanga Appendices: Responding to what's important	36-51 140-141
102-43	Approach to stakeholder engagement	Appendices: Responding to what's important	140-141
102-44	Key topics and concerns raised	Kaitiakitanga Appendices: Responding to what's important	36-51 140-141
102-45	Entities included in the consolidated financial statements	About this report	2
102-46	Defining reporting content and topic boundaries	About this report Kaitiakitanga Appendices: Responding to what's important Appendices: GRI index	2 36-51 140-141 142-144

GRI Standard	Description	Reference	Page
102-47	List of material topics	Our Kaitiakitanga governance and management	37
102-48	Restatements of information	2021 is T&G Global's second GRI report	-
102-49	Changes in reporting	About this report	2
102-50	Reporting period	1 January 2021 to 31 December 2021	-
102-51	Date of most recent report	31 December 2020	-
102-52	Reporting cycle	Annual	-
102-53	Contact point for questions regarding the report	Chief Financial Officer, 1 Clemow Drive, Mt Wellington, Auckland 1060, Aotearoa New Zealand	-
102-54	Claims of reporting in accordance with the GRI Standards	About this report	2
102-55	GRI content index		142-144
102-56	External assurance	Independent auditor's report Deloitte Limited have provided limited assurance over the Scope 1 and 2 GHG emissions for the reporting period.	60-63 -

Topic specific disclosures			
Water and effluents			
103-1	Disclosure on management approach	Our Kaitiakitanga governance and management	37
303-5	Water consumption	Lower impact, smarter growing	47
Emissions and energy			
103-1	Disclosure on management approach	Our Kaitiakitanga governance and management	37
305-1	Direct (Scope 1) GHG emissions	Climate action	42-45
305-2	Energy indirect (Scope 2) GHG emissions	Climate action	42-45
302-1	Energy consumption within the organisation	Climate action	42-45
Waste			
103-1	Disclosure on management approach	Our Kaitiakitanga governance and management	37
306-5	Waste directed to disposal	Closing the loop	46
Food safety			
103-1	Disclosure on management approach	Our Kaitiakitanga governance and management	37
416-2	Incidents of non-compliance concerning the health & safety of products and services	No incidents of non-compliance occurred in 2021	-
Training and education			
103-1	Disclosure on management approach	High-performance Our people	30-33 38-41
Occupational health and safety			
103-1	Disclosure on management approach	Protect and grow	38-39
Financial management and performance			
103-1	Disclosure on management approach	Our Kaitiakitanga governance and management	37
201-1	Direct economic value generated and distributed	At a glance Chair and CEO review	4-5 6-9

GRI scope, methodologies and limitations

Scope

T&G Global has reported management approaches for key material topics: climate change, water and food safety, and at least one topic-specific disclosure where data is available.

Energy and GHG emissions methodologies and baseline

Baseline

T&G's baseline year for reporting energy and emissions is 2017, and this aligns to our ultimate parent company BayWa AG's baseline year. We use the financial control approach to GHG emission reporting as per the GHG protocol. T&G accounts for 100% of emissions from our operations under Scope 1 and Scope 2 if we have 50% ownership of the operation. We have obtained limited assurance over the Scope 1 and 2 emissions figures for the period 1 January 2021 to 31 December 2021 by Deloitte Limited.

Methodologies

Data is captured in BraveGen Sustainability Reporting software. The data is sourced from suppliers, invoices and calculated estimates from operations (when accurate/actual usage data is not available). Relevant emissions factors are captured within BraveGen which automatically calculates the CO_2 emissions based on usage.

We receive energy data in different measures and convert all reported measures to kWh using the following conversion rates as used by our ultimate parent company BayWa AG.

Resource	Original data metric	Conversion rate to kWh
Diesel	Litres	9.917
Petrol	Litres	8.428
Heating Oil	Litres	10
LPG	Kilograms	12.78

Emissions factors

Emissions factors were sourced based on geographic regions from multiple sources listed below:

- **https://www.mfe.govt.nz/publications/climate-change/measuring-emissions-2020-quick-guide**
- GWP source is United Nations Intergovernmental Panel on Climate Change (IPCC) IPCC AR5
- **Greenhouse gas reporting: conversion factors 2020 - GOV.UK (www.gov.uk)**

Where relevant emissions factors cannot be sourced from the above, the BayWa Corporate Sustainability team has provided the relevant details from VDA (German Association of the Automotive Industry: https://www.vda.de/en).

Energy data from some international offices is not included as usage is minimal due to the type and scale of the operations.

As part of the BayWa Group, T&G follows the GHG Protocol's Market-based approach to emissions reporting.

For our 2021 electricity consumption, in line with BayWa policy, for our Aotearoa New Zealand sites, we've purchased renewable energy certificates from Meridian Energy, under its certified renewable electricity scheme. For our international sites, we will be achieving this by purchasing renewable electricity certificates through BayWa using a broker agency. These renewable electricity certificates will be purchased by the end of February 2022 to cover T&G Global's international electricity consumption for the period from 1 January 2021 to 31 December 2021. This has resulted in zero emissions being reported from our Scope 2 activities.

Water and waste methodologies

Due to limitations in Scope 3 data collection for water, which is a material topic, and waste, data has not been captured in full and therefore not reported in full. This has been disclosed within this report in relation to water.

Missing or delayed data

T&G Scope 3 data is incomplete and is a focus for the Company for 2022 to ensure data for core topics, such as water and waste, is accounted for across the business. This will be reflected in our 2022 Annual Report.

Appendix 4
Employee and workforce data

The following tables provide additional information, context and detail to the main body of the 2021 Annual Report as required by the GRI Standards.

Employee and workforce information has been calculated using data averaged over the required reporting period shown in each table. The data has been rounded.

Total Aotearoa New Zealand employees by employment contract (permanent and temporary)

	12 months average		
	Permanent	Temporary	Grand total
Male	749	529	1,278
Female	459	335	794
Grand total	**1,208**	**864**	**2,072**

Total number of Aotearoa New Zealand employees by employment contract

	12 months average		
	Permanent	Temporary	Grand total
Auckland	557	133	690
Christchurch	90	8	98
Dunedin	14	7	21
Gisborne	1	2	3
Hamilton	37	11	48
Hastings	278	496	774
Kerikeri	23	74	97
Nelson	55	98	153
New Plymouth	10	0	10
Palmerston North	62	11	73
Taupō	36	21	57
Tauranga	24	3	27
Wellington	20	0	20
Whangārei	2	1	3
Grand total	**1,209**	**865**	**2,074**

Total number of Aotearoa New Zealand employees by employment type

	12 months average		
	Full-time	Part-time	Grand total
Male	746	27	773
Female	441	39	480
Grand total	**1,187**	**66**	**1,253**

Average seasonal employee monthly headcount movement, by Aotearoa New Zealand region

Auckland

	Male	Female	Grand total
January	73	48	121
February	63	33	96
March	53	30	83
April	49	33	82
May	59	39	98
June	50	40	90
July	42	22	64
August	46	23	69
September	60	25	85
October	38	25	63
November	43	28	71
December	51	26	77
Auckland	**52**	**31**	**83**

Hamilton

	Male	Female	Grand total
January	5	1	6
February	1	1	2
March	-	1	1
April	-	1	1
May	2	-	2
June	3	1	4
July	2	1	3
August	2	1	3
September	1	2	3
October	-	4	4
November	2	4	6
December	3	2	5
Hamilton	**2**	**2**	**3**

Dunedin

	Male	Female	Grand total
January	1	2	3
February	6	3	9
March	14	3	17
April	13	3	16
May	10	3	13
June	7	4	11
July	5	4	9
August	3	3	6
September	1	-	1
October	-	-	-
November	-	-	-
December	-	-	-
Dunedin	**5**	**2**	**7**

Hastings

	Male	Female	Grand total
January	235	183	418
February	387	223	610
March	490	331	821
April	475	315	790
May	319	300	619
June	277	278	555
July	221	209	430
August	179	155	334
September	182	133	315
October	205	79	284
November	234	56	290
December	336	79	415
Hastings	**295**	**195**	**490**

Kerikeri

	Male	Female	Grand total
January	53	26	79
February	60	71	131
March	30	66	96
April	26	33	59
May	82	25	107
June	76	24	100
July	74	24	98
August	63	24	87
September	30	13	43
October	13	5	18
November	15	25	40
December	21	4	25
Kerikeri	**45**	**28**	**73**

Palmerston North

	Male	Female	Grand total
January	-	-	-
February	-	-	-
March	-	-	-
April	-	-	-
May	-	-	-
June	-	-	-
July	-	-	-
August	-	-	-
September	-	-	-
October	-	-	-
November	2	-	2
December	6	2	8
Palmerston North	**1**	**1**	**1**

Nelson

	Male	Female	Grand total
January	76	17	93
February	82	25	107
March	99	43	142
April	115	54	169
May	96	49	145
June	90	44	134
July	59	13	72
August	51	12	63
September	50	13	63
October	45	10	55
November	48	8	56
December	55	2	57
Nelson	**72**	**24**	**96**

Taupō

	Male	Female	Grand total
January	2	10	12
February	3	10	13
March	2	4	6
April	-	-	-
May	-	-	-
June	-	-	-
July	1	-	1
August	4	4	8
September	7	7	14
October	10	7	17
November	15	11	26
December	17	12	29
Taupō	**5**	**5**	**10**

Employment data is reported on full-time equivalent (FTE). The data is sourced from the SAP HCM system and is limited to Aotearoa New Zealand based employees. Union information was sourced from DataPay. Due to data limitations, T&G Global is unable to publish detailed employee and workforce data for our international sites. The data has been compiled based on the actual employee headcount data.

Appendix 5
Associations and memberships

Aotearoa New Zealand associations and memberships

Organisation	Function	Our role
Business Leaders' Health & Safety Forum	Coalition of business and government leaders, improving performance of workplace health and safety in Aotearoa New Zealand	Member
Citrus New Zealand	Incorporated society representing Aotearoa New Zealand citrus growers	Board member
Diversity Works New Zealand	Professional body providing guidance for workplace diversity and inclusion	Member
Governance New Zealand	Professional body, providing leadership in governance, compliance and risk management	Member
Horticulture New Zealand	Industry peak body advocating and representing the interest of New Zealand's vegetable growers	Member
Human Resources Institute of New Zealand	Professional body providing services and support for people who work in HR in New Zealand	Member
Institute of Directors New Zealand	Professional body providing guidance to New Zealand directors	Member
New Zealand Apples & Pears Inc.	Representative organisation for New Zealand's pipfruit industry	Board member
New Zealand Avocado	Industry peak body representing New Zealand's avocado growers	Member
The New Zealand Council of Cargo Owners	Professional body representing the shipping supply chain interests of New Zealand's largest exporters and importers	Chair
New Zealand Horticulture Export Authority	A statutory authority working to promote the effective export marketing of horticultural products	Committee member
New Zealand Institute of Safety Management	Professional association for New Zealand health and safety practitioners	Member
Onions New Zealand	Industry peak body representing growers and exporters of onions in New Zealand	Member
Plant Germplasm Import Council	Coalition of plant germplasm import industry groups and the Ministry of Primary Industries, focused on improving New Zealand's germplasm import programme	Member
Potatoes New Zealand	Industry peak body representing interests of New Zealand's potato industry	Member
Strawberry Growers of New Zealand	Industry peak body representing the interest of New Zealand's strawberry growers	Member
Tomatoes New Zealand	Industry peak body representing New Zealand's tomato growers	Board member
United Fresh New Zealand Incorporated	Professional body providing services and representation to the fresh produce industry	Board member
Vegetables New Zealand Inc.	Represents the interests of growers of all fresh vegetable crops	Member

International associations and memberships

Organisation	Function	Our role
Freshfel Europe	Forum for the European fresh fruit and vegetable chain, representing its members at EU and international level to ensure a diverse, sustainable, and robust EU fruit and vegetable sector	Member
Fresh Trade Belgium	Association representing importers, exporters and wholesalers, fresh cut companies and logistic service providers active in the fruit and vegetable business in Belgium	Member
International Fresh Produce Association	Global fresh produce trade association	Member
United Nations (UN) Global Compact	A voluntary initiative based on CEO commitments to implement universal sustainability principles and to take steps to support UN goals	Member (via our ultimate parent company, BayWa AG)
Washington Apple Education Foundation	Charitable organisation with a desire to advance Washington's tree fruit industry's charitable work	Member
Washington State Tree Fruit Association	Professional body providing advocacy and support to the Washington State tree fruit industry	Member

Directory

Directors

B.J. Mangold
Chair and Non-independent Director

C.A. Campbell
Independent Director

A. Helber
Non-independent Director

R.J. Hewett
Independent Director

M. Poellinger
Non-independent Director

R.T. Priske
Non-independent Director

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Principal bankers

Bank of New Zealand

HSBC

Rabobank

Westpac New Zealand

Principal solicitors

Russell McVeagh

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