



## QUALITY AT OUR CORE

Zespri Annual Report  
2023/24







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# QUALITY AT OUR CORE

**Quality is at the core of everything we do.**

It is in the way our growers produce consistently great fruit.

It is embedded in our global supply chain – from the people we work with to the processes we've put in place to deliver world-class fruit.

It is also the foundation of the brand we've built, with great campaigns showcasing our promise that every Zespri Kiwifruit on the shelves meets our high standards.

Our commitment to quality underpins our ability to maximise the value we return to growers.

The 2022/23 season showed us what happens when we don't get this right. It put at risk our relationship with customers and consumers, our brand, and significantly impacted grower returns.

However, as we have always done, our industry responded to the challenge.

In 2023/24, we put quality at the core of all our work.

Through a collective effort, we delivered 164.2 million trays of the world's best kiwifruit to the world – fruit which fulfilled the Zespri brand promise, restored the faith of our customers and consumers, and allowed us to secure more value for growers.

Maintaining this commitment to quality in the years ahead will enable us to continue to succeed, helping people, communities, and the environment around the world thrive through the goodness of kiwifruit.



# 2023/24 AT A GLANCE



**164.2**  
MILLION TRAYS  
TOTAL SALES  
VOLUME



**137**  
MILLION TRAYS  
2023 SEASON  
NZ SUPPLY VOLUME



**27.2**  
MILLION TRAYS  
ZGS SALES  
VOLUME



**41**  
GROWER  
ROADSHOWS



**355**  
INTERNATIONAL  
VISITORS  
ACROSS OUR  
TOURS PROGRAMME



**\$2.29**  
BILLION  
2023 SEASON NZ SUPPLY  
TOTAL FRUIT AND  
SERVICE PAYMENTS  
INCLUDING LOYALTY  
PREMIUM



**51**  
CHARTER  
VESSELS



**14**  
SHED TALKS



**\$0.85**  
TOTAL NET DIVIDEND



**+1M**  
CHILDREN PARTICIPATED  
IN OUR GLOBAL ZESPRI  
NUTRITION EDUCATION  
PROGRAMME



**20,452**  
PARTICIPANTS IN ZESPRI  
YOUNG & HEALTHY VIRTUAL  
ADVENTURE  
715 CLASSES IN 261  
SCHOOLS



**\$173.3**  
MILLION  
NET PROFIT



**\$4.21**  
BILLION  
GLOBAL OPERATING  
REVENUE



**80%**  
COMPOSTABLE,  
REUSABLE, OR RECYCLABLE  
CONSUMER PACKAGING



**11,733**  
ATHLETES  
LARGEST-EVER  
AIMS GAMES



**4.3**  
BILLION  
HEALTHY  
EATING  
OCCASIONS

NOTE: All dollars are NZD.



# FINANCIAL HIGHLIGHTS

	2023/24	2022/23	Variance
<b>Financial Year results</b>			
Net profit after tax	\$173.3 million	\$238.7 million	(27%)
Dividend per share (cents)			
– Interim	66.0	99.0	(33%)
– Final	19.0	18.0	6%
– Total	85.0	117.0	(27%)
Percentage of available profit	90%	90%	
<b>Zespri global operating revenue<sup>1</sup></b>	<b>\$4.206 billion</b>	<b>\$4.224 billion</b>	(0%)
<b>Zespri global kiwifruit sales (net)<sup>2</sup></b>	<b>\$3.988 billion</b>	<b>\$3.916 billion</b>	2%
<b>Export earnings (New Zealand grown)<sup>3</sup></b>	<b>\$2.703 billion</b>	<b>\$2.608 billion</b>	4%
<b>Equity</b>	<b>\$350.2 million</b>	<b>\$323.2 million</b>	8%
<b>Seasonal results</b>			
New Zealand-grown fruit and service payments (including loyalty premium)	2,294.8 million	2,242.0 million	2%
– Per tray supplied	\$16.74	\$13.52	24%
New Zealand-grown Orchard Gate Return (OGR) per hectare	\$110,250 (average)	\$100,345 (average)	10%
– Green	\$65,717	\$57,636	14%
– Organic Green	\$56,086	\$60,912	(8%)
– SunGold	\$146,987	\$137,524	7%
– Organic SunGold	\$113,449	\$133,548	(15%)
– Sweet Green	\$49,841	\$41,761	19%
– RubyRed	\$40,741	\$42,063	(3%)
Zespri global volume (trays sold)	162.9 million	183.5 million	(11%)
<b>New Zealand grown<sup>4</sup></b>	<b>135.6 million</b>	<b>158.7 million</b>	(15%)
– Green	39.1 million	55.7 million	(30%)
– Organic Green	2.0 million	2.9 million	(30%)
– SunGold	88.1 million	93.6 million	(6%)
– Organic SunGold	2.3 million	2.8 million	(20%)
– Sweet Green	0.1 million	0.2 million	(46%)
– RubyRed	0.2 million	0.1 million	132%
– Other	3.7 million	3.4 million	9%
<b>Non-New Zealand grown</b>	<b>27.2 million</b>	<b>24.8 million</b>	10%
– Green	7.7 million	9.2 million	(16%)
– Gold	19.5 million	15.6 million	25%

1 Global operating revenue equals global kiwifruit sales plus new cultivars licence revenue as presented in the Alternative Revenue Statement; see page 116.  
2 As presented in the Alternative Revenue Statement; see page 116.  
3 Export earnings (New Zealand grown) equals return from fruit sales adding back hail self-insurance, other direct pool costs – onshore and removing interest income from the Alternative Revenue Statement; see page 116.  
4 1.4 million trays of 2024 season fruit was sold in the 2023/24 financial year bringing total trays sold in 2023/24 to 137 million.

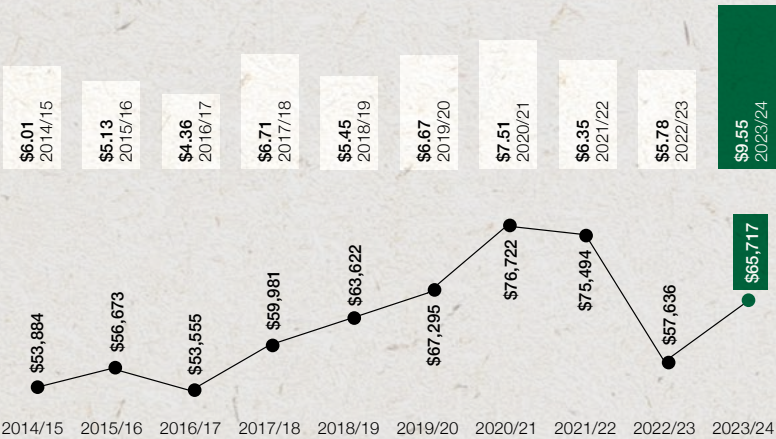


ORCHARD GATE  
RETURNS

ZESPRI GREEN KIWIFRUIT

AVERAGE OGR PER TRAY  
\$9.55

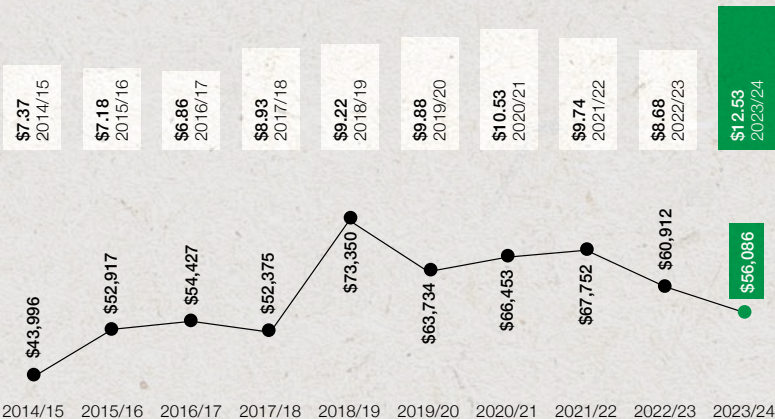
Average OGR per hectare  
\$65,717



ZESPRI GREEN ORGANIC KIWIFRUIT

AVERAGE OGR PER TRAY  
\$12.53

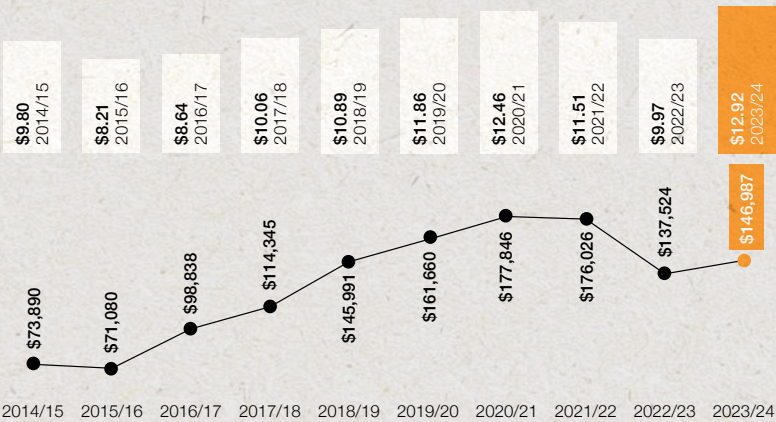
Average OGR per hectare  
\$56,086



ZESPRI SUNGOLD KIWIFRUIT

AVERAGE OGR PER TRAY  
\$12.92

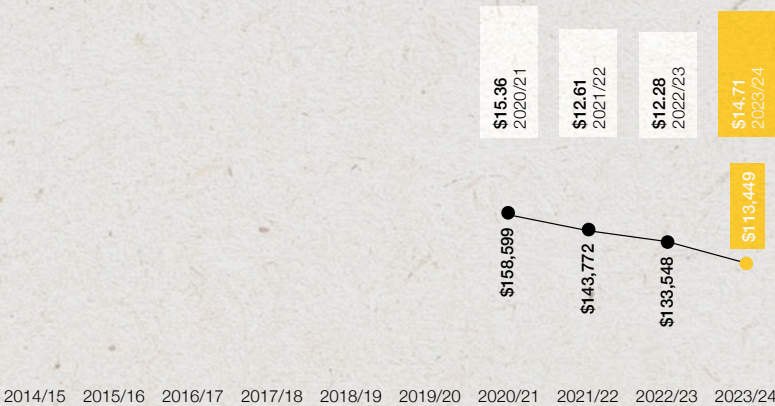
Average OGR per hectare  
\$146,987



ZESPRI SUNGOLD ORGANIC KIWIFRUIT

AVERAGE OGR PER TRAY  
\$14.71

Average OGR per hectare  
\$113,449



ZESPRI RUBYRED KIWIFRUIT\*

AVERAGE OGR PER TRAY  
\$26.34

Average OGR per hectare  
\$40,741

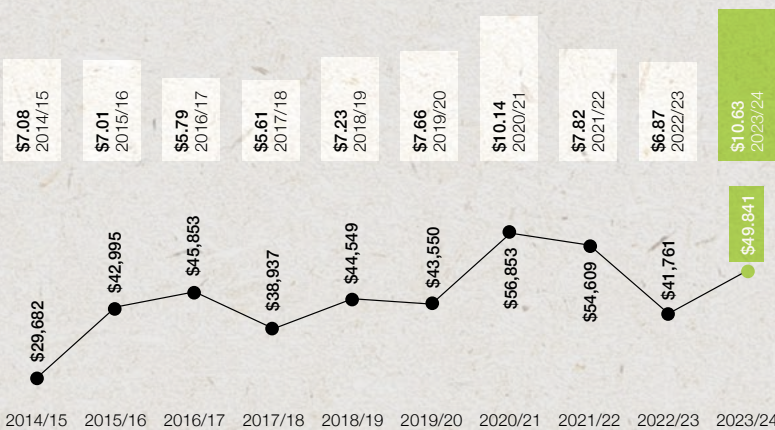


\* RubyRed is in its second year as a commercial pool. Forecast per hectare returns have been influenced by a high proportion of productive hectares returning low yields impacted by vine age. 149 hectares producing for two years or less have returned an average yield of 1,385 trays per hectare and a forecast per hectare return of \$36,470 per hectare. Four hectares producing for greater than two years have returned an average yield of 5,263 trays per hectare and a forecast per hectare return of \$138,633 per hectare. Six hectares with mixed aged vines (with vine age of both two years or less and more than two years) have returned an average yield of 3,155 trays per hectare and a forecast per hectare return of \$83,091 per hectare. For RubyRed 2024 season publications of OGR per tray returns, the 2023 season per tray return comparative will be restated from \$26.34 to \$18.87, to account for Non-Standard Supply (NSS) Size 46 fruit being included in Standard Supply in 2024.

ZESPRI SWEET GREEN KIWIFRUIT

AVERAGE OGR PER TRAY  
\$10.63

Average OGR per hectare  
\$49,841





# CHAIRMAN'S REVIEW

**The last few years have been particularly tough for growers, with the industry again facing a difficult growing season in 2023/24.**

Lower yields and reduced crop volume in our 2023 season placed pressure on many growers.

In this environment, it has been pleasing to have secured strong pricing on the back of the industry's collective effort to improve fruit quality.

On behalf of the Board, I want to congratulate growers, the team at Zespri, and our post-harvest partners on these efforts which helped reduce total quality costs from ~\$530 million in 2022/23 to ~\$176 million in 2023/24, albeit from much lower volumes.

This resulted in record average per tray returns for our Green, Organic Green, SunGold, and RubyRed categories. Continuing to deliver strong returns across all our varieties, including lifting per-hectare returns off higher volumes of fruit, will remain a core focus in 2024/25 and beyond.

At a corporate level, we are continuing to operate with good financial stability and a strong group profit, with the Board remaining focused on delivering value to shareholders.

While our net profit after tax was down from \$238.7 million in 2022/23 to \$173.3 million, driven largely by a reduction in licence release income, Zespri's earnings before interest and tax (EBIT) excluding licence release was up \$7.7 million to \$34.5 million, led by the improvement in the performance of our New Zealand supply segment.

## LEADERSHIP CHANGES

The past year has also marked some significant changes in leadership at Zespri.

At the Board level, our priority has been to maintain smooth governance following Bruce Cameron's decision to step down as Chairman in February 2024 and retire as a Grower Director in August 2024.

Bruce has provided a strong grower voice on the Board, joining at a time when Psa was impacting the industry, and offering assured leadership through a challenging period, including operating throughout a global pandemic.

On behalf of the Board, I'd like to thank Bruce for his contribution to the industry, along with that of Peter Springford who retired from the Board in August 2023, with Zespri fortunate to have Michael Ahie succeed Peter as an Independent Director.

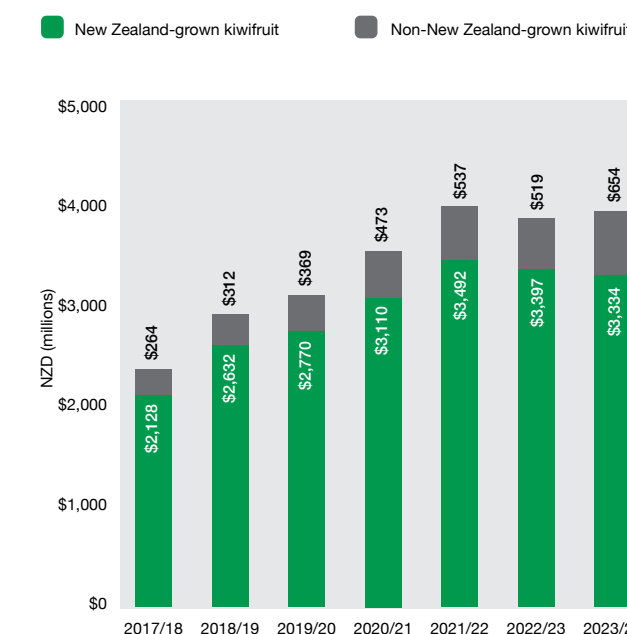
Additionally, the Board has focused on ensuring we have the right Chief Executive Officer to take us forward in the years ahead following Dan Mathieson's resignation.



**Nathan Flowerday**  
Chairman

**In looking to deliver value for the industry following such a challenging period, a big focus over the last year has been on rebuilding trust and confidence.**

## Global Kiwifruit Sales – 7 Years



\* Global kiwifruit sales are presented in the Alternative Revenue Statement on page 116.



Dan's leadership has delivered sustained growth in the value Zespri has returned to growers, with sales increasing from \$2.26 billion in 2016/17 when he stepped into the CEO role to \$3.99 billion today. He leaves with our very best wishes, having made a tremendous contribution to Zespri in his more than 20 years within the business.

Following an extensive international recruitment process, the Board is delighted to have appointed Jason Te Brake as Chief Executive Officer, effective 1 July 2024. A chartered accountant with strong financial experience, Jason has done an outstanding job as our Chief Operating Officer, leading our global supply chain and our response to the quality challenges we faced in 2022. This has given him a deep operational understanding of our business, including that at our core, Zespri is a sales and marketing organisation responsible for protecting and enhancing the global brand that is the foundation of our ability to deliver value to growers and the industry.

REBUILDING TRUST AND CONFIDENCE

A big focus over the last year has been rebuilding trust and confidence.

This has included restoring customer and consumer confidence in our product – with a tremendous collective effort across the industry allowing us to deliver the consistently high-quality kiwifruit expected of our brand.

Quality must remain at the core of our decision-making, and it's been pleasing to see continued efforts across the supply chain support the delivery of another good-quality crop in 2024, allowing us to make a strong start to the new season.

Across Zespri, we have also worked hard to strengthen our connections with growers as we look to build trust and confidence in a shared vision for the industry.

The Board continues to listen and respond to feedback from growers through the many engagement channels we now have in place.

Changes made to the licence release system in 2023, with the introduction of an ascending-price open auction licence release programme and cutover pool for Hayward and Green14 growers, are a direct result of grower feedback calling for greater transparency of demand and a system which ensures successful bidders pay the same price for licence.

Making sure we continue to put grower and industry perspectives at the centre of our decision-making is the foundation of the Industry Alignment framework we established in 2023. This provides a process through which growers and the industry can have their say on the challenges and opportunities we must work through and prioritise with industry leaders.

The initial framework is built around themes that growers have told us they want prioritised, including delivering improved financials, aligning commercial incentives with our growing environment and customer expectations, supporting greater grower ownership, enhancing supply chain transparency and discussing future issues management.

While this will be a long-term project, the Board has been encouraged by the initial progress made towards lifting grower ownership of Zespri through the Shareholder Alignment initiatives announced in late 2023. This will see growers offered the opportunity from 2025 to receive their June loyalty payment (relating to the 2024 harvest season) as shares, with shareholders able to reinvest dividend payment as shares.

Both initiatives will be provided on an opt-in basis, with growers not needing to commit significant capital investment to lift their shareholding.

Zespri will also use a Continuous Issue Product Disclosure Statement (PDS) to support future share issues and potential share buy-backs, retaining our listing on the Unlimited Stock Exchange (USX).

RESPONDING TO COMPETITION

We have also started an important discussion on how we can best get value from our Zespri Global Supply strategy – one of the key future issues identified as part of our Industry Alignment framework.

As an industry, we've been very successful at creating value.

We've achieved that through our product, our brand, our innovation programme, our demand-led strategy, and by listening to consumers. However, we can't rest on that, especially in light of the intensifying competition we're facing in the marketplace, with competitors investing to increase production, build brands, and take market share.

Our 12-month Global Supply strategy, which was put in place by the industry more than 20 years ago, has a critical role to play in maintaining our position as the category leader in kiwifruit, increasing the value we can return to growers and protecting the future of our business for Green, Gold, and Red growers.

However, we have now allocated all 5,000 hectares of SunGold Kiwifruit approved under the current Zespri Global Supply planting cap, meaning it will soon reach the limit of its ability to complement New Zealand supply. Without the ability to keep our fruit on shelves with key customers in key markets for all 12 months of the year, we are leaving a large and growing gap – that's a missed opportunity for us and conversely, an opportunity for competitors. With demand and competition increasing, standing still is not an option if we want to maintain our category leadership position.

With the 2024 harvest season completed and strong sales underway, we have started discussions on how we can best achieve value out of our global supply strategy. We know there is strong support but also questions and concerns which we want to work through, so we are asking for grower input into options for expansion. Your feedback will be incorporated into a proposed resolution that could go to a Producer Vote.

Our strong view is that we need to expand our Northern Hemisphere plantings, but we want to ensure the industry is comfortable with the decision and extent of any expansion.


I look forward to working towards a solution that strengthens our industry and provides certainty to our international partners, signalling that Zespri is invested in maintaining our position as world leaders in premium kiwifruit.

FUTURE OUTLOOK

With demand continuing to strengthen, and more settled weather conditions leading to a considerable lift in yields in our 2024/25 growing season, there's a renewed sense of confidence within the industry.

We have a strong opportunity to capitalise on the growth opportunities in front of us. By focusing on delivering a high-quality product, a world-leading brand, and a commitment to our customers, we will continue to succeed.

I look forward to working with industry, Jason, and the team as we consider some of the strategic decisions we need to make together that will support Zespri's ability to return strong value to growers and our communities in the years ahead.

  
Nathan Flowerday  
Chairman

A NOTE FROM BRUCE CAMERON

I've always believed that the key to our industry is not just the great product but the world-class people and the way they come together in good times and bad.

We perform well when working closely together to present our customers and consumers with the best kiwifruit in the world, under a brand which has grown to be one of the most famous and valuable in fresh produce.

I look back on my time on the Board with a great deal of pride, reflecting on both the value we've created and the momentum we've built over a sustained period, and the challenges we've overcome to do that.

The Zespri of today is a modern, sophisticated global company with world-leading talent spread throughout our global operations.

When you add that to the incredible engine room which is our supply chain, the world's best growers, and outstanding retail and distribution partners – you have an industry that can rise to meet challenges and seize new opportunities.

That's been proven in our response to PsA, to COVID-19, to weather events like hail and cyclones, and to the quality issue we saw in 2022.

The way the industry has tackled fruit quality has put us in a great position to capitalise on the strong demand for our fruit.

I leave very confident in the industry's future, and look forward to our continued growth in the years ahead.

If I can say one thing it's to stay focused. Focus on producing great fruit and on creating value, but also on creating opportunities and not being afraid to make big decisions.

Our industry has a history of successfully doing that but our future also depends on it too.

  
Bruce Cameron  
Chairman, 2019–2024





# CEO REPORT



The progress we have made throughout the last season in resetting our industry has provided a welcome confidence boost as we head towards a period of considerable volume growth.

What has set us apart from other primary sector organisations facing similar challenges in recent seasons has been our ability to respond quickly by working together. This is evident in the work the industry has undertaken to improve fruit quality over the last season.

On orchard, growers have focused on planning and executing a high-quality harvest, with resources within Zespri and post-harvest prioritised to support increased management and monitoring of fruit quality throughout the supply chain. Our retail and distribution partners have also continued to provide their support to ensure only the best fruit is presented to consumers.

Zespri is a brand that brings together our industry’s collective effort, and I want to thank everyone for their efforts to date and their ongoing commitment to lifting quality.

It has meant we have been able to restore trust with customers, secure excellent value for our fruit and return more value to growers in 2023/24.



Dan Mathieson  
Chief Executive Officer

## CORPORATE RESULTS

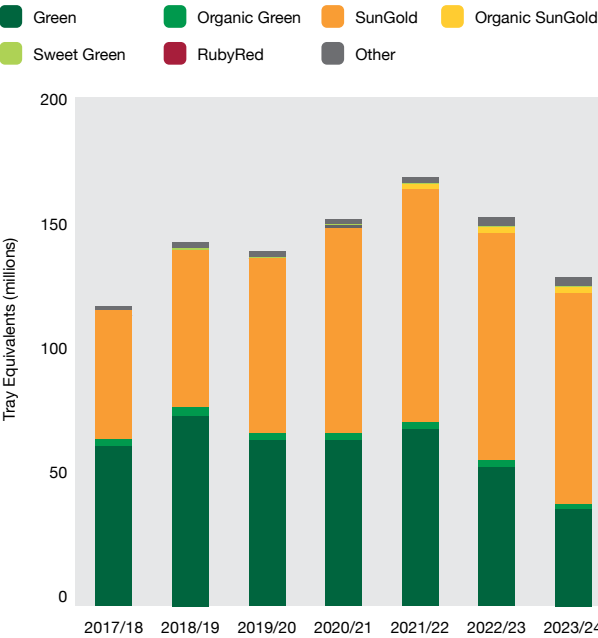
In 2023/24, Zespri sold 164.2 million trays of kiwifruit, down from the 183.5 million recorded in 2022/23.

Global revenue from fruit sales increased from \$3.92 billion to \$3.99 billion.

Zespri’s net profit was down from the \$238.7 million recorded last year to \$173.3 million, within our expected profit range of \$171 million to \$176 million issued in February 2024, driven in large part by reduced licence release income which dropped from \$302.6 million to \$212.4 million.

### Total Volume Sold – 7 years

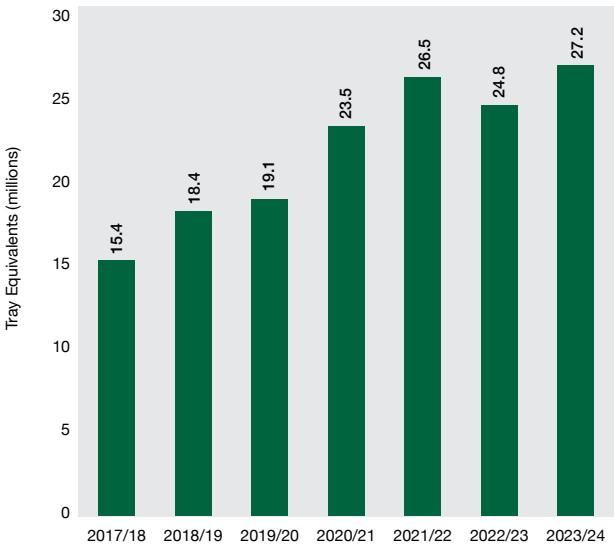
New Zealand-grown kiwifruit



The 2019/20 and earlier comparatives for Gold Kiwifruit include the combined pool of Zespri SunGold and Organic SunGold Kiwifruit. These varieties have been split into separate pools from the 2020/21 year.

### Total Volume Sold – 7 years

Non-New Zealand-grown kiwifruit





Our non-New Zealand growing operations, which also faced some challenging weather conditions, were still able to deliver a strong result of \$497.8 million in Total Fruit and Service Payments to offshore growers following sales of 27.2 million trays of fruit in 2023/24.

Within Zespri, we have placed a significant focus on finding efficiencies over the last year, balancing the need to be prudent given lower volumes while still maintaining a level of investment that is aligned with our industry’s expected future growth.

I want to acknowledge the performance of our Zespri team through this challenging period. They have demonstrated an unflappable commitment to delivering the season successfully for the industry, implementing a number of changes to our way of working that have allowed us to lift our performance and deliver value to growers.

CATEGORY PERFORMANCE

With low volume reflecting reduced orchard yields, the business focused on returning as much value per tray as possible to growers, recording record per-tray OGRs for all categories other than Organic SunGold in 2023/24.

This has been driven by a continued focus on strong sales rates and top-line pricing growth, while also making significant improvements in reducing our quality costs, which dropped from ~\$530 million in 2022/23 to ~\$176 million in 2023/24, albeit off much lower volumes. At a per tray level, quality costs were \$0.75 per tray for Green and \$1.55 for SunGold.

As we manage more volume in future seasons, maintaining quality costs of around \$1.00 and \$1.50 per tray respectively must continue to be a focus.

A BRAND WITH A CAUSE

Investment in our brand and in-market activity is critical in continuing to build demand for our product and return more value to growers.

Over the past year, we’ve made good progress in continuing to rise up the fruit bowl rankings, with Zespri now a top-three fruit brand in 10 out of our 15 core markets.

Investment in our brand and in-market activity is critical in continuing to build demand for our product and return more value to growers.

This has been supported by the continued evolution of our in-market activities, led by the world-famous and award-winning KiwiBrothers campaigns which are now present in 17 markets, and which continue to attract international recognition.

Similarly, our commitment to embracing more sustainable practice throughout our global supply chain has been well received by consumers who are increasingly mindful of the way in which brands are

2023/24 Final Average Orchard Gate Returns

Pools (Fruit Categories)	2023/24 Final  (Per Tray)	2023/24 February Forecast (Per Tray)	2022/23 Final (Per Tray)	2023/24 Final (Per Ha)	2023/24 February Forecast (Per Ha)	2022/23 Final (Per Ha)
Zespri Green	\$9.55	\$9.44	\$5.78	\$65,717	\$64,930	\$57,636
Zespri Organic Green	\$12.53	\$12.18	\$8.68	\$56,086	\$54,516	\$60,912
Zespri SunGold Kiwifruit	\$12.92	\$12.62	\$9.97	\$146,987	\$143,537	\$137,524
Zespri Organic SunGold Kiwifruit	\$14.71	\$14.21	\$12.28	\$113,449	\$109,640	\$133,548
Zespri Green14	\$10.63	\$10.31	\$6.87	\$49,841	\$48,326	\$41,761
Zespri RubyRed Kiwifruit	\$26.34	\$26.54	\$22.27	\$40,741	\$41,057	\$42,063

producing their products. This included the new fibre-based consumer packaging we are implementing in China and home-compostable labels in Belgium and France, as we look to meet the rapidly changing regulatory requirements of our markets and assess materials that can help us increase our use of recyclable, reusable, or compostable packaging.

We’ve seen an outstanding sales performance in Europe, which along with Japan, has driven strong value for our Green growers. I want to pay particular tribute to Linda Mills for the work she has undertaken over the year as Acting President of Europe and North America, and Steven Martina, helping build strong demand for increasing volumes for the 2024 season.

In China, President of Greater China Michael Jiang and his team secured great pricing for SunGold, building on the growing demand for this fruit to lift volume and value.

Across Asia under the leadership of President of Asia Pacific Ichiro Anzai, we’ve seen strong pricing for Green and the increasing volumes of RubyRed attract younger and newer consumers to the kiwifruit category.

We have also continued to invest in activity supporting our growth in markets we have earmarked for accelerated growth, including the United Kingdom, Switzerland, Portugal, India, Indonesia, and Malaysia.

BUILDING VALUE AND RESILIENCE

As we focus on growing sustainable long-term value, we must continue to build top-line revenue while putting a stronger focus on building resilience, efficiency and agility within our supply chain.

Having strong processes and systems in place is critical to managing the many risks we face in operating within the primary industries and across a global supply chain.

This was evident in the voluntary recall of 500 trays of our Organic Green Kiwifruit in North America in August 2023 following a finding of listeria. The incident was a reminder of the strength of our Zespri System which underpins our commitment to food safety, with teams able to track affected fruit back to orchards in which it was grown and isolate fruit from the identified source.

A more integrated approach in managing our end-to-end supply chain flowed through to better planning, including our comprehensive Quality Action Plan which supported the 2023/24 season, as well as the intensive season planning that was undertaken looking at scenarios to manage a big lift in volume in 2024 and maximise value to the industry.

This year’s Innovation Symposium, our first in five years, was a great showcase of some of the world-leading thinking underway within the industry and across our Innovation function, looking at enhancing orchard efficiency, health research, and groundbreaking on-orchard technologies.

We also launched ZAG, our US\$2 million Innovation Fund that has enabled us to connect with outstanding problem-solvers around the world as we look to foster new partnerships which can help us better innovate in sustainable horticulture, technology, automation, packaging and logistics, and meet the challenges associated with a changing climate.

Our ability to adapt and to continue to embrace more sustainable practices is crucial, particularly given the ongoing pace of change in consumer attitudes and from global regulators. We have a strong foundation and we are making progress such as the improvements we have made to the recyclability, reusability, and compostability of our consumer packaging, as well as our focus on improving the measurement of carbon through the supply chain so we can meet rapidly changing market requirements. However, the barriers to change are high and there is still much more work to be done.

Through the Kiwifruit Breeding Centre, we are continuing to explore new cultivars and varieties that will position us to meet not only the changing preferences of global consumers, but also the changing climatic conditions we are operating within. This includes the work we have underway on exploring a new Green variety.

I also want to thank New Zealand Kiwifruit Growers Inc. (NZKGI), Māori Kiwifruit Growers Inc. (MKGI), and the industry for their advocacy for the continued use of the budbreak enhancer hydrogen cyanamide. The collective response across the industry presented a strong case for the product’s continued use, and it has been pleasing to see the Environmental Protection Authority (EPA) acknowledge the considerable evidence indicating any risks are low and outweighed by the product’s significant benefits. The decision from the EPA that hydrogen cyanamide can continue to be used provides important reassurance to our growing communities.

FUTURE PRIORITIES

Zespri’s brand-led demand creation approach is critical to our industry’s future growth.

As we consider how we can build a successful industry for tomorrow, our focus continues to be on maximising grower returns, designing a supply chain which increases efficiency and provides the agility and insights to enable us to respond to challenges, and investing in innovation which allows us to create new sources of value.



To maximise value, we need to not only be securing great returns for our top-quality fruit but looking at other value-add opportunities too. Delivering consistently good-quality fruit is essential but we also must consider how to reduce fruit waste and sell more of what we grow, without compromising the value of our premium fruit.

On the supply side, work will continue to support a more agile and resilient supply chain which is backed by a collaborative approach with post-harvest to deliver more transparent performance information to the industry.

Innovation will allow us to explore how we can best adapt to a changing climate and meet increasing regulatory challenges. This includes producing new varieties that are better suited to warmer climates and the technology that supports this through new growing systems.

The approach we take will be considered through our Industry Alignment framework, which puts the grower voice firmly at the centre of our solution and decision-making, with everyone having an opportunity to contribute and shape our approach.

This will include discussions on potentially expanding our non-New Zealand Zespri Global Supply operations, as we look to protect shelf space for our expanding New Zealand crop and maintain the value we can return to growers through our 12-month Global Supply strategy.

## THANK YOU

Finally, I want to pass on my sincerest thanks for the opportunity to contribute to the industry over the last two decades, with the privilege of having the last seven as Zespri Chief Executive Officer.

The kiwifruit industry is filled with incredible people doing incredible things and with a genuine passion for producing an outstanding product for the world.

I'm extremely proud of my time here and the strong relationships that have been built, along with the results we've achieved by working so well together.

There have been many highlights, but the standout for me is the development of our Zespri culture, built on our purpose of delivering better outcomes for people, communities, and the environment. It's been founded on strong values of being results driven, building deep personal connections, and ensuring our decisions take both the short and long-term view through the value of guardianship.

It's these foundations and our mission to have the best fruit available for consumers every day of the year that have given us the direction to accelerate the growth of SunGold in both volume and value for growers over the last five to six years.

They have also shaped our Green strategy, pulling volumes back to meet demand and focusing on driving higher-value markets and returns for growers.

Surpassing \$8 per tray for Green was a promise I made to many growers, and I'm delighted we got there this year. I know the team will be focused on delivering great value in the years ahead while we work hard at bringing forward a new Green variety to support strong volume growth and returns.

I'm also delighted we were able to start the Zespri Red category with RubyRed, which is creating a positive impact in our portfolio and attracting new consumers to the wider category.

The wonderful people who make up our industry have given me the most inspiration – our growers, our partners across our supply chain, and our incredibly talented and committed Zespri people all over the world who I'll greatly miss.

I'm really pleased to see Jason Te Brake appointed as Chief Executive Officer. He has led our global supply chain through challenging times, enabling positive change for our industry, and he will be well supported by our outstanding leadership team who I have had the pleasure of working closely with during my tenure at Zespri. I want to thank all of them for the immense support they have provided as we've worked hard to deliver value to growers through some challenging periods.

Zespri has an incredibly bright future with an outstanding team and a strong and proven culture and strategy. I have no doubt that the sun is starting to shine on the industry again, and the best is very much yet to come.



**Dan Mathieson**  
Chief Executive Officer



Centre-to-right: CEO **Dan Mathieson**, Chairman **Nathan Flowerday**, Chief Financial Officer **Richard Hopkins**, President Asia Pacific **Ichiro Anzai**, and members of the Zespri team at the launch of our 2024 season in Korea.

## A NOTE FROM NEW CEO JASON TE BRAKE

I am hugely passionate and energised about the opportunities for our industry and it's a real honour and privilege to be able to lead Zespri.

Our industry has an outstanding track record of success, driven by quality people, a world-class product and strategy, and a commitment to innovating and tackling challenges together.

I am incredibly fortunate to follow in the footsteps of, and work alongside, some of our industry's outstanding leaders.

My immediate focus is on leading the Zespri team to capture the significant demand opportunities in market, strengthening our supply chain and operational performance to maximise value in market, and ensuring we return as much of that value to growers as possible.

I appreciate the faith Nathan and the Board have shown in me, and also thank Dan for his guidance and mentorship. He has been an outstanding leader, helping turn Zespri into a world-class sales and marketing organisation which has created a strong platform, delivering significant value for our growers and our communities.

I look forward to working with the industry to ensure we're maintaining our focus on quality, and delivering value to our growers, our communities, our customers, and our consumers in the years ahead.



**Jason Te Brake**  
Chief Executive Officer from 1 July 2024





# MANAGING COST AND DELIVERING VALUE

As always, our focus has been on ensuring we operate efficiently, looking at how we can manage costs and deliver value to the industry. Off the back of successive challenging seasons, resource was prioritised across 2023/24 into areas that best supported grower returns, while also preparing the business to manage future volume growth.

Our headline numbers reflect both the challenging growing season and the strong value we were able to secure in market.

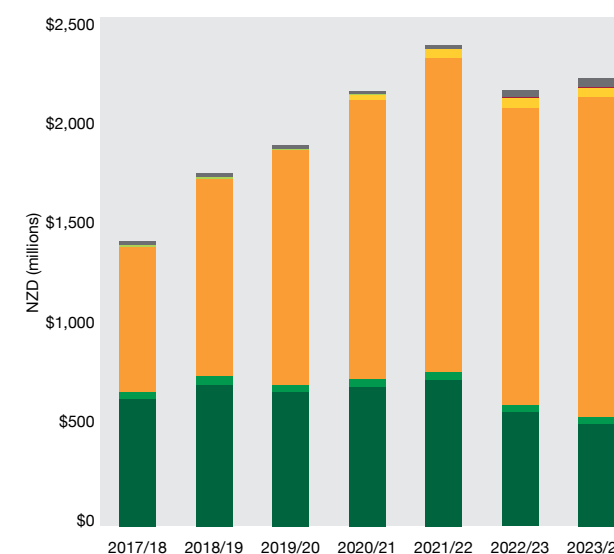
While global fruit volumes supplied were down by almost 26 million trays, global revenue from fruit sales was up two percent to \$3.99 billion. Lifting revenue on lower volumes reflected a collective effort from the industry to improve fruit quality, along with our ability to maximise price increases during the season. This included a strong performance in securing more value for Green in Europe, and delivering SunGold volume and value growth in China.

Total Fruit and Service Payments (TFSP) to New Zealand growers across all pools and excluding the loyalty premium increased to \$2.28 billion in 2023/24. Almost \$500 million in total fruit and service payments were also returned to offshore-based growers from Zespri Global Supply (ZGS) sales, with a lift in our non-New Zealand volumes increasing ZGS revenue to \$654.2 million.

## Total Fruit and Service Payments – 7 years

New Zealand-grown kiwifruit (excluding loyalty premium)

■ Green ■ Organic Green ■ SunGold ■ Organic SunGold  
■ Sweet Green ■ RubyRed ■ Other



The 2019/20 and earlier comparatives presented here for SunGold Kiwifruit include the combined pool of Zespri SunGold and Organic SunGold Kiwifruit. These varieties have been split into separate pools from 2020/21 onwards.

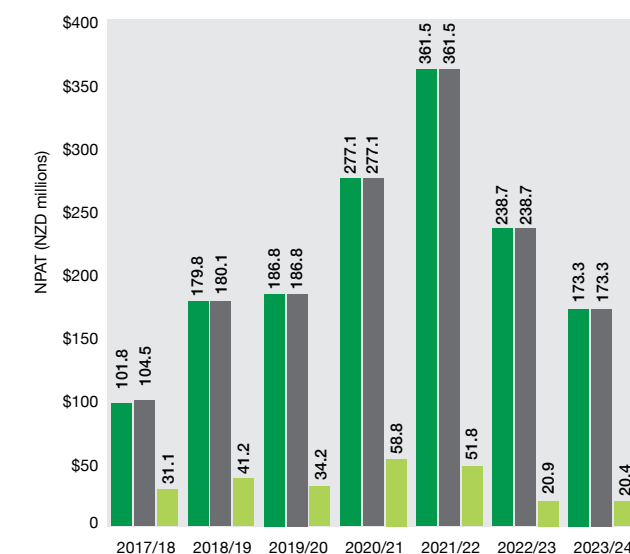


**Richard Hopkins**  
Chief Financial Officer

The recent challenging period for the industry has meant some growers have faced cash flow pressures, with Zespri actively monitoring our progress payments across pools. This has been part of our effort to find the right balance between season sales, cash received from customers, TFSP made year-to-date and risk around the season and the pools, and to benchmark this against TFSP levels made at the same time in previous seasons.

## Zespri Group Limited Profitability – 7 Years

■ Net Profit After Tax (NPAT) ■ Normalised Net Profit After Tax  
■ Net Profit After Tax Excluding Licence Release Revenue





CORPORATE PERFORMANCE

At a corporate level, Zespri’s net profit after tax was \$173.3 million, down from \$238.7 million in 2022/23.

Much of this was driven by a decrease in licence income, down from \$308.1 million to \$217.1 million in 2023/24. This was a result of a reduction in the amount of hectares available as part of the 2023 licence release, and lower per hectare pricing, with licence release income dropping from \$302.6 million to \$212.4 million in 2023/24.

Zespri delivered an earnings before interest and tax (EBIT) excluding licence release revenue of \$34.5 million, an increase of \$7.7 million on 2022/23. This is a better representation of how our business is performing, with the increase primarily driven by improved earnings in the New Zealand supply segment.

While Zespri overall is operating with good financial stability, strong group profit and positive demand for our fruit, our New Zealand supply segment still returned an EBIT loss of \$10.2 million in 2023/24, an improvement of \$12.0 million on 2022/23.

Our non-New Zealand supply segment recorded EBIT of \$23.6 million, down \$5.9 million on 2022/23, following sales of 27.2 million trays of fruit, with SunGold sales of 19.5 million trays representing 71 percent of the volume sold (2022/23: 15.6 million trays and 63 percent). Green volumes declined for the second consecutive year to 7.7 million trays with reduced availability from Italian growers. Reduced profitability related to a significant reduction in margin on Green-traded fruit in 2023/24, with low volumes increasing purchase prices, while overheads also increased.

New cultivars recorded an EBIT excluding licence release income of \$18.7 million, an increase of \$1.7 million over 2022/23, with these earnings reflecting royalties

the Group receives in relation to SunGold, which grew in line with the increased SunGold revenue from non-New Zealand supply. We also continue to invest in protecting our intellectual property, in particular the unauthorised G3 plantings in China.

COST MANAGEMENT

Throughout the year, management sought to find the balance between prudence for the 2023/24 season and investing appropriately to manage expected volume growth in the coming years.

This saw New Zealand supply overheads maintained in line with our 2022/23 costs. When factoring in inflation, this represented a reduction in overhead costs, driven largely by cost-reduction initiatives across the business, including the implementation of a ‘sinking lid’ employment policy where non-essential roles were not replaced. Savings were also secured through a reduction of non-employment costs.

Our most significant cost, employment costs, grew \$24.6 million in 2023/24, largely due to increased headcount in our supply chain as part of our efforts to strengthen quality management and sales, wage inflation and increased employee incentive payments reflecting the very competitive labour market. Innovation costs remained in line with the industry framework of percentage of revenue.

With our 2024 harvest volumes well above the 2023 season, the New Zealand supply segment is expected to return to profitability for 2024/25.

The non-New Zealand supply segment volume-based cost allocation for share in fruit selling costs increased in 2023/24, with non-New Zealand supply making up a larger proportion of global volumes. Employment costs also increased to support growing volumes of non-New Zealand grown fruit.

Our headline numbers reflect both the challenging growing season and the strong value we were able to secure in market.

TAX

The tax charge of \$80 million represents an effective tax rate of 31.61 percent, up from 27.92 percent in 2022/23.

This increase reflects a change in New Zealand tax legislation, removing commercial building depreciation for tax purposes. This reduced the tax base of the Group’s buildings and has resulted in a deferred tax liability of \$5.7 million being recognised, with a corresponding increase in tax expense. There was also an increase in permanent differences relating to non-deductible items across the entities in the Group.

The Organisation for Economic Co-operation and Development’s (OECD) Pillar Two legislation, introducing a global minimum corporate tax rate has been enacted or substantively enacted in certain jurisdictions the Group operates in and will be effective for the financial years beginning after 1 January 2024. The Group does not expect any exposure to Pillar Two income taxes because the effective tax rate in the affected jurisdictions will exceed the minimum tax rate of 15 percent.

Zespri acknowledges that collecting and paying tax is an important contribution to the communities we operate in around the world. We work collaboratively with tax authorities to achieve certainty on key tax risks, including the use of bilateral advanced pricing agreements in our significant markets.

BALANCE SHEET

Across the business, we continue to present a strong balance sheet, with net working capital of \$264.1 million, up \$30.1 million on 2022/23.

Cash generated from operating activities in 2023/24 amounted to \$141.3 million, while our closing cash balance of \$442.6 million is predominantly held offshore to meet working capital requirements.

These results reflect record early season fruit volume of 10.3 million trays from our 2024 harvest, increasing inventory to \$179.4 million. The inventory balance at year-end doesn’t include the fruit which was on our first European vessel of the 2024 season and could not be sold as a result of a mice incident.

Zespri has also renewed its lending facilities and we remain compliant with all covenants.

The industry’s scale has enabled us to hedge the impact of foreign exchange on New Zealand supply grower returns, with an overall objective of reducing volatility across seasons in accordance with our Treasury Management Policy.

In 2023/24, Zespri’s foreign exchange hedging programme delivered a gain of \$71.9 million, following the \$101.1 million gain achieved in the previous year.

Foreign Exchange Hedging Gain/(Loss)\*



\* 2023/24 saw large foreign exchange derivative gains due to the average New Zealand Dollar spot being higher than the average of all realised foreign exchange hedges for the season. Over the last three years, there have been times when the foreign exchange crosses Zespri hedges have fallen, this has assisted in producing these gains.

EBIT by segment summary (NZ\$m)

	2023/24	2022/23	2021/22	2020/21	2019/20
New Zealand kiwifruit segment	(10.2)	(22.1)	24.9	54.3	36.8
Non-New Zealand kiwifruit segment	23.6	29.5	26.9	28.8	11.1
New cultivars segment	231.1	319.6	448.6	319.8	225.4
Land and buildings segment	2.4	2.4	2.3	2.0	1.8
Zespri Group EBIT	246.9	329.4	502.7	404.9	275.1
Licence release revenue*	212.4	302.6	430.1	303.2	211.9
Zespri Group EBIT excluding licence release revenue	34.5	26.8	72.6	101.7	63.2

\*Excludes treasury stock, shelterbelt replacement, and 'Finishing Off Blocks' licence revenue.

Note, prior period restatements for the change in accounting policy for cloud computing in 2019/20 and 2020/21 were not applied to specific segments. The restatements to the Alternative Revenue Statement were applied to after tax profit.



SHARE PRICE

The Zespri share price decreased from \$6.25 per share to \$4.35 per share, year-on-year, as at 31 March.

The lower share price was mainly driven by lower licence prices at the May 2023 licence auction, and included the market expectation for the licence round held in May 2024.

Shareholder returns for the year, including distributed dividends, were negative 13 percent. However, the five-year compound annual return was positive 24 percent.

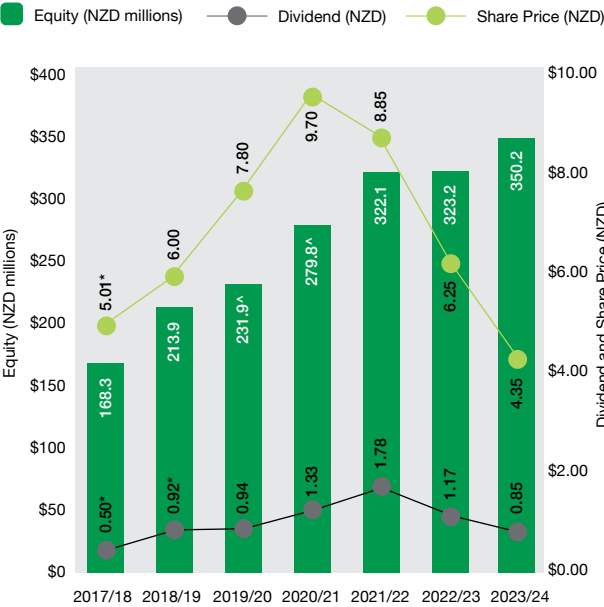
DIVIDENDS

Zespri’s total dividend per share in the 2023/24 financial year was \$0.85 per share, down \$0.32 from the \$1.17 recorded in 2022/23.

The dividend pay-out ratio was 90 percent for 2023/24, in line with the 90 percent paid in the prior year.

Imputation credits have been allocated to 70 percent of the dividend declared. This ratio decreased due to the reduction in licence income and the upward pressure on our offshore margins, which reduced New Zealand’s share of the total tax payable.

Zespri Group Limited Equity, Dividend Returned and Share Price – 7 years



\* Adjusted to reflect the impact of the targeted share issue and buy-back transactions in November 2018 and the three-for-two share split in March 2019.

^ Equity retrospectively restated for changes to accounting policy relating to Software-as-a-Service.

Over a five-year period from 1 April 2019 to 31 March 2024 Zespri has achieved a compound annual total shareholder return of 24 percent. This measure reflects a combination of the increase in share price and gross dividend over the period.

ENDURING FUNDING AGREEMENT FIVE-YEAR REVIEW

The Enduring Funding Agreement (EFA) establishes mechanisms that allow the Zespri Fruit Return margin to be reset either up or down by 0.25 percent (to a maximum of 7.75 percent) for the following season without the need for negotiation.

These mechanisms were an outcome of the Kiwifruit Industry Strategy Project (KISP) and were established for the 2018/19 season with the intention of being mechanical and enduring. The original EFA contracts were for a ten-year term expiring at the end of the 2027/28 season.

The EFA contains a review clause that after five years the Industry Advisory Council (IAC) will conduct a review to ensure mechanisms are operating as intended, and will continue to materially satisfy to the end of the contract term the KISP principles defined in the EFA.

In June 2023, the IAC delegated the five-year review process to the Margin Review Working Group (MRWG) made up of representatives from NZKGI, MKGI, post-harvest, and Zespri. The MRWG completed its review in October 2023, universally agreeing that the KISP principles have been materially satisfied, and that no change to the current EFA was required.

In addition, the non-Zespri members of the review committee requested that Zespri in good faith consider how it may address the areas below to provide further comfort over how Zespri operates:

- NZKGI’s involvement in setting industry-good New Zealand innovation priorities;
- Transparency of offshore costs that impact New Zealand grower returns;
- A commitment to target demonstratable economies of scale, in particular focusing on New Zealand supply overhead expenditure.

ENDURING FUNDING MECHANISM OUTCOMES

Our results have led to changes that will see Zespri’s margin reset in 2024/25 under our Enduring Funding mechanism.

The EFA allows the Zespri Board to reduce unpaid loyalty payments to the extent of the New Zealand supply EBIT loss, which for the 2023 season loyalty was \$10.2 million or 7.6 cents per tray. The Zespri Board elected not to reduce the 2023 loyalty payment, which remains in total at 30 cents a tray.

The industry’s funding agreement also provides for adjustment of Zespri’s fruit margin percentage according to final financial results each year. As a result of the 2023/24 financial results and New Zealand supply EBIT dropping below 0.5 percent of New Zealand supply sales, the mechanism allows an upwards reset of the Fruit Return margin by 0.25 percent to 7.25 percent for the 2024/25 financial year.

The margin reset is expected to help Zespri continue to support the New Zealand sales season and invest in initiatives designed to deliver increased value to growers and the industry. The impact of this reset on 2024/25 grower returns is estimated on average to be a reduction of four cents per tray.

SHARE ALIGNMENT

We have continued our work to increase grower shareholding in Zespri through our share alignment programme. Improving share alignment is key to aligning grower/shareholder interests and pursuing our strategy to create ongoing value. Following the 2018 share issue and buy-back, 57 percent of New Zealand growers were Zespri shareholders; however, over time we’ve seen this figure decreasing by approximately two percent a year. As at March 2024, it was below 47 percent.

Developed off the back of significant industry consultation in 2023, the shareholder alignment programme has established three key goals and targets outlined in the table below which are guiding our work.

Shareholder alignment

Goals	Targets
<ul style="list-style-type: none"><li>• Improve the percentage of New Zealand growers that own Zespri shares (going wider)</li></ul>	<ul style="list-style-type: none"><li>• At least 75 percent of New Zealand growers are Zespri shareholders by 2030</li></ul>
<ul style="list-style-type: none"><li>• Improve shareholder alignment (going deeper)</li></ul>	<ul style="list-style-type: none"><li>• At least 60 percent of New Zealand growers hold shares at a ratio of between 0.5 and 2.0 shares per tray of production by 2030</li></ul>
<ul style="list-style-type: none"><li>• Seek to minimise shareholder dilution, and utilise freshly raised capital to facilitate the buy-back of ‘dry’ and over 6:1 cap shares</li></ul>	<ul style="list-style-type: none"><li>• The percentage of dry shares, and shares above the 6:1 cap, are below five percent by 2028</li></ul>

The first two initiatives being implemented in mid-2025, the Loyalty-as-Shares and the Dividend-as-Shares schemes, will start us on the journey towards achieving our first two goals, but on their own are unlikely to enable us to reach the 2030 targets.

Zespri is actively considering offering an annual share buy-back to avoid shareholder dilution, but the timing and design of any future buy-back scheme is subject to Zespri receiving an IRD binding ruling confirming that the share repurchase is tax free to those participating.

To facilitate the establishment of the Loyalty-as-Shares scheme, the Industry Advisory Council (IAC) in February 2024 approved changes to the 2024 Loyalty Agreement. From January 2025 all cash loyalty payments will be paid directly from Zespri, and will be calculated based on trays submitted.

Zespri will seek further industry consultation on additional measures to improve share alignment once the Loyalty-as-Shares and Dividend-as-Shares initiatives are established.

Also of note is that in March 2025, sanctions for ‘grandfathered’ dry and over 6:1 cap shares come into effect. These changes stem from the Zespri Constitution amendments in March 2018 made as part of KISP and will see ‘grandfathered’ dry shareholders (approximately 11.5 million shares) no longer receive a dividend, and ‘grandfathered’ over 6:1 cap shares (approximately 1.4 million shares) required to be sold.

DELIVERING VALUE

The last few years have reminded us that we will have years that are more difficult in kiwifruit, both for growers and our shareholders, and that Zespri’s financial performance in the New Zealand supply segment in particular, will reflect the challenges we face.

As we look at how we can continue to deliver our seasons successfully and manage these more demanding years, we will consider how we can best balance the short-term need for savings in our corporate costs with the bright outlook we have for the industry and our ability to support its growth.

Richard Hopkins  
Chief Financial Officer



# CORPORATE GOVERNANCE

**Zespri is committed to carrying out our business with integrity, providing a sustainable and safe business environment and adhering to the regulatory and legislative frameworks applicable to our global business. Our operations and actions are underpinned by clear written policies, a robust corporate governance framework and our values.**

## ETHICAL STANDARDS

At Zespri, we're committed to demonstrating integrity and maintaining a high standard of business ethics. Strong corporate governance policies and processes, together with Zespri's Code of Conduct and Director's Manual, are integral to the clear expectations on all Zespri Directors, officers, and employees to represent and act for Zespri with integrity and in compliance with applicable law and company policy. These expectations and processes are supplemented with regular training and presentations covering a range of ethical and compliance issues.

**Conflicts of interest:** Under Zespri's Constitution, five of the eight Zespri Directors are elected from the kiwifruit industry. To ensure that conflicts of interests are managed appropriately, Zespri has comprehensive policies and practices in place which meet and, in some cases, exceed the requirements of the Companies Act 1993 to address existing and potential Board conflicts. All Directors are required to declare any actual or potential conflict of interest as soon as it arises, and to excuse themselves from meetings while issues which may present a significant conflict are discussed and decided. Where a conflict is considered unmanageable, a Director may have to choose whether to continue as a Zespri Director or pursue their other business interests. A Conflict of Interest Policy and associated record is also in place for employees, with clear expectations that any conflicts are notified and managed proactively by employees and leaders.

## COMPLIANCE

Zespri's policies and procedures demonstrate our commitment to legal compliance, including among others, policies regarding gifts, anti-corruption, bribery, privacy, modern slavery, diversity/inclusion and anti-competitive behaviour. Zespri staff are regularly trained across these policies to ensure communication and education of the latest compliance requirements and expectations. Our internal audit and assurance function conducts audits and investigations into areas of risk and any allegations regarding potential non-compliance with the law or policy, with exceptions being reported to the Audit and Risk Management Committee. Zespri also has a dedicated global Speak Up line for anyone to report unethical or illegal behaviour. Zespri's expectations of compliant behaviour

are communicated to our customers and suppliers globally, and we monitor such compliance through due diligence and audits in target areas.

**Confidentiality and privacy:** Zespri is subject to extensive privacy legislation from many jurisdictions and we continue to refine our processes to reflect continually evolving international data privacy regulations and the collection, handling and processing of personal information. Cybersecurity initiatives are prioritised to bolster technical measures to support protection of personal and commercially sensitive information, and regular training is conducted to ensure that Zespri Directors and employees understand their legal obligations in the areas of confidentiality and privacy. The shareholder democracy provisions of Zespri's Constitution supplement these policies and procedures, consistent with the high degree of industry engagement.

## BOARD COMPOSITION AND PERFORMANCE

The Zespri Board comprises eight members – five Directors elected from the kiwifruit industry and three Independent Directors. The combination of industry and independent directors gives Zespri the benefit of a Board with a wide range of experience across key areas. The Board provides strategic direction, drawing upon Directors' extensive collective knowledge, which includes expertise in the kiwifruit industry, international business, agribusiness, marketing, and finance. The Board actively considers the skill sets required for the appropriate governance of Zespri in line with Zespri's strategic direction and external global trends and assesses the experience and contribution of Directors against such skill sets. This process identifies areas where the Board may need to seek external expertise or advice, and informs Board succession planning and external recruitment processes for Independent Directors proposed to be recommended for election to the Board. In February 2024, Bruce Cameron stepped down as Zespri Chairman ahead of completion of his term at the Annual Meeting; this has facilitated a smooth transition to Nathan Flowerday as the new Chairman. Induction processes are in place for new Directors, as well as a comprehensive Director's Manual.

As part of a continuous improvement plan, the Board reviews its performance on an ongoing basis, and engages in director development activities at an individual level, through external presenters who support the Board on topical issues, and through engagement with, and facility visits to, industry and other stakeholders. Directors also undertake market visits to better understand markets, assess execution against strategy, and engage with offshore-based staff to understand local capability, challenges and Zespri culture. Along with these visits, the Board has also continued regular online meetings with market-based teams to ensure ongoing engagement with key stakeholders and to maintain awareness of current conditions.



The Board has formally delegated some decision-making to management through a comprehensive Global Delegated Authorities Manual, which sets out what decisions are reserved for the Board and committees, as well as a stepped qualitative and quantitative cascade of approval processes at different levels of management. The Board also receives regular updates from both internal and external advisors on regulatory compliance matters, safety, and wellbeing, enterprise risk and other risks facing the business, and is entitled to request further advice where required.

BOARD COMMITTEES

Zespri Board committees include the Audit and Risk Management Committee, People and Culture Committee, and Board Innovation Subcommittee. The Chair of each committee works directly with the responsible member of the Executive Team to ensure that any external or internal expertise required is obtained, and relevant internal subject-matter experts attend such meetings, ensuring that the Board has access to sufficient expertise and advice to support decision-making.

Each board committee and advisory board has terms of reference articulating its scope of activity and authority, and all Directors receive copies of all papers and minutes. A verbal update on committee/advisory board meetings is also provided at each Board meeting, providing opportunity for discussion.

**Audit and Risk Management Committee:** The Audit and Risk Management Committee reviews risk management strategies, internal controls and compliance processes with a view to monitoring Zespri’s overall risk. It also reviews the Financial Statements with the assistance of management and the Company’s external auditor, KPMG, and supports and oversees management in its evaluation of key accounting judgements. Jonathan Mason is the current chair of the committee.

**People and Culture Committee:** The People and Culture Committee attends to strategic employment matters including general remuneration and incentive policy, employee engagement, organisational development strategy, and the appointment and remuneration of senior executives. Paul Jones currently chairs the committee.

**Board Innovation Subcommittee:** Innovation is a key enabler of Zespri’s business strategy, requiring innovation programmes to be aligned to Zespri’s long-term strategic objectives. The Board Innovation Subcommittee reviews and endorses Zespri’s strategy for science and innovation and applies appropriate governance principles to optimise innovation performance, challenge and guide future innovation vision, and work with management to mitigate innovation risk. Nathan Flowerday has previously chaired this subcommittee; following his election as the Chairman of the Board, Michael Ahie is now chairing this subcommittee.

ADVISORY BOARDS

The Board has also established two advisory boards to obtain strategic perspectives and insight from external experts and advisors, in the areas of Zespri Global Supply and Sustainability. The Sustainability Advisory Board is chaired by Alison Barrass, and the ZGS Advisory Board is chaired by Craig Thompson.

The Sustainability Advisory Board met in September 2023, discussing the progress towards our packaging and climate change targets, as well as case studies for investment in nature and social causes.

The Zespri Global Supply Advisory Board met twice during the year. This advisory board provides insight into strategic risks and opportunities for Zespri’s northern hemisphere supply business, looking at how this part of the business brings value to New Zealand producers through sales and greater opportunities for year-round innovation and supply chain relationships.

A table displaying meeting attendance by each Director is provided on page 107. The Board also convenes smaller informal committees and steering groups to address particular issues as the need arises. In addition, Directors represent Zespri in industry bodies such as Kiwifruit Vine Health (KVH) and the Industry Advisory Council (IAC) which is currently chaired by Zespri Director Tony Hawken.

REPORTING AND DISCLOSURE

Zespri is subject to reporting and disclosure obligations under the Companies Act 1993, Financial Markets Conduct Act 2013, and other relevant legislation governing the duties of Directors including, but not limited to, financial reporting, securities, health and safety, environment and employment. The Board works with management to ensure the Financial Statements are accurate and complete, including adoption of accounting policies and controls that mitigate incorrect information or omissions. At the end of each financial year, the Chief Financial Officer and Chief Executive Officer ensure Zespri complies with accounting standards and controls. In addition to normal requirements of reporting and disclosure, the Kiwifruit Export Regulations 1999 (the Regulations) require Zespri to publicly disclose Financial Statements in accordance with the Kiwifruit Export Information Disclosure Handbook. The required disclosures are included within the New Zealand Industry Performance section of the Annual Report, or within the Financial Statements of the Annual Report. Further disclosures are contained in the special purpose Financial Statements, including the Audit Report from KPMG. Zespri’s auditors also attend the Annual Meeting to enable Zespri shareholders to ask questions regarding Zespri’s financial processes and compliance. Zespri seeks to communicate proactively and transparently to our shareholders and other stakeholders, in a manner largely consistent with the continuous disclosure obligations on public companies. This communication not only extends

to updates regarding current matters, but also to future plans such as five year plans, outlook documents, grower roadshows, newsletters and updates.

REMUNERATION

As provided for in Zespri’s Constitution, the maximum amount of remuneration payable to Directors is set by shareholders; in the 2023/24 financial year, this was \$1,110,000. The Zespri Director Remuneration Committee (DRC) conducts an annual review of director remuneration relative to independent benchmarking information provided by organisations such as Strategic Pay and the Institute of Directors. The details of remuneration paid to Directors during the financial year are available on page 107. The DRC comprises three elected shareholder members (presently Andre Hickson, Michelle Dyer, and Julian Raine) and one independent member appointed by the Board (Graeme Milne). The committee’s 2023/24 report is published within the Notice of Meeting booklet.

The DRC also considers governance succession within the New Zealand kiwifruit industry as a whole, and supports the Board in respect of industry initiatives such as the Industry Governance Development Programme (IGDP). During the year, four strong candidates were selected to participate in the 2024 IGDP – Cam Clayton, Karl Anderson, Liarna White, and Malkit Singh. The IGDP is part-funded by Zespri, and is designed to give candidates a solid introduction to governance and leadership possibilities, as well as allow them to gain an appreciation of their capacity and potential for future engagement in governance within the industry.

SAFETY AND WELLBEING

Zespri recognises that as our most important asset, the safety and wellbeing of our people is of paramount importance. The Company’s Board Charter on Health and Safety establishes clear expectations for our safety and wellbeing frameworks and responsibilities, and is reviewed as required to address changing legislative or organisational requirements. The Board fosters a strong culture of care of people, receives detailed safety and wellbeing reviews at each Board meeting and monitors the identification, reporting and management of critical risks and risk mitigation policies and procedures. Directors receive targeted updates regarding health and safety matters at each Board meeting, and Zespri works with industry stakeholders to ensure the provision of safe workplaces, including active participation in the Industry Health & Safety Forum. Directors also conduct health and safety visits to different working environments of Zespri.

The Board and management team’s strong focus on the wellbeing of our people, and those of our wider stakeholders, recognises the significant impact that challenges in recent years, as well as ongoing global trends such as economic volatility and geopolitical

uncertainty, have on our people and wider stakeholders. Zespri has taken important steps to create a culture and network of support not only for general safety and wellbeing, but also mental wellness, resilience, and understanding of mental health. This has included a dedicated Flourish Day, which includes education, and facilitated discussions with respect to recognition and support for all Zespri people.

RISK MANAGEMENT

An integral part of the Board’s activities is risk management and ensuring that Zespri and our stakeholders are not exposed to undue risk as a result of business operations. Zespri has a comprehensive Risk Management Policy based on AS/NZS ISO 31000:2009 and the risk matrix developed by management is reviewed by the Board, together with processes to monitor and assess such risks on a continual basis throughout the year. Zespri’s Risk and Assurance function maintains a comprehensive enterprise risk register which considers both strategic risks, including climate change, geopolitical factors, supply chain transparency and market access as well as more operational risks such as food safety, financial management, cybersecurity and biosecurity. The Board has developed a corporate risk appetite statement in relation to each category of risk which is used to support decision-making throughout the business.

The Board maintains an issue watch register, which identifies and updates the Board regularly on current risk items in the business. The Audit and Risk Management Committee and Board receive focused updates on internal audit matters, as well as regular updates on key risk areas such as health and safety, foreign exchange, sustainability, cybersecurity, and information systems stability. The Board is committed to safeguarding the reputation and business of Zespri against instances of non-compliance by Zespri or our business partners. This initiative requires continuous improvement and monitoring of internal processes, as well as a sound understanding of the legal obligations throughout the distribution chain.

Taking these steps supports Zespri to mitigate opportunities for unlawful conduct by third parties which may affect our business or operations, and Zespri works closely with industry stakeholders and partners to take action where non-compliance occurs. As signalled in industry discussions over the course of the year, many jurisdictions in which Zespri conducts business now have regulatory requirements for supply chain due diligence to go beyond simply setting expectations but to actively take steps to prevent modern slavery, environmental harm and other socially unacceptable conduct. Zespri takes supply chain transparency seriously, and engages in due diligence with respect to our suppliers and other participants in the Zespri supply chain, as well as setting clear expectations of our suppliers to take similar steps in their own operations. Zespri has global customer and supplier codes of conduct, which set expectations for supply chain participants,



targeting a range of issues including legal and financial compliance, food safety and quality standards, fair competition, anti-bribery, anti-corruption, fair employment practices and labour standards, health and safety, and care for the environment. During the financial year, Zespri continued to work closely with New Zealand industry and government stakeholders to support enforcement of labour laws in the kiwifruit industry.

From time to time, Zespri is involved in commercial disputes relating to our business. Where disputes are anticipated to have a quantifiable financial exposure or progress to formal proceedings, provisions are made for the costs of defending or pursuing such claims.

The Board works to ensure management has appropriate governance and discipline regarding the procurement of financially or strategically important suppliers. This includes competitive tendering or benchmarking, where appropriate, particularly around the renewal or expansion of high-value and long-term contracts or relationships. A strong focus is placed on areas of significant expenditure such as marketing and logistics, with higher-value and longer-term contracts over defined thresholds requiring approval by the Board as part of the Global Delegated Authorities Manual. Particular strategic emphasis is placed on building strong supplier relationships that drive value and support the key initiatives of the business.

AUDITORS

The Board appoints the auditors for Zespri on an annual basis following approval from shareholders. KPMG have been Zespri’s auditors since 2011 and operate a strict rotation of audit partners. Laura Youdan has been Zespri’s audit partner since 2022.

Controls are in place to restrict what non-audit work may be provided by the auditor. In the 2023/24 financial year, non-audit work and fees paid to KPMG are shown on page 90. Representatives of the auditors attend meetings of the Audit and Risk Management Committee periodically to discuss the audit plans and outcomes, meet privately and attend the Board meetings if their input is required on particular matters or queries. The Board has not identified any issues that have compromised auditor independence.

SHAREHOLDER RELATIONS

Zespri shares are listed on the Unlisted Securities Exchange (USX) share trading platform, to support transparency of information regarding share trading. USX is a Financial Product Market operating under an exemption from subpart 7 of Part 5 of the Financial Markets Conduct Act 2013. Craigs Investment Partners has been acting as market maker for Zespri shares since November 2016, which has led to increased market liquidity and a greater degree of share price stability.

Subject to variances in rules applicable to companies listed on the USX, Zespri’s policies on Director and employee share trading are largely consistent with the obligations for Director trading adopted by public companies, including prior notice of intention to trade, approval by an Independent Director and transparency of Director trading activities through regular reporting to shareholders.

The policies also impose trading halts when any material information is known to Directors and employees. The Board considers at the end of each meeting whether any price-sensitive information should further preclude Directors or employees from trading Zespri shares. Details of share trading by Directors as well as their relevant interests are published on Zespri’s corporate website ([www.zespri.com](http://www.zespri.com)) and on the grower website, Canopy ([canopy.zespri.com](http://canopy.zespri.com)). The Board endeavours to operate a highly transparent disclosure programme to ensure the market is as informed as possible, including a Chairman’s email following each Board meeting, virtual meetings, grower roadshows, regular season and industry updates on the USX platform (adhering to a market-sensitive information policy), and publication of strategic information documents, including a five-year outlook document.

Zespri management also monitor share trading on USX and consider on an ongoing basis whether any operational events or information require disclosure and/or director/ employee share trading halts.

The Board is focused on ensuring shareholders can engage fully with Zespri and our Board. As part of our shareholder meetings, Zespri offers shareholders hybrid meeting options including online streaming and voting to ensure all shareholders have the best ability to participate fully in the meetings and decisions arising from them.

KIWIFRUIT NEW ZEALAND

Kiwifruit New Zealand (KNZ) is the independent statutory regulator, established to monitor and enforce Zespri’s compliance with the Kiwifruit Export Regulations 1999 (Regulations). KNZ is a body corporate comprised of six members (one chair and five directors) who each serve three-year terms. Three of the members are appointed by the Minister of Agriculture and three members are elected by kiwifruit producers. KNZ is an important part of the industry structure and has three key functions: to issue the export authorisation to Zespri, to monitor and enforce the mitigation measures provided in the Regulations, and to manage the collaborative marketing regime.

Zespri proactively engages with KNZ across many levels of the organisation, with a view to ensuring that KNZ has a good understanding of Zespri’s business, ongoing issues and its frameworks to comply with the regulatory requirements. KNZ also requests and receives regular reports from Zespri in accordance with the information disclosure requirements contained

in the Regulations and the monitoring plans in relation to activities approved by Producer Vote, such as ZGS and ownership of Plant Variety Rights. Over the course of the year, KNZ conducted several investigations with respect to whether Zespri had breached the non-discrimination or non-diversification rules set out in the Regulations. These included an investigation into a bin trial conducted by Zespri and another in relation to the treatment of RubyRed. More information on KNZ and its activities can be located at their website [www.knz.co.nz](http://www.knz.co.nz).

KIWIFRUIT INDUSTRY  
STAKEHOLDER ENGAGEMENT

The kiwifruit industry is a uniquely integrated sector that requires significant co-operation between all industry participants – growers, post-harvest operators, Zespri, and industry bodies, such as New Zealand Kiwifruit Growers Inc. (NZKGI), Māori Kiwifruit Growers Inc. (MKGI), and Kiwifruit Vine Health (KVH) – together with our regulator KNZ and local and national government. The Board is committed to working with all relevant

stakeholders, within the regulatory framework, to achieve the best possible outcomes for shareholders, growers and the industry.

Zespri does not make political donations in New Zealand or any other country.

KIWIFRUIT BREEDING CENTRE

The Kiwifruit Breeding Centre (KBC) – our 50/50 joint venture with Plant & Food Research – was established in 2021 with a dedicated leadership team and board. KBC is focused on driving greater, and faster, innovation within kiwifruit breeding, with the aim of creating healthier, better-tasting, and more sustainability focused varieties. Already, we are seeing improvements in this space to deliver future value opportunities for New Zealand growers, with numerous cultivars now in growing trials to address a range of strategic targets including climate change, agronomic performance and reduced reliance on chemicals, climate change and agronomic performance. Nathan Flowerday and Jiunn Shih currently serve as Directors of KBC.



# GROWING OUR CORE AND CREATING THE FUTURE



**Quality is at the core of our strategy, underpinning the Zespri brand and our collective ability to attract and retain more loyal consumers.**

Over the last decade, Zespri's strategy has delivered significant value.

While volume has increased 67 percent, revenue has tripled and New Zealand OGRs per hectare have increased almost 125 percent.

The outlook for growth over the next 10 years remains equally optimistic.

The significant unfulfilled demand for Zespri Kiwifruit provides an opportunity to create sustainable long-term value for growers. With the kiwifruit category remaining less than one percent of the global fruit bowl and Zespri's household penetration still less than 33 percent in our core markets, the potential value ahead of us is immense.

We're well placed to take advantage of this, given the growing trend of health and wellbeing among consumers and the rise of the middle class, provided we continue to supply consistently high-quality, nutritious and great-tasting fruit to our customers and consumers.

There is much to be excited about. However, we will also need to navigate some significant challenges over the next 10 years.

These include the impact of climate change and increasing regulation, geopolitical risks and rising costs. In addition, we are seeing an increase in competing kiwifruit producers and brands that, if Zespri is not available year-round, will seek to capture the strong demand for kiwifruit.



**Tim Clarkson**  
Executive Officer Strategy

**Our mission is to create sustainable long-term value for kiwifruit growers, by offering consumers the world's leading portfolio of branded kiwifruit, 12 months of the year.**





OUR MISSION

Understanding and adapting our industry’s business model to meet these challenges will be critical in protecting and growing value for the industry.

Our mission is to create sustainable long-term value for kiwifruit growers, by offering consumers the world’s leading portfolio of branded kiwifruit, 12 months of the year.

The strategy we are using to achieve this is built around six priorities as we look to balance the need to ‘grow the core’ business today and ‘create the future’ business of tomorrow, so that collectively, we can build a thriving industry for future generations.

It also requires us to continue to assess the changing landscape and the strategic choices available in the short and long term, adapting our approach where necessary.

In 2023/24, in light of the more challenging environment the industry was operating in, we chose to focus on fewer projects, prioritising programmes of work that

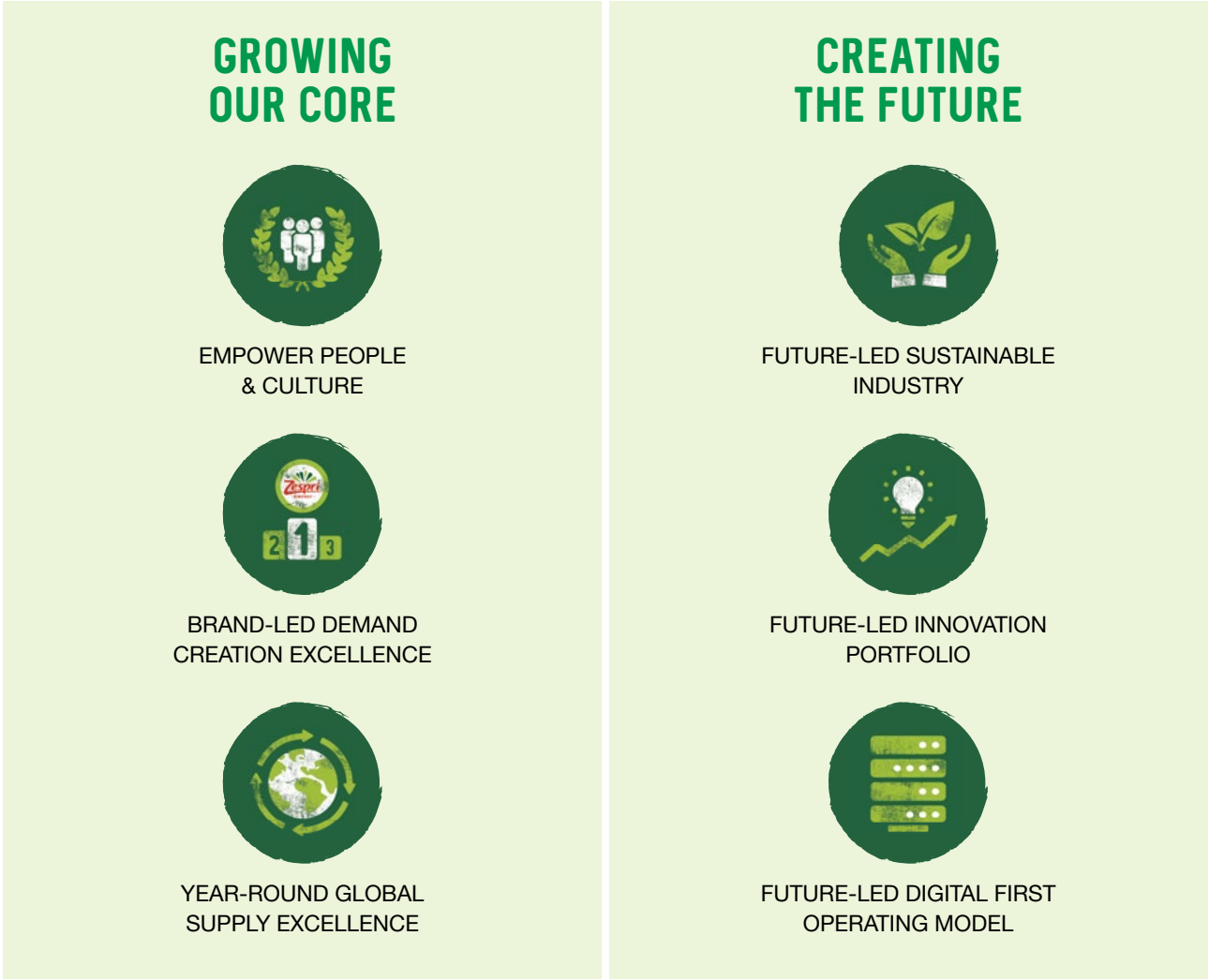
we identified as our ‘Must Wins’, which had the most beneficial impact on value for kiwifruit growers in the short term, while building secure foundations for the growth to come.

These ‘Must Win’ programmes of work included:

- 1. **Reset Quality** – improving fruit quality and driving value from a low crop volume;
- 2. **Reset Industry Alignment** – improving our collective understanding of the industry’s strategic priorities; and
- 3. **Reset for Future** – establishing the foundations for a future fit Zespri.

Over the last year, we completed 29 projects directly supporting our ‘Must Wins’, which have made a significant contribution towards our six strategic priorities outlined below. We also maintained our investment in our Horizon programme and innovation portfolio, both of which are critical to enabling the business and industry to deliver more value to growers.

Zespri strategic priorities





# EMPOWERING PEOPLE AND CULTURE



As Zespri looks ahead to opportunities and challenges, we have prioritised resetting elements of our internal structure, processes and people practices to be fit for the future. We have also worked to support the needs of the business and industry in the short term, recognising the focus on costs and the priority of delivering the season.

During the year, we prioritised hiring for roles supporting sales, quality management, and other functions essential in a season focused on improving fruit quality and driving value from a low crop volume. It has been positive to see the improvement in the cost of quality during the 2023/24 season.

At the beginning of 2023, Zespri introduced a 'sinking lid' approach to control increases in employment costs. This meant not replacing roles vacated by resignations, retirements or transfers, unless in critical roles. During the year, Zespri postponed or cancelled the replacement of 27 positions.

However, the number of our overall full-time equivalent employees (FTEs) increased during the year with investment in resourcing primarily focused on quality and sales. As of 1 April 2023, Zespri's actual FTE total was 871 and this increased by 41 positions to 912 in March 2024. Of the additional roles, 75 percent were in quality, supply chain and sales functions, and we also prioritised hiring choices in international production and grower and industry engagement. These investments are important for sustaining performance on quality and sales over the longer term and for having resources in place to support the large increase in volumes in 2024/25.

Employment costs increased from \$153.6 million to \$178.2 million, driven not only by headcount but by associated costs such as wages, performance incentives, and benefits. The lower volume and our investment in resetting quality have impacted metrics on revenue and trays per employee. At the end of 2023/24, global revenue per FTE equivalent was \$4.6 million, down from the \$4.9 million recorded at the end of 2022/23, with 180,000 trays sold per FTE, down from 211,000 trays in 2022/23. We expect to see improvements aligned with continued growth in volume and financial performance in the coming years.

An enduring priority for us is the safety and wellbeing of our people. Our framework comprises two elements: to protect people through a focus on critical risk management; and to enable people to flourish through a focus on mental health and wellbeing and creating a strong safety and wellbeing culture.

Our performance last year shows a 23 percent reduction in reported injuries, and one lost-time injury. We addressed 93 percent of our fatal risk improvement actions, with three carried forward to 2024: our mental health and wellbeing programme for People Leaders, global driver training,



**Edith Sykes**  
Chief People Officer

and a review of our contractor safety compliance system. A downward trend in reported injuries is positive but we need to maintain focus to continuously strengthen our risk management practices and safety culture.

## RESETTING FOR THE FUTURE

During 2023/24, Zespri implemented a Future of Work programme to strengthen how we are organised, how we work together and the people moments that matter. The scope has been wide, involving decisions on our operating model, strategic workforce plan, prioritisation processes and people strategy.

We made changes in our structure aligned to a 'Market-Oriented Network Model'. This resulted in shifts in team structure and reporting lines for people across several functions so that we have global teams focused on market-facing activity, with efficient centralised functions driving standardisation across an integrated business. One example is within our supply chain, where we brought together all supply chain leaders in-market to report directly into our Global Supply function, better enabling end-to-end efficiency and optimisation.

We completed a Strategic Workforce Plan. This is a forward-thinking framework to firmly align our workforce planning with our business goals and growth ambitions, with a prudent approach to ensuring efficiency gains over time.

In the people space, we have simplified how individual objectives are set and better aligned to our company's priorities.

In being fit for the future, our ability to attract and retain talent is essential. This year we piloted an internal programme to identify, develop, and promote diverse talent. We have rolled out a wider career development programme with 48 participants across seven countries taking part in coaching, networking, and learning to support their career direction.

Also critical for our future is our organisational culture, shaping the mindsets and behaviours people need and the company requires to fulfil our ambitions. In early 2024 we



engaged our whole global team in a series of ‘Culture Labs’ to put our culture under the microscope and stress-test our values and behaviours in an environment of increasing change and complexity. We are working to sharpen aspects of our culture, to drive more dynamic ways of working, effective collaboration, innovation and continual improvement, and simplicity.

BUILDING A THRIVING AND INCLUSIVE CULTURE

In December 2023, Zespri rolled out a global policy on diversity, equity and inclusion (DEI) and developed our priorities and targets for the next two-to-three years.

Underpinning this work is our belief that a diverse, equitable and inclusive culture creates value – attractive to talent, reflective of our communities, supportive of better decisions and better performance. We believe in embracing our diversity as part of an inclusive culture where all our people belong and contribute to their full potential.

Our near-term priorities are in four areas: to increase the representation of women in senior management roles to a minimum of 40 percent by the end of 2026; to ensure equal pay for equal work with a global gender pay equity gap at less than one percent; to demonstrate our commitment and performance on DEI measured through internal engagement scores; and to build an inclusive culture through action across leadership and engagement.

In this Annual Report, we disclose for the first time our core DEI data. It includes our composition in terms of gender and age, our global gender pay equity gap, and our equal pay gap in locations of significant operations.

Measuring and reporting are essential to performance. We need to improve data and insight on our composition across Zespri, but what our demographics clearly show is that women are under-represented at more senior levels of our company. Women comprise 34 percent of what we define as our senior management tier versus 55 percent of the overall company. This results in a gender pay gap in many of our locations. Effecting change will require action over many years with continuing work to expand the talent pipeline of women in Zespri and to support women in their development and their experience within the company.

There are important wider aspects of DEI for us. These include strengthening partnerships with Māori and Indian growers and building internal cultural connection; supporting people, whatever their backgrounds, to have a strong sense of belonging at Zespri; and equipping people with the skills for inclusive leadership. These elements are among our foundational priorities and targets for the next two to three years.

We made progress in a number of areas during 2023/24. One highlight was the launch of ‘The Diversity Initiative’ founded by Zespri Director Alison Barrass and grower Michelle Dyer. The initiative aims to unlock opportunities for talented women to be elected or appointed to director positions on primary industry boards, especially in the Bay of Plenty. We continued work to expand engagement with the Indian grower community in New Zealand. Another highlight is tangata whenua engagement, including through our Māori Alliance Strategy to support Māori growers’ aspirations in the industry. Internally, we continue our Māori learning pathway, commencing with our Kia Oho programme to grow Māori cultural connection and are progressing through te reo Māori learning for employees – popular initiatives that have been fully subscribed.



Pōwhiri for Board member Michael Ahie at Whareroa Marae in Mount Maunganui.

OUR DIVERSITY DATA

The following table shows the gender composition of Zespri at three levels: Extended Executive Team, senior managers, and our wider employee group. Employee gender is self-reported on a voluntary basis. Employees may identify as female, male, another gender, or they may prefer not to state. The calculations are based on Full Time Equivalent (FTE) numbers as at 31 March 2024.



Gender representation	Male	Female	Another gender	No selection	Undeclared
Employees	33%	56%	2%	2%	7%
Senior Management	63%	34%	0%	0%	3%
Executive	69%	23%	0%	8%	0%
Total	35%	55%	1%	2%	7%
<div><div>• Zespri analyses representation at three levels of the organisation: Executive level, defined as CEO, Chief Officers, Presidents and Executive Officers; Senior management, defined as our Extended Leadership Team which is all employees at senior managerial roles that directly report to the Executive; Employees, defined as all other team members.</div><div>• The percentage data shown for ‘employees’ represents Zespri’s gender composition for all people at non-senior management or executive level, as opposed to showing the company’s overall composition.</div><div>• Employee gender data is self-reported and employees can decline to select an option, which is the default ‘no selection’. Just two percent of our workforce has not yet selected an option.</div></div>					

Zespri’s age composition is also reported below. Overall, the average age of male employees is 43 and the average age of female employees is 41.

Age representation	As a percentage
Age group	
Under 30	10%
30-39	37%
40-49	32%
50 and Above	21%

Zespri measures pay gaps using two methods. The global gender pay equity gap is a measure of equal pay for equal work. In line with standard practice, Zespri’s calculations use median as a statistical measure of centre and comparison, and not average. With employees located across more than 20 countries, Zespri uses ‘position against market’ data as a proxy for individual salaries, which enables us to control for local market and currency differences and make a fair comparison.

As of 31 March 2024, Zespri’s global gender pay equity gap was 0.31 percent in favour of our female population. This metric is a global average of all median position against market metrics for male and female employees calculated at each country level. The overall result is reflective of a globally-consistent remuneration framework to ensure equal pay for equal work.

The second metric we monitor is on equal pay gaps in locations of significant operation. The equal pay gap calculation measures the overall difference in median base salary between males and females in a specific country. These are shown in the table below.

Equal pay gap	
Location	Equal pay gap
Belgium	24.8%
China	5.3%
Italy	8.3%
Japan	26.9%
New Zealand	27.1%
Singapore	22.5%
United States	17.9%

The gaps are a function of the fact that more males are employed in more higher-paying positions at senior levels of the organisation than females, and vice versa more females are employed at more junior levels of our workforce.

The data shows the need for continued and deliberate action to increase representation of female talent in senior positions and Zespri has set out targets against this priority.

Further information on our DEI metrics and methodology is available on <https://www.zespri.com/en-NZ/zespri-sustainability>.



# DELIVERING A QUALITY SEASON

Our industry had a very clear goal in 2023/24 to improve fruit quality, with extensive planning and a collective approach across the global supply chain from growers, Zespri, post-harvest, and our distribution partners allowing us to deliver high-quality fruit to consumers.

With many growers experiencing weather difficulties during our growing season, we took the opportunity in a low-volume year to reset and refocus attention on producing a great-quality harvest to set the season up strongly.

## IMPLEMENTING THE QUALITY ACTION PLAN

This was supported by a huge effort across the industry to put quality at the centre of decision-making on orchard and throughout the supply chain, as we implemented changes set out in our Quality Action Plan.

The Plan’s seven principles, supported by the Industry Advisory Council (IAC), helped drive improvements across the industry, strengthening the delivery of consistently high-quality fruit to consumers around the world.

Our teams worked with growers to establish and implement best-practice guidelines supported by tech

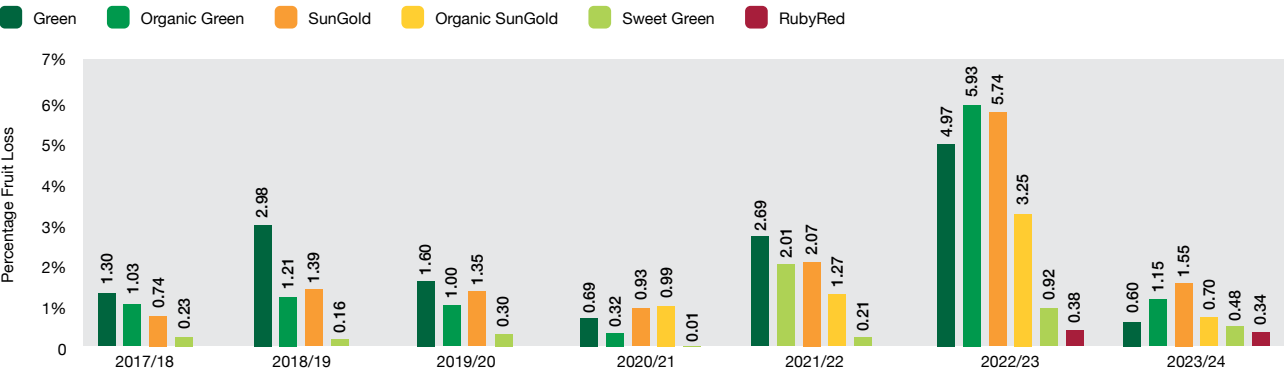


Jason Te Brake  
Chief Operating Officer

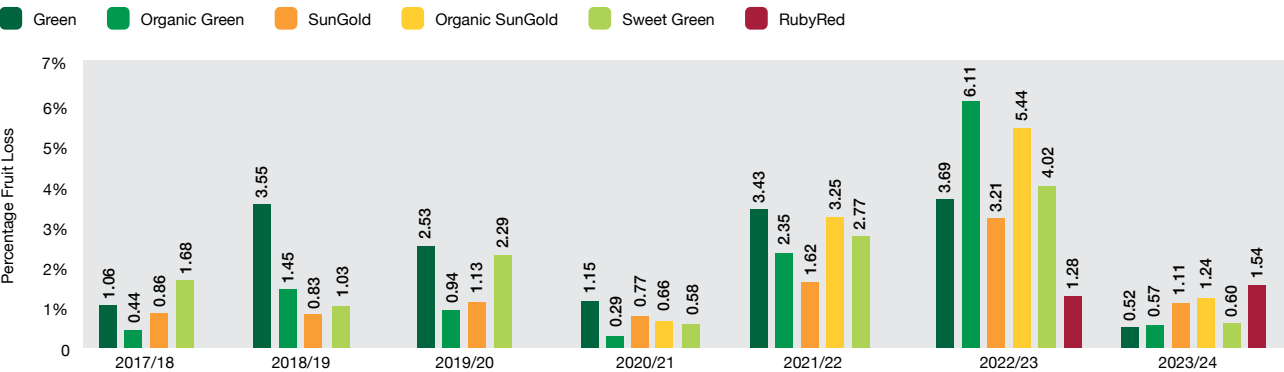
forum and workshops, with the greater availability of labour within our New Zealand labour force, backpackers and Recognised Seasonal Employer (RSE) workers supporting a high-quality harvest too.

To encourage a good supply of fruit to start the season well, adjustments were made to commercial incentives like KiwiStart and Time payments, as we also looked at how we could optimise labour, reduce peak pressure points, and reward good-storing fruit. This enabled us to deliver the right fruit at the right time to the right market throughout the season.

### Onshore Fruit Loss – 7 years



### Offshore Fruit Loss – 7 years





A key focus within Zespri was considering improvements we could make to the management of our in-market stock levels, with more resource put into the number of people in quality-facing roles, allowing us to improve our quality assurance process. As a result, facilities identified as ‘high-risk’ were subject to greater auditing throughout the season, with the Supplier Accountability programme also adjusted so that payments better rewarded high-quality fruit.

**GREATER TRANSPARENCY OF PERFORMANCE**

In response to grower feedback, a significant shift was made in the amount of information on quality performance provided throughout the season. Changes made to the information available on the Grower Portal enabled growers to track the checking of fruit within their KPINs and have direct access to their quality results, giving them an increased awareness of their orchard performance.

Regular reporting to the IAC on fruit quality also ensured a collaborative approach across the season, with Zespri working closely with NZKGI and post harvest to adjust our approach throughout the season based on performance and inventory data. Regular updates were also provided to growers and the wider industry through our Grower Virtual Town Halls and written industry updates.

**STRONG DELIVERY**

Beyond the focus on quality, our strong relationships with our shipping partners allowed us to again avoid some of the wider disruption in the global shipping industry, using a mix of reefer vessels and containers to keep fruit flowing during the season. This assisted the markets in having the required volume of fruit to meet strong demand and maintain consistent sales rates throughout the season. In combination with the reduced crop, this saw our season finish around two months earlier than 2022, helping reduce the late-season costs we typically see.

We also performed strongly in dealing with a listeria finding which led to a voluntary recall of 500 trays of Organic Green Kiwifruit in North America. Working closely with local food safety agencies and the Ministry of Primary Industries, the incident was a strong indicator of the strength of our Zespri System and incident management approach – with the affected fruit traced and all other fruit from the source placed on hold in order to provide certainty to our customers and consumers.

As an industry we have made strong progress throughout 2023/24 in returning stronger value to growers through the effort we all put in to lift quality.

**LOOKING TO THE FUTURE**

Much of our work throughout the 2023/24 season was focused on ensuring that the adjustments made were also putting in place the fundamentals that will serve us well in future years when we have much larger volumes of fruit to manage.

Planning for our 2024 harvest started in May 2023, with our Global Supply teams undertaking a wide range of scenario planning so we could work with growers and the industry on making the correct decisions to deliver another strong season in 2024.

This included reviewing sales run rates to build our departure plans and looking at the changes we needed to consider for taste and other commercial incentives, all with a view to ensure we could start a new season strongly to capitalise on early-season sales opportunities.

As an industry we have made strong progress throughout 2023/24 in returning stronger value to growers through the effort we all put in to lift quality.

We look forward to continuing to work closely with our industry colleagues to maximise the value we can return to growers and build on the strong progress we have already made in delivering a consistent supply of high-quality kiwifruit in 2024 and beyond.

**QUALITY ACTION PLAN**

- 1. Understand the cause of poor quality
- 2. Rebalance commercial drivers/incentives
- 3. Communicate best practice for growing/harvesting fruit
- 4. Assess fruit flow decision making from end-to-end
- 5. Keep poor-quality fruit onshore via Zespri onshore quality assurance
- 6. Assess supplier accountability – commercials and consistency
- 7. Improve transparency of in-market information on quality and costs





# STRENGTHENING OUR MARKET RELATIONSHIPS



## ASIA PACIFIC

**Strong demand for our kiwifruit in the Asia Pacific region has continued to support positive regional results, despite a more challenging macroeconomic environment including weakening consumer sentiment.**

While facing a more challenging environment, in the 2023 season we sold over 43 million trays in the Asia Pacific market, securing more than \$1 billion in net sales. This included 26.3 million trays sold in Japan, 10.3 million trays in Korea, and 6.5 million trays across Asia Pacific South, which was expanded to include India, Malaysia, and Indonesia in addition to Singapore, Vietnam, and Australia.

Although we had less fruit from our New Zealand supply following such difficult growing conditions, our teams across the APAC region worked closely with customers to drive strong sales and return as much value back to growers as possible.

Teams were focused on maximising value in market and secured strong pricing during the season, with substantial increases across our varieties, particularly for Green Kiwifruit in Japan which is a market where we already see some of our highest Green returns. Japan was also the first market to open the RubyRed season, with consumers sharing very positive feedback on this variety during the year.

A key focus for our APAC teams was moving fruit quickly and finishing the season strongly, leveraging the efforts of the New Zealand industry to address fruit quality issues. The industry's quick response to deliver better-quality fruit throughout 2023/24 has helped rebuild trust



**Ichiro Anzai**  
President Asia Pacific

with our local customers, who are excited at the prospect of there being more fruit this year and into the future.

Once again, our success across the APAC region in 2023/24 was underpinned by strong marketing campaigns throughout the season. Our campaigns were focused on the health and nutritional benefits of Zespri Kiwifruit, with the KiwiBrothers used extensively and rolled out in Malaysia, Indonesia, and India for the first time. As well as using a number of high-reaching channels, including TV and digital, our campaigns included a strong in-store presence.

We're proud to have been able to maintain a strong brand leadership position across our APAC markets and keep the brand premium at the same level as 2022/23, despite reduced consumer spending, and remain committed to delivering more value to growers in the years ahead.





## EUROPE AND NORTH AMERICA

The European market performed strongly in 2023, bolstered by the work of Acting President of Europe and North America, Linda Mills, and the appointment of Steven Martina to the role in September 2023.

Despite a lower volume of fruit, strong demand led to the sale of almost 41 million trays across European markets and 9.2 million trays in North America. Total net sales in Europe reached nearly \$900 million.

The New Zealand industry's focus on fruit quality was supported by teams in Europe and North America through a redesigned supply chain approach. This redesign aimed to support the hard work of growers, ensuring high-quality fruit reached consumers efficiently.

A significant trend during the season was increased competition in the fruit category in Europe. There was a surge in premium fruit brands, particularly in kiwifruit, leading to greater competition for shelf space. The earlier end to the 2023 season, driven by lower volumes, prevented us from maintaining continuity with retail partners. This gap was highlighted by media outlets in the Netherlands and Belgium, emphasising the continued strong demand for Zespri Green Kiwifruit.

For the first time in a decade, discount retailers like Lidl and Aldi emerged as the fastest-growing sales channel in Europe, surpassing e-commerce and achieving an all-time high market share of nearly 19 percent in Western Europe. Other notable trends included the consolidation of retailers through mergers and acquisitions and the expansion of stores to cover multiple sales channels.

In North America, Zespri concluded the 2023 season as the #1 selling kiwifruit brand for the fourth



**Steven Martina**  
President Europe and North America

consecutive year. This success was supported by the 'Taste the Obsession' consumer campaign in the United States, which highlighted the passion and care involved in growing Zespri Kiwifruit. The campaign reached new heights in 2023 by offering consumers a chance to win a trip to visit kiwifruit orchards in New Zealand.

An exceptional result of the ZGS season in Europe was the success of the Direct Deliveries project, which aimed to improve sustainability and profitability through reducing supply chain costs. By delivering directly from packhouses to distributors and customers, we enhanced efficiency and reduced our environmental footprint.

The 2023 season showcased our ability to adapt to market trends and maintain a strong presence in both Europe and North America. With a focus on quality, innovative supply chain strategies, and effective marketing campaigns, we are well-positioned for continued success.



## GREATER CHINA

The 2023 season was another outstanding year for Zespri in our Greater China markets, with sales of 37.4 million trays of kiwifruit delivering net sales of \$1.05 billion. This reflected our success in being able to secure greater value from a record high volume of larger fruit sizes.

The positive results came despite a slowdown in the Chinese economy, with China only opening its doors for the first time in 2023 following three years of COVID-19 lockdowns and associated wide-ranging impacts. Although still lower than normal, GDP growth, the unemployment rate, disposable income and household willingness to spend have partially recovered following the pandemic.

Locally, we have seen stronger competition from other premium fruits, including blueberries, durian, and cherries. These premium fruits have been growing in popularity in China over the past three years – which has meant more diversified competition in the fruit bowl compared to previous years. This has come at a time where we've had to negotiate lower New Zealand crop volumes.

More positively, the industry's focus on lifting fruit quality has received widespread praise from local customers, who appreciated our focus on delivering sustained business growth and maximising value for industry stakeholders.

Further expansion into more cities and stores in China took place during the year, with close collaboration with our strategic distributors in China to develop our local presence. This included a strategic co-operation agreement signed in July 2023 with Joy Wing Mau and Good Farmer, our two largest distributors in China, to increase fruit sales by 50 percent over three years (through to 2025/26) and increase the number of cities covered from 60 to 90.

A sustainable packaging agreement was also signed in July 2023 with Joy Wing Mau and Good Farmer, as well as retailers Pagoda and Xianfeng (which are the largest



**Michael Jiang**  
President Greater China

fruit shop chains in China with 8,500 outlets between them). In 2023, three million trays used newly designed sustainable packaging, compared with a pilot trial of 300,000 trays in the 2022 season. We will continue to work with our suppliers to transition our consumer packs to sustainable packaging and contribute to our global commitment of having 100 percent reusable, recyclable, or compostable packaging by 2025.

Strong local demand for Zespri Kiwifruit was driven by consumers wanting healthy, great-tasting and high-quality fruit, and was well supported by strong sales and marketing campaigns. Conventional e-commerce and Online-to-Offline (O2O) business evolved as key channels for online shoppers, as well as Douyin (China's TikTok and the top digital platform in the country). Key Opinion Leaders (influencers) in China were also utilised as part of our campaigns, with Zespri partnering with the China Nutrition Society and Dr DX (a top health education platform) to share key health and nutrition messages.

As part of our work to better support our consumer health programme, we launched our 'Invigoration' campaign in China for the second year, with the initiative created to highlight the health benefits of Zespri Kiwifruit. We also continued with our programme to promote healthy eating education in local primary schools.

Zespri has made positive strides as a leading fruit brand across our Greater China markets and has great potential to reach more and more Chinese families and consumers by continuously increasing brand awareness and household penetration along with our geographic expansion and marketing campaigns.





# BUILDING A LEADING FRUIT BRAND WITH ENDURING POSITIVE IMPACT



**Quality is at the heart of the Zespri brand promise, starting with how consumers experience our brand through to how they experience our kiwifruit.**

To live our brand promise, our in-market teams have taken great care to ensure our marketing programmes are being developed in a manner that reinforces the quality of Zespri Kiwifruit.

In the last year, the Zespri brand has demonstrated strong resilience from the consistency and quality of our brand investment which has built a loyal base of consumers and increased value perception amidst a challenging macroeconomic environment.

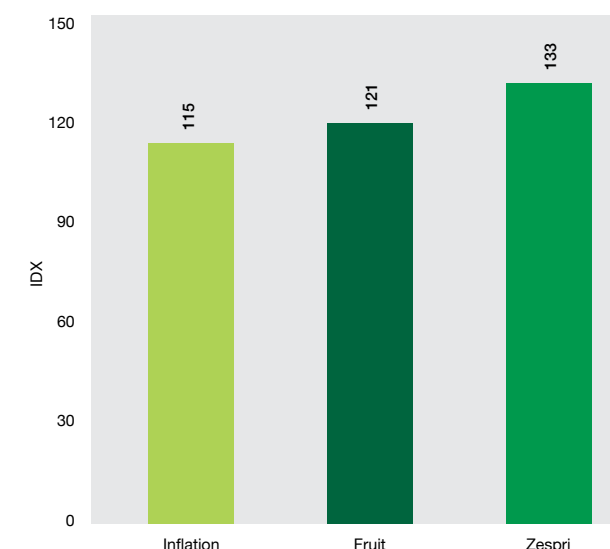
Zespri is now the number two fruit brand globally<sup>1</sup>, a position supported by our presence in the top three fruit brands in 10 out of our 15 core markets. We have continued to grow Zespri's 'worth more than it costs' perception with consumers to historically high levels, with consumers associating our brand with health benefits and quality.

Considering the reduced fruit availability and investment in 2023/24, these were particularly robust results.

Consumers also faced an uncertain macroenvironment post-COVID-19, characterised by persistent inflation, climate events, geopolitical conflicts, and stuttering economic growth. As a result, consumer priorities have shifted towards value, health and social, and environmental sustainability.

At the same time, competition from domestic fruit brands and northern hemisphere kiwifruit has been escalating, with the improved quality and larger brand investment eroding Zespri's market lead.

## Pricing Index versus 2018



Pricing Index results illustrate that since 2018, the overall price of goods have increased by 15%, while fruit prices have increased 21%, with Zespri prices increasing 33%. This demonstrates our ability to command a higher price than inflation and other fruits through our brand growth.

Source of data: Trading Economics (inflation), Statista (fruit price), Zespri sales data (gross price), core 15 markets, GDP weighted average.

1. Based on Kantar Brand Health Tracker in Zespri's 15 core markets, August 2023.



**Jiunn Shih**  
Chief Marketing, Innovation and Sustainability Officer

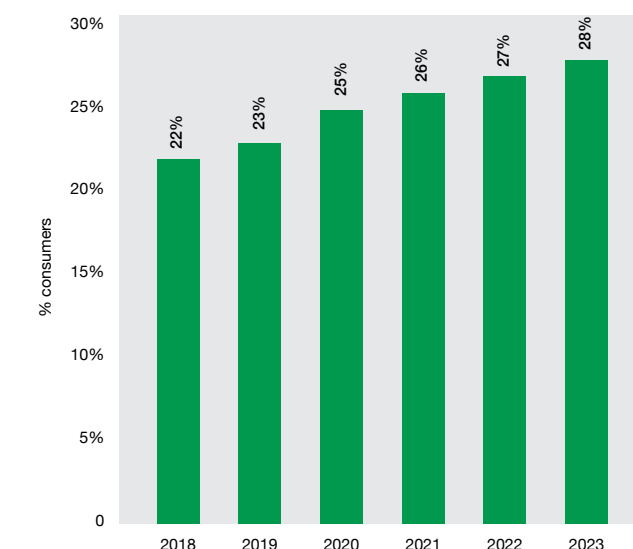
## THE RISE OF THE KIWIBROTHERS

In 2023/24, we focused on implementing fewer, bigger initiatives with quality, maximising the utilisation of existing marketing initiatives. This saw Zespri adapt six existing campaigns and roll out our distinctive brand asset – the KiwiBrothers – to 17 markets globally, up from 11 markets in 2022/23.

Our brand campaigns were more effective too, generating greater impact with a significant increase in the number of our campaigns (46 percent in 2023/24 versus 15 percent in 2022/23), performing at the top 30th percentile on advertising recall among all brands in the markets.

The positive reception to the KiwiBrothers as they travel across the world to promote healthier eating with Zespri remains encouraging. They embody the Zespri brand,

## Worth more than it costs



'Worth more than it costs' is the percentage of consumers who agree with the statement that Zespri is a fruit brand that is worth more than it costs, helping us understand consumer willingness to pay for our brand and the value creation from growing our brand.

Source: Kantar Brand Health Tracker, core 15 markets, March 2023 supply estimate weighted average.



engaging with our consumers in a playfully unexpected and authentic manner to build brand love. We are excited at the prospect of their introduction in our China and North American markets in the coming season.

In 2023/24, we also made strong progress in implementing our nutrition education programme in China, Taiwan, Spain, USA, Japan, and Korea, working with local partners to reach more than one million children and demonstrating the importance of eating more fruit and vegetables, especially kiwifruit. This included the design of educational content in China and Japan and interactive activities such as classroom learning via gamification in Spain.

Our marketing capabilities continue to be one of our greatest assets, with the quality of Zespri's brand building and marketing expertise garnering international recognition. We received eight awards in 2023/24, including the prestigious Cresta Digital Craft Award in Japan, the 'La nuit des rois' experiential communication

award in France, and The Dietician Development Forum Award in China.

We remain committed to evolving our marketing and continuing to pioneer new ways of connecting with our consumers, as we navigate their shifting priorities and behaviour amid increasing competition.

Our ambition is to be a captivating and distinctive brand that creates a lasting positive impact in the world by building a healthier planet and societies.

In the face of intensifying competition in the fruit bowl, it is critical that we maintain strong and quality investment in our brand and marketing initiatives to preserve Zespri's leadership in both consumer perception and physical availability.

Delivering exceptional quality in our products and brand experience will be essential to differentiate the Zespri brand and justify the premium pricing we command from our consumers.



Our ambition is to be a captivating and distinctive brand that creates a lasting positive impact in the world by building a healthier planet and societies.





# INNOVATING TO BUILD VALUE AND RESILIENCE

**Innovation sits at the core of Zespri's business strategy and is critical to our industry's future success and ability to return more value to growers. Our innovation programme is focused on three pillars – Future, Core, and Resilience.**

Producing the world's leading portfolio of kiwifruit cultivars sits at the heart of Zespri's mission. Together with the Kiwifruit Breeding Centre (KBC) – our joint venture with Plant & Food Research – we have been accelerating the development and evaluation of new varieties, across Green, Red, and Gold categories as well as new and novel cultivars, including KiwiBerry. This includes ongoing pre-commercial trials of new green cultivars that are high yielding in a lower winter chill environment and a new red cultivar which, together with Red19, could help us grow our market presence in the red kiwifruit category.

We still need to improve our world-class cultivars after they have been released to growers. This year, Innovation has advanced our knowledge on how to store RubyRed longer, by learning more about how this cultivar reacts to ethylene, and by testing different types of packaging that change the air composition. In addition, we have worked on enhancing the kiwifruit supply chain for all cultivars to ensure it is resilient, efficient, and able to keep meeting the increasing demand from our consumers for more quality kiwifruit.

One of our supply chain challenges is the narrow harvest and packing window for our very popular SunGold cultivar. We have been looking to develop new ways of managing the harvest peak which occurs over a relatively short timeframe. This causes capacity constraints and asset utilisation inefficiency in the industry. The programme involves the investigation of options to enable harvest over a wider window, both earlier and later in the season, as well as other initiatives.

## HEALTH AND NUTRITION

To enhance the sales price from our world-leading cultivars, Zespri is conducting in-depth scientific research to uncover the health benefits of kiwifruit,



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particularly focusing on gut health, immune support, and enhancements in energy and mood.

One specific study recently completed by the University of Otago on Immune Respiratory Function with SunGold Kiwifruit has shown beneficial results, highlighting its potential to support immune function. Zespri is also running a children's nutrition clinical trial at Fudan University in China, which aims to increase fruit and vegetable consumption, including kiwifruit, with the goal of improving cognition and mood in children.

These comprehensive research programmes aim to provide robust scientific evidence of the nutritional and functional properties of kiwifruit. Ultimately, these studies build towards nutrition and health claims and allow us to remain competitive against a backdrop of a challenging regulatory environment. By sharing these findings, we are seeking to continue elevating our brand to premium status, associating it with health and wellness in the minds of consumers.

## STRENGTHENING OUR RESILIENCE

Innovation not only adds value to growers and the industry by developing new products and optimising their performance and value, but also helps the industry to be resilient and ready for future shocks and challenges that may come from climate change or a biosecurity breach.

**Innovation at Zespri is a commitment to creating ongoing value for growers to support returns and maintain our position as the category leader in kiwifruit.**

We have continued working with Kiwifruit Vine Health (KVH) to protect the industry from pest and disease threats. This has involved developing a Brown Marmorated Stink Bug (BMSB) biocontrol release strategy, and research to be ready for the threats from two fungal diseases, *Neonectria* and *Ceratocystis*, which threaten kiwifruit. Our findings – new traps, changes to Ministry for Primary Industries (MPI) import standards for risk plants based on our findings, biocontrol strategy – were used by stakeholders such as the MPI and BMSB Council to improve New Zealand's biosecurity preparedness.

We also work to help the industry adapt to climate change. A major programme is underway to identify what pathways to target with future budbreak enhancers and to estimate the natural budbreak date for all varieties as the climate gets warmer. Knowing the best time to apply budbreak enhancer compounds will be important to ensure and improve orchard yield as winter chill decreases. As part of the budbreak research programme, our Innovation team provided scientific studies to show that hydrogen cyanamide use in the New Zealand kiwifruit

industry is safe, supporting the decision made by the Environmental Protection Agency (EPA) about the continued use of hydrogen cyanamide in the industry.

To accelerate our pace of innovation, we launched the Zespri innovation fund, ZAG, in November 2023. ZAG enables us to broaden our innovation efforts by collaborating with global innovators so that we can innovate faster, with a clear focus on creating sustainable long-term value for growers. The US\$2 million annual fund has been attracting problem solvers from around the world who can help address some of the key challenges the industry faces as it meets the growing demand for kiwifruit.

## FUTURE GROWING SYSTEMS

Labour, climate, sustainability, and grower profitability are key drivers for the Future Innovation programme of work looking to optimise and future-proof kiwifruit production in New Zealand.

Our key goals within the programme are to lower orchard costs and labour inputs, significantly lift production, and strengthen resilience against the increasing weather volatility that comes with climate change, all with a focus on having a smaller environmental footprint.

Starting with the breeding programme, new growing systems are being explored that may allow us to grow vines at higher density and crop faster. This work looks to exploit kiwifruit's natural vertical growth habits, including exploring vertical production systems which could save space by going up rather than further expansion on the horizontal.

Initial trials have shown promise, with additional trials being established to test a number of these proposed orchard configurations at scale as we look to further optimise and refine these systems and work with growers to ensure we are continuing to deliver value to the industry through world-class innovation.

Innovation at Zespri is a commitment to creating ongoing value for growers to support returns and maintain our position as the category leader in kiwifruit. Through our three pillars, we are setting the stage for success, ensuring that our efforts in areas such as KBC and ZAG are not only pioneering, but also practical. Our work with new cultivars is a testament to our dedication to sustainability and quality, as we continue to push the boundaries of what's possible in fruit production.

Together, we are cultivating a future that is ripe with potential and grounded in the rich soil of ingenuity and collaboration.

**Jiunn Shih**  
Chief Marketing, Innovation and Sustainability Officer





# COLLABORATIVE LEADERSHIP FOR A THRIVING KIWIFRUIT INDUSTRY

**Working with a product delivered by nature brings financial, health, and wellbeing benefits to communities and society. As a premium fruit brand, we believe it's also important to have a strong voice in advocating for how to innovate and propel a transformation of the food system.**

Providing kiwifruit produced in a way which meets the increasingly stringent expectations of customers, communities, and regulators is critical to protecting value for growers.

Our sustainability framework is aligned with the United Nations Sustainable Development Goals of good health and wellbeing (SDG 3), responsible consumption and production (SDG 12), climate action (SDG 13) and life on land (SDG15), and underpins decent work and economic growth (SDG 8). These are the goals most relevant to our sector (see Figure below).

Most of us know the basic principles of a healthy diet but are not always practising them. According to a 2022 survey from the International Fresh Produce Association, 9 out of every 10 people agree that eating fresh fruit and vegetables is healthy, but only one of 10 actually eat the minimum daily recommended five portions a day<sup>1</sup>. During this past year, we have been proud to see our campaign on healthy eating addressing one of the modern paradoxes of nutrition begin to roll out in our markets. This has included innovative approaches such as our Fruit Pillbox, delivering a daily dose of fruit to our consumers in Singapore.

On climate, we completed a science-aligned net-zero roadmap which confirmed the significant decarbonisation challenges ahead of us. With the majority of our emissions coming from our supply chain, and market requirements for action on climate strengthening, our place in the



**Rachel Depree**  
Executive Officer Sustainability

kiwifruit industry as a connector and catalyst for change is critical.

Shipping accounts for more than 40 percent of our emissions by product<sup>2</sup>, and over the past year, we have worked to understand the barriers to adopting low emissions shipping and advocated for change. This has included seeking low emissions solutions from our shipping suppliers so as to help build demand, as well as advocating with government for changes needed to infrastructure investment, regulations and fuel to future-proof the supply of kiwifruit, alongside other New Zealand exporters. We know this is a long game, but it's one we need to get on with now.

The grower trialists taking part in our initiative to explore how to measure, manage and reduce emissions on orchard are now implementing practices that aim to reduce their impact on the environment. Collaborating with other leading growers and farmers across the primary sector is helping to catalyse change and identify win-win solutions to reduce cost and lift resilience.

## Alignment with the United Nations Sustainable Development Goals



1. A Healthy Lifestyle with Fruits and Vegetables, IFPA March 2022  
2. <https://www.zespri.com/en-NZ/sustainability-carbon-footprint>



As the past season showed us, climate events will impact the supply of fruit.

We’ve worked alongside our joint-venture partner, the Kiwifruit Breeding Centre, to help establish their sustainability strategy which aims to strengthen the investment in the breeding of climate-tolerant kiwifruit varieties. Further investment has been made in modelling the impact of a changing climate on our supply, one of the key actions set out in our Climate Adaptation Plan launched in 2022 and linked to how we manage climate risk as set out in our Taskforce for Climate-Related Disclosure (TCFD) aligned Climate Risks & Opportunities report.<sup>3</sup>

Growing kiwifruit relies on water and as an industry we understand our responsibility to manage it effectively. Over the past year, we’ve worked with our Kiwifruit Industry Water Strategy partners to support grower and industry understanding of regulatory and market requirements, and develop new tools to facilitate consistency in measurement and reporting across the industry, such as our Freshwater Farm Plan pilot.

As well as working with our growers, we continue to partner with our leading distributors and customers in our global markets to trial and implement packaging solutions that improve recyclability. For example, in China, the launch of our eco-pack has delivered environmental gains and increased premiumisation with shoppers when compared with a plastic pack.<sup>4</sup>

Reflecting our view that sustainability is delivered right across our business, the value we’re creating through investment in local communities is outlined on page 73 of this report.

Our ambitions are greater than existing capabilities and with this in mind, it’s been rewarding to be part of our launch this year of ZAG, our innovation fund, designed to invite others to partner with us to help solve our challenges that impact the wellbeing of people, communities and the environment.

PROGRESS AGAINST OUR ENVIRONMENTAL TARGETS

While we have made progress in some areas, our 2025 targets were ambitious and there are many barriers to overcome as we move forward. The next section sets out our progress, the challenges we have experienced and the actions we are taking to review our targets and their timeframes.

Packaging

Our packaging targets aim to reduce the environmental impact of our packaging, while ensuring the quality of our kiwifruit all the way to our consumers.

Over the course of 2023/24, progress has been made on the consumer packaging portion of our target of using 100 percent recyclable, reusable, or compostable packaging by 2025. The percentage of our consumer packaging that is now recyclable, reuseable or compostable is 80 percent, compared to 70 percent last season and 66 percent at baseline.<sup>5</sup> This reflects the positive steps we have made in transitioning away from non-recyclable plastics to fibre-based alternatives in China, Japan, Korea, and Singapore.

However, our overall packaging performance remains at 88 percent, primarily due to an increase in the proportion per tray of consumer packaging, by weight, relative to our transport packaging. For transport packaging, which is already 92 percent recyclable, a comprehensive trials programme has successfully identified viable non-plastic reusable options for plastic components of the packaging. These options are however, currently at a higher cost than we are able to pay, and accordingly, have not yet been incorporated into our transport packaging.

The carbon footprint of Zespri’s packaging has increased for the second year in a row. This is primarily due to an increase in the volume of consumer packaging used per tray across Zespri’s supply chain and the heavier weight of fibre-based packaging.<sup>6</sup>

Like many other consumer goods businesses, we have, since establishing our baselines, made slow progress on two of our three packaging goals. While we have our foundations in place, there are significant barriers ahead of us, including among others, high cost, the need for changes to recycling infrastructure beyond Zespri’s direct control, and increasingly stringent regulations on the use of recycled plastic content in the countries where we distribute fruit. This means we will not meet our first two packaging targets within the 2025 timeframes. We are carrying out a review of our work programme over the coming year, together with the scope and timing for our targets; however, we remain committed to reducing our environmental impact within the operating constraints of our business, the industry and our markets.

Carbon emissions

Shipping is Zespri’s most material reported supply chain emissions source, and remains a key focus for achieving our emissions reduction targets.

In 2023/24, Zespri’s shipping emissions from New Zealand-sourced fruit reduced by 13 percent compared to the previous year (see table below). While this is predominantly due to a reduction in total trays shipped, the carbon efficiency measures (t CO<sub>2</sub>-e per TE and kg of fruit) have also contributed, improving by three percent compared to the previous year.



Growers trialling carbon reduction practices, including smart monitoring systems.

Zespri packaging target performance\*

Progress on our packaging targets	Target	2023/24 %	2022/23 %	2021/22 %	2020/21 %
% of packaging, by weight, which is recyclable, reusable or compostable	100% by 2025	88%	88%	87%	86%
% of plastic packaging, by weight, which is made from recycled plastic	30% by 2025	16%	26%	11%	11%
(%Reduction) / % increase in our packaging carbon footprint per kg of fruit compared to the Baseline year	25% reduction to Baseline by 2023	8%	3%**	(1%)	Baseline year

\* Prepared in accordance with Zespri Packaging Targets Basis of Preparation, available at [www.zespri.com/en-NZ/Sustainability-Our-Environment](https://www.zespri.com/en-NZ/Sustainability-Our-Environment). The reported figures include all Zespri transport packaging products and components used in Zespri’s markets worldwide, and all consumer-facing packaging products and components used in Zespri’s primary markets identified as Australia, Belgium, Canada, China, France, Germany, Hong Kong, Italy, Japan, Netherlands, New Zealand, Singapore, South Korea, Spain, Taiwan, United Kingdom, and the United States. The figures have been subject to Limited Assurance.

\*\* Recalculated in accordance with Zespri’ policy for changes to historical data, as detailed in Zespri Packaging Targets Basis of Preparation.

3. <https://www.zespri.com/en-NZ/Sustainability-Our-Environment>

4. Research commissioned from Kantar in December 2023 showed the Zespri eco-pack had a 37 percent higher premium perception and 82 percent higher overall liking score vs the plastic pack.

5. Prepared in accordance with Zespri Packaging Targets Basis of Preparation, available at [www.zespri.com/en-NZ/Sustainability-Our-Environment](https://www.zespri.com/en-NZ/Sustainability-Our-Environment). The reported figures include all Zespri consumer-facing packaging products and components used in Zespri’s primary markets identified as Australla, Belgium, Canada, China, France, Germany, Hong Kong, Italy, Japan, Netherlands, New Zealand, Singapore, South Korea, Spain, Taiwan, United Kingdom, and the United States.

Zespri shipping emissions from New Zealand-sourced fruit

		Carbon emissions				
Industry emissions source	Units	2023/24	2022/23	2021/22	2020/21	2019/20
Shipping	t CO <sub>2</sub> -e	333,900	384,300	443,800	374,300	315,900
	kg CO <sub>2</sub> -e per kg of fruit shipped	0.7	0.7	0.7	0.7	0.6
	kg CO <sub>2</sub> -e per Tray Equivalent (TE)	2.3	2.3	2.5	2.3	2.1

\* Zespri reported carbon emissions have been prepared in accordance with ISO 14064-1: 2018 Greenhouse gases – organisational quantification and reporting standard sections 6.2 (Selection of quantification approach) and 6.3 (Calculation of GHG Emissions and Removals) for the period 1 April 2023 to 31 March 2024. The figures have been subject to Limited Assurance. Refer to <https://www.zespri.com/en-NZ/Sustainability-Our-Environment> for further details.

6. Corrections made to historic packaging data over FY2023/24 resulted in the recalculation of performance against Zespri packaging carbon footprint target for FY2022/23. These adhere Zespri’s policy for changes to historical data, as detailed in Zespri’s Packaging Targets Basis of Preparation at <https://www.zespri.com/en-NZ/Sustainability-Our-Environment>. The additional packaging data did not materially impact the other two targets.



This was due to our focus on optimisation, including initiatives such as a change in shipping mode split between charter and container vessels, ongoing improvements to charter vessel utilisation, and a reduction in backhaul emissions as a result of more import cargo coming into New Zealand in Zespri’s charter ships.

Zespri’s corporate emissions (i.e. the direct and indirect emissions associated with our immediate business activities) have remained consistent and remain ~45 percent below our 2019/20 pre-COVID 19 baseline. There was a decrease in emissions from air travel and an increase in emissions from transport fuel.

For air travel, there was a one percent decrease in the kilometres travelled by air. Annual increases in vehicle fuel usage were noted in both New Zealand and Europe in the 2023/24 financial year.

Zespri’s office electricity emissions remain consistent at ~200 tonnes of carbon. Zespri’s Mount Maunganui head office continues to be supplied with 100 percent renewable, Toitū climate-positive certified electricity, generated from wind, hydro, and solar.

Since Zespri set our climate mitigation targets in 2020, there has been increased global focus on and changes in the measurement methodology and application of the standards associated with carbon-neutral claims

and targets. Ensuring we align with the most updated methodology and reporting requirements is a key driver for our current review of Zespri’s climate strategy and targets, including our own target that Zespri Corporate will be carbon neutral by 2025. The review will be completed this coming year.

Providing kiwifruit produced in a way which meets the increasingly stringent expectations of customers, communities, and regulators is critical to protecting value for growers.

Zespri corporate emissions\*

		Carbon emissions (tCO <sub>2</sub> -e)				
Scope	Emissions source	2023/24	2022/23	2021/22	2020/21	2019/20
Scope 1	Vehicle fuel	400	300	200	100	300
Scope 2	Office electricity (location based)	200	300	300	300	300
	Office electricity (market based)**	200	200	300	300	300
Scope 3	Air travel	4,000	4,100	500	300	7,800
	Taxis and staff mileage	100	100	100	100	200
Total Zespri corporate emissions		4,700	4,700	1,000	800	8,600

\* Zespri’s reported carbon emissions have been prepared in accordance with ISO 14064-1: 2018 Greenhouse gases – organisational quantification and reporting standard sections 6.2 (Selection of quantification approach) and 6.3 (Calculation of GHG Emissions and Removals) for the period 1 April 2023 to 31 March 2024. The figures have been subject to Limited Assurance. Refer to <https://www.zespri.com/en-NZ/Sustainability-Our-Environment> for further details.

\*\* For the 2022/23 reporting period, Zespri used 100 percent renewable, Toitū climate-positive certified electricity, generated from wind, hydro, and solar at our Mount Maunganui head office. To account for this, the total Zespri corporate emissions includes the market-based figure for office electricity, rather than the location-based figure.





# A BUSINESS-LED DIGITAL TRANSFORMATION

**In an increasingly digitised world, the implementation of Zespri's Digital Strategy is key to harnessing technology to drive resilience, efficiency, and scalability to enable our future growth potential and to continue being a world-leading fruit brand.**

In Zespri's digital environment, data fuels our capability and imagination. A significant pillar of our digital strategy is acquiring and harnessing the necessary data to drive better planning and insights, and leveraging the newest technologies around business analytics, process automation, and the rapid growth of artificial intelligence.

The critical component of our Digital Strategy is completing the Horizon programme. This is Zespri's multi-year programme of work to modernise the essential processes and systems across the business areas of Finance, Supply and Demand Planning, Sales, Supply Chain, Quality Management, and our grower community-focused solutions.

## TRANCHE 1 CONCLUDES

A significant milestone for the Horizon programme was the global implementation of Tranche 1 in November 2022 which moved all our Finance capability onto the new SAP S/4 HANA cloud platform, along with related capabilities to achieve a base platform for our in-market supply chain operations.

Achieving the Tranche 1 go-live was recognised as a major organisation-wide challenge for Zespri and required further investment of time and effort through 2023/24 to stabilise and embed the new ways of working and deliver targeted improvements based on staff experience. With Tranche 1 successfully concluded, the Digital team is now in business-as-usual support mode managing ongoing continuous improvements.

While Tranche 1 had its difficulties to embed through 2023, we are starting to see interim benefits appear and accrue. However, the real value will be unlocked once Tranche 2 has been completed and we are on a single SAP S/4 HANA platform with the ability to retain current versions and upgrade more easily to the latest releases.



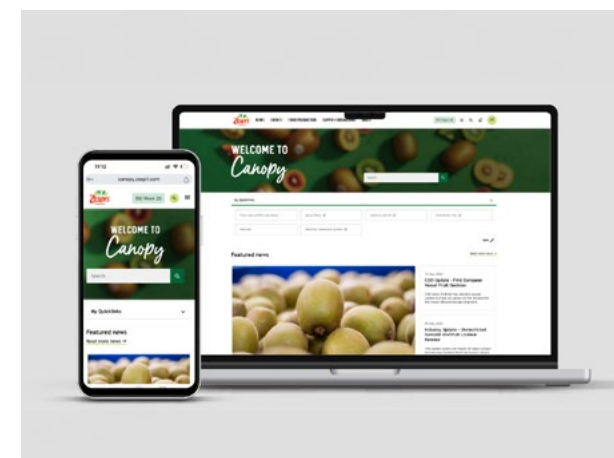
**David Scullin**  
Chief Digital Officer

Our total investment for Horizon stretching back to its start in 2019 has reached \$143.2 million, including a reduced annual investment of \$20.4 million in 2023/24 which included delivering our first Tranche 2 project – called 'New Canopy'. The New Canopy project re-platformed Zespri's strategic advice and knowledge base solution following extensive engagement with industry.

**Horizon's end goal for Tranche 2 is to enable operational business efficiency, resilience, and scalability which many of Zespri's legacy systems cannot support in the current state.**

## TRANCHE 2 BEGINS

The Tranche 2 journey has already begun in 2023 with the New Canopy project and the overall purpose now for Horizon is to complete the digital transformation of Zespri's global end-to-end supply chain – for both New Zealand and northern hemisphere-origin fruit.



Horizon's end goal for Tranche 2 is to enable operational business efficiency, resilience, and scalability which many of Zespri's legacy systems cannot support in the current state. The rapid advent of artificial intelligence is also a key component of Zespri's solution design thinking to help accelerate and automate key processes or to enhance capabilities for internal or external user experience.

Unlike Tranche 1 which was a large-scale, monolithic global go-live, Tranche 2 is a portfolio of more modular projects prioritised on a rolling plan delivering solutions each year over the next three to four years.

Tranche 2 is a significant new challenge for Zespri that will be achieved through four specific programmes of work delivering a range of prioritised projects:

- **Grower Enablement** programme to transform the digital experience for engaging with Zespri's grower communities;
- **Onshore Fruit Supply** programme for both New Zealand and northern hemisphere-origin fruit;
- **In-Market Supply Chain** programme to complete the remaining solutions required for Zespri's market based operational teams; and
- **Sustainability** programme so that Zespri's key sustainability targets are measured and able to be reported.

Our Onshore Fruit Supply programme is tackling the historically most complex of Zespri's legacy systems including those that interface between the post-harvest sector and Zespri. The Onshore Fruit Supply programme is therefore the largest of the four programmes and presents several opportunities to explore and simplify the onshore supply chain and grower payment processes that have been in place as far back as 20 years or more.

Engaging with stakeholders across the industry to explore those future processes and system options is a key feature of Horizon in 2024/25. This will be accomplished with the help of the Industry Advisory Council (IAC) to oversee the specific industry working groups being set up to facilitate consultation.

## THE ZESPRI DIGITAL ROADMAP

While Horizon is a sizeable portion of Zespri's digital strategic roadmap over the next three years, it is not the only active technology initiative.

The Zespri digital roadmap underpins the broader Zespri strategy of enabling a digitally-led future operating model through to 2030.

Now with a new live platform after Tranche 1, there is ongoing annual investment in maintaining and enhancing what has been delivered so far. This covers essential work around ongoing upgrades and patches, managing cybersecurity and data privacy, as well as delivering small functional enhancements and improvements.

In addition, acquiring and harnessing data is critical to Zespri's digital strategy. Data fuels our processes and systems, and by enabling data-driven insights, we can unlock our collective genius to create continued and focused innovation such as for robotic process automation, machine learning, and an array of artificial intelligence applications.

We have made very good progress on all our digital initiatives through 2023/24 and are starting to see the initial benefits of our investment in Horizon become visible. Tranche 2 will unlock the larger intended benefits of the programme when we can be solely on a common platform and decommission our legacy systems and temporary system integrations. We are also now accelerating our capability to analyse our processes and data to gain those invaluable insights on our business performance and unlock the potential for even greater business efficiencies in the years to follow.



# PROTECTING OUR POSITION THROUGH ZGS

**Our Zespri Global Supply (ZGS) programme is critical to achieving Zespri's strategy of marketing the world's leading portfolio of kiwifruit for 12 months of the year to support and protect New Zealand grower returns.**

Established by growers more than 20 years ago, our Northern Hemisphere Supply business helps build the Zespri brand, maintain our market position, stay ahead of our competitors, and deliver strong returns to growers and communities both in New Zealand and overseas.

We currently work with growers in Italy, France, Japan, and Korea to supply SunGold and procure Green Kiwifruit from Italy and Greece, with the goal of working towards 12-month supply for Zespri in our core markets.

## SEASON PERFORMANCE

The 2023/24 season saw record volumes delivered, with over 27 million trays of ZGS SunGold and Green sold around the world. The focused season improvement action plans in both Europe and Asia saw a rebound in both SunGold quality and grower returns after a disappointing 2022/23 season.

Quality gains, combined with increased volumes and improved pricing, meant that ZGS sales increased to \$654.2 million in the 2023/24 season, up from \$519.3 million, resulting in a \$23.6 million contribution to Zespri's corporate profit. Subject to climate impacts and the approval of more hectares, ZGS volumes and profit are expected to grow strongly in the years ahead.

This year also marked a significant milestone for ZGS with the successful at-scale implementation of direct deliveries for SunGold. This streamlining of the supply chain process decreased the overall cost of supply while ensuring our customers receive fresher, higher-quality product, while also reducing transport emissions as well. The first year of direct deliveries has seen almost 3.5 million trays of SunGold – 22 percent of Italian and 55 percent of French production – go directly to the European market without routing through transport hubs. The plan is to scale up this model over the next five years.

Since 2012, the Italian kiwifruit industry has also been facing the threat of Kiwifruit Vine Decline Syndrome (KVDS), a multi-factorial syndrome that causes severe and rapid vine decline. In 2020, Zespri led the creation of an industry taskforce with the goal of monitoring the impacts of KVDS and jointly developing research and development programmes to find solutions. The research demonstrated the need to adjust current agronomic practices, restore soil fertility and change the approach to irrigation in kiwifruit orchards. Approximately 650 hectares of SunGold are currently affected by KVDS and a work programme has been established to generate practical solutions to mitigate losses for growers and Zespri.



**Nick Kirton**  
Executive Officer Northern Hemisphere Supply

## RESPONDING TO GROWING COMPETITION

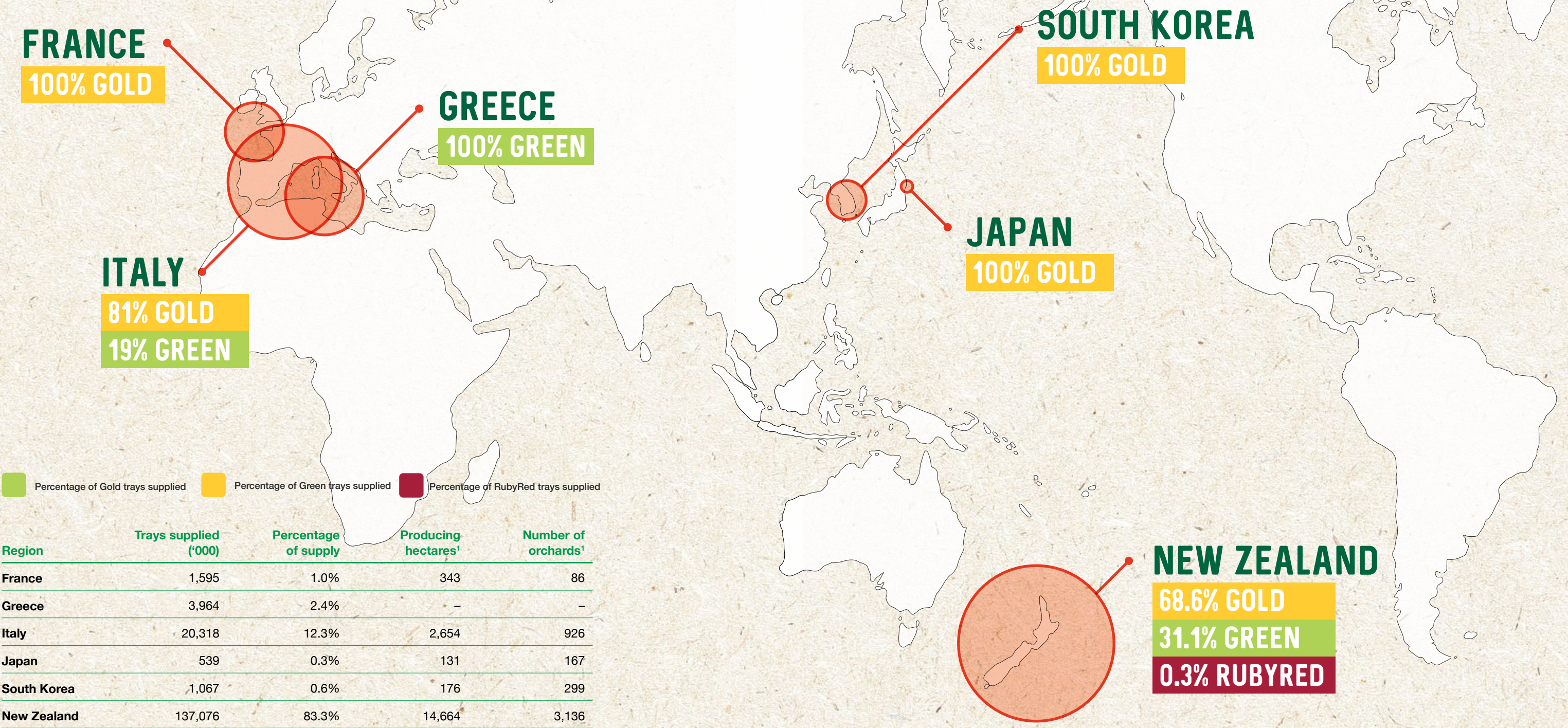
The last few years have also seen a marked lift in the sophistication and activity of our competitors, and year-round supply is one of the ways we hold our shelf space and stay in front of consumers in this increasingly competitive environment. ZGS volumes are currently restricted by the 5,000 hectares of SunGold that the industry approved in 2019. While yields are increasing as new orchards mature, Zespri's modelling forecasts a significant gap between SunGold supply and demand in the New Zealand off season which will continue to grow over time, creating an opportunity for competitors to fill this gap and take value that we won't have the ability to capture under current production caps.

While ZGS is focused on achieving maximum production from those 5,000 hectares, it is important the New Zealand industry considers the potential expansion of ZGS, with that conversation now underway. This will help deliver the benefits of 12-month supply with key customers in key markets including protecting shelf space, supporting pricing and efforts to build the brand, and helping us maintain our leadership position in the SunGold category. For other varieties, based on forecast demand, the current 20 million tray cap for procurement of ZGS Green and the 1,000 hectares for new varieties are sufficient.

Our focus is on achieving the best outcome for the Zespri brand and New Zealand growers, using 12-month supply to support our strategy. Strong relationships with our international partners are an essential component of this, and expanding SunGold hectares will not only provide these partners with confidence and certainty in their relationship with Zespri, but it also signals that we are invested in the future and maintaining our strong position within the industry.



ZGS  
INDUSTRY  
PERFORMANCE



<sup>1</sup> Zespri Global Supply producing hectares and orchards figures for regions other than New Zealand represent supply of Zespri licensed varieties only.



# DEEPENING OUR CONNECTION WITH INDUSTRY

**A significant focus over the last year has been strengthening the connection between Zespri and the industry to better understand grower perspectives on the issues we need to address.**

As a grower-owned organisation, it is critical that grower perspectives remain at the heart of our decision-making.

Today, our grower community is broad and diverse, featuring a range of different views on how we can best approach the issues and opportunities that sit in front of us.

Over the last 12 months, we have concentrated on driving better-quality engagement and reaching a wider cross-section of growers and the industry, throughout our face-to-face engagement, our grower roadshows, Shed Talks, Fielddays, and workshops.

At the core of this has been a desire to better understand the issues that growers want us to prioritise, the solutions they want us to consider, and their preferred timing for discussions and decisions.

## FOSTERING TWO-WAY ENGAGEMENT

To support this, we adjusted our engagement approach to increase two-way engagement with industry, ensuring that not only are our discussions a chance to present the information we think growers and industry need to run their businesses, but also to listen.

The Shed Talks we established in mid-2022 and continued in 2023 resulted in senior Zespri team members attending 14 meetings with more than 400 growers, held on orchards across the country for a cup of tea and a chat with anyone who wanted to join them. Industry views were gathered on a handful of topical issues, with a listening post providing growers the chance to raise anything on their minds, or offer insights into improvements within Zespri that could make their lives simpler. Input from growers during these Shed Talks has influenced initiatives such as the new Canopy design, grower quality reports, the current licensing mechanism and the recent share alignment initiatives.

We've also provided more regular industry updates throughout the year including through online Town Halls, reported back regularly on actions we're undertaking in response to grower feedback, and provided more clarity on future timeframes for when growers can expect to see changes implemented.

We've continued to strengthen our relationship with Māori and Indian growers, with a number of Shed Talks and shares 101 sessions designed to help build awareness of some of our key strategic priorities. The collaborative marketing programme Māori Kiwifruit Growers Inc. (MKGI)



**Tracy McCarthy**  
Executive Officer for Grower and Industry Engagement

commenced in 2023, has been extended for another two years by Kiwifruit New Zealand, offering an opportunity to expand our market presence in Hawaii, with the value and benefits of this collaborative marketing programme shared by all New Zealand growers.

There's more for us to do in fostering quality two-way engagement with all of our growers, but thanks to a great response reflected in our sentiment research and feedback from growers, we've made a pleasing start.

## GROWER-LED CHANGES

The new ascending-price open auction licence release mechanism, introduced in our 2023 licence release, was a direct result of grower feedback that the system needed to provide better clarity around demand levels and ensure all successful growers paid the same price.

Similarly, a new Hayward/Green14 cutover pool introduced in 2023 was a response to feedback from Green growers that there needed to be more help for those wanting to transition to SunGold. It's been pleasing to see this strongly supported, with the pool oversubscribed in 2023.

More broadly, as part of our ongoing effort to support Green growers and lift Green returns, we established a specific Global Marketing Leader role for Green in 2023. Zespri also supported New Zealand Kiwifruit Growers Inc's (NZKGI) Green Symposium in November 2023, which brought together a wide range of industry leaders to analyse the fundamental drivers of Green profitability and the category's ongoing importance to our industry's future.



AN INDUSTRY ALIGNMENT FRAMEWORK

Throughout our engagement, we heard a very clear message that after a really difficult period for the industry, growers have been worried about the challenges we face and our ability to respond.

This has been the basis for the development of the Industry Alignment framework, which formalises our approach to creating a shared vision for the industry and a roadmap for how we want to address industry challenges and opportunities collectively.

The original list of workstreams which formed a strategic roadmap was a result of grower and industry feedback and included 14 initiatives that growers identified as requiring action from Zespri. Some of these workstreams were already in progress under business-as-usual activities and others required additional focus and resourcing.

The key priorities identified include:

- **IMPROVED FINANCIALS:** Strengthening returns across all varieties, but particularly for Green growers, as well as reducing fruit waste so we maximise the amount of fruit we sell.
- **IMPROVED INCENTIVES:** Aligning commercial incentives to our growing environment and customer expectations.
- **GREATER OWNERSHIP:** Lifting grower shareholding of Zespri and increasing the number of growers owning a licensed variety.
- **ENHANCED SUPPLY CHAIN TRANSPARENCY:** Including better reporting, industry decision-making, more clarity and flexibility in supply agreements, and a clear strategy for supply chain infrastructure development.
- **FUTURE ISSUES MANAGEMENT:** How we respond to the expansion of unauthorised Gold3 plantings in China, protect industry workers from exploitation, respond to climate change, and ensure Zespri Global Supply (ZGS) supports New Zealand growers.

With good signs that progress was being made, discussions with an Industry Advisory Council sub-group overseeing the Industry Alignment framework has resulted in three strategic workstreams identified as priorities in 2024. These include the implementation of the share alignment initiatives, working with the industry to find a solution to potential expansion of our ZGS business, and resetting our industry decision-making.

The Industry Alignment framework formalises our approach to creating a shared vision for the industry and a roadmap for how we want to address industry challenges and opportunities collectively.

We’ve already made some important progress on lifting grower ownership of Zespri, with two shareholder alignment initiatives announced in December 2023. This will see growers have an opportunity to opt in to receive loyalty payments as shares, with shareholders able to opt in to receive dividends as shares. Both initiatives will commence in 2025.

Discussions on potential expansion of our Global Supply business are also underway, as we look to ensure we can maintain our market position, grow the value we return to growers and protect the future of grower businesses in New Zealand for Green, SunGold, and RubyRed growers. While we believe increasing the number of our offshore plantings is critical to maintaining our category leadership position against increasingly strong competition we are seeing in market, we want to work with industry to develop a solution that New Zealand growers support, that provides certainty for our international partners and which signals that Zespri is invested in the future.

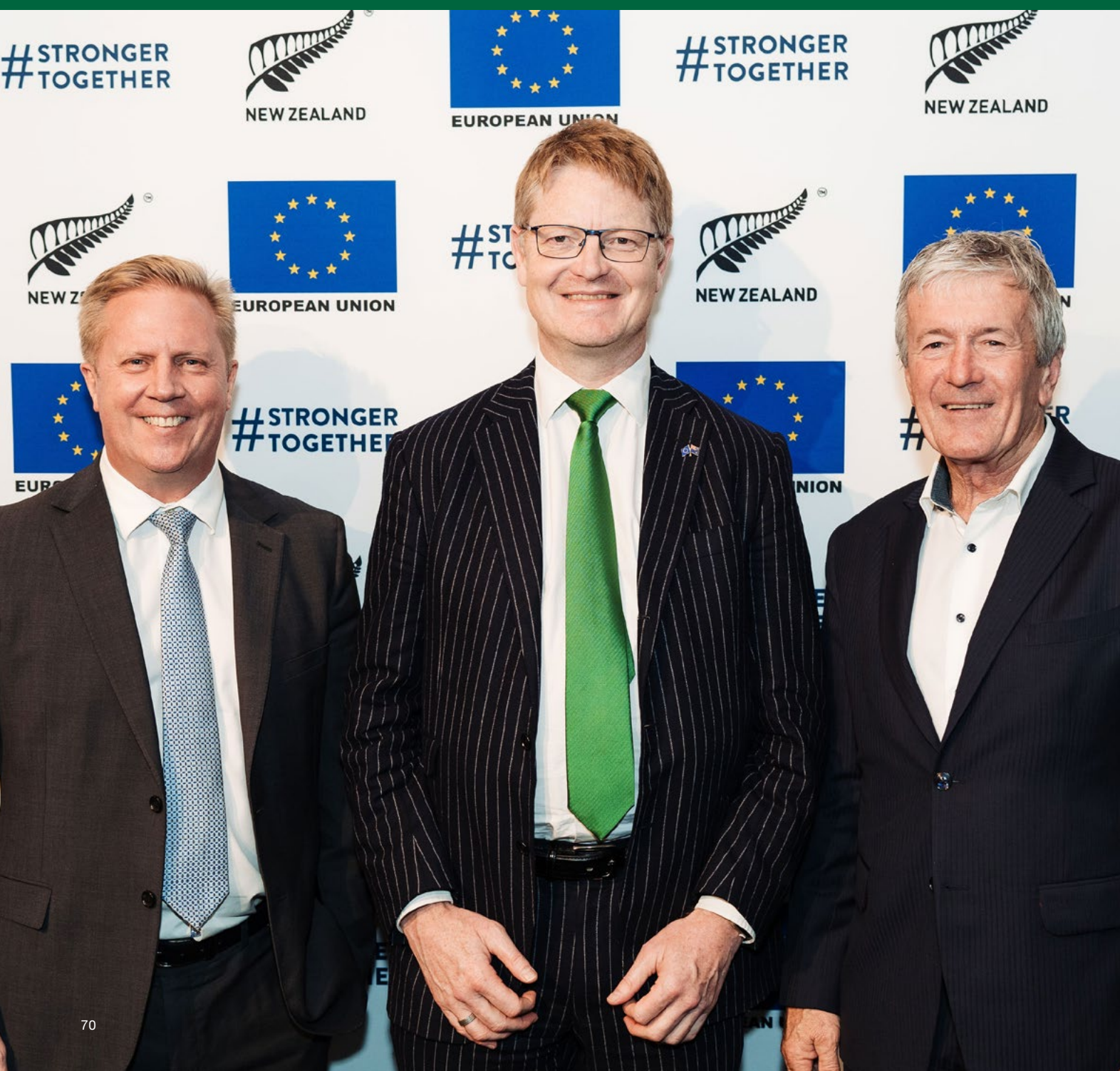
The Industry Alignment strategic roadmap will be reviewed annually based on grower and industry feedback, including regular grower sentiment research we commenced in 2023, which has been instrumental in guiding us on areas of priority from a grower’s perspective.

Looking ahead, our focus remains on strengthening our engagement with industry, particularly as we look to ensure that we’re giving every grower an opportunity to shape our strategic approach to key industry issues.





# NAVIGATING A COMPLEX TRADING ENVIRONMENT



**Managing an increasingly uncertain international trading environment is a significant focus for Zespri as we seek to minimise the impact of growing regulatory barriers and explore new market opportunities.**

Globally the regulatory environment is becoming more challenging as governments around the world respond to environmental challenges and customers move to meet consumer demands.

Protectionism is growing and many countries are turning to greater barriers, self-sufficiency and subsidisation. As New Zealand's Ministry of Foreign Affairs and Trade noted, it is "a world that is less prosperous, less secure and less free...New Zealand faces a challenging global outlook clouded by strategic tension and considerable levels of disruption and risk".

There are now more non-tariff barriers, or constraints to trade, in place than ever. These barriers present a significant challenge to all New Zealand exporters, particularly as trade, sustainability and climate policy can become a new form of economic protectionism.

In Europe, new sustainability reporting, packaging and climate regulations are sharpening our focus on making our global supply chain more sustainable, particularly around packaging, carbon measurement and fruit labels. This can increase costs significantly for the industry so our work to develop new solutions and preserve market access remains critical.

Both the recent EU and UK Free Trade Agreements (FTAs) contain environmental and sustainability obligations on both sides to show action towards lowering carbon footprints and reducing chemical use, to name a few.

FTAs and major markets continue to drive policy in a low carbon direction, with measures like carbon border taxes on some industries showing that while regulators are putting pressure on imports, they are also seeking to level the playing field for their producers.

## STAYING AHEAD OF THE RISKS

Many of these global challenges are outside our control. We look to reduce their impact on growers wherever possible by working with regulators and authorities. We also attempt to identify the trends and regulatory requirements early and try to get ahead of them given the time it takes to implement changes across the supply chain.

Industry frameworks like GLOBALG.A.P. and additions like GRASP incorporated into Zespri GAP help pull together all the rules and requirements to make compliance as simple as possible for industry.

Our work on sustainable future-fit shipping, carbon measurement, packaging, and home compostable labels recognise the growing demands from customers and consumers for products produced in ways which are good for the environment and help to counteract 'buy local' sentiment in some markets.

## SUCCESSFUL IMPLEMENTATION OF THE NZ/EU FTA

While the overall environment is challenging, we are having some success.

The New Zealand-UK FTA has seen an eight percent tariff on exports into the UK removed, building the attractiveness of this market for growing sales.

This was supported by the signing of the NZ-EU FTA in 2023, with the fast-tracking of the implementation of the agreements to 1 May 2024 and the removal of the 8.8 percent tariff providing a significant boost for the kiwifruit industry. Growers paid around \$50.3 million in tariffs on sales of \$896.5 million into the EU in 2023. This FTA will assist our effort to expand exports into Europe, already one of our most significant markets, supporting strong returns for our growers in New Zealand and Europe. It is worth noting the importance of our Zespri Global Supply partnerships in securing the deal for kiwifruit.





The new agreement recognises New Zealand as an equivalently 'green' agri-food partner and promotes the liberalisation of sustainable trade, opening up new opportunities for both Europe and New Zealand. We thank the negotiating teams, including current and former Ministers of Trade – Hon Todd McClay and Hon Damien O'Connor – and the officials at the ministries of Foreign Affairs & Trade and Primary Industries for their dedication, expertise, and hard work over many years.

Ministers are focusing on individual trade deals with the likes of India, the UAE, and the Gulf Co-operation Council (the grouping comprising Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the UAE). Given the 33 percent tariff paid on our exports to India, Zespri and Plant & Food Research are continuing our partnership with the Government to improve access to that market, which we believe would add significant value to the industry.

## SUCCESSFUL IMPLEMENTATION OF THE NEW ZEALAND-CHINA KIWIFRUIT EXPORT PLAN

The Kiwifruit Phytosanitary Export Plan (previously known as the Kiwifruit Phytosanitary Protocol) signed between the Ministry of Primary Industries and the General Administration of Customs of China (GACC) in June 2023 came into force in February 2024. The Export Plan is designed to provide greater assurance to New Zealand's kiwifruit exports to China by setting clear expectations for managing export biosecurity issues. Under the Export Plan, control measures may be taken in relation to the phytosanitary risks specified in the agreement including detections of pests of concern to China and of the storage rot, *Neofabraea Actinidiae*.

In the season to date, the implementation of the Export Plan has resulted in a significantly lower percentage of fruit being held at the border for phytosanitary inspection which has enabled faster delivery of fruit to customers.

The Export Plan also provides for the registration for export to China of New Zealand orchards and packhouses approved by Zespri.

## WHAT WE DO AT HOME MATTERS TO OUR MARKETS

**With increasingly stringent demands from regulators, customers and consumers, our focus has also been on our social and environmental performance to maintain our market and customer access and ensure the industry has the support of our communities.**

In New Zealand, we continue to put forward policy proposals which will empower the industry, reducing cost and complexity and helping us pursue opportunities.

One of the most significant regulatory challenges which has faced the industry in recent times was the New Zealand Environmental Protection Authority's proposal to ban hydrogen cyanamide.

The reassessment, ultimately sparked by a concerned orchard neighbour, took years and came at considerable cost and uncertainty to the industry. While the outcome was positive – thanks to significant investment and effort from industry leaders to show hydrogen cyanamide is used safely and that its loss would come at a cost which significantly outweighed the risk – it underlines both the importance of earning the support of our communities and the potential consequences of regulatory requirements when we don't.

We need our communities to know that the industry supports them and that they share in its success. That means investing in the community and showing that we are responsive to any issues that arise.

Ensuring workers are well cared for is also critical. The industry's efforts here are well recognised, though there is more to do.

Our community investment programme is supporting a large number of communities from those in need through our partnerships with Good Neighbour in Tauranga and KidsCan. The Zespri AIMS Games also brings thousands of intermediate-aged children from all over New Zealand and the Pacific to Tauranga, helping promote health and wellbeing with the Zespri brand on full display, demonstrating our support on behalf of growers.

Through our focus on supporting happy and healthy communities, the environment, and a skilled industry, we're making a positive contribution and showing that the success of our industry is good for our community.





# ZESPRI BOARD OF DIRECTORS



**Nathan Flowerday**  
Chairman and  
Grower Director



**Tony Hawken**  
Grower Director



**Michael Ahie**  
Independent  
Director



**Paul Jones**  
Deputy Chairman  
and Grower Director



**Alison Barrass**  
Independent  
Director



**Jonathan Mason**  
Independent  
Director



**Bruce Cameron**  
Grower Director



**Craig Thompson**  
Grower Director



# ZESPRI EXECUTIVE



**Daniel Mathieson**

Chief Executive Officer



**Rachel Depree**

Executive Officer Sustainability



**Michael Jiang**

President Greater China



**Tracy Sherlock**

Chief Executive Assistant



**Nick Kirton**

Executive Officer Northern Hemisphere Supply



**Jiunn Shih**

Chief Marketing, Innovation and Sustainability Officer



**Ichiro Anzai**

President Asia Pacific



**Richard Hopkins**

Chief Financial Officer



**Steven Martina**

President Europe and North America



**Edith Sykes**

Chief People Officer



**Tim Clarkson**

Executive Officer Strategy



**Tracy McCarthy**

Executive Officer Grower and Industry Engagement



**David Scullin**

Chief Digital Officer



**Jason Te Brake**

Chief Operating Officer



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# FINANCIAL STATEMENTS AND STATUTORY INFORMATION

## FOR THE YEAR ENDED 31 MARCH 2024

Your Directors take pleasure in presenting the Financial Statements of the Company and its subsidiaries (collectively Zespri Group) and Statutory Information for the year ended 31 March 2024.

For and on behalf of the Directors:

  
**N W Flowerday**  
Chairman

  
**J P Mason**  
Director





# Independent Auditor's Report

To the shareholders of Zespri Group Limited

Report on the audit of the consolidated financial statements

## Opinion

In our opinion, the consolidated financial statements of Zespri Group Limited (the 'company') and its subsidiaries and investments in joint operations (the 'group') on pages 84 to 105 present fairly, in all material respects the group's financial position as at 31 March 2024 and its financial performance and cash flows for the year ended on that date in accordance with New Zealand Equivalents to International Financial Reporting Standards issued by the New Zealand Accounting Standards Board and International Financial Reporting Standards issued by the International Accounting Standards Board.

We have audited the accompanying consolidated financial statements which comprise:

- the consolidated Balance Sheet as at 31 March 2024;
- the consolidated Income Statement and Statement of Comprehensive Income, Statements of Changes in Equity and Cash Flows for the year ended; and
- notes, including a summary of significant accounting policies.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) ('ISAs (NZ)'). 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 group 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)* ('IESBA Code'), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Our responsibilities under ISAs (NZ) are further described in the *Auditor's responsibilities for the audit of the group financial statements* section of our report.

Our firm has also provided other services to the group in relation to limited assurance over non-financial disclosures, other assurance services, agreed upon procedure engagements and taxation advisory and compliance services. Subject to certain restrictions, partners and employees of our firm may also deal with the group on normal terms within the ordinary course of trading activities of the business of the group. These matters have not impaired our independence as auditor of the group. The firm has no other relationship with, or interest in, the group.

## Materiality

The scope of our audit was influenced by our application of materiality. Materiality helped us to determine the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and on the consolidated financial statements as a whole. The materiality for the consolidated financial statements as a whole was set at \$11 million determined with reference to a benchmark of group Total Fruit and Service Payments. We chose the benchmark because, in our view, this is a key measure of the group's performance.

## 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 in the current period. We summarise below those matters and our key audit procedures to address those matters in order that the shareholders as a body may better understand the process by which we arrived at our audit opinion. Our procedures were undertaken in the context of and solely for the purpose of our statutory audit opinion on the consolidated financial statements as a whole and we do not express discrete opinions on separate elements of the consolidated financial statements.

The key audit matter

How the matter was addressed in our audit

Operating Revenue (\$4.1 billion)

Refer to Note 2a to the Financial Report.

Key operating revenue streams include sales of kiwifruit (\$3.9 billion) and sales of Zespri Plant Variety Right licences (\$217 million).

The Group recognises revenue from sales of kiwifruit when control has transferred, which has been determined to be when the kiwifruit is delivered to the customer. Sales revenue is generated from customers in many markets. There is a risk that revenue may be recognised or measured incorrectly due to the complexities of selling under a range of different commercial terms, currencies and shipping arrangements.

Plant Variety Licences are awarded to growers who submit the highest bid in a tender through an online auction process. There are complex rules which limit the number of hectares individual growers can obtain in any one licence release.

Our audit procedures included:

- Reviewing key financial controls over revenue systems.
  - In respect of sales of kiwifruit revenue, we performed a range of procedures tailored to the respective markets including:
    - Testing a sample of revenue transactions, including vouching to delivery documentation or cash receipt
    - Obtaining confirmation of revenue from large customers
    - Reconciling cash receipts to revenue recorded
    - Obtaining evidence of delivery for a sample of revenue transactions which occurred close to balance date
  - In respect of Plant Variety Licence revenue, we have assessed key controls in the auction process and reconciled revenue to cash received by the group.
- We did not identify any material misstatements in relation to operating revenue.





## Other information

The Directors, on behalf of the group, are responsible for the other information included in the Annual Report. Our opinion on the consolidated financial statements does not cover any other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Use of this independent auditor's report

This independent auditor's report is made solely to the shareholders as a body. Our audit work has been undertaken so that we might state to the shareholders those matters we are required to state to them in the independent 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 shareholders as a body for our audit work, this independent auditor's report, or any of the opinions we have formed.

## Responsibilities of the Directors for the consolidated financial statements

The Directors, on behalf of the company, are responsible for:

- the preparation and fair presentation of the consolidated financial statements in accordance with generally accepted accounting practice in New Zealand (being New Zealand Equivalents to International Financial Reporting Standards) and International Financial Reporting Standards issued by the New Zealand Accounting Standards Board;
- implementing necessary internal control to enable the preparation of a consolidated set of financial statements that is free from material misstatement, whether due to fraud or error; and
- assessing the ability to continue as a going concern. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate or to cease operations or have no realistic alternative but to do so.



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

Our objective is:  
to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and

— to issue an independent 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 NZ will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They 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 these consolidated financial statements is located at the External Reporting Board (XRB) website at:

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

This description forms part of our independent auditor's report.

The engagement partner on the audit resulting in this independent auditor's report is Laura Youdan.

For and on behalf of

KPMG  
Auckland

21 June 2024



# INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME

Income Statement	Notes	2024 \$'000	2023 \$'000
Operating revenue	2(a)	4,128,658	4,069,688
Other revenue	2(b)	58,049	61,439
Operating expenses	3	(4,042,282)	(3,918,451)
Other net gains/(losses)	4	86,055	107,602
Operating profit before taxation		230,480	320,278
Finance revenue	5(a)	25,238	13,136
Finance expense	5(b)	(2,298)	(2,166)
Net profit before taxation		253,420	331,248
Taxation expense	6(a)	(80,106)	(92,500)
Net profit after taxation		173,314	238,748
Other comprehensive income:			
Items that may be subsequently reclassified to the Income Statement:			
Foreign currency translation differences for foreign operations		6,776	(3,464)
Total comprehensive income for the year		180,090	235,284
Earnings per share attributable to the ordinary equity holders of the company during the year:			
Attributable to continuing operations:			
Basic earnings per share		0.95	1.30

The above Income Statement and Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

# BALANCE SHEET

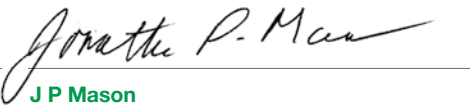
Balance Sheet at 31 March	Notes	2024 \$'000	2023 \$'000
Current assets			
Cash and cash equivalents	11(a)	442,563	424,986
Accounts receivable	9	123,860	91,546
Income tax receivable		1,411	3,020
Other financial assets	11(a)	105,312	119,527
Prepayments	10	132,585	65,140
Inventories	12	179,389	109,084
		985,120	813,303
Non-current assets			
Other financial assets	11(a)	57,979	71,602
Property, plant and equipment	13	70,145	70,626
Intangibles	14	33,506	37,030
Deferred tax assets	6(b)	12,583	12,004
Prepayments	10	18	201
Right-of-use assets	15(a)	22,115	14,617
		196,346	206,080
Total assets		1,181,466	1,019,383
Current liabilities			
Accounts payable and accruals	17	597,760	449,282
Income tax payable		8,699	5,123
Provisions	18	1,977	3,370
Other financial liabilities	11(b)	105,312	119,527
Lease liabilities		7,242	1,987
		720,990	579,289
Non-current liabilities			
Accounts payable and accruals	17	3,598	3,367
Interest-bearing liabilities	11(b)	27,000	27,000
Provisions	18	415	24
Deferred tax liabilities	6(b)	6,007	1,530
Other financial liabilities	11(b)	57,979	71,602
Lease liabilities		15,274	13,372
		110,273	116,895
Equity			
Share capital		26,539	26,539
Reserves	8(a)	6,562	(214)
Retained earnings	8(b)	317,102	296,874
		350,203	323,199
Total liabilities and equity		1,181,466	1,019,383

The above Balance Sheet should be read in conjunction with the accompanying notes.

The Financial Statements were authorised for issue by the Directors of Zespri Group Limited on 21 June 2024.

Authorised for, and on behalf of, the Board:

  
N W Flowerday  
Chairman

  
J P Mason  
Director



STATEMENT OF CHANGES IN EQUITY

Statement of Changes in Equity	Notes	Share capital \$'000	Foreign currency translation reserve \$'000	Retained earnings \$'000	Total \$'000
Balance as at 1 April 2023		26,539	(214)	296,874	323,199
Total comprehensive income for the year:					
Net profit after taxation	8(b)	–	–	173,314	173,314
Foreign currency translation differences for foreign operations	8(a)	–	6,776	–	6,776
Total comprehensive income for the year		–	6,776	173,314	180,090
Dividends paid during the year					
	7(c)	–	–	(153,086)	(153,086)
Balance as at 31 March 2024		26,539	6,562	317,102	350,203
Balance as at 1 April 2022					
		26,539	3,250	292,299	322,088
Total comprehensive income for the year:					
Net profit after taxation	8(b)	–	–	238,748	238,748
Foreign currency translation differences for foreign operations	8(a)	–	(3,464)	–	(3,464)
Total comprehensive income for the year		–	(3,464)	238,748	235,284
Dividends paid during the year					
	7(c)	–	–	(234,173)	(234,173)
Balance as at 31 March 2023		26,539	(214)	296,874	323,199

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

STATEMENT OF CASH FLOWS

Statement of Cash Flows	Notes	2024 \$'000	2023 \$'000
Cash flows from operating activities			
Cash was provided from:			
Receipts from sales of Kiwifruit		3,937,298	3,760,927
Receipts from sales of Zespri licences		215,427	307,620
Receipts from research co-funding		692	2,497
Other sundry items		40,504	60,372
Receipts from insurance		1,198	2,897
Proceeds from derivatives and other financial assets	4	71,933	101,052
Taxation refunded		2,538	178
		4,269,590	4,235,543
Cash was applied to:			
Payments to contracted suppliers – New Zealand-grown fruit		2,346,354	2,279,965
Payments to contracted suppliers – non-New Zealand-grown fruit		489,659	421,468
Payments to other suppliers and employees		1,209,638	1,209,646
Insurance premiums		8,850	7,874
Taxation paid		73,769	93,220
		4,128,270	4,012,173
Net cash provided from operating activities	19	141,320	223,370
Cash flows from investing activities			
Cash was provided from:			
Proceeds from sale of property, plant and equipment, and intangibles		–	32
		–	32
Cash was applied to:			
Purchase of property, plant and equipment		5,346	8,647
Purchase of intangible assets		7,944	12,975
		13,290	21,622
Net cash used in investing activities		(13,290)	(21,590)
Cash flows from financing activities			
Cash was provided from:			
Interest received		25,238	13,136
		25,238	13,136
Cash was applied to:			
Repayment of bank term loan		–	3,000
Interest paid		630	683
Lease liabilities payments		8,929	9,573
Dividend payments	7(c)	153,086	234,173
		162,645	247,429
Net cash used in financing activities		(137,407)	(234,293)
Net (decrease)/increase in cash held		(9,377)	(32,513)
Effects of exchange rate changes on foreign currency cash balances		26,954	13,534
Add opening cash brought forward		424,986	443,965
Cash and cash equivalents at the end of the period	11(a)	442,563	424,986

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.



# NOTES TO THE FINANCIAL STATEMENTS

## 1 SUMMARY OF MATERIAL ACCOUNTING POLICIES

### Statement of compliance and basis of preparation

The Financial Statements are a consolidation of Zespri Group Limited ('the Company'), its subsidiaries and investments in joint operations (collectively 'Zespri Group'). The Company is domiciled in New Zealand and is a profit-oriented entity incorporated under the Companies Act 1993 of New Zealand. Zespri Group's primary activity is the purchase, export and marketing of fresh kiwifruit.

The Company is an FMC reporting entity for the purposes of the Financial Markets Conduct Act 2013. The Financial Statements of the Group comply with the Financial Markets Conduct Act 2013 and Financial Reporting Act 2013.

The Financial Statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (NZ GAAP). They comply with New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS), International Financial Reporting Standards (IFRS) and other applicable Financial Reporting Standards.

The consolidated Financial Statements are presented in New Zealand dollars (\$) (the 'presentation currency').

The consolidated Financial Statements have been prepared according to historical cost basis, modified by the revaluation of certain items as identified in the specific accounting policies below.

### Use of estimates and judgements

The preparation of the Financial Statements requires the use of judgements, estimates and applying assumptions that affect amounts reported in the Financial Statements.

Judgements and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Because judgement is applied, actual results could differ from estimates made. Estimates and assumptions are reviewed periodically and the effects of any changes are reflected immediately in the Income Statement.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year and the assumptions applied, methods used and uncertainties pertaining to these are discussed in the related accounting polices below and in the relevant notes:

- Valuation of derivatives (Note 11)
- Capitalisation of intangible assets (Note 14)
- Timing and amount of provisions (Note 18)
- Realisation of contingent assets and liabilities (Note 20)

### Specific accounting policies

The principal accounting policies adopted in the preparation of the Financial Statements are set out below and in the relevant notes to the Financial Statements.

#### (a) Foreign currency translation

Foreign currency transactions are translated into the functional currency of each entity using the exchange rates prevailing at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of transactions during the year and from the translation of monetary assets and liabilities at balance date are recognised in the Income Statement.

Non-monetary items held at historical cost are translated using the historical exchange rate at the date of the transaction.

Foreign currency translation – foreign operations  
Items included in the Financial Statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). The assets and liabilities of these entities are translated at exchange rates existing at balance date. The exchange gains or losses arising on translation are recorded in other comprehensive income (OCI) and accumulated in the foreign currency translation reserve (FCTR) in equity.

## 2 REVENUE

(a) Operating revenue	2024 \$'000	2023 \$'000
Sale of kiwifruit (at spot foreign exchange rates):		
New Zealand-grown kiwifruit	3,211,244	3,212,139
Non-New Zealand-grown kiwifruit	654,325	519,284
Collaborative marketing	44,280	26,962
Total revenue from kiwifruit product sales	3,909,849	3,758,385
Sale of Zespri Plant Variety Right licences	217,073	308,111
Revenue from branding royalties	538	295
Insurance revenue <sup>1</sup>	1,198	2,897
	4,128,658	4,069,688

1 Insurance revenue includes revenue received or receivable on policies taken out for pre-'Free on board stowed' (FOBS) and post-FOBS kiwifruit losses.

(b) Other revenue	2024 \$'000	2023 \$'000
Gain on sale of assets	22	3
Zespri Plant Variety Right royalty income	50,308	46,596
Research and Development Tax Incentive (RDTI)	4,000	3,500
Co-funding for other projects	162	340
Other income <sup>1</sup>	3,557	11,000
	58,049	61,439

1 Other income includes legal recoveries, fruit cost recoveries and government subsidy income.

Revenue is recognised as follows:

#### (i) Sale of kiwifruit

The Group generates revenues primarily from the sale of kiwifruit to its customers. Sales of kiwifruit are recognised when control of the goods has transferred, typically being when the goods are delivered to the distributor or retailer. Delivery occurs when the goods have been shipped to the destination port and (if relevant) have received the relevant food safety approvals in the country of destination, the risks of loss have been transferred to the distributor, and the distributor has accepted the goods. Kiwifruit is often sold with volume incentives based on aggregate sales over a 12 month period. Revenue from these sales is recognised net of estimated volume discounts. Historical experience is used to estimate and provide for these incentives, using the expected value method, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur.

#### (ii) Collaborative marketing

Revenue from the sale of kiwifruit under collaborative marketing agreements is recognised when the goods are delivered to the agreed destination and the risks of loss have been transferred to the collaborative marketer.

#### (iii) Licence

Revenue from sales of licences is recognised when control of the licence has transferred, being when the licence application has been accepted.

#### (iv) Research and Development Tax Incentive (RDTI)

RDTI income is recognised over the period the costs that it is intended to compensate are incurred. Where research and development expenditure is expensed in the Income Statement, RDTI income to which it relates is shown separately as income. RDTI income is recognised only when there is reasonable assurance that any conditions attached to the funding have been complied with, and that the funding will be received.

#### (v) Royalty

Royalty income is recognised on a net basis when sale of licensed Plant Variety Right (PVR) kiwifruit occurs.



3 OPERATING EXPENSES

The following items have been included in operating expenses (at spot foreign exchange rates):	2024 \$'000	2023 \$'000
Cloud computing research and development costs <sup>1</sup>	8,713	25,174
Commissions	20,062	21,790
Donations and sponsorships <sup>2</sup>	800	1,649
Depreciation and amortisation	23,844	19,462
Employee remuneration and benefits	173,250	150,323
Employee remuneration and benefits – defined contribution plan	4,954	3,255
Freight and distribution	359,613	467,617
Fruit and service payments – New Zealand-grown kiwifruit <sup>3</sup>	2,281,141	2,193,016
Fruit purchases – non-New Zealand-grown kiwifruit	497,899	373,347
Innovation	25,872	24,976
Kiwifruit New Zealand <sup>4</sup>	695	692
Kiwifruit Vine Health Incorporated <sup>5</sup>	1,877	2,260
Loss on sale of assets	947	32
Loyalty Premium – New Zealand-grown kiwifruit	40,341	48,554
New Zealand Kiwifruit Growers Incorporated <sup>6</sup>	1,475	1,776
Other selling and direct costs	285,967	283,873
Promotion	179,099	204,113

1 Cloud computing research and development costs relate to software as a service arrangements where the underlying software and associated infrastructure are hosted by a service provider, independent of Zespri.

2 Donations and sponsorship expenditure includes: donations to various charities such as KidsCan, Māori Kiwifruit Growers Incorporated, BOP rugby union, Food network support, Surf Life Saving New Zealand Inc, New Zealand Parliamentary Sports, Ōtāneiwainuku Kiwi Trust, New Zealand Rural Leadership Trust, Mataatua Kapa Haka Regionals Sponsorship, New Zealand Red Cross, Katikati Innovative Horticulture Trust, and the AIMS Games Trust.

3 Contracted-supplier fruit returns by means of fruit and service payments reflect the value of sales from New Zealand-grown kiwifruit after deducting those expenses defined under the annual New Zealand Supply Agreement, including foreign exchange gains and losses.

Zespri Group is required to fund certain Statutory Board and Grower Representation industry initiatives. These are stated below:

4 The Company is required, under Regulation 39 of the Kiwifruit Export Regulations 1999, to fund the statutory board Kiwifruit New Zealand; and includes fees of \$36,000.

5 Zespri Group Limited pays two different levies to Kiwifruit Vine Health Incorporated on behalf of growers: (i) a National Pathway Management Plan Levy rate of \$0.006 per FOBS tray of all commercial varieties exported to markets other than Australia; and (ii) a biosecurity levy of \$0.008 per FOBS tray for all commercial varieties exported to markets other than Australia.

6 Zespri Group Limited is required by The Commodity Levies (Kiwifruit) Order 2017 to pay a levy to New Zealand Kiwifruit Growers Incorporated on behalf of growers. The rate for 2023/24 was \$0.01 per tray of kiwifruit grown in New Zealand and exported to markets other than Australia (2022/23: \$0.01 per tray).

Fees paid to auditors

Fees were paid to KPMG as follows:

- Audit of Financial Statements: \$968,550 (2023: \$641,300)<sup>1</sup>
- Other audit and assurance related fees: \$132,500 (2023: \$163,000)<sup>2</sup>
- Non-audit fees: \$51,736 (2023: \$114,000)<sup>3</sup>

1 Including \$250,000 relating to the FY2022/23 audit.

2 Other audit-related fees include fees for limited assurance and assurance related engagements over non-financial disclosures, other assurance services and agreed-upon procedure engagements.

3 Non-audit fees include tax compliance services (2023: tax compliance and ESG advisory engagements).

Other audit fees of \$149,342 (2023: \$104,332) have been paid to other auditors to meet local requirements.

4 OTHER NET GAINS/[LOSSES]

	2024 \$'000	2023 \$'000
Net gains/(losses) from derivatives	71,933	101,052
Net foreign exchange gains/(losses) from non-derivatives <sup>1</sup>	14,122	6,550
	86,055	107,602

1 Net foreign exchange gains/(losses) from non-derivatives relate to the revaluation of foreign denominated monetary assets and liabilities (refer to Note 11(a)).

5 FINANCE REVENUE AND EXPENSE

(a) Finance revenue	2024 \$'000	2023 \$'000
Interest revenue	25,238	13,136
	25,238	13,136
(b) Finance expense		
Interest expense	627	652
Interest on leases	833	402
Fee expense	838	1,112
Total finance expense	2,298	2,166

6 TAXATION

(a) Taxation expense	2024 \$'000	2023 \$'000
Net profit before taxation	253,420	331,248
Income tax using the New Zealand corporate tax rate – 28%	70,958	92,749
Tax effect of:		
Non-deductible or non-assessable items	2,592	(1,025)
Translation differences on foreign tax	(352)	(1,003)
Tax under/(over) provided in prior year	(128)	716
Foreign income at different tax rates	(114)	(176)
Effect of change to tax depreciation on buildings <sup>1</sup>	5,736	–
Movement in distribution of accumulated retained earnings of subsidiaries	1,414	1,239
Taxation expense <sup>2</sup>	80,106	92,500
Effective tax rate	31.61%	27.92%

Taxation expense is represented by:		
Current tax expense	76,411	92,387
Deferred tax expense	3,695	113
Taxation expense	80,106	92,500

1 As a result of the change in tax legislation which was enacted on 28 March 2024 and will be effective from 1 April 2024, the tax depreciation rate on buildings with an estimated useful life of 50 years or more will be reduced to nil. This reduction in the tax depreciation rate has significantly reduced the tax base of the Group's buildings as future tax deductions will no longer be available from the 2024/25 income year. This has resulted in an increase to the deferred tax liability of \$5.7 million which was recognised in tax expense.

2 Income tax expense comprises current and deferred tax and is calculated using rates enacted or substantively enacted at balance date. Current and deferred tax is recognised in the Income Statement unless the tax relates to items in other comprehensive income, in which case the tax is recognised as an adjustment in other comprehensive income against the item to which it relates.

(b) Deferred tax asset/(liability)	Provisions and accruals \$'000	Property, plant and equipment \$'000	Retained earnings in subsidiaries \$'000	Other \$'000	Total \$'000
Balance at 1 April 2023	15,238	(2,949)	(1,529)	(286)	10,474
Charged to Income Statement	2,956	(1,637)	(489)	1,211	2,041
Change to tax depreciation on buildings	–	(5,736)	–	–	(5,736)
Exchange differences and other	(186)	(2)	–	(15)	(203)
Balance at 31 March 2024	18,008	(10,324)	(2,018)	910	6,576
Balance at 1 April 2022	14,686	(2,053)	(1,886)	(478)	10,269
Charged to Income Statement	244	(895)	357	181	(113)
Exchange differences and other	308	(1)	–	11	318
Balance at 31 March 2023	15,238	(2,949)	(1,529)	(286)	10,474

Deferred tax assets and liabilities are offset within the balance sheet where they relate to income taxes levied by the same taxation authority. The total deferred tax balance of \$6.6 million is represented in the Balance Statement as follows:

	2024 \$'000	2023 \$'000
Deferred tax assets	12,583	12,004
Deferred tax liabilities	(6,007)	(1,530)
	6,576	10,474



## 6 TAXATION [CONTINUED]

New Zealand imputation credit account	2024 \$'000	2023 \$'000
Imputation credits available for use at 31 March	4,459	1,375

### Global tax authorities

The Group operates in many countries across the world, each with separate taxation authorities which results in significant complexity. At any point in time there are tax computations which have been submitted but not agreed by those tax authorities and matters which are under discussion between Group companies and the tax authorities. The Group provides for the amount of tax it expects to pay taking into account those discussions and professional advice it has received.

## 7 EQUITY

(a) Basic earnings per share	2024	2023
Net profit after taxation attributable to shareholders (\$'000)	173,314	238,748
Weighted average shares ('000)	183,252	183,252
Basic average per share (\$)	0.95	1.30

Basic earnings per share are calculated by dividing net profit after taxation by the weighted average number of shares outstanding during the year.

### (b) Share capital

The total number of authorised and issued shares is 183,252,240 (2023: 183,252,240). The ordinary shares have no par value.

All ordinary shares are fully paid, rank equally subject to the voting cap and are classified as equity. Each shareholder is entitled to one vote per ordinary share up to a maximum that is calculated by reference to the lesser of the number of shares held or that shareholder's New Zealand production supplied to Zespri Group.

#### Capital management

The Company's activities are restricted under the Kiwifruit Export Regulations 1999.

Because Zespri Group is primarily a short-term borrower, capital management is restricted to the management of authorised and issued share capital and retained earnings.

Under its Constitution, the Company may issue, buy back, consolidate or subdivide shares.

#### (i) Share capital

The Regulations do not restrict the levels of share capital able to be authorised for issue by the Company. The Company's Constitution provides some restriction over the scale of individual offers for shares. To date, in line with the Kiwifruit Export Regulations 1999, shares have been issued by the Company to producing New Zealand kiwifruit growers.

The voting rights of shareholders are capped by reference to the individual shareholder's share of total New Zealand production supplied to the Company during the year. Divergence between shareholdings and production can occur through the production impact of new plantings and as growers enter or exit the industry in New Zealand. This divergence is monitored by the Company at least annually, through the process of determining the voting caps of shareholders prior to the Annual General Meeting of the Company.

#### (ii) Payment of dividends

Capital levels are monitored as part of the solvency tests required under the Companies Act 1993 to approve the payment of dividends to shareholders. Capital retained in the Company is measured for solvency purposes, and to determine whether the minimum level of equity retained in Zespri Group, as agreed by the Board of Directors, is maintained.

Following the approval of an updated Constitution in March 2018, shares held by a person that becomes a non-producer subsequent to this date will not receive dividends for three years following becoming a non-producer. This does not apply to shareholders who were non-producers as of 14 March 2018, who will cease to receive dividends in 2025 if they remain non-producers.

At 31 March 2024 there were 35 shareholders who were not eligible for at least one of the 2024 dividends.

(c) Dividends paid	2024 \$'000	2023 \$'000
Ordinary dividends:		
On ordinary shares – final (prior year)	32,786	53,033
On ordinary shares – interim (current year)	120,214	181,030
Supplementary dividends (to non-residents)	86	110
Total dividends paid	153,086	234,173

During the year, the 2023 final partially imputed dividend of 18 cents per share and the 2024 interim partially imputed dividend of 66 cents per share were paid in August 2023. These dividends are recognised in the Financial Statements. Supplementary dividends of \$86,127 were paid to shareholders not tax resident in New Zealand, for which Zespri Group received a foreign investor tax credit entitlement. The Board of Directors' declaration to pay a partially imputed final dividend is detailed in Note 22.

## 8 RECONCILIATION OF MOVEMENTS IN RESERVES

### (a) Reserves

Movements in reserves were as follows:

	2024 \$'000	2023 \$'000
Balance as at 1 April	(214)	3,250
Foreign currency translation reserve	6,776	(3,464)
Balance as at 31 March	6,562	(214)

Foreign currency translation reserves are detailed in Note 1(a).

### (b) Retained earnings

Movements in retained earnings were as follows:

	2024 \$'000	2023 \$'000
Balance as at 1 April	296,874	292,299
Dividend paid during the year	(153,086)	(234,173)
Net profit after taxation attributable to shareholders	173,314	238,748
Balance as at 31 March	317,102	296,874

Retained earnings is the cumulative net profits of the Group after dividends have been paid to shareholders.

## 9 ACCOUNTS RECEIVABLE

	2024 \$'000	2023 \$'000
Current:		
Trade receivables	55,058	51,917
Other receivables	30,878	20,592
Indirect taxation	37,924	19,037
Total current accounts receivable	123,860	91,546

Accounts receivable are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method and adjusted for credit impairment losses. Included in trade receivables are debtors which are past due at balance date.

Amounts receivable from related parties are disclosed at Note 21.

Accounts receivable past due but not impaired	2024 \$'000	2023 \$'000
Less than 3 months overdue	2,938	8,354
Between 3 and 6 months overdue	19	1,148
Between 6 and 12 months overdue	2	46
	2,959	9,548

## 10 PREPAYMENTS

	2024 \$'000	2023 \$'000
Current:		
Prepaid fruit payments for next season's fruit not recorded in inventory	105,006	30,220
Insurance premiums	506	3,260
Option premiums	2,540	6,733
Other	24,533	24,927
Total current prepayments	132,585	65,140
Non-current:		
Option premiums	–	201
Other	18	–
Total non-current prepayments	18	201
Total prepayments	132,603	65,341



## 11 FINANCIAL ASSETS AND LIABILITIES

(a) Financial assets per Balance Sheet	Notes	Loans and receivables		Assets designated at fair value through the Income Statement		Total	
		2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Derivatives – held for trading		–	–	163,291	191,129	163,291	191,129
Accounts receivable	9	123,860	91,546	–	–	123,860	91,546
Cash and cash equivalents <sup>1</sup>		442,563	424,986	–	–	442,563	424,986
Total other financial assets		566,423	516,532	163,291	191,129	729,714	707,661
Represented by:							
Current		566,423	516,532	105,312	119,527	671,735	636,059
Non-current		–	–	57,979	71,602	57,979	71,602
Total other financial assets		566,423	516,532	163,291	191,129	729,714	707,661

<sup>1</sup> Of the cash and cash equivalents, \$100,318,074 is held in short term money market deposits with the balance being held in transactional bank accounts; 44% is held in NZD, 35% in CNY and the balance in other currencies in which the Group trades with customers.

(b) Financial liabilities per Balance Sheet	Notes	Liabilities at amortised cost		Liabilities designated at fair value through the Income Statement		Total	
		2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Derivatives – held for trading		–	–	60,295	73,636	60,295	73,636
Contracted future suppliers		–	–	102,996	117,493	102,996	117,493
Accounts payable and accruals	17	601,358	452,649	–	–	601,358	452,649
Lease liabilities		22,516	15,359	–	–	22,516	15,359
Interest-bearing liabilities		27,000	27,000	–	–	27,000	27,000
Total other financial liabilities		650,874	495,008	163,291	191,129	814,165	686,137
Represented by:							
Current		605,002	451,269	105,312	119,527	710,314	570,796
Non-current		45,872	43,739	57,979	71,602	103,851	115,341
Total other financial liabilities		650,874	495,008	163,291	191,129	814,165	686,137

Financial assets and financial liabilities, except for derivatives, are measured initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost and subject to regular review for impairment.

### Derivatives

Zespri Group may reduce its exposure to fluctuations in foreign currency exchange rates and commodity prices affecting operating costs, through the use of derivatives. Derivatives are not entered into for speculative purposes.

Derivatives able to be utilised under the Treasury Management Policy include interest rate swaps, oil swaps, foreign exchange options and forward contracts.

Zespri Group's policy is to manage risk from an economic perspective. As a result, Zespri Group manages the risks of net positions subject to market risks. Hedge accounting has not been applied. Therefore, all derivatives are required to be classified as 'held for trading'.

#### (i) Recognition and derecognition:

Derivatives are recognised initially and subsequently at fair value, with changes in fair value of derivatives recognised in the Income Statement. The fair value of all financial instruments is recorded in the Balance Sheet. Derivatives are derecognised when the contractual rights or obligations relating to the cash flow expire.

### Fair value of financial assets and liabilities

The derivative financial instruments have been valued using a discounted cash flow valuation methodology.

Assets and liabilities are measured at fair value by the following fair value measurement hierarchy:

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 (i.e. as prices) or indirectly (i.e. derived from prices).

All financial instruments held by the Group and measured at fair value are classified as Level 2 under the fair value measurement hierarchy.

Zespri Group is subject to a number of financial risks that arise as a result of its operational activities. To manage and limit the effect of these financial risks, the Board of Directors has approved policy guidelines and authorised the use of various financial instruments. The policies and financial instruments permitted are documented in the Treasury Management Policy which is reviewed and approved annually. The policies and financial instruments being utilised at balance date are discussed under sections (c) – (e) below.

## 11 FINANCIAL ASSETS AND LIABILITIES [CONTINUED]

### (c) Liquidity risk

Zespri Group is exposed to liquidity risk where there is a risk that the Group may encounter difficulty in meeting its day-to-day obligations due to timing of cash receipts and payments. The objective is to ensure that cash is available to pay obligations as they fall due.

#### (ii) Contractual maturities as at 31 March:

2024	Notes	< 1 year \$'000	1 – 2 years \$'000	2 – 5 years \$'000	> 5 years \$'000	Total \$'000
Non-derivatives:						
Trade creditors	17	16,839	–	–	–	16,839
Accruals and other payables	17	580,921	–	3,598	–	584,519
Lease liabilities (undiscounted)		7,183	4,523	8,247	4,134	24,087
Interest-bearing liabilities		–	–	27,000	–	27,000
		604,943	4,523	38,845	4,134	652,445
Derivatives:						
Derivatives – held for trading		44,847	11,128	4,320	–	60,295
Contracted future suppliers		60,465	23,799	18,732	–	102,996
		105,312	34,927	23,052	–	163,291
Total contractual maturities		710,255	39,450	61,897	4,134	815,736

### 2023

Non-derivatives:						
Trade creditors	17	104,091	–	–	–	104,091
Accruals and other payables	17	345,191	–	3,367	–	348,558
Lease liabilities		5,964	5,886	3,195	783	15,828
Interest-bearing liabilities		–	–	27,000	–	27,000
		455,246	5,886	33,562	783	495,477
Derivatives:						
Derivatives – held for trading		41,877	25,535	6,224	–	73,636
Contracted future suppliers		77,650	31,693	8,150	–	117,493
		119,527	57,228	14,374	–	191,129
Total contractual maturities		574,773	63,114	47,936	783	686,606

### (d) Credit risk

Zespri Group is exposed to credit risk from transactions with trade debtors and financial institutions in the normal course of business.

Zespri Group has a credit approval policy which restricts the exposure to individual debtors and the Board of Directors reviews exposures to trade debtors. In certain regions a portion of amounts owed by trade debtors is secured by way of trade credit insurance, bank guarantees or other collateral, with all others being unsecured. Zespri Group does not require any collateral or security from financial institutions to support its transactions with those institutions. The counter-parties used for banking and finance activities are financial institutions with credit ratings ranging from A to AA-.

In assessing credit losses for trade receivables, the Group applies the simplified approach and records lifetime expected credit losses ('ECLs') on trade receivables. Lifetime ECLs result from all possible default events over the expected life of a trade receivable. The Group considers the probability of default upon initial recognition of the trade receivable, based on reasonable and available information on the customers. In assessing ECLs on trade receivables, the Group considers both quantitative and qualitative inputs. Quantitative data includes past collection rates, industry statistics, ageing of receivables, and trading outlook. Qualitative inputs include past trading history with the Group.

### (e) Market risk

Zespri Group is subject to market risks that arise as a result of its operational activities. The types of market risk to which Zespri Group is exposed include interest rate risk, currency risk and commodity price risk.

#### (i) Interest rate risk:

Zespri Group's policy relating to interest rate risk management aims to achieve the lowest cost of funds.

Zespri Group may put in place seasonal funding facilities if required. Zespri Group is primarily a short-term borrower and investor and generally carries any interest rate risk itself. Investments consist of on-call funds and short-term deposits.

Zespri Group has long-term floating interest rate building funding, and a \$27,000,000 (2023: \$27,000,000) interest rate derivative contract to effectively convert the floating interest rate to fixed.



11 FINANCIAL ASSETS AND LIABILITIES [CONTINUED]

(ii) Currency risk:  
During the course of business, Zespri Group procures and exports fruit, incurs selling, marketing and administrative costs, and carries cash denominated in foreign currencies. As a result of these transactions, exposures to fluctuations in foreign currency exchange rates occur. The foreign currencies in which Zespri Group primarily deals are Euro (EUR), Japanese Yen (JPY), United States Dollars (USD), Chinese Yuan (CNY) and Korean Won (KRW).  
Zespri Group's primary objective in managing foreign exchange risk is to mitigate excess volatility in the New Zealand Dollar (NZD) return to shareholders and the New Zealand kiwifruit industry arising from foreign currency movements.  
Net exposures of expected foreign currency income and expenditure are estimated. The Treasury Management Policy provides guidelines within which Zespri Group enters into contracts to manage the expected net exposures. Based on these guidelines, contracts are taken out up to 36 months in advance. With express Board approval, the Company can take out contracts that are in excess of 36 months in advance.

Foreign exchange contracts

As part of the foreign currency hedging strategy, Zespri Group has entered into forward exchange contracts and options. The value of these contracts held at balance date were:

	Notional value		Fair value gain/(loss)	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
At fair value through the Income Statement – held for trading				
Sell forward exchange contracts	6,160,307	5,504,449	100,004	110,128
Currency option contracts	502,547	594,331	2,992	7,365
	6,662,854	6,098,780	102,996	117,493
Represented by:				
Other financial assets			163,291	191,130
Other financial liabilities			(60,295)	(73,637)
			102,996	117,493
By currency:				
AUD/NZD	73,963	54,524	790	1,415
EUR/NZD	1,824,661	1,343,860	3,850	20,607
JPY/NZD	853,795	1,262,628	67,827	89,762
USD/NZD <sup>1</sup>	2,170,117	1,916,759	(23,559)	16,097
USD/CNY <sup>1</sup>	1,351,449	1,167,640	42,183	(13,525)
USD/KRW <sup>1</sup>	388,869	353,369	11,905	3,137
	6,662,854	6,098,780	102,996	117,493

1 A portion of the USD/NZD transactions is utilised in conjunction with the USD/KRW and USD/CNY transactions to translate these currencies back to NZD.

	Notional value		Fair value gain/(loss)	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Maturity of foreign exchange contracts				
Less than one year	3,453,340	3,164,460	60,465	77,650
One to two years	1,997,589	2,004,096	23,799	31,693
More than two years	1,211,925	930,224	18,732	8,150
	6,662,854	6,098,780	102,996	117,493

(f) Market risk sensitivity as at 31 March

Zespri Group is exposed to various market risks in relation to balances held as at 31 March.  
Management has considered the seasonal risk to the business and the sensitivity using average balances held during the year.  
Under the terms of the New Zealand Supply Agreement, the supplier assumes the risk of foreign exchange, and any change in foreign currency rates on average balances would not be material to the pre-tax profit of the Group. The effect of exchange rate movements is managed by the use of forward contracts and options to mitigate excess volatility.  
Under the terms of the New Zealand Supply Agreement, interest costs incurred on the seasonal funding facility and interest income earned on short-term deposits are largely assumed by the Registered Supplier. A change in interest rates using average funding facility and short-term deposit balances for the year would not be material to the pre-tax profit of the Group.

11 FINANCIAL ASSETS AND LIABILITIES [CONTINUED]

(g) Embedded derivatives  
Embedded derivatives are derivatives that are included within the terms of a non-derivative host contract. They affect the cash flows of the combined instrument in a way similar to a stand-alone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified index, price, rate or other variable.  
Companies within Zespri Group enter into contracts in the normal course of their operations. Within some of these contracts are embedded derivatives. Where the embedded derivatives are deemed to be closely related to the host contract, they are not valued or recognised separately from the accounting required for the host contract in the Financial Statements. Embedded derivatives deemed not to be closely related to the host contract are accounted for as if they were stand-alone derivatives.  
Zespri International Limited acts as treasury agent for Zespri Group and is responsible for paying New Zealand-contracted suppliers (supply entities which have signed the New Zealand Supply Agreement) based on the net results earned by Zespri Group.  
The Company has entered into back-to-back arrangements with New Zealand-contracted suppliers and Zespri International Limited, primarily reflecting the results of any derivatives taken out for the purposes of managing risk to the New Zealand fruit return.

	Notional value		Fair value gain/(loss)	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Contracted future suppliers	6,662,854	6,098,780	(102,996)	(117,493)

12 INVENTORIES

	2024 \$'000	2023 \$'000
New Zealand-grown kiwifruit inventory <sup>1</sup>	154,625	83,121
Non-New Zealand-grown kiwifruit inventory	4,912	9,673
Packaging materials	19,802	16,258
Other	50	32
Total inventories	179,389	109,084

1 New Zealand-grown kiwifruit is comprised of fruit picked during February and March to be sold in the 2024 season.

Inventories are valued at the lower of cost or net realisable value. Costs incurred in bringing inventory to its present location and condition are accounted for at purchased cost on a first-in first-out basis. Borrowing costs are excluded.  
All fruit transported on the first European vessel of the season has been written down to a net realisable value of \$nil in New Zealand-grown kiwifruit inventory.

13 PROPERTY, PLANT AND EQUIPMENT

	Land and improvements \$'000	Leasehold improvements \$'000	Buildings \$'000	Plant and equipment \$'000	Motor vehicles \$'000	Work in progress \$'000	Total \$'000
2024							
Net book value as at 1 April 2023	11,453	1,075	42,740	10,171	95	5,092	70,626
Depreciation expense	–	(764)	(1,586)	(4,836)	(43)	–	(7,229)
Additions	–	3,315	2,133	5,829	58	698	12,033
Disposals (net)	–	(60)	–	(193)	–	(5,032)	(5,285)
Transfers	–	–	–	–	–	–	–
Net book value as at 31 March 2024	11,453	3,566	43,287	10,971	110	758	70,145
Cost	11,453	7,381	50,698	29,544	405	758	100,239
Accumulated depreciation	–	(3,815)	(7,411)	(18,573)	(295)	–	(30,094)
Net book value as at 31 March 2024	11,453	3,566	43,287	10,971	110	758	70,145
2023							
Net book value as at 1 April 2022	12,149	1,608	43,572	9,682	138	2,026	69,175
Depreciation expense	–	(669)	(1,528)	(4,705)	(43)	–	(6,945)
Additions	–	144	696	5,235	–	3,501	9,576
Disposals (net)	(696)	(8)	–	(41)	–	(435)	(1,180)
Net book value as at 31 March 2023	11,453	1,075	42,740	10,171	95	5,092	70,626
Cost	11,453	4,933	48,564	27,419	348	5,092	97,809
Accumulated depreciation	–	(3,858)	(5,824)	(17,248)	(253)	–	(27,183)
Net book value as at 31 March 2023	11,453	1,075	42,740	10,171	95	5,092	70,626



13 PROPERTY, PLANT AND EQUIPMENT [CONTINUED]

Property, plant and equipment is measured at cost less accumulated depreciation and impairment losses. Costs cease to be capitalised as soon as the asset is ready for productive use.

Depreciation is provided on a straight-line basis at rates calculated to allocate the cost of assets over their estimated useful lives.

The estimated useful lives used for depreciation purposes are as follows:

Buildings	Lower of 50 years or useful life of the building
Leasehold improvements	Lower of 10 years or unexpired portion of lease
Plant and equipment	2 – 25 years
Motor vehicles	5 years
Building fit-out	5 – 25 years
Land	Not depreciated

The useful life and residual value of property, plant and equipment are reviewed annually. Any change required as a result in the change of these estimates is recognised in the Income Statement during the period.

Property, plant and equipment commitments

As at 31 March 2024 there are outstanding capital commitments totalling \$219,372 for property, plant and equipment (2023: \$803,660).

14 INTANGIBLES

2024	Development costs \$'000	Computer software \$'000	Work in progress \$'000	Total \$'000
Net book value as at 1 April 2023	7,784	27,529	1,717	37,030
Amortisation expense	(2,307)	(6,555)	–	(8,862)
Additions	2,021	2,415	909	5,345
Disposals (net)	–	(7)	–	(7)
Transfers	–	1,554	(1,554)	–
Net book value as at 31 March 2024	7,498	24,936	1,072	33,506
Cost	15,118	82,453	1,072	98,643
Accumulated amortisation	(7,620)	(57,517)	–	(65,137)
Net book value as at 31 March 2024	7,498	24,936	1,072	33,506
2023				
Net book value as at 1 April 2022	5,992	11,048	14,084	31,124
Amortisation expense	(1,811)	(5,422)	–	(7,233)
Additions	3,603	–	9,536	13,139
Transfers	–	21,903	(21,903)	–
Net book value as at 31 March 2023	7,784	27,529	1,717	37,030
Cost	13,096	78,985	1,717	93,798
Accumulated amortisation and impairment	(5,312)	(51,456)	–	(56,768)
Net book value as at 31 March 2023	7,784	27,529	1,717	37,030

(i) Research and development costs:

Research expenditure is expensed in the period incurred. Development costs are capitalised as internally generated intangible assets upon commercialisation where future benefits are expected to exceed those costs; otherwise, development costs are expensed in the period incurred.

Development costs include costs relating to the development and production for Zespri-developed cultivars. Costs capitalised include those of budwood, legal fees and costs of obtaining PVRs less any research co-funding received in respect of this expenditure. Development costs capitalised as an internally generated intangible asset have finite useful lives and are carried at cost less accumulated amortisation.

Amortisation is calculated using the straight-line method to allocate the cost over the estimated useful life of five years.

(ii) Computer software:

Zespri Group purchases and develops software for use in its own business only.

The cost of computer software acquired is the value of the purchase price to acquire the assets, and the value of other directly attributable costs which have been incurred in bringing the assets to the location and condition necessary for their intended use.

14 INTANGIBLES [CONTINUED]

The cost of software developed by, and for the use of, Zespri Group includes the cost of all materials used to develop the software, direct labour on the project and financing costs that are directly attributable to the project. The amount initially recognised as an intangible asset is the sum of this expenditure incurred from the date the above recognition criteria is met. Computer software has a finite useful life and is carried at cost less accumulated amortisation.

Amortisation is calculated using the straight-line method to allocate the cost over the estimated useful life of three to five years.

(iii) Impairment:

The useful life and residual value of intangibles are reviewed annually. Any change required as a result of a change in these estimates is recognised in the Income Statement during the period.

Intangibles work in progress

As at 31 March 2024, 100% (2023: 100%) of the Group's intangibles work in progress relates to ongoing computer software projects. Of this, nil (2023: \$572,016) relates to the Horizon Programme. Horizon Tranche 1 included the full migrations of core finance and financial planning capabilities and was implemented in November 2022. Horizon Tranche 2 is currently in the research and development phase and includes the completion of the digital transformation of Zespri's end-to-end supply chain.

Intangible commitments

As at 31 March 2024 there are outstanding capital commitments totalling \$665,020 for intangible assets (2023: \$775,010).

15 LEASES

(a) Right-of-use assets	Buildings \$'000	Land \$'000	Motor vehicles \$'000	Office equipment \$'000	Total \$'000
2024					
Net book value as at 1 April 2023	9,481	3,659	1,338	139	14,617
Depreciation expense	(5,272)	(1,356)	(1,037)	(88)	(7,753)
Additions <sup>1</sup>	11,277	1,771	1,524	6	14,578
Derecognition	(64)	–	(36)	–	(100)
Reassessment of lease term	105	228	429	11	773
Net book value as at 31 March 2024	15,527	4,302	2,218	68	22,115
Cost	31,289	7,230	3,096	214	41,829
Accumulated depreciation	(15,762)	(2,928)	(878)	(146)	(19,714)
Net book value as at 31 March 2024	15,527	4,302	2,218	68	22,115
2023					
Net book value as at 1 April 2022	10,442	2,287	1,710	29	14,468
Depreciation expense	(3,927)	(323)	(983)	(51)	(5,284)
Additions	197	2,247	415	93	2,952
Derecognition	(318)	(41)	(752)	(5)	(1,116)
Reassessment of lease term	3,087	(511)	948	73	3,597
Net book value as at 31 March 2023	9,481	3,659	1,338	139	14,617
Cost	19,273	5,187	2,428	210	27,098
Accumulated depreciation	(9,792)	(1,528)	(1,090)	(71)	(12,481)
Net book value as at 31 March 2023	9,481	3,659	1,338	139	14,617

<sup>1</sup> Building additions include a cool storage warehouse facility in China with an eight-year term.

(b) Lease expenses included in the Income Statement

	2024 \$'000	2023 \$'000
Short-term leases	3,477	3,378
Interest on leases	833	402
Total lease expenses	4,310	3,780

Lease liabilities are measured at the present value of future lease payments discounted using the Group's incremental borrowing rate which ranges between 0% and 8%, with an average of 3.21%. Right of use (ROU) assets are initially recognised at cost, comprising the initial amount of the lease liability less any unamortised lease incentives. ROU assets are subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. In considering the lease term, the Group applies judgement in determining whether it is reasonably certain that an extension or termination option will be exercised.



15 LEASES [CONTINUED]

(c) Lessor income

Lease income from lease contracts in which the Group acts as a lessor:

	2024 \$'000	2023 \$'000
Operating lease income <sup>1</sup>	128	91
	128	91

1 The Group leases part of the head office building to New Zealand Kiwifruit Growers Incorporated and Kiwifruit Vine Heath.

(d) Sub-lessor income

Sub-lease income from lease contracts in which the Group acts as a lessor:

	2024 \$'000	2023 \$'000
Operating sub-lease income <sup>1</sup>	121	113
	121	113

1 The Group sub-leases an orchard to the Kiwifruit Breeding Centre.

(e) Maturity analysis – contractual undiscounted lessor income

	2024 \$'000	2023 \$'000
Less than one year	128	91
One to five years	642	456
More than five years	514	456
Total contractual undiscounted lessor income	1,284	1,003

16 GROUP ENTITIES

Basis of Consolidation

Zespri Group Limited is the ultimate holding company for the Zespri Group of companies. The consolidated Financial Statements include the results and balances of all entities over which the Company and its subsidiary companies have control.

All inter-company transactions are eliminated on consolidation.

Subsidiaries

All subsidiaries are wholly owned companies and have been incorporated and consolidated at inception by Zespri Group companies. No subsidiaries have been obtained by acquisition. The results and balances of subsidiaries are included in the consolidated Financial Statements of Zespri Group from the date of inception.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Company.

The Group's subsidiaries are involved in exporting, importing, selling, marketing, investing, researching and management of New Zealand-grown and non-New Zealand-grown kiwifruit.

The Group holds investments in certain countries that have some limited restrictions on the repatriation of funds back to New Zealand. This does not result in any significant restrictions on the flow of funds for the Group.

Joint operations

A joint operation is a joint arrangement where two or more parties have joint control and a right to the assets, and obligation for liabilities of the joint arrangement. The Group recognises its share of assets, liabilities, revenues and expenses of the joint operation.

The Kiwifruit Breeding Centre is a joint operation between Plant & Food Research and Zespri Group. It was established on 1 October 2021 to drive greater innovation within kiwifruit breeding. Zespri Group has a 50% participating interest in this jointly controlled operation and the proportionate interests in the assets, liabilities and expenses have been incorporated in the Financial Statements under the appropriate headings.

16 GROUP ENTITIES [CONTINUED]

The Group comprises the Company and the following trading entities.

Subsidiary	Incorporated	Subsidiary	Incorporated
Zespri Global Supply Holding Company Limited	New Zealand	Zespri International (India) Pvt Ltd	India
Zespri Innovation Company Limited	New Zealand	Zespri Fresh Produce Italy S.r.l.	Italy
Zespri International (Asia) Limited	New Zealand	Zespri International Italy S.r.l.	Italy
Zespri International Limited	New Zealand	Zespri Fresh Produce (Japan) K.K.	Japan
Zespri International Trading Limited	New Zealand	Zespri International (Japan) K.K.	Japan
Zespri New Zealand Limited	New Zealand	Zespri International (Malaysia) Sdn. Bhd	Malaysia
Zespri International (Australia) Pty Limited	Australia	Zespri Fresh Produce (Korea) Co. Limited	South Korea
Zespri International (Europe) N.V.	Belgium	Zespri International (Korea) Co. Limited	South Korea
Zespri Service Centre N.V.	Belgium	Zespri International (Singapore) Pte Limited	Singapore
Zespri Fruit Consultoria (Brasil) Ltda	Brazil	Zespri International Iberica SL	Spain
Zespri Fruit Industry (Shanghai) Co. Ltd	China	Zespri International Nordic AB	Sweden
Zespri Fruit (Shanghai) Co Limited	China	Zespri International (Switzerland) AG	Switzerland
Zespri Fresh Produce France S.A.R.L.	France	Zespri International (United Kingdom) Limited	United Kingdom
Zespri International France E.U.R.L.	France	New Zealand Kiwi Holdings Inc.	United States of America
Zespri International Germany GmbH	Germany	Zespri International (Vietnam) Company Limited	Vietnam

Joint Operation	Incorporated	Interest	Activity
The Kiwifruit Breeding Centre Limited	New Zealand	50%	New cultivar research

Zespri Group is relying on the Financial Markets Conduct (Overseas Subsidiary Balance Date Alignment) Exemption Notice 2021 in respect of the accounting period to which these Financial Statements relate.

All Group subsidiaries have a 31 March balance date with the exception of Zespri Fruit (Shanghai) Co. Limited, Zespri Fruit Industry (Shanghai) Co. Ltd and Zespri Fruit Consultoria (Brasil) Ltda which all have a 31 December balance date due to local requirements.

The Kiwifruit Breeding Centre Limited has a 30 June balance date to align with the balance date of joint owner Plant & Food Research.

17 ACCOUNTS PAYABLE AND ACCRUALS

	2024 \$'000	2023 \$'000
Current:		
Trade creditors	16,839	104,091
Loyalty accrual <sup>1</sup>	29,371	1,415
Accrued expenses	220,434	161,862
New Zealand fruit and service payments accrued – current season	62,287	69,673
New Zealand fruit and service payments accrued – next season	198,022	87,354
Income in advance	26,943	789
Payroll tax deductions payable	3,564	5,312
Employee entitlements	40,300	18,786
Total current accounts payable and accruals	597,760	449,282
Non-current:		
Employee entitlements	3,598	3,367
Total non-current accounts payable and accruals	3,598	3,367
Total accounts payable and accruals	601,358	452,649

1 The loyalty premium is paid to the New Zealand growers who have signed a three-year rolling grower contract and met the conditions of that contract. The loyalty premium is 30.0 cents (2023: 30.0 cents) per tray equivalent of New Zealand Class 1 kiwifruit supplied to the Company. The premium is paid in two instalments of 10.0 cents in January 2024 and 20.0 cents in June 2024. In certain circumstances, unpaid loyalty payments can be deferred or reduced to nil at the discretion of the Zespri Board.



18 PROVISIONS

	Provisions \$'000
<b>2024</b>	
Value as at 1 April 2023	3,394
Amounts charged	(328)
Release of provision	(2,162)
Additional provision	1,546
Exchange differences	(58)
Value as at 31 March 2024	2,392
<b>Represented by:</b>	
Current	1,977
Non-current	415
Value as at 31 March 2024	2,392

Provisions include lease make-good obligations and legal costs associated with ongoing legal proceedings, none of which are expected to have a probable material outflow.

In the normal course of business, the Zespri Group is party to various lawsuits and claims (refer to Note 20).

Zespri Group records provisions when it has a legal or constructive obligation to satisfy a claim as the result of a past event, it is more likely than not that an outflow of resources will be required to satisfy the obligation and a reliable estimate of the amount can be made.

19 RECONCILIATION OF NET PROFIT AFTER TAXATION WITH NET CASH FROM OPERATING ACTIVITIES

	2024 \$'000	2023 \$'000
Net profit after taxation	173,314	238,748
Non-cash items:		
Net loss/(gain) on sale of property, plant and equipment, and intangibles	1,205	83
Net (gain)/loss on foreign currency cash balances	(20,176)	(13,534)
Depreciation of property, plant and equipment	7,229	6,945
Depreciation of, and interest on leases	8,586	9,654
Amortisation of intangibles	8,862	7,233
Movement in deferred taxation	3,899	(205)
	9,605	10,176
Movement in working capital:		
(Increase)/Decrease in receivables and prepayments	(99,570)	51,613
Decrease/(Increase) in net current income tax	5,180	(404)
Decrease in other financial assets	27,838	196,197
(Increase)/Decrease in inventories	(70,305)	60,508
Increase/(Decrease) in payables to contracted suppliers	134,738	(182,254)
(Decrease) in other financial liabilities	(27,838)	(196,201)
Increase in accounts payable, accruals, provisions and employee entitlements	12,966	57,439
	(16,991)	(13,102)
Items classified as financing activities	(24,608)	(12,452)
Net cash available from operating activities	141,320	223,370

20 CONTINGENT ASSETS AND LIABILITIES

The Group has assessed whether there are any contingent assets at year-end and none have been identified.

The Group has assessed its previous contingent liabilities and has determined that the possibility of an outflow of resources embodying economic benefits is remote and therefore no material contingent liabilities have been identified.

20 CONTINGENT ASSETS AND LIABILITIES [CONTINUED]

In the normal course of business, Zespri Group is party to various lawsuits and claims, both as a plaintiff and as a defendant. It is not possible to predict with certainty whether Zespri Group will ultimately be successful and what the impact might be. Provisions are made in accordance with accounting policy and disclosed in Note 18.

Zespri Group has recently commercialised the Red19 variety. Should the Company decide to withdraw the variety for any reason, and the licence holder has not accepted a new licence under the terms of the Licence Agreement, the Company is required to reimburse the licence holder a calculated rate of \$5,000 (including GST) per hectare of licenced area, provided that no more than four full years have elapsed between the date of the original allocation of the licence by the Company and the date of notice of decommercialisation given by the Company. In addition, the Company is required to refund a percentage of the original licence price paid. As at 31 March 2024, the maximum exposure under the decommercialisation scenario is \$64,535,243 (2023: \$76,390,335).

Contingent liabilities with respect to guarantees extended total \$9,642,700 (2023: \$9,502,337).

21 RELATED PARTY TRANSACTIONS

(a) Key management personnel and Directors' compensation

	2024 \$'000	2023 \$'000
Short-term employee benefits	10,996	11,596
Directors' fees	1,103	1,042
	12,099	12,638

(b) Transactions with external related parties through common directorship, control or significant influence

Transactions with related parties are entered into the same contracted commercial terms as for all other growers and contracted suppliers in New Zealand.

All of the transactions below, including any disputes, were entered into under the same contracted and commercial terms as for all other growers and contracted suppliers in New Zealand.

	2024 \$'000	2023 \$'000
<b>Transactions with external related parties</b>		
<b>Revenue/(expenses)</b>		
Sale of Zespri PVR licences	27,289	26,492
Sundry income	700	703
Fruit and service payments	(25,752)	(26,044)
Loyalty premium	(1,194)	(941)
Other expenses	(2,033)	(434)
<b>Balances receivable/(payable):</b>		
Sundry income	631	88
Fruit and service payments	(1,422)	(270)
Loyalty premium	(789)	–

In 2023/24, total payments made to related party supply entities (not included above) are \$15m (2023: \$18m), and a payables balance of \$6.5m (2023: \$4.6m) remains at 31 March 2024.

In 2023/24, no new variety block trials on orchards were conducted by related parties (2023: nil ha). Historic trial agreements (prior to 2022) did provide access to commercial kiwifruit variety licence, for which some entitlement could still be outstanding. Related parties obtained 1.15ha of new variety licence from historic trial entitlements (2023: 2.58ha).

For current new variety block trials, payments are made to trialists when crops are producing. Upon completion or termination of a trial, trialists can generally obtain, at no cost, a licence to cultivate the newly commercialised Zespri kiwifruit variety for an agreed area. No licence for existing commercialised varieties is offered. If no variety is commercialised there is an exiting payment on trial completion. For early termination by Zespri Group there is an early termination payment. For demonstration blocks, there is an additional payment for these services.

(c) Transactions with the Kiwifruit Breeding Centre Limited (joint operation)

	2024 \$'000	2023 \$'000
<b>Revenue/(expenses)</b>		
Research expenses	(17,313)	(16,564)
Lease income	297	462
Total fruit and service payments to related party supply entities	(17,016)	(16,102)
<b>Balance receivable/(payable)</b>		
Trade receivables/(payables)	–	101
At 31 March	–	101



22 EVENTS OCCURRING AFTER BALANCE DATE

On 21 June 2024 the Board of Directors of Zespri Group Limited declared a final partially imputed dividend of 19.0 cents per fully paid ordinary share (2023: 18.0 cents) to be paid in August 2024. As the dividend was announced after balance date, the financial effect has not been recognised in the Financial Statements.

In May 2024, 258.19 hectares of Gold3 licences were allocated to Growers (within the 90%-105% tolerance for the license release of 250 hectares of Gold3). The total revenue (excluding GST) was \$105m. Full settlement of the related licence receivables is due by 19 July 2024.

On 15 May 2024 the Board of Directors of Zespri Group Limited announced that the fruit from the first European vessel of the season would be disposed of and the value of recovery will be subject to an insurance claim following a mouse infestation. As the vessel departed prior to balance date and the mice infestation is considered to have commenced prior to balance date, the fruit has been written down to a net realisable value of \$nil as an adjusting post balance date event. Refer to Note 12 – Inventories. As the insurance claim commenced in April 2024, no amounts have been recorded in the financial statements for the year ended 31 March 2024.

Subsequent to 31 March 2024, no other events have occurred which require adjustment or disclosure in the Financial Statements.

23 GROUP SEGMENT RESULTS

Reportable segments have been determined to follow the strategic business lines of the Group, which also reflect groups of similar products and services. Zespri Group has four reportable segments:

- (i) New Zealand kiwifruit: all activities related to the production and sale of New Zealand-grown kiwifruit varieties, other than activities included in the new cultivar segment.
- (ii) Non-New Zealand supply: all activities related to the production and sale of non-New Zealand-grown kiwifruit varieties, other than activities included in the new cultivar segment.
- (iii) New cultivars: all pre-commercialised activities related to any Zespri PVR kiwifruit including activities related to the selling and administration of PVR licences, and the associated ongoing royalty income.
- (iv) All other segments: all other segments not covered above including ownership of land and buildings.

The internal management information on which segment results are based uses a different method for allocating realised gains and losses on treasury activities. For internal management reporting, realised gains and losses from the management of foreign exchange risk are allocated to the business unit's individual revenue and expense lines based on the underlying currencies of the transactions to effect what would be a 'hedged' rate on the cumulative transactions. For financial reporting purposes, these net realised foreign exchange gains/(losses) on derivatives are disclosed separately from the operating revenue and operating expense within other net gains/(losses) (refer to Note 4).

	New Zealand kiwifruit \$'000	Non-New Zealand kiwifruit \$'000	New cultivars \$'000	All other segments \$'000	Eliminations \$'000	Total \$'000
2024						
Total sales revenue – external customers	3,334,285	654,173	–	–	–	3,988,458
Inter-segment revenue	–	–	50,848	5,677	(56,525)	–
Other external revenue	3,173	1,448	219,487	23,772	–	247,880
Segment revenue	3,337,458	655,621	270,335	29,449	(56,525)	4,236,338
Fruit and service payments	2,281,141	497,840	59	–	–	2,779,040
Loyalty premium	40,341	–	–	–	–	40,341
Depreciation and amortisation	17,581	896	4,711	656	–	23,844
Inter-segment expense	47,845	8,680	–	–	(56,525)	–
Inter-segment interest (income)/expense	(19,884)	–	–	19,884	–	–
Other external expenses	980,594	124,620	34,471	8	–	1,139,693
Total expense	3,347,618	632,036	39,241	20,548	(56,525)	3,982,918
Segment profit before taxation	(10,160)	23,585	231,094	8,901	–	253,420

	New Zealand kiwifruit \$'000	Non-New Zealand kiwifruit \$'000	New cultivars \$'000	All other segments \$'000	Eliminations \$'000	Total \$'000
2023						
Total sales revenue – external customers	3,396,667	519,323	–	–	–	3,915,990
Inter-segment revenue	–	–	46,891	2,911	(49,802)	–
Other external revenue	5,958	2,564	311,685	11,962	–	332,169
Total revenue	3,402,625	521,887	358,576	14,873	(49,802)	4,248,159
Fruit and service payments	2,193,016	373,347	–	–	–	2,566,363
Loyalty premium	48,554	–	–	–	–	48,554
Depreciation and amortisation	15,527	1,035	4,184	626	–	21,372
Inter-segment expense	43,416	6,386	–	–	(49,802)	–
Inter-segment interest (income)/expense	(9,989)	–	–	9,989	–	–
Other external expenses	1,134,248	111,614	34,748	12	–	1,280,622
Total expense	3,424,772	492,382	38,932	10,627	(49,802)	3,916,911
Segment profit before taxation	(22,147)	29,505	319,644	4,246	–	331,248

23 GROUP SEGMENT RESULTS [CONTINUED]

Group sales revenue – by location of external customers	2024 \$'000	2023 \$'000
Total Europe and North America	1,647,839	1,627,119
Total Europe	1,362,887	1,322,485
Spain	341,869	310,398
Germany	295,059	268,559
France	194,505	186,422
Italy	171,031	159,553
Netherlands	128,010	115,648
Belgium	98,648	185,440
Switzerland	33,456	18,976
Portugal	25,471	10,537
United Kingdom	23,230	16,276
Europe Other <sup>1, 2</sup>	51,608	50,676
Total North America	284,952	304,634
USA <sup>2</sup>	249,327	269,795
Canada	35,625	34,839
Total Asia Pacific	1,132,206	1,206,900
Japan	684,659	757,387
South Korea	267,268	276,035
Australia	67,086	63,426
Singapore	32,211	34,205
Vietnam	35,324	28,581
Asia Pacific Other <sup>1, 2</sup>	45,658	47,266
Total Greater China	1,162,656	1,036,813
China	966,335	820,110
Taiwan	143,757	172,312
Hong Kong	52,564	44,391
Total Other	45,757	45,159
New Zealand	842	1,253
Other <sup>1, 2</sup>	44,915	43,906
	3,988,458	3,915,991

1 Other markets include sales in markets where total sales revenue is less than \$20.0m in each market.

2 Collaborative Marketers are included in the relevant sales location.

In 2023/24 Joy Wing Mau Corporation Limited account for 10.1% of sales across the Group (2023: no customer accounts for more than 10.0% of sales).

Non-current assets – by location of asset	2024 \$'000	2023 \$'000
New Zealand	98,271	102,765
Other	27,513	19,709
	125,784	122,474
Other non-current assets (no assigned location):		
Deferred tax assets	12,583	12,004
Other financial assets	57,979	71,602
Total non-current assets	196,346	206,080



STATUTORY INFORMATION

SHAREHOLDER INFORMATION

Top 20 shareholders as at 31 March 2024	Number of shares	%
Trinity Lands Limited	4,428,838	2.42
Whitehall Fruitpackers Holdings Limited	3,244,043	1.77
Cooper Coolpac Limited	2,500,000	1.36
Mangatarata Farms Limited	2,252,266	1.23
Jace Orchards Limited	2,093,524	1.14
Anamata 100 Limited	2,001,201	1.09
Mangatarata Orchards Limited	1,927,965	1.05
Liberty Foundation 1977 Limited	1,762,628	0.96
Progeny Kiwifruit Limited	1,660,348	0.91
Birdhurst Limited	1,292,070	0.71
Golf Course Orchard Limited Partnership	1,258,615	0.69
High Fives Kiwifruit Limited Partnership	1,228,773	0.67
T & R Hughes Family Trust	1,165,254	0.64
The Wotton Trust	1,115,135	0.61
Frontier Orchards Limited Partnership	1,039,458	0.57
Golden Meadows Limited	1,010,475	0.55
Ohiwa Hort Limited	1,007,925	0.55
Strathboss Kiwifruit Limited	994,695	0.54
Cameron Orchards Limited	976,029	0.53
Sunnyvale Enterprises Limited	947,773	0.52
	33,907,015	18.51

Distribution of ordinary shares and registered shareholders as at 31 March 2024

Size of holding	Number of shareholders	%	Number of shares	Size of holding %
1 – 10,000	246	14.20	1,153,692	0.63
10,001 – 75,000	874	50.43	31,846,311	17.38
75,001 – 200,000	408	23.54	49,371,555	26.94
200,001 – 500,000	157	9.06	49,143,407	26.82
Over 500,000	48	2.77	51,737,275	28.23
Total	1,733	100.00	183,252,240	100.00

Shareholder statistics	2024	2023
Number of shares	183,252,240	183,252,240
Interim and final dividend (per share) – partially imputed	\$0.85	\$1.17
Share price at year-end	\$4.35	\$6.25
Earnings per share	\$0.95	\$1.30
Net dividend yield	19.54%	18.72%
Gross dividend yield at 28% tax rate	24.86%	24.54%
Share trading		
Number of shares sold and/or transferred: on-market trades	5,504,770	4,722,618
Number of shares sold and/or transferred: off-market trades	11,376,581	9,688,748
Equity ratio	29.64%	31.71%
Net tangible assets value (per share)	\$1.73	\$1.56

DIRECTORS’ DISCLOSURES

Directors’ meeting attendances\* and business travel overseas

Name	B L Cameron <sup>2</sup>	N W Flowerday <sup>2</sup>	J P Mason	P R Jones	C M Thompson	P M Springford <sup>3</sup>	M J T Ahie <sup>4</sup>	A J Barrass	A J Hawken
Zespri Group Limited Board	12	13	11	11	12	6	6	13	12
Audit and Risk Management Committee	3	5	5	–	4	2	–	–	5
People and Culture Committee	4	3	4	5	2	–	3	5	5
Industry Advisory Council (IAC) <sup>1</sup>	4	8	–	7	3	–	–	–	7
Board Innovation Subcommittee	1	3	–	3	3	–	3	3	3
Sustainability Advisory Board	–	2	–	–	–	–	–	2	–
Zespri Global Supply (ZGS) Advisory Board	–	–	–	1	2	–	–	–	2
Number of business travel overseas	5	1	2	1	2	–	1	1	2

\* All Directors have a standing invitation to attend meetings of all committees, irrespective of whether they are a member of that committee. Subcommittee membership is reviewed periodically and changed during the course of the year.

1 In addition to the scheduled bi-monthly IAC meetings, there was a series of fortnightly quality online calls. Due to the nature of the meetings, Director attendance was not always essential, therefore not recorded.

2 Bruce Cameron ceased as Chair in February 2024 and Nathan Flowerday commenced as Chair in March 2024.

3 Peter Springford ceased as a Director in August 2023.

4 Michael Ahie was appointed as a Director in August 2023.

Committee members – Directors

Audit and Risk Management Committee

J P Mason (Chair)	C M Thompson
N W Flowerday	A J Hawken

People and Culture Committee

P R Jones (Chair)	M J T Ahie
A J Barrass	A J Hawken

Industry Advisory Council

A J Hawken (Chair)	N W Flowerday
P R Jones	

Board Innovation Subcommittee

M J T Ahie (Chair)	A J Barrass
N W Flowerday	C M Thompson

The Kiwifruit Breeding Centre

N W Flowerday
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Zespri Global Supply Advisory Board (ZGS)

C M Thompson (Chair)
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Zespri Global Sustainability Advisory Board

A J Barrass (Chair)
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Kiwifruit Vine Health Board

C M Thompson
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Remuneration of Directors

	2024 \$
M J T Ahie <sup>1</sup>	64,317
A J Barrass	120,600
B L Cameron	242,073
N W Flowerday	128,951
A J Hawken	117,600
P R Jones	138,300
J P Mason	129,600
P M Springford <sup>2</sup>	46,083
C M Thompson	115,449
Total	1,102,973

The Chair of each committee receives an annual remuneration ranging from \$5,000 to \$10,000, except for the Chair of the Audit and Risk Management Committee, who receives \$19,000 remuneration per annum.

1 Michael Ahie was appointed as a Director in August 2023.

2 Peter Springford ceased as a Director in August 2023.



Directors’ interests – shareholdings

The following table sets out the shareholdings in Zespri Group Limited held by each Director or related entity as at 31 March 2024.

	Shareholding as at 31 March 2023	Date of transaction	Share price \$	Number purchased and transferred	Number sold	Interest commenced/ (ceased)	Shareholding as at 31 March 2024
B L Cameron	1,277,429	13/03/2024	4.30	139,065	–	–	1,416,494
N W Flowerday	1,335,984		–	–	–	–	1,335,984
M J T Ahie			–	–	–	–	–
A J Barrass			–	–	–	–	–
A J Hawken	543,601	13/02/2024	4.20	–	100,000	–	443,601
P R Jones <sup>1</sup>	11,729,473	06/04/2023	6.30	–	155,625	–	–
		15/12/2023	4.66	4,172	–	–	–
		15/12/2023	4.65	5,828	–	–	–
		15/12/2023	4.65	24,000	–	–	–
		15/12/2023	4.65	26,000	–	–	–
		26/01/2024	4.25	148,998	–	–	–
		26/02/2024	4.20	100,000	–	–	–
		12/03/2024	4.32	35,805	–	–	–
		13/03/2024	4.30	139,065	–	–	12,057,716
J P Mason			–	–	–	–	–
C M Thompson	1,752,395		–	–	–	–	1,752,395

1 P R Jones substantial shareholding in Zespri commenced March 2022.

The above table includes shareholdings and share trades by ‘relevant interests’ of Directors as defined in the Financial Markets Conduct Act 2013.

A full list of Directors’ interests is included on the following pages.

Directors’ interests – Directors in office as at 31 March 2024

<p><b>B L Cameron</b></p> <p>Director of and shareholder in Zespri Group Limited (Chair role ceased February 2024)</p> <p>Director of Zespri International Limited</p> <p>Director and Chairman of Realty Service Holdings Limited</p> <p>Director of Eves Realty Group Ltd</p> <p>Director of and shareholder in Cameron Dairy Farms Ltd</p> <p>Director of and shareholder in Cameron Farms Limited</p> <p>Director of and shareholder in Cameron Orchards Limited (Shareholder in EastPack Limited and DMS Progrowers Limited)</p> <p>Director of and shareholder in Cameron Quarry Limited</p> <p>Director of and shareholder in Gilston Mains Limited</p> <p>Director of and shareholder in Gilston Mains Resources Ltd</p> <p>Director of and shareholder in Strathlea Holdings Limited</p> <p>Director of and shareholder in Anchorage Capital Limited</p> <p>Director of and shareholder in Alpha Sports Medicine Limited (Interest commenced November 2023)</p> <p>Partner in Alpha Sports Medicine Limited Partnership</p> <p>Trustee of BL and GM Cameron Family Trust</p>	<p><b>N W Flowerday</b></p> <p>Director and Chairman of Zespri Group Limited</p> <p>Director of Zespri International Limited</p> <p>Director of the Kiwifruit Breeding Centre Limited</p> <p>Director and Shareholder in NWF Holdings Ltd (Shareholder of Zespri and Apata)</p> <p>NWF Holdings Ltd is a Partner in Hairy Fruit Limited Partnership</p> <p>NWF Holdings Ltd is a Partner and Director in High Fives Kiwifruit Limited Partnership (Shareholder of Zespri and Apata)</p> <p>Director and Shareholder in Pro Kiwi Limited</p> <p>Pro Kiwi Limited is a Partner in Hairy Fruit Limited Partnership</p> <p>Director of and shareholder in One Moor Limited</p>
<p><b>M J T Ahie</b></p> <p>Director of Zespri Group Limited</p> <p>Director of Zespri International Limited</p> <p>Director of and shareholder in Jama Property Limited</p> <p>Director of and shareholder in Clearwater Limited</p> <p>Chair and Director of Spring Sheep Dairy NZ Limited and related entities</p> <p>Chancellor of Massey University</p> <p>Chair of Plant Market Access Council</p> <p>Member of Risk &amp; Assurance Committee, Statistics New Zealand</p> <p>Member of Te Ara Paerangi National Research Priorities Strategic Panel</p> <p>Member of The Institute of Directors in New Zealand Nominations Committee</p> <p>Member of Science System Advisory Group (Interest commenced since 25 March 2024)</p> <p>Trustee of Ripo Tautahi Whānau Trust</p> <p>Trustee of Jama Trust</p>	<p><b>A J Hawken</b></p> <p>Director of and shareholder in Zespri Group Limited</p> <p>Director of Zespri International Limited</p> <p>Chairman of Tapawera Hops Limited Partnership (Interest ceased October 2023)</p> <p>Chairman of Heretaunga Orchard Limited Partnership</p> <p>Chairman of Te Arai Apple Limited Partnership</p> <p>Director and Chairman of Rakete Orchards GP Limited</p> <p>Director of and shareholder in Eastern Gold Limited (Shareholder in EastPack Limited and DMS Progrowers Limited)</p> <p>Director of and shareholder in Hawken Farm Limited</p> <p>Director of and shareholder in Pipt Limited</p> <p>Director of and shareholder in Willows Rd Gold Limited</p> <p>Director of Tirohanga Fruit Company Limited</p> <p>Director of A.S. Wilcox &amp; Sons Limited</p> <p>Shareholder in EastPack Limited</p> <p>Shareholder in Ryan Hawken Enterprises Limited</p> <p>Trustee of Kenmore Trust (Shareholder in EastPack Limited)</p> <p>Business Development Manager at Trinity Lands Limited</p>
<p><b>A J Barrass</b></p> <p>Director of Zespri Group Limited</p> <p>Director of Zespri International Limited</p> <p>Chairwoman and Director of AA Insurance Limited</p> <p>Chairwoman and Director of Babich Wines Limited</p> <p>Chairwoman and shareholder in Tom &amp; Luke Holdings Ltd and subsidiaries</p> <p>Director of Spark New Zealand Limited</p> <p>Director of and shareholder in Rockit Global Ltd</p> <p>Chairwoman of the Institute of Directors Nominations Committee</p> <p>Director of and shareholder in Quantum Leap Ltd</p> <p>Director of Suncorp Group Limited and New Zealand subsidiaries Vero Insurance New Zealand Limited, Asteron Life Limited and Vero Liability Insurance Limited</p>	



Directors’ interests – Directors in office as at 31 March 2024 (continued)

<b>P R Jones</b>	<b>J P Mason</b>
Director of and shareholder in Zespri Group Limited (Substantial shareholding)	Director of Zespri Group Limited
Director of Zespri International Limited	Director of Zespri International Limited
Director of Anamata 100 Ltd	Director of Allagash Limited
Director of DMS Group Limited and subsidiaries	Director of Westpac New Zealand Limited
Director of DMS Progrowers Supply Entity Limited	Director of Air New Zealand Limited (Interest ceased October 2023)
Director of DMS Progrowers Limited	Director of Vector Limited and subsidiaries (Interest ceased October 2023)
Director of DMS Management Holdings Limited (Interest commenced March 2024)	President and Member of the Board of Directors of the American Chamber of Commerce
Director of and shareholder in Direct Management Services Limited	Trustee of University of Auckland Endowment Fund
Director of Gold Income JV Ltd	Trustee of Beloit College (USA)
Director of Mangatarata Orchards Limited	Trustee of Dilworth School
Director of Tane-Mahuta Orchard Developments Ltd	Trustee of University of Auckland Endowment Fund
Director of and shareholder in Eastern Gold Limited	Trustee and Board Member of World Wildlife Fund for Nature (NZ)
Director of and shareholder in Elizabeth Heights Ltd (Interest ceased October 2023)	Member of the University of Auckland Council
Director of and shareholder in Golf Course Orchard GP Limited	Member of Institute of Directors NZ National Council
Director of and shareholder in Mangatarata Farms Limited	
Director of and shareholder in Origin Capital Partners Management Limited and related entities	<b>C M Thompson</b>
Director of Origin Capital Fund 2 GP Ltd	Director of and shareholder in Zespri Group Limited
Director of Origin Capital Partners GP Ltd	Director of Zespri International Limited
Director of and shareholder in OTK Orchards Limited	Director of D.C.D. Orchards Limited
Director of and shareholder in P J Kiwi Limited (Interest commenced March 2024)	Chairman and Director of Kaiaponi Farms Limited
Director of and shareholder in Willows Rd Gold Limited	Director of Kiwifruit Vine Health Incorporated
Director of TKG Agent Limited	Director of Ohiwa Hort Limited
Shareholder in Progeny Kiwifruit Limited	Director of Ohiwa Investments Ltd
Partner in Fraser Road Orchard Limited Partnership	Director of Paradise Kiwis Ltd
Partner in Fruit Force Partnership	Director of and shareholder in Alandale Farms Ltd (Shareholder in Seeka Kiwifruit Limited)
Partner in Golf Course Orchard GP Limited Partnership	Director of and shareholder in B&T Ranch Limited
Partner in Mangatarata Orchard Partnership	Director of and shareholder in Double M Orchards Ltd
Partner in OCP Limited Partnerships	Shareholder in CVC Orchards Limited
Partner in TKG Partnership	Shareholder in GIK s.s.
Trustee of and beneficiary of the PR Jones Family Trust	Shareholder in Seeka Kiwifruit Limited
Trustee of and beneficiary of the Patricia Jones Trust	Trustee and beneficiary of CM Thompson Family Trust
	Advisory Board Member for kiwifruit for Craigmore Farming Services Ltd and Craigmore Permanent Crop Services Ltd (Interest commenced November 2023)
	Trustee and beneficiary of L&C Trust
	Trustee of ID and N Greaves Family Trust

EMPLOYEE REMUNERATION

For the year ended 31 March 2024, the number of employees whose total remuneration and value of any benefits received or receivable exceeded \$100,000 between the following bands was:

Number of non-New Zealand-based employees	Number of New Zealand-based employees	Total remuneration and benefits (\$)
36	28	\$100,000 to \$109,999
28	25	\$110,000 to \$119,999
37	29	\$120,000 to \$129,999
19	35	\$130,000 to \$139,999
15	12	\$140,000 to \$149,999
14	10	\$150,000 to \$159,999
15	16	\$160,000 to \$169,999
11	10	\$170,000 to \$179,999
15	6	\$180,000 to \$189,999
10	8	\$190,000 to \$199,999
11	7	\$200,000 to \$209,999
6	2	\$210,000 to \$219,999
7	6	\$220,000 to \$229,999
12	3	\$230,000 to \$239,999
6	4	\$240,000 to \$249,999
6	6	\$250,000 to \$259,999
2	2	\$260,000 to \$269,999
1	1	\$270,000 to \$279,999
1	3	\$280,000 to \$289,999
6	1	\$290,000 to \$299,999
2	1	\$300,000 to \$309,999
2	–	\$310,000 to \$319,999
5	–	\$320,000 to \$329,999
2	2	\$330,000 to \$339,999
–	1	\$340,000 to \$349,999
1	2	\$350,000 to \$359,999
1	–	\$360,000 to \$369,999
1	2	\$380,000 to \$389,999
1	–	\$390,000 to \$399,999
2	–	\$400,000 to \$409,999
1	–	\$440,000 to \$449,999
1	–	\$450,000 to \$459,999
1	–	\$460,000 to \$469,999
–	1	\$480,000 to \$489,999
2	–	\$490,000 to \$499,999
–	1	\$500,000 to \$509,999
2	–	\$520,000 to \$529,999
1	–	\$530,000 to \$539,999
2	1	\$540,000 to \$549,999
–	2	\$590,000 to \$599,999
–	1	\$600,000 to \$609,999
–	1	\$690,000 to \$699,999
1	–	\$750,000 to \$759,999
1	–	\$1,020,000 to \$1,029,999
1	–	\$1,080,000 to \$1,089,999
1	–	\$1,180,000 to \$1,189,999
1	–	\$1,880,000 to \$1,889,999

Note: These bands are in New Zealand Dollar equivalents and reflect foreign exchange fluctuations.



# INDUSTRY PERFORMANCE

## REGIONAL PRODUCTION ANALYSIS – NEW ZEALAND-GROWN KIWIFRUIT

	2023/24		2022/23		2021/22		2020/21	
Trays Equivalents (TE's) supplied to Zespri (FOBS)	Producing ha	TE supplied per ha	Producing ha	TE supplied per ha	Producing ha	TE supplied per ha	Producing ha	TE supplied per ha
ZESPRI GREEN KIWIFRUIT								
Northland	54	4,114	69	6,878	79	7,410	81	8,829
Auckland	210	6,489	226	7,919	237	9,332	243	8,030
Bay of Plenty								
– Katikati	753	5,991	793	9,449	824	11,343	859	8,011
– Ōpōtiki	403	6,677	424	7,245	433	11,363	436	10,735
– Tauranga	859	6,004	912	10,149	987	11,711	996	10,625
– Te Puke	2,725	7,886	2,863	10,359	2,969	12,672	3,079	11,551
– Waihi	83	5,125	90	8,851	101	10,822	106	7,608
– Whakatāne	211	5,535	254	7,479	279	9,153	309	7,434
Waikato	176	3,525	230	7,450	210	9,327	202	8,297
East Coast	20	5,626	31	7,671	31	7,035	40	6,054
Hawke's Bay	25	5,863	34	7,574	39	6,332	41	6,005
Lower North Island	69	5,718	70	8,321	69	6,482	69	8,623
South Island	168	6,318	183	7,339	133	6,903	197	6,226
Total producing hectares	5,757		6,180		6,390		6,659	
Average TE supplied per hectare		6,838		9,480		11,529		10,133
ZESPRI ORGANIC GREEN KIWIFRUIT								
Northland	–	–	–	–	–	–	–	–
Auckland	1	1,361	1	5,714	1	4,569	1	5,118
Bay of Plenty								
– Katikati	36	4,863	39	7,206	29	8,862	29	6,427
– Ōpōtiki	22	3,519	22	7,137	22	7,337	22	7,400
– Tauranga	182	4,618	187	6,453	177	7,331	177	7,333
– Te Puke	39	5,335	39	7,956	38	8,926	35	8,276
– Waihi	23	4,059	21	6,582	20	6,207	22	3,961
– Whakatāne	6	2,021	6	3,665	4	2,463	4	2,742
Waikato	142	4,151	145	6,377	142	5,226	147	4,875
East Coast	–	–	–	–	–	–	–	–
Hawke's Bay	–	–	–	–	–	–	–	–
Lower North Island	7	3,817	7	4,947	6	8,097	2	3,330
South Island	–	–	–	–	–	–	–	–
Total producing hectares	458		467		438		439	
Average TE supplied per hectare		4,425		6,601		6,805		6,296
ZESPRI SUNGOLD KIWIFRUIT								
Northland	575	6,913	528	10,602	430	12,461	386	13,251
Auckland	406	11,022	383	12,119	286	13,447	234	14,312
Bay of Plenty								
– Katikati	753	10,422	755	13,542	707	16,072	597	13,285
– Ōpōtiki	633	11,698	638	10,906	603	15,771	571	13,901
– Tauranga	587	10,691	544	14,559	519	15,443	517	14,580
– Te Puke	3,234	12,652	2,939	14,230	2,643	15,621	2,402	15,252
– Waihi	95	10,262	91	13,483	82	15,412	97	12,256
– Whakatāne	631	10,238	549	10,518	425	14,283	341	13,405
Waikato	205	8,415	213	10,754	194	14,204	185	12,773
East Coast	518	9,165	430	11,476	346	13,532	311	10,727
Hawke's Bay	85	10,081	171	12,710	167	12,522	165	11,034
Lower North Island	2	9,733	2	13,209	1	10,010	1	10,096
South Island	243	14,547	245	15,269	119	11,335	241	15,189
Total producing hectares	7,968		7,486		6,522		6,047	
Average TE supplied per hectare		11,198		12,998		14,964		14,130

	2023/24		2022/23		2021/22		2020/21	
Trays Equivalents (TE's) supplied to Zespri (FOBS)	Producing ha	TE supplied per ha	Producing ha	TE supplied per ha	Producing ha	TE supplied per ha	Producing ha	TE supplied per ha
ZESPRI ORGANIC SUNGOLD KIWIFRUIT								
Northland	27	2,688	31	8,684	24	9,745	9	7,579
Auckland	3	1,724	3	7,701	4	4,877	4	8,687
Bay of Plenty								
– Katikati	18	5,884	15	9,127	10	12,156	2	7,868
– Ōpōtiki	15	5,893	14	8,616	11	12,335	11	7,939
– Tauranga	45	6,539	52	10,346	41	12,613	30	10,618
– Te Puke	122	9,311	113	11,281	102	11,643	52	12,350
– Waihi	6	4,629	6	10,489	6	9,545	13	9,307
– Whakatāne	14	9,182	11	13,143	–	–	–	–
Waikato	22	6,882	22	10,614	19	9,256	18	8,263
East Coast	28	10,103	19	10,749	4	11,702	3	4,871
Hawke's Bay	–	–	–	–	–	–	–	–
Lower North Island	–	–	–	–	–	–	–	–
South Island	–	–	–	–	–	–	–	–
Total producing hectares	299		285		222		142	
Average TE supplied per hectare		7,661		10,518		11,299		10,253
ZESPRI SWEET GREEN KIWIFRUIT								
Northland	–	–	–	–	–	–	–	–
Auckland	8	4,454	8	5,324	9	4,957	12	3,088
Bay of Plenty								
– Katikati	5	2,735	6	4,328	6	5,153	8	4,307
– Ōpōtiki	3	4,732	5	4,026	5	8,653	5	5,687
– Tauranga	1	7,409	1	5,406	1	9,330	1	5,771
– Te Puke	5	7,285	7	8,472	8	10,775	9	8,719
– Waihi	–	–	–	–	–	–	–	–
– Whakatāne	2	2,352	2	4,352	2	6,670	5	5,844
Waikato	–	–	–	–	–	–	–	–
East Coast	–	–	–	–	–	–	–	–
Hawke's Bay	–	–	7	7,838	7	5,605	7	7,831
Lower North Island	–	–	–	–	–	–	1	2,471
South Island	–	–	–	–	–	–	–	–
Total producing hectares	23		34		37		48	
Average TE supplied per hectare		4,666		6,025		6,969		5,608
ZESPRI RUBYRED KIWIFRUIT								
Northland	19	1,404	2	2,342	–	–	–	–
Auckland	26	2,001	11	1,674	–	–	–	–
Bay of Plenty								
– Katikati	15	3,220	4	3,142	–	–	–	–
– Ōpōtiki	8	2,691	8	1,599	–	–	–	–
– Tauranga	7	1,792	4	2,838	–	–	–	–
– Te Puke	40	2,795	15	2,271	–	–	–	–
– Waihi	2	377	1	1,857	–	–	–	–
– Whakatāne	15	898	2	1,779	–	–	–	–
Waikato	11	2,672	9	959	–	–	–	–
East Coast	14	1,574	5	1,331	–	–	–	–
Hawke's Bay	1	966	–	–	–	–	–	–
Lower North Island	1	3,008	–	–	–	–	–	–
South Island	–	–	–	–	–	–	–	–
Total producing hectares	159		59		–		–	
Average TE supplied per hectare		2,158		1,882		–		–
ALL ZESPRI KIWIFRUIT								
Northland	675	6,369	630	10,077	533	11,588	476	12,391
Auckland	654	9,076	632	10,319	537	11,413	494	10,886
Bay of Plenty	11,599	9,380	11,429	11,434	11,053	13,480	10,736	12,111
– Katikati	1,580	8,038	1,612	11,274	1,575	13,403	1,493	10,068
– Ōpōtiki	1,085	9,498	1,110	9,313	1,074	13,753	1,046	12,341
– Tauranga	1,681	7,486	1,699	11,141	1,725	12,405	1,722	11,470
– Te Puke	6,166	10,363	5,976	12,243	5,760	13,980	5,577	13,127
– Waihi	209	7,293	209	10,646	209	12,142	238	9,250
– Whakatāne	879	8,864	823	9,533	710	12,184	659	10,484
Waikato	556	5,605	619	8,352	564	9,969	551	8,883
East Coast	581	8,901	485	11,105	381	12,988	353	10,155
Hawke's Bay	110	9,085	212	11,718	212	11,166	212	9,966
Lower North Island	78	5,613	78	8,125	77	6,684	73	8,392
South Island	412	11,182	427	11,880	252	8,994	438	11,157
Total producing hectares	14,664		14,512		13,610		13,334	
Average TE supplied per hectare		9,094		11,183		13,007		11,804

TE/ha = tray equivalents of supplied class 1 standard supply sizes per hectare.  
Producing hectares includes all hectares producing fruit in the relevant season.  
Producing hectare amounts are not rounded to whole numbers; therefore, rounding differences may apply to totals.



NEW ZEALAND KIWIFRUIT INDUSTRY STATISTICS

	2023/24	2022/23	2021/22	2020/21	2019/20	2018/19	2017/18	2016/17
Distribution to growers/suppliers								
Fruit and service payments (excluding loyalty premium)	16.45	13.22	13.47	13.72	12.94	11.52	11.53	9.21
Loyalty premium	0.29	0.29	0.30	0.39	0.31	0.30	0.27	0.25
Total payments per tray <sup>1</sup>	16.74	13.52	13.77	14.11	13.25	11.83	11.80	9.46
Crop volumes ('000)								
Trays submitted (gross)	138,856	175,301	183,973	160,977	150,341	157,715	125,822	148,902
Trays supplied	137,076	165,860	179,662	159,649	148,134	154,058	124,433	145,871
Trays sold	135,643	158,726	175,033	158,077	145,223	148,843	123,246	137,748
Trays sold as a percentage of trays supplied	99.0%	95.7%	97.4%	99.0%	98.0%	96.6%	99.0%	94.4%
General statistics								
Production per hectare (trays submitted)	9,469	12,080	13,518	12,072	11,650	12,373	9,913	11,838
Producing hectares	14,664	14,512	13,610	13,334	12,905	12,747	12,692	12,578
Orchard Gate Return per hectare (average)	110,250	100,345	124,479	123,041	107,142	96,033	79,361	68,868
Number of producers <sup>2</sup>	2,837	2,804	2,843	2,813	2,792	2,756	2,405	2,435
Average number of trays supplied per producer	48,317	59,151	63,194	56,754	53,057	55,899	51,739	59,906
Number of orchards registered								
0 – 2 hectares	714	698	713	734	738	717	774	791
2 – 5 hectares	1,556	1,550	1,527	1,554	1,540	1,575	1,509	1,508
5 – 10 hectares	797	774	743	720	693	702	607	589
Over 10 hectares	301	274	254	214	211	207	165	161
Total (KPINs)	3,368	3,296	3,237	3,222	3,182	3,201	3,055	3,049
Average orchard size (hectares)								
Green	3.3	3.3	3.3	3.3	3.3	3.4	3.5	3.5
Gold	4.2	3.9	3.8	3.5	3.3	2.8	2.7	2.6
Number of packhouses used								
0 – 500,000 trays	6	6	5	6	10	7	15	16
500,000 – 1,000,000 trays	4	3	2	3	3	6	6	7
1,000,000 – 2,000,000 trays	11	5	4	8	9	8	4	5
Over 2,000,000 trays	19	25	27	24	22	23	22	22
Total	40	39	38	41	44	44	47	50
Average trays stored per packhouse ('000)	3,471	4,495	4,841	3,926	3,417	3,584	2,677	2,978
Number of coolstores used								
0 – 500,000 trays	19	17	27	17	22	25	31	35
500,000 – 1,000,000 trays	3	8	5	10	8	6	8	10
1,000,000 – 2,000,000 trays	11	8	6	7	9	8	6	7
Over 2,000,000 trays	22	27	27	25	24	25	22	21
Total	55	60	65	59	63	64	67	73
Average trays stored per coolstore ('000)	2,525	2,922	2,830	2,728	2,386	2,464	1,878	2,040
Number of employees <sup>3</sup>								
New Zealand-based (includes seasonal employees)	452	423	377	353	295			
Non-New Zealand-based	460	448	409	366	288			
Total	912	871	785	719	583			
Global revenue per employee (\$'000) – including seasonal employees								
	4,647	4,876	5,712	5,428	5,780			
Global revenue (adjusted to 31 March 2024 7-year average foreign exchange rates) per employee (\$'000) – including seasonal employees								
	4,461	4,688	5,578	5,273	5,636			

1 Per tray amounts are not rounded to two decimal places; therefore, rounding differences may apply to totals.

2 In accordance with the revised Constitution definition of Producer, from 2018/19 the number of producers includes lessees. The historical numbers exclude lessees.

3 The 'Number of employees' table reflects a change from average annual Full Time Equivalents (FTE) to actual FTE at year end to align with our strategic workforce planning and reporting. FTE includes Permanent, Fixed Term, and Fixed Term Seasonal employees and excludes casual employees.

NEW ZEALAND TOTAL FRUIT AND SERVICE PAYMENTS INCLUDING LOYALTY PREMIUM

		Return \$m 2023/24	\$ Per TE <sup>1</sup> 2023/24	\$ Per TE <sup>1</sup> 2022/23	\$ Per TE <sup>1</sup> 2021/22	\$ Per TE <sup>1</sup> 2020/21
CLASS 1 KIWIFRUIT						
Zespri® Green Kiwifruit	Total tray equivalents supplied (m)		39.4	58.6	73.9	67.5
	Fruit payments	264.7	6.72	4.16	4.69	8.65
	Fruit incentives	206.8	5.25	4.20	3.77	0.36
	Service payments	43.1	1.09	1.42	1.50	1.39
	Loyalty premium	11.8	0.30	0.30	0.30	0.40
	Total Fruit and Service Payments (including loyalty premium)	526.4	13.37	10.07	10.25	10.80
Zespri® Organic Green Kiwifruit	Total tray equivalents supplied (m)		2.0	3.1	3.0	2.8
	Fruit payments	18.0	8.88	5.99	6.25	11.54
	Fruit incentives	10.8	5.31	5.18	5.50	0.46
	Service payments	3.1	1.52	1.03	0.96	0.81
	Loyalty premium	0.6	0.30	0.30	0.30	0.40
	Total Fruit and Service Payments (including loyalty premium)	32.5	16.01	12.50	13.02	13.21
Zespri® Gold Kiwifruit <sup>(2)(3)</sup>	Total tray equivalents supplied (m)		89.2	97.3	97.7	85.5
	Fruit payments	901.2	10.10	7.40	7.82	14.18
	Fruit incentives	546.2	6.12	6.55	6.77	0.83
	Service payments	164.7	1.85	1.40	1.61	1.42
	Loyalty premium	26.8	0.30	0.30	0.30	0.40
	Total Fruit and Service Payments (including loyalty premium)	1,638.8	18.37	15.65	16.50	16.82
Zespri® Gold Organic Kiwifruit <sup>(2)(3)</sup>	Total tray equivalents supplied (m)		2.3	3.0	2.5	1.5
	Fruit payments	25.6	11.19	8.16	7.21	16.95
	Fruit incentives	16.2	7.07	7.73	8.20	0.55
	Service payments	3.2	1.41	1.14	1.30	0.96
	Loyalty premium	0.7	0.30	0.30	0.30	0.40
	Total Fruit and Service Payments (including loyalty premium)	45.8	19.98	17.32	17.02	18.85
Zespri® RubyRed Kiwifruit	Total tray equivalents supplied (m)		0.2	0.1	–	–
	Fruit payments	5.5	22.39	21.98	–	–
	Fruit incentives	(0.1)	(0.20)	0.19	–	–
	Service payments	–	(0.09)	–	–	–
	Loyalty premium	0.1	0.30	0.30	–	–
	Total Fruit and Service Payments (including loyalty premium)	5.5	22.40	22.48	–	–
Zespri® Sweet Green Kiwifruit	Total tray equivalents supplied (m)		0.1	0.2	0.3	0.3
	Fruit payments	1.1	10.55	8.05	7.16	12.70
	Fruit incentives	0.4	4.09	2.78	3.98	0.50
	Service payments	–	–	–	–	–
	Loyalty premium	–	0.30	0.30	0.30	0.40
	Total Fruit and Service Payments (including loyalty premium)	1.6	14.93	11.12	11.44	13.61
CLASS 2 KIWIFRUIT						
Class 2 Zespri Green Kiwifruit	Total tray equivalents supplied (m)		1.1	1.1	1.3	1.1
	Fruit payments	10.0	9.17	6.38	7.18	7.32
	Service payments	0.1	0.12	0.17	0.16	0.13
	Total Fruit and Service Payments	10.1	9.30	6.56	7.34	7.45
Class 2 Zespri Organic Green Kiwifruit	Total tray equivalents supplied (m)		0.0	0.1	0.1	0.1
	Fruit payments	0.5	12.49	8.41	9.87	10.02
	Service payments	–	0.19	0.22	0.20	0.15
	Total Fruit and Service Payments	0.5	12.69	8.63	10.07	10.17
Class 2 Zespri SunGold Kiwifruit	Total tray equivalents supplied (m)		2.2	0.8	0.9	0.8
	Fruit payments	25.7	11.49	10.15	9.36	9.02
	Service payments	0.3	0.12	0.13	0.19	0.16
	Total Fruit and Service Payments	25.9	11.60	10.27	9.55	9.18
Class 2 Zespri SunGold Organic Kiwifruit	Total tray equivalents supplied (m)		–	–	0.0	0.0
	Fruit payments	–	–	–	14.10	13.42
	Service payments	–	–	–	0.03	0.04
	Total Fruit and Service Payments	–	–	–	14.14	13.47
NON-STANDARD SUPPLY KIWIFRUIT						
	Total tray equivalents supplied (m)		0.4	1.5	0.0	0.1
	Fruit payments	7.5	16.84	11.06	8.47	9.71
	Fruit incentives	–	–	–	5.17	–
	Service payments	0.1	0.24	0.56	0.43	0.77
	Total Fruit and Service Payments	7.7	17.07	11.62	14.07	10.48
TOTAL ALL POOLS						
	Total tray equivalents supplied (millions)		137.1	165.9	179.7	159.6
	Fruit payments	1,259.9	9.19	6.29	6.50	11.74
	Fruit incentives	780.3	5.69	5.57	5.44	0.61
	Service payments	214.6	1.57	1.37	1.53	1.37
	Loyalty premium	40.0	0.29	0.29	0.30	0.39
	Total Fruit and Service Payments (including loyalty premium)	2,294.8	16.74	13.52	13.77	14.11
	Total Fruit and Service Payments 2022/23 (NZ IFRS)	2,242.0				
	Total Fruit and Service Payments 2021/22 (NZ IFRS)	2,473.5				
	Total Fruit and Service Payments 2020/21 (NZ IFRS)	2,253.2				

1 \$ Per TE amounts are not rounded to two decimal places; therefore, rounding differences may apply to totals.



ALTERNATIVE REVENUE STATEMENT

	2023/24	2022/23	2021/22
Zespri global operating revenue (\$'000)*	4,205,531	4,224,102	4,465,440
Zespri global kiwifruit sales – net (\$'000)	3,988,458	3,915,991	4,028,710
New Zealand-grown kiwifruit tray equivalents supplied (millions)	138.4	165.8	179.7
Non-New Zealand-grown kiwifruit tray equivalents supplied (millions)	27.5	25.6	26.8
New Zealand kiwifruit segment	\$'000	\$'000	\$'000
Gross sales of New Zealand kiwifruit	3,575,168	3,776,963	3,773,671
Promotional rebates, claims and discounts	(283,751)	(406,699)	(320,491)
Net sales of New Zealand kiwifruit	3,291,417	3,370,265	3,453,180
Net fruit return through collaborative marketers	42,868	26,403	38,666
Other pool income	–	403	3,463
Revenue attributable to New Zealand pools¹	3,334,285	3,397,070	3,495,309
Less New Zealand pool costs:			
Freight	261,063	354,800	246,967
Insurance (onshore and offshore excluding hail)	7,376	7,115	5,635
Hail self-insurance	9,830	–	6,328
Duty and customs	50,612	47,364	46,789
Other direct pool costs – onshore², 3, 4, 6	114,399	116,316	114,161
Other direct pool costs – offshore	143,588	189,800	145,644
Promotion	168,896	189,527	179,285
Interest income⁵	(19,884)	(9,989)	(1,356)
Total pool costs	735,880	894,933	743,453
Return from fruit sales	2,598,405	2,502,137	2,751,856
New Zealand fruit and service payments¹²	2,281,141	2,193,016	2,420,284
Zespri margin⁷	317,264	309,121	331,572
Other non-pool revenue	754	3,589	3,564
Innovation funding⁸	2,419	1,966	3,187
New Zealand kiwifruit corporate revenue	320,437	314,676	338,323
Less corporate overhead expenses:			
Innovation	19,031	20,206	16,398
Overhead costs – onshore	153,318	158,845	135,326
Overhead costs – offshore	115,271	109,304	107,657
Allocated excess taxation	2,636	(85)	955
New Zealand kiwifruit corporate overhead expense	290,256	288,270	260,336
Zespri EBIT and loyalty premium from New Zealand kiwifruit segment	30,181	26,407	77,987
Loyalty premium	40,341	48,554	53,072
Zespri EBIT from New Zealand kiwifruit	(10,160)	(22,147)	24,915
Non-New Zealand supply segment⁹	\$'000	\$'000	\$'000
Net sales of non-New Zealand supply kiwifruit	654,173	519,323	536,864
Less non-New Zealand supply costs:			
Direct costs including fruit purchases	588,796	458,804	479,110
Overhead costs	43,240	33,579	32,184
Other expense / (income)	(1,448)	(2,564)	(1,291)
	630,588	489,819	510,003
EBIT from non-New Zealand supply segment	23,585	29,505	26,861

	2023/24	2022/23	2021/22
New cultivars segment	\$'000	\$'000	\$'000
New cultivars licence revenue¹⁰	217,073	308,111	436,731
New cultivars royalty income²	50,848	46,891	45,589
New cultivars Innovation Income⁸	2,414	3,574	3,983
Revenue attributable to new cultivars	270,335	358,577	486,303
Less new cultivars costs:			
Amortisation of new cultivars	2,307	1,811	1,479
New cultivars costs¹¹	36,934	37,121	36,270
	39,241	38,932	37,749
EBIT from new cultivars segment	231,094	319,645	448,554
Land and buildings segment	\$'000	\$'000	\$'000
Income	3,041	2,996	2,935
Overhead costs	664	638	619
	664	638	619
EBIT from land and buildings segment	2,377	2,358	2,316
Zespri Group Profit Segment	\$'000	\$'000	\$'000
Zespri Group EBIT	246,896	329,361	502,646
Net interest income	3,888	1,973	1,524
Add back allocated excess taxation	2,636	(85)	955
Zespri Group profit before taxation	253,420	331,248	505,125
Taxation	80,106	92,500	143,624
Zespri Group profit after tax	173,314	238,748	361,501
Total fruit and service payments¹²	2,281,141	2,193,016	2,420,284
Loyalty premium	40,341	48,554	53,072
Total fruit and service payments (including loyalty premium)	2,321,482	2,241,569	2,473,356

The Alternative Revenue Statement is used for management information and is the basis for the calculation of the fruit and service payments. Foreign exchange gains and losses are allocated differently from the way that they are allocated in the Financial Statements in that they are apportioned to the relevant line items above. For more detail on segment EBITs, refer to Note 23 of the Financial Statements. Amounts are not rounded to two decimal places; therefore, rounding differences may apply.

\* Global operating revenue equals global kiwifruit sales, plus new cultivars licence revenue.



CAUSE OF CHANGE 2023/24 VS 2022/23

\$millions

Net sales price/offshore fruit loss	332.7
Market and profile mix	40.1
Volume (371.9)	
Foreign exchange	15.9
Other income/expenses (45.0)	
Taxation	12.4
Other season total fruit and service payments accrued	30.4
Total	14.5

The 'Cause of Change' chart outlines the increase in return to the industry this financial year to \$2,495 million from \$2,480 million in 2022/23.

	\$'000
Total fruit and service payments 2022/23 (including loyalty premium)	2,241,987
Add other seasons total fruit and service payments accrued	(418)
Add Zespri net profit after tax 2022/23	238,748
Return to industry 2022/23 financial year	2,480,317

Movements due to change in:

Net sales price/offshore fruit loss	332,663
Volume (371,923)	
Foreign exchange	15,940
Other income/expenses (45,032)	
Market and profile Mix	40,073
Taxation	12,394
Return to industry 2023/24 season	2,464,432
Other season adjustments	30,364
Return to industry 2023/24 financial year	2,494,796

Total fruit and service payments 2023/24 season	2,254,782
Add other season total fruit and service payments accrued	26,359
Add Zespri loyalty premium 2023/24	39,978
Add Zespri loyalty premium other seasons	363
Total fruit and service payments 2023/24 (including loyalty premium)	2,321,482
Add Zespri net profit after tax 2023/24	173,314
Return to industry 2023/24 financial year	2,494,796

NEW ZEALAND POOL COSTS AS A PERCENTAGE OF POOL REVENUE

	2023/24	2022/23	2021/22
Zespri margin (net of loyalty premium)	8.3%	7.7%	8.0%
Freight	7.8%	10.4%	7.1%
Insurance	0.5%	0.2%	0.3%
Duty and customs	1.5%	1.4%	1.3%
Other direct pool costs – onshore	3.4%	3.4%	3.3%
Other direct pool costs – offshore	4.3%	5.6%	4.2%
Promotion	5.1%	5.6%	5.1%
Interest (Income)/Charge	(0.6%)	(0.3%)	0.0%
Total fruit and service payments (including loyalty premium)	69.6%	66.0%	70.8%
	100.0%	100.0%	100.0%
Revenue attributable to New Zealand pools (\$'000)	3,334,285	3,397,070	3,495,309

- 1 Net revenue attributable to the pools includes sales of New Zealand-grown kiwifruit, income from New Zealand collaborative marketing programmes and other pool income as noted in the Alternative Revenue Statement.
- 2 Within ‘Other direct pool costs – onshore’ is the 3.0 percent royalty from new cultivars on net sales for Gold3, Red19 and Green14. This royalty is made up of two components: 1.35 percent of this royalty is paid to The New Zealand Institute for Plant & Food Research Limited and 1.65 percent royalty charge from the Zespri New Cultivar Segment.
- 3 Other direct pool costs – onshore include: KVH funding, KNZ fees and NZKGI funding.
- 4 Zespri Group Limited pays two different levies to Kiwifruit Vine Health Incorporated (KVH) on behalf of growers, for kiwifruit grown in New Zealand and exported to markets other than Australia: (1) National Pathway Management Plan levy of \$0.006 per tray and (2) a biosecurity levy of \$0.008 per tray.
- 5 Interest income is made up of the following: interest income to the pools of \$19.88 million and no interest paid.
- 6 Zespri Group Limited is required, under Regulation 39 of the Kiwifruit Export Regulations 1999, to fund the statutory board Kiwifruit New Zealand. New Zealand Kiwifruit Growers Incorporated (NZKGI) is the kiwifruit grower representation body and Zespri Group Limited is required by The Commodity Levies (Kiwifruit) Order 2017 to pay a levy to NZKGI on behalf of growers. The rate for the 2023/24 year was \$0.011 per tray of kiwifruit grown in New Zealand and exported to markets other than Australia.
- 7 Zespri margin is calculated in accordance with the New Zealand Supply Agreement, being five percent of net sales (excluding collaborative marketing programmes) and seven percent of fruit payments to suppliers.
- 8 Innovation funding has been split between the New Zealand kiwifruit segment and the new cultivars segment based on the segment activity.
- 9 Further analysis of non-New Zealand-grown supply is available within the segment reporting in Note 23 of the Financial Statements.
- 10 Total licence revenue for 2023/24 was \$217.1 million made up of licence release revenue of \$212.4 million, and \$4.7 million of treasury stock, shelterbelt, and Finishing Off Blocks.
- 11 New cultivars costs include overhead costs and innovation costs.
- 12 Total Fruit and Service Payments include an accrual of \$26 million relating to early seasons sales and costs.



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