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OUR  
CORPORATE SOCIAL  
RESPONSIBILITY

# Our Progress 2022

 **Westland Milk Products**  
Hokitika · New Zealand  
*Nourishment made beautifully*





# Welcome to our first CSR Progress Report

## INTRODUCTION

This report updates stakeholders on Westland's social and environmental performance and achievements for the year ended 31 December 2022. It will be updated annually.

Westland Milk Products (Westland) is a wholly owned subsidiary of Yili (Inner Mongolia Yili Industrial Group) and full owner of EasiYo Products Ltd. and Canary Foods. This Corporate Social Responsibility (CSR) report provides information on Westland Milk Products' performance, excluding both EasiYo and Canary Foods which will be incorporated into the 2023-year's report.

Westland's manufacturing sites are in Hokitika and Rolleston, with administration activities and warehousing in Hornby, Christchurch.

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CORE HIGHLIGHTS

# Our highlights of 2022



Several cultural events celebrated throughout the year included Diwali, Chinese New Year and Matariki

## Code of Conduct

sent out to suppliers (milk and goods & services)



# 100%

of Westland suppliers now reporting their GHG emissions



Three employee volunteer opportunities

# 20%

reduction in coal use in the 21/22 season compared to last season

# 1st

sustainability week held in June, helping employees learn more about CSR



## EcoVadis silver sustainability rating maintained

(5<sup>th</sup> consecutive year)

CORE HIGHLIGHTS



'Grow our own' leadership programme launched to develop internal leadership capability

# 17%

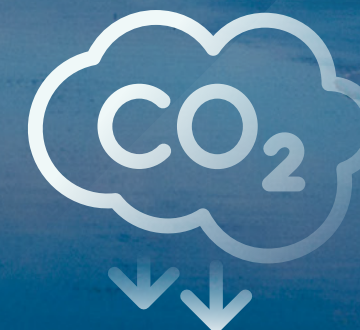
reduction in on-site emissions in 2022 compared to base year

# 100%

of Westland suppliers involved in FarmEx

# 275

Events/Hazards raised in 2022 (H & S)



Signed the Dairy Net Zero declaration further embedding our commitment to reducing greenhouse gas (GHG) emissions over the next 30 years



Westgold and Garden to Table partnership launched

## TOITŪ



### Toitu enviromark gold certification retained for our Environment Management System

(3<sup>rd</sup> consecutive year)

# 95%

of Westland employees now have Individual Development Plans in place



**A NOTE  
FROM OUR CEO**

**For over 150 years, successive generations of West Coast dairy farmers have worked with the region's natural assets to produce dairy products of outstanding international quality. It is a heritage we are proud of.**

Today, as we export to more than 50 countries globally, we understand the importance of looking after the environment and communities we operate in.

It has been just over a year since Westland's first Corporate Social Responsibility (CSR) strategy was launched. In that time we have seen the importance of CSR and sustainability continue to rise, across the business environment and specifically for our customers. This has driven more focus on CSR in our everyday operations as we continue our journey to become more socially responsible.

In this time Westland purchased Canary Foods, an innovative dairy manufacturer. The Canary brand joins EasiYo and Westgold to form our Retail and Foodservice offering, with our range of dairy ingredients sold under our Westpro brand.



During 2022, we made great progress towards our CSR targets. Some of our highlights include:

- Completing a materiality assessment to ensure our strategy aligns to, and focuses on, the relevant environmental, social and economic issues
- Delivering a 20% reduction in coal use in the 21/22 season compared to the previous season
- Maintaining the EcoVadis Silver Sustainability Rating for the 5th consecutive year.
- Increasing our community involvement and volunteering opportunities for employees throughout the year, including tree planting and penguin beach ramp maintenance.

While there is still plenty to do on our CSR journey, we are proud to share our 2022 progress and our key projects for the coming year. We continue to prioritise CSR right across our business, from on-farm practices to the manufacture of finished products our customers and consumers enjoy, and are excited for the future this strategy will provide.

**Richard Wyeth**  
Chief Executive Officer, Westland Milk Products

**OUR  
STRATEGY**

**CSR sits at the core of our  
overarching business strategy.**

**01 Care for the natural environment**

**Our aim** is to reduce our environmental impacts throughout our supply chain.

**We will be focusing on**

- Reducing waste
- Reducing carbon emissions
- Decreasing on-farm environmental impacts




**02 Care for the social environment**

**Our aim** is to be a good corporate citizen that connects with the community and staff to engage them in social responsibility.

**We will be focusing on**

- Continuing to support the local community
- Caring for our employees

## 2022 progress against core targets set out in our CSR Strategy:

| Core targets  | On track?   | 2022 Progress  |
|---|---|--|
| <b>Waste</b>  |   |  |
| Reduce waste (on-site) to landfill by 35% by 2030   |    | Hokitika waste to landfill is on track (40% reduction in waste to landfill compared with 2020). Rolleston waste minimisation initiatives have been identified for implementation in 2023.  |
| <b>Emissions</b>  |   |  |
| 25% reduction in CO2 emissions (onsite) by 2030   |    | The 2022 carbon footprint assessment demonstrates a 17% reduction in scope 1 and 2* emissions compared to the 2017/18 base year. *See Greenhouse Gas Emissions section in appendix for definition.   |
| <b>On-Farm</b>  |   |  |
| Report emissions on all supplier farms by 2022  |    | 100% of farms supplying Westland now report total on-farm emissions.   |
| Implement 100% of Farm Environment Plans by 2025  |    | 25% of Westland supplier farms now have a Farm Environment Plan.   |
| <b>Community</b>  |   |  |
| Provide at least one employee volunteer day a year for all employee members by 2025             |  | Promotion of volunteer events to employees including tree planting days (in both Hokitika and Christchurch) and penguin ramp maintenance (in collaboration with West Coast Penguin Trust). More than 20 employees got involved in these volunteer opportunities that were both during and outside of work hours.                         |
| 1% of profit per annum to go directly to the West Coast through community sponsorship from 2025 |  | This target was achieved for the 2022 year with Westland continuing to donate to a range of community groups. Sponsorships included junior sports, and schools throughout the West Coast, West Coast Rescue Helicopter and Ronald McDonald House in Christchurch. In addition Westgold sponsors Garden to Table and Good Bitches Baking. |

| Core targets  | On track?   | 2022 Progress  |
|---|---|--|
| <b>Employee</b>   |   |  |
| All employees achieving an average of 70 training hours annually by 2030      |    | A new training platform was launched company-wide at the end of 2022 to measure and track both online and in-person training at an individual employee level. Read about 2022 training initiatives in <a href="#">'Our people'</a> .   |
| Implement an annual safety culture survey and improve year on year            |    | A sitewide Safepus survey was completed in 2022 with good engagement. Results show our organisation has a clear strategy to deal with risks to worker safety and this is well-known, communicated and received. We have reviewed this target and to ensure strong engagement and the ability to make improvements, this will now be completed bi-annually. |
| All employees to have a personal development plan by 2025                     |    | 95% of employees have a personal development plan in place at the end of 2022.   |
| Carry out an annual engagement survey. Engagement in the top quartile by 2030 |    | A sitewide engagement survey was completed in 2022, however the response rate was too low to allow for accurate analysis and recommendations. The focus for the 2023 survey will be to increase the response rate.   |
| Externally recognised Diversity & Inclusion measures in place by 2025         |  | Our Diversity & Inclusion policy, developed with internal and external support, was published internally in 2022. A focus of 2022 was to broaden the cultural events celebrated within Westland to reflect the diverse makeup of our employees.  |



## REPORT OVERVIEW RECOGNITION

# EcoVadis



We retained our silver rating in 2022, awarded by international corporate social responsibility auditor EcoVadis. This rating shows Westland achieved a high level of compliance across various corporate social responsibility components. The criteria includes:

### Environment:

- Operations – Energy Consumption, Water, Biodiversity, Local & Accidental Pollution, Materials, Chemicals & Waste.
- Product – Product use, Product End of Life, Customer Health & Safety, Environmental Services & Advocacy.

### Social:

- Human Resources – Employee Health & Safety, Working Conditions, Social Dialogue, Career Management & Training.
- Human Rights – Child & Forced Labour, Diversity, Discrimination & Harassment, External Human Rights issues.

### Ethics:

- Corruption & Bribery, Anti-Competitive Practices, Data Security.

### Sustainable Procurement:

- Supplier Environmental Practices/Performance, Supplier Social Practices/Performance.

We improved on our previous year's score, in the ethics, labour & human rights, and sustainable procurement aspects of the assessment. A 'Pathway to Gold' action plan for improvement areas has been developed with the purpose of improving processes and practices impacting social responsibility.

Read more about this certification on our [website](#).

# Toitū Enviromark



Westland retained Enviromark Gold in 2022 (certified by Toitū) which demonstrates our comprehensive plan to achieve the goals outlined in our CSR policy and strategy.

We continue to review and enhance our Environmental Management System (EMS) to ensure it remains relevant. Internal audits are undertaken throughout the year to ensure we continuously conform to the requirements of the EMS Gold standard.



## FOCUSING ON WHAT MATTERS MOST

# Materiality Assessment

In order to ensure our organisation remains focused on topics that are of most importance to Westland and its stakeholders, in 2022 we undertook our first materiality assessment. These assessments allow us to assess the environmental, social and economic issues which should influence our decision making. Identifying these issues enables us to focus our future efforts.

\*Due to being a wholly owned subsidiary of Inner Mongolia Yili Industrial Group Company Limited (Yili), our company performance is confidential and managed internally. We have included the 5th most material topic to report on instead of this topic, but have included company performance in the material topics lists for completeness.

### Designing our materiality assessment process

As this is the first materiality assessment Westland has undertaken, we first looked at Westland as an organisation, our core activities, stakeholders, and products to inform the basis of our assessment process.

A list of actual and potential impacts to the economy, environment and people (positive and negative) was created using information from a range of diverse internal and external sources. This long list of topics was then scored against set criteria including severity and likelihood and then clustered into high-level topic groupings for further analysis.

A desktop survey was completed by key stakeholders including employees, members of the community, suppliers, and customers to ensure we received a rounded view of our impacts, and to understand the importance each topic has for different stakeholder groups.

An ordered list of topics was then generated based on all feedback and discussed with the Executive Team. For ease of reporting, these have been split into positive and negative material impacts. While we endeavour to make progress across all impacts,

our reporting will focus on the top four positive and negative impacts.

The top impacts and mitigations are explained throughout the report. This assessment will be refreshed annually going forward to ensure we remain focused on our most material impacts.

### Positive material topics

*(Areas where we have the biggest opportunity to create positive impacts within the economy, people or environment)*

- Company performance\*
- Workplace environment and culture
- Waste reductions
- Food, safety & quality
- Social responsibility

### Negative material topics

*(Areas where we have or could have the largest negative impact within the economy, people or environment)*

- Food safety & quality
- Company performance\*
- Climate change
- Waste
- On-farm impacts



# 01

## Care for the natural environment

**Our aim** is to reduce our environmental impacts throughout our supply chain.

We will be focusing on:

- Reducing waste
- Reducing carbon emissions
- Decreasing on-farm environmental impacts

These are further explained in the following pages.



### OUR STRATEGY CARE FOR THE NATURAL ENVIRONMENT

## Reducing waste

| Key metrics   |       | What we've been doing |       |  |
|---|-------|-----------------------|-------|--|
| Key indicators  | 2020  | 2021                  | 2022  |  |
| Total weight of waste generated (tonnes)*             | 606   | 551                   | 696   | <b>Reduction in waste directed to disposal</b><br>Overall waste to landfill increased in 2022, driven by an increase in waste at our Rolleston processing site. Significant focus will be placed on waste across sites in 2023, but particularly Rolleston to drive this number down, with a focus on education, training and segregation. Other waste minimisation initiatives are also underway to improve this.   |
| Total weight of waste diverted from landfill (tonnes) | 235   | 212                   | 175   |  |
| Total weight of hazardous waste (tonnes)**            | 0     | 0                     | 0     |  |
| Hokitika site water consumption (000m3)               | 3,191 | 2,704                 | 2,343 | <b>Investigating alternatives to landfill</b><br>Westland has investigated options to repurpose soft plastic both on-farm and at the factory but current options negate the positive impact due to our remote location. We are looking into options for soft plastic reuse such as in the manufacture of plastic fence posts through an external supplier. We are negotiating with a service provider to sustainably manage all plastic containers across both sites. Plastic containers are chipped and repurposed for use in other industrial processes. |
| Rolleston water consumption (000m3)                   | -     | -                     | 1,989 |  |

\* This includes waste to landfill & waste directed away from landfill.  
 \*\*We have appropriate procedures to dispose of hazardous substances. Over the last three years no hazardous waste was required to be disposed of due to good procurement processes and use of product before expiry.

**Improving awareness**  
 Employee training on waste management is regularly delivered, and employees share their learnings fortnightly, highlighting opportunities for improvements to the business. In 2022, the core focus was on waste segregation and the impacts of waste on the environment.

**Tanker wash**  
 In 2022, we invested in upgrading the CIP tanker wash in Hokitika which enables faster tanker turnarounds and improved reliability. In the design of this upgrade, several 'green' measures were investigated and adopted including noise mitigation, profile and height. This new facility also utilises less water than the previous wash facility, reducing load on the wastewater treatment plant.

## What we've been doing

### Wastewater reduction

In 2022, Westland delivered a greater than 40% reduction in the discharge of wastewater to the environment. This was achieved through awareness from operational employees on the potential effects of uncontrolled waste streams to the receiving environment and a genuine interest to improve manufacturing efficiencies such as water/chemical use and improved lean operational planning. Wastewater quality monitoring testing is performed daily to ensure compliance with a report sent to regulatory authorities annually.

### Water usage

At our Hokitika site, sources of water are the Hokitika River and Council supply. At our Rolleston site, we rely on council supply only. Water is used primarily for manufacturing, Clean-In-Place (CIP) processes, and tanker washes. We have many initiatives underway or being investigated that will allow us to be more efficient in our water use such as re-use/recycling of water for heat exchangers or tanker washing.

## What's next?

- Continue developing our waste minimisation roadmap
- Continue to grow employee awareness of waste minimisation activities
- Install phase 1 of an in-house resource centre to take more control of waste segregation and reduce further solid waste to landfill
- Investigate further upgrades to wastewater treatment facilities at our Hokitika and Rolleston sites, to reduce power demand and water usage.

# Reducing Carbon Emissions

## Key metrics

| Key indicators                                  | 2018    | 2019   | 2020   | 2021   | 2022    |
|---|---------|--------|--------|--------|---------|
| 25% reduction in CO2 emissions (onsite) by 2030 | -       | -      | -      | -      | -17.3%  |
| Scope 1 Emissions (tCO2e)                       | 118,390 | -      | -      | -      | 96,331  |
| Scope 2 Emissions (tCO2e)                       | 5,420   | -      | -      | -      | 6,023   |
| Scope 3 Emissions (tCO2e)                       | -       | -      | -      | -      | 813,058 |
| Rolleston/Hornby sites energy consumption (MWh) | -       | -      | -      | -      | 4,460   |
| Hokitika site energy consumption (MWh)          | 50,679  | 51,090 | 49,405 | 47,278 | 45,727  |

Carbon Footprint Audit information:

- See Greenhouse Gas Emissions section in appendix for further detail
- Our current target is a reduction in on-site (scope 1 & 2) emissions. This target will be reviewed along with our CSR strategy refresh early in 2024.

## What we've been doing

### Coal reduction

In the 2021/22 season, we successfully reduced our coal consumption by 20% compared to the previous season, equivalent to 11k MT of coal. This was achieved through retiring energy-intensive drying equipment, energy savings brought about by better management of winter maintenance work, and better production planning.

### Pinch analysis

A pinch analysis assessment was undertaken to identify further opportunities to reduce heat and steam requirements. A pinch analysis takes into consideration the whole site to ensure any opportunities are real and will not negatively impact the site. A range of opportunities have been identified and are being scoped. By investing in operational efficiency projects to reduce our heat/steam consumption, we are indirectly reducing our reliance on coal. This will mean that when we do convert our boiler, it can be smaller.

### Wastewater upgrades

The upgrade of the wastewater treatment plant ('Ocean Outfall') in 2021 at the Hokitika site has reduced power demands due to consolidation of pumping facilities. This design has reduced power demands from 24 hours/day to just 9 hours/day.



## What we've been doing

### Fuel alternatives

Westland already receives renewable energy from South Island hydro and wind generation, but we believe we need to go further and look at on-site operational efficiencies to further reduce our energy consumption.

We are investigating alternative fuel sources, such as biomass and electricity, for our boilers across both manufacturing sites. While we investigate and trial these as sustainable options for the future, we are actively looking at ways to reduce our CO2 emissions through operational and manufacturing efficiencies, offsetting opportunities, and logistical planning improvements. This is coupled with opportunities to reduce steam and heat use via our co-funded Government Investment in Decarbonising Industry (GIDI) projects and pinch analysis.

One of our current heat recovery projects is focused on reducing the amount of energy required to

generate steam in our boiler through increasing the temperature of the water before it goes into the boiler. This is done through recovering heat from excess hot cow water (water removed from milk) and waste heat from air compressors. This will result in less energy to generate steam and a 4% reduction in coal burned. This project is co-funded by the GIDI programme, managed by the Energy Efficiency and Conservation Authority (EECA) and will be completed in Q3 2023.

### Embedding sustainability into everyday business

When planning for any future capital projects or large investments, the Environment/Sustainability team is now involved in the design and performance of any future planning. This ensures any sustainable options are thoroughly considered from the planning stage and any impacts on the environment are also considered and mitigated.

## What's next?

- Seven new tankers will become part of our milk collection fleet in 2023, allowing the retirement of older, less efficient tankers. New tankers enjoy improved technology and fuel consumption
- Investigate further upgrades to our wastewater treatment facilities at our Hokitika and Rolleston sites, aiming to reduce power demand and water usage, and create electricity generation (via natural gas)
- Develop a more detailed roadmap to Carbon Net Zero 2050 and interim reduction targets to 2030.

# Decreasing on-farm environmental impacts

## Key metrics

| Key indicators   | 2022 |
|--|------|
| % of farms involved in our Farm Excellence (Farm Ex) programme | 100% |

## What we've been doing

### On-farm Greenhouse Gas Emission (GHG) reporting

100% of milk suppliers (farmer suppliers) are now providing the information required to measure GHG. Westland has partnered with fertiliser companies Ballance and Ravensdown in conjunction with Overseer to ensure all farmer suppliers are providing the correct information to calculate their emissions. This is reported back to farmer suppliers to inform them of their base GHG emissions levels.

### Farm Environment Plan upskilling

A pilot trial of a Farm Environment Plan (FEP) training course took place across May - September 2022, on the West Coast supported by Westland, with 13 farmer suppliers attending, along with

farmers from other local sectors. This training gave these farmer suppliers the knowledge and understanding to complete the plan and will continue to assist more farmer suppliers in completing their FEP. This training is now being run by West Coast Focus Farm Trust.

### Milk Quality Cup

Each season, the Milk Quality Cup is awarded to the Supplier that has consistently supplied the best quality milk over the season. This is an on-going award that recognises that the quality of our milk is paramount to ensuring the integrity and quality of our products.



**What we've been doing**

**Farm Excellence**

Westland's Farm Excellence Programme (FarmEx) was launched back in 2014 and ensures farmer supplier farms meet a broad range of standards governing key areas of performance. This ensures Westland can accurately and transparently claim to meet the ever-evolving and exacting standards of our customers whose consumers display an increasing interest in ethically produced food of a high natural quality, without detriment to the environment. An annual check-up of these seven areas is undertaken to ensure our farmer suppliers continue to comply with FarmEx. The assessment criteria is routinely reviewed to ensure it remains compliant with regulations. In 2022, a new section was added to 'people and risk management' focusing on employment conditions for employees employed on dairy farms.

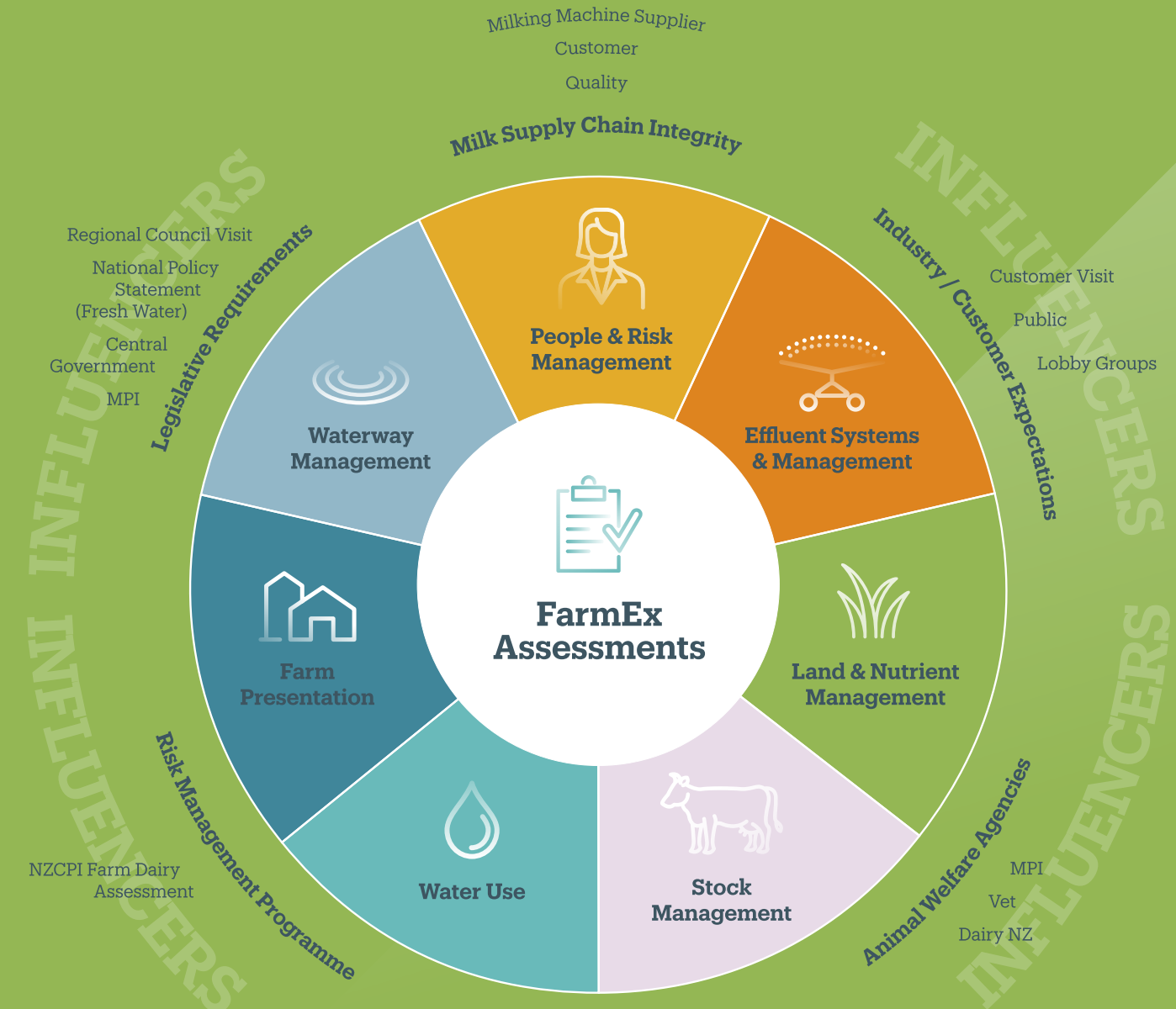
**What we've been doing**

**Other**

- A new app was launched in 2022 for internal milk supply teams and farmer suppliers which allows farmers to get notifications on milk quality such as milk temperature at collection time, any quality grades, and volume of milk supplied, more quickly. This allows for improved reporting and quality control, in addition to helping with transport planning and optimisation.
- In February 2022, the West Coast was hit with a severe storm which impacted many of our farmer suppliers on the West Coast. Westland provided support through this time such as employees being involved in the Civil Defence response and recovery efforts.
- Westland is the major sponsor of the West Coast Focus Farm Trust. The Trustees of this are local West Coast dairy farmers, and the intention is to use two or three farms as a base for other farmers to learn from. Local solutions can then be found to local issues.

**What's next?**

- Continue to encourage suppliers to attend FEP training
- Continue to work with farmer suppliers to understand their GHG emission levels and put reduction plans in place
- Work with Overseer to develop more user-friendly reporting so that farmer suppliers can be more involved in their own planning for GHG reductions
- Milk vat monitoring system to be installed in winter 2023. This will not only help farmer suppliers provide high-quality milk but will also create efficiencies in milk collection through route optimisation and planning.





# 02

## Care for the social environment

**Our aim** is to be a good corporate citizen that connects with the community and employees to engage them in social responsibility.

We will be focusing on:

- Continuing to support the local community
- Caring for our employees

These are further explained in the following pages.



### OUR STRATEGY CARE FOR THE SOCIAL ENVIRONMENT

## Continuing to support the local community

### What we've been doing

#### Volunteer opportunities

##### Halswell Quarry planting

As a part of Westland's first sustainability week, a group of employees volunteered at a planting event at Halswell Quarry in Christchurch. This council-run event attracted around 50 volunteers (10 Westland employees & family) who spent the morning planting native New Zealand flaxes, bushes and trees in the Quarry to help create a more diverse wetland environment and healthy habitat for wildlife.

##### Penguin ramp maintenance

Westland has a close relationship with the West Coast Penguin Trust supporting their work protecting our local blue penguin population and other wildlife. Employees helped the West Coast Penguin Trust fix penguin ramps along the beach to allow easier access for penguins. When installing our ocean outfall (in 2020), we also erected a fence to ensure this population can continue to thrive. Fence checks are completed by

employees to ensure it remains robust and stops penguins from getting on the road.

##### Wadeson Island

Westland employees headed to Wadeson Island this year, joining locals to learn more about the ongoing restoration work, celebrate progress and contribute to restoration by planting native trees. Across the day 80 volunteers from a range of organisations attended this Department of Conservation organised event, and over 6000 trees were planted.

#### Community sponsorship

Westland enjoys a very close relationship with the West Coast community. Given the number of farmer suppliers, employees, and their families, and many of our consumers who live here, giving back and nourishing the community is an important part of Westland's reason for being. Due to the remoteness of the West Coast, children in the region don't always get the same opportunities

and support as students in the larger centres.

Westland donates to junior sports throughout the West Coast and to every school in the West Coast region. Participating in team sports not only fosters teamwork, but also builds confidence and improves self-esteem. Westland is proud to make local sports more accessible to our junior players in the community.

The same can be said about access to urgent surgical attention, and Westland is proud to support both Ronald McDonald House in Christchurch and the Westpac Rescue Helicopter.

In 2022, Westland donated:

- \$15,000 to Ronald McDonald House
- \$1,600 to the Westpac Rescue Helicopter
- \$600 to every school on the West Coast
- \$20,000 to junior sports in the Buller, Grey and Westland districts.



### What we've been doing

#### Employee community involvement

Westland is a proud supporter of Fire and Emergency New Zealand (FENZ) and celebrates the work volunteers in our local community and broader New Zealand do. Many Westland employees are involved in community emergency services such as FENZ and are able to respond to emergency events during work hours, or to attend training.

### What's next?

- Continue to offer volunteer opportunities to employees across sites and engage with the local community
- Continue to provide sponsorship within local communities.



# Caring for our Employees

### Key metrics

| Key indicators                            | 2022   |
|---|--|
| Total permanent employees (by age/gender) | <18 = 0<br>Under 30 = 70<br>30-50 = 335<br>Over 50 = 225<br><b>Total permanent employees = 630</b> |

### What we've been doing

#### Understanding employee goals

Westland identified a gap in understanding the development goals of our employees. To improve this, our company KPI's now include ensuring that employees have development plans and regular coaching conversations with their managers. At the end of 2022, 95% of employees had recorded development plans. This will continue to be a key focus and will be integrated with new annual performance review systems to ensure all employees can reach their potential and goals.

#### Scholarship programme

Westland continues to support the academic growth of the West Coast community, and in 2022 another three tertiary students joined the Westland Milk Products Scholarship Programme. Westland has had some great success with the development of our scholarship students, such as 1995 scholarship recipient Paula Uren, who still works at Westland today. "This programme

can only ever be a good thing, as it gives broad exposure to all areas of the business. Anything that connects the locals in the community to the company is very worthwhile," says Paula.

#### New leadership programme launched

In 2022, we began year one of our new three-year leadership training programme. So far over 120 leaders within the business have completed the first year. Training included sessions on communication, personal leadership and human resources amongst other leadership related topics and was predominantly delivered by experts within the business. By doing this training in-house, we can make it more specific to Westland and ensure employees are getting the most out of the course. With the programme now also offered to aspiring leaders in the business, we have a new cohort of learners joining the programme in 2023, and the original cohort entering year two.



## What we've been doing

### Diversity & Inclusion

We prioritise employee inclusion at Westland. In support of this, we celebrated the following important dates in 2022:

- Chinese New Year
- International Women's Day
- Pride Week
- NZ Sign Language Week
- Mental Health Awareness Week
- Pink Shirt Day
- Matariki
- Mid-Autumn Day
- Māori Language Week
- Chinese Language Week
- Diwali Festival
- International Men's Health Day

Each year the list of events celebrated changes to ensure that all cultures within Westland have the opportunity to share the unique aspects of their culture, and for other employees to broaden their understanding of new cultures.

We regularly communicate mental health and wellbeing learnings and resources through internal communications channels. All employees have access to our Employee Assistance Programme

which is a professional and confidential service, paid for by Westland and is there to help all employees when they are experiencing difficulties.

All new starters learn about key policies and procedures. They also receive access to all relevant company documents including, but not limited to, the employee handbook, code of conduct, corporate social responsibility policy and strategy.

### Sustainability week

We held our first internal sustainability week in June, coinciding with World Milk Day and World Environment Day. This week gave employees the opportunity to learn and understand more about what CSR and Sustainability means to Westland through a range of events including lunch n' learn sessions, workshops, and TED-talk viewings followed by discussion. These covered a range of topics within CSR including Westland's strategy, an external workshop session on Diversity & Inclusion; and the Environmental team's role within the business.

### Management of COVID-19

As an essential service, Westland continued to provide employment for employees and made flexible arrangements for this to happen safely.

Specifically Westland;

- Utilised government assistance to provide COVID leave and allow employees to retain annual leave balances
- Supported working from home and flexible working where appropriate
- Ensured all government safety protocols were followed
- Ensured RAT testing and thermal scanning was readily available to protect employees.

### Celebrating and recognising long service

In 2022 Westland celebrated the long service of employees that have been with Westland for 10, 20, 30 and 40 years. We recently changed the way long service was celebrated (from continuous to accumulated service) to encourage experience both internal and external to Westland. This recognises the efforts that have been made by people who have left and returned to Westland. Almost 100 people attended the celebration event in Hokitika, including the executive leadership team, and each of the 64 employees who met these milestones was presented with a gift which acknowledged their service and commitment to the company.

## What we've been doing

### Growing our own

We nurture and grow our own talent, promoting internally whenever possible. In 2022, we solidified this policy through the launch of the Westland Grow Our Own campaign.



### Colin Warner: Process Assistant to Automation Operations Improvement Lead

Colin started as a powder process assistant in 2013 and has since held 11 roles throughout the company. He says he heard about the Dairy Diploma and decided it was the "right place, right time" for him.

"I embarked on the journey to completing my diploma, which is one of my top career highlights. While I was studying, I realised I wanted more of a challenge, so I moved to the nutritional plant packing area, which was a massive learning curve," he says.

When COVID-19 struck, Colin became the manager responsible for coordinating Westland's response, something he never previously saw himself doing. He was tasked with organising systems and reporting, as well as helping support our employees through this period.

"Pitching in during COVID was a great opportunity to connect with ELT in ways I might not have been able to do, had it not been for this role. It was, again, a case of someone believing in me to do the job with the right support to get it done, and it became a real highlight of my career".

"Now, I'm working as Westland's Automation Operations Improvement Lead. Automation is the future of so many areas that will create many opportunities, so it's an exciting place to be. Whatever you want to do, Westland has it, if you want to do X, Y, Z, this is a place to make it happen".

Colin was the recipient of Westland's 2020 Innovation Award.



### Hayden Condon: Manufacturing Cadet to Operations Manager

Back in 2008, Hayden joined Westland as a manufacturing cadet. His journey through the company has seen him working in various areas, growing his career and expertise along the way.

"When I first became a butter supervisor, I relied heavily on the people around me. This helped me to make valuable changes, understand myself better, and really see the results," says Hayden.

"Westland supported me to complete my Diploma in Dairy Processing which has been key to my success here. I've worked as a Senior Production Manager, and now, as Operations Manager, I believe my experience in the company has allowed me to really understand the organisation and make decisions without stress or bias," he says.



### What's next?

- Grow Westland sustainability week in 2023
- Year 2 of leadership development programme and aspiring leaders to begin year 1
- Drive participation in annual engagement survey to ensure we are getting an accurate pulse on how our employees are faring
- New performance review system for all employees to drive better conversations with leaders and their teams
- New performance rating system for 360 degree feedback for leaders
- Yili synergy values programme (Globalisation of values).



## Health & Safety

### Key metrics

| Key indicators   | 2022 |
|--|------|
| TRIFR (Total Recordable Injury Frequency Rate) per million hours | 9.07 |
| LTIFR (Lost Time Injury Frequency Rate) per million hours        | 5.58 |
| Employee training on Health & Safety completed                   | 255* |
| Number of Health & Safety reps                                   | 29   |

\*Various employees have completed training such as HARM (hazard and risk management) training, working at heights, confined spaces, permit to work and Health & Safety rep training.

### What we've been doing

#### Training

We have 29 Health and Safety Representatives (HSRs) across our sites. Throughout 2022, 10 new HSRs were trained whilst existing HSRs received additional training in supporting and influencing. The work of these HSRs was promoted, improving employee awareness and understanding of the HSR role and responsibilities. The Health and Safety committee meets once a month.

Health and Safety learnings are shared with all employees, highlighting the issue, mitigation and learnings to take away.

#### Critical risks

We continue to make improvements to our critical risk management programme such as the implementation of a Critical Risk auditing process and continuation of our multi-level working groups consisting of executive, managers, experts, and team members working together to achieve an 'all practicable steps' approach in the management of critical risks.

#### On-site Emergency Response Team

Given the geographic location of our Hokitika manufacturing site it is important we are prepared in the event of an emergency. Westland's emergency response team consists of 15 employees with a range of skills including heights rescue, pre-hospital emergency care, and experience dealing with hazardous substances. Training occurs once a month to ensure they remain functional.

#### Supporting community emergency services

At the end of 2022, truck and trailers were on standby filled with water ready to assist if needed due to the heatwave on the West Coast. Community support like this has been in place for many years, including our long-standing relationship with the local fire service.



### What we've been doing

#### Injury reduction

In 2022, we saw more than a 90% reduction in high-cost ACC claims from our employees, particularly due to movements causing strain or heavy lifting. This reduction is largely due to issues being reported a lot earlier, meaning early treatment can be made. Earlier reporting means we can work on a collaborative solution so employees can still participate in the workplace (such as on light duties) and remain a valued part of the team.

### What's next?

- Complete the analysis of the Safeplus survey results and identify 2023 improvement areas. The next site wide survey will take place in 2024
- Increasing the focus on critical risk management and improving the ownership of critical risks across the business
- Improving awareness of Health and Safety measures across the business including critical risks and controls, and emergency response processes
- Continue training programmes on hazard identification, health and safety leadership skills for reps and specialised training in managing critical risks for employees.

## Supply chain

### Key metrics

| Key indicators  | 2022  |
|---|---|
| % of targeted suppliers who have signed Code of Conduct | 37%   |
| % of milk suppliers sent Code of Conduct                | 100%  |
| % of other vendors sent Code of Conduct                 | Suppliers with over \$200k spend in 2022 (this covers more than 90% of all vendors) |

### What we've been doing

#### Code of Conduct

Our customers require increasing volumes of Corporate Social Responsibility information and reporting from manufacturers and producers who supply them. This ensures they can make informed purchasing choices that align to their values.

Our Code of Conduct was published in 2022 enabling better insight into how our own suppliers are operating. This Code gives a guideline to minimum standards of behaviour and business operation and has been sent to all Westland farmer suppliers, and >90% of vendors in the 2022 year. Our intention is to eventually send this Code to 100% of suppliers. The Code of Conduct aligns to our internal employee code and policies already in place.

[View the Code of Conduct](#)  
[Westland Code of Conduct explained](#)

#### Responsible sourcing

- Our Westpro powder bags are produced in a New Zealand circular economy and are certified PEFC

and FSC for responsible wood sourcing and ISO 1400:2015 Environmental Management Systems.

- Where applicable, tender documents and KPIs for new vendors contracted now include social and environmental aspects to ensure we understand the sustainability journey our vendors are on, reflecting our CSR policy.

### What's next?

- Send the Code of Conduct to all remaining vendors and any new vendors
- Review product packaging; researching and trialling more sustainable alternatives such as recyclable or compostable packaging.



# Food safety & quality

## Key metrics

| Key indicators                           | 2022   |
|--|--|
| Customer recalls for food safety reasons | 0  |
| Production covered by FSSC 22000         | 100% of manufacturing sites (Hokitika and Rolleston) |
| Customer health and safety incidents     | 0  |

## What we've been doing

### Code of Conduct

Westland is committed to Food Safety and Quality Management. We were the first dairy company in New Zealand to achieve the Food Safety System Certification (FSSC) 22000, having held this certification since August 2014. Right through our production chain strict processing, hygiene and environmental standards are observed, and we are FSSC 22000 accredited across our production sites in Hokitika and Rolleston. All Westland products undergo rigorous testing to ensure that they meet our customers' requirements, and our laboratories are accredited to ISO 17025.

### Risk Management Programme

We have a Risk Management Programme recognised by the New Zealand Ministry for Primary Industries, providing our customers with the highest levels of transparency and quality assurance.

### Quality culture

Westland has a quality capability building programme focused on embedding food safety and quality further into the business and driving the right behaviours. More training was provided in 2022 across the business to understand the role each area plays throughout the supply chain in maintaining the highest product quality. Training included developing a common understanding of the microbiological impact of our milk quality, testing and farm dairy regulatory requirements. Other activities underway to support a Quality Culture are;

- Within the Leadership Development Programme there are sections related to food safety standards and product quality
- Quality digital transformation - continuously reviewing our processes to assess value and create efficiencies through optimisation and automation.

## What we've been doing

- In 2022, a Good Manufacturing Practice (GMP) audit app was developed to streamline this process by digitalising and automating GMP checks
- Master sanitation schedule - created in 2022 to document Cleaning In Place (CIP) across all plants. The schedule lists all areas of the plants, the various CIP programs for each area, and the triggers for each CIP occurring. This provides one source of truth for all CIP systems for each plant, ensuring CIPs are implemented correctly and highlighting opportunities for further improvements.

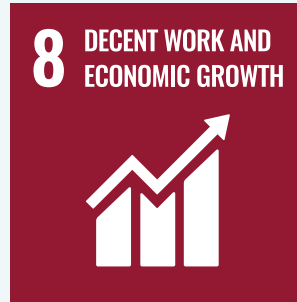
## What's next?

- Further develop the quality capability building programme and broaden the reach
- Implement and integrate the GMP audit app into the quality function, delivering significant time savings and allowing the quality team to focus less on standard compliance reporting and more on preventive actions and continuous improvement activities
- Continue to optimise quality systems through digitalisation
- Continue to focus on delivering our well-established quality programmes to ensure we continue to provide our customers with a high-quality product every time.



## How we contribute to the United Nations Sustainable Development Goals (UNSDGs):

Westland supports the United Nations Sustainable Development Goals (SDGs), and is committed to playing our part in contributing to global commitments. While we believe all businesses can contribute to each of the SDGs, we have chosen to focus our efforts and reporting on the three where we can have the biggest impact.



### Some of the work we are doing in this space:

- Ensuring we remain a healthy and stable employer as one of the largest on the West Coast
- Growing our own with our internal leadership programme and prioritisation of internal promotions
- Providing employment opportunities with cadetships and internships
- Implementing a Code of Conduct across farmer suppliers and vendors.



### Some of the work we are doing in this space:

- Reducing waste generated on-site to landfill
- Continuously investigating opportunities to reduce, reuse, recycle
- Investigation into opportunities for sustainable packaging initiatives
- Code of Conduct to ensure social responsibility across our supply chain.



### Some of the work we are doing in this space:

- Reducing Westland's reliance on coal
- Communicating aspirational guidelines via our Farm Excellence (FarmEx) programme
- Supporting farmers with GHG reporting
- Delivering emission reduction efforts ahead of targets
- Improving education and awareness of sustainability to employees.



APPENDICES

# Certifications

## External certifications

Westland Milk Products holds the following external CSR certifications:

**Toitū Enviromark Gold**      **2019 - 2022**  
**EcoVadis Silver**              **2018 - 2022**

Westland holds the following accreditations:

- ISO 17025
- Risk Management Programme (recognised by New Zealand Ministry for Primary Industries)
- Food Safety System Certification (FSSC) 22000
- Kosher
- Halal
- FDA registration

## Memberships

Westland Milk Products is a member or supporter of the following networks and organisations:

- Sustainable Business Network
- Dairy Net Zero Declaration
- Business NZ
- Canterbury Employers' Chamber of Commerce
- DCANZ (Dairy Companies Association of New Zealand)
- Dairy NZ

## Key policies

- CSR policy
- Environmental policy
- Anti-bribery & corruption
- Health and Safety
- Privacy
- Code of Conduct
- Code of Conduct Explained

See all company policies [here](#).

APPENDICES

# Reporting information

## Our people

| Our people   | 2022  |
|--|---|
| % of women employed in relation to the whole organisation  | 29% Female (71% Male)   |
| % of women in top executive positions  | 14%   |
| % of employees with Health insurance (subsidised by Westland Milk Products)                                | 78% of permanent employees*                                       |
| % of employees with life and disability insurance subsidised by Westland                                   | 100%*   |
| % of employees on the collective employment agreement  | 53% of staff employees are on the Collective Employment Agreement |
| No. of union reps  | 18  |
| % of workers from minority groups and/or vulnerable workers employed in relation to the whole organisation | 21% of workforce identify as a Non-New Zealander                  |

\*Health Insurance and Life & Disability Insurance are offered to 100% of permanent employees

## Greenhouse Gas (GHG) Emissions

### Base year

1 August 2017 to 31 July 2018. This was the first 12-month period where GHG emissions were calculated and forms Westland's base year. There were significant exclusions in reporting due to data availability at the time. These have been remediated in the 2022 assessment.

### Latest data available

2022 data is available for 1 January 2022 to 31 December 2022.

### Scope

The scope of the assessment is from farm to New Zealand port. The following Westland operating sites are included:

|                | Hokitika Site | Rolleston site | Hornby site  |
|----------------|---------------|----------------|--|
| <b>2017/18</b> | Yes           | Yes            | No (Westland did not lease this site at this time) |
| <b>2022</b>    | Yes           | Yes            | Yes  |

Continued on following page



## APPENDICES

### GHG Emissions Reporting:

| Scope                                | Category   | Emissions Source  | Carbon Emissions 2017/18 (tCO <sub>2</sub> e) | Carbon Emissions 2022 (tCO <sub>2</sub> e) | Reduction   |
|--------------------------------------|------------|-------------------|---|--|-------------|
| Scope 1                              | Category 1 | Coal              | 108,576                                       | 86,703                                     | -20%        |
|                                      |            | Diesel            | 1,223   | 958  | -22%        |
|                                      |            | LPG               | 727   | 1,504                                      | -           |
|                                      |            | Transport         | 7,847   | 5,976                                      | -24%        |
|                                      |            | Refrigerants      | 14  | 1,190                                      | -           |
| Scope 2                              | Category 2 | Electricity       | 5,419   | 6,023                                      | -           |
| <b>Total Reduction Scope 1 and 2</b> |            |                   | <b>123,806</b>                                | <b>102,354</b>                             | <b>-17%</b> |
| Scope 3                              | Category 3 | Business Travel   | 667   | 294  | -56%        |
|                                      |            | Road Freight      | -   | 4,618                                      | -           |
|                                      |            | Rail Freight      | -   | 793  | -           |
|                                      | Category 4 | Utilities         | -   | 1,689                                      | -           |
|                                      |            | Waste             | -   | 1,524                                      | -           |
|                                      |            | On Farm           | -   | 783,648                                    | -           |
|                                      |            | Coolstores        | -   | 483  | -           |
|                                      |            | Electricity T & D | 442   | 552  | -           |
|                                      |            | Well-to-tank      | -   | 19,457                                     | -           |
| <b>Total Emissions</b>               |            |                   | <b>124,915</b>                                | <b>915,412</b>                             |             |

## APPENDICES

### 2022 assessment information:

This assessment was undertaken by a third party. The GHG emissions sources included in the inventory were identified with reference to the methodology described in the GHG protocol and ISO 14064-1:2018 standards. Boundary was determined as on-farm to New Zealand port.

Significance of emissions sources within the organisational boundaries has been considered in the design of this inventory. The significance criteria used comprise:

- All direct emissions sources that contribute more than 1% of total Category 1 and 2 emissions
- All indirect emissions sources that WMP deems valuable to include.

As adapted from ISO 14064-1, the emissions sources deemed significant for inclusion in this baseline/ inventory were classified into the following categories:

- Direct GHG emissions (Category 1): GHG emissions from sources that are owned or controlled by the company
- Indirect GHG emissions (Category 2): Indirect GHG emissions occurring from the consumption of purchased energy used by an organisation
- Indirect GHG emissions (Category 3-6): GHG emissions that occur as a consequence of the activities of the company but occur from sources not owned or controlled by the company.

### Inclusions and exclusions in 2022 carbon footprint assessment:

| Scope   | Category   | Included   | Excluded   |
|---------|------------|--|--|
| Scope 1 | Category 1 | <ul style="list-style-type: none"> <li>• Fuel use for transport/machinery/process heat etc.</li> <li>• Refrigerant consumption</li> </ul>  | No exclusions  |
| Scope 2 | Category 2 | <ul style="list-style-type: none"> <li>• Purchased electricity only</li> </ul>   | No exclusions  |
| Scope 3 | Category 3 | <ul style="list-style-type: none"> <li>• Business and employee travel</li> <li>• Freight transport</li> </ul>  | <ul style="list-style-type: none"> <li>• Transport of final product by ocean freight</li> </ul>  |
|         | Category 4 | <ul style="list-style-type: none"> <li>• Transmission and distribution losses of purchased electricity</li> <li>• Emissions associated with the production, processing and distribution of fossil fuels (well-to-tank emissions). This is included as standard practice and is based on volume of fuels consumed</li> <li>• Water supply and wastewater production</li> <li>• Waste to landfill</li> <li>• Emissions associated with coolstore storage</li> <li>• On-farm emissions (extracted from Overseer, a New Zealand farm management software used by our farmer suppliers. Data is on a season basis (2021/2022))</li> </ul> | <ul style="list-style-type: none"> <li>• Production and transport of other purchased goods (e.g., ingredients, packaging)</li> <li>• Purchased services (e.g., IT support, maintenance services)</li> <li>• Working from home</li> </ul> |

### Benchmarking (2022)

|   | Category 1 and 2 Emissions Intensity (kgCO <sub>2</sub> e/tonnes milk solids) | Total Emissions Intensity (kgCO <sub>2</sub> e/tonnes milk solids)        |
|---|---|---|
| WMP Hokitika  | 2,031   | 2,467   |
| WMP Rolleston   | 433   | 677   |
| <b>Total (including Offices, Farms, Freight and Coolstores)</b> | <b>1,793</b>  | <b>16,087 (2,312 kgCO<sub>2</sub>e/tonne excluding On-Farm emissions)</b> |



## APPENDICES

# GRI Content Index

Below we have begun a GRI reference table linking available information as the first step in working towards adopting the full GRI methodology.

|                         |  |
|-------------------------|--|
| <b>Statement of use</b> | Westland Milk Products has reported the information cited in this GRI content index for the period from 1 January to 31 December 2022 with reference to the GRI Standards. |
| <b>GRI 1 used</b>       | GRI 1: Foundation 2021   |

| GRI standard                           | Disclosure   | Reference                     | Page |
|--|--|-------------------------------|------|
| <b>GRI 2: General Disclosures 2021</b> | 2-1 Organisational details   | Contents                      | 1    |
|  | 2-2 Entities included in the organisation's sustainability reporting | Contents                      | 1    |
|  | 2-3 Reporting period, frequency and contact point                    | Contents                      | 1    |
|  | 2-7 Employees  | Our People                    | 21   |
|  | 2-22 Statement on strategy   | CEO Update                    | 4    |
| <b>GRI 3: Material Topics 2021</b>     | 3-1 Process to determine material topics                             | Focusing on what matters most | 9    |
|  | 3-2 List of material topics  | Focusing on what matters most | 9    |
|  | 3-3 Management of material topics                                    | Focusing on what matters most | 9    |
| <b>GRI 305: Emissions 2016</b>         | 305-1 Direct (Scope 1) GHG emissions                                 | Emissions                     | 13   |
|  | 305-2 Energy indirect (Scope 2) GHG emissions                        | Emissions                     | 13   |
|  | 305-3 Other indirect (Scope 3) GHG emissions                         | Emissions                     | 13   |
|  | 305-4 GHG emissions intensity  | Emissions                     | 13   |
|  | 305-5 Reduction of GHG emissions                                     | Emissions                     | 6    |

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| GRI standard   | Disclosure  | Reference  | Page     |
|--|---|--|----------|
| <b>GRI 306: Waste 2020</b>                             | 306-2 Management of significant waste-related impacts   | Waste  | 11       |
|  | 306-3 Waste generated   | Waste  | 11       |
|  | 306-4 Waste diverted from disposal  | Waste  | 11       |
|  | 306-5 Waste directed to disposal  | Waste  | 11       |
| <b>GRI 308: Supplier Environmental Assessment 2016</b> | 308-1 New suppliers that were screened using environmental criteria                                 | Supply Chain<br>Care for natural environment, on-farm          | 27<br>10 |
|  | 308-2 Negative environmental impacts in the supply chain and actions taken                          | Supply Chain<br>Care for natural environment, on-farm (Farmex) | 27<br>16 |
| <b>GRI 403: Occupational Health and Safety 2018</b>    | 403-5 Worker training on occupational health and safety   | Health and Safety  | 25       |
|  | 403-9 Work-related injuries   | Health and Safety  | 25       |
| <b>GRI 404: Training and Education 2016</b>            | 404-1 Average hours of training per year per employee   | Our Progress   | 6        |
|  | 404-2 Programs for upgrading employee skills and transition assistance programs                     | Our People   | 21       |
|  | 404-3 Percentage of employees receiving regular performance and career development reviews          | Our Progress   | 6        |
| <b>GRI 413: Local Communities 2016</b>                 | 413-1 Operations with local community engagement, impact assessments, and development programs      | Community  | 19       |
| <b>GRI 414: Supplier Social Assessment 2016</b>        | 414-1 New suppliers that were screened using social criteria  | Supply Chain<br>Care for natural environment, on-farm          | 27<br>10 |
| <b>GRI 416: Customer Health and Safety 2016</b>        | 416-2 Incidents of non-compliance concerning the health and safety impacts of products and services | Food, Safety & Quality   | 28       |





*Nourishment made beautifully*

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