

WEDNESDAY 24 AUGUST  
CHAIRMAN ADDRESS  
BRUCE CAMERON

*E nga mana*

*E nga reo*

*E nga hau e wha*

*Korihī te manu*

*Takiri mai i te ata*

*Ka ao, ka ao*

*Ka Awatea*

*Tihei Mauriora.*

*Ko te wehi ki te atua*

*Ko ia te timata ki te otinga i nga wa katoa*

*Tena koutou I o tatou tini mate.*

*Haere, haere, haere.*

*Haere nga Kaimahi ki roto te mahi huakiwi.*

*Haere ki te wa kainga.*

*Ratou ki a ratou tatou te hunga ora ki a tatou.*

*E nga mana, e nga reo, e nga hau e wha.*

*Tena koutou, tena koutou, tena koutou katoa*

*Ko Bruce Cameron ahau, te tiamana o Zespri*

Shareholders, ladies and gentlemen,

Nau mai haere mai - welcome to the 23rd Annual Meeting of Zespri Group Limited.

It's a great pleasure to see you in person again following our last two annual meetings taking place online.

We also have online today a number of shareholders, proxies and guests who can participate in voting and by asking questions online - thanks for joining us today.

In total, as of 1pm today, we have present - in person, online, and by proxy and representative - more than 200 shareholders.

187 shareholders have voted ahead of the meeting, in respect of 24,630,266 votes.

77 shareholders have appointed proxies for the purposes of the meeting, in respect of 10,958, 574 votes.

As Chairman, I hold 6 proxies carrying 742, 765 votes. Of these, 317, 582 votes are undirected proxies.

As a quorum is present, I declare the meeting to be properly constituted and open for business.

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The members of the Board of Directors joining us today are:

- \* Alison Barrass (who is online)
- \* Nathan Flowerday
- \* Tony Hawken
- \* Deputy Chairman Paul Jones

\* Jonathan Mason

\* Craig Thompson

and Peter Springford who will need to depart early today.

Our chief executive Dan Mathieson and members of our Executive Team are here and online.

We also have on standby members of our finance team, senior managers and the company's auditors and solicitors.

Apologies have been received from a number of shareholders and these will be noted in the minutes.

The minutes for the last meeting have been signed as a true and correct record, and are available on request.

Following the Chairman and CEO Reports, we will move on to the formal business agenda which has seven resolutions for shareholders to consider.

## **FORMAL AGENDA**

We will start with discussion and adoption of the Annual Report, followed by:

- the elections to fill the Director vacancies
- the Director Remuneration Committee Report, and
- the election for the shareholder member of the Director Remuneration Committee.

We will then move on to other business resolutions, and finish with general business when shareholders can raise any matter of general business.

If you wish to ask a question, please raise your hand and one of the team will bring a microphone to you.

For those online, remember, you can enter questions at any time through the chat function.

Please remember that you need to provide your name or - if you are a proxyholder - the name of the shareholder you represent and if your question or comment relates to a resolution, which resolution.

We will try to respond to questions on particular resolutions before voting on the resolution if the question is entered before the meeting moves to that resolution.

No comments or questions will be allowed in respect of Resolutions 2,3,4 or 5.

At the conclusion of the meeting, please join us for refreshments behind the main stage.

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## **CHAIRMAN'S ADDRESS**

The 2021/22 season was a strong year for our industry.

I'm proud that, despite the significant challenges we faced due to COVID-19, we delivered our second-highest Orchard Gate Returns per hectare.

We recorded a total net dividend of \$1.78 per share for the year, an increase of 45 cents on the previous year.

This included a final dividend of 29 cents, which was unimputed, and as at midday today, Zespri shares were trading at \$7.82.

### **2021/22 SEASON REVIEW**

We made real progress in our efforts to build a world leading fruit brand.

And we continued to embrace more sustainable practice as part of our commitment to helping people, communities and the environment around the world thrive through the goodness of kiwifruit.

The global pandemic affected every part of our value chain.

### **BEING ADAPTABLE & INNOVATIVE**

Yet, like we have always done when confronted by uncertainty, change and disruption, we worked together to create opportunity.

By adapting and innovating, we showed how strong this industry is at its best.

And it's important we continue to do that.

Because our industry is evolving - no more so than in its make up.

We have growers who've been in the industry for many years as well as newer growers who have recently joined us.

We have small and large growers, syndicated investors and people from communities across the country coming together under the Zespri

umbrella and into an industry which has made an incredible contribution to New Zealand.

Understanding how we can best adapt to meet the differing needs of our changing grower base has been a key consideration for the Zespri Board and management over the last year.

### **AN INDUSTRY WHICH WORKS FOR ALL.**

We want this to be an industry which works for all, and one which considers what's best for the whole industry, while recognising the individual aspirations within it.

We respect and acknowledge the industry's founders who have led the creation of a world-leading industry and fruit brand through brave decisions and a commitment to quality.

And at the same time, we acknowledge the new participants coming in with fresh ideas.

We have an amazing opportunity to embrace diversity of people and thought which will only make our industry stronger.

We have also been encouraged by the concerted effort to strengthen engagement and develop a genuine partnership with Maori growers.

Supporting Māori aspirations will only strengthen our industry, helping build a more successful, resilient, connected and diverse industry for all growers.

### **TACKLING STRATEGIC CHALLENGES**

Our changing grower base brings challenges and the Board recognises the importance of listening and considering different ways that we can tackle the strategic challenges ahead of us.

One of these is our share alignment.

With less than half of our growers owning Zespri shares we would like to see this increase.

We are reviewing this, including surveying growers earlier this year, as we consider how to improve alignment to support the implementation of our strategy and make critical decisions.

I also want to acknowledge that we've seen a number of issues over the last year affect regional and organic grower groups.

These have driven tough conversations about accountability, allocation of risk and the relative positions of different grower groups.

It's particularly important that we make sure as an industry we continue to bring issues to the table and have a robust and respectful process for resolution.

#### **VALUE OF THE SPE**

The value of the SPE has also been brought into sharp relief.

This has been critical to our ability to respond to the worst of the challenges posed by the pandemic.

It has been a foundation of our ability to hold a premium brand position in the market.

And it has helped position us for significant growth ahead.

We cannot afford to be complacent about the privilege this structure offers us.

There are some whose preference is to see the single desk removed - either viewing it as a barrier to their own success or wanting the value they see in it for themselves.

That's true in New Zealand and offshore, demonstrated by the news that the SPE was challenged during the New Zealand-EU FTA talks.

It is critical we maintain understanding and support for the SPE through ensuring opportunities for all types of growers, that the benefits of the industry's growth are shared, and that performance is rewarded.

I'd also like to acknowledge the efforts of our trade negotiators.

They did a tremendous job highlighting the local benefits Zespri brings through our ZGS and European growing operations to help get the FTA over the line.

We paid \$46m in tariffs into Europe last year, and the removal of that alongside the removal of the tariff into the UK, will help us unlock further growth in those markets.

#### **ZESPRI GLOBAL SUPPLY**

On ZGS, the Board was pleased to see the performance reaching new levels, despite some weather-related challenges in Europe last season.



We're seeing increased volumes and improved yields which is fundamental to our strategy of marketing the world's leading portfolio of kiwifruit for all 12 months of the year.

We still have some way to go to achieve that and this year's Producer Vote is designed to ensure that we are holding sufficient shelf space for our New Zealand-grown fruit, and not surrendering this to our competitors.

We've appreciated the chance to discuss this with growers throughout the year and we encourage you to support the Producer Vote if you haven't already.

#### **GOVERNANCE AND FUTURE LEADERS**

The Board is also focused on ensuring our governance is fit for purpose, from Zespri right through our industry decision-making bodies.

A new Sustainability Advisory Board has been established to provide Zespri with expert advice on the risks and opportunities we face as a business genuinely committed to embracing more sustainable practice.

I'd like to thank Alison Barrass for her leadership of the Sustainability Advisory Board, along with the global panel who are challenging our business and provoking valuable discussions in this important space.

Beyond sustainability, the Board is cognisant of the need to have the right mechanisms in place so that we can be responsive to the challenges on our horizon.

We need to be able to make decisions faster as an industry in order to deliver value.

And we need to have the right people in the right place to lead key industry discussions - focusing on what's in our best long-term interest.

This includes creating a development pipeline for our future leaders by supporting initiatives such as the Industry Governance Programme and other work underway to learn from the best across the primary sector.

It's crucial we make sure ours is an industry in which people want to work.

As growers we must look after our people, supporting the critical role they play in our shared success, and meet all of our market access and regulatory requirements.

We must also work through some of the challenges of growth - this includes addressing the labour and quality issues we're encountering right now.

Dan will discuss these quality challenges in more detail along with Linda Mills and Alastair Hulbert in a season update after the conclusion of this AGM.

With kiwifruit still less than 1% of the global fruit bowl, we know there's a significant opportunity in front of us to grow our value and bring it back to New Zealand.

## **HORIZON PROGRAMME**

Zespri is investing in a large scale Horizon Programme that will better support growers.

This is an investment to set our company up for the next stage of growth, giving us the systems we need to run our modern, global and fast-paced business.

This technology is a critical part of our ability to continue to grow the industry and to optimize our returns to growers.

The Board is monitoring costs closely.

While the project has been impacted by increased labour costs, we believe it's critical that we invest for the future, even during times of challenge.

Our first tranche of work this year focuses on finance, sales and supply chain changes, and goes live in November.

Our next tranche will focus on providing a better grower experience with our systems.

## **VALUES-LED PERFORMANCE**

On behalf of the Board, I would like to thank everyone at Zespri and across our industry for their resilience, commitment and hard work over what has been a difficult, but successful year.

We have been forced to consistently adapt and innovate - adjusting again to remote working, adapting orchard and packhouse systems,

negotiating congested shipping lines and managing a severe labour shortage.

In doing so, we've stayed true to our values of looking after people and making a positive contribution to our communities.

These values, along with our long-term strategic partnerships, will continue to guide us in the years ahead.

We are incredibly well served by talented people who build outstanding relationships and strive to return the value from our markets back to our growers.

We will continue to rise to the challenge and address the issues we face this season by working together.

And as we look ahead, we will ensure our focus remains on our people, on our brand and on delivering the world's best kiwifruit.

Thank you, I'd now like to invite Dan Mathieson to deliver his CEO address.