
OUR CORPORATE SOCIAL RESPONSIBILITY STRATEGY

2021-2030

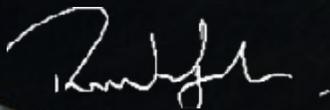
A NOTE
FROM OUR CEO

It is an exciting time at Westland as we publish our first Corporate Social Responsibility (CSR) strategy.

We are well aware of how lucky we are to operate in one of the most beautiful, unique parts of the world – the West Coast of New Zealand. Developing a formal strategy with a clear roadmap to improvement will push us further to protect and care for both our people and our place.

As we progress in our CSR journey, we will continue to develop and enhance our focus areas and targets further, and align to global CSR reporting.

We are excited to be at the start of our journey and look forward to bringing you along with us.

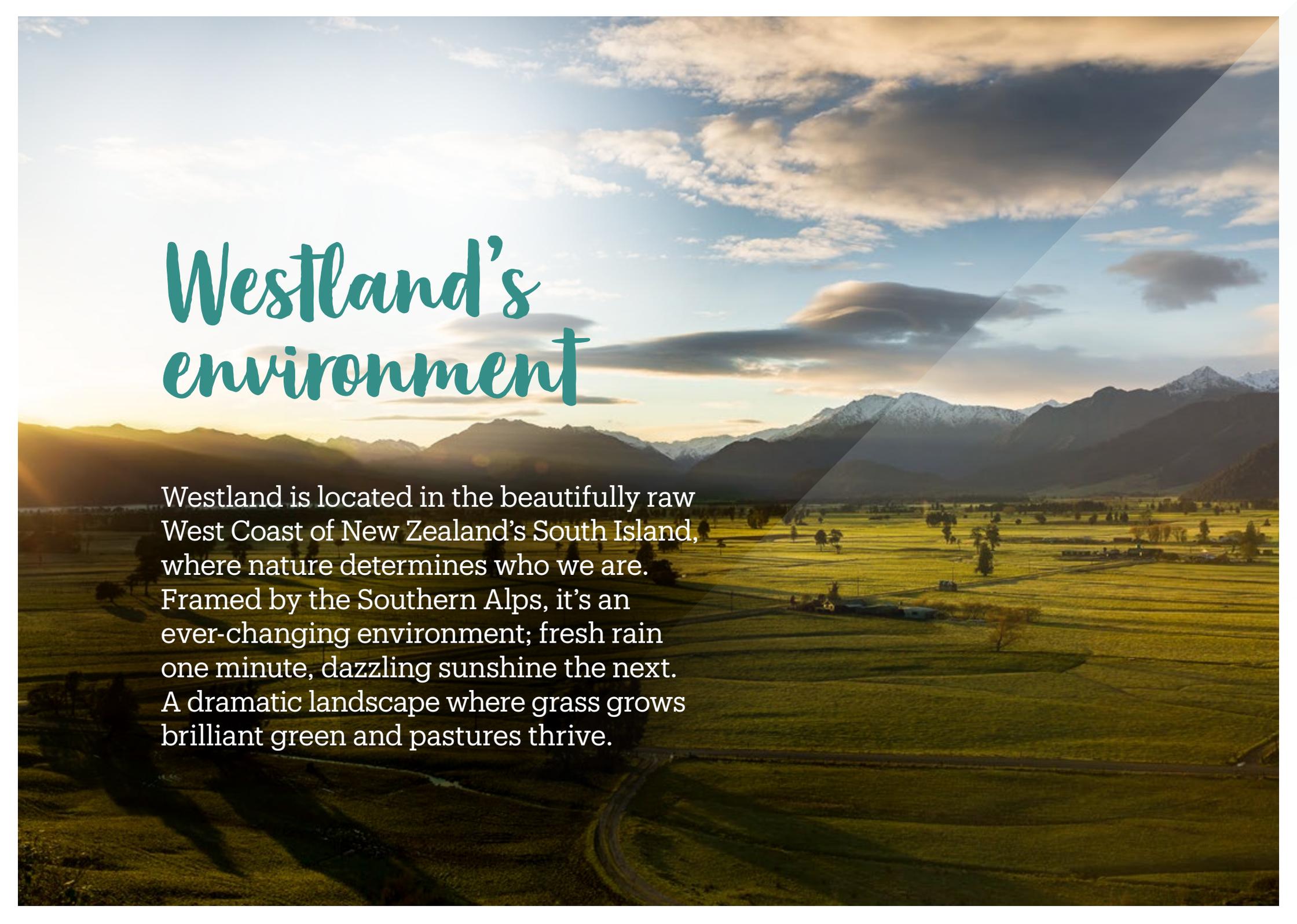


Richard Wyeth

Chief Executive Officer, Westland Milk Products

A scenic landscape featuring a vibrant rainbow arching over a range of green, forested mountains. In the foreground, a lush green field is filled with a herd of brown and black cows grazing. Several large, mature trees are scattered across the field. The sky is filled with soft, white clouds, and a semi-transparent white triangle is visible in the upper right corner.

*Nourishment made
beautifully for
generations*



Westland's environment

Westland is located in the beautifully raw West Coast of New Zealand's South Island, where nature determines who we are. Framed by the Southern Alps, it's an ever-changing environment; fresh rain one minute, dazzling sunshine the next. A dramatic landscape where grass grows brilliant green and pastures thrive.



The West Coast Region:

The West Coast contains 8.7% of New Zealand's land area and 0.75% of the country's population.

Data Source: <https://teara.govt.nz/en/west-coast-region/print> - updated September 2016.

Approximately 25% of New Zealand's protected land, and 10% of the total length of New Zealand's rivers are located in the West Coast.

Data Source: West Coast Regional Council - West Coast Regional Policy Statement, 24 July 2020.

62% of the West Coast region's land cover is natural forest, while 3% is dairy land.

Data Source: State Of The Environment West Coast Region Summary 2018. West Coast Regional Council, Greymouth, New Zealand.

Dairy product manufacturing has a 280% higher contribution to the West Coast region than it does nationally.

Data Source: 2020 Annual Economic Profile - West Coast Region (p. 6). Development West Coast, Greymouth, New Zealand.

Two thirds of river sites on the West Coast meet the annual criteria for swimmability.

Data source: State Of The Environment West Coast Region Summary 2018 (p. 8). West Coast Regional Council, Greymouth, New Zealand.

The number of dairy cows in the West Coast region has remained between 2.9% and 3.3% of the national number of dairy cows since the 2005/06 season.

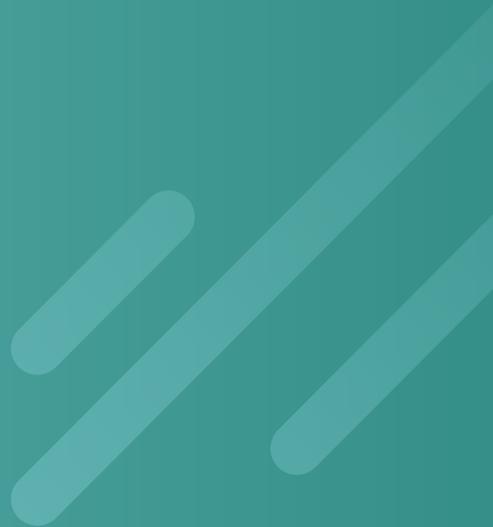
Data Sources: New Zealand Dairy Statistics 2019/20 (p.16). LIC and DairyNZ, Hamilton, New Zealand, and Westland Milk Products.

**OUR
PURPOSE**

Nourishment made beautifully for generations is our company purpose. We believe in nourishing a brighter future by caring for our place and our people; whether that be environment or way of life, farmers, community, employees, customers or consumers.

**OUR
CSR VISION**

To take care of the natural environment and the people that enable us to bring valued products from our home to the world.



Our key achievements to date

EcoVadis Silver maintained 2018 – 2021

www.westland.co.nz/en/people-and-place/our-environment/ecovadis/

Westland has achieved a high level of compliance across environmental standards, health and safety, human resources and sustainable procurement.



Farm Excellence Programme (FarmEx)

www.westland.co.nz/en/people-and-place/our-farmer-suppliers/farm-excellence/

Delivered successful compliance levels for people and risk management, stock exclusion, waterway management, land and nutrient management, animal welfare, water use and effluent systems.

Emissions reduction projects (co-funded with the GIDI fund)

www.westland.co.nz/en/news/innovations-at-westland-to-fast-track-carbon-emission-reductions-2/

We aim to reduce emissions at our Hokitika factory. Once these projects are complete we will see a seven percent reduction on the current 116,000 tonnes of carbon emissions produced annually.

Ocean Outfall project

www.westland.co.nz/en/news/westland-ocean-outfall-project-aims-to-increase-penguin-population/

Completed the ocean outfall project to replace the Hokitika plant's current system of distributing treated wastewater into the Hokitika River. Worked with the West Coast Penguin Trust to ensure Hokitika's blue penguin population survives and thrives.

Supporting local

www.westland.co.nz/en/people-and-place/our-community/giving-back/

We have continued to support our West Coast home through sponsorship of schools and sports clubs, Ronald McDonald House, the Canterbury West Coast Air Rescue Trust Helicopter and more.

Toitū EnviroMark Gold

www.toitu.co.nz/what-we-offer/environmental-management-systems/enviro-mark-gold-certification

We have a planned approach to managing environmental impacts and have developed a comprehensive plan to help us achieve our goals.



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



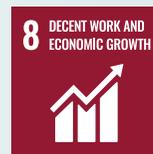
02 Care for the social environment

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

Our CSR strategy contributes to the following United Nations Sustainable Development Goals. These 3 goals are a part of 17. <https://sdgs.un.org/goals>



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.



Reducing waste

- across the supply chain

Reducing our waste footprint will positively impact the West Coast environment. We hope this will encourage suppliers and employees to do the same across the entire supply chain.

What we've achieved to date

- Identified our waste footprint for the Hokitika and Rolleston sites, and how much waste is going to landfill
- Continually investigating how to reuse and recycle factory waste
- Identified opportunities to use waste streams productively
- Refurbished and recycled pallets

Our targets

1. Reduce waste (on-site) to landfill by 35% by 2030

Compared to our base year 2020

Interim target

- Reduce waste to landfill by 17.5% by 2025

How we'll get there

- Reduce office waste through employee waste awareness
- Streamline waste management processes at both sites in Hokitika and Rolleston
- Regularly complete waste audits to identify further opportunities to minimise waste
- Where feasible, integrate Key Performance Indicators (KPIs) into procurement contracts, such as waste monitoring, with a view to reduce what goes to landfill and plan for what can be recycled or repurposed

Reducing carbon emissions

- across the supply chain

We are actively working to reduce our impact on the environment with a core focus on carbon emissions on-site while also investigating emissions across the supply chain.

What we've achieved to date

- Upgraded the electric boiler for our CIP tanker wash
- Awarded Government Investment in Decarbonising Industry (GIDI) funding for decarbonisation projects to occur
- Established a formalised partnership with the Energy Efficiency and Conservation Authority (EECA)
- Created an Energy Transition Accelerator (ETA) pathway
- Completed the Ocean Outfall project
- Investigated fuel alternatives such as turning vegetable oil into biodiesel

Our targets

1. 25% reduction in CO₂ emissions (on site) by 2030

Compared to our base year 2018

Interim target

- 12.5% reduction in CO₂ emissions (on site) by 2025

How we'll get there

- Complete energy reduction projects (co-funded through GIDI)
- Determine opportunities to recover heat from the factory through PINCH analysis
- Maintain regulatory compliance
- Review ETA pathway annually
- Purchase hybrid/EV fleet vehicles
- Integrate KPIs into procurement contracts, such as carbon emissions monitoring to reduce our carbon footprint, where feasible

Decreasing on-farm environmental impacts

It is important to us that farms supplying Westland follow regulatory requirements, with our core role to raise awareness and support of what is required, along with putting plans in place to reduce their impact on the environment.

What we've achieved to date

- Established a successful Farm Excellence programme (FarmEx), which ensures supplier farms meet a range of standards; with 100% of our supplier farms following these standards
- Developed our on-farm team whose core role is to support and raise awareness to farmers on what they are required by law to do and when to do it

Our targets

1. Implement 100% of Farm Environmental Plans by 2025

Interim target

- Implement 25% by end of 2021
- Implement 50% by end of 2023

2. Report emissions on all supplier farms by 2022

Interim target

- 25% of farms supplying Westland will know their GHG emission levels by end of 2021
- 25% of farms supplying Westland have a plan to measure and manage their GHG emission levels by end of 2021

How we'll get there

- Enhance our FarmEx collateral so it continues to be a useful tool for our farmers completing Farm Environment Plans (FEP)
- Provide farmers with guidelines on, and requirements of, FEP
- Communicate with farmers and guide them through challenges and requirements
- Raise awareness of changes in regulatory requirements
- Invest in collaborations to develop our suppliers' understanding of FEP and emissions reduction plans

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.



Continuing to support the local community

Look after the community we operate in by supporting decent work and economic growth, alongside creating a connection between employees and the community.

What we've achieved to date

- Continued provision of sponsorship to our community including: West Coast schools and sports clubs, Ronald McDonald House, the Canterbury West Coast Air Rescue Trust Helicopter and more
- Provided cadetships and scholarships which have supported young people on the West Coast to start their career in the dairy and manufacturing sector
- Enabled employees to volunteer in the community; in 2021 we employed a quarter of the Hokitika fire brigade members. Employees are also involved in Search & Rescue, St Johns, sport coaching and more
- Community support during disasters in the form of clean ups

Our targets

1. Provide at least one staff volunteer day a year for all staff members by 2025

Interim target

- Introduce policy and create volunteer opportunities by 2023

2. 1% of profit per annum to go directly to the West Coast through community sponsorship from 2025

Interim target

- Continue to provide current community sponsorship level

How we'll get there

- Continue our current sponsorships and volunteer work within the West Coast community
- Leverage the current sponsorship we do to educate employees and community as well as encourage involvement
- Support and promote volunteer opportunities among employees and the community
- Identify further ways we can nourish the West Coast community (monetary and non-monetary)

Caring for our Employees

Become a desirable workplace by actively developing employees and creating opportunities for greatness.

What we've achieved to date

- 60 operational employees enrolled in the dairy apprenticeship scheme (nationally recognised dairy processing training) for 2021
- Developed an employee induction programme to provide an accelerated pathway to competence
- Continued focus on keeping our employees and contractors safe
- Training resources such as LinkedIn learning made available to all employees
- Successful cultural celebrations held throughout the year, such as Matariki
- Defined who Westland is, what we stand for and what makes us unique, then integrated this throughout the business

Our targets

1. All employees achieving an average of 70 training hours annually by 2030

Interim target

- All employees achieving an average of 40 hours training annually by 2025

2. Implement an annual safety culture survey and improve year on year

Interim target

- First safety culture survey completed by end of 2022

3. All employees to have a personal development plan by 2025

Interim target

- 90% of current employees to have a personal development plan by end of 2022

4. Carry out an annual engagement survey with engagement in the top quartile by 2030

Interim target

- Maintain engagement at greater than 70% annually on our manufacturing survey

5. Externally recognised diversity and inclusion measures in place by 2025

Interim target

- Implement diversity and inclusion strategy and policy as well as start reporting on diversity and inclusion in 2022

How we'll get there

- Continue to provide the opportunity to enrol in the dairy apprenticeship scheme
- Establish a policy that captures how we go about training; internal vs external
- Develop a standard for personal development plans
- Identify gaps in reporting e.g. pay gap, diversity, gender representation and create standard reporting measures on these
- Support business units to develop, implement and drive health & safety improvement plans
- Continue to build and develop a cohesive communication plan within the business that highlights wins, strategies and how we add value
- Look for further opportunities to bring Westland's personality to life in the business to help employees and visitors understand the value we offer

What's next?

We will continue to track our progress on specific initiatives throughout the year, publishing an update on progress annually. Targets under each focus area will also be reviewed annually to ensure they remain ambitious and keep up with regulatory requirements.

The CSR strategy will be reviewed 3-yearly to ensure our focus areas remain current and important as well as align to our overarching company goals and ambitions.



Nourishment made beautifully

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