

# Poised

FOR TAKE-OFF

ANNUAL REPORT

COMVITA.CO.NZ

2023



B U Z

Z I N

G —

Three years ago,  
we set out our strategic plan  
to stabilise performance,  
transform the organisation and  
achieve long-term resilience  
and growth. The end of a  
volatile year sees us on track  
and poised for take-off.



———— Many of the goals we set for ourselves back in 2020 are ticked off – in particular, the crucial middle stage of our transformation programme. This year, revenue growth was strong and earnings were in line with our guidance and our plan. Net debt reduced in our second half, and we delivered positive operating cashflow for the year. Our second-half operating cashflow was \$29M. Net debt is above our long term target and we are accelerating plans to reduce debt over FY24. We are excited to be undertaking clinical trials on Mānuka honey for gut health and see this as an important stage for the company.

Strong business performance in our key growth market of China was matched by the continuing rise of our ecommerce channel. It's been exciting to watch our customers embrace Comvita as a premium natural health and wellness brand, enabling us to carefully target range expansion and product premiumisation and grow market share as a result.

At the same time, we have continued to invest in our forest strategy and to push towards our goal of being carbon neutral by 2025 and net positive by 2030.

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Pleased with Progress

Exciting things under way on a number of fronts

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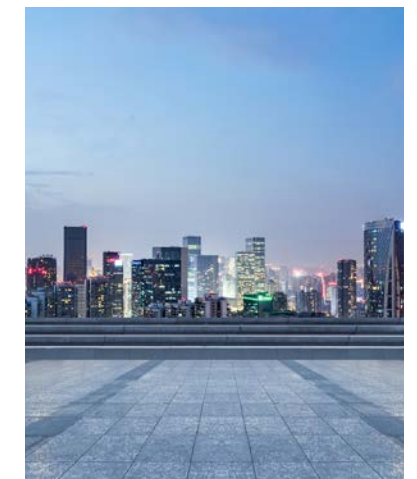


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PLEASED WITH

# Progress

STRATEGY  
**01**

Stabilising the organisation



- Focus on fundamentals
- Relentless simplification
- Winning in Australia and Aotearoa New Zealand
- Positive cashflow paying down debt
- Inventory management
- Underperforming assets

STRATEGY  
**02**

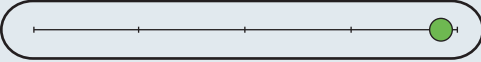
Transformed organisation



- Customer focus
- Reconnection with our cause
- New proven harvest model
- Flat organisation structure
- \$15M transformation plan
- Agile focused team

STRATEGY  
**03**

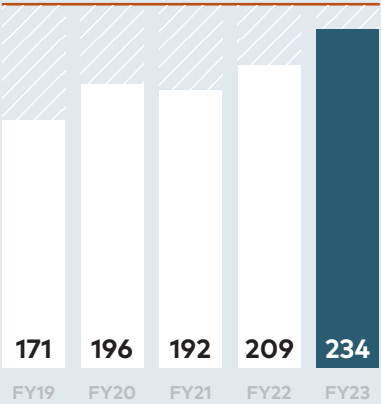
Building long-term resilience and growth



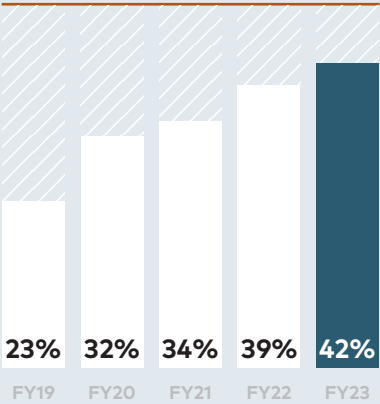
- Aligned five-year plan
- United States and China the engine for sustainable top-line and bottom-line growth
- Reducing breakeven point per month from \$16.2M to \$13.5M
- Simplified organisation
- Reduced debt <1 EBITDA

## DELIVERING IS BELIEVING

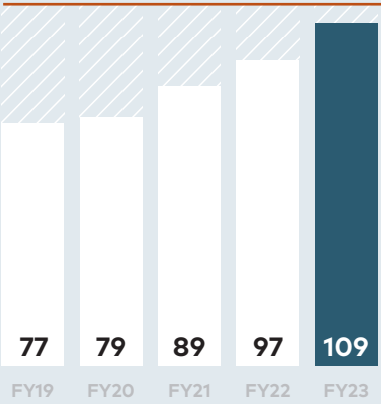
Revenue (\$M)



Ecommerce sales  
2025 target 50%

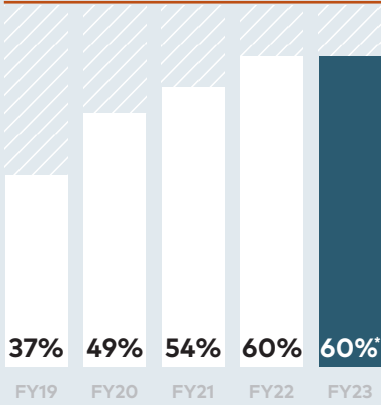


Greater China revenue (\$M)



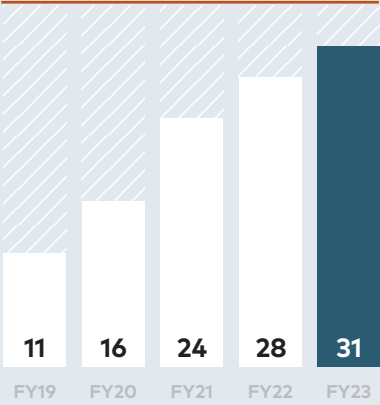
Gross profit

2025 target minimum 60%



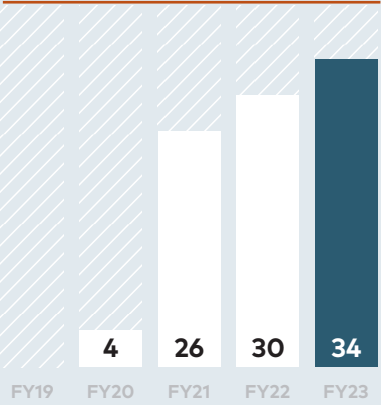
Marketing investment (\$M)

2025 target 15%



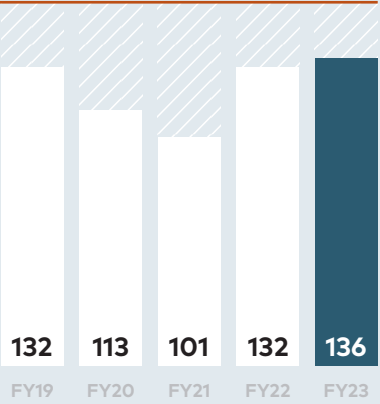
EBITDA after ERP (\$M)

2025 target c\$50M



Inventory (\$M)

2025 target \$85M\*\*



\* Gross profit excluding stock write off from Cyclone Gabrielle.  
\*\* Excluding HoneyWorld™ or any other acquisitions.



TARGETS

LOOKING  
FORWARD

— The end of this financial year sees us on track to deliver our 2025 EBITDA target of c\$50M (20%) that we first shared back in 2020. We are delighted with the progress we are making, and our confidence is growing from meeting guidance for the last seven consecutive reporting periods. We foresee continued success in our ecommerce channels to the point where they are forecast to be around 50% of sales. We are also forecasting strong growth in China, though North America is expected to be flat year on year. All other segments are forecasting good top-line and bottom-line growth.

Our 2025 business model forecasts a minimum of 60% gross profit, 15% marketing to sales and a 20% EBITDA margin. We are also forecasting positive operating cashflow every half from now until year end FY25. Having successfully stabilised our organisation, our plans are to deliver careful and considered strategic investments designed to amplify our brand strength in our key markets.

LIFESTYLE

CONTINUE TO  
EVOLVE

— Successfully marketing our products into larger markets depends on us continuing to evolve our offering. Our target consumers are clear: well-educated, environmentally conscious women who believe in natural products and live in big cities across the world. They are looking to maximise their life and energy by living in a healthy modern way, and they are seeking out authentic brands that reflect their values and priorities to help them achieve that.

Our approach focuses on delivering Mānuka honey and Propolis in convenient formats. This will enable us to create new usage occasions for existing consumers and to reach new consumer groups by combining our products with other wellness solutions. The second aspect is highlighting Comvita as a premium natural health and wellness brand at major events and partnering with like-minded organisations.



COMVITA CLINICAL TRIALS

READY  
TO HEAL

Our clinical trial programmes are focused on four key areas:

- **DIGESTIVE HEALTH** – We are testing a proprietary Lepteridine™ Mānuka honey treatment in a \$1.4M trial over two years in collaboration with High-Value Nutrition (HVN). We have specific patents already granted to protect Comvita discoveries.
- **HEART AND METABOLIC HEALTH** – We are part of an HVN \$4M programme looking at the health benefits of eating a nutritious diet.
- **SKIN HEALTH** – We are investigating the benefits of Mānuka honey for eczema and other inflammatory skin conditions.
- **IMMUNITY** – We are examining how propolis products support enhanced immunity.

We have created a Scientific Advisory Board of world-leading gastroenterologists, immunity and inflammation researchers.

B CORP

COMMITTED  
TO LEAD

In September 2022, Comvita became the first NZX listed organisation to change its constitution to reflect the importance of all stakeholders when making investment and strategic decisions. We also shared our aim to become B Corp registered on an international basis.

We are delighted to become B Corp certified. B Corp Certification is an internationally recognised designation that a business is meeting high standards of verified performance, accountability, and transparency on a broad number of ESG (Environment, Social and Governance) factors. We undertook this comprehensive exercise for our Aotearoa New Zealand and international operations and have now received our certification status.

High quality retailers globally are demanding evidence of brand integrity, especially around ESG performance claims and B Corp provides that evidence and will open up new distribution opportunities globally.

B Corp is a natural amplification of our founding principles, our Harmony Plan and our purpose. We are proud to have achieved this recognition.



# Results

AT A GLANCE



ANNUAL REPORT

**\$234<sub>M</sub>**

RECORD GROUP REVENUE

**+12%**

MĀNUKA HONEY REVENUE GROWTH

**+12%**

CHINA REVENUE GROWTH

**+27%**

PROPOLIS REVENUE GROWTH

 LOOKING GOOD	<b>\$234.2<sub>M</sub></b> TOTAL REVENUE +12.1% (+\$25.3M) VS PCP	<b>\$33.5<sub>M</sub></b> EBITDA AFTER ERP +11.4% VS PCP
<b>\$30.5<sub>M</sub></b> MARKETING INVESTMENT +8.7% (+\$2.4M) VS PCP	<b>\$26.8<sub>M</sub></b> OPERATING PROFIT AFTER ERP +33.0% VS PCP	<b>\$13.1<sub>M</sub></b> NPAT AFTER ERP +2.8% VS PCP
<b>\$28.8<sub>M</sub></b> OPERATING CASHFLOW HALF 2	<b>5.5<sub>CPS</sub></b> FY23 TOTAL DIVIDEND FULLY IMPUTED IN LINE WITH PCP	 POISED FOR TAKE-OFF

## INCOME STATEMENT

For the year ended	FY23 NZ\$000	FY22 NZ\$000	Variance NZ\$000	Variance %
Revenue	234,195	208,909	25,286	12.1%
Gross profit	135,760	126,000	9,760	7.7%
Gross profit %*	58.0%	60.3%		(2.3%)
Marketing	30,509	28,062	2,447	8.7%
ERP	2,884	0	2,884	
Transformation	2,530	2,378	152	6.4%
Operating profit	23,920	20,149	3,771	18.7%
Operating profit after ERP	26,804	20,149	6,655	33.0%
EBITDA after ERP	33,507	30,083	3,424	11.4%
Net profit after tax (NPAT) after ERP	13,139	12,784	355	2.8%

## BALANCE SHEET

As at	30 June 2023 NZ\$000	30 June 2022 NZ\$000	Variance NZ\$000	Variance %
Net debt	53,386	25,544	27,842	109.0%
Operating cashflow	8,083	5,360	(1,008)	(18.8%)
Inventory	136,088	132,157	3,931	3.0%
EPS (NZ cents)	15.8	18.2	(2.4)	(13.2%)
Weighted average shares on issue	69,847	70,087	(240)	(0.3%)

\* Gross profit excluding Cyclone Gabrielle stock write-off (insured event) at 59.5%.

A

# Sweet

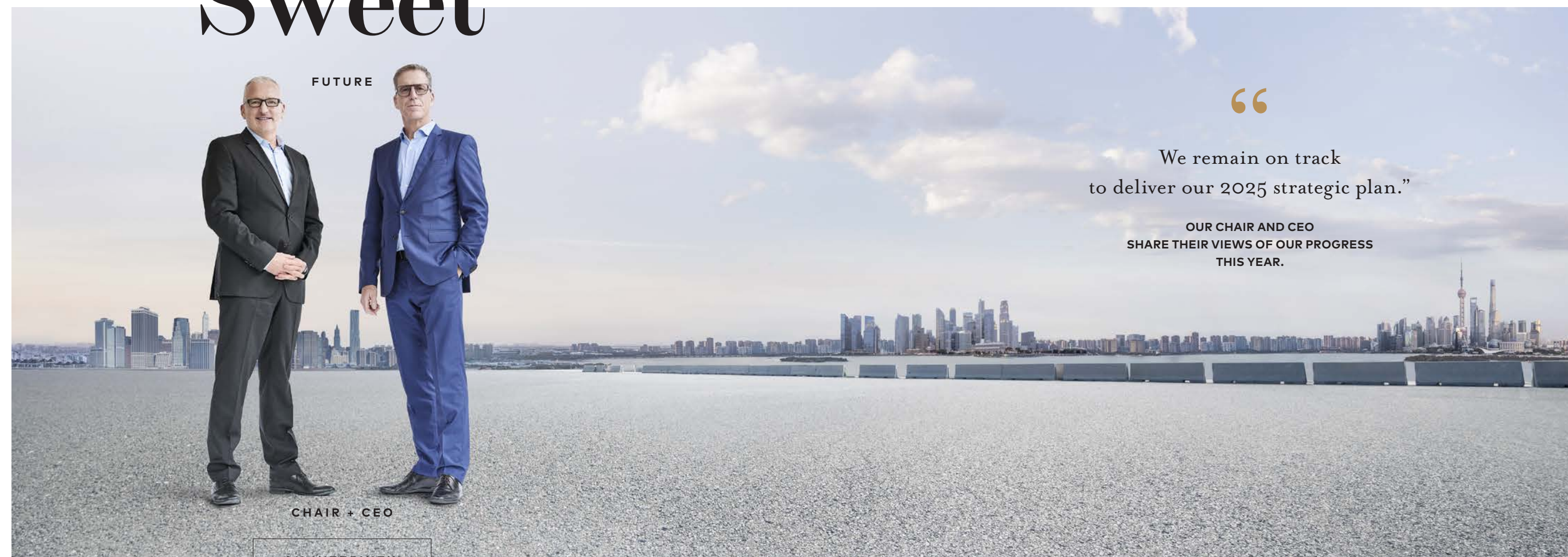
FUTURE

CHAIR + CEO

AN INTERVIEW

“  
We remain on track  
to deliver our 2025 strategic plan.”

OUR CHAIR AND CEO  
SHARE THEIR VIEWS OF OUR PROGRESS  
THIS YEAR.



BRETT HEWLETT — CHAIR  
DAVID BANFIELD — CEO

**You must be pleased with the performance of the team over the last three years. What has worked for you in that time, and where have the challenges been?**

**BRETT:** We remain on course to deliver to our strategic plan for FY25. It has not been easy, but the team has demonstrated an amazing ability to remain focused despite a barrage of both anticipated and unexpected challenges. This resilience under pressure and the commitment to deliver has been the most impressive aspect of the leadership team's performance

in the past few years. There exists a strong can-do attitude, even when asked to achieve the seemingly impossible. Passion for Comvita runs deep, not just within the team but with so many of our key stakeholders.

Comvita has been able to increase market share and grow top and bottom lines in markets where many companies are going backwards or even failing altogether. I put a lot of that down to the agility of our in-market teams representing around 65% of all our people and their responses to the often extreme changes in our global trading. Those pressures have

included Covid restrictions, the closure of retail stores, a shift to ecommerce and home delivery, disruption to supply chains, inflationary pressure on consumer purchasing power, heightened geo-political risks and the response to the climate-related crisis – to name just a few.

On the supply side, we have made big advances in operational capability and reducing costs while, around us, the industry is experiencing over-capacity and, for many, challenges to meet market-compliant quality standards. We've excelled in developing a highly sustainable Mānuka

honey and Propolis supply chain, built on more than 48 years of experience and learning.

**DAVID:** Overall, we are delighted with the progress we are making in line with our purpose and remain on track to deliver our 2025 plan of c\$50M EBITDA (20%) (earnings before interest, tax, depreciation and amortisation).

When we first came together as a team in 2020, we set out a three-part plan to stabilise performance, transform the organisation and build long-term resilience and growth. We also said we would focus on core categories (Mānuka

and Propolis) and core markets (China and North America). A significant difference between Comvita and any competitors is the high quality of our team on the ground. Our operating model reflects the primacy of market, and we do all we can to enable local market know-how to guide our focus and actions to win. This focus has enabled us to align resources to ensure we are closer to consumer needs, closer to customers, faster to act and a better partner. This is reflected in our market share growth.

We are seeing real momentum in our business performance and are delighted to have now met or exceeded guidance and



our plan on seven successive occasions. We are focused on our business model and attracting and retaining talented people within the organisation. This is a key component of our success. Naturally, the biggest challenges for the majority of the last three and a half years have been Covid restrictions that have limited our physical time together and caused supply chain disruptions.

**You've described this year as one where you are poised for take-off. What do you mean by that?**

**BRETT:** When David joined us back in 2020, as he said earlier, he set in place a strategy to stabilise, transform and grow the business. A key element of that strategy has been to invest in brand and building in-market executional capability – in short, a focus on driving demand. The Board has remained supportive of that strategy and, most importantly, the commitment to double down on our investment in marketing (circa \$30M in FY23) even as we were confronted with challenges and obstacles. There is clear momentum across our top and bottom lines, and on that basis, the Board believes the business is in an extremely good position to take advantage of further growth opportunities.

**DAVID:** Over the last three and a half years, we have put in place many improvements to the business, our operating model, our team capability and our understanding of consumer needs. We believe that FY23 was a pivotal year in setting us up for FY24 and beyond. We've seen continued market share growth in our existing markets through the benefit of regional new product development. For FY24 we look forward to the acquisition of HoneyWorld™, the launch of our skincare range with Caravan and, most importantly, new clinical trials in Aotearoa New Zealand that, if conclusive, will enable us to pursue unique and protected digestive health claims for Mānuka honey.

These achievements, alongside the capability we have within the organisation, create an ideal platform for growth. We see no structural reason why we can't deliver a continued gross margin of greater than 60%, and this margin will allow us to invest in brand activity and continue to tell our amazing story to discerning consumers around the world.

**What are your forecasts for the honey category globally between now and 2030?**

**DAVID:** The global honey category is valued at approximately US\$9B today. It's forecast to grow to US\$15B by 2031\* as consumers turn to natural health and wellness products generally and to honey specifically as a natural sweetener. While 67% forecast growth for the core honey category is encouraging, we actually see additional opportunity given the unique properties of Mānuka honey for medical and topical use. We are excited by the clinical research we have under way currently that will further support additional growth opportunities.

**In your recent update at the stakeholder day, you highlighted market share growth across a number of key markets. What's the key driver for that growth?**

**DAVID:** We are proud to be growing our market share in key markets around the world. In the last three years, we have grown our share in Mainland China, Hong Kong SAR, Korea, Rest of Asia, ANZ (Australia and Aotearoa New Zealand) and North America.

Our business model is to invest 15% of sales in marketing activity to tell our amazing founding story and our focus on industry-leading quality, bee health and scientific discovery to discerning consumers

\* Data source Grandview Research.

“  
Our revenue growth this year would be the equivalent of a top 10 Mānuka honey brand's annual revenue. We are gaining market share in key markets.”

around the world. All of this is underpinned by our unique Harmony Plan, which expresses our determination to leave the world in a better place.

**There are widespread reports that the industry is in trouble with a significant number of apiary operators leaving the industry. How is Comvita bucking the trend?**

**DAVID:** Hive numbers in Aotearoa New Zealand peaked at just under a million in 2019. This number has now reduced to somewhere between 500,000 and 600,000. We see this reduction as being in the long-term best interest of the industry because it will enable a focus on quality of products and on bee welfare to come to the fore. We pride ourselves on our quality standards and introduced our own bee welfare code in the last year to ensure we are doing everything possible to protect our friends, the bees. In line with our markets, the more successful we are, the more likely it is that more talented people (in this case, beekeepers) will come to develop their art with Comvita, thus producing a virtuous circle of commercial success and better outcomes for bees.

**How have you continued to evolve the Board to keep pace with the many changes happening within and beyond the business? Are you satisfied that you have the diversity of skills and experience needed to prudently oversee what the business has planned ahead?**

**BRETT:** I am comfortable with how the Board has been evolving. We have in place a process of annual review of Board performance and succession planning. Board and management meet twice per year to review long-term strategic plans, and as part of this process, we review the skills

needed by Directors to support the company's future ambitions. This is always forward looking and takes into consideration changes both within and outside the business.

In March this year, we farewelled Sarah Kennedy after eight years. We have also announced that Luke Bunt will retire from the Board effective 30 September 2023 after nine years. I would like to thank both Sarah and Luke for their outstanding dedication to the company through thick and thin. I will be taking the opportunity to thank both Sarah and Luke more fully at this year's Annual Shareholders' Meeting.

In March, we had Julia Hoare join us as an independent Director and member of the Audit and Risk Committee. Julia has pedigree experience in Aotearoa New Zealand and Australian governance circles. Perhaps most relevant to Comvita has been her almost 10 years with a2 Milk. She will stand for election at this year's Annual Shareholders' Meeting. We are currently working on recruiting a new Director, and we expect this appointment to be made by the end of this calendar year.

**DAVID:** At the start of 2020, we agreed to start transformation within the business with the leadership team. Then, once that was complete, we said we would extend transformation to include the Board skills needed to enable Comvita to deliver its

2030 plan and beyond. As part of the Board, I'm pleased with the progress we are making and remain convinced of the opportunity to deliver long-term profitable growth and shareholder value at Comvita.

**Coming back to your recent update to investors, on your three-point plan, you highlighted the progress on all areas of the plan with one red flag in your long-term resilience and growth. Can you give some context please? What do you think are the most critical elements to enable you to deliver your 2025 plan?**

**DAVID:** Our growth ambition is structured in stages of organisational development (crawl, walk, run). We have also highlighted the need to modernise our technology infrastructure and our access to data to enable us to iterate at speed.

Globally, the Mānuka honey category has less than 1% household penetration – but we know in our most successful market we have achieved nearly 4%. In order to reach this level around the world, we are designing specific regional products and services to meet local consumer needs while staying true to our focus on Mānuka, Propolis and products of the hive.

Brett Hewlett,  
Chair.



We see experiential Comvita stores as a crucial ingredient for sharing the power of natural health and wellness with consumers around the world. When we launched our Wellness Lab in Auckland in March 2021, our original intention was to roll out our store concept globally. However, because of Covid, it hasn't happened yet.

**Margin improvement has been impressive but how sustainable is this? How much more room for improvement do you see? What is the impact of production automation on the cost of your goods?**

**DAVID:** Consumers globally will only pay more for the highest possible quality. This demand for highest quality plays perfectly to Comvita's strengths. Not only do we develop our own Mānuka cultivars in our own forests with our own bees, with our own extraction, with our own IANZ-certified laboratory in Aotearoa New Zealand, we then pass our carefully crafted product to our own team in market, who ensure it gets to consumers in the best possible condition. We see further opportunity for margin expansion as we continue to modernise our manufacturing capability and produce highly relevant new products for consumers in local markets. Our high-margin, high-reinvestment model is designed to help us fund long-term research into the clinical benefits of Mānuka honey to heal and protect consumers around the world.

Our transformative investment in manufacturing capability has delivered a 110% increase in productivity on our site in Paengaroa. It's also allowed us to move the team from repetitive low-value work to more-skilled value-creating work, benefiting each team member and the organisation and keeping headcount relatively flat.

**While you have reduced net debt and inventory over the second half, the levels remain elevated. How do you intend to bring down inventory towards your 2025 target of around \$85M?**

**BRETT:** I will let David explain the how, but let me make the point that, while we are in agreement that current levels of inventory are higher than we would like, it has not been something that has given rise to any great level of concern. Carrying extra inventory in market was in fact a mitigation against supply chain disruptions that plagued us all through the majority of last year. As demand continues to grow, we see a clear path to reducing inventory and therefore reducing net debt. We are committed to right-sizing our level of inventory in line with demand, and our long-term strategic goal of delivering sustainable positive operating cashflows remains on track, as demonstrated by the stronger net operating cashflows in the second half of FY23. You can expect to see this positive trend continuing through FY24 and FY25. We are playing the long game here. Our sustainable and quality focused supply chain for Mānuka honey is evolving very nicely and places Comvita several steps ahead of anyone else in the industry.

**DAVID:** In 2021, we started the process to exit long-term supply contracts that were not linked to consumer demand in market. We finally exited the last of these contracts at the end of 2022. Up until that point, we were contractually bound to accept product regardless of changes in demand. As a result, at the end of December 2022, our inventory peaked at \$146M. Over the course of the second half, we have reduced this to \$136M, including the inventory from our own Apiary operation. Inventory profile is good and aligns to forecast sales. For the first half of FY24, our purchases are limited to product we need

“  
The global honey category is valued at approximately US\$9B today. It's forecast to grow to US\$15B by 2031.”

to meet in-market demand, and we expect to see a further material reduction in inventory by December 2023. This has a knock-on benefit to operating cashflow, which will see material improvement in the first half of FY24. Every half going forward is forecast to deliver a positive operating cashflow. Our target remains to report a double digit reduction in inventory by June 2024. Comvita retains its aim to deliver inventory of c\$85M by FY25 excluding HoneyWorld™ Inventory or any other acquisitions.

**You recently announced that you had concluded an acquisition of HoneyWorld™ in Singapore. Can you share how this helps create shareholder value and your strategic rationale?**

**BRETT:** It was a relatively easy decision to support this acquisition. Management ran a very robust due diligence process, and we are delighted with the strategic fit of

HoneyWorld™ with the bonus of retaining top talent in the form of the vendor and founder, Pearline Goh. This acquisition is strongly earnings-accretive to shareholders, with positive rate of return on invested capital. Demand-side acquisitions such as this are in line with our strategic focus to build on our premium natural health and wellness brand positioning.

**DAVID:** The acquisition of HoneyWorld™ represents a strategic deployment of capital in one of the world's most premium, vibrant and connected marketplaces. HoneyWorld™ is a specialist honey retailer and, as the market leader in Singapore, has established significant brand equity and leadership in the market since 1997.

We see Singapore as a unique market connecting Asia with the world and the world with Asia. With the addition of HoneyWorld™, our market share in Singapore will increase to around 50%. This will further strengthen our online and offline presence across the whole of Asia and connect consumers from China and Hong Kong SAR, which in turn will appreciate the strength of Comvita globally. The acquisition will be immediately accretive to Comvita, and post-integration, it is expected to deliver a 22% increase in earnings per share (EPS).

**Given your stated intention to deliver positive operating cashflow each half from here to the end of 2025, do you see further merger and acquisition potential?**

**BRETT:** The Board endorses management's position on generating cashflow with an 'earn before you spend' attitude. We are also encouraged by the rate of organic growth of core business, so we are not pressing to find new acquisitions. We remain optimistic on outlook but cautious when it comes to risk appetite, especially in

regards to net debt. Having said that, we are increasingly aware that strategically significant and accretive acquisitions are presenting themselves. We need to stay alert to any strategic opportunities during this period of significant change.

**DAVID:** As we reduce inventory to our \$85M target (excluding HoneyWorld™) in FY25, we are forecasting to generate significant positive operating cashflow. This will enable us to pay down debt but also to consider further merger and acquisition activity in our focus markets and/or categories around the world. It is important to stress that we believe our business model should enable high margin, high reinvestment, low debt and positive operating cashflow going forward.

**Let's talk about your two key markets. What are the key learnings from ongoing growth in the China market? How far do you think you can go in China? Are you concerned by the importance of China given macro-economic and geo-political risks? Has North America got the same potential as China? How do you intend to realise that potential? What are the key risks and opportunities in North America?**

**DAVID:** We have been active in the China market for over 20 years and are the strong market leader. We have over 200 people in our China team and consider ourselves fully integrated in the China market. Consumers recognise Comvita's quality and continue to choose our premium quality over anyone else.

Our revenue performance in the Greater China segment of \$109M was 13% up on the previous year despite material disruption to offline retail during the first half and a softer than expected

return to normal sales once the market opened up, again highlighting our opportunity in the future. We converted this revenue growth to a 16% net contribution growth, again proving consumers are choosing premium Comvita Mānuka honey over everyone else.

While this is extremely encouraging, what is even more encouraging is the fact that we grew revenue in Hong Kong SAR (a market where we have the highest household penetration) by 20% compared to the year before, again showing the long-term potential to grow household penetration around the world.

While China is our biggest single market, we are only scratching the surface in terms of the potential. Indeed, if we were to deliver the same household penetration (as we have in Hong Kong SAR) in China, we would quadruple our current business. I remain extremely positive about China and our opportunities in the China market supported by the fact that Chinese consumers have used honey as a medicine for thousands of years. Our clinical trial will enable us to prove efficacy and further extend our leadership. Having just returned from the Trade Mission to China, I was delighted to experience first hand the warmth of the reception and the respect for Aotearoa New Zealand as a country with aligned values and high-quality products.

For North America, we do see significant opportunities for growth, but currently we are under-indexing versus the potential that we see. In late FY23, we launched our United States growth plan to systematically grow our share of sales and local products in the United States market. We do see some short-term headwinds but remain convinced of the long-term opportunity, especially given the fact that currently we only have around 25 SKUs available in this market.





David  
Banfield,  
CEO.

**You are partnering with a number of high-profile brands around the world. How do these partnerships benefit Comvita?**

**DAVID:** We are extremely proud that high-quality, premium brands are increasingly approaching us to partner with them because of our reputation, the quality of our products and the power of our brand. These partners range from world-leading hotel chains and restaurants to beverage and fashion. Working with these brands offers new uses for our products and makes new audiences aware of who we are and what we offer. For example, we have been partnering with actress and renowned foodie Janice Wong in Singapore. Our partnership gives Janice the opportunity to use the highest quality Mānuka honey as a key ingredient in what she is creating, consolidates our standing as a brand in Singapore and key Asian markets and offers our existing consumers a new way to think about how they use Comvita.

**The growth of your ecommerce strategy continues to bolster your omni-channel (online/offline) approach. How do you see that playing out? What's the ideal channel balance for you?**

**DAVID:** We forecast that the future of retail is experiential and that our Wellness Lab encapsulates the multi-sensorial experience unique to Comvita, literally connecting consumers to bees and the healing power of nature. This also needs to seamlessly integrate with our online capability to maximise consumer preference for ecommerce fulfilment. While we have stated our forecast that our ecommerce channel will represent 50% of our revenue by 2025, ultimately, the optimal mix will be determined by consumers. Our goal is to ensure that we have the right balance between offline, online and omni-channel to enable consumers to shop Comvita with ease. In addition, we will continue to explore emerging channels such as TikTok, Web 3.0 and social commerce to keep meeting consumer needs.

**Why is B Corp status so important to you? What difference do you see it making?**

**BRETT:** Our B Corp accreditation is a major milestone in Comvita's journey towards becoming recognised as a world-class organisation. The criteria set by B Corp for larger, more complex, global companies such as Comvita are very high. It provides significant credibility for us as a global corporate entity and as a consumer brand. In fact, I believe that Aotearoa New Zealand-based entities that do not have a sustainability accreditation such as B Corp will find it increasingly difficult to gain access to discerning European and Asian markets. Global capital markets are also placing a value premium on entities that carry a B Corp accreditation. Congratulations to all the team on this very significant achievement. Great work.

**DAVID:** I first heard about B Corp back in 2007 at the time when triple bottom line reporting was best practice. Ever since I read what it means

to be a B Corp organisation, I have aspired to be part of a business that recognises the importance of all stakeholder groups. High-quality retailers globally are demanding evidence of brand integrity, and B Corp provides that evidence and will open up new distribution opportunities. I also believe that B Corp principles are enshrined in our Harmony Plan launched in 2021 and therefore it is only natural that we would apply for and receive B Corp accreditation. In September 2022, we became the first listed business in Aotearoa New Zealand to change our company constitution to reflect our multi-stakeholder priorities. I was delighted when our shareholders voted overwhelmingly in favour of this change.

**Cyclone Gabrielle has affected your operations in Hawke's Bay. Does the business remain vulnerable to extreme weather events? How are you mitigating that risk?**

**DAVID:** Firstly, it's important to recognise the impact that Cyclone Gabrielle has had, and continues to have, on people in the Hawke's Bay region. I visited the team a few days after the cyclone and can only describe it as apocalyptic. We were relieved that all our team were safe and well but saddened by the loss of life and the extensive damage that occurred.

Given the extreme nature of the weather this year, we are pleased that our Apiary division again showed that the Apiary model that we launched in 2020 delivered for the fourth consecutive period. Naturally, given extreme weather events and in line with our climate disclosure reporting requirements, we are looking very closely at the impact of extreme weather events on any new Mānuka forests that we plant in order to help mitigate these weather impacts.

**In particular, your forestry strategy and approach to honey supply seem to have remained resilient. What is it about these strategies that have made the difference?**

**DAVID:** Our Mānuka forests have so far proven to deliver a 40% uplift in yield, 60% increase in quality of yield and 20% reduction in cost per hive. Due to their size, they also allow us to have beekeepers on site and to respond to weather or other needs bees may have. We are targeting to deliver 20,000 hectares of forests by 2030 from 7,500 hectares today. Not only do our forests ensure quality of supply for Comvita, they also create an environment that protects native flora and fauna, including kiwi, long-tailed bats and whio (blue duck). We've recently completed our first biodiversity study, which also shows improvement in water quality and insect populations and provides a thriving habitat for birds and native bats in the first five years versus pasture.

**You've said that you're targeting material financial and environmental gains in terms of your longer-term Mānuka forest investment. How will that investment specifically benefit investors?**

**BRETT:** What sets us apart from anyone else in the industry has been the sustained commitment to and investment in our end-to-end business model. That starts with our in-market capability to develop consumer demand and then our capability back in Aotearoa New Zealand to evolve our supply model to match that demand both in quality and volume terms. I am especially proud of the way that our forestry and Mānuka honey supply models have evolved, with a balanced focus on economic, environmental and social sustainable best practice. In this way, significant long-term value is being created for all Comvita's stakeholders.

**DAVID:** As I shared earlier, our forests deliver 40% improvement in yield, 60% in quality of yield and 20% reduction in cost per hive. These efficiencies will enable us to continue to deliver highest-quality product with the lowest cost for the quality delivered. This quality is a key foundation for our consumer loyalty and brand leadership. Investors will benefit as we retain consumers and ultimately deliver our targeted 20% EBITDA margin.

In addition, our Mānuka forests will be eligible for carbon credits through their sequestration of carbon dioxide. We will initially use carbon credits to offset our carbon footprint, but in the not-too-distant future, we will have excess credits that we are able to use. At the moment, we are not able to allocate any value to these credits, but this is an evolving regulatory process. It's also important to recognise that our Mānuka forests involve planting an indigenous species and associated companion planting for nectar diversity rather than exotic overseas varieties.

**In terms of your longer-term climate-positive and net-zero strategy, what are the timeframes for decarbonisation, circularity and waste reduction? What will those changes cost the business, and what positive impacts will they achieve?**

**DAVID:** We will reach our carbon-neutral and climate-positive goals through a combination of carbon reduction every year in line with verified science-based targets, supported by sequestration from our forests and other nature-positive impacts. Currently, 92% of our packaging is recyclable. Our target for next year is 95%, and we are developing a pathway to achieve 100% in the near future. We are already seeing our major customers requiring carbon neutral and science-based reduction

commitments, and we believe that consumers will increasingly choose brands based on their longer-term commitment to the environment and sustainability more generally. We've captured our commitments in our Harmony Plan. At the same time, we know that quality and perceived value for money must be inherent in our products.

**Ambitious plans can only be realised by strong leaders and talented teams. Do you have the people you need to achieve the take-off you're poised for? Where are you short right now, and what plans have you put in place to make Comvita the home of top-tier talent?**

**BRETT:** The Board is critically aware that one of the great challenges of this decade for all organisations has been the attraction and retention of top talent. We are extremely supportive of management's multiple initiatives to stay ahead of the game in the competitive world of 'talent' and our shareholders should feel very comforted by the line-up of leaders and talented teams that we have at Comvita.

**DAVID:** As Nike would say, our constant is change and we are continually assessing capability within the Group to enable us to continue to grow. We have some incredibly talented people and will continue to invest to retain and develop our team. We're also on the lookout for new talent that can help us win. Ultimately, I believe the greater the talent we attract and retain within Comvita, the more successful we will become – as long as we create an environment that gives our talented team the opportunity to show their true potential and impact. We've made good progress but still have a way to go to live our principle of freedom and accountability. This will further differentiate Comvita as the employer of choice.

Over the last three years, we have also invested significantly in the benefits that we offer the team, including over 91% of our team becoming shareholders. We've also added market-leading benefits such as extending family support policies, long-service recognition and life and health insurance. Our ambition remains to be recognised as the best employer in Aotearoa New Zealand and around the world as voted by our team.

**What benefits do you expect to flow through from your core information systems upgrade? How will they enable you to do business in ways that you can't right now? How do the objectives align with your plans for 2025?**

**DAVID:** We don't really consider it to be an update, more of a reimplementation of our existing enterprise resource planning (ERP) system with the latest release. This significantly derisks the project, as the team are already familiar with the functionality of the system. Nevertheless, there are benefits to come through re-engineering processes, refreshing master data and having integrated and automated data flows. Availability of timely information will enable us to increase pace within the organisation, increase service to our markets and customers and ultimately become a major platform for acceleration through FY24 and beyond. Crucial for us will be finishing implementation by the end of FY24 to allow benefits to flow through (without costs) in FY25.

**The push towards positioning Comvita as a premium natural health and wellness brand seems to be gathering pace, particularly in Asia, and yet investors continue to**

**pigeon-hole you in the agri-business space. You've talked for some time about shifting that perception. Are you seeing that market perception shift yet – and if not, what do you think it will take to convince the markets that they need to see you in a new light?**

**DAVID:** Around 90% of our current earnings come from consumers in markets. Our consumers see us as a premium natural health and wellness brand. Many of our brand partners in markets also recognise our premium quality and strong environmental, social and governance (ESG) credentials and are joining with us to create a coalition of the willing. In Aotearoa New Zealand, ultimately the only thing that will enable the agri multiples to be replaced with typical premium FMCG multiples will be time. We need to continue to prove our resilience to weather events and provide evidence that our premium quality is demanded by consumers and proven by us continuing to drive market share in premium segments and new adjacent categories. This will be the best evidence that we are indeed a premium natural health and wellness brand.

**Are you concerned about your current share price and the inherent risk of an offer to purchase that undervalues the company?**

**BRETT:** As Chair of the Board and given that there was a hostile takeover bid a few years back, I would be lying if I did not admit to some jitters about the prevailing share price. The Board holds the view that there remains significant potential for value creation in the medium to long term and that such value is not currently reflected in the market trading price.

You will be aware of the adage that fear drives capital markets:

fear of getting burnt or fear of missing out. I believe we've done enough over recent years to demonstrate that investors need not be fearful of Comvita's ability to perform and meet guidance, even during uncertain and turbulent times. Provided that we continue to grow and drive positive performance, it is my firm belief that we will see a correction by the market. As confidence in the capital markets and business in general is restored, I believe that market perception towards Comvita will be more of a fear of missing out.

**DAVID:** My sole focus is on delivery of our FY24 and FY25 budgets. That will, in turn, result in us delivering our FY25 strategic plan of c\$50M EBITDA (20%) EBITDA, and the results of this will be reflected in our share price at that time.

**The announcement of Comvita Lepterdine™ could represent a significant development for investors because of the new markets that it opens up. How did you identify those markets and what is the potential here in your minds? How long will clinical trials take – and from there, what is the time to market?**

**DAVID:** Over a number of years, we have sought to protect our scientific discovery through patents. The discovery of Lepterdine™ has the potential to prove the efficacy of unique Comvita products for improved gut health. Our clinical trials are currently under way, in Aotearoa New Zealand, and we expect results around December 2023. This will be the start of an international clinical trial programme that could ultimately mean we are able to make quantifiable health claims for specific Comvita products. These products would be protected as Comvita's intellectual property.

We have a global panel of gastrointestinal experts who share our excitement about the discoveries we are making in gut health and our potential ability to help ameliorate conditions that are currently untreatable with conventional medicine alone.

**In a year where others have chosen not to pay a dividend citing future investment needs, you have continued to do so. How do you intend to manage the capital needs of the business with investors' hopes for sustained yields?**

**BRETT:** This year, the Board was pleased to declare a final dividend of 3.0 cents per share (cps), bringing the full-year payout to 5.5cps in line with PCP. Investors should see this as a reflection of our confidence in our business model and the underlying performance of the business. We are forecasting positive operating cashflows, net of planned capital expenditure and dividends, that will allow us to pay down debt. If that outlook should change we will review our dividend policy at that time. We are in the process of developing a dividend reinvestment programme for shareholders, who share our excitement about the opportunities ahead for Comvita.

**DAVID:** Over the next few years, we will become more focused on where we deploy capital to get the best return for all our stakeholders. Our focused capital model gives us the potential to invest in long-term value creation but also reward and thank shareholders (including our team) for their support. In particular, our forecast positive operating cashflow gives us more confidence to recognise our shareholders and continue to invest in the right things.

**Where are you with guidance, and what will be the key elements this year to show you are indeed taking off?**

**DAVID:** We are forecasting double-digit EBITDA growth in FY24 with a weighting towards H2. We are forecasting positive operating cashflow and double digit inventory reduction. Key components will be top-line revenue growth, gross profit of around 59% and market share growth through Asia-Pacific. Performance in North America will be strongly weighted to H2 due to a strong H1 FY23.



BRETT HEWLETT – CHAIR



DAVID BANFIELD – CEO





PLAN ON A

PAGE TO 2025

PURPOSE

Working in harmony with bees and nature in Aotearoa New Zealand to heal and protect the world.

OUR MISSION TO 2025

To deliver world-leading standards for our team, our consumers, our shareholders and our planet, contributing to a world where bees and people can thrive in harmony.

COMVITA 50: 2025

60 : 15 : 20  
Minimum 60% GP  
15% Marketing to sales ratio  
20% EBITDA target

1. Stabilise performance

2. Transform organisation

3. Long-term resilience and growth

50% digital sales

COMVITA 2025

Targeting c\$50M EBITDA by 2025

Minimum 60% gross profit

15% marketing investment to sales ratio

20% EBITDA leverage ratio target 1-1.5

KPIS FY25

Carbon-neutral 2025 and science-based targets for GHG reduction

Return on capital employed – 500 basis points above weighted average cost of capital

Comvita total shareholder returns above NZX50 median

Consumer and employee Net Promoter Score >+7

ALIGNED FOCUS – DELIVER BY FY25

Build a China market business capable of delivering 10 years of 10% compound annual growth rate

Break through in North America to provide portfolio balance

Digital channels to deliver >50% of total sales

All market segments growing (mid single-digit compound annual growth rate) and profitable

STRATEGIC PILLARS / OUR UNRELENTING FOCUS

Comvita as a premium natural health and wellness brand

World-class digital engagement and experience  
Data as a competitive advantage

Science and quality

Organisational simplification and efficiency

Becoming a sustainable, world-class organisation

VALUES

We all lead — Connected — We Love to Learn — Kaitiakitanga

HOW WE CREATE

Value

THE RESOURCES WE EMPLOY



**Our unique Comvita knowledge and know-how, curated and refined since 1974.** The intellectual property and processes that strengthen our competitive advantage



**Our role as kaitiaki (guardians) for 1.6 billion bees and 6.8 million trees.** The Mānuka tree, Mānuka honey and other nutrients from the hive hold incomparable power to protect and heal



**Our world-class team.** The pure talent and capability of our people, with shared (and overt) passion and ambition



**Our growth-supporting capital structure.** Healthy balance sheet and access to capital to implement our strategies



**Our fully integrated global business model.** Our unique business model with circa 400 people in markets outside Aotearoa New Zealand making us closer to our consumers



**Global leadership.** Underpinned by long-standing and mutually valuable relationships and partnerships

HOW WE CREATE VALUE  
THROUGHOUT OUR END-TO-END  
MODEL

Working in harmony with bees and nature in Aotearoa  
New Zealand to heal and protect the world

**Science, nature and quality at the heart of the Comvita difference.** Highest frequency and range of testing in industry and Aotearoa New Zealand's only private honey laboratory to be government accredited

—

**Development of unique cultivars and patents.** Nearly 50 years of scientific discovery, embracing and evidencing the healing power of nature

—

**Doing business for good.** 1% reinvested for social and environmental impact



**Top talent globally,** with international FMCG expertise and empowered teams in market to drive innovation and consumer relevance

—

**Leading apiculturists and beekeepers from around the world** with a deep affinity for their craft and calling

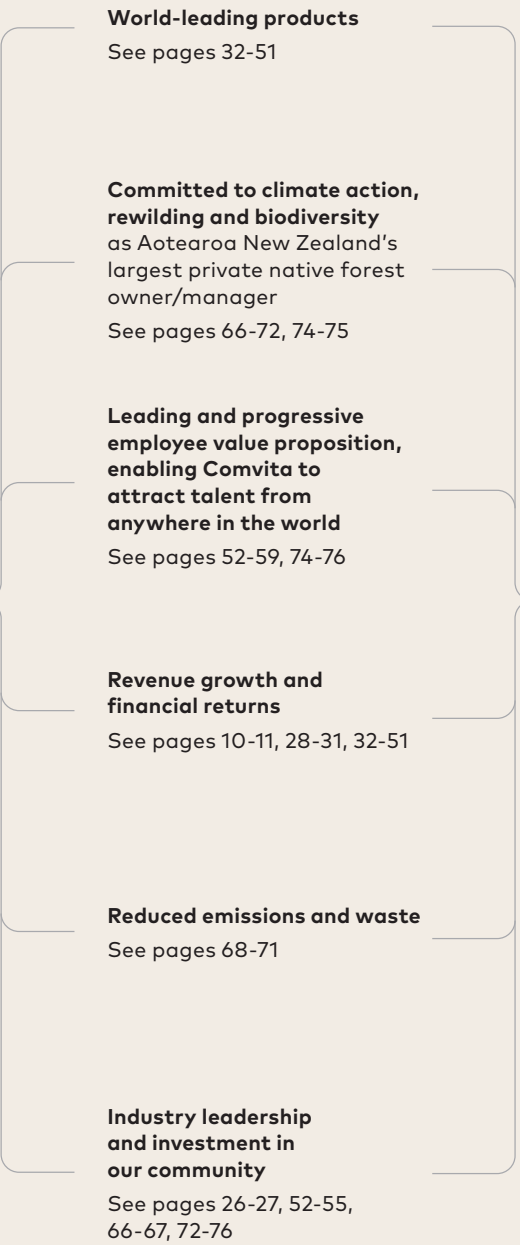
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**Arotahi (focus) on performance and return on capital.** Trusted connections with our consumers, customers and communities

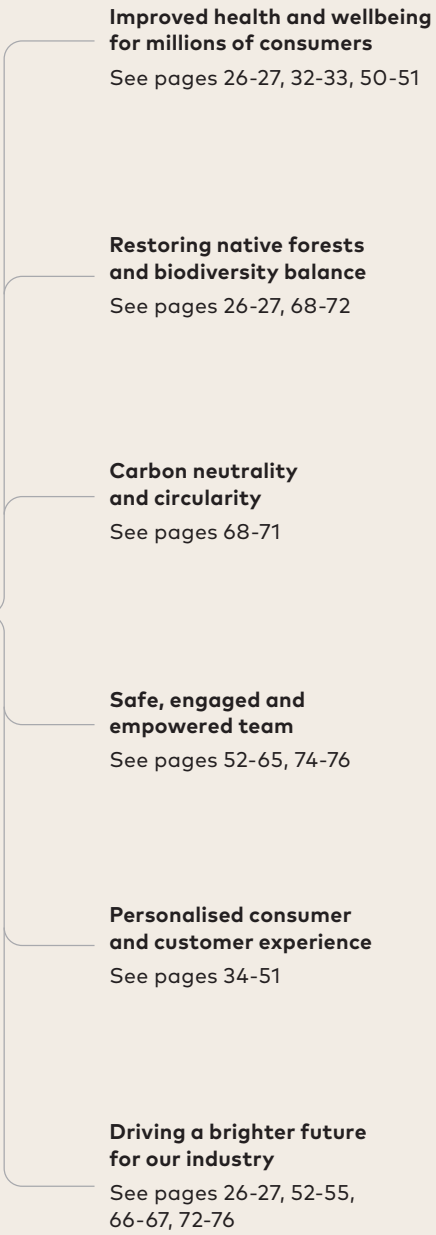
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**Digitised, unified and scalable organisation.** Leveraging processes, data and insights to drive continuous improvement

OUR UNIQUE OUTPUTS  
UNDERPINNED BY KAITIAKITANGA  
(GUARDIANSHIP)



PROUD TO BE PART  
OF THE SOLUTION THROUGH THE  
VALUE WE CREATE





# Science

AND QUALITY LEADERSHIP



———— **We have long been recognised as the industry leader in Mānuka honey science. FY23 has been a watershed year as we announced breakthrough research on Comvita Leptericidine™, had further patents granted to protect our research investment and completed our Comvita Laboratories transformation programme.**

There has never been a more exciting time to be in natural health science because the need for bold and innovative solutions to the world's health challenges has never been greater.

Delivering the highest-quality product at scale backed by science provides us with a strong science-based platform to develop the Mānuka honey category into the future.

**UNLOCKING THE POWER OF THE HIVE TO HEAL – ADVANCING OUR PIPELINE**

In FY23, we invested \$5.2M in research and development. Our pipeline of health research programmes includes clinical trials that will advance the delivery of robust scientific evidence in areas where new effective treatments are much needed.

**INTELLECTUAL PROPERTY**

Underpinning our industry-leading science programme is our comprehensive intellectual property and commercialisation strategy, securing proprietary positioning to deliver long-term

returns. This year saw two new patents granted and 11 new patents filed in multiple markets to support commercialisation of our health research programmes. In total, we now have 42 granted patents with a further 23 pending.

**STRONG PROPRIETARY POSITION**

	FY23	TOTAL
New patents granted	2	42
New patents filed/pending	11	23

**COMPREHENSIVE CONSUMER HEALTH SCIENCE PROGRAMME**

Our clinical trial programmes are focused on four key areas.

**Digestive health** – we are testing a proprietary Leptericidine™ Mānuka honey treatment in a \$1.4M trial over two years in collaboration with the High-Value Nutrition Ko Ngā Kai Whai Painga National Science Challenge (HVN) and the University of Otago. Comvita Leptericidine™ is a unique natural compound found only in Mānuka nectar and honey. We have patented a specific form of the compound and are currently testing compositions and applications for a range of inflammatory conditions.

**Heart and metabolic health** – we are part of an HVN \$4M programme looking at the health benefits of eating a nutritious diet.

**Skin health** – we are investigating the benefits of Mānuka honey for eczema and other inflammatory skin conditions.

**Immunity** – we are examining how propolis products support enhanced immunity.

Our teams for these projects include a globally-based Scientific Advisory Board made up of world-leading gastroenterologists and expert immunity and inflammation researchers from United States, China, United Kingdom, Aotearoa New Zealand and Australia.

**BREAKTHROUGH DIGESTIVE HEALTH RESEARCH**

This year, we announced our breakthrough research on Comvita Leptericidine™ for digestive health. Discovered in collaboration with the University of Auckland, Leptericidine™ is a natural compound found only in Mānuka honey. New research shows that Leptericidine™ inhibits a key biological pathway implicated in the formation of gastric ulcers and inflammatory gastrointestinal disorders.

We hold a strong proprietary position with Leptericidine™ to protect our discovery. We have three patents already granted and a further 22 patents pending across our global markets.

Comvita has developed novel, proprietary Leptericidine™ Mānuka honey formulations that are currently undergoing clinical testing in the SOOTHE clinical trial, a \$1.4M multi-centre, randomised, double-blind placebo controlled clinical trial in collaboration with HVN and the University of Otago. We expect to report initial results from the trial in the second half of FY24.

Our digestive health research programme is supported by our global Scientific Advisory Board.

**COMVITA LABORATORIES**

Comvita Laboratories is the most advanced in-house Mānuka honey testing laboratory in the world. We report over 400,000 test results each year and are independently accredited by International Accreditation New Zealand (IANZ) and recognised by the Ministry for Primary Industries (MPI). We are the only company in our industry certified to raise official government export documentation using our own lab test results. IANZ is a globally recognised laboratory standard, giving our customers and consumers confidence that our capability is world class.

In FY23, we invested more than \$500,000 in new automation to improve our quality further and lift capacity. We have also developed a non-destructive testing methodology utilising near infrared technology that enables us to assess the quality of our Mānuka honey in real time and at a lower cost than traditional methods.

**HIGHEST QUALITY IN THE INDUSTRY**

At Comvita we pride ourselves on delivering the highest quality natural products for our consumers. This year, we successfully completed an inspection by the United States Food and Drug Administration, arguably the world's most stringent and widely recognised food safety authority.



**OUR FOCUS ON QUALITY COMVITA**

	FY22	FY23
Independent certifications	23	24
External audits	23	21
Customer complaints per 1,000 units sold	0.041	0.024
Non-compliance with regulations resulting in a fine or penalty	0	0

**PROVIDING LEADERSHIP TO THE AOTEAROA NEW ZEALAND APICULTURE INDUSTRY**

We are committed to supporting the process to secure intellectual property protection for Mānuka honey around the world. The Legal Advisory Committee includes David Banfield (Managing Director and Chief Executive Officer) and Tony Wright (Head of Industry and Regulatory Affairs).

Tony Wright continues to be a Director of Unique Mānuka Factor Honey Association (UMFHA), Apiculture New Zealand and Te Pitau Limited (part of Mānuka Charitable Trust) and chairs the Apiculture New Zealand Standards Focus Group – the main forum for engaging with MPI on regulatory developments.

Trevor Clarke (National Head of Apiaries) is a member of the Apiculture New Zealand Training and Skills Focus Group.

# Financial

REVIEW

CHIEF FINANCIAL OFFICER

REVIEW

Performance growth has been **strong again** in FY23, with our third successive year of double-digit EBITDA growth (after ERP costs\*) despite the extreme weather events that hit Aotearoa New Zealand this year. **Strong demand** from the markets has ensured that sales continue to grow at an encouraging pace.

\* Refer to Internal Digital Transformation section.

—— EBITDA (after ERP costs) of \$33.5M or 14.3% of sales reflects a 11.4% improvement over FY22 EBITDA of \$30.1M. Operating profit at \$23.9M is up 18.7% over FY22, and NPAT (after ERP costs) at \$13.1M is up 2.8% over FY22.

FINANCIAL PERFORMANCE

Reported revenue for the period increased to \$234.2M, up \$25.3M or 12.1% on the prior period. This strong growth was from a number of markets, with the Greater China region revenue up \$12.1M, North America up \$3.8M and ANZ up \$6.1M.

The reported gross profit percentage of 58.0% has declined in the current year by 234bps compared to the prior year. The decline is largely due to inventory write-offs associated with Cyclone Gabrielle totalling \$3.7M. If the gross profit percentage is normalised for this one-off impact, it would be 59.5%.

Digital sales have increased by 6.3% versus prior year to 41.7% of total sales, which favourably impacted the gross profit percentage because sales are margin accretive.

The increase in marketing investment has continued with \$30.5M spent in the current year, an increase of \$2.4M year on year or 13.0% of revenue, compared to 13.4% last year. All other operating expenses increased by \$13.8M or 17.3%. The majority of this increase was sales and distribution-related expenditure, increasing by \$7.1M or 15.0%. Transformation investment within operating expenses for FY23 totalled \$2.5M, largely consistent with the prior-year spend of \$2.4M. In addition to this spend, there has been a significant investment in internal digital transformation relating to software expenses in the current year of \$2.9M, which is covered separately in the report below. Other increases relate to increased investment in our people, consistent with our Harmony Plan objectives.

MATERIAL YEAR-ON-YEAR MOVEMENTS

In February 2023, the Group's Hawke's Bay facility suffered extensive damage due to Cyclone Gabrielle, a catastrophic weather event in the North Island of Aotearoa New Zealand. The Group moved operational facilities to an alternative Group site where operations continued. However, the Group's insurance assessors concluded that the fixed assets, biological assets and inventory at this site were irrecoverable. Land value is assumed to be unimpaired.

The Group maintains a comprehensive insurance programme that covers various risks, including

material damage, vehicle, business interruption and general liability. The insurance proceeds received to date for Cyclone Gabrielle relate to the Group's material damage and vehicle policies. There is likely to be further insurance proceeds receivable as part of our business interruption policy.

The Cyclone Gabrielle insurance proceeds, after inventory and asset write-offs, delivered a \$4.5M upside to FY23 EBITDA. However, it should be noted that, against this, our Apiary operations only broke even this year while in FY22 they delivered a \$2.9M profit. We also absorbed foreign exchange losses of \$4.6M this year compared to losses of \$592K in FY22, a negative impact of \$4.1M in FY23.

The following table provides a breakdown of the financial impact of the Cyclone Gabrielle weather event as well as the other material movements year on year.

CYCLONE GABRIELLE FINANCIAL IMPACTS

	NZ\$000
Cash proceeds received to date	5,480
Insurance proceeds receivable	5,280
Loss on disposal of property, plant and equipment	(2,548)
Inventory disposals	(3,681)
Cyclone Gabrielle impact	4,531
Other year-on-year movements	
FX losses	(4,052)
Apiary operation performance	(2,900)
Net profit before tax impact	(2,422)*

\* Excludes ERP investment

INTERNAL DIGITAL TRANSFORMATION

In FY23, we have commenced a digital transformation programme focusing on upgrading our ERP system, redefining internal inefficient processes and refreshing master data. This project will run until June 2024 and is designed to update and scale our internal systems and processes and significantly increase reporting capability. Because these changes are cloud-based, new accounting standards mean the assets aren't owned and therefore will not be expensed until June 2024. In line with market practice, these will be normalised in the results and are also shown separately in our income statement. The costs related to this project totalled \$2.9M in FY23.



“

EBITDA (after ERP costs) of \$33.5M or 14.3% of sales reflects a 11.4% improvement over FY22 EBITDA of \$30.1M. Operating profit at \$23.9M is up 18.7% over FY22 and NPAT (after ERP costs) at \$13.1M is up 2.8% over FY22.”

NIGEL GREENWOOD, CFO

EARNINGS BEFORE INTEREST, TAX, DEPRECIATION AND AMORTISATION

EBITDA at \$30.6M increased 2% on the previous year.

NZ\$M	FY23	FY22
Profit before tax	13.0	17.1
Add back: net finance cost	5.4	2.2
EBIT	18.4	19.4
Add back: depreciation and amortisation	12.2	10.7
EBITDA	30.6	30.1
ERP costs	(2.9)	0
EBITDA (after ERP costs)	33.5	30.1

ECONOMIC VALUE DISTRIBUTED AND RETAINED

In accordance with GRI 201-1, economic value distributed was \$210.0M (2022: \$187.1M) while economic value retained is \$24.2M (2022: \$21.8M). Economic value distributed is calculated as FY22 operating costs, employee wages and benefits, dividends, interest, community investments and tax paid. Economic value retained is revenue less economic value distributed.

OPERATING CASHFLOWS

The company generated a positive operating cashflow this year of \$8.1M compared to \$5.4M last year. This reflected a positive operating cashflow of \$28.8M in the second half of FY23. Note that, in line with best practice, we are now showing interest expenses as a financing activity.

FOREIGN EXCHANGE

A foreign exchange loss of \$4.6M has been recognised in FY23 compared to a loss of \$0.6M in the prior year. This represents an increased expense of \$4.0M, which has been substantially offset within sales and gross profit. The significant increase in recoded foreign exchange losses was caused by a very low New Zealand dollar over most of FY23. While this has had a material impact this year, we have taken out forward exchange cover at these lower rates in our future reporting periods in line with our treasury management policy. Management of foreign exchange risk is important to smooth volatility of earnings in foreign currencies. This is particularly relevant for our growth markets where we have exposure to United States dollars and Chinese yuan renminbi. We are active in managing these risks.

SHARE OF PROFIT FROM EQUITY ACCOUNTED INVESTEEES

Total share of loss this year was \$0.8M, with \$0.6M of this being our share of expenses from the new investment in Caravan Honey Company. This compares to a loss last year of \$0.2M.

EARNINGS PER SHARE

Reported EPS for FY23 was 15.84c and diluted earnings per share of 15.66c. This compares to 18.24cps and 18.13cps respectively last year.

DIVIDEND

With the continued sustainable profitable growth, the Board has approved a fully imputed final dividend of 3.0 cps. This brings the total dividends paid for FY23 to 5.5 cps in line with FY22.

FINANCIAL POSITION

Capital expenditure

Property, plant and equipment at \$72.9M increased by \$7.9M in the current year. This increase comprised \$14.9M of additions offset by \$4.1M depreciation and \$2.7M net book value of disposals, mostly related to Cyclone Gabrielle. The significant additions were \$6.1M of land for Mānuka forests, \$3.3M in development of Mānuka forests and \$1.6M on a market support centre renovation.

Software and other intangibles at \$14.3M increased \$0.7M, which was mostly the result of an investment in an ecommerce single-source platform totalling \$2.6M, offset by amortisation of \$2.3M.

Goodwill

Goodwill of \$27.4M is largely made up of \$25.6M related to Greater China and \$1.8M to Apiaries, with no change in the current year except for a foreign exchange movement. The annual impairment testing did not highlight any impairment risk, consistent with the profitable performance of the Greater China segment and the forward-looking performance of the Apiary business unit, with Mānuka forest investments starting to be in production.

Investments

Investments total \$10.2M and have decreased by \$0.7M in the current year, largely due to an equity accounted loss of \$0.6M in relation to the Caravan Honey Company. This 50% investment is progressing in line with expectations, with a talent-backed skincare range to be launched in H1 FY24.

In January 2023, Comvita signed a capital contribution agreement with Apter shareholders, agreeing to supply additional funding to Apter in exchange for an eventual increase in ownership from 20% holding to 32% holding. The additional funding is in two phases: an initial loan of US\$545,000 was made in January 2023 and an additional US\$1,445,000 will be advanced when the share issuance procedures are completed in Uruguay, at which point the initial loan will also convert to equity. At reporting date, the share issuance procedures are in their preliminary phases and the US\$1,445,000 was a capital commitment.

On 5 July 2023, Comvita Singapore Pte Limited, (a subsidiary of Comvita Limited) acquired the assets of Swift Health Food (Singapore) Pte Limited, a specialised honey retail business called HoneyWorld™ located in Singapore. This has been noted as a subsequent event in the financial

statements. HoneyWorld™ is the largest Mānuka honey retailer in Singapore and represents a highly strategic acquisition into a business that is the market leader in core Comvita categories in one of Asia's premium growth markets. Combined with its existing business in this market, Comvita's market share in the Mānuka honey category in Singapore will be around 50%. Together, Comvita and HoneyWorld™ have identified incremental opportunities to further grow household penetration and share of the category in this important market over time.

This acquisition will be immediately accretive to Comvita with a HoneyWorld™ forecast 24% increase in return on capital employed once integrated. For the Comvita Group, this acquisition is forecast to deliver a 22% improvement in EPS in FY24. HoneyWorld™ is forecasting revenue in FY24 of over SG\$13M (NZ\$15.85M). The acquisition is to be debt funded.

Inventory

Inventory on hand has increased slightly by \$3.9M (3%) from the prior year to \$136.0M. Inventory balances were expected to remain high during FY23 as previously advised. Supply optimisation work now completed will enable material decreases in inventory over the next two years.

Trade receivables

At \$39.4M, trade receivables increased by \$11.6M on FY22. This increase was signalled to the market in May 2023, as it was clear that June sales would be strong. June 2023 sales were \$10.8M higher than June 2022.

Bank facilities and total net debt

Total net debt at year end, including term debt facilities less cash on hand, was \$53.4M. This has decreased from December 2022 by \$9.9M but increased from FY22 by \$27.8M. This increase was previously advised to the market and primarily due to elevated working capital.

In March 2023, a new \$115M syndicated banking facility agreement with Westpac bank and ANZ bank was executed. The new facility has been implemented with very competitive market pricing, an extended debt maturity profile ranging from two to four years, improved flexibility related to our banking covenant structure and future access to sustainability-linked loans.

The company has complied with all banking covenants during the period.

Trade and other payables

Trade and other payables decreased by \$3.5M to \$34.3M, primarily due to decreased trade creditors related to the timing of honey purchases.

# Aiming

TO WIN



—— All market segments delivered double-digit revenue growth. Our consumer NPS score of 80 is classified as a world-class mark\*.

80

NPS  
+7.1% VS PCP\*\*

+12%  
TOTAL REVENUE GROWTH

+13%  
GREATER CHINA REVENUE GROWTH

+12%  
NORTH AMERICA REVENUE GROWTH

+18%  
REST OF ASIA REVENUE GROWTH

+14%  
EUROPE, MIDDLE EAST AND AFRICA (EMEA) REVENUE GROWTH

+17%  
ANZ REVENUE GROWTH

\* Perceptive.co.nz NPS scoring guidelines.  
\*\* NPS recalculated for FY22 to FY23 for formula consistency.



“As a working mom, I have to balance my family and career. Comvita Mānuka honey helps me to maintain gastrointestinal health so that I can have a better balance.”  
**Tmall consumer, China**

**Greater China**  
Total revenue in Greater China increased by 13% with strong second-half and online performance offsetting a slower than expected return to normal consumption in offline channels.



“When it comes to Mānuka honey, we only trust Comvita. Been using for over 6–7 years now and never disappointed in the quality.”  
**United States customer, Facebook post**

**North America**  
North American revenue increased by 12% year on year, supported by good online sales. Comvita is the fastest-growing Mānuka brand\* in the natural channel in the North American market.

\* Fastest growing brand over US\$500K (source: SPINS).



“Love this product [Comvita Olive Leaf Extract]! I dose daily and have never been healthier. Thanks Comvita!”  
**Matthew, Australia**

**Australia and Aotearoa New Zealand**  
We continued to focus our efforts on developing our customer relationship with partners who amplify and support what we stand for as a brand. It's pleasing to report revenue improving by 18% year on year with strong performance in both domestic and daigou channels.



“UMF™ 20+ is our must-have home remedy. It has helped tremendously with cough and flu since 2017. It is the greatest health investment I have made throughout these years!”  
**Consumer, Singapore**

**South East Asia**  
Revenue in South East Asia (SEA) increased by 61% year on year as we saw strong demand and sales through key retail channels. Comvita brand endorsement and quality focus has enabled further premiumisation for discerning consumers.



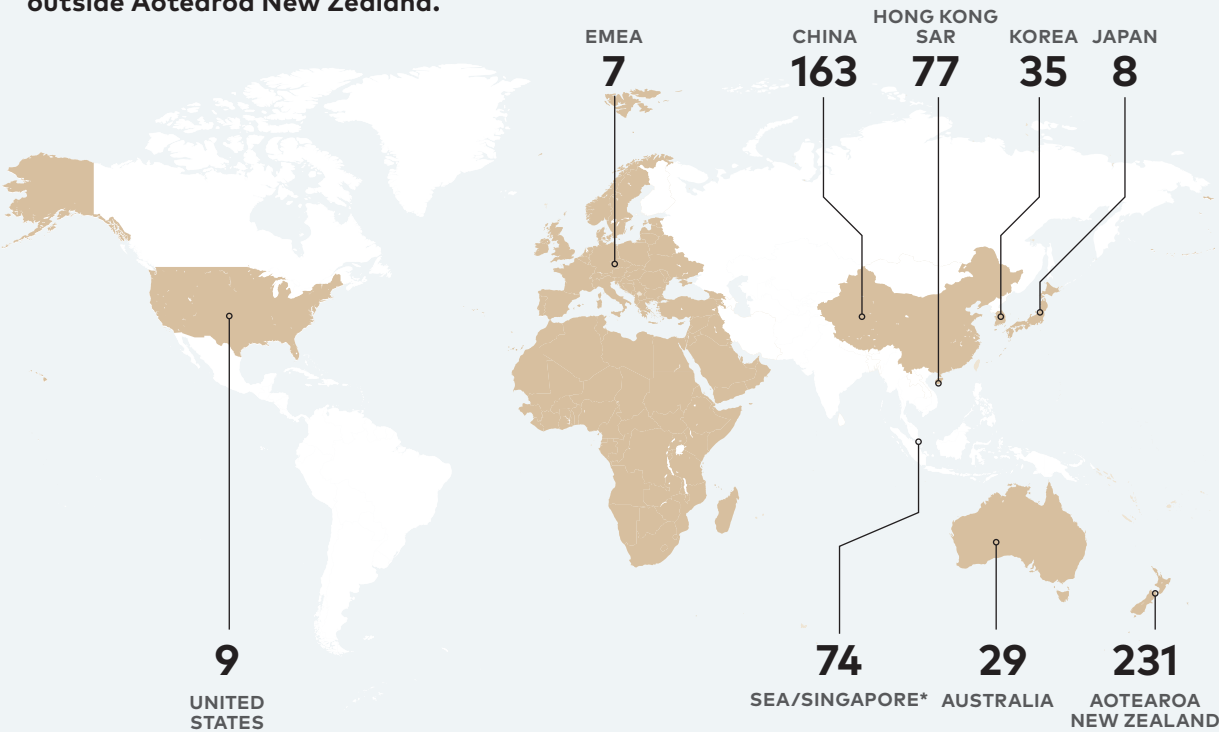
ACROSS OUR

# World

OVERVIEW

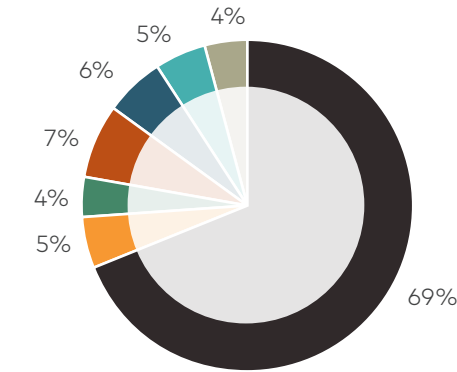
Our **unique model** includes positioning teams in our core markets. Here's what they achieved this year.

Our team now totals 630, of which 399 are in seven markets outside Aotearoa New Zealand.

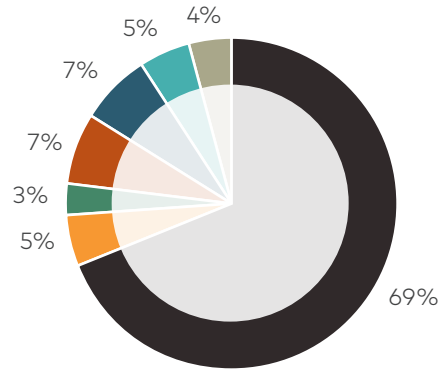


\* SEA/Singapore numbers include team numbers from our recent acquisition of HoneyWorld™ (71 team members), which took place on 5 July 2023.

FY22 sales by category



FY23 sales by category



↑  
**+12%**

MĀNUKA HONEY

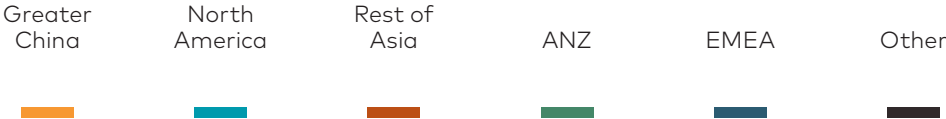
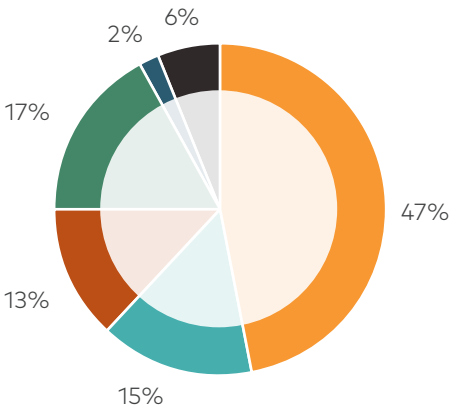
↑  
**+27%**

PROPOLIS

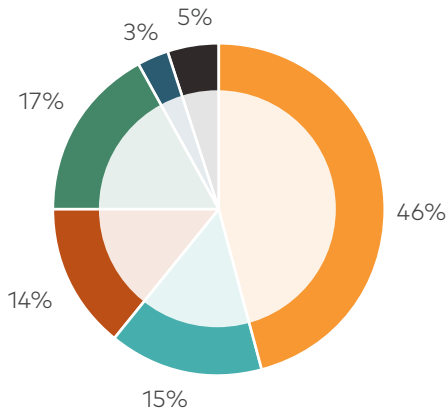
↑  
**+19%**

UMF™ 20+

FY22 segment revenue share



FY23 segment revenue share



MARKET

SHARE GROWTH

“

Premium quality and positioning of Comvita in China is integral to continued market share growth.”

ANDY CHEN, REGIONAL CEO, APAC

Throughout the year, we have continued to consolidate our leadership position and experienced strong market share growth in the Mānuka honey category across our key markets.

Our investment in building talented sales, marketing and operational teams across our key markets has paid off. Our core philosophy of understanding and embracing the primacy of our markets means that we are closer to consumer needs, closer to changing customer requirements and faster to act. Our teams' expertise and commitment have been pivotal in driving consumer engagement and loyalty, supported by our Customer Support Centre team in Aotearoa New Zealand.

In line with our business model, we invested over \$30M in brand-building activities. This strategic investment has allowed us to effectively communicate our brand's unique value proposition and tell our incredible founding story to a broader audience.

We delivered world-class quality for our consumers in market at 0.02 complaints per 1,000 units sold.

By consistently delivering superior quality products, we continue to build trust and loyalty amongst our consumers, underpinning our long-term success in these critical markets.

Looking forward to FY24, we will continue to develop local new product solutions for different usage occasions, enabling Comvita to be an even bigger part of our consumers' everyday lives.

Revenue growth  
FY23 vs PCP

Net contribution growth  
FY23 vs PCP

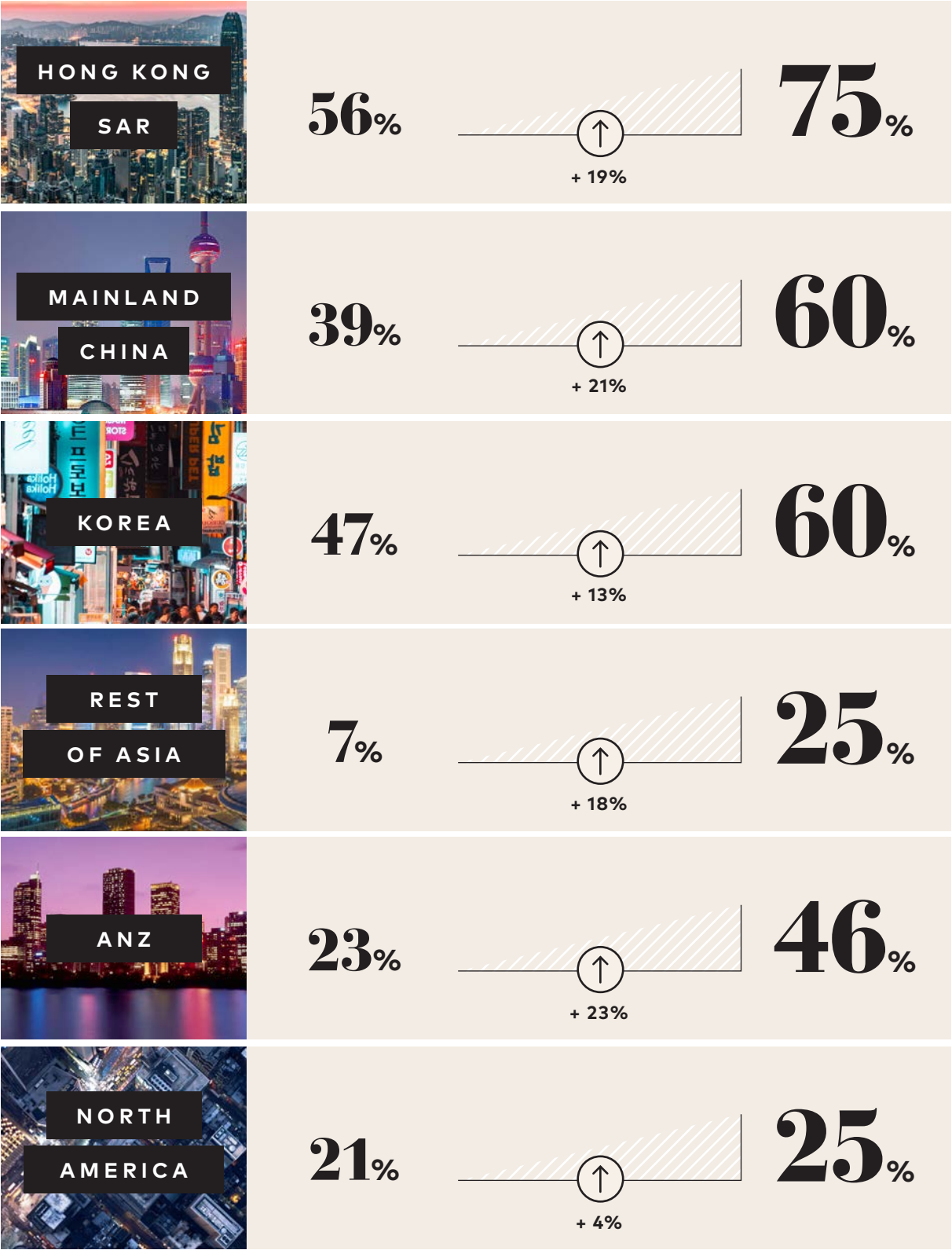
Greater China	↑ +12.5%	↑ +16.8%
North America	↑ +12.0%	↑ +5.4%
ANZ	↑ +17.5%	↑ +3.2%
Rest of Asia	↑ +16.2%	↑ +25.9%
EMEA	↑ +14.4%	↑ +627.7%

GROWING

MARKET SHARE

2020

2022







Greater China is the biggest market for Comvita with a total addressable market of 8B RMB (NZ\$1.8B). With household penetration at less than 1%, there is material room for growth.

Despite ongoing disruptions in H1 due to Covid restrictions, revenue for the full year increased to \$109M +12.5% vs PCP with revenue growth translating to net contribution and market share growth in this crucial market. Net contribution grew by 16.8% to 24.6% of sales in FY23.

GREATER CHINA

Reported currency basis

	This year FY23 NZ\$000	Last year FY22 NZ\$000	vs last year NZ\$000	vs last year %
Sales	109,005	96,924	12,081	12.5%
Net contribution	26,813	22,958	3,855	16.8%
Net contribution %	24.6%	23.7%		0.9%

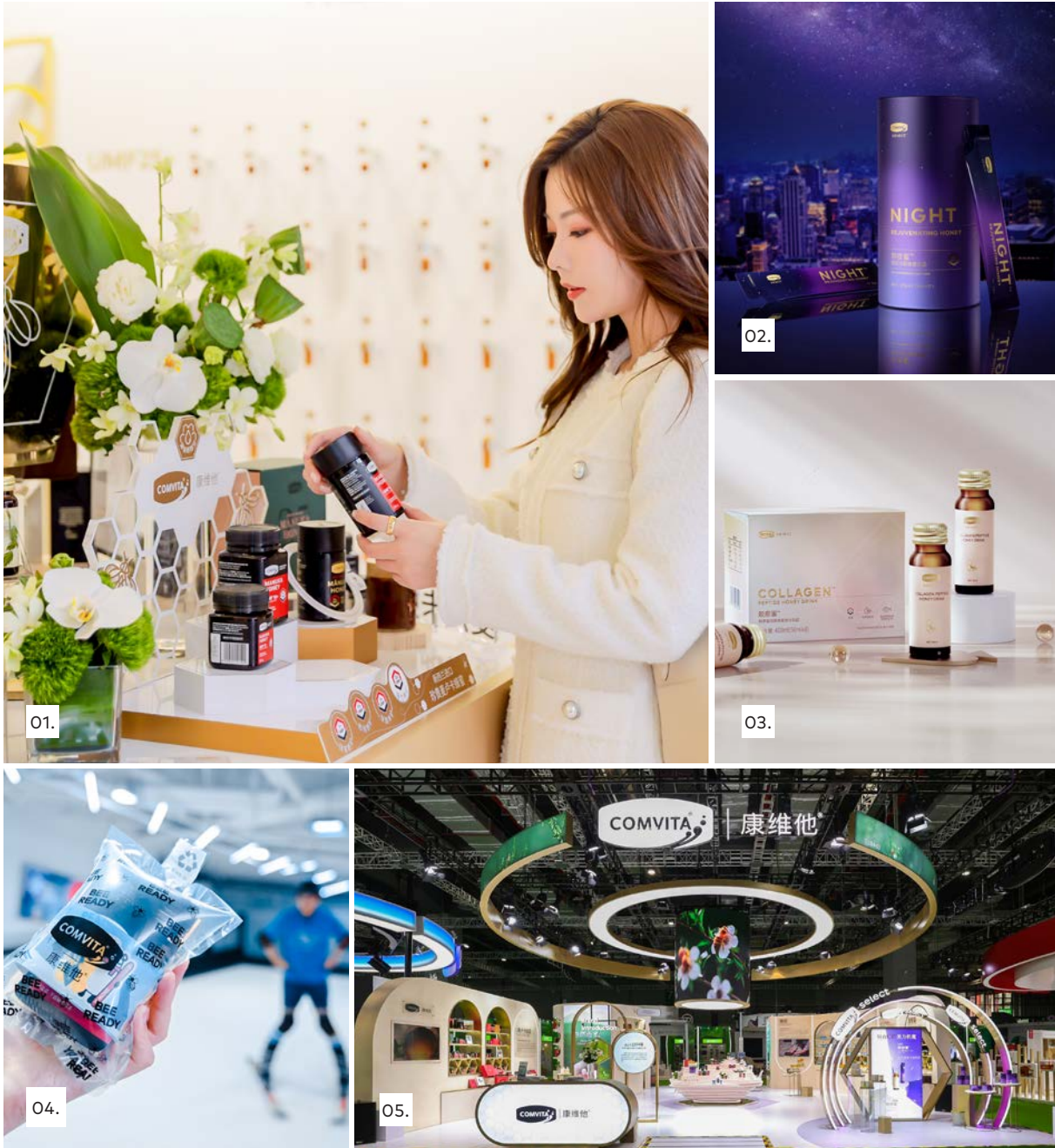
Greater China ecommerce performance  
FY22 vs FY23 % difference



Our premium natural health and wellness brand transformation was further supported by exciting regional new product initiatives and underpinned by premium brand partnerships.

In consumer communications, we initiated a series of innovative marketing and co-branding activities to enhance our brand awareness.

Our record \$109M revenue milestone paves the way for our greater ambition, which is captured in our Comvita 50 strategic plan.



01. A pop-up “Nature Heals” in Tangning Bookstore – a historical building in Shanghai.

02. Launch of local new product – Comvita Night honey.

03. Launch of the upgraded version of Comvita Collagen Drink.

04. Collaboration with Snow 51 for “New” Snow Season.

05. China International Import Expo (CIIE) 2022.

→

LOOKING FORWARD

FY24 will see continued consumer investment and regional new product development focused on our premium natural health and wellness brand transformation.

With borders reopened, our strong team on the ground will further strengthen our brand equity across Hong Kong SAR and Mainland China with updated brand collateral and experiential features integrated in our stores.

GROW TOTAL ADDRESSABLE MARKET

BUILD EXPERIENCE AND AFFINITY





North America has a total addressable market of \$1.3B with household penetration for Mānuka estimated to be below 1%. This illustrates the size of the North American opportunity, where Comvita has been rapidly growing at a compound annual growth rate of 28% since FY19.

For FY23, we are pleased to report continued top-line and bottom-line growth versus PCP, with market share gains of around +400bps. We have successfully delivered net contribution gains of +5%, while continuing to invest in our brand and commercial activities in market.

Our revenue increase to NZ\$35.6M represents an increase of +12% versus PCP. Our strategic emphasis is on channel balance and portfolio expansion through a digital-first approach. Ecommerce now represents 31% of United States sales. Total ecommerce revenues were up by 22% versus PCP with +40% sales growth through our integrated direct-to-consumer (D2C) platform and +17% growth across ecommerce marketplaces.

We have over-delivered with our D2C strategy in a highly competitive landscape, building long-term

value through database growth and increased frequency of use.

- Overall growth in direct customers +51%.
- Registered users +17%.
- Repeat purchase rates (RPR%) +1,631bps.
- Lifetime value +17% versus PCP.

Our premium natural health and wellness brand offering was extended in FY23 with the launch of 11 new products, with the long-term aim to drive brand availability across a diversified customer and channel mix. We gained nearly 2,000 new points of distribution and achieved double-digit growth in our natural and grocery sell-through rates, proudly maintaining our position as the fastest-growing Mānuka brand in the United States natural channel at +58% versus PCP.

As part of our World Bee Month campaign in 2023, Comvita was proud to fund the rescue of more than 40 million bees, saving them from extermination, through a nationwide programme with local beekeepers.

NORTH AMERICA

Reported currency basis

	This year FY23 NZ\$000	Last year FY22 NZ\$000	vs last year NZ\$000	vs last year %
Sales	35,608	31,793	3,815	12.0%
Net contribution	8,868	8,414	454	5.4%
Net contribution %	24.9%	26.5%		(1.6%)

North America ecommerce performance  
FY22 vs FY23 % difference



01. World Bee Month 2023 where we rescued over 40 million bees in the US via beekeeper partners.

02. New squeeze bottle launch included Kids Yummy Honey (shown), MGO 50+ and UMF™ 5+ Mānuka honey.

03. UMF™ Mānuka honey lifestyle shoot, connecting with American consumers.

04. Comvita range of retail-focused Mānuka honey and multifloral Mānuka honey.

05. Jordan Mazur, MS, RD professional sports dietitian, uses Comvita Mānuka for a pre-workout energy boost.

→ LOOKING FORWARD

We aim to broaden our product offering in North America in line with other regions across the Group through a digital-first strategy. We will focus on bringing new users to the category, extending our ecommerce insights into growth channels and driving omni-channel and category performance. North American performance is expected to be flat in FY24.

GROW MĀNUKA SHARE OF TOTAL ADDRESSABLE MARKET

BROADEN PROPOSITION



AUSTRALIA + AOTEAROA NEW ZEALAND



— We are delighted to report strong revenue growth in ANZ with growth delivered through both domestic and daigou channels.

We continue to invest in our brand to amplify and complement activity in Greater China. Through this increased investment, we were able to deliver 3% increase in net contribution and undertake significant long-term brand-building activity.

Our focus on local consumer reconnection and transformation to a premium natural health and wellness brand is paying dividends. The ANZ region delivers a strong net contribution margin of 28%. Our ecommerce channel has good momentum, with a +15% increase in D2C customers versus PCP for Aotearoa New Zealand and +14% for Australia. AOV is +36% in Aotearoa New Zealand and +28% in Australia versus PCP.

ANZ

Reported currency basis

	This year FY23 NZ\$000	Last year FY22 NZ\$000	vs last year NZ\$000	vs last year %
Sales	40,770	34,696	6,074	17.5%
Net contribution	11,573	11,211	362	3.2%
Net contribution %	28.4%	32.3%		(3.9%)

ANZ ecommerce performance  
FY22 vs FY23 % difference



01. Giapo Ice Cream collaboration. 02. Honeypops winter wellness. 03. William Mordido, Bocuse d'Or Aotearoa New Zealand collaboration. 04. Fashion forward collaboration with international designer Claudia Li. 05. Phoenix in-store opening.

→ LOOKING FORWARD —

Further upgrade of our brand expression at point of purchase (POP) and enhanced regional partnerships will enable differentiation and amplification of our world-leading Comvita brand value proposition and ESG credentials.



GROW CATEGORY CHANNEL DIVERSIFICATION WIN AT POP





—— We are proud to deliver revenue growth of +16% vs PCP and net contribution growth of 26% in this dynamic region.

Our talented teams on the ground strengthened our distribution and delivered new long-term customer partnerships, which have set us up for long-term growth.

With the benefit of ASEAN economic development, Asia's middle class is growing faster than ever, and the future looks very encouraging.

We are delighted to welcome HoneyWorld™ to the Comvita family, further strengthening our performance in the Singapore market.

Reported currency basis

	This year FY23 NZ\$000	Last year FY22 NZ\$000	vs last year NZ\$000	vs tast year %
Sales	31,771	27,337	4,434	16.2%
Net contribution	8,291	6,585	1,706	25.9%
Net contribution %	26.1%	24.1%		2.0%

Rest of Asia ecommerce performance  
FY22 vs FY23 % difference

\* Japan migrated to new platform February 2023.



→ | LOOKING FORWARD |

In SEA, we will leverage the momentum from our strategic acquisition of HoneyWorld™ to scale distribution and product development for consumers in this vital, connecting region.

GROW CATEGORY

CHANNEL DIVERSIFICATION

INTEGRATE HONEYWORLD™



—— It's encouraging to deliver double-digit top-line and bottom-line growth in EMEA. However this segment remains sub-scale and materially breakeven.

Revenue grew by 14.4% to NZ\$5.9M and net contribution to NZ\$604K or 623.3% of revenue. During this period, we added talent to the United Kingdom team and have a very clear focus on channels and product categories where we see opportunities for growth.

Our online business was disrupted during FY23, though this is now resolved. Our United Kingdom and Germany D2C business was successfully transitioned onto Comvita's integrated ecommerce platform, delivering an uplift of +83% in customer acquisitions for the region and +10% in revenue growth for all ecommerce for FY23. AOV is +12% in the United Kingdom and +8% in Germany versus PCP.

Reported currency basis

	This year FY23 NZ\$000	Last year FY22 NZ\$000	vs last year NZ\$000	vs last year %
Sales	5,862	5,124	738	14.4%
Net contribution	604	83	521	627.7%
Net contribution %	10.3%	1.6%		8.7%

EMEA (United Kingdom and Germany) ecommerce performance  
FY22 vs FY23 % difference

\* Migrated to new platform March 2023.



→ | LOOKING FORWARD |

We will drive household penetration in focus product categories with a refreshed go to market model and distribution partnerships. D2C is now back fully under our management with consequential revenue and contribution benefits, and our ecommerce presence will be enhanced through online marketplace expansion in Europe.

DISTRIBUTION MODEL

CHANNEL FOCUS

TEST AND LEARN





On 4 July 2023, we were delighted to welcome **HoneyWorld™**, the largest honey retailer in Singapore, into our Group.

— This strategic SG\$8.5M (NZ\$10M) acquisition has enabled us to join forces with a business that is the market leader in core Comvita categories in one of Asia's premium growth markets. Combined, our market share in the Mānuka honey category in Singapore will be around 50%.

HoneyWorld™ was founded in 1997 by Pearline Goh to introduce healthy and nutritional foodstuffs and operates 18 outlets in the Singapore market with a loyal consumer following. We will supply HoneyWorld™ brands in store as well as growing our own Comvita Mānuka brand and range. We are delighted Pearline has also agreed to become part of the Comvita whānau and to share her expertise in the Singaporean and wider Asian region markets. Singapore is also a crucial market connecting Asia with the world and the world with Asia.

This acquisition will be immediately accretive to Comvita, with a forecast 25% increase in the HoneyWorld™ return on capital employed once integrated. For the Comvita Group, this acquisition is forecast to deliver a 22% improvement in earnings per share. HoneyWorld™ is forecasting revenue in FY24 of over SG\$13M (NZ\$15M). The acquisition is debt funded.

SINGAPORE

Population:

5.454M

Gross domestic product:

\$397B

Gross national income per capita:

\$54,530







ECOMMERCE

TRANSFORMATION

Online revenue now accounts for 42% of all Comvita sales, circa NZ\$98M.

The ecommerce landscape of the last 12 months was highly competitive, with in-store shopping more prevalent than previous periods that were restricted by lockdowns. Comvita doubled down on customer acquisition and driving overall consumption, delivering a lift in revenue and margin and strongly over-indexing in D2C channels.

- Total ecommerce revenue +19.1% versus PCP, at accretive margins.
- Ecommerce share of net Group revenue to 41.7% +270bps versus PCP.
- NPS\* 80% +7.1% versus PCP.

FOCUS MARKET GROWTH

Despite challenging market headwinds, we continued our growth momentum in Mainland China, with ecommerce revenue now representing 74% of all sales. Our Comvita WeChat store was launched in 2022 and we delivered another year of record-breaking results during key sales festivals such as 618, outperforming all competitors.

Comvita's online channels in North America increased by 22%, with the ecommerce share to 31% (+200bps). We expanded our online range by more than a third, generating a 1,631bps improvement in repeat purchase rates on [Comvita.com](https://www.comvita.com), where registered user sales grew by a healthy 56%. Our focus Amazon Seller strategy delivered nearly +80% growth compared to FY22.

GREATER CHINA

ECOMMERCE SHARE **61%**  
Revenue from ecommerce

ECOMMERCE GROWTH **+17%** D2C  
**+4%** Marketplace

NORTH AMERICA

ECOMMERCE SHARE **31%**  
Revenue from ecommerce

ECOMMERCE GROWTH **+40%** D2C  
**+17%** Marketplace

EMEA

ECOMMERCE SHARE **33%**  
Revenue from ecommerce

ECOMMERCE GROWTH **+5%** D2C (from March 2023)  
**+18%** Marketplace



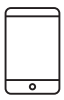
01. Fun and engaging National Olive Day ecommerce campaign in ANZ

02. Comvita has consolidated a 'single source of truth' for more than 75% of D2C revenue and 39% of our total global database.



03. Comvita USA generated record-breaking revenue through our D2C Valentine's Day campaign 2023.

04. In China, Comvita was the highest international brand to make Tmall's Top Ten (total healthy food category) in 2023.



**42%**  
TOTAL ECOMMERCE SHARE

**+28%**  
REGISTERED USERS

**5x**  
CHAMPION USERS

**+1,568<sub>BPS</sub>**  
REPEAT PURCHASE RATES (RPR%)

**+1,242<sub>BPS\*</sub>**  
AVERAGE ORDER VALUES

→ LOOKING FORWARD

We will focus on consumer acquisition and retention and deepen our consumer insights through extended test and learn, driving innovation via fast feedback loops.



NEW USERS

FREQUENCY OF USE

LIFETIME VALUE AND LOYALTY

\* NPS recalculated for FY22 to FY23 for formula consistency.

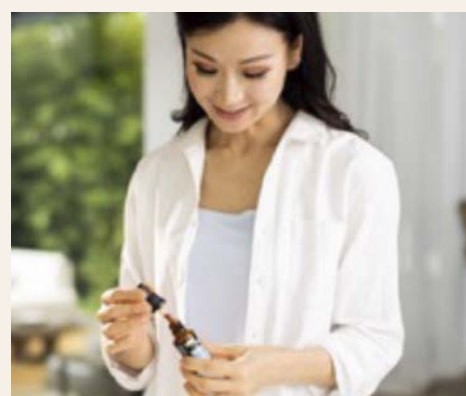
\* AOV based on Australia, NZ and US only.



## PREPARING

### COMVITA PROPOLIS

## FOR TAKE-OFF



Bee Propolis originates from a plant's defence system and contains **over 300 powerful natural bioactive compounds** that support immunity, health and wellbeing.

— The wellness industry has experienced strong growth in recent years, with consumers increasingly seeking natural supplements to help build their immunity. The impact of Covid has amplified this trend, prompting consumers to proactively focus on strengthening their immunity. Many are now looking for proven plant-based, natural health products.

Within wellness, the cold, flu and immunity category is valued at over US\$12.0B annually and projected to grow at 6.5% per year.

While traditional remedies like Propolis have been used for centuries to enhance immunity, consumer awareness of its benefits has been relatively low compared to other immunity products. Comvita is a global leader in Propolis. Consumer research has shown the untapped potential for Propolis and the Comvita brand to premiumise the global market and increase penetration with new consumers.

### BENEFIT-LED IMMUNE BEE™ PROPOLIS

Our consumer-centric approach led to the creation of the Immune Bee™ Propolis range. The new packaging design symbolises the essence of bee Propolis and its natural origins. The front of pack reinforces the product's immunity benefits.

By choosing to use rPET recycled plastic jars for all the products in the range, we were able to prevent 20MT of additional plastic waste.

### POSITIVE SIGNS

The relaunch of the Immune Bee™ Propolis range in the second half of FY23 is encouraging, with our Propolis products revenue growing 26.5% during FY23. Even so, more work is still to be done to realise the true potential of this category.



**Active defense.  
Be life ready.**



**27%**

GROWTH IN FY23

**NEW**

VEGETABLE  
CAPSULE

**20MT**

OF PLASTIC  
DESIGNED OUT



RECYCLABLE AND  
CIRCULAR rPET  
JAR AND LID



### LOOKING FORWARD

We are focused on expanding market distribution and delivering an innovative pipeline of products to realise the potential of the Propolis category to help consumers build immunity.

**Poised**  
FOR TAKE-OFF

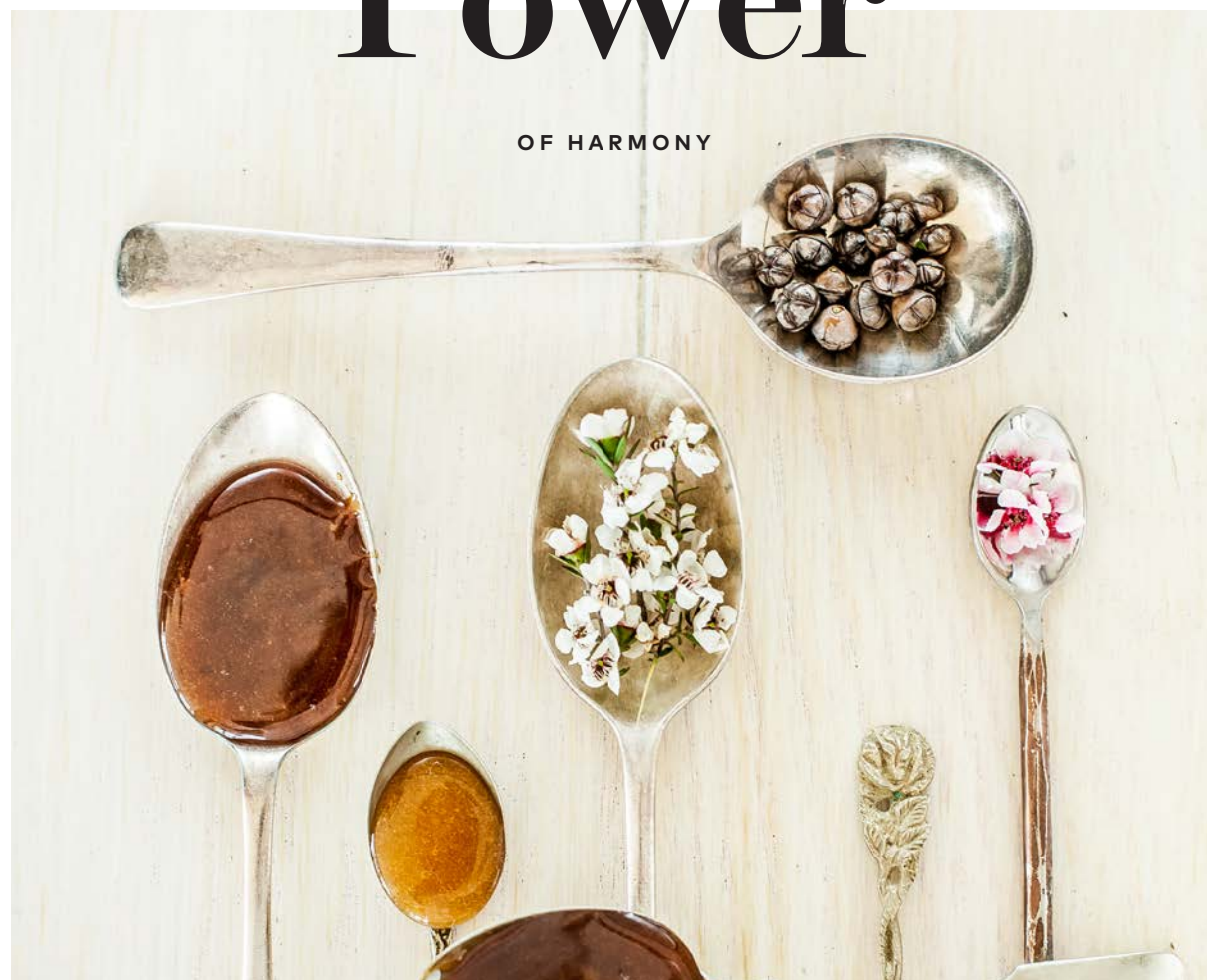
GROW HOUSEHOLD PENETRATION

BUILD RANGE



# THE Power

OF HARMONY



— **Comvita is driven by a profound purpose: working in harmony with bees and nature in Aotearoa New Zealand to heal and protect the world. Our Harmony Plan is both a roadmap and a commitment to perpetuate positive impact for people, bees and planet. For us, it captures our determination to leave the world in a better place.**

When Comvita amended its company constitution in 2022 to ensure all stakeholders were considered in decision making, we doubled down on our previous commitment to convert purpose into action.

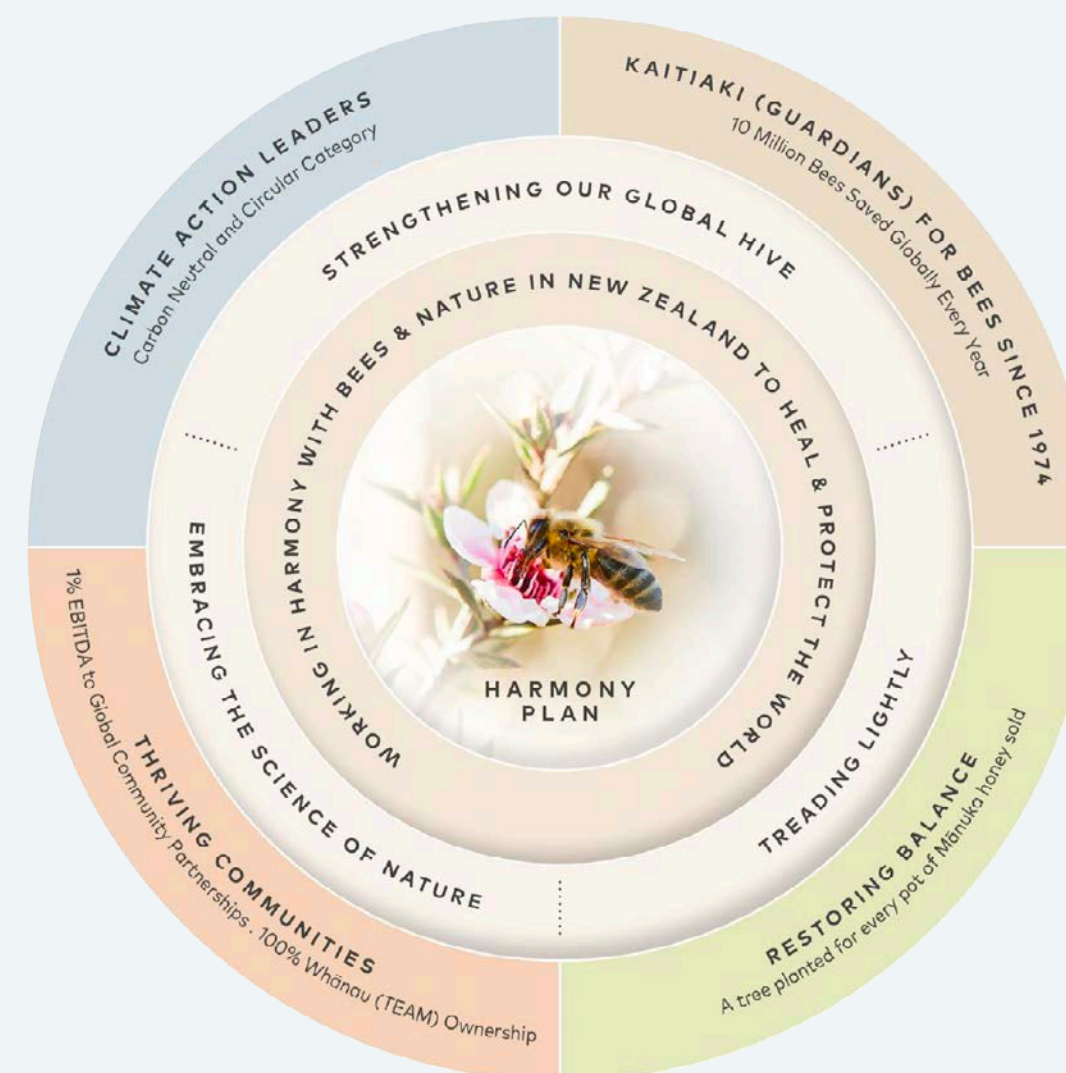
We were delighted to receive B Corp certification this year, confirming Comvita as a purpose-driven organisation committed to the highest standards of transparency and accountability for social and environmental impact.

We also celebrated a number of material Harmony Plan outcomes thought the last year:

- Partnership agreement signed with Olé (one of China's largest premium supermarket chains) premised on a shared commitment to long-term ESG initiatives and outcomes.
- More than NZ\$300,000 donated as part of our 1% EBITDA commitment to initiatives in Aotearoa New Zealand, Australia, United States, Korea and Africa.
- 91%\* of global Comvita team now shareholders and part-owners in Comvita.
- Bee Welfare Code launched and adopted across all Comvita Apiary branches.
- More than 44 million bees rescued from extermination.
- Launch of our Time to Heal programme for our global team. With 1,008 employee hours volunteered in support of environmental and community causes.

\* Global team as shareholders or bonus scheme equivalent

E reretau ana, e mahi ngātahi ana  
mātou ko ngā pi me te taiao i Aotearoa, hei whakaora, hei manaaki  
āno i te ao tūroa.



“

Our core belief is that  
we can only be as healthy as the natural ecosystems  
that sustain us, as true healing power only comes  
from working in harmony with nature. We've done  
this for almost 50 years.”



SUSTAINABILITY

B CORP

CERTIFIED

“

We are proud to become B Corp certified.

This perfectly aligns with Comvita’s founding principles  
and ongoing commitments captured in our Harmony Plan.”

DAVID BANFIELD, CEO

ANNUAL REPORT

Taking the **lead on social and environmental performance** is not only what our people,  
planet and community needs – it’s also good  
for business.

—— **Comvita was founded with long-term views around balancing purpose and profit. Becoming a certified B Corp company is in line with those founding principles, and we are truly proud of this achievement.**

Since our establishment, Comvita has been grounded in ethical, social, 'founding' ethos and environmental ideals. In many ways, our ethos was ahead of its time – forged in an era when climate change had yet to enter the global narrative. Nearly five decades later, we are the leaders in this space.

Comvita was the first publicly listed company in Aotearoa New Zealand to specifically change its constitution to ensure the needs of all stakeholders are considered in decision making and governance. The B Corp certification is a powerful commitment to deliver performance against the highest global standards, providing

rigorous independent verification across the five impact areas of our 13 subsidiary operations around the world (employees, customers, the communities we serve, governance and, of course, the environment). By providing a transparent 360-degree view of our global stewardship and action, we are further setting ourselves apart – and raising the benchmark for others to follow.

We know our customers recognise the importance of the B Corp certification and believe this achievement will enable us to accelerate distribution growth around the world.

We are taking a long-term view, knowing B Corp supports our sustainability credentials and enhances our reputation, financial performance and value in the future. Taking the lead on social and environmental performance is not only what our people, planet and community needs – it’s also good for business.

“B Lab is the nonprofit network transforming the global economy to benefit all people, communities, and the planet. There’s no Planet B. Our international network of organizations leads economic systems change to support our collective vision of an inclusive, equitable, and regenerative economy ...

We’re building the B Corp movement to change our economic system – and to do so, we must change the rules of the game. B Lab creates standards, policies, tools, and programs that shift the behaviour, culture, and structural underpinnings of capitalism. We mobilize the B Corp community towards collective action to address society’s most critical challenges.”

Source: <https://www.bcorporation.net/en-us/movement/about-b-lab/>





PEOPLE

AND  
CULTURE



Comvita's co-founder Alan Bougen & wife Lynda Bougen with our Country Market Leads at our 2023 Hive Gathering.

“

We aim to create an environment where our team can thrive, unlocking individual potential and creating a legacy everyone can be proud of.”

KIRSTY DENT  
ACTING CHIEF PURPOSE & TRANSFORMATION OFFICER

As we approach the milestone of our 50th year, we are shaping the next chapter for Comvita.

For Comvita to be at its best, we need to create an environment that enables our team to perform. FY23 was a pivotal year in our transformation journey where we focused on performance culture and meaningful connections to build an impactful legacy.

These major initiatives were under way or advanced in FY23:

- Meeting our team shareholding principle philosophy, with 91% of our global employees now shareholders (or bonus scheme equivalent).
- Operating model optimisation with consumers firmly at the centre. This includes an information systems upgrade to improve internal capacity, speed to market and our ability to scale.
- Evolution in our ways of working to drive a learning organisation underpinned by freedom and accountability.

- Positively impacting employees' lives through continued progression in our employee value proposition (EVP), with an emphasis on wellbeing.
- Completion of year one of our Time to Heal programme where we live our purpose by giving the global team paid time off to support communities in need.
- B Corp certification – a testament to the commitment of our teams worldwide to all that this stands for.

We take care to listen to the voice of our team as a key means to measure progress against our performance culture and best employer goals. This includes periodic surveys delivered in all languages used across Comvita. In our most recent survey, 92% of our team globally contributed their voice. We were delighted to see a material shift in our team recommending us as an employer, with our Employee Net Promoter Score (eNPS) climbing to +21.

OUR  
BEST EMPLOYER  
ASPIRATION



79% ENGAGEMENT

PEOPLE IN FOCUS

559<sup>\*</sup>  
GLOBAL FULL-TIME  
EQUIVALENT (FTE) ROLES

40%  
OF OUR ROLES WERE  
FILLED INTERNALLY

67%  
OF GLOBAL EMPLOYEES  
ARE FEMALE

75%  
EXECUTIVES WITH  
INTERNATIONAL EXPERIENCE

4.3<sup>YRS</sup>  
GLOBAL LENGTH OF  
SERVICE (AVERAGE)

100%<sup>\*\*</sup>  
LIVING WAGE

341  
INDIVIDUAL  
WELLBEING CHECKS

40%  
OF EXECUTIVES REPORTING  
TO CEO ARE FEMALE

9  
REGIONAL  
APPRENTICESHIPS  
UNDER WAY

91%<sup>\*\*\*</sup>  
GLOBAL TEAM AS  
SHAREHOLDERS  
+7,600BPS

22  
ETHNICITIES IN  
GLOBAL TEAM

38%  
OF COMVITA DIRECTORS  
ARE FEMALE

<sup>\*</sup> Acquisition of HoneyWorld™ team not included in this number.  
<sup>\*\*</sup> In markets with recognised living wage.  
<sup>\*\*\*</sup> Global team as shareholders or bonus scheme equivalent.





Comvita team and international chef William Mordido, Bocuse d'Or, at 2023 Hive Gathering.

— **Creating an aspirational, inclusive and connected workplace where our team can thrive is crucial to engagement and performance.**

Disruption due to Covid accelerated our need to embrace new ways of working and focused our minds on creating a working philosophy designed to balance being together, celebrating success and working remotely. We are pleased with

our progress towards our stated aspiration to become best employer.

Our team are passionate about Comvita and what it represents, and through engaging with their feedback, we were able to craft experiences and solutions that provided real and enduring moments of impact.

1. Flexible working	We are committed to creating an inclusive workplace where we can work from anywhere at any time subject to business needs, with ongoing optimisation of our tools and supporting processes to enhance remote working and flexibility.
2. Hive to home	We connected our team to consumers and markets where they experienced our in-market product activations, bee experiences and operations tours and our experiential space at the Wellness Lab.
3. Celebrating diversity	We provide diversity, equity and inclusion training for all employees. We are supporting understanding and connection through our celebration of cultural norms and festivals around the world.
4. Progressive EVP	Our FY23 initiatives include elevation of our family support policies and progressive retirement planning and support. We celebrate service milestones from completion of the first year through to 30 years and beyond. Our longest-serving employee joined Comvita in 1982.

→ **LOOKING FORWARD** —

- Ongoing new ways of working to enable our team to thrive.
- Focused investment in leadership development.
- Targeting global eNPS +30 on our way to best employer.



PERFORMANCE

IMPACT

CONNECTING TO OUR

MĀTAURANGA

MĀORI JOURNEY



— **We recognise the mana whenua of Tapuika, and we are taking steps to build a lasting and mutually beneficial partnership.**

We are in the early stages of our te ao Māori journey, and we are deeply appreciative of the support and input we receive from the Tapuika Iwi Authority. We were honoured to have Tapuika bless the reopening of our Customer Support Centre during a dawn ceremony at Paengaroa, and for Rawiri Biel, Chair of the Tapuika Iwi Authority, to open our 2023 Hive Gathering and attend our Stakeholder Open Day.

In FY23, we initiated a range of opportunities to educate and connect. These are some highlights:

- Te ao Māori engagement group activated across Aotearoa New Zealand and Australia.
- Extension of te reo Māori awareness and use within our internal communication forums.
- Te reo Māori learning opportunities introduced, with 45 participants in our first three cohorts.
- Establishment of Comvita waiata groups, including performing our very own waiata.
- Local community engagement, including support for kai resilience.
- Planning for our kūmara garden on site at Paengaroa – an opportunity to reinstate what was once on the whenua and connect with the ancestral history of the land.



“

I am proud to see how far we have come in the last year. Our team are more willing to showcase te ao Māori, share their voice and be more involved in celebrating our culture, safe in the knowledge that Comvita provides a supportive space, to learn, grow and share.”

KAITOHUTOHU MĀORI DAVID WALTERS



## CYCLONE

### GABRIELLE

#### AND THE RESILIENCE OF OUR APIARY TEAM

14.02.23 / TRAGEDY

On 14 February 2023, the Hawke's Bay region in Aotearoa New Zealand experienced the destructive force of Cyclone Gabrielle, marking the apex of an intense wet weather season that had ravaged the North Island throughout the summer. This natural disaster brought widespread damage and flooding, leaving the people of Hawke's Bay in a state of extreme vulnerability and isolation. Tragically, the cyclone claimed 11 lives across the region.

Our Hawke's Bay Apiary branch was in an area heavily impacted by floodwaters, alongside our extraction facility and on-site staff housing. We prioritised the safety

of our 13-member team and their families. Unfortunately, we were not able to prevent the loss of more than 22 million bees within the Apiary sites. An internal Comvita response team was quickly assembled to provide ongoing assistance and support to the team members, including emergency funding, care packages and temporary accommodation for those displaced by the floods.

When the immediate danger subsided, our attention shifted to damage assessment for the extraction facility and warehousing – but our buildings, plant and inventory were irrecoverable. Cyclone Gabrielle struck in the

middle of our extraction season, and all honey stored on site was also written off. Fortunately, the resilience of the Comvita end-to-end business model gives us the ability to overcome such supply shocks. We were able to continue processing the remainder of the harvest through our facilities in other parts of the North Island. We used Comvita's ecommerce reach to run campaigns in March and April, with the revenue from all sales donated to the Red Cross in support of the wider region.

Alongside many impacted in Hawke's Bay, our Apiary team, led by Branch Manager Ethan Paulsen, faced exceptionally challenging circumstances in the aftermath of Cyclone Gabrielle. Their remarkable leadership and fortitude showcased the strength of our Comvita spirit in the face of adversity. We acknowledge Ethan and his team's ultimate commitment to safety through his rapid and effective emergency response, the teamwork and tangible support shown for one another and the wider community. The team pivoted at pace to enable our operation to recover as quickly as possible.



Ethan Paulsen has been beekeeping for 15 years – a craft and passion he discovered almost by accident, but one he now describes as core to his personal purpose. Ethan's leadership throughout the disaster was underpinned by authentic compassion and a grounded pragmatism to just get things done.

#### Ethan's reflection

"I am so grateful the team and all our families and loved ones are safe. Once we got through the cyclone itself, the hardest part to accept was complete devastation to the Apiary branch. It was sad to lose so many bees when you dedicate so much of your time to caring for them.

The team felt really supported when we needed it most. The Comvita values were absolutely backed up by action – not just the team on the ground but from all those around us. We really are an A+ team. And from this crisis comes the opportunity to build something even better."





Comvita is committed to ensuring health and safety is integrated into daily operations. We believe the key to ongoing improvement is through simplification and reach. Ultimately, we are empowering all Comvita people to be safety leaders in the workplace to ensure all return home safe and well every day.

Following three years of extended Covid disruptions, Comvita welcomes a rise in proactive reporting. We also experienced a rise in reactive reporting, seen by the jump in our lost-time injury frequency rate (LTIFR) as well as our total recordable injury frequency rate (TRIFR). With 95% of lost-time injuries from low-risk events, we are now working to improve the way we manage discomfort and minor injuries in the workplace. We launched our 'back to basics' strategy to improve proactive risk escalation and management of follow-up actions.

We are pleased with the overall increase in proactive reporting of hazards and near misses, and we are doubling down to drive even more attention on lead indicators going forward. Travelling on the roads between Comvita sites is one of our highest-risk activities, and we have put a lot of emphasis on safe driving practices in previous seasons. We are happy to report a 41% reduction in motor vehicle injury frequency rate (MVIFR) versus FY22.

#### EVOLVING OUR SAFETY CULTURE MATURITY

Our safety culture maturity model is built on a stepped progression from basic compliance through to behavioural safety leadership, and we are confident our rating growth of +0.62 across 12 operational teams will drive systemic improvement in our safety performance going forward.







#### ENABLING OUR TEAM TO THRIVE

— We launched our holistic wellbeing support programme Thrive in 2021.

We have increased the number and range of initiatives every year since, including activations around physical wellbeing, mental health, financial literacy and community connection. We were pleased to receive strong endorsement of this strategy last year, with 80% of global employees agreeing Comvita prioritises wellbeing in our most recent engagement survey.



Members of Comvita Board and leadership team conducting a leadership safety walk.

#### PROMOTING A SAFE WORKPLACE

Safety engagement improves workplace culture, builds relationships and increases productivity through improving processes. It also does the obvious – prioritising health and safety – ultimately making our workplace a safer place to be. We promote safety engagement at Board level and throughout our organisation:

- We learn and continuously improve through what goes right as well as what goes wrong, trusting in ourselves and each other as we work together.
- We model strong safety leadership engagement through authentic examples of doing the right thing, including on-the-ground engagement from our Board.
- We re-energised our Safer Hive Committee and we celebrate the in-depth reach and influence our Safer Hive Champions have within our range of operational teams.
- We improved our communications and engagement around health and safety through learning opportunities, including leadership coaching, robust internal and external training programmes and improvements to our safety culture maturity assessment and action planning.



“

Being a Safer Hive Champion is a great opportunity to grow my leadership skills and confidence. Elevating our workplace Health & Safety makes this role incredibly meaningful. Some of my more timid colleagues are now approaching me with H&S ideas and I love seeing my team adopt best practice and make positive change to ensure everyone's safety. They've even mentioned the workplace feels safer now!”

ANDRES BAEZ, SAFER HIVE CHAMPION  
WHANGANUI APIARY



#### LOOKING FORWARD

- Promoting proactive intervention to improve lead and lag safety metrics.
- Targeting a +0.5 improvement in rating for our safety maturity culture.
- Continued investment in our progressive wellbeing programmes globally.



CULTURE

SAFETY LEADERSHIP





Noelani Waters, bee and nature advocacy leader, at a bee experience session.

“

Noelani’s educational talk has widened my understanding of insects. She told us all these amazing facts about bees and what we could do to help; I liked that she was passionate about bees and it shone through in her talk, making every bit of information feel interesting and valuable.”

KAITIAKI FOR BEES SCHOOL STUDENT

———— **Comvita’s beekeeping operations have been independently verified as supporting healthier and more productive hives.**

As beekeepers ourselves, we recognise the critical importance bees play in pollinating approximately 75% of global food supply as well as supporting the biodiversity of our natural ecosystems around the world. Global bee populations are in significant decline because of climate change, pesticides, human development, diseases and more. We have taken a stance on this issue by issuing a Bee Welfare Code and acting as a global leader and educator in bee advocacy and welfare.

**KEEPING BEE COLONIES HEALTHY AND STRONG FOR NEARLY 50 YEARS**

Last year, we delivered our largest Apiary research project to date, supported by independent bee biology and apiculture experts from Plant & Food Research. The aim of the study was to assess the performance of Comvita hives against hives sourced from other beekeeping operations in Aotearoa New Zealand so we could benchmark our performance and critically evaluate opportunities for improvement.

Our team evaluated 120 hives at four different Apiary sites, measuring colony strength, honey production rate, optimal bee temperament and varroa control. The study established that on average, Comvita’s colonies consistently outperformed colonies from other suppliers highlighting our beekeeping and pest management practices as best in class.

These are some other FY23 achievements in support of bee welfare

- In partnership with beekeeping operations nationwide across the United States, we supported the rescue of more than 44 million bees from extermination.
- We have increased our bee rescue target in the Harmony Plan to 100 million bees saved annually, aiming to achieve this by FY30.
- Comvita launched its own Bee Welfare Code in 2022 promoting best conditions for bees. This is being rolled out to all suppliers.
- Our educational bee seminars for children continued and we had 232 participants aged 4 years or older in our FY23 programme.

2023

5<sub>M</sub>

BEES RESCUED  
2021

12.2<sub>M</sub>

BEES RESCUED  
2022

44.5<sub>M</sub>

BEES RESCUED  
2023

M

COMVITA.CO.NZ

→

**LOOKING FORWARD**

- Expansion of bee welfare and rescue programme to Asia.
- Further solidify our bee welfare leadership through our Bee Welfare Code to all our bee product suppliers.
- On the way to saving 100 million bees.



GLOBAL EXPANSION

EDUCATION AND PROTECTION OF BEES



CLIMATE

ACTION

LEADERSHIP



— The tragic impacts of Cyclone Gabrielle and other major weather events around the world have brought climate change into devastating focus. Comvita recognises the criticality of long-term environmental readiness and risk mitigation for the future of our business and our planet. We remain committed to being carbon neutral by 2025, and we are setting near-term and long-term science-based carbon- reduction targets.

Our FY23 climate action performance has been assessed as follows:

- **Carbon footprint:** Our global greenhouse gas (GHG) inventory for FY23 versus the baseline established in FY22 showed a 9% increase in gross emissions. The rate of increase is at less intensity than our sales growth, showing an overall improvement in ratios. Nonetheless, we have a renewed focus on carbon reduction 'hot spot' areas moving forward.
- **Carbon removals:** Carbon sequestered from Comvita's owned or managed Mānuka forests since establishment is 78,947 tCO<sub>2</sub>e. FY23 removals captured in Comvita's GHG inventory decreased by 3% versus prior year,

with the registration of certain forests under the Emissions Trading Scheme (ETS) requiring them to be excluded. (Total estimated removals from all Comvita forests are actually +90% versus PCP, including those ETS-registered forest blocks and joint venture interests exempted. If captured within total removals, Comvita's overall GHG sequestration position would be -12% versus FY22 at 22,529 tCO<sub>2</sub>e.)

- **Circularity and waste:** Recyclable, reusable and compostable Aotearoa New Zealand packaging is now 92%, up from 89% in FY22. We diverted 171T of waste from landfill, with 60% of our waste being recycled. We set a new baseline for our waste measurement with our first-ever global waste audit. This also identified significant opportunities to reduce total production site waste and increase recycling in the future.
- **Sustainable and ethical procurement:** We are in the foundation stages of our sustainable procurement journey. Last year, we put in place a [Sustainable Procurement Policy and Supplier Code of Conduct](#) and developed a significant supplier pre-screening framework. These and other supporting initiatives will be formally rolled out and reported on in FY24.

COMVITA GLOBAL CARBON GREENHOUSE GAS RESULTS SUMMARY

Greenhouse gas inventory – global – tCO<sub>2</sub>e

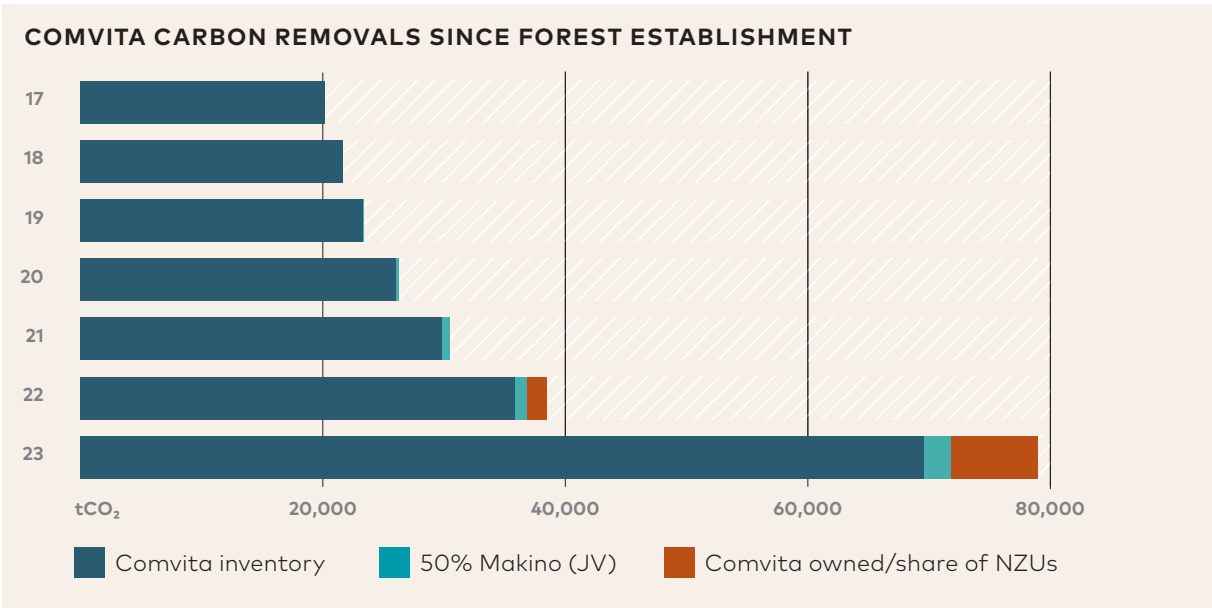
This data was prepared in accordance with and audited against ISO 14064-1:2018 and relevant greenhouse gas protocols. Refer [GHG Inventory Report FY23](#).

	FY22	FY23	Difference
Direct (Scope 1) GHG emissions	1,021	1,113	12%
Energy indirect (Scope 2) GHG emissions (location-based)	429	349	-6%
Other indirect (Scope 3) GHG emissions	30,553	33,482	10%
<b>Total gross emissions</b>	<b>32,004</b>	<b>34,944</b>	<b>9%</b>
<b>GHG inventory removals</b>	<b>-5,972</b>	<b>-5,843</b>	<b>-2%</b>
<b>Net GHG inventory emissions</b>	<b>26,032</b>	<b>29,102</b>	<b>12%</b>
Total Scope 1 and 2	1,450	1,462	7%

<b>Biogenic GHG inventory emissions and removals</b>			
Removals – carbon sequestration due to land-use change	<b>-6,026</b>	<b>-5,850</b>	<b>-3%</b>
Emissions – biofuel combustion	<b>55</b>	<b>7</b>	<b>-86%</b>
<b>Net GHG inventory removals</b>	<b>-5,972</b>	<b>-5,843</b>	<b>-2%</b>

<b>GHG inventory emissions intensity</b>			
Gross GHG emissions KgCO <sub>2</sub> e per NZ\$1 of revenue	0.153	0.149	-3%
Net GHG emissions KgCO <sub>2</sub> e per NZ\$1 of revenue	0.125	0.124	-0.4%
Scope 3 GHG energy/industry emissions (non-FLAG) KgCO <sub>2</sub> e per NZ\$1 of revenue	0.109	0.113	3%

<b>GHG net position including total Comvita removals tCO<sub>2</sub>e</b>			
<b>Comvita owned and/or managed removals</b>			
Net GHG inventory removals	-6,026	-5,850	-2%
NZ ETS NZUs and joint venture interests	-491	-6,543	1,232%
<b>Total removals</b>	<b>-6,517</b>	<b>-12,393</b>	<b>92%</b>
<b>Net GHG position</b>	<b>25,541</b>	<b>22,559</b>	<b>-12%</b>





RESTORING

BALANCE

“

As Mānuka (*Leptospermum scoparium*) is a native tree, we believe this creates a far more compelling case for reforestation and carbon capture with Mānuka over pine in Aotearoa New Zealand.”

DAVID BANFIELD, CEO

— **Having a healthy and thriving ecosystem in our Mānuka forest, Apiary and olive supply chains is good for the environment and helps us produce high-quality finished goods.**

Native forests develop over time, where each plant community improves the growing conditions for the next. In this context, Mānuka is known as a pioneer species, meaning it supports natural forest succession and regeneration.

To assess the ecological outcomes occurring within Comvita forests, University of Auckland and Plant & Food Research, with funding from Callaghan Innovation, undertook collaborative research project quantifying the biodiversity differences between pastureland (used for grazing animals) and Mānuka plantings. The study captured water quality, native bat and bird activity and invertebrate diversity and provided some important initial findings:

- Even though still young the biodiversity of Comvita forests was materially improved versus that of pastureland.
- It only took three to five years of regeneration following planting for biodiversity to be comparable to that of a mature, naturally regenerated, Mānuka forest (>30 years old).
- Freshwater health also showed signs of rapid recovery following Mānuka planting; in a shorter time-span than usually expected for riparian re-vegetation projects.

We are hugely encouraged by the findings, which show how our forest strategy can help us in living our purpose to work in harmony with bees and nature in Aotearoa New Zealand to heal and protect the world. By harnessing the power of nature and leveraging the regenerative properties of Mānuka trees, we can work towards a healthier and more resilient environment for future generations.



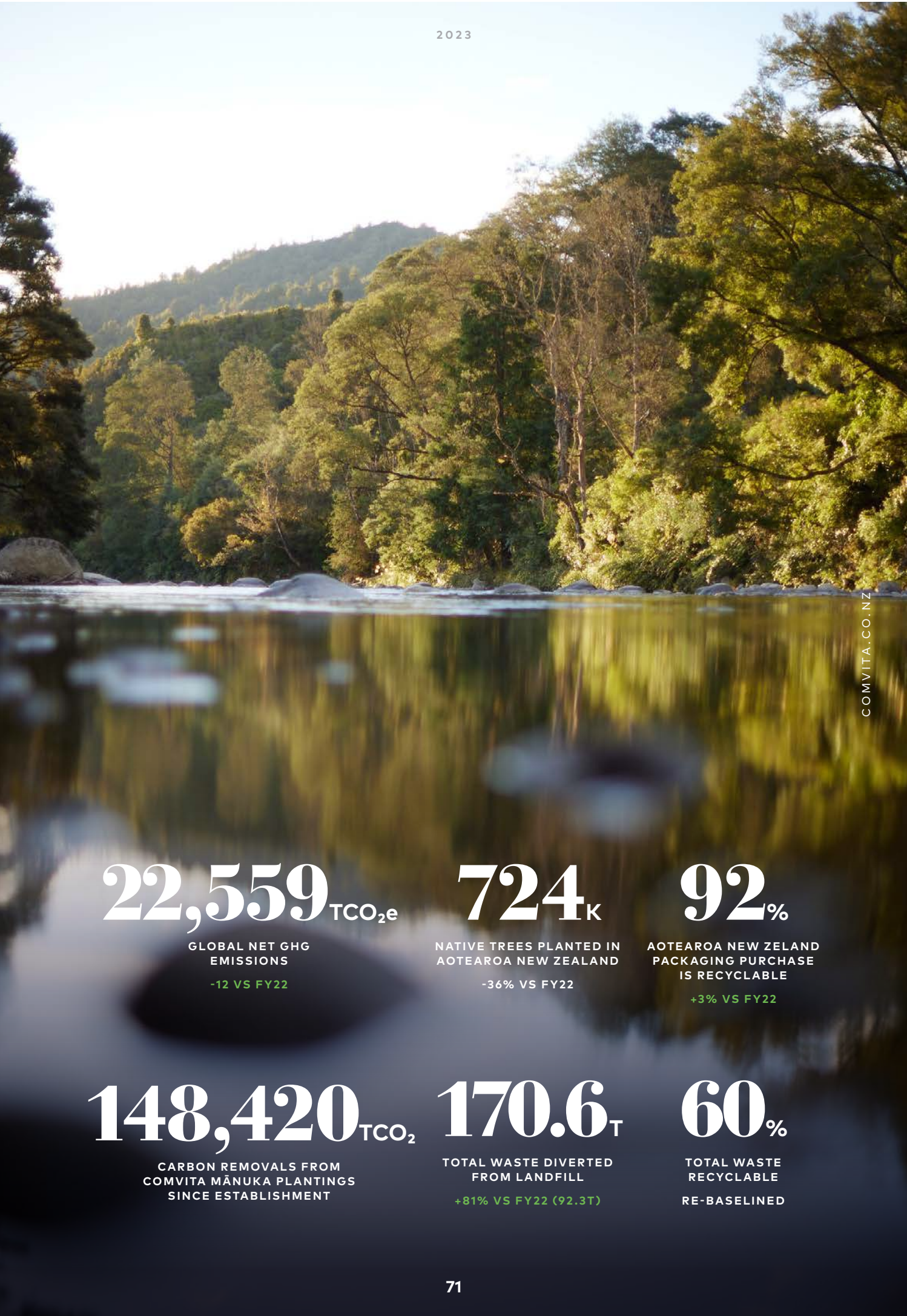
**Regeneration**

At the end of FY23, Comvita has regenerated over 7,500 hectares in native Mānuka, which is over 6.8 million trees.



**Mitigating climate change**

At the end of FY23, 148,420 tCO<sub>2</sub> has been removed from all Comvita Mānuka planting since establishment.





RESTORING BALANCE

SAVE THE KIWI

PARTNERSHIP

IMPACT THROUGH PARTNERSHIP

Since the remarkable discovery of 22 breeding kiwi at one of our Mānuka forests in the central North Island, Comvita has been working in partnership with Save the Kiwi to help reverse the current population decline of our iconic national species.

In FY22, we funded a predator management strategy for the establishment of safe habitats for kiwi to thrive within our forests. In FY23, we continued our support for this critical protection programme, and we are looking forward to a Comvita kiwi population recount in FY24 to determine if there has been any change in population numbers.

Comvita has also sponsored the naming and release of three young kiwi (Harmony, Atawhai and Korakora) into various kiwi sanctuaries established by Save the Kiwi in the Bay of Plenty.

"Seeing these super-cute chicks up close turned us all into mush," says Bryce Smith, one of the Comvita employees invited to participate in the release. "It really brought home the great work Save the Kiwi are doing and how proud we are to be part of their determination to improve our kiwi population." When old enough, the hatchlings are relocated to protected reserves where they can live the rest of their days without fear of predators.

THRIVING COMMUNITIES

SAVING THE WILD



Jamie Joseph, Founder of Saving the Wild, one of the Maasai female participants and Carlos Zevallos

“

Visiting Kenya was a true career highlight. I have kept in contact with those I trained and hearing about the bees producing an impressive 620 pots of honey, despite tough conditions, is incredibly inspiring. Being part of living out our purpose and the Harmony Plan at Comvita has been life changing for both myself and the Maasai community.”

CARLOS ZEVALLOS, HEAD OF APICULTURE DEVELOPMENT NZ

GLOBAL IMPACT

Comvita has been a major sponsor of Saving the Wild since 2020, supporting the protection of endangered wildlife.

The Kimana Sanctuary in Kenya, Africa, provides a crucial corridor for animals to traverse between Amboseli National Park and the Chyulu Hills and Tsavo protected areas.

We established the Saving the Wild Beekeeping Project the following year to help reinforce the boundaries of this wildlife passageway while also generating positive social outcomes for local Maasai communities.

In late 2022, Carlos Zevallos, Head of Apiary Development for Comvita, travelled to Kenya to partner directly with local beekeepers to support the programme on the ground and share his extensive beekeeping knowledge.

Saving the Wild WOMEN is now up and running, with beekeeping and business mentoring under way for up to 8 female participants, so they can become self-sufficient in apiculture. The women are currently responsible for 100 colonised hives, and all proceeds from honey sales will be reinvested to support educational outcomes for the Maasai community.



Saving the Wild WOMEN.



TIME TO HEAL

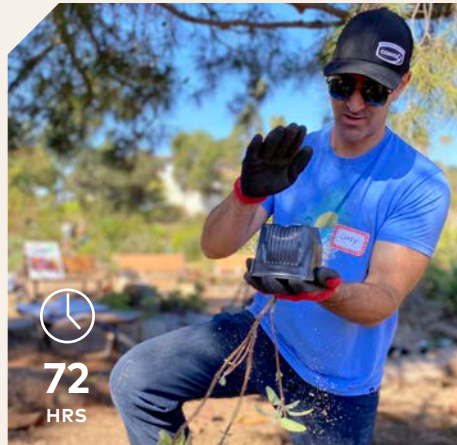
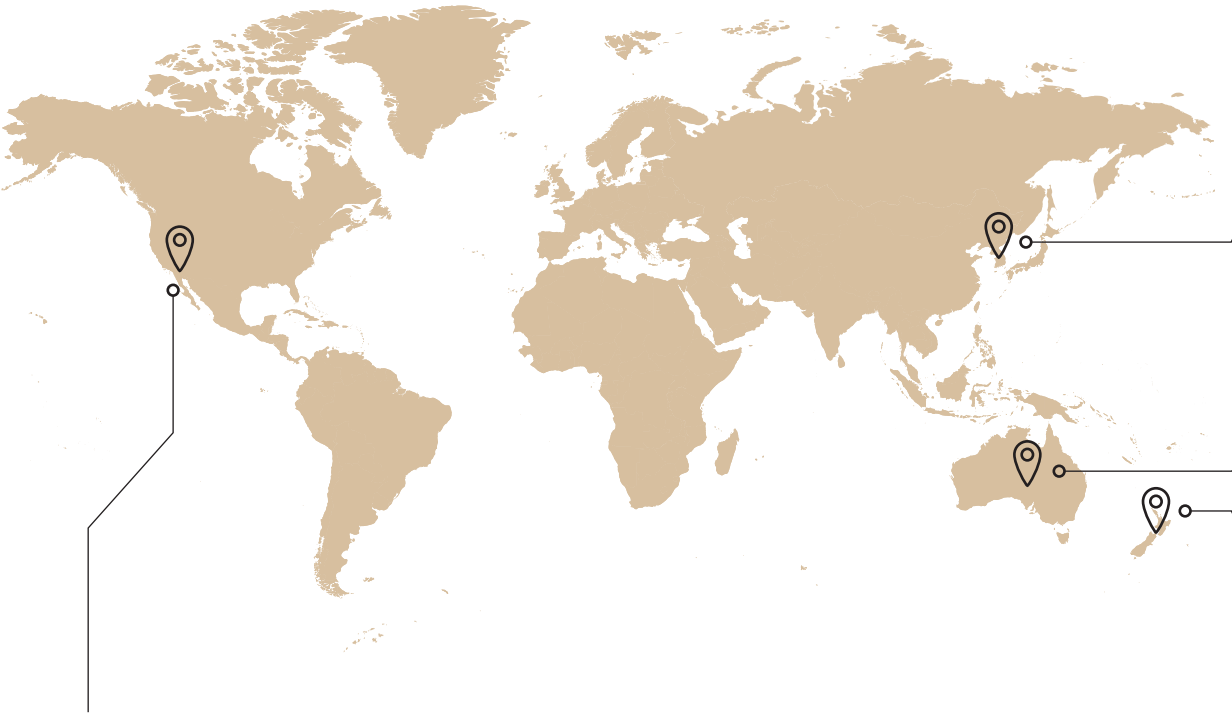
BUILDING

OUR LEGACY

Our Time to Heal Day is an opportunity for our team to come together. We encourage all our people to give back to the communities in which we operate, investing our time and expertise to lend voluntary support to initiatives that positively impact the quality of life and help build thriving communities and playing our part in situations of nature in need.

In FY23, we completed 1,008 hours of volunteer service in our Aotearoa New Zealand communities.

We look forward to building this programme globally over the next year so that we can make an even greater impact.



72  
HRS

UNITED STATES | Community garden restoration

The United States team volunteered at Mesa Harmony Garden in Santa Barbara, planting native Californian plants. Before tree planting, we worked together to clear brush using wheelbarrows and craft gopher baskets to protect the plants from the feisty animals. We had a Garden tour to see their local bees, avocado, sapote, and persimmon trees. With close ties to the local food bank, the Garden regularly donates all their harvested fruit. It was a fantastic team-building experience, and I can't wait for the next one!

Heather Coalwell, Accounting Coordinator, USA



88  
HRS

KOREA | Plogging

Our Korean team had a rewarding day restoring Cheonggyecheon Stream. Split into two teams, we enjoyed cleaning streets along a three-kilometer stretch of streamside. This experience heightened our environmental awareness and we hope also inspired passersby. A fantastic day had by all, embracing the Comvita Harmony Plan!

Wonhee Han, Brand Manager, Korea



176  
HRS

AUSTRALIA | Rewilding

Our Australian team dedicated their day to revitalising our eroded creek and ridding the native bushland of invasive weeds. It's such a great feeling to have this renovation project up and running again, knowing we have the support of Comvita to make a difference is amazing. It may only be a small area in the scheme of things, but it's now a beacon of hope for the precious wildlife that call this area home.

Aaron Prior, Operations Manager – Comvita Olive, Australia



80  
HRS

AOTEAROA NEW ZEALAND | Huria Marae

Our Production team members spent their Time to Heal Day volunteering at Huria Marae. For me, it was incredibly special to be welcomed onto the beautiful Marae by members of their Iwi. Pitching in at the kitchen to prepare kai (food) for the less fortunate whānau (families) in the Tauranga Moana community was a humbling experience, and it was heartwarming to see smiles on their faces as they enjoyed the kai.

Alazae Davis Peters, Warehouse operator, New Zealand



FOOD PANTRY

PĀTAKA KAI

During our Comvita Hive Gathering in May 2023, 220 Aotearoa New Zealand team members helped build 15 Pātaka Kai community pantries for food donation to communities across the North Island. This project aims to address the pressing issues of food insecurity and food resilience while fostering community wellbeing. We are thrilled to be installing these beautiful Pātaka Kai into their permanent homes across the North Island in early FY24.

It's been gratifying to be able to combine my professional expertise and hobby in the effort to construct 15 Pātaka Kai for our local communities. By coming together during our Hive Gathering, not only were we able to have fun constructing the Pātaka and brainstorming the community impact; every single person involved on the day can say they've helped to build infrastructure enabling stronger communities.

Tom Petchell, Project Engineer, Pātaka kai (NZ)



Comvita team helping to build 15 Pātaka Kai community pantries for food donation to communities across the North Island.



MATERIALITY

ASSESSMENT

STAKEHOLDER ENGAGEMENT AND PROCESS TO DETERMINE MATERIAL TOPICS

During 2022, we undertook a formal and full stakeholder engagement process and materiality assessment to identify, understand and prioritise the economic, social and environmental topics that are most material to our stakeholder groups.

We engaged and considered the views of those who can have a significant impact on our business or on whom we can have a significant potential impact as the result of our activities. Stakeholder participants were identified using the methodology outlined in AccountAbility's AA1000 Stakeholder Engagement Standard 2015 – the most widely applied global stakeholder engagement standard.

Topics were identified through an interview process, and the topic list was checked against other compilations of material topics, sustainability frameworks and indices and also previous Comvita work.

Each resulting topic was evaluated against stakeholder importance and business impact. Stakeholder importance was assessed using a follow-up survey. Business impact was evaluated by a group of our senior leaders by overlaying the Comvita value creation model. The final materiality matrix was prepared based on the results from the survey and the business impact assessment.

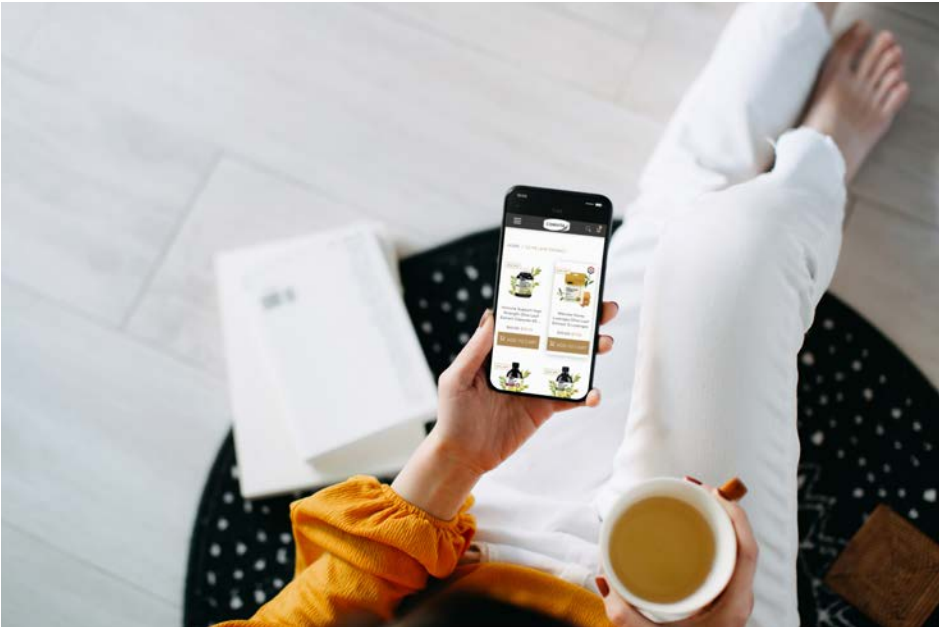
For FY23, we also conducted an internal review of the material topics identified during 2022 and their relative priority. Consideration was given to regulatory, sustainability framework and reporting standard developments as well as relevant external and internal factors. This included GRI 13: Agriculture, Aquaculture and Fishing Sectors 2022, which will apply to Comvita as an apiculture business for the reporting period ending 30 June 2024 and subsequent reporting periods. The adjustments made are set out in the table below.

We will go through a full stakeholder engagement process and material topics review and adjustment during FY24. This will be in line with the new stakeholder engagement process that we are in the process of finalising.

OUR IDENTIFIED KEY STAKEHOLDER GROUPS

The stakeholder groups identified as part of the 2022 materiality assessment are:

- Investors/shareholders
- Founder and Comvita Board
- Global customers
- Aotearoa New Zealand industry
- Iwi
- Local business community
- Suppliers and business partners
- Government
- Employees.





Our materiality assessment

Priority	FY23 material topics	Description	Material impacts	Policies, commitments, management actions, monitoring, learnings and stakeholder input	SDG alignment
1	Product quality	Providing safe, high-quality products for Comvita customers world-wide.	Consumer health and appeal from safe and efficacious products. Drives increased loyalty and purchase.	<ul style="list-style-type: none"><li>Global Quality Policy in place.</li><li>Audited quality management system.</li><li>Testing of all honey and Propolis, with clear specifications for raw materials and packaging.</li><li>Monitoring, managing and responding to instances of non-compliance and customer complaints.</li></ul>	SDG 16: Peace, Justice and Strong Institutions
2	Consumer focus and affinity	Delivering for customers and consumers in a way that meets their needs and inspires them to join the Comvita movement.	Business financial performance in short and longer term Improved health outcomes and satisfaction for consumers.	<ul style="list-style-type: none"><li>Global customer service centres.</li><li>Measurement of consumer engagement via digital and other direct channels.</li><li>Project-specific customer and consumer research when appropriate.</li><li>Continuous improvement based on feedback received via various channels.</li></ul>	SDG 8: Decent Work and Economic Growth SDG 17: Partnerships
3	Employee value proposition and engagement	Supporting our people through health, safety and wellbeing. Providing a learning and growth culture, enabling evolving capability requirements, and a workplace that mirrors diversity and inclusiveness.	Staff health, satisfaction, and marketability. Business performance and productivity and innovation from attraction, retention, and performance of healthy and diverse workforce.	<ul style="list-style-type: none"><li>Comprehensive approach to providing a safe and healthy workplace for employees and contractors on site through health and safety management system. This includes a focus on continuous improvement.</li><li>Dedicated Health and Safety Lead and team, with oversight by the Safety and Performance Committee who monitor performance regularly.</li><li>Health and safety review reports are agenda items at all Board meetings and supported by external health and safety governance training.</li><li>Employee engagement and eNPS measured through Our Voice survey to assess progress against targets.</li><li>Global onboarding and online training courses plus relevant external training to advance skills.</li><li>Diversity goals in place and supported analysis of key metrics across different regions and demographic groups.</li></ul>	SDG 3: Good Health and Well-Being SDG 4: Quality Education SDG 5V Gender Equality

Priority	FY23 material topics	Description	Material impacts	Policies, commitments, management actions, monitoring, learnings and stakeholder input	SDG alignment
4	Ethical conduct and sustainable supply chain	Being accountable for our end-to-end global supply chain, including ensuring third-party partners are ethical, sustainable and transparent in their delivery.	Negative social and environmental impacts from suppliers' activities. Risk of damage to our reputation and customer appeal.	<ul style="list-style-type: none"><li>Sustainable Procurement Policy supported by legal agreements and Supplier Code of Conduct and pre-screening of significant suppliers.</li><li>Honey supplier declarations required.</li></ul>	SDG 11: Sustainable Cities and Communities SDG 12: Responsible Consumption and Production SDG 16: Peace, Justice and Strong Institutions
5	Sustainable financial performance	Ensuring sustainable financial performance and growth to underpin our ability to deliver a positive impact for all stakeholders.	Economic benefits and social returns from financial results benefiting investors, staff, suppliers and other stakeholder groups. Enables investment in other positive impact initiatives.	<ul style="list-style-type: none"><li>Gross profit, marketing investment, EBITDA and net debt targets supported by underlying business plan.</li><li>Reported publicly yearly and half yearly and at high level monthly to internal stakeholders.</li></ul>	SDG 8: Decent Work and Economic Growth SDG 9: Industry, Innovation, and Infrastructure
6 (8 FY22)	Climate change management and action	Adapting to and mitigating impacts of physical and transition risks from climate change, including carbon reduction.	Risks of physical impacts from changing climate and transition impacts as we move to a low-carbon economy with associated demands on the business.	<ul style="list-style-type: none"><li>Established goals to be carbon neutral by 2025 and science-based carbon-based reduction targets, including net zero.</li><li>Developing carbon reduction plan to support emissions reduction targets.</li><li>Established Sustainability Governance Group, which meets regularly and monitors key metrics.</li><li>Compliance reporting through to Audit and Risk Committee alongside Harmony Plan updates to Safety and Performance Committee.</li></ul>	SDG 3: Good Health and Well-Being SDG 7: Affordable and Clean Energy SDG 12: Responsible Consumption and Production SDG 13: Climate Action SDG 14: Life Below Water SDG 15: Life on Land



Priority	FY23 material topics	Description	Material impacts	Policies, commitments, management actions, monitoring, learnings and stakeholder input	SDG alignment
7 (6 FY22)	Biodiversity	Proactive consideration, application and investment to encourage greater biodiversity.	Ecosystem health – water quality, aquatic and land biodiversity, toxicity impacts from Mānuka forests and sugar cane production.	<ul style="list-style-type: none"><li>Established Mānuka planting targets.</li><li>Completed biodiversity research studies in conjunction with Plant &amp; Food Research, providing scientific data to support benefits of regeneration.</li><li>Future extension of pest control efforts.</li></ul>	SDG 15: Life on Land
8 (7 FY22)	Bee welfare	Serving as champions for bees and bee welfare by directly supporting bee health and wellbeing.	Ecosystem benefits from bees as pollinators and the foundation of our supply chain.	<ul style="list-style-type: none"><li>Employ experienced branch managers to ensure optimal management of our hives and bees in line with best practice.</li><li>Monitoring in place for hive loss targets.</li><li>Implemented Bee Welfare Code internally and now rolling this out externally.</li><li>Bee rescue programme and dedicated role for public education.</li></ul>	SDG 15: Life on Land
9	Circular economy and waste	Taking a comprehensive approach to minimisation of waste and recycling, including end-of-life options within product design.	Reduce use of virgin materials, production impacts and waste pollution.	<ul style="list-style-type: none"><li>All packaging will be 100% recyclable, reusable and compostable by 2025.</li><li>Developed bespoke material circularity index model to baseline against for future improvement.</li><li>Established waste reduction and recyclable percentage targets and supporting initiatives.</li></ul>	SDG 12: Responsible Consumption and Production

Priority	FY23 material topics	Description	Material impacts	Policies, commitments, management actions, monitoring, learnings and stakeholder input	SDG alignment
10	Mānuka and broader sector leadership	Stepping up to progressively lead improvement in standards and sustainability outcomes within the industry.	Wider economic and social benefits to community as well as Comvita from successful and sustainable Aotearoa New Zealand apiculture industry.	<ul style="list-style-type: none"><li>Provide industry leadership, research, education and support commensurate with our role as the largest Mānuka honey company in Aotearoa New Zealand.</li><li>Key contributions include Mānuka honey IP support through UMFHA and Apiculture New Zealand membership and other industry education and support.</li></ul>	SDG 8: Decent Work and Economic Growth SDG 9: Industry, Innovation, and Infrastructure SDG 17: Partnerships
11	Collaboration and partnerships	Encouraging the development of stronger communities and relationships with local communities and Māori.	Community and environmental wellbeing.	<ul style="list-style-type: none"><li>Impact created by partnering with other like-minded stakeholders aligned with our purpose and Harmony Plan goals.</li><li>1% EBITDA community impact investment.</li><li>Time to Heal Day implementation.</li><li>Our approach, strategy and results are reviewed by the Safety and Performance Committee.</li></ul>	SDG 11: Sustainable Cities and Communities



KEEPING US

FOCUSSED

OUR BOARD



YAWEN WU	BOB MAJOR	JULIA HOARE	DAVID BANFIELD	BRETT HEWLETT	BRIDGET COATES	LUKE BUNT	GUANGPING ZHU
DIRECTOR	INDEPENDENT DIRECTOR, CHAIR OF SAFETY AND PERFORMANCE COMMITTEE	INDEPENDENT DIRECTOR	MANAGING DIRECTOR	INDEPENDENT DIRECTOR, CHAIR	INDEPENDENT DIRECTOR	INDEPENDENT DIRECTOR, CHAIR OF AUDIT AND RISK COMMITTEE	DIRECTOR



VISIT [COMVITA.CO.NZ](https://www.comvita.co.nz) FOR BIOGRAPHIES OF OUR BOARD AND LEADERSHIP

BUILDING OUR

BUSINESS

OUR LEADERSHIP  
TEAM



DR JACKIE EVANS	NIGEL GREENWOOD	DAVID BANFIELD	ANDY CHEN	HOLLY BROWN
CHIEF SCIENCE OFFICER	CHIEF FINANCIAL OFFICER	CHIEF EXECUTIVE OFFICER	REGIONAL CHIEF EXECUTIVE OFFICER APAC	CHIEF DIGITAL AND MARKETING OFFICER



ADRIAN BARR	KIRSTY DENT	JESSICA SANDERS	CHRIS FRANCE	TRACY BROWN
CHIEF BUSINESS DEVELOPMENT OFFICER	ACTING CHIEF PURPOSE & TRANSFORMATION OFFICER	EXECUTIVE ASSISTANT	CHIEF TECHNOLOGY OFFICER	CHIEF OPERATIONS OFFICER



Comvita Limited is committed to taking a holistic view of how it creates **long-term value** and the impact of its decisions on all stakeholders – including shareholders, employees, customers, suppliers, community and the environment.

The

Board's Charter sets out the governance principles, authority, responsibilities, membership and operation of the Board of Directors. This governance statement outlines the main corporate governance practices as at 22 August 2023. The full statement is available to view at [www.comvita.co.nz](http://www.comvita.co.nz).

COMPLIANCE

The Board has adopted codes and policies relating to the conduct of all Directors, executives and staff, taking guidance from the NZX Main Board Listing Rules relating to corporate governance and the NZX Corporate Governance Code.

For the purpose of Listing Rule 3.8.1, the Board considers that, as at 22 August 2023, the governance structures, principles, policies and practices it has adopted are in compliance with the NZX Corporate Governance Code dated 1 April 2023 (NZX Code) except to the extent set out in the following pages.

Comvita's Constitution, the Board and Committee Charters, codes and policies referred to in this section are available to view at [www.comvita.co.nz](http://www.comvita.co.nz).

Comvita makes the documents listed below available on its website.

Constitution/Charters	Codes/Policies
Constitution	Code of Ethics
Board Charter	Continuous Disclosure Policy
Safety and Performance Committee Charter	Financial Product Dealing Policy
Audit and Risk Committee Charter	Diversity and Inclusion Policy
	Director and Officer Remuneration Policy

Further detail

Further detail as required by the NZX Listing Rules and Companies Act 1993 is included in the financial statements supplied with, and as part of, the Annual Report.

GOVERNANCE PRINCIPLES AND GUIDELINES

Principle 1 – Ethical Standards

Code of Ethics (Recommendation 1.1)

Directors set, observe and foster high ethical standards. Comvita expects its Directors, officers, and employees to act legally, to maintain high ethical standards and to act with integrity consistent with Comvita's policies, guiding principles and values.

A Director-specific Code of Ethics sets out these standards for all Directors and can be found in the Appendix to the Board Charter on the company's website. Further, Comvita has a Code of Ethics applicable to all Directors, officers and employees in accordance with Recommendation 1.1 of the NZX Code, a copy of which is available on the website. Training on ethical behaviour is incorporated within Comvita's induction programme, with refresher training provided periodically.

Company rules, which all employees and officers are expected to adhere to, provide clear guidance across a range of ethical and legal matters to ensure high standards of performance and behaviour are maintained when dealing with the company's customers, suppliers, shareholders and staff.

Specific policies are also available on the company's website as noted above.

Mechanisms are provided within the company-wide Code of Ethics and general company rules for the safe reporting of breaches of ethical standards or other policies or laws, and the consequences of non-compliance are made explicit.

Financial Product Dealing Policy – Trading in Comvita securities (Recommendation 1.2)

Directors, officers and employees are restricted in their trading of Comvita securities and must comply with Comvita's Financial Product Dealing Policy, which is available on the company's website. The policy provides guidance on insider trading rules and outlines process and approval requirements for dealing in Comvita securities.

Principle 2 – Board Composition and Performance

Board Charter (Recommendation 2.1)

The Board operates in accordance with the Board Charter, which sets out the roles and responsibilities of the Board. A copy of the charter is available on the company's website.

There is a balance of independence, skills, knowledge, experience and perspective among Directors that allows the Board to work effectively.

Responsibility for the day-to-day operations and administration of the company is delegated by the Board to the Chief Executive Officer and the leadership team.

Nominations and appointments (Recommendation 2.2)

The nomination of candidates for appointment to the Board is overseen by the Safety and Performance Committee and the procedure for nomination and appointment is detailed in the Safety and Performance Committee Charter. Such procedure includes processes to be followed to ensure proper checks are carried out on all candidates and key information is obtained to enable the Board and shareholders to make an informed decision about whether to elect or re-elect a candidate. It also provides for an assessment of independence.

Written agreements (Recommendation 2.3)

The Directors have each signed a written agreement with the company outlining the terms of their appointment. The agreement includes expectations of the Director, expected time commitments, remuneration, indemnity and insurance provisions, disclosure requirements, confidentiality obligations, term and expectation of compliance with relevant corporate policies.

Board size and composition (Recommendation 2.4)

The Board is comprised of Directors with a mix of qualifications, skills and experience appropriate to the company's business. The number of Directors and rotation requirements are determined in accordance with the company's Constitution, the Board Charter and the NZX Main Board Listing Rules. The Constitution provides for the Directors to elect one of their number as Chair of the Board, and the Board Charter provides that the Chair should be an independent Director unless otherwise approved by all Directors. To encourage the process of constant evolution of the Board and succession of key roles within the Board, the Board Charter states that Directors are discouraged from standing for re-election a second time (i.e. after serving six years) unless by unanimous support from the whole Board. For the year ended 30 June 2023, the company complied with the current Listing Rules with regard to the composition of the Board and the appointment and rotation of Directors.

Director profiles (with details of their experience), ownership interests, meeting attendance, length of service and independence of each Director are available on the company's website and/or in this Annual Report.

Director ownership interests (including beneficial ownership) as at 30 June 2023 are detailed in the statutory information section at the back of the 2023 financial statements.



For a Director to be considered independent, the fundamental consideration in the opinion of the Board is that the Director is independent of the Executive and does not have any direct or indirect interest, position, association or relationship that could or could be perceived to influence in a material way the Director's capacity to bring an independent view to decisions, to act in the best interests of the company and to represent the interests of shareholders generally. In accordance with the NZX Code, any Director who is or who is associated with a substantial product holder is considered by the Board to not be independent.

The Board has reviewed which of its Directors are deemed to be independent in terms of the NZX Listing Rules and has determined that five of the eight Directors as at 30 June 2023 were independent.<sup>1</sup> Of the Directors that are independent, none of the factors listed in the NZX Code are relevant.

Board and Committee meeting attendance for the year ended 30 June 2023 is set out below:

Board member	Board <sup>2</sup>		Conference calls and special meetings		Audit and Risk Committee <sup>3</sup>		Safety and Performance Committee <sup>4</sup>		Tenure on Board (years)
	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended	
Brett Hewlett	10	10	2	2	5	5	4	4	6
Luke Bunt	10	9	2	2	5	5	–	–	9
Sarah Kennedy	7 <sup>5</sup>	7	1	1	–	–	3	3	–
Bob Major	10	9	2	2	-	-	4	4	4
Zhu Guangping	10	7 <sup>6</sup>	2	2	–	–	–	–	4
David Banfield	10	10	2	2	–	–	–	–	2
Yawen Wu	10	10 <sup>7</sup>	2	2	–	–	–	–	2
Bridget Coates	10	10	2	2	4	4	1	1	2
Julia Hoare	3 <sup>8</sup>	3	1	1	1	1	–	–	<1

1. Zhu Guangping and Yawen Wu are not considered independent as they are associated with substantial product holders. Zhu Guangping is associated with Li Wang, the largest shareholder in the company with a shareholding of greater than 5%. Yawen Wu is associated with China Resources, which also has a shareholding of greater than 5%. David Banfield is not considered independent as he is Managing Director and CEO.

2. Chair of the Board has no casting vote.

3. Chair of the Audit and Risk Committee has no casting vote.

4. Chair of the Committee has no casting vote.

5. Sarah Kennedy resigned effective 1 March 2023.

6. Zhu Guangping joined two of these meetings late due to the time zone differences.

7. Yawen Wu's alternative Ching Ho Luk attended nine of these meetings on her behalf and joined one meeting late due to the time zone differences.

8. Julia Hoare was appointed Director effective 1 March 2023.

Gender composition of Directors and officers and diversity

Comvita is committed to diversity (race, gender, sexuality etc.) in its employment of individuals at all levels in the organisation.

As at 30 June 2023 (the prior year's comparison is in brackets):

	Board		Audit and Risk Committee	Safety and Performance Committee	Officers
Gender					
Male	5 (5)	62%	2 (2)	2 (2)	8 (8)
Female	3 (3)	38%	1 (1)	1 (1)	4 (5)
Gender diverse	0 (0)	0%	0 (0)	0 (0)	0 (0)
Age					
Under 30 years	0	0%			
30–50 years	1	13%			
Over 50 years	7	87%			
Executive	1		0	0	
Non-executive	7		3	3	
Independent	5		3	3	
Number of each individual's other significant positions and commitments and the nature of the commitments	Please refer to the statutory information section of the financial statements		Please refer to the statutory information section of the financial statements	Please refer to the statutory information section of the financial statements	
Membership of under-represented social groups	2 x Chinese ethnicity 1 x British ethnicity 3 x female		1 x female	1 x female	
Stakeholder representation	None		None	None	

Diversity Policy (Recommendation 2.5)

Comvita has maintained its commitment to diversity, equity, and inclusion – a stance that is reflected in the core values and behaviours of the company. Comvita has a Diversity Policy that is available on the company's website. The Safety and Performance Committee is monitoring set diversity objectives and targets specifically relating to pay policies and equity, development and growth, and the diversity of senior executives (gender, and global experiences and perspectives).

The Safety and Performance Committee is positive about current progress and strategies to maintain equality on a scheduled approach.

Further details on Comvita's diversity and inclusion are outlined on page 56-57.

Director training and performance (Recommendations 2.6 and 2.7)

Board members are encouraged to regularly participate in learning and self-development opportunities provided by the Institute of Directors or other professional groups to ensure they remain current on how best to perform their duties as a Director.

Comvita has a procedure to assess Director, Board and Committee performance, which is set out in the Board Charter. In particular, the Board periodically undertakes a self-assessment of its performance, processes and procedures.



In the reporting year, the Directors undertook sustainability reporting training on climate risk management and the Aotearoa New Zealand Climate Standards presented by Deloitte.

Comvita has also supported future Directors, with Institute of Directors observer Jerome Ng's term ending in February 2023.

#### **Independence of Directors (Recommendations 2.8, 2.9 and 2.10)**

The majority of the Board are independent Directors and the Chair is independent. The Chair and the CEO positions are not held by the same person.

It is viewed that the Chairs of the Audit and Risk and the Safety and Performance Committees are independent, as are the Committee members.

#### **Principle 3 – Board Committees (Recommendation 3.5)**

The Board uses Committees where this enhances the effectiveness in key areas while retaining Board responsibility. The Board operates two Committees to assist in the execution of the Board's duties: the Safety and Performance Committee and the Audit and Risk Committee. Each Committee has a specific Charter, which can be viewed on the company's website. Committee members are appointed from members of the Board for an initial two-year term, with re-appointment reviewed on an annual basis.

All matters determined by Committees are submitted to the full Board as recommendations for Board decision. Staff members attending those Committees are at the invitation of the specific Committee.

The Board did not consider it necessary to have any other Committees for the reporting period as a standing Board Committee.

#### **Audit and Risk Committee (Recommendations 3.1 and 3.2)**

The Audit and Risk Committee currently comprises Luke Bunt (Chair), Brett Hewlett and Julia Hoare and met five times during the period. For FY23, all Committee members were independent and non-executive Directors. The Committee reviews the annual audit process, the financial, non-financial and operational information provided to stakeholders and others, the management of business risks facing the organisation and the framework of internal control and governance that the leadership team and the Board have established. The Chief Executive Officer, Chief Financial Officer and Group Financial Controller regularly attend meetings by invitation.

Comvita's external auditors attend Committee meetings as deemed necessary by the Committee. Further detail on the Committee's roles and responsibilities is set out in the Audit and Risk Committee Charter.

The Audit and Risk Committee will also provide guidance and review of Comvita's non-financial reporting and non-financial reporting audits (including GHG inventory reports) and recommend to the Board their adoption of (or otherwise).

#### **Safety and Performance Committee (Recommendations 3.3 and 3.4)**

The Safety and Performance Committee currently comprises of Bob Major (Chair), Brett Hewlett and Bridget Coates. The Committee met four times during the period.

For FY23, all Committee members were independent and non-executive Directors. The Committee provides oversight to health and safety by ensuring the business maintains a strong health and safety culture that meets or exceeds the company's obligations under legislation and best practice standards. The Committee also recommends the remuneration policies and packages, including performance incentives for the Chief Executive Officer and the Chief Financial Officer. Additionally, it reviews the performance targets of the Chief Executive Officer, succession planning for the leadership team and the Board, risk and compliance monitoring in relation to the company's human resources and operational health and safety oversight, and remuneration policies and guidelines for Directors. In determining remuneration, external independent consultants are engaged where appropriate in accordance with the Safety and Performance Committee Charter but the views of other stakeholders are not sought at this stage.

The Committee also carries out the functions of a nominations committee, recommending new Director appointments to the full Board. Further detail on the Committee's roles and responsibilities is set out in the Safety and Performance Committee Charter.

The Committee is also responsible for overseeing Comvita's purpose, values, strategies and goals related to sustainable development, including environmental, social and governance aspirations, making recommendations to the Board as appropriate. Comvita's sustainability framework is articulated through its Harmony Plan. The Committee delegates responsibility for identifying and managing stakeholder engagement and impacts on the economy, environment and people to the Chief Purpose & Transformation Officer, who is then supported by the Sustainability Lead and other employees. Monthly updates on Comvita's sustainability activities and impacts are provided to the full Board, with a detailed update and presentation of relevant topics to the Committee every quarter where the Committee will review recommendations and recommend to the Board annual, measurable ESG objectives, ESG strategies and policies and other ESG tasks as appropriate. Comvita also undertakes a

stakeholder engagement process and materiality assessment at least every two years using external experts to assist. The results and process itself, are reviewed by the Committee, and the results are communicated to the Board.

#### **Takeover protocols (Recommendation 3.6)**

The Board has established experience in respect of the various NZX and statutory requirements in the event of a takeover approach for the company. The key requirements of the Takeover Code are well understood by the Board.

Further, Comvita has established formal protocols that set out the procedure to be followed if there is a takeover offer in accordance with Recommendation 3.6 of the NZX Code.

#### **Principle 4 – Reporting and Disclosure**

The Board demands integrity both in financial reporting and in the timeliness and balance of disclosure on entity affairs.

Comvita is committed to ensuring integrity and timeliness in its financial reporting and in providing information to the market and shareholders that reflects a considered view on the present and future prospects of the company.

#### **Continuous disclosure (Recommendation 4.1)**

Continuous disclosure obligations of NZX require all listed companies to advise the market about any material events and developments as soon as the company becomes aware of them. The company has policies and monitoring in place to ensure that it complies with these obligations. In particular, the company has a Continuous Disclosure Policy applicable to all Directors, officers and employees that is available on the company's website.

#### **Charters and policies (Recommendation 4.2)**

Key corporate governance documents are available on the company's website.

#### **Financial reporting (Recommendation 4.3)**

The Audit and Risk Committee oversees the quality and integrity of external financial reporting, including the accuracy, completeness and timeliness of financial statements. It reviews half-year and annual financial statements and makes recommendations to the Board concerning accounting policies, areas of judgement, compliance with accounting standards, stock exchange and legal requirements and the results of the external audit. Management accountability for the integrity of the company's financial reporting is reinforced by certification from the Chief Executive Officer and Chief Financial Officer in writing that the company's financial statements are fairly stated in all material aspects.

#### **Non-financial reporting (Recommendation 4.4)**

Comvita is committed to non-financial reporting that is balanced, clear and objective. Broader reporting of environmental, social and governance factors is contained in this Annual Report. These disclosures have been developed with reference to Global Reporting Initiative Standards (GRI). This report links disclosed information to the GRI indicators as Comvita journeys towards reporting in accordance with GRI.

Comvita's consolidated financial statements and GHG inventory report are subject to independent external assurance. It is Comvita's intention that the rest of its sustainability reporting is also subject to assurance in the future. Where external assurance is not currently undertaken, data is gathered by appropriate internal business owners / experts, compared to the previous reporting period and cross-checked against other data.

Comvita is currently undertaking a project to build on and leverage its existing sustainability reporting framework in preparation for the release of its first climate statement under the new Aotearoa New Zealand Climate Standards. This is expected to be issued as at 30 June 2023. Comvita prepared its first GHG emissions report with an assurance report as at 30 June 2022, which will be mandatory under the climate standards by 2025.

#### **Principle 5 – Remuneration**

The remuneration of Directors and senior executives is transparent, fair and reasonable. Making sure team members and Directors get the rewards they deserve is the responsibility of the Safety and Performance Committee.

Comvita has a Remuneration Policy for Directors and officers, a copy of which is available on the company's website.

#### **Non-executive Directors' remuneration (Recommendation 5.1)**

The fees payable to Non-executive Directors are determined by the Board within the aggregate amount approved by shareholders. The Board considers external information of peer companies in terms of scale and complexity when setting remuneration levels. The current Directors' fee pool limit is \$610,000, approved at the 2016 Annual Shareholders' Meeting. Information on payments to each Director is set out in the statutory information section at the back of the financial statements.

#### **Senior executive remuneration (Recommendation 5.2)**

For FY23, senior executive remuneration was made up of base or fixed remuneration, a short-term incentive plan and a long-term incentive plan, subject to Board approval.



The short-term incentive plan is a bonus opportunity based on company performance hurdles of EBITDA and return on capital employed, and the long-term incentive plan is a performance share rights plan vested over three years based on company total shareholder return performance against an NZX index.

**Chief Executive Officer remuneration (Recommendation 5.3)**

The Chief Executive Officer's base salary for FY23 was \$633,000. Subject to Board approval, for FY23, the Chief Executive Officer was also entitled to a short-term incentive if he met agreed financial and non-financial goals (with on-target earnings of 50% of base salary, and the ability to achieve up to 60% of salary for over-delivery against Board-approved targets). Subject to Board approval and achievement of agreed Group performance targets, for FY23, the Chief Executive Officer was also entitled to a long-term incentive in the form of performance share rights (with on-target earnings of \$316,500). In relation to performance share rights achievements in FY23, 40,848 shares vested to the Chief Executive Officer in FY23, being one-third of the long-term incentives granted by the Board.

**Annual remuneration ratios:**

1:12 = highest paid employee to median annual remuneration of all other employees

1:3.8 = percentage increase in annual remuneration for highest paid employee to median percentage increase for all other employees

**Staff remuneration**

All permanent staff are eligible to participate in a short-term incentive scheme. Bonus payments are contingent upon achievement of company targets for the year (as approved by the Board), as well as assessment of individual delivery against objectives cascaded through the organisation and individual behaviour in line with core values.

**Principle 6 – Risk Management**

**Risk Management Framework – (Recommendation 6.1)**

Comvita has carried out a robust risk assessment process, described in the following paragraphs. The Board regularly verifies that the entity has appropriate processes that identify and manage potential and relevant risks through monthly Board reporting of the risk register. Further detail on the role and responsibilities of the Audit and Risk Committee in relation to risk management is set out in the Audit and Risk Committee Charter.

**Business risks**

The Chief Executive Officer and leadership team are required to regularly identify the major risks affecting the business. These major risks are included in a risk management register. Strategies are consistently being developed to mitigate these risks. Significant risks are discussed at each Board meeting or as required. Comvita maintains insurance policies that it considers adequate to meet the insurable risks of the Group. Exposure to any foreign exchange risk is managed in accordance with policies laid down by the Directors.

As risk assessment is a dynamic environment and often commercially sensitive, Comvita reports on the most significant of these under its continuous disclosure obligations to the NZX market and in the Annual Report.

**Chief Executive Officer and Chief Financial Officer assurance**

The Chief Executive Officer and Chief Financial Officer have provided the Board with written confirmation that Comvita's 2023 financial statements are founded on a sound system of risk management and internal compliance and control and that all such systems are operating efficiently and effectively in all material respects.

**Risk monitoring**

The Board reviews Comvita's risk management policies and processes, and the leadership team provides an updated risk assessment profile to each meeting of the Board.

The Safety and Performance Committee reviews human resource management risks.

**Health and safety (Recommendation 6.2)**

Comvita employs a Health and Safety Lead with oversight of health and safety matters sitting with the Safety and Performance Committee. The health and safety functions of the Committee include undertaking due diligence in the identification and monitoring of critical workplace, health, safety and wellbeing, as well as the monitoring and review of Comvita's compliance with documented health and safety policies and procedures. Health and safety review reports are a priority agenda item at all Board meetings, and specific reviews are sought as required. The Board undertakes ongoing external health and safety governance training and undertakes safety walks in key operational sites on a scheduled basis.

Further details on Comvita's health and safety performance and management are outlined on page 62-65.

**Principle 7 – Auditors**

**External auditor (Recommendations 7.1 and 7.2)**

The Board ensures the quality and independence of the external audit process. A framework for the company's relationship with its external auditor is overseen by the Audit and Risk Committee. Further detail on that framework and the role and responsibilities of the Audit and Risk Committee in relation to the external audit framework is set out in the Audit and Risk Committee Charter.

The Audit and Risk Committee actively engages the company's external auditor in a dialogue with respect to any disclosed relationships or services that may impact the objectivity and independence of the auditor and recommends to the Board appropriate action to ensure its independence.

Comvita's external auditor is KPMG. KPMG was reappointed by shareholders at the 2022 Annual Shareholders' Meeting in accordance with the provisions of the Companies Act 1993. KPMG was first appointed as auditors in 1998. KPMG has been invited to attend this year's Annual Shareholders' Meeting and will be available to answer questions about the audit process, Comvita's accounting policies and the independence of the auditor.

**Internal audit (Recommendation 7.3)**

Comvita currently does not have an internal audit function. However, the Audit and Risk Committee approves management's Internal Audit Plan annually. This programme of work includes internal and external reviews of specific risk areas and a review of one offshore subsidiary per year. The Audit and Risk Committee is responsible for reviewing and monitoring the company's risk management and internal control framework and has open communication with the external auditor, financial and senior management and the Board. The Committee is empowered to investigate any matter brought to its attention with full access to all books, records and facilities and personnel of the company and the power to retain outside counsel or other experts for this purpose. In addition, the Board seeks reports on specific areas of potential concern or to evaluate business performance on a post-investment basis. The reviews are completed by appropriate internal staff and/or with external input.

**Principle 8 – Shareholder Rights and Relations**

**Information and communication with shareholders (Recommendations 8.1 and 8.2)**

The Board fosters constructive relationships with shareholders, which encourages them to engage with the company.

The Board aims to ensure shareholders are provided with all information necessary to assess the company's strategic direction and performance. It does this through a communication strategy that includes:

- periodic and continuous disclosure to NZX
- information provided to media and briefings to major shareholders
- half-year and annual reports
- the company's website with an investor relations section
- future direction presentation at the Annual Shareholders' Meeting, which is conducted in a very open manner, and a range of questions are considered.

Comvita aims to ensure the process of communication with investors is easy and uses a variety of channels and technologies to keep its shareholders informed, including by providing and encouraging investors to receive communications electronically. Comvita has engaged a communications agency to assist with its investor relations programme.

**Major decisions (Recommendation 8.3)**

All major decisions that may result in a change in the nature of Comvita's business are subject to shareholder approval in accordance with the Constitution, the Companies Act 1993 and the NZX Listing Rules. At Comvita's Annual Shareholders' Meeting in September 2022, the shareholders approved the revocation and adoption of a new Constitution (99.03% voted for this).

**Capital raising (Recommendation 8.4)**

When considering any raising of additional capital, the Board considers the interests of all shareholders when assessing its options to raise capital. The Board will usually look to raise additional equity capital from existing shareholders on a pro-rata basis.

**Notice of meeting (Recommendation 8.5)**

To encourage shareholder participation in meetings, the Board looks to ensure notices of annual or special meetings of shareholders are posted on the company's website at least 20 working days prior to the meeting.

**GOVERNANCE DISCLOSURES**

NZX exercised its power to place Comvita in a trading halt, which lasted less than a day, on 3 July 2023 pending release of further information relating to its announcement on its long-term partnership with Olé.



ADDITIONAL

GRI DISCLOSURE

1. ADDITIONAL GRI DISCLOSURES

1.1. Reporting entity

Comvita Limited is a company domiciled in Aotearoa New Zealand, and registered under the Companies Act 1993 and listed on the NZX. The company is an issuer in terms of the Financial Reporting Act 2013 and Financial Markets Conduct Act 2013. Comvita has subsidiaries operating in Australia, China, Hong Kong SAR, Japan, South Korea, United States, United Kingdom, and the Netherlands.

The sustainability reporting in this Annual Report includes Comvita Limited and its subsidiaries (together referred to as the Group). All the entities in Comvita's financial reporting are also included in its sustainability reporting. Reporting on the Group's interest in equity accounted investees is included in the GHG inventory only.

The sustainability reporting in this Annual Report is for the period 1 July 2022 to 30 June 2023, which aligns with the financial reporting period. Comvita publishes all its reports on an annual basis. The publication date is 22 August 2023.

1.2. Contact point

Any questions in relation to this report should be directed to [info@comvita.com](mailto:info@comvita.com).

1.3. Restatements of information

There have been no significant restatements of information made from previous reporting periods. Some minor restatements have been made for Comvita's GHG inventory for reasons of completeness.

1.4. External assurance

Comvita's consolidated financial statements and GHG inventory report are subject to independent external assurance. It is Comvita's intention to have the rest of its sustainability reporting also subject to assurance in the future.

- Comvita's consolidated [financial statements](#) independent auditor's report.
- Comvita's [greenhouse gas inventory report](#) independent auditor's report.

The organisations who conduct the audit comply with the relevant independence and ethical requirements and there were no impairments of their independence for the purposes of the engagements.

1.5. Activities, value chain and other relationships

The principal activities of the Group are manufacturing and marketing quality nature health products, Apiary ownership and native forest management. Comvita operates within the premium health and wellness sector.

Comvita produces premium Mānuka honey and other bee-related and olive leaf extract health products. Its products are sold in China, Hong Kong SAR, South Korea, Japan, and other South East Asian markets. It also sells products in Aotearoa New Zealand, Australia, United States, Canada, United Kingdom and across Europe and Middle East.

Our supply chain includes partnerships and agreements with landowners for forest planting and/or placement of hives; external honey and Propolis suppliers; packaging, raw materials and external manufacturers for the production of products; freight and logistics providers; and sales and marketing activity. Comvita's products are sold through various channels, including D2C through ecommerce platforms and Comvita's own retail stores as well as through a network of major retailers, wholesalers, and distributors depending on the market.

Other relevant relationships include our membership of industry bodies such as UMFHA and Apiculture New Zealand. We value our relationship with Tapuika hapū.

There are no significant changes in the above compared to the previous reporting period.

1.6. Employees

EMPLOYEES FY23 (FTE)							
	Total	Male	Female	ANZ	Asia	North America	EMEA
Total number of employees	559	183	386	260	283	9	7
Permanent employees	504	174	330	235	253	9	7
Temporary employees	17	5	12	15	2	0	0
Non-guaranteed hours employees	38	4	34	10	28	0	0
Full-time employees	511	177	344	225		9	5
Part-time employees	10	2	8	10	0	0	2

1.7. Workers who are not employees

During FY23, we have had 43 workers who are not employees doing work for Comvita. The most common type was sales promoters (32) who are contracted through an agency for regulatory reasons in China. The remainder are independent contractors or contracted through an agency and perform consultancy, administration, and management support functions. The majority are part-time or full-time, with two contracted for a few months. The number communicated is based on head count at the end of the reporting period. There were no significant fluctuations in numbers during the reporting period or compared to the previous reporting period (FY22).



1.8. Policy commitments and implementation

Commitment	Description	Strategic and operational integration	Implementation and responsibility	Communications and training
Ethical behaviour, prevention of modern slavery and human trafficking	Commitment to ethical business practices, upholding the company values, outlines legal and equitable duties, behavioural expectations and the process for reporting and investigating violations of the code.	Alignment to our purpose, moral and ethical obligations	Code of Ethics – Chief Purpose & Transformation Officer	Global onboarding, accessible to all staff on the company's intranet and the company's website
Diversity and inclusion	Commitment to an inclusive culture, diversity in employment, inclusion and engagement of individuals at all levels of the organisation.	Journey to Best Employer, better representation of the diversity of our stakeholders and markets	Diversity, Equity and Inclusivity Policy – Chief Purpose & Transformation Officer	Global onboarding, training module via e-learning platform, accessible to all staff on the company's intranet and the company's website
Community investment %	Commitment to spend at least 1% EBITDA on community partnerships. Commitment approved by Board of Directors.	Community partnerships strategy, global partners	Partnering with appropriate organisations – Chief Purpose & Transformation Officer	Annual Report and market presentations, global onboarding and internal sustainability course for all staff
Carbon neutral by 2025	Commitment approved by Board of Directors.	Business plan goals and GHG inventory reporting	Supplier Code of Conduct significant supplier pre-screening – Chief Purpose & Transformation Officer supported by Sustainability team	Annual Report and market presentations, GHG inventory report global onboarding and internal sustainability course for all staff
Science-based emissions reduction targets, including net zero	Global targets In line with Science-based Targets initiative. Approved by CEO. Targets to be verified, published and reported on annually.	Business plan goals and GHG inventory reporting	Supplier Code of Conduct, significant supplier pre-screening – Chief Purpose & Transformation Officer supported by Sustainability team	Annual Report and market presentations, GHG inventory report global onboarding and internal sustainability course for all staff

1.9. Processes to remediate negative impacts

Comvita's stakeholder engagement process allows for receiving, actioning, and reporting on complaints from stakeholders. This is in the process of being reviewed. Any complaints are taken seriously and actioned by the relevant senior manager within the business.

1.10. Mechanisms for seeking advice and raising concerns

Comvita has a formal process through the Comvita Speak Up (Whistleblowing) Policy that outlines the process for raising concerns and advice, and an internal grievance procedure.

1.11. Compliance with laws and regulations

Comvita had no significant instances of non-compliance with laws and regulations, and therefore no corresponding monetary fines or sanctions during the reporting period.

1.12. Membership associations

Name	Country
Unique Mānuka Factor Honey Association	Aotearoa New Zealand
Apiculture New Zealand	Aotearoa New Zealand
Mānuka Charitable Trust	Aotearoa New Zealand
Sustainable Business Council	Aotearoa New Zealand
New Zealand Chamber of Commerce in Hong Kong	Hong Kong SAR
The Chinese Manufacturers' Association of Hong Kong	Hong Kong SAR
Australian and New Zealand Chamber of Commerce in Japan	Japan
British Brands Group	United Kingdom
Health Food Manufacturers' Association	United Kingdom

1.13. Collective bargaining agreements

No employees at Comvita are covered by collective bargaining agreements. Terms of employment are negotiated with individual employees and set out in an individual employment agreement.

1.14. Stakeholder engagement purpose and process

The purpose of our assessment of stakeholder engagement at Comvita is to ensure we know, understand and consider the needs of our stakeholder groups when making decisions. This is a requirement for the Comvita Board under Comvita's Constitution. The results are used to inform our strategy and business plan, for monitoring progress and reporting, and for guiding stakeholder communication.

During 2022, we undertook a formal and full stakeholder engagement process and materiality assessment to identify, understand and prioritise the economic, social and environmental topics that are most material to Comvita's stakeholder groups.

We engaged and considered the views of those who can have a significant impact on our business or on whom we can have a significant potential impact as the result of our activities. Stakeholder participants were identified using the methodology outlined in AccountAbility's AA1000 Stakeholder Engagement Standard 2015 – the most widely applied global stakeholder engagement standard.

Topics were identified through an interview process, and the topic list was checked against other compilations of material topics, sustainability frameworks and indices and previous Comvita work. Each resulting topic was evaluated against stakeholder importance and business impact. Stakeholder importance was assessed using a follow-up survey. Business impact was evaluated by a group of Comvita senior leaders by overlaying the Comvita value creation model. A pairwise comparison of each material topic was then utilised to come up with a final ranking. The final materiality matrix was prepared based on the results from the survey and the business impact assessment.

Comvita is in the process of developing a new stakeholder engagement process to ensure meaningful engagement with our stakeholder groups. This will use a variety of tools, formal and planned, as well as more informal and dynamic methods, to better inform the development of our material topics. It will be overlayed with a greater focus on impacts and how they are integrated into the business to guide metrics, targets, activity, and reporting.



1.15. Health and safety management system and performance

Comvita has a global health and safety management system in place. This is legally compliant with the Health and Safety at Work Act 2015. Comvita prioritises, and is committed to, keeping our employees and staff safe from harm. Our health and safety management system covers all workers and subcontractors globally performing activities for the business.

Comvita facilitates workers' access to non-occupational medical and healthcare services through its Thrive Wellbeing programme and otherwise. Globally, we provide our new employees with welcome packs of our products supporting their wellbeing and immunity, and monthly, we provide care packs containing the same. To support our teams' ongoing wellbeing and health depending on their location, and the specific government support offered by location we also provide on-site health checks, health insurance, life and trauma insurance, free doctor consultations, flu vaccinations and EAP counselling.

To support our teams in managing their work/life balance we also provide flexible working arrangements and give all our team globally a day off on their birthday and a Time to Heal Day where they can connect with environmental projects or communities in need with a volunteer day off.

Management of work-related injuries and work-related hazards

The key health and safety measures reported include LTIFR, TRIFR, MVIFR, safety maturity assessment and lead indicators of near-miss and hazard reporting. Fatalities from work-related injury are thankfully zero.

The work-related hazards that pose a risk of high-consequence injury in our operations are the use of vehicles and mobile plant. These hazards

have been identified through comprehensive risk assessment and health and safety event analysis, and are managed in accordance with industry best practice. Mobile plant-related injuries contributed to our high-consequence injuries during FY23. As a result of two high-consequence (lost-time injury) events in FY23 that occurred involving mobile plant, further controls have been implemented and are monitored in accordance with our risk management processes.

1.16. Learning and skills development

Employee development and growth is a key focus for Comvita. The learning strategy is built around the principle of 70/20/10, and through ongoing transformation activities and continuous improvement, we have enabled upskilling, stretch assignments and internal mobility. A variety of learning activations have been rolled out in FY23, including financial literacy, diversity, equity and inclusivity, digital literacy and fundamentals of leadership, which have been delivered in multiple different ways, including through e-learning globally. Supporting our te ao Māori journey, 45 team members across three cohorts have been learning te reo Māori. External learning opportunities are also provided to further support talent development through MBAs, degrees and diplomas, short courses and conference attendance.

Transition support

Through the retirement programme activated in FY23, three employees have utilised the benefit of reduced hours and retirement planning. The addition of this programme has encouraged open conversations leading to planned retirement and retention of key skills moving forward in different capacities. Transition support has also been offered where necessary to support continued employment.

1.17. Diversity, equity and inclusion

Gender as specified by employees themselves.

Diversity by age

	25 and under	26–35	36–49	50 and over
Governance body – Board	0%	0%	13%	88%
Leadership team	0%	0%	40%	60%
Senior people leaders	0%	9%	65%	26%
People leaders	0%	18%	64%	18%
Other staff	5%	25%	43%	28%

Diversity by ethnicity

	Māori	Asian	European	Other
Governance body – Board		25	75	
Leadership team		10	90	
Senior people leaders	3	18	76	3
People leaders	10	44	32	14
Not people leaders	5	60	21	14

Female representation

	FY23
Female percentage of global team	67%
Females on the Board	38%
Females in leadership positions	35%
Females in junior and mid-level leadership roles	42%
Females in top management positions (maximum of two levels from CEO)	23%

Ratio of salary of females to males

By location	Ratio salary FY23
Leadership team	0.69:1
Australia and Aotearoa New Zealand	0.93:1
Asia	0.72:1
North America	0.52:1
EMEA	0.71:1

Level of leadership	Ratio salary FY23
Leadership team	0.69:1
Senior leadership positions	0.8:1
Junior and mid-level leadership roles	0.95:1

1.18. Regeneration and restoration

HABITATS PROTECTED AND RESTORED					
		2017–2019	FY21 (2020 planting)	FY22 (2021 planting)	FY23 (2022 planting)
Native Mānuka hectares planted since 2017	Annual	2,940	1,218	1,017	
	Cumulative	2,940	4,158	5,175	5,778
Hectares under predator management		0	0	1,671	1,671



1.19. Circularity and waste

MATERIALS USED BY WEIGHT – TONNES						
	TOTAL		NON-RENEWABLE		RENEWABLE	
	FY22	FY23	FY22	FY23	FY22	FY23
Cardboard and paper	263.00	277.13	–	–	263.00	277.13
PET	166.26	187.65	166.26	187.65	–	–
Metal	72.55	55.30	72.55	55.30	–	–
PP	55.60	53.77	55.60	53.77	–	–
LDPE	54.63	39.24	54.63	39.24	–	–
Glass	0.32	35.54	–	–	0.32	35.54
rPET	–	2.35	–	2.35	–	–
HDPE	3.03	1.14	3.03	1.14	–	–
Laminated plastic	9.14	0.60	9.14	0.60	–	–
Silica	0.77	0.41	0.77	0.41	–	–
TOTAL	625.29	653.11	361.98	340.44	263.31	312.67
RECYCLED INPUT MATERIALS USED – % TO MANUFACTURE PRIMARY PRODUCTS						
FY22			FY23			
8.8%			9.9%			
WASTE GENERATED – TONNES						
	WASTE GENERATED		WASTE DIVERTED FROM DISPOSAL		WASTE DIRECTED TO DISPOSAL	
	FY22	FY23	FY22	FY23	FY22	FY23
Cardboard paper	15.08	19.05	15.08	18.72	–	0.33
Concrete	0.99	–	0.99	–	–	–
Glass	0.18	0.12	0.18	0.12	–	–
Green waste	0.03	0.10	0.03	0.10	–	–
Hazardous	20.01	0.02	0.02	0.01	19.99	0.02
Mixed commercial	101.82	107.84	1.15	1.08	100.67	106.76
Plastic	2.88	3.03	2.88	2.83	–	0.20
Steel	71.95	141.24	71.95	141.24	–	–
Wood	63.52	12.98	0.08	6.49	63.44	6.49
Organic matter	–	0.69	–	–	–	0.69
TOTAL	276.46	285.07	92.36	170.59	184.10	114.48

WASTE DIVERTED FROM DISPOSAL BY RECOVERY OPERATIONS – TONNES						
	ON SITE		OFF SITE		TOTAL	
	FY22	FY23	FY22	FY23	FY22	FY23
Hazardous waste						
Preparation for reuse	0.00	0.00	0.00	0.00	0.00	0.00
Recycling	0.00	0.00	0.02	0.01	0.02	0.01
Other recovery operations	0.00	0.00	0.00	0.00	0.00	0.00
Total					0.02	0.01
Non-hazardous waste						
Preparation for reuse	0.08	0.10	0.00	0.00	0.08	0.10
Recycling	0.00	0.00	92.26	170.48	92.26	170.48
Other recovery operations	0.00	0.00	0.00	0.00	0.00	0.00
Total					92.34	170.58
Waste prevented						
Waste prevented					92.36	170.59

WASTE DIVERTED TO DISPOSAL BY DISPOSAL OPERATIONS – TONNES						
	ONSITE				TOTAL	
	FY22	FY23	FY22	FY23	FY22	FY23
Hazardous waste						
Incineration (with energy recovery)	0.00	0.00	0.00	0.00	0.00	0.00
Incineration (without energy recovery)	63.44*	7.38*	0.00	0.00	63.44	7.38
Landfilling	0.00	0.00	19.99	0.01	19.99	0.01
Other disposal operations	0.00	0.00	0.00	0.00	0.00	0.00
Total					83.43	7.39
Non-hazardous aste						
Incineration (with energy recovery)	0.00	0.00	0.10	0.01	0.10	0.01
Incineration (without energy recovery)	0.00	0.00	0.00	0.00	0.00	0.00
Landfilling	0.00	0.00	100.58	107.07	100.58	107.07
Other disposal operations	0.00	0.00	0.00	0.00	0.00	0.00
Total					100.67	107.09

Note: includes Comvita hives destroyed in accordance with biosecurity (National American Foulbrood Pest Management Plan) Order 1998, which requires that hives with American foulbrood be destroyed by burning or deep burial at an approved site.



1.20. Investment in communities

INVESTMENT IN COMMUNITY PARTNERSHIPS NZ\$  
TARGET 1% EBITDA

	FY22	FY23
% EBITDA	1%	1%
PERCENTAGE OF OPERATIONS WITH IMPLEMENTED LOCAL COMMUNITY SUPPORT PROGRAMMES		
FY22	FY23	
50%	67%	

Calculated based on number of staff in different regions, excluding China sales promoters. Includes Harmony partnerships and Time to Heal contributions.

GRI STANDARDS

CONTENT INDEX

Comvita Limited has reported the information cited in this GRI content index for the period of 1 July 2022 to 30 June 2023 with reference to the GRI Standards.

GRI 1: Foudation 2021 has been used.

Note that where three years of data has not been provided, this is an omission due to information being unavailable for FY21.

GRI Standard	Disclosure	Page #s	Comment
GENERAL DISCLOSURES			
GRI 2: General Disclosures 2021	2-1 Organizational details	92	
	2-2 Entities included in the organization's sustainability reporting	92	
	2-3 Reporting period, frequency and contact point	92	
	2-4 Restatements of information	92	
	2-5 External assurance	92	
	2-6 Activities, value chain and other business relationships	92	
	2-7 Employees	93	
	2-8 Workers who are not employees	93	
	2-9 Governance structure and composition	88-89	Also refer Comvita <a href="#">Financial Statements</a> , Statutory Information, pgs 40-45. 2-9 c. vii. information unavailable as as not been collected. Will be reported on in FY24.
	2-10 Nomination and selection of the highest governance body	85-88	Also refer <a href="http://www.comvita.co.nz/investor">www.comvita.co.nz/investor</a> , Corporate Governance, Diversity and Inclusion Policy.
	2-11 Chair of the highest governance body	88	
	2-12 Role of the highest governance body in overseeing the management of impacts	88-89	
	2-13 Delegation of responsibility for managing impacts	88-89	
	2-14 Role of the highest governance body in sustainability reporting	88-89	Also refer <a href="http://www.comvita.co.nz/investor">www.comvita.co.nz/investor</a> , Corporate Governance, Audit and Risk Committee Charter and Safety and Performance Committee Charter



GRI Standard	Disclosure	Page #s	Comment
<b>GRI 2: General Disclosures 2021</b> continued	2-15 Conflicts of interest	85-86	Also refer Comvita <a href="#">Financial Statements</a> , Statutory Information, pgs 40-45.
	2-16 Communication of critical concerns	90	2-16 b. not disclosed due to confidentiality constraints and concerns.
	2-17 Collective knowledge of the highest governance body	87-88	
	2-18 Evaluation of the performance of the highest governance body		Information unavailable as Comvita does not currently complete such evaluations. Evaluation framework will be developed and reported on in future periods.
	2-19 Remuneration policies	89-90	
	2-20 Process to determine remuneration	88-89	
	2-21 Annual total compensation ratio	90	
	2-22 Statement on sustainable development strategy	52-53	
	2-23 Policy commitments	94	
	2-24 Embedding policy commitments	94	Also refer other sections of this Annul Review.
	2-25 Processes to remediate negative impacts	95	
	2-26 Mechanisms for seeking advice and raising concerns	95	
	2-27 Compliance with laws and regulations	95	
	2-28 Membership associations	95	
	2-29 Approach to stakeholder engagement	77, 95	
	2-30 Collective bargaining agreements	95	
<b>Material Topics</b>			
<b>GRI 3: Material Topics 2021</b>	3-1 Process to determine material topics	77, 95	
	3-2 List of material topics	78-81	
	3-3 Management of material topics	78-81	Also refer other sections of this Annual Report as referenced below.

GRI Standard	Disclosure	Page #s	Comment
<b>Sector Standard Disclosures</b>			
<b>GRI 13: Agriculture, Aquaculture and Fishing Sectors 2022</b>	13.1 Emissions	69, 79	Disclosure 13.1.1, 13.1.2, 13.1.3, 13.1.4, 13.1.5, 13.1.6 (partial). 13.1.7, 13.1.8 not applicable as not significant for Comvita. Non-GRI: Aotearoa New Zealand Scope 1 and 2 emissions, removals (annual and cumulative). Also refer Comvita <a href="#">GHG Inventory Report FY23</a> .
	13.2 Climate adaptation and resilience		Disclosure 13.2.1, 13.2.2 (partial). Refer Comvita <a href="#">Financial Statements</a> . Notes to the Financial Statements, pg 10.
	13.3 Biodiversity	70-71, 80, 97	Disclosure 13.3.1, 13.3.3, 13.3.4, 13.3.2, 13.3.5 not applicable as not relevant for Comvita.
	13.4 Natural ecosystem conversion		Not applicable as not identified as material topic.
	13.5 Soil health		Not applicable as not identified as material topic.
	13.6 Pesticides use		Not applicable as not material topic.
	13.7 Water and effluents		Not applicable as not identified as material topic.
	13.8 Waste	68, 80, 98-99	Disclosure 13.8.1, 13.8.3, 13.8.5, 13.8.6. Disclosure 13.8.2, 13.8.3 not applicable as not identified as material topic.
	13.9 Food security		Not applicable as not identified as material topic
	13.10 Food safety	27, 78	Disclosures 13.10.1, 13.10.3, 13.10.4, 13.10.5. Disclosure 13.10.1 not applicable as not material topic. Non-GR: Number of customer complaints.
	13.11 Animal health and welfare	66-67, 80	Disclosure 13.11.1. Disclosure 13.11.2, 13.11.3 not applicable as not relevant for Comvita. Non-GRI: Number of bees rescued.
	13.12 Local communities	72-76, 81, 100	Disclosure 13.12.1, 13.12.2 Disclosure 13.12.3 not applicable as not relevant Disclosure for Comvita. Non-GRI: Investment in community partnerships.
	13.13 Land and resource rights		Not applicable as not identified as material topic.
	13.14 Rights of indigenous peoples		Not applicable as not identified as material topic.



GRI Standard	Disclosure	Page #s	Comment
<b>GRI 13: Agriculture, Aquaculture and Fishing Sectors 2022</b> continued	13.15 Non-discrimination and equal opportunity	56-59, 78, 96-97	Disclosure 13.15.1, 13.15.2, 13.15.3. Disclosure 13.15.4, 13.5.5 not applicable as not identified as material topic.
	13.16 Forced or compulsory labour		Not applicable as not identified as material topic.
	13.17 Child labor		Not applicable as not identified as material topic.
	13.18 Freedom of association and collective bargaining		Not applicable as not identified as material topic.
	13.19 Occupational health and safety	62-65, 78, 96	Disclosure 13.19.1, 13.19.2, 13.19.7, 13.19.10, 13.19.11. Disclosure 13.19.3, 13.19.4, 13.19.5, 13.19.6, 13.19.8, 13.19.9 not applicable as not identified as material topic. Non-GRI: Safety maturity index.
	13.20 Employment practices		Not applicable as not identified as material topic.
	13.21 Living income and living wage		Not applicable as not identified as material topic.
<b>MATERIAL TOPIC DISCLOSURES</b>			
<b>Product Quality</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	27, 78	
<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	27	
<b>N/A</b>	Non-GRI: Number of customer complaints per 1,000 units sold	27	
<b>N/A</b>	Non-GRI: Number of independent audits and certifications	27	
<b>Consumer Focus and Affinity</b>			
<b>GRI 3: Topics 2021</b>	3-3 Management of material topics	48-49, 78	
<b>N/A</b>	Non-GRI: Consumer NPS Score	48	Metric recalculated for FY22 and FY23 due to previous formula inconsistency.
<b>N/A</b>	Non-GRI: % increase in registered users	49	

GRI Standard	Disclosure	Page #s	Comment
<b>Employee Value Proposition and Engagement</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	56-65, 78, 96	
<b>GRI 403: Occupational Health and Safety 2018</b>	403-1 Occupational health and safety management system	62-65, 96	
	403-6 Promotion of worker health	64-65, 96	
	403-9 Work-related injuries	63	
	403-10 Work-related ill health	96	
<b>N/A</b>	Non-GRI: Safety maturity index	63	
<b>GRI 404: Training and Education 2016</b>	404-2 Programs for upgrading employee skills and transition assistance programs	56-57, 96	
<b>GRI 405: Diversity and Equal Opportunity 2016</b>	405-1 Diversity of governance bodies and employees	57, 96-97	
	405-2 Ratio of basic salary and remuneration of women to men	97	
<b>N/A</b>	Non-GRI: Net promoter score	56	
<b>Ethical Conduct and Sustainable Supply Chain</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	68, 79	
<b>GRI 308: Supplier Environmental Assessment 2016</b>	308-1 New suppliers that were screened using environmental criteria	68	Information incomplete – partial disclosure only. Significant supplier pre-screening will be rolled out in FY4.
	308-2 Negative environmental impacts in the supply chain and actions taken		Information incomplete. Work in progress and will be disclosed in FY24.
<b>Sustainable Financial Performance</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	11, 28-31, 79	Also refer <a href="#">Comvita Financial Statements FY23</a> .
<b>GRI 201: Economic Performance 2016</b>	201-1 Direct economic value generated and distributed	28-31	Also refer <a href="#">Comvita Financial Statements FY23</a> . Information incomplete – partial disclosure. Payments to government by country information not available. To be calculated for future periods.



GRI Standard	Disclosure	Page #s	Comment
Climate Action			
GRI 3: Material Topics 2021	3-3 Management of material topics	69, 79	
GRI 201: Economic Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change		Information incomplete as still work progress. Will be disclosed in FY24. Refer <a href="#">Comvita Financial Statements</a> . Notes to the Financial Statements, pg 10.
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	68-69	Also refer Comvita <a href="#">GHG Inventory Report FY23</a> .
	305-2 Energy indirect (Scope 2) GHG emissions	68-69	Also refer Comvita <a href="#">GHG Inventory Report FY23</a> .
	305-3 Other indirect (Scope 3) GHG emissions	68-69	Also refer Comvita <a href="#">GHG Inventory Report FY23</a> .
	305-4 GHG emissions intensity	68-69	Also refer Comvita <a href="#">GHG Inventory Report FY23</a> .
	305-5 Reduction of GHG emissions	68-69	Information incomplete as still work in progress. Will be disclosed in FY24.
N/A	Non-GRI: Aotearoa New Zealand Scope 1 and 2 emissions		Also refer Comvita <a href="#">GHG Inventory Report FY23</a> .
N/A	Non-GRI: Removals since establishment	69	Also refer Comvita <a href="#">GHG Inventory Report FY23</a> .
Biodiversity			
GRI 3: Material Topics 2021	3-3 Management of material topics	70-71, 80, 97	
GRI 304: Biodiversity 2016	304-2 Significant impacts of activities, products and services on biodiversity	70-71	
	304-3 Habitats protected or restored	71, 97	
Bee Welfare			
GRI 3: Material Topics 2021	3-3 Management of material topics	66-67, 80	
N/A	Non-GRI: Number of bees rescued	67	

GRI Standard	Disclosure	Page #s	Comment
Circular Economy and Waste			
GRI 3: Material Topics 2021	3-3 Management of material topics	68, 80, 98-99	
GRI 301: Materials 2016	301-1 Materials used by weight or volume	98	
	301-2 Recycled input materials used	98	
	301-3 Reclaimed products and their packaging materials	N/A	Information unavailable as cannot source for every item of packaging. Timing to be confirmed.
N/A	Non-GRI: % recyclable, reusable or compostable	68	
GRI 306: Waste 2020	306-3 Waste generated	68, 98	
	306-4 Waste diverted from disposal	68, 99	
	306-5 Waste directed to disposal	68, 99	
Mānuka Honey and Broader Sector Leadership			
GRI 3: Material Topics 2021	3-3 Management of material topics	27, 81	
GRI 203: Indirect Economic Impacts 2016	203-2 Significant indirect economic impacts	27	
Collaboration and Partnerships			
GRI 3: Material Topics 2021	3-3 Management of material topics	72-76, 81, 100	
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	72-76, 100	Calculated based on percentage of staff who have participated in Time to Heal Days.
N/A	Non-GRI: Investment in Harmony partnerships	72-76, 100	



MORE DETAILS

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