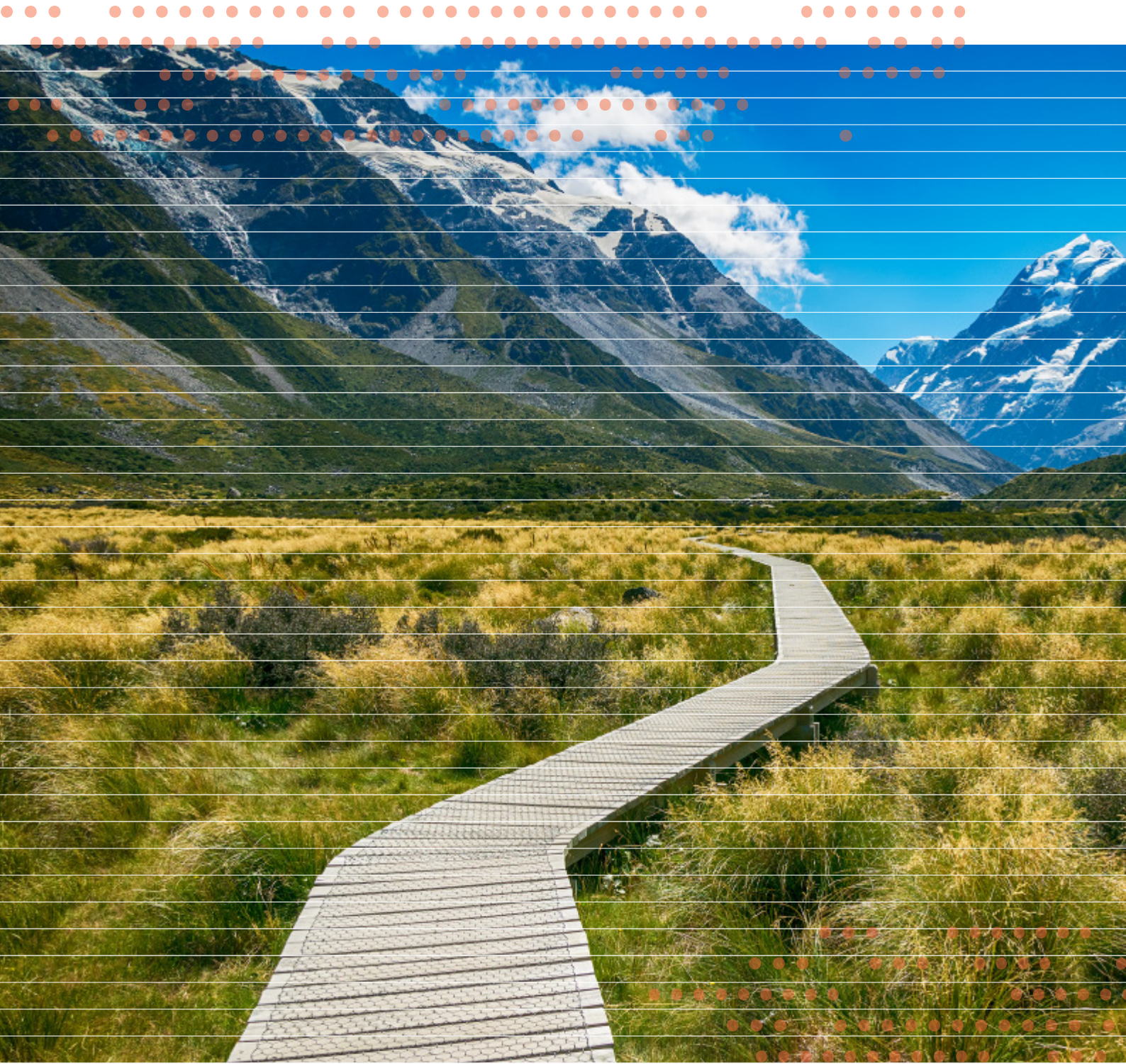


STEPPING UP YOUR DATA



GS1 New Zealand Annual Report

For the year ended 31 August 2022

Chair's Report	2
CEO's Report	4
Statement of Service Performance	8
GS1 New Zealand in action:	12
..... Stepping up the cross-border clearance process with GS1 standards and identifiers:	
..... A standards toolkit for cross-border paperless trade	13
..... Case study: Making China's customs clearance processes more efficient and more accurate using the 'Verified by GS1' service	14
..... Stepping up standardised and globally interoperable product data in the building sector	16
..... The 'Digital Twin' - twice as nice!	18
..... Driving efficiencies between merchants and suppliers through product data in agribusiness	19
..... Sustainability step up - GS1 in Europe supporting the European Commission's 'Green Deal'	20
The results	22

Chair's Report

Sean Goodwin - Board Chair



Tēnā koe from Timaru where in my day job, like you, I am very busy working to reconnect with customers and colleagues following the pandemic. At the same time, we are working through, as best we all can, other external impacts on supply chains and a series of uncertainties in global markets.

What we can say with reasonable conviction is that the world of 'recovery' is nothing like the pre-pandemic one. In every corner of the world, perhaps for the first time ever, humanity is coming to terms with a collective and universal awareness, dictated by circumstances that are increasingly complex and sometimes hard to accept.

Whether we're talking about the health of people, the planet, political or economic systems, the question is always the same.

What kind of future do we want? How can we build it?

The data we collect at GS1 tells us that consumers and companies have already started to answer this question. More and more, consumers are thinking about sustainability and wanting information about the products and producers they base their choices on.

In short: People are demanding transparency, including in consumption.

The only way to offer true transparency is to ensure a flow of information (data) that is always up-to-date, correct and interoperable. We do this with a tool that, almost 50 years after it was invented doesn't just adapt to our changing world, but also helps us take an active central role in this change.

The barcode continues to drive progress, one 'beep' at a time.

The 'beep', invented almost 50 years ago, has remained remarkably resilient and is now ubiquitous. The identification standards that underpin the 'beep', are not only a system for providing unique information on individual products, but also a portal for a parallel and multi-channel world. Helping to create a "digital twin" for each product has become a real priority – for our members' businesses, their customers (and, increasingly regulators).

To ensure that physical and online shelves match perfectly.

The “digital twin” is only the beginning of this revolution! Looking a little further, we came to imagine the idea with an even wider scope and enormous application.

The global direction - the impact of the European Union “Green Deal”.

There is an immediate and collective need to adapt to climate change, which is driving a strong global agenda for sustainability. Enabling a longer term, focused ‘Circular Economy’ by keeping goods within value chains for longer, reducing waste and regenerating natural systems, is central to less wasteful, more sustainable practices and habits from industry and consumers.

A focussed agenda for exporters from all over the world has driven the draft EU Circular Economy Regulations, to make certain products more sustainable, presented as part of the European Commission ‘Green Deal’. With as yet unknown global implications, the EU’s ‘Digital Passport’ concept, designed to ensure that all the information required about a product accompanies products up and down the supply chain. This could be a game changer, or at least, a portent of things to come.

Having global data standards, and clarifying the rules of the game, will allow us in the future to know when these rules will be broken. It will allow us to follow products more carefully and see them closely, to retrace their history and their journey. In turn, that means we can make the best choices, whether it’s each of us in a supermarket or via e-commerce; or a company that wants to choose well, with intelligence and foresight.

A truly global marketplace.

GS1 identifiers such as the Global Trade Item Numbers (i.e. barcode numbers) and Global Location Numbers (like your NZBN) are currently used to exchange information for import logistics, warehousing, and to optimise point of sale retail functions.

GS1 is working with border agencies worldwide to enable the use of unique identifiers to help speed up import clearance processes. At the Chinese border, as an example, the benefits are clear: more accurate product identification, more consistent enforcement of regulations, more efficient customs clearance procedures and overall smarter and better government supervision of the importation of goods.

A new way of building the future.

At GS1 NZ, over 8,000 companies have joined this revolution. They belong to a range of different sectors and fields. We’re all brought together under the common objective of contributing to Aotearoa’s growth and to a simpler, more sustainable, and people-friendly future.

I would like to take this opportunity to thank our members for their continued support; the team at GS1 New Zealand for their hard work and commitment; and my board colleagues for their significant contribution. As an organisation, we are facing our own obstacles and uncertainties when it comes to recovery as the pandemic wanes. I am however confident that we have the leadership and strategic plan to deliver a successful future.

A future of transparency value efficiency, for all.



Sean Goodwin

Board Chair

CEO's Report

Dr Peter Stevens - CEO



As the Chair has commented in his report, the last year has been one of constant change, but in some ways the French phrase sums things up well: plus ça change, plus c'est la même chose (loosely translated as "the more things change, the more things stay the same"). In the last year we have gained more members and the services taken up by those members have widened and deepened. At the same time, the team at GS1 have had to adjust, as all businesses have, to the new reality in the aftermath of the peak of the pandemic. Below, I report on some of the highlights and challenges of f2021-2.

Organisational Performance

Revenue growth was flat at \$10.9 million (2021: \$10.9 million). On an operational basis, we posted a strong surplus from operations of \$1.16 million; when offset by non-cash lines such as depreciation our bottom line surplus was in line with the previous year (\$184,889; 2021:\$223,056) and exceeded our budgeted deficit of \$79,465. Pleasingly, many core revenue lines grew year-on-year. The negative variation on previous years was mostly attributable to the 'Industry and Government Engagement' service line (which is, in essence, unpredictable and driven by ad hoc consulting opportunities).

Like many businesses, we were caught 'on the hop' with the sudden spike in inflation in the last calendar quarter of 2021 and slippage in the NZ dollar. GS1 New Zealand is a business whose costs are largely related to personnel, foreign exchange (principally Euro & AUD) and where suppliers were able to pass on their CPI adjustments to us. As a result, for the first time since 2012, we were forced to pass on a general price adjustment to our members that had an element of 'catch up' to it. At the time of writing this report, it is not clear if New Zealand is in an inflationary spiral or not. However, as a non-profit with a strong ethos of turning any operational surpluses back into member benefits, the Board and management will be monitoring the economic indices carefully to understand whether it is more prudent for our members to have any service price changes incrementally in future.

Transparency, and independent opinions of our performance are critical for our members and our governors. We were delighted to get again a complementary audit report from our statutory auditors, Grant Thornton, and also a positive and constructive ISO 9001 Quality Management Systems audit from Telarc. In a new innovation from our global federation that GS1 NZ supported as part of the global Advisory Council, this year we will likely undergo a Compliance Questionnaire Audit

under the supervision of Reed Smith LLP, around our GS1 core systems and governance processes. We see this as a natural and expected evolution of our global federation, giving confidence to governments and NGO organisations that we are increasingly supporting.

Customer Engagement

Pleasingly, this year we have been, at times, stretched to support the various stakeholders that are interested in partnering with us. Across the economy, sectors are looking to scale, deliver information digitally and respond to upcoming (or threatened) regulation. All these needs are most easily served by standardised, structured data. Consider the recycled composition or recyclability of plastics, nutritional information/allergens, material safety data sheets or simply an expanded range of attributes describing a product (Length of the power cord anybody? Material composition of a toilet seat? Health Star Rating?).

Managing demand with supply is admittedly ironic for an organisation whose business is to assist our members through using our standards and services to gain a better handle on matching supply to demand. However, what has become clear to all is that the lead time for engagement (particularly at a sector level) is very long, not necessarily predictable, and certainly often outside of our control.

Major pieces of work during the year have been in service to:

- The NZ Health System, where the GS1 team has worked with our members to deliver ~50-85 attributes of data on >110,000 medical device products to the Health System Catalogue (managed now by Te Whatu Ora/Health New Zealand). The use of GS1 Global Location Numbers (GLNs), including the New Zealand Business Number (NZBN) for location and entity identification throughout the public healthcare sector is gaining increasing interest, as are the use of other GS1 identification keys for such things as asset identification.
- The DIY/building/construction sector, where our Digital Product team have worked with major merchants such as Mitre 10, Fletcher Distribution and ITM to build a truly innovative new master data portal inside MyGS1 (the members' portal) to support dynamically ~1,500 attributes for the very diverse lines of product sold in their stores.
- The food and grocery sector, where our National Product Catalogue now supports almost 700 suppliers

and ~75% of sales, with synchronised business-to-business (B2B) and business-to-consumer (B2C) data.

- The agribusiness sector, where an invitation to us from one merchant led to a complicated process of engagement with the four main merchants. This has progressed to planning a nationwide series of meetings with their suppliers to advance an industry-wide alignment for standardised master data to support both B2B and B2C transactions.
- Two major reports commissioned by the Building Research Association of NZ (BRANZ) on the role of product master data and Digital Data Templates in the sector. The Commerce Commission has taken interest in key themes highlighted in the research, and their Building Materials Market Study Report (2022), is recommending the establishment of a digital national products registry.
- The transport and logistics sector, to use and implement globally standardised logistics labels and data, under a GS1 global initiative known as Scan4Transport, that is designed to enhance sector wide interoperability, visibility and productivity outcomes.



Business Processes & Systems

Inevitably, in an organisation like GS1's, a lot of focus nowadays is on the delivery of information systems to support and make our member's trading activities more streamlined.

As part of that process, we embarked on our most significant upgrade to core systems since 2008. Focussing on the National Product Catalogue (NPC), the 'back end' of the system has been completely upgraded and re-platformed by our German service provider Atrify. Modernised and modularised, the National Product Catalogue synchronisation engine has been moved onto the Google Cloud, providing 'out-of-the-box' sustainable scalability and resilience. This was a major achievement, especially with a system that is mission critical to many of our members on both sides of the Tasman. Considerable credit goes to the Atrify-GS1 Australia-GS1 NZ team that made this possible.



Locally, the team have been working under considerable pressure to deliver a very sophisticated 'front end' to the NPC inside our MyGS1 members' portal. This 'front end' is designed to be truly dynamic. The launch customer for this new platform has been Mitre 10, but the software has been designed to cater for a range of trading partners and products from the DIY/construction/hardware and healthcare sectors initially, as well as ultimately, the food and grocery sector. In practice, this will facilitate a member who sells products from a particular category (e.g. plasterboard, hammer, medical device) to target their trading partner (e.g. Mitre 10, Fletcher Distribution, Te Whatu Ora - Health NZ) with only the attributes

that are specific to that particular product and trading partner (or super-set of trading partners). This will further increase our NPC value proposition to "load once, share with many".

Team & Culture

As referred to in my introductory comments, for GS1 NZ and many businesses, the lead up to and progress of the COVID-19 outbreak in our community was stressful and strange.

For the team, not travelling internationally at all or having our international colleagues visiting made us acutely aware of the distance we are from the vast majority of our sister organisations that we work with routinely. On a practical level, this meant unfortunately learning to accept 10pm-4am conference calls more than we normally do. On a strategic level, the absence of contact (apart from structured Zoom calls), has made it clear that COVID has not been good for the GS1 federation. On top of the obvious geo-politics playing out between major trading blocks, wars and rising nationalism, absence of personal contact and open conversations has meant that 'opt-in' global collaboration has been challenging (as a widely dispersed federation rather than being centrally regulated for from a 'head office'). Reconnecting with our sister organisations is vital.

For the team domestically, we have adjusted well to the new dynamics of work-from-home, flexi-working, sickness and regulated isolation at home. In this regard, I would like to specifically highlight the ProductFlow team who from the first lockdown have done an amazing job receiving and processing products from our members in the workplace – under very controlled health and safety conditions and often being necessarily isolated from the rest of their colleagues. Their commitment has been exemplary since April 2020.

As the critical period of the pandemic passed during the year there was genuine excitement to step up the return to office during the year. We are currently at a minimum of three days a week in the office – one of which must be a Friday (which we have crafted as a 'social day').

We know there is more work to be done on this to rebuild our culture post-pandemic restrictions, because collaboration and communication is just simply easier when folk are able to pop around the corner or whiteboard on a physical board. Cheers to Tim Cook (CEO

of Apple Inc) who summarised “For all that we’ve been able to achieve while many of us have been separated, the truth is that there has been something essential missing from this past year or so: each other. Video conference calling has narrowed the distance between us, to be sure, but there are things it simply cannot replicate.”

We have a strong, purposeful culture and values that mirror that commitment:

We aspire / Hōtaka Kotahi te wawata i a tatou

We connect / Herenga Kia hono tatou

We care / Manaaki He maatau e tiaki

In closing, I would like to recognise the excellent contributions made by long-standing board members who retired from the board during the year – Ruth Brash (Deputy Chair), Sally Copland, Phil Wright, Richard Allen, Shayne Hunter and also Mark Rance who sadly passed away after a long and valiant battle with cancer.

I thank the support from the Chair, the whole Board, leadership and team of GS1 NZ for a strange, tough but ultimately successful year.



Dr Peter Stevens
Chief Executive

19 October 2022







STATEMENT OF SERVICE PERFORMANCE

Our performance over the year



BE THE SOURCE - of trusted identification and master data.

Numbers compared to 2021

NATIONAL PRODUCT CATALOGUE



369,832 ↑ 11.5%

Active GTINs

PRODUCTFLOW

540 ↑ 3.3%

Foodstuffs' suppliers
using ProductFlow

153 ↑ 15%

Woolworths NZ's suppliers
using ProductFlow

PRODUCTFLOW



12,000 +

items processed for On Pack database



85%

of items donated to charity
on behalf of our members

MEDIA LIBRARY



53,240 ↑ 4.6%

products

ON PACK DATABASE



53,608 ↑ 10.2%

products

MAKE IT EASY - transition to more intuitive systems.



90.2%

customer satisfaction



80%

preferred Scan magazine stories online
- so we shifted to an online version

WE PROVIDED HELPFUL CONTENT TO OUR MEMBERS AND INDUSTRY



4

Thought Leadership webinars with
industry experts to help our members



30%

increase in registrations for Thought
Leadership webinars



20 +

helpful targeted emails and videos
sent out to members

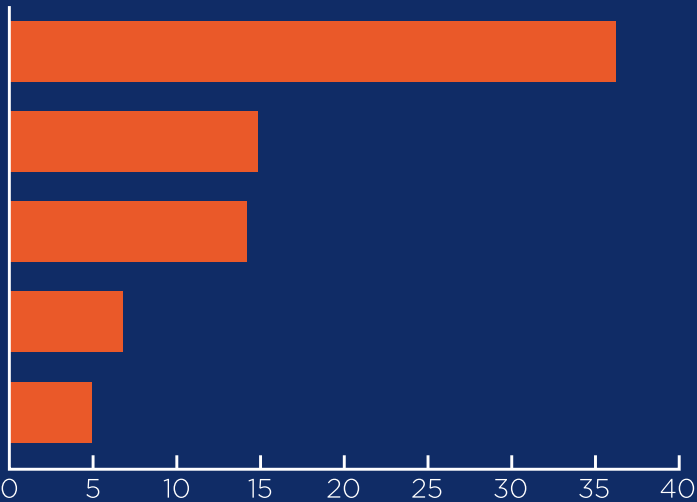


80%

average open rate to our new 6 step
email welcome programme that helps
get new members started

DEEPEN MEMBER SERVICE USE- deepen identification standards and master data use among existing members.

Numbers compared to 2021



36% ProductRecallNZ ↑ 10.9%

15% National Product Catalogue ↑ 8.3%

14% Barcode Verification ↓ - 7.8%

7% Photography ↑ 1.4%

5% Media Library ↑ 14.8%

EXPAND OUR REACH - into emergent sectors.

Numbers compared to 2021

EMERGENT SECTOR GROWTH



148 ↑ 25.4%
hardware suppliers in the
National Product Catalogue

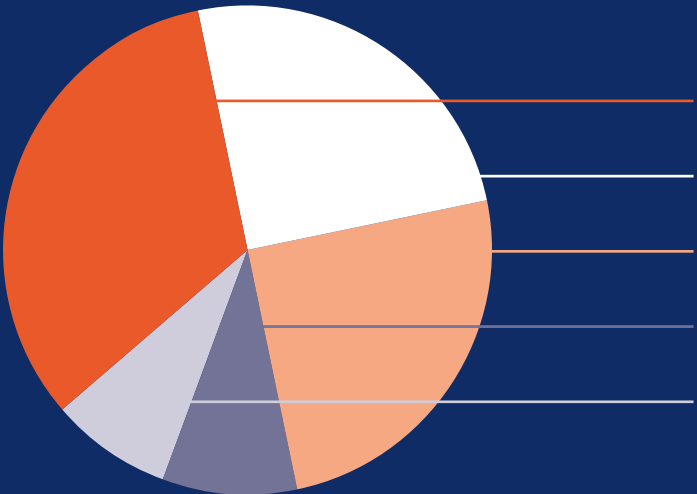
87,532 ↑ 25.5%
products loaded into the National Product
Catalogue for the DIY/hardware sector



85
healthcare suppliers in the
Health System Catalogue

102,263
products loaded into the
Health System Catalogue

OUR SECTORS



33% Food and Grocery ↓ - 0.6%

25% Primary ↓ - 0.3%

25% Other* ↓ - 1.3%

9% Healthcare ↑ 1.7%

8% Hardware ↑ 6%

*Largest sub-sectors in this category are: Importing & warehousing, manufacturing & processing, clothing & apparel. (62%)



GS1 NEW ZEALAND IN ACTION



Stepping up the cross-border clearance process with GS1 standards and identifiers

A standards toolkit for cross-border paperless trade

“Our objective is to equip every supply chain participant with some of the most notable and widely used standards to help push trade digitisation to the next level.”

– **Emmanuelle Ganne, World Trade Organization (WTO).**

Global trade is the backbone of the world economy, valued at US \$28 trillion in 2021. Despite its importance, trading across borders remains a notoriously complex process which is highly dependent on paper documents.

While a cross-border transaction involves multiple actors and requires the exchange of 36 documents and 240 copies on average, fewer than one percent of trade documents are fully digitised.

GS1 is collaborating with the International Chamber of Commerce (ICC) on their Digital Standards Initiative with the WTO. The aim is to equip every supply chain participant with a tool kit of global interoperable standards (including GS1's product and location

identifiers) to help enable a future of secure, trusted and seamless trade connectivity. The toolkit provides a starting point to guide users (importers and exporters, logistics companies and customs authorities) in their adoption of existing standards in order to reduce costs and complexity.



Story by Hannah Nguyen

Director-Digital Ecosystems,
ICC Digital Standards Initiative



Stepping up the cross-border clearance process with GS1 standards and identifiers

Case study: Making China's customs clearance processes more efficient and more accurate using the 'Verified by GS1' service

"The addition of the GS1 GTIN to the 'single window' declaration refines its granularity from the HS code (Harmonised System Tariff code) level down to the item level. This more precise identification simplifies and standardises the process and enables border agencies across China to evaluate compliance more consistently for products with the same GTIN. In the future, it's expected to receive the original manufacturers' information to set the base of digitalised customs supervision."

—Head of the Tariff Collection & Supervision Department, Nanjing Customs PRC.

The GS1 Global Trade Item Number (GTIN, the 'barcode number') and the global service 'Verified by GS1' have become valued tools for China Customs, bringing benefits to all parties involved in the cross-border supply chain.

The problem

China has seen an exponential increase in cross-border trade, in sheer volume and in the variety of products entering their country. Unfortunately, import procedures requiring companies to manually enter product information multiple times were resulting in discrepancies, inaccuracies and wasted time.

The solution

China Customs now leverages the GS1 Global Trade Item Number and the global 'Verified by GS1' registry service to expedite border declarations, minimise errors, improve compliance, watch for counterfeits and enhance a whole range of customs clearance processes. For example, many companies and brokers importing goods to China can now auto-populate product information in the 'single window' declaration system simply by entering the product's GS1 GTIN.

The 'Verified by GS1' global service platform includes verified and trusted attributes for a product – attributes that form a 'product passport':

- Product identification
- Company name
- GTIN (e.g. 9504002100016)
- Brand name
- Product description
- Product image web link (a Universal Resource Locator or URL)
- Global Product Category
- Net content & unit of measure
- Country of sale

The results

The results are clear: more accurate product identification, more consistent enforcement of regulations, more efficient customs clearance procedures and overall smarter and better government supervision of the importation of goods.



File in seconds instead of minutes

For importers and brokers, the decision to use GS1 GTINs during the customs clearance processes brought multiple benefits: it's convenient, smooth and— most importantly—much faster.



Error-free, standardised customs declarations

After companies declare a product's GS1 GTIN, China Customs' system immediately accesses and fills in additional product information, including the product type, HS code, country of origin and more. Importers no longer need to manually enter this information, effectively improving the accuracy of the standardised declaration.

In the past two years, the GS1 GTINs for 780,000 products have been verified from Chinese imports across 99 countries.

'Verified by GS1' enables smart supervision at participating borders. Validating GS1 GTINs on declarations helps customs authorities to establish one single understanding of product information, allowing agencies everywhere to consistently apply tariffs and uniformly enforce compliance regulations.

To find out more about Product Passports watch this quick video <https://www.gs1nz.org/news/exporting-gs1-standards-increased-product-visibility-at-the-border/>



What it means to New Zealand exporters

If you're an exporter and member of GS1, you'll be using GS1 identifiers such as Global Trade Item Numbers (barcode numbers) and Global Location Numbers (like your NZBN) to exchange information for import logistics, warehousing, and to optimise point of sale retail functions.

We are currently working with border agencies worldwide to enable the use of GS1 identifiers to help speed up the import clearance processes.

Load your product data into our global platform to streamline your products' border clearance process now.

Get more information and help here <https://www.gs1nz.org/standards/standards-that-share/streamlining-the-border-clearance-process/>



Stepping up standardised and globally interoperable product data in the building sector

Product library and 'passports' for building products

GS1 New Zealand continues to publish leading-edge research for the New Zealand building and construction sector, through our close relationship with the Building Research Association of New Zealand (BRANZ).

Our research report, published in 2020, outlined the sector's low productivity and recommended New Zealand take the lead from its European counterparts and implement a 'product library'. Based on global standards, including GS1 standards, a product library was seen as a useful tool in providing a sector-wide, 'common language' of core product data, that could be shared broadly to improve productivity, efficiency and sustainability goals. This has generated significant interest from Government and other agencies, and calls are now being made for implementation.

Research published this year, expanded the product library concept by introducing the idea of a 'Digital Product Passport' for building products. Similar to an international travel passport, the 'Digital Product Passport' contains a core set of globally standardised and agreed information about a product, that can be shared for such things as regularity compliance and product authentication. (A conceptually-similar 'Digital Product Passport' will become a requirement in the building and construction sector under new European draft regulations).

GS1 NZ's research concludes that the New Zealand building and construction sector would benefit significantly by starting its journey towards a product library and a 'Digital Product Passport' development; a message that not only has strong sector support, but heightened interest from Government agencies.

Building product information requirements

In June, the Government introduced new regulations on building product information requirements - The Building Product Information Requirements Regulations 2022. The regulations place obligations on New Zealand based importers, retailers, manufacturers, and distributors to provide building product users with information about how building products comply with the NZ Building Code. The regulations come into effect in December 2023.

Depending on the class of product, information must include a product description and unique identifier, building and regulatory compliance information, as well as product specification details and information about the supplier, importer and distributor.



Commerce Commission market study

In August, the Commerce Commission delivered its findings of the Building Materials Market Study. The study included a strong recommendation to establish a centralised, digital national key products' registry to increase trust in building supplies and encourage market participants to specify and utilise new products with confidence.

A product registry is commonplace in other industry sectors, including food and grocery and healthcare, where products are uniquely identified using GS1's Global Trade Item Number (GTIN), and data is shared between suppliers and their trading partners and regulators via GS1's platforms. The Commission's report identified benefits in introducing a national products' register including enhanced, sector-wide sharing of information about new or innovative building products and methods. A register could also

make it easier for designers, builders and building consenting authorities to find information about available building products quickly and easily, potentially reducing the barriers for the use of different building products.

A fertile environment

The New Zealand building and construction sector has an ideal opportunity to embrace the technologies and innovations highlighted in GS1's research. Our research called on Government to provide a fertile, transformative environment to lift productivity and sustainability goals in the sector through the adoption of standards and infostructure. We are very pleased to see the Government and others have listened and have taken the first steps to achieve this for the many benefits on offer.



The 'Digital Twin' – twice as nice!

“We’ve all got to do a lot better and take responsibility for getting this stuff right – it really does matter, especially when the stakes are so high.”

- Raewyn Bleakley, CEO Food and Grocery Council.

The 'Digital Twin'. It's a concept that's generating a lot of discussion around the world, especially in retail. Think of a digital twin as a virtual representation of a physical object; the online 'twin' of the product you see on a supermarket shelf, for example. Given the significant increase in online shopping, the importance of digital twins cannot be understated now.

Research shows that about 75% of online shoppers rely on product photography when deciding to purchase a product. Of those who do complete the purchase, 64% say they will return items because of a mismatch in product information.

What's the issue?

The message is clear. Having inaccurate, out-of-date and incomplete product information especially in online marketplaces has become a real problem for both retailers and consumers. The impact is substantial because consumers make buying decisions based on the product information they read. Suppliers and retailers miss out on important sales and put their brand reputations at risk because of poor (or no) information.

The online 'Digital Twin' of a product is as important as the packaging is, in a physical retail store. New Zealand research has shown that up to 9% of online products had changes made to allergen declarations, and 18% had ingredient changes that meant that the 'digital label' did not match the product on the retail shelf. Even worse, far too many products have an online image that does not match what is on the shelf - and sometimes, no image at all.

Jake had a serious medical event from eating peanuts as a child, so he wants to be certain that everything he buys is free from nuts. Jake knows, however, that he cannot rely on what he reads online.

European regulators have long been aware that consumers have been disappointed in their purchases and/or been at risk from allergens through inadequate online product information and have regulated accordingly. The EU 1169 regulation passed in 2011 and, effective from 2015, provided a framework for the assurance of high level consumer protection in relation to food information, including for online marketplaces. It lays down general principles governing consumers' rights to information, with particular

regard to food labelling, and applies to all operators throughout the supply chain.

How is GS1 helping?

We are working closely with our members and our partners to ensure they are fully aware of the issues and opportunities by:

- undertaking regular, in-market product audits to allow us to monitor trends
- working with leading retailers to improve sector awareness and behaviour
- collaborating with the Food and Grocery Council on education initiatives
- Engaging with regulators such as the Ministry for Primary Industries and Food Standards Australia-New Zealand.

Digital twin challenges are in every sector we work in. We are predicting the new building regulations mandating product information will drive 'digital twins' very quickly into the DIY/hardware/construction sector. Tackling the challenge in the food and grocery sector, our most mature sector, will generate learnings for others.

*U.S. online shopper reasons for returning online orders 2017," Statista, 2017, [statista.com](https://www.statista.com)



Driving efficiencies between merchants and suppliers through product data in agribusiness

The agribusiness sector is a key contributor to the New Zealand economy, with exports in the primary sector of over \$50 billion. Despite this, however, the sector has significant opportunities to boost performance and profitability, by aligning on the use of global data standards to create a 'common language' for the exchange of key product data in the sector.

For almost 50 years, GS1 has been assisting industry to optimise supply chains, reduce costs through automation and efficiencies, and help ensure consumer safety.

In 2015, an industrywide call-to-action, spearheaded by the rural retailers, sought to roll out standardised product identification using the GS1 Global Trade Item Number (GTIN – aka the 'Barcode Number') and to get GS1 barcodes reliably onto products.

Since 2015, over 90% of retail SKUs are now being reliably identified and

scanned at the checkout counter and throughout the supply chain. This was a major achievement, and has driven numerous business benefits for both suppliers, their merchants and ultimately, the users of products such as farmers and other rural folk. It was always recognised that 'sorting out' identification of product was an important building block, but there were further opportunities.

Earlier this year, GS1 facilitated a meeting at the request of the major agribusiness retailers (Farm Source, Farmlands, Rural Co and PGG Wrightson) who were all interested in pursuing pro-competitive collaboration to align on industry opportunities. They agreed to work collaboratively with suppliers in an industrywide initiative, to harness the benefits of having more accurate and complete product data, to increase supply chain visibility and efficiency, and reduce costs.

Three major themes emerged from the discussions:

- Being able to share accurate, high quality product information among the suppliers, retailers and farming community is vital if the benefits on offer for everyone are able to be achieved.
- The use of GS1 data standards could improve business performance outcomes through improved inventory and batch control, waste minimisation and enhanced sustainability management.
- Implementing a modern, industry-wide, online product recall management system could aid the sector in increasing overall trust and confidence, especially from consumers and the various regulators.

A series of supplier seminars were hosted by GS1 New Zealand with the active participation and support of the rural retailers in Auckland, Hamilton and Christchurch in October, to discuss the initiative, receive feedback and plan a way forward.



Sustainability step up – GS1 in Europe supporting the European Commission’s ‘Green Deal’

“Sustainability and circularity initiatives can only scale if stakeholders embrace business processes that are built with a standardised data language on top of a foundationally interoperable data exchange network.”

Gregor Herzog – Chair, GS1 in Europe.

There is an immediate and collective need to adapt to climate change which is driving a strong global agenda for sustainability.

In March 2019, the European Commission adopted a comprehensive report on the implementation of the ‘Circular Economy Action Plan’. The report sketched out future challenges in shaping the European economy and paving the way towards a climate-neutral ‘circular economy’ where pressure on natural and freshwater resources, as well as ecosystems, is minimised.¹

Accelerating this transition goal (the programme is called the ‘Green Deal’) is a key priority of the European Union

(EU) for the coming decade and achieving Environmental Sustainability and Governance objectives will not be possible without fundamental shifts in both global and European economic resource and data flows.

The circular economy

The circular economy is a cornerstone for creating a sustainable future and involves redesigning products, services and systems to keep resources in use and safe circulation. This means they don’t become waste and pollution (including generating greenhouse gas emissions).

GS1 and the circular economy

Sustainability and circularity offer significant opportunities to companies across all sectors when they adapt to new business processes and requirements. At GS1, we believe that a standardised language for data, data portability and interoperable data exchange networks are essential to industry's successful adoption.

Development of the Digital Product Passport for the circular economy

The concept of a 'Digital Product Passport' (DPP) is proposed as a key mechanism through which EU economies will support sustainable consumption and production, resource flows and supply chain management. Under draft EU regulations released earlier this year, a product passport is required to be made accessible to trading partners via electronic means through a data carrier with a set of data specific to a product (specified in the delegated act).²

Under the draft regulation, the Digital Product Passport will ensure that actors along the value chain, including

consumers, economic operators and competent national authorities, can access product information relevant to them, and include the necessary data attributes to enable tracking of all substances of concern throughout the life cycle of the products covered by the DPPs.

The draft regulation makes several specific references to the use of ISO/GS1 data standards, which will provide value to all existing GS1 members.

GS1 in Europe, led by Chair, [Gregor Herzog \(also CEO of GS1 Austria\)](#), is helping the European Commission develop architecture for the new regulations and the use of a Digital Product Passport.

Gregor presented at the 2022 GS1 Asia Pacific Forum (hosted by GS1 New Zealand in Wellington) and attended meetings with officials interested in the EU developments.

¹ https://ec.europa.eu/environment/circular-economy/first_circular_economy_action_plan.html

² www.gs1.eu/news/eu-digital-product-passport-revealed-time-to-act

Ambitions of the Green Deal



Cleaner energy and cutting-edge clean technological innovation



Healthy and affordable food



Future-proof jobs and skills training for the transition



Renovated, energy efficient buildings



Fresh air, clean water, healthy soil and biodiversity



Globally competitive and resilient industry

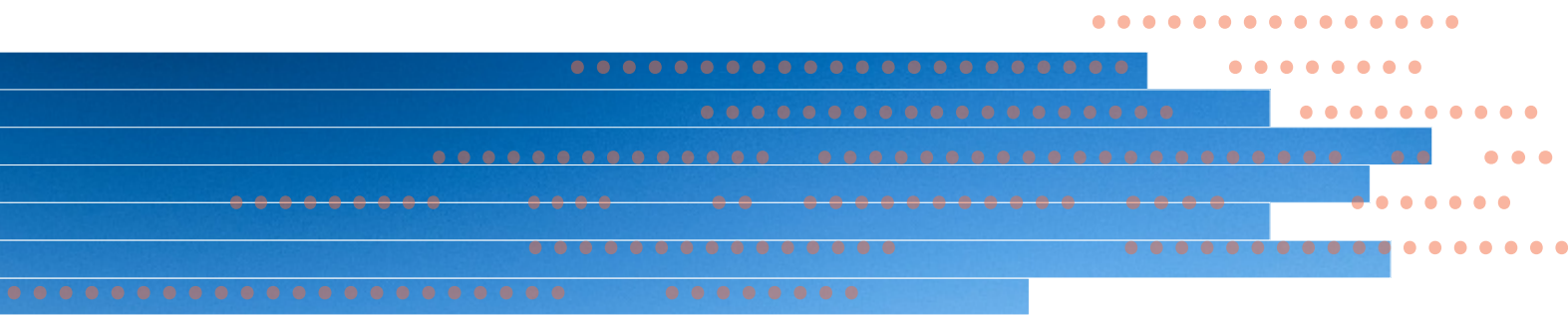


More public transport



Longer lasting products that can be repaired, recycled and re-used





THE RESULTS

A closer look at our financial results



Report of the Independent Auditor on the summary financial statements

Grant Thornton New Zealand Audit Limited
L15, Grant Thornton House
215 Lambton Quay
PO Box 10712
Wellington 6143
T +64 4 474 8500
www.grantthornton.co.nz

To the Board Members of GS1 New Zealand Incorporated

Opinion

The summary financial statements, which comprise the summary statement of financial position as at 31 August 2022, the summary statement of comprehensive revenue and expense, summary statement of changes in net assets and summary cash flow statement for the year then ended, and related notes, are derived from the audited financial statements of GS1 New Zealand Incorporated for the year ended 31 August 2022. In our opinion, the accompanying summary financial statements are consistent, in all material respects, with the audited financial statements.

Summary financial statements

The summary financial statements do not contain all the disclosures required by PBE IPSAS. Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited financial statements and the auditor's report thereon.

The Audited Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited financial statements in our report dated 19 October 2022.

Other Information than the Summary Financial Statements and Auditor's Report Thereon

The Board Members are responsible for the other information. The other information comprises the annual report (but does not include the summary financial statements and our auditor's report thereon), which is expected to be made available to us after the date of this auditor's report.

Our opinion on the summary financial statements does not cover the other information and we do not and will not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the summary financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the summary financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and will request that such matters are addressed.

Board Members Responsibility for the Summary Financial Statements

The Board Members are responsible for the preparation of a summary of the audited financial statements of GS1 New Zealand Incorporated in accordance with PBE FRS-43: *Summary Financial Statements*.

Auditor's Responsibility

Our responsibility is to express an opinion on whether the summary financial statements are consistent, in all material respects, with the audited financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (New Zealand) (ISA (NZ)) 810 (Revised), *Engagements to Report on Summary Financial Statements*. Our firm carries out other assignments for GS1 New Zealand Incorporated in the area of assurance and advisory services. The firm has no other interest in GS1 New Zealand Incorporated.

Restricted Use

This report is made solely to the Board Members, as a body. Our audit work has been undertaken so that we might state to the Board Members, as a body, those matters which we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Association and the Board Members, as a body, for our audit work, for this report or for the opinion we have formed.

Grant Thornton New Zealand Audit Limited**B Kennerley****Partner****Wellington****19 October 2022**

Statement of Comprehensive Revenue and Expense

For the year ended 31 August 2022

	2022 \$	2021 \$
Revenue from exchange transactions		
Subscription income	5,019,885	4,858,209
Other fees & operating income	5,881,881	6,039,145
Revenue from non-exchange transactions		
Interest income	56,790	67,177
FV gain/(loss) on managed fund	(65,351)	28,219
Total revenue	10,893,205	10,992,751
Expenses		
Employee benefits	5,644,503	5,773,971
Other operating costs	3,426,001	3,509,878
Operating lease payments	671,121	673,147
Loss/(gain) foreign currency	(4,017)	(3,715)
Depreciation and amortisation	970,708	816,414
Total expenses	10,708,316	10,769,695
Surplus before taxation	184,889	223,056
Taxation	-	-
Surplus for the year		
Attributable to members	184,889	223,056
Other comprehensive revenue and expense		
Other comprehensive revenue and expense for the year	-	-
Total comprehensive revenue and expense for the year attributable to members	184,889	223,056

These financial statements were approved at a meeting of Members of the Board held on 19 October 2022



Sean Goodwin
Board Chair



Dr Peter Stevens
Chief Executive

The accompanying notes form part of these financial statements

Statement of Changes in Net Assets

For the year ended 31 August 2022

	Members Capital \$	Retained Earnings \$	Total Equity \$
Balance at 1 September 2020	-	4,916,038	4,916,038
Comprehensive revenue and expense for the year			
Surplus for the year	-	223,056	223,056
Other comprehensive revenue and expense	-	-	-
Comprehensive revenue and expense for the year	-	223,056	223,056
Transactions with members	-	-	-
Balance at 31 August 2021	-	5,139,094	5,139,094
Comprehensive revenue and expense for the year			
Surplus for the year	-	184,889	184,889
Other comprehensive revenue and expense	-	-	-
Comprehensive revenue and expense for the year	-	184,889	184,889
Transactions with members	-	-	-
Balance at 31 August 2022	-	5,323,983	5,323,983

The accompanying notes form part of these financial statements

Statement of Financial Position

As at 31 August 2022

	2022 \$	2021 \$
Current assets		
Cash and cash equivalents	862,572	883,188
Investments in bank deposits	3,650,000	3,950,000
Prepayments	495,067	471,400
Trade and other receivables	3,150,655	2,781,979
Total current assets	8,158,294	8,086,567
Current liabilities		
Trade and other payables	1,164,060	1,300,948
Income in advance	4,650,381	4,511,521
Employee entitlements	1,016,973	1,063,814
Total current liabilities	6,831,414	6,876,283
Working capital	1,326,880	1,210,284
Non current assets		
Investments	1,160,314	1,238,290
Plant and equipment	544,848	728,312
Intangible assets	2,444,142	2,144,849
Total non current assets	4,149,304	4,111,451
Non current liabilities		
Other payables	152,201	182,641
Total net assets	5,323,983	5,139,094
Represented by retained earnings	5,323,983	5,139,094
Total equity	5,323,983	5,139,094

The accompanying notes form part of these financial statements

Statement of Cash Flows

For the year ended 31 August 2022

	2022 \$	2021 \$
Cash flows from operating activities		
Receipts from operations	10,671,950	10,968,443
Payments to suppliers	(4,284,101)	(4,003,148)
Payments to employees	(5,691,343)	(5,785,540)
Interest received	56,790	67,177
Cash flow from operating activities	753,296	1,246,933
Cash flows from investing activities		
(Increase)/reduction in bank deposits	312,625	57,586
Purchase of plant and equipment	(37,851)	(167,860)
Purchase of intangible assets	(1,048,686)	(988,522)
Cash flow from investing activities	(773,912)	(1,098,795)
Net cash flows for the year - (outflow)/inflow	(20,616)	148,139
Cash balance at start of year	883,188	735,049
Cash balance at end of year	862,572	883,188

The accompanying notes form part of these financial statements

Notes to the Financial Statements

For the year ended 31 August 2022

1. Reporting Entity

GS1 New Zealand Incorporated (the “Association”) is a not-for-profit organisation, based in Wellington and Auckland, which is incorporated under the Incorporated Societies Act 1908. The Association is primarily established to improve efficiency and visibility in supply and demand chains and is deemed a public benefit entity.

The financial statements for the year ended 31 August 2022 have been approved for issue by the Board Members on 19 October 2022.

2. Summary Financial Statements

The Summary Financial Statements for the year ended 31 August 2022 have been extracted from the Full Financial Statements of GS1 New Zealand Incorporated. The Summary Financial Statements comply with generally accepted accounting practice in New Zealand (NZ GAAP) as it relates to summary financial statements (FRS 43: Summary Financial Statements). The Summary Financial Statements can not be expected to provide as complete an understanding of the financial performance and financial position of GS1 New Zealand Incorporated as the Full Financial statements.

A set of the Full Financial Statements can be obtained by contacting the General Manager Corporate Services on (04) 494 1050, or write to The GM Corporate Services, GS1 New Zealand Incorporated, 158 The Terrace, Wellington, 6011. The Full Financial Statements which were approved by the Board on 19 October 2022 have been audited by Grant Thornton who issued an unmodified opinion dated 19 October 2022.

The Full Financial Statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (“NZ GAAP”). They comply with Public Benefit Entity International Public Sector Accounting Standards (“PBE IPSAS”) and other applicable financial reporting standards issued by the New Zealand Accounting Standards Board for Not-For-Profit-entities. For the purpose of complying NZ GAAP, GS1 New Zealand Incorporated is a public benefit not-for-profit entity and is applying Tier 2 Not-For-Profit PBE IPSAS as it has expenditure of less than \$30 million.

3. Functional and Presentation Currency

The financial statements are presented in New Zealand dollars, which is the functional currency and presentation currency. All numbers presented have been rounded to the nearest dollar, unless otherwise stated.

Notes to the Financial Statements

For the year ended 31 August 2022

4. Contingent Liabilities and Guarantees

The non-current term deposit with ASB is collateral for the lease premises guarantee obtained \$211,863 (2021: \$211,863).

5. Events Occurring After the Reporting Period Date

There have been no significant events occurring after the reporting date (2021: \$nil)

6. COVID 19

On 17 August 2021, New Zealand went to alert level 4 because the deadly Delta variant had arrived.

Auckland went into an extended 107-Day Lockdown until December 2021. During the lockdown period GS1 Auckland staff have been able to continue working remotely or to operate back in their premises, resuming full normal operation since restrictions were eased on 15 December 2021.

GS1 has assessed the likely impact of COVID-19 on the organisation and have concluded that the impact on the financial position and operating ability of the association is low.

The Board are not able to assess the future impact of COVID-19 on GS1 given the uncertainty of the pandemic and the emergence of future variants.

Nature of Business:

A not for profit incorporated organisation established to improve efficiency and visibility in supply and demand chains.

Board Members:

Sean Goodwin (Chair from December 2018, co-opted to Board August 2011)
Richard Allen (elected December 2018)
Jason Bardell (elected December 2014)
Catherine Beard (elected December 2014)
Michael Broome (elected December 2014)
Simon Kennedy (elected June 2022)
Chris Morgan (co-opted August 2022)

Senior Management:

Peter Stevens (Chief Executive)
Richard Manaton (Chief Operating Officer)
Gary Hartley (General Manager, Customer)
Rochelle Leahy (General Manager, Corporate Services)
Nick Allison (General Manager, Government)
Cameron Frith (General Manager, Implementation & Support)

Auditors:

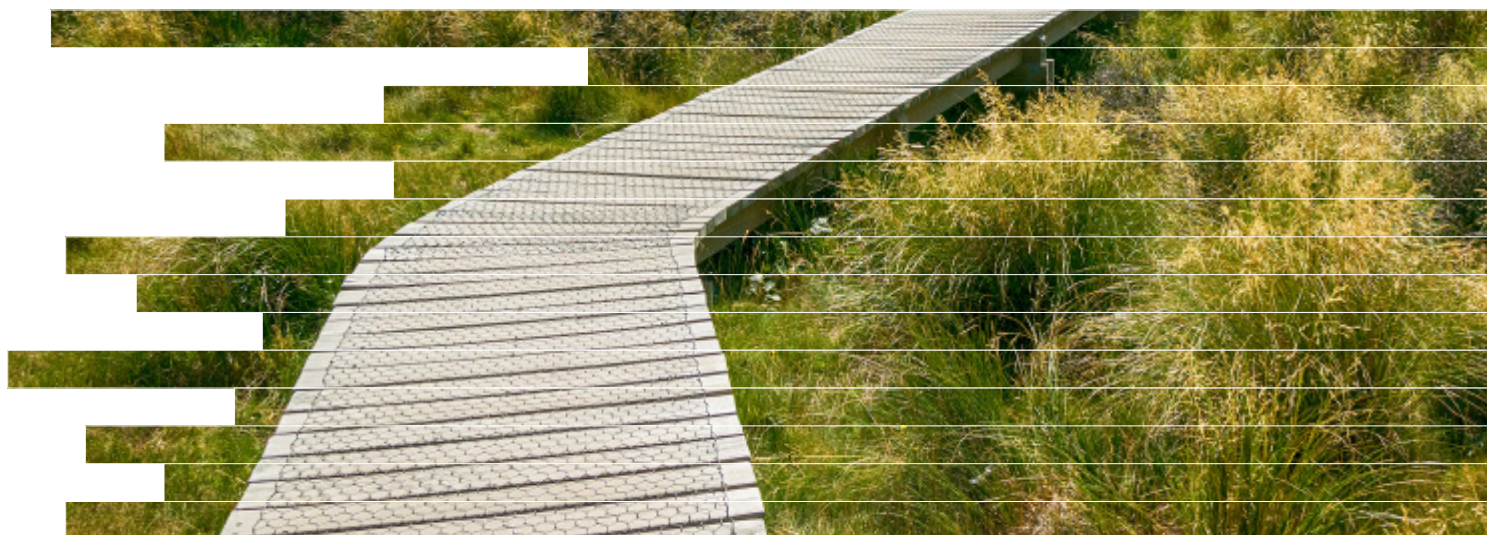
Grant Thornton New Zealand Audit Limited
Wellington

Business Location:

GS1 New Zealand is incorporated and domiciled in New Zealand.

The registered address is:

Level 2
158 The Terrace
Wellington





GS1 New Zealand

0800 10 23 56

info@gs1nz.org

gs1nz.org

Level 2, Woolstore Professional Centre
158 The Terrace, Wellington 6011

