The first Report.

The Collective mpact Report 2022

also known as the stuff we're doing to make a difference



Angus Allan and Ofer Shenhav; Founders.





The Collective was founded in 2009, and thirteen years on, we couldn't be more proud to share our inaugural impact report.

The great news is, we've grown massively and overcome many challenges. We know we have the scale and focus to invest in the changes needed to make a real difference. In this report, you'll see the key initiatives we've focused on in the last twelve months and what's to come.

These initiatives will help to reduce our impact and leave the world a better place than we found it.

We have a huge goal to become carbon neutral and B-corp certified by 2025 and last year we started that journey, with all of our dairy-free products becoming carbon neutral.

So, our journey has begun and we are working toward the day that we can truly say we have significantly minimised our impact on the people and environment around us.

Of course, we know our yoghurt will always make the right impact, so grab a tub and a spoon, and let's get stuck in.

Michaele



2022

Oh we go way back.

The Collective was founded in New Zealand by two clever kiwi chefs who weren't afraid to say no bull!

Being well travelled lads with a couple of successful businesses already notched on their belts, Ofer and Angus were not shy of the hard yakka ahead. Their sheer determination to achieve 'perfection' helped provide the fuel, their passion provided the key, their tenacity and skill delivered the answer.

Kiwis caught on fast and the resulting yoghurt rapidly found new homes across the land. In fact, within ten months The Collective was New Zealand's best selling gourmet yoghurt. Overnight sensation? You betcha!

Now, not being ones to keep a good thing to themselves, it soon dawned on Ofer and Angus that the whole world deserved to be eating this yoghurt too. Just how hard could it be? As it turned out darn hard! Until they joined forces with Mike Hodgson and Amelia Harvey, a couple of savy 'Brits' who knew a thing or two about the food industry in the UK.

So here we are now, sitting in fridges across the globe all thanks to the folks out there who have shared The Collective's vision and helped make us a 'happening thing' in a lot of homes!



At the Collective, our purpose is to fight the good food fight.

* We have always had an inherent desire to disrupt the norm in a good way. We're comfy being uncomfy and shudder at the thought of bland.

> Hey its FMCG, it's a fight or flight world out there. Our fight is a fight well worth having, it's purer as we don't believe people should be fed big business bland.

Fighting the good food fight.

People deserve to receive good, proper, nutritious food that tastes like good food should; there's no bull in that!

- A strong sense of good has been with
- us from the start, we've just turned up
- the volume is all.

We are the taste do-gooders because life's too short for big-house factory-bland.

We are a community of like-minded straight-up souls, changing how our world tastes, one 'tub' at a time. Why?

We are The Collective;

a community of thinkers with an appetite for good.

We are The Collective. The dairy shaker-uppers. The just-go-with-your-gut-ters!

We all deserve exciting every day!

Never boring, no bull!

Our sustainability journey.





Our three impact pillars.





Kicking Carbon to the Kerbside.



Carbon neutral 2025, here we come!



The good folks at ClimatePartner are helping us to reach our carbon neutral goal. But first, we needed to figure out the size of our current footprint. As you can see, we had a lot to consider.

Our first priority is always to reduce our footprint, then what we can't reduce, we offset.

2022

Transport and freight reduction.



In a carbon assessment from ClimatePartner, we learnt that vehicles are one of our biggest carbon contributors.

Last year we:

Encouraged a mix of working
 from home (WFH) and office for
 less commuting (Covid also forced
 us home for half the year!).

- Provided showers in the office so people could bike, run or walk to work.

 Chose sea freight over air freight except in supply chain emergencies.

 Reduced our transport weight through palletisation efficiencies with approx. 800 fewer pallets per year, which means less energy used for transport and storage.

 Trialled an EV Hyundai Kona car in our sales fleet.



We have declared war on waste.

> - Saved 4.3 million litres of water per year in manufacturing.

- Repurposed 6 tonnes of excess cream from separated milk into a brand new product with the launch of a Sour Cream.

- For energy, we chose Meridian Energy who offer renewable green energy for most of our electricity use. However we still have to use natural gas as a heat source for making our food safe.

Last year we:

- Stopped 600,000 pouches going to landfill via a focused waste reduction program.

- Made full use of the recycling systems set up on-site, and recycled all our soft plastics, recyclable plastics, cardboard, pallet wrap, e-waste and compostables.

A carbon neutral yoghurt.



Even plant-based yoghurt is not perfect. Each tub generates between .31kg CO₂ and .7kg CO₂.

As you'd expect, the bigger tubs have a bigger footprint as they have more ingredients.

So every year, we calculate what we produce and then figure out how much carbon all of that yoghurt generated, then we offset these emissions through our offset programme.



Our supported offset projects.

The climate crisis is global. That's why **ClimatePartner** helped us by introducing us to their network of international organisations and projects, to offset our carbon emissions.



Afforestation, Rio Kama, Nicaragua

ClimatePartner

Improving the air we breathe.

Afforestation program plants bamboo trees to sequester carbon from the atmosphere. Bamboo is one of the fastest growing and most regenerative plants for removing carbon from the atmosphere and prevents deforestation. ClimatePartner



Forest protection, Mataven, Colombia

Improving the air we breathe.

Protects one million hectares of tropical forest, safeguarding biodiversity. It provides education, healthcare, sanitation, food security, nutrition, and further social benefits for 16,000 indigenous people.

The project works with the communities to improve living conditions and promote sustainable economic growth.

carbon neutral 2025





ClimatePartner



Clean oceans, Plastic Bank, Worldwide

Cleaning our oceans worldwide.

Plastic Bank keep plastics out of oceans in third world countries and reduces emissions by recycling collected plastic into new materials reducing the creation of new plastic.

We do love trees.



Supporting Trees That Count in New Zealand is just one of the ways we're reducing our impact locally.

As well as absorbing CO₂, planting trees helps increase biodiversity, protect precious waterways and strengthen communities.

We've planted 2,030 native trees to date.





Caring for The Collective Communities.



It's all in the name.



We have a responsibility to do right by them all.

That's why we work hard to assess and review how we can best support our network of people, and always put them at the heart of what we do.

> After all, we're more than a team. We are The Collective.

We're all about the people who help us bring our ridiculously tasty products to life, and the people who choose to put them in their fridge.

From the millions of yoghurt eaters out there, to our suppliers, our retail partners, our community and to those in the factory making our goods and our amazing team across the globe in the UK. Not just words on a wall, these are our company values.

Be Straight-Up Act With Heart Use Collective Smarts ~ Always Shake-it-Up

Collectively caring.

Employee mental health.

Our EAP provider, Clearhead, also provides self-help support tools which encourages employees to proactively improve their mental health and build life long resilience skills. Clearhead also provides access to a free and confidential counselling service for everything from work to financial stress and relationship worries.

Career development support.

Last year, 30% of our new placements have been internal with the majority being promotions. We work on development plans individually with employees looking for career development and provide them with skills development opportunities.

We aim to be an employer that does good and truly cares about our peoples' wellbeing inside and outside of work.

Health and safety culture.

The most important thing we can do as an employer is look after our employees' safety at work so everyone can go home each day to their families. Our people-first health and safety philosophy focuses on physical and mental health.

Employee physical health.

We operate a health and safety committee that keeps the business focused on preventing injuries at work. We have trained first aiders at each site and have an AED defibrillator on-site. We also provide staff with health, life and trauma cover – which to date has paid out over a quarter of a million dollars in claims to our VIPs.



Collectively caring.

We want working at The Collective to be as fulfilling as possible.

Celebrating achievements.

Every month, individuals or a team that role model one or more of our company values, are recognised for an EpicAward. Each quarter, we get food trucks on site and shout lunch for everyone. Plus our annual boat trip is always a blast.

Flexibility is the new normal.

Look, who doesn't love to put a load of washing on between meetings? Flexibility was a positive biproduct of remote work during the pandemic and has empowered us to give people a better work/life balance.

We recognise that everyone is an individual, with different needs and working styles so we try to accommodate that, as one rule does not fit all. In 2021, we learnt that some staff spend more than two hours a day commuting. Mad, right? We believe that offering flexibility of working from home is a win-win for everyone and now most office staff operate a 60:40 home/office balance.

We also extend extra support to new parents returning to work, as well as safe on-site parking for our night shift and priority parking if you are injured.

Diversity and inclusion.

At The Collective, we know it takes all sorts to make a world go round. That's why we encourage a diverse and inclusive working environment with a team that represents a variety of backgrounds, skills and views.

We are committed to being an inclusive business where all employees feel valued, respected and engaged. We plan to continue to build on our commitment by recruiting, developing and retaining employees with diverse backgrounds and experiences, while continuing to expand our community engagement and impact.







Staff get to grab the grub.

Every week, our team get to take home their selection of the yoghurt they helped to make.



His free yoghurt for all

2022

\$30,000+ donated in2021

Dishing out dollops.

We've been inviting chefs to create a gourmet yoghurt for us and in return, we donate a portion of the sales to a charity of their choice. Last year, we proudly raised \$30,000, and we've dished out over \$80,000 since we launched the initiative in 2018.







We think everyone has the right to eat well and if we make a little too much... well why wouldn't we give it away. \$95,000 worth of yoghurt donated in 2021, that's 53 tonnes of yoghurt!





Minimising Product Impact.





We want our products to make an impact on your taste buds, not the environment.

Our product truths.

taste always comes first, always

packaging,

proud of 4

consciously care for er our planet

:---beautiful

good for .:---humans

keep it 2 natural, we don't make crap! our goods, hand-on-heart

Interesting fact: **#1 PET plastic is** recycled right here in New Zealand and can be recycled over and over again, some say infinitely.

So, what type of packaging is best for the planet... glass, metal, plastic, wood, compostable card?

For us it turns out it's plastic! Plastic allows us to provide the best quality product with the longest shelf life (preventing food waste) in the most sustainable way.

But before you go and buy your body-weight in click-clacks, remember that not all plastics are created equal.

There are seven different kinds of plastic that make up the lion's share of food grade packaging in New Zealand. The numbering system you find on the packaging generally denotes its ranking #1 being the most easy to recycle and #7 being the most difficult. We want to keep our food and our planet safe. So, we need to choose the right materials to do both of those jobs. Easy, right?

Erm, no. It's been quite the journey, and understanding the world of packaging has sometimes felt like studying for a PhD in **Quantum Physics. But we will do our** very best to explain our decisions in an easily-digestible way.

We want to be #1.

Our dairy-free range is certified carbon neutral and uses 100% recycled plastic packaging that can be recycled in New Zealand.

Our ambition is to move all of our tubs and tub lids to 100% clear #1 PET, with at least 30% recycled content. It's proven to be a marathon not a sprint, but each day we are getting a little closer.

Because they are clear, our dairy-free tubs are called out as being from a 100% recycled plastic (rPET). Whereas our kefir bottles are regarded as being from a 98% recycled plastic (PET) due to the colour we add to protect our kefir from light.



clear lids are easy to recycle in New Zealand



How we stack up. The Collective Impact Report. tub and lid bottle pouches #1 (PET) #1 (rPET) dairy-free range made from soft plastic recycled PET #5 (PP) dairy range rinse and rinse and place in soft plastic what to do with place in kerbside drop off bins at selected place in kerbside recycling supermarkets recycling

what happens to it	 #1 (PET) is recycled within NZ #5 (PP) is recycled offshore 	coloured #1 (rPET) is recycled offshore	turned into fence posts, garden beds, courier bags and more	clear and is re with



splitz pot

#1 (rPET) recycled PET

rinse and place in kerbside recycling

> r **#1 (PET)** recycled ithin NZ

> > 2022

Doing the 'splitz'.

This year, we've launched a tasty new range of yoghurt, with 'bits to mix'.

They've been a huge hit on the supermarket shelves and they're not making much of an impact on the environment either thanks to some smart packaging.

These tubs are made from 100% recycled plastic (rPET) so no new plastic was created.

Splitz are made from 100% recycled plastic (rPET) and can be recycled again and again right here in Wellington, New Zealand.





2022



From pouch to post.

Our pouches are made from soft plastic which are all individually recyclable at soft plastic collection points around New Zealand.

To date, there are over 200 soft plastic bins in supermarkets around the country find yours here

Once collected by the folks at FuturePost the soft plastic is turned into fence posts (and more).

n **my next life** ope to be a tence posi





It really is all about the ingredients.

We don't put anything weird in our food. No preservatives, chemicals or other hidden nasties. Just wholesome ingredients in tasty-as combos. So whether people are taking a health boosting slug of Kefir, or a rich and creamy spoonful of gourmet goodness - they know there's nothing but awesome in every mouthful.

Where possible, we like to source our ingredients close to home. NZ is a hotbed of fruits with boysenberries, plums, apples all flourishing in the NZ sunshine (and rain!). Whereas some ingredients just aren't cut out for our climate. Mango, vanilla, even yoghurt cultures, all need to come from further afield.

To keep our footprint to a minimum, we plan on sea-freight over air, which makes a massive difference to our carbon footprint and also keeps our accountant happy.

We are consistently improving our products and one highlight is a 29% reduction of sugar in our products over the last 5 years.

We've achieved this by reducing sugar levels in our current products and also introducing new products with lower sugar.





Kiwi cows make better milk.

As Kiwis, we are lucky to live in a country that has such a rich climate for agriculture.

Our pasture-raised farming is way way WAY better and amongst the lowest in the world when it comes to emissions. Did you know that our cows get more pasture time than any other cows in the whole world, with 96% of their diet coming from grass. Fun fact: the only other country that comes close to this is Ireland.

You might have noticed that dairy is a pretty huge part of the New Zealand economy. That's why milk supply is regulated by the government under an act called DIRA which means that all Kiwi companies who purchase milk, buy from Fonterra at the same price with the same supply terms. This creates a level playing field for all dairy product producers and makes things run a bit more smoothly for everyone. If you want to nerd-out, you can read more about the DIRA act here.



We buy our fresh Fonterra milk daily from local Northland and Waikato farms. The milk travels no more than 120kms to our HQ in Avondale.

Fonterra are on their own epic sustainability journey with a big ol' goal to move to Net Zero manufacturing emissions and a 100% renewable energy future. They have all sorts of on-farm initiatives including environment plans, carbon emission reports and partnerships which *improve* freshwater catchments and native tree planting. In addition, Fonterra are also committed to managing animals responsibly and busily beavering away to continuously *improve* animal wellbeing.

You can learn more about Fonterra's sustainability focus areas here.

So there you have it, a straight-up, no bull snapshot of where we're going, where we'd like to be and where we're currently at.

It's a journey.

We know we have a big journey ahead of us and that we can't do everything all at once, but we are confident that we've got this journey well sorted!

But before we sign off on all the good so far, we thought we'd give you a glimpse of what's up next...

We still have lots to tick-off



The end of the first Report.



The Collective Impact Report 2022