

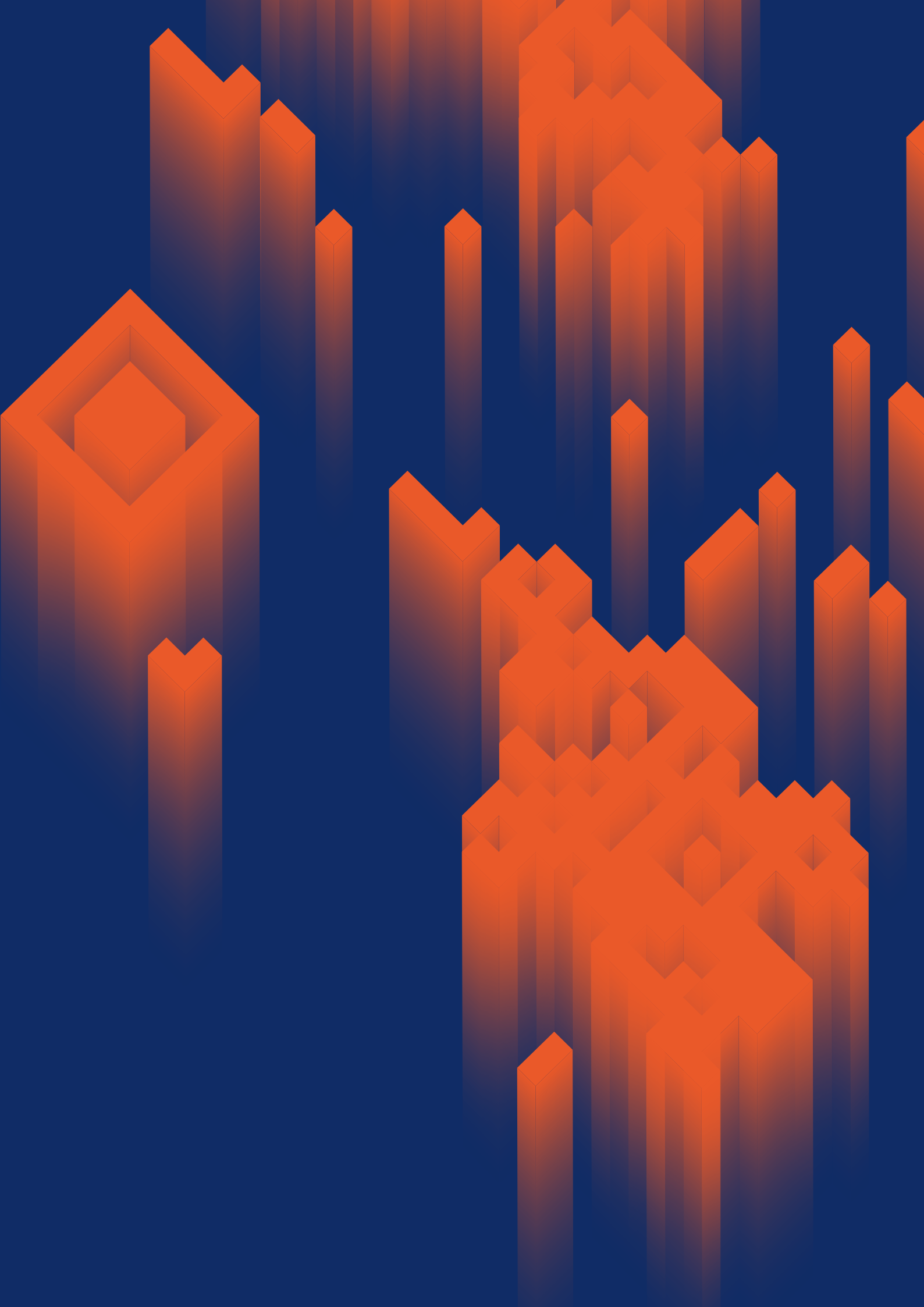


A NEW DIMENSION

ANNUAL REPORT

2023

50 years of
transforming
tomorrow





GS1 New Zealand Annual Report

For the year ended 31 August 2023

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Chair's Report

Sean Goodwin - Board Chair



It is with pleasure that I present the Annual Report for GS1 New Zealand for the 2023 Financial Year.

It is 50 years since GS1 was founded to drive the standardised identification, automatic capture and sharing of data. As a nation, New Zealand was a quick adopter of GS1 standards and barcoding. Our wide-spread adoption, compared with other economies, was the broad coalition of private and public stakeholders who worked together to understand the potential of the technology, but also understand the risks. For the last 40+ years we have proudly supported 'NZ Inc.' to connect businesses to markets and serve consumers through turbulent times, deregulation, inflation, and trade liberalisation.

In the last couple of decades, the acronym 'VUCA' has become fashionable in management and consulting circles. Short for volatility, uncertainty, complexity, and ambiguity, some have used it as a catchall for "Hey, it's crazy out there!" VUCA does seem to describe the last couple of years well: trade wars, real wars, waves of COVID-19, inflation, and economic challenges. These are against a backdrop of climate change and social fragmentation.

GS1 NZ is, of course, not immune to these factors. Our members span every sector of the economy and export

to every corner of the world. Some of our members have seen dramatic structural changes (public healthcare), regulatory interest (Commerce Commission market enquiries into the grocery and the building products sectors) and all have seen a rapid drive towards digitisation.

The Board has been cognisant of this backdrop and has worked to position GS1 NZ as an enabler in assisting our members to streamline their compliance requirements and unlock sales channels. At times, our global networks and connections allow us to see trends before they hit our shores. An example of this is the Sustainable Product Regulation proposal adopted 30 March 2022 by the European Commission. This was released under the framework of the European Union's 'Green Deal', setting the objective of becoming the first climate-neutral region by 2050. These regulations will require a 'Digital Product Passport' for most products marketed in the EU. A Digital Product Passport is "a set of data specific to a product that includes the information (specified in the Commission's delegated act) that is accessible via electronic means through a data carrier" such as a barcode or RFID tag. As a local organisation connected globally, one of our obligations is to communicate clearly to our members what we know and what we are still learning on such topics.

However, we are also aware that at times a 'heads up' to our members - who are typically busy with day-to-day operations - might fall on deaf ears. Balance is therefore critical: a blend of ensuring day-to-day operations are managed well but with an eye on the horizon. We need to ensure we position our systems and services to assist our members to navigate new and emerging technologies and market demands.

As this Annual Report demonstrates, we have had a strong last fiscal year with several notable and strategic achievements. A major focus has been our systems development. Substantial investment is required to modernise our core systems and bring services together that streamline our member's product to market journey. We have found that this level of change is a significant undertaking. As a Board, we are keen to see realised the benefits this transformative investment will bring our members. We are, however, acutely aware of management's need to take a purposeful and deliberate approach to this transformation.

This year has also seen a major change in the composition of the Board. Through a combination of circumstances, several long-standing Board members resigned. I would like to formally recognise the extraordinary contribution of Richard Allen, Catherine Beard, Ruth Brash, Michael Broome, Shayne Hunter and Phil Wright. Likewise, I welcome the service of Raewyn Bleakley, Anne Douglas, Grant Fraser, Simon Kennedy, Chris Morgan, Mark Wolfenden, and Alison Van Wyk.

Finally, I would like to take this opportunity to thank Board members past and present for their support and, of course, the team at GS1 New Zealand for the commitment, energy, and passion they have shown throughout a very big and successful year.



SEAN GOODWIN

Board Chair



CEO's Report

Dr Peter Stevens - CEO



The 2023 Financial Year was successful for GS1 New Zealand against a backdrop of tougher economic times.

As outlined in more detail below, our fiscal position was strong. However, as a public benefit organisation, our financial reports alone do not present a complete picture of what has been achieved over the past year. In this 2023 Annual Report we have published a Statement of Service Performance (pages 8-13). This includes metrics describing what our organisation has achieved across the year to deliver on our broader aims and objectives, communicate our key achievements and demonstrate value and accountability to our members and the general public.

SERVICES TO MEMBERS

All of our key services have grown over the last year in alignment with the Board's strategy, both measured by the number of members using our services, and the expanded use of our services by individual members.

Interactions with members have brought into sharp relief how many businesses were struggling through the year due to rising costs and post-pandemic changes leading to liquidations and substantial merger-and-acquisition activity. As a result growth in membership was almost matched by cancellations in the last year – a pattern not seen since the Global Financial Crisis in 2008/2009.

Interactions with members are the lifeblood of our organisation, and it was pleasing to see our members support us with a very positive Net Promoter Score of 18.5 (rated on a scale of -100 to +100). Glowing feedback highlighted the empathetic, knowledgeable, and responsive way the team supports our members. Less positive feedback was clearly, and fairly, directed towards the complex and non-joined up nature of some of our digital services. Our digital reset and product strategy continues to be a major focus for us and I discuss this later in the report. The valuable feedback received underscores and energises our approach to better supporting the customer journey for our members.

INDUSTRY & GOVERNMENT ENGAGEMENT

The Board recognises four strategic sectors (food and grocery, building and construction, healthcare, and agribusiness) complemented by an over-arching government engagement stream. There has been significant levels of activity across these areas in the last year:

FOOD AND GROCERY

Our largest sector is the sector that developed the barcode some 50 years ago – the food and grocery sector. Since its creation in 1973 this humble yet powerful symbol is now on over 1 billion products, and the “beep” at the checkout counter is instantly recognisable around

the world. Today, GS1 NZ's involvement in this sector continues to grow as the number of suppliers on the National Product Catalogue grows, enabling greater distribution of products assisted by master data verified by GS1 NZ and shared with key retail partners.

Likewise, our databases of crucial product information to support e-commerce food and grocery channels continue to grow. Over 6,000 products were added in the year to our On Pack label database and many more updated. Some 9,000 additional images were also added to our digital asset management system MediaLibrary. These systems integrate directly with the e-commerce platforms of key retailers and surface the data in real-time to 'information hungry' online shoppers.

BUILDING AND CONSTRUCTION

Key retailers in the building and construction sector continue to invest in their core merchandising systems, and continue to work closely with GS1 NZ to adopt GS1 standards. Although progress has been slower than all stakeholders would have preferred in 2023, significant digital infrastructure commissioned by the sector is underway or completed. This bodes well for significant improvements in the quality of product master data for the sector via the National Product Catalogue in 2024.

HEALTHCARE

The formation of Te Whatu Ora, Health New Zealand from the 20 District Health Boards has accelerated the adoption and deployment of GS1 standards as the public healthcare system works to gain national visibility and deploy standardised processes. Product data from 143 medical device suppliers (~160,000 products) now flows through our systems to the Health System Catalogue, and we are working to support the Te Whatu Ora team to expand coverage to medicines, consumables, and general products. We have welcomed engagement to assess how best to identify locations and assets and support clinical processes with global standards.

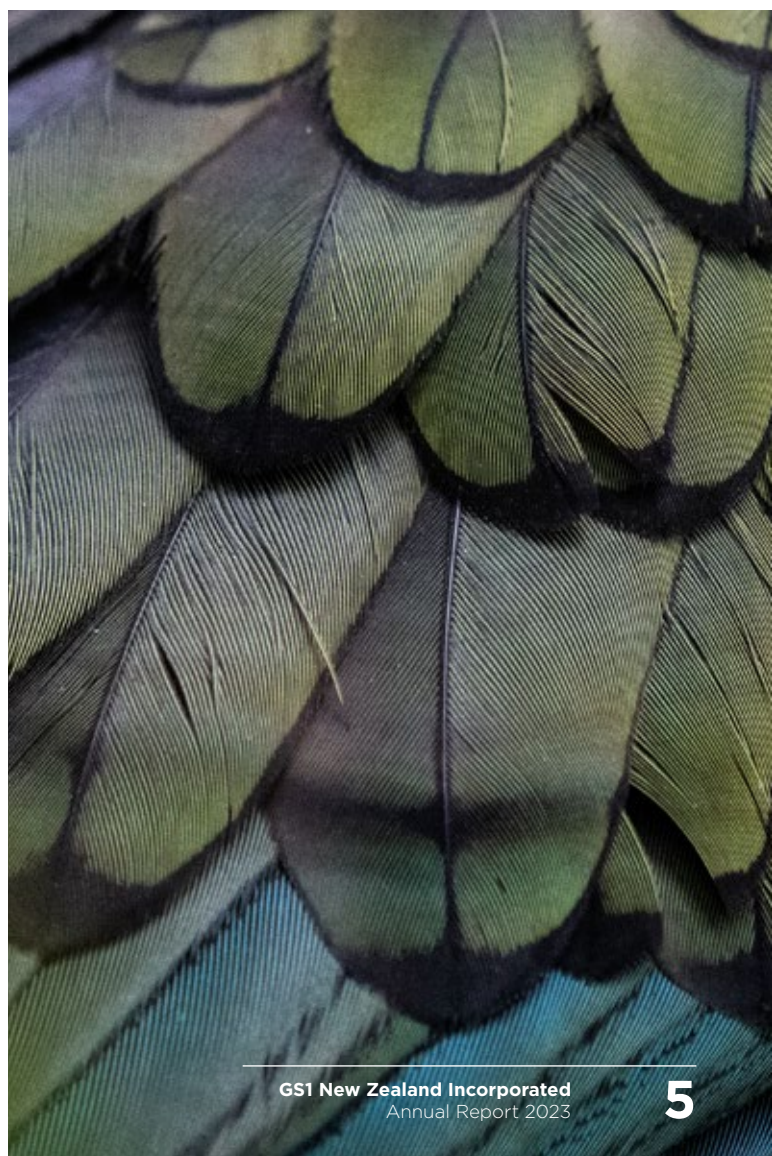
AGRIBUSINESS

A significant achievement during the year was obtaining the agreement of the major rural merchants (Fonterra Farm Source, Farmlands, PGG Wrightson, Ruralco) to work together to publish a future-focussed dataset of master product data based on global standards. We hope that this provides a platform for efficiency for the hundreds of suppliers to the sector. Delivering the promise of simplification is largely dependent on the implementation timetables of each of the merchants and we stand by keen to help.

GOVERNMENT

The government team, on top of engagement with multiple agencies and management of significant contracts throughout the year, led engagement with the Asian Development Bank to win a substantial contract. This strategic contract is to investigate how sustainability certifications linked to products can be shared using GS1 Digital Link standards. Working with several of our sister organisations in Asia Pacific, this project is closely aligned with the work being undertaken by GS1 in Europe to meet supply chain due diligence and regulations for the Digital Product Passport which will, in turn, affect future exporter access into the European Union market. This project will forge a useful roadmap for Kiwi businesses.

Off the back of this project, we are proud to be the driving force and founding member of 'GS1 in Asia Pacific'. This is a regional legal entity incorporated in Singapore formed as a collaborative 'vehicle' for GS1 Member Organisations agreeing to work together on activities such as studies, liaisons, negotiations, and joint projects that advance the interests of our collective membership.



BUSINESS PROCESSES

The requirement to “think globally and act locally” has focussed our attention in a manner not previously experienced.

A key driver of this reframing has been the GS1 federation strategically voting to align services. Where previously New Zealand might have had a variety of routes to share data, GS1 centrally now provides technical interfaces and a product development roadmap that New Zealand must follow under our country license. We welcome such alignment and the capabilities delivered already are impressive (e.g. >450 million product records and 12 million member licenses all accessible via a single Application Programming Interface). This registry has massive potential for retailers, marketplaces, and solution partners to ease product listing processes on their platforms, and to verify core product data to pick up counterfeit products or instances of ‘barcode hijacking’ (where two products have the same Global Trade Item Number). Similarly, government agencies involved in customs, border protection and product regulation can access data seamlessly from all 116 Member Organisations of GS1 to streamline admission processes and risk management.

Our challenge locally has been to interweave these global requirements and opportunities with the timelines expected from our local market players in supporting local initiatives. Cumulatively this has put a lot of strain and focus on the team and a heightened need for clarity and detailed documentation of business processes (both ‘current’ and ‘to-be’).

A Board and management strategic planning session emphasised the centrality of integrated digital services and reconfirmed our aspiration to support the customer journey. As the Chair has commented above, this is non-trivial because of the way that organisations (and their products) evolve. For example, education – assisted by technology – is vital to ensure that our members can understand ‘when a product is different enough to be different’. The answer to that question has dramatic implications for the identification of a product (“Does the product identifier and its barcode change?”), master data about the product supplied to trading partners (“How is the ‘digital twin’ maintained?”) and how various regulatory requirements impact on suppliers, trading partners and ultimately consumers.

ORGANISATIONAL DEVELOPMENT

The reset of our digital product strategy has dominated the last year. As a precursor to the substantial investment required to re-platform and integrate many of our services it was imperative that the digital team was focussed and had the right mix of skills to deliver on an ambitious and complex programme of work. Specialist external consultants recommended the onboarding of software engineering, enterprise architecture, business analyst and scrum skills to complement the development team. We are delighted with the expanded digital team in what has been a tough market for digital skills.

PERFORMANCE

Financially we performed well, with total revenues a record for the organisation at \$11.9m. As the Reserve Bank of New Zealand struggled to control inflation, external costs to GS1 NZ rose sharply. This led to a strong focus on cost control. An operational surplus before depreciation/amortisation, interest and managed fund adjustment of \$1.829m and a ‘bottom line’ of \$553,000 was achieved, largely through cautious and prudent expenditure and not filling open positions.

Key service lines performed well, reflecting strong engagement from key sectors (especially healthcare).

Critical to the smooth running of our operations, our Quality Management System had an external audit in the year, with our ISO 9001 certification being confirmed with only a couple of minor non-conformances. Likewise, our financial statutory audit was very clean and complimentary.

THANK YOU

Thank you to the Board for committing your time and experience to GS1 New Zealand. I would also like to extend a special thanks to the entire team. Your knowledge, commitment and passion has helped us to achieve great outcomes for our members, partners and colleagues across the year.



Dr Peter Stevens
Chief Executive

18 October 2023

OUR STRATEGIC PLAN

PURPOSE

Harnessing the power of global standards to transform the way we work and live.

Objectives



TRUSTED DATA SOURCE

Being the preferred source of authentic, relevant and globally-standards-based data and information.



EFFECTIVE INFORMATION EXCHANGE

Providing robust, secure, scalable and intuitive systems and technologies (digital products) that enable the efficient identification, capture and exchange of trusted data and information.



ENGAGED COMMUNITY OF PURPOSE

Increasing the purposeful engagement of New Zealand organisations with our standards, systems and services.

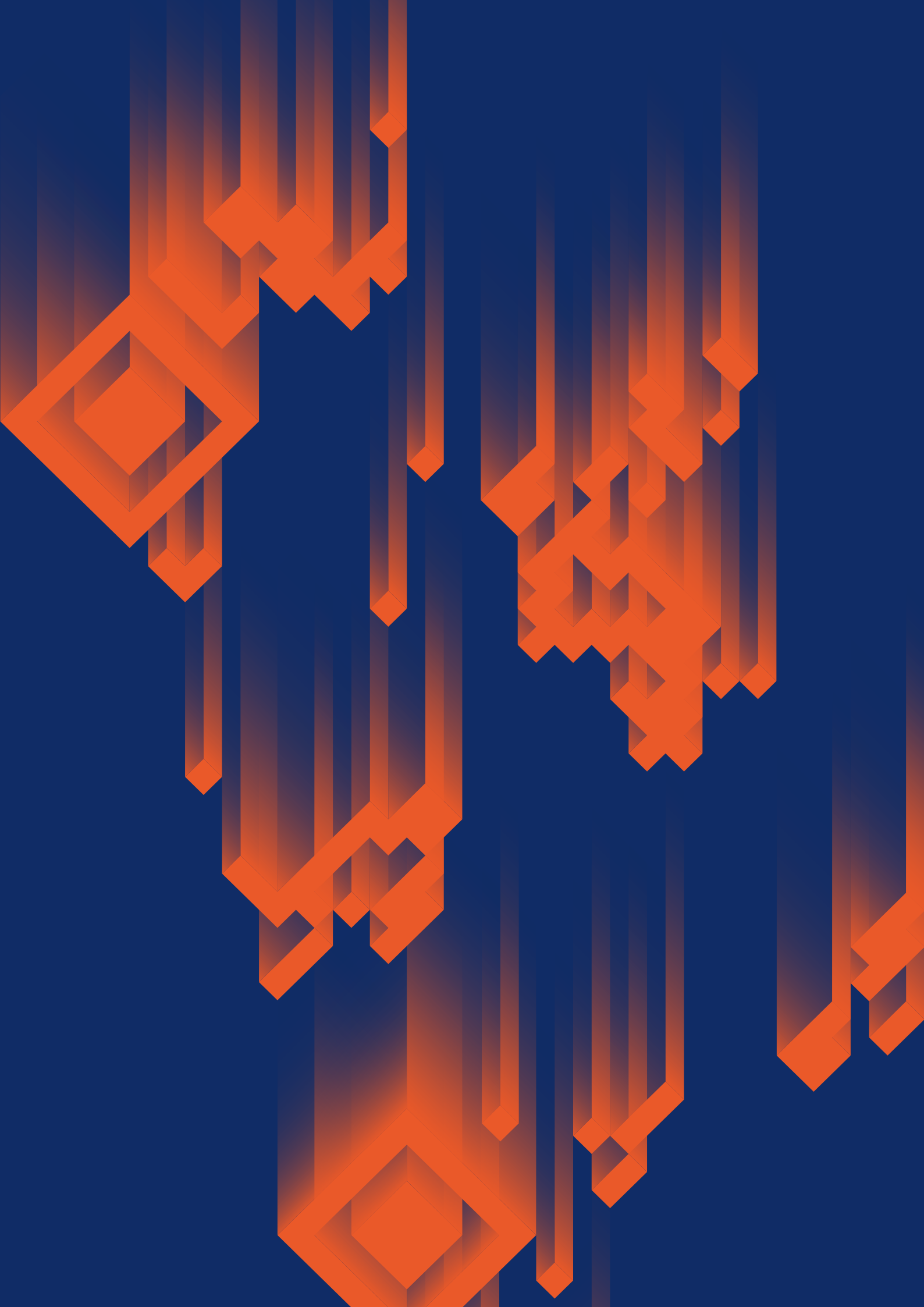


CAPABLE AND RESILIENT ORGANISATION

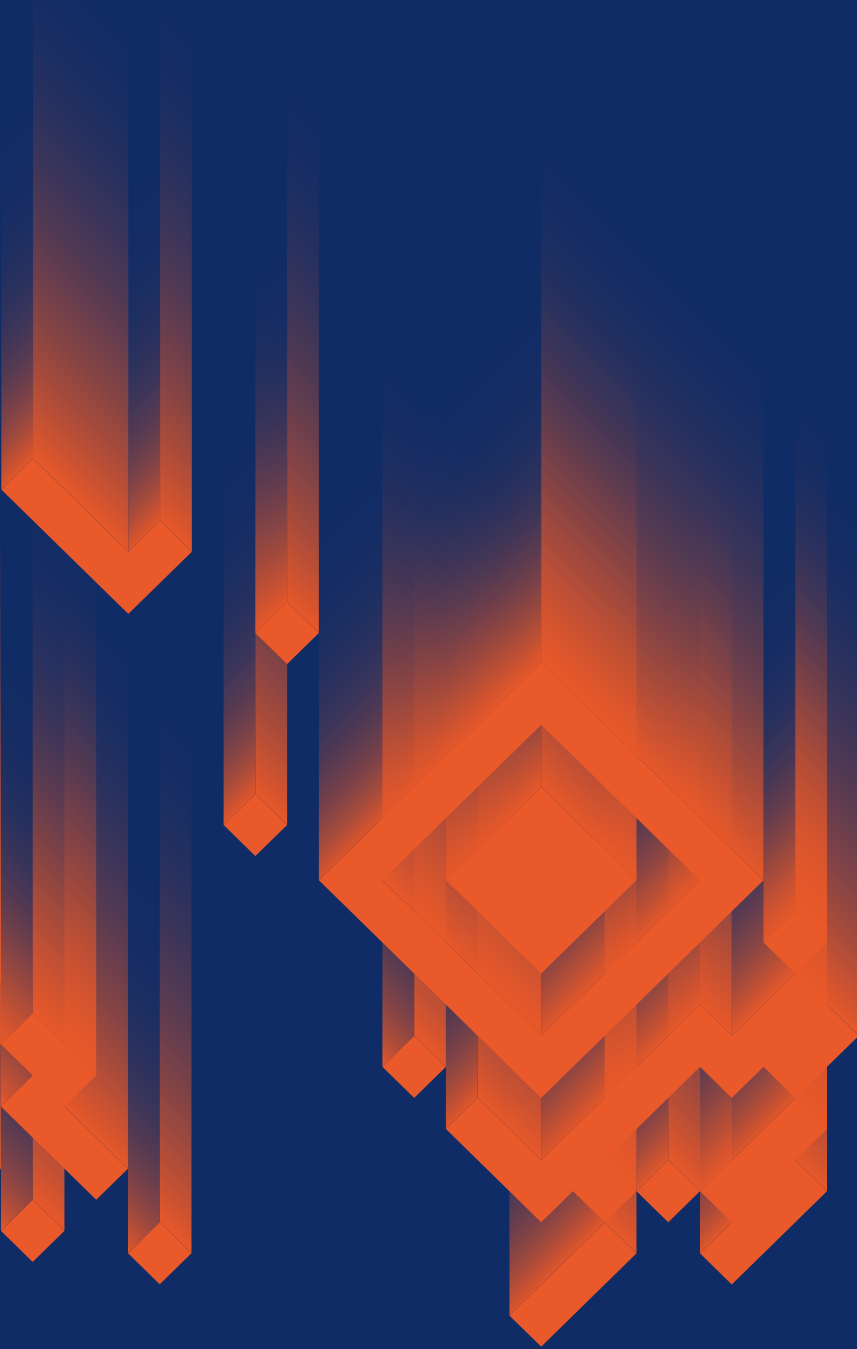
Building effective organisational systems and frameworks and strengthening the capability, capacity and commitment of our people to achieve our ambition for the future.

OUR VALUES



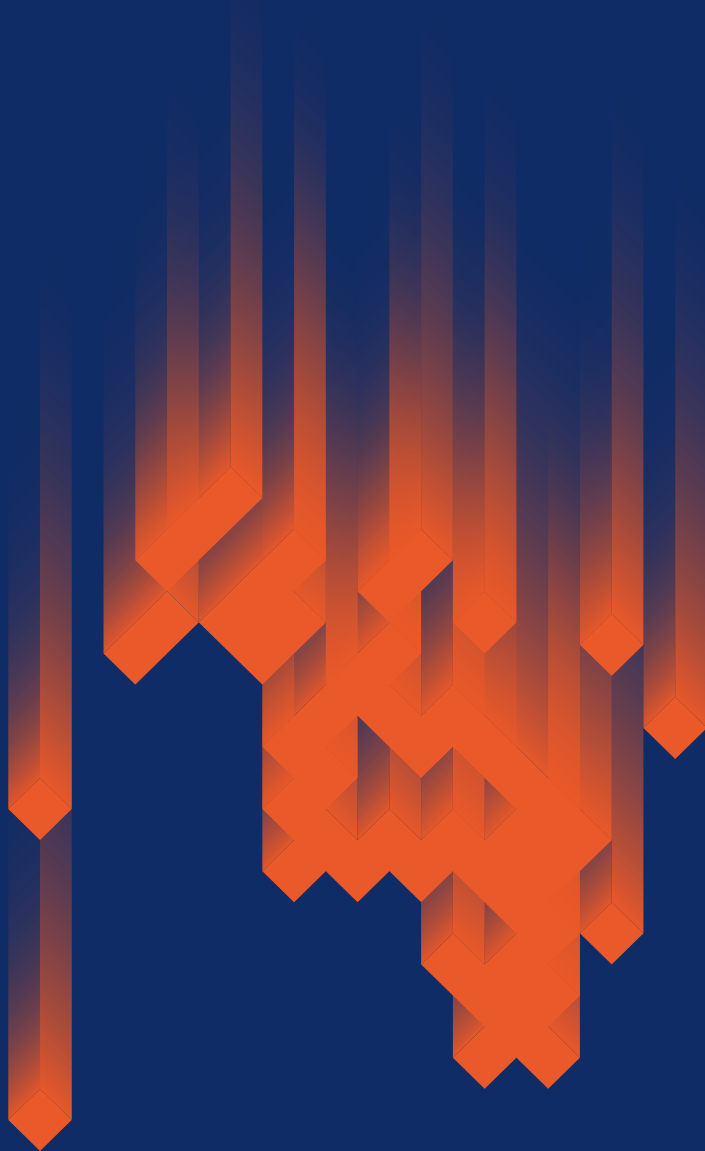


STATEMENT OF SERVICE PERFORMANCE

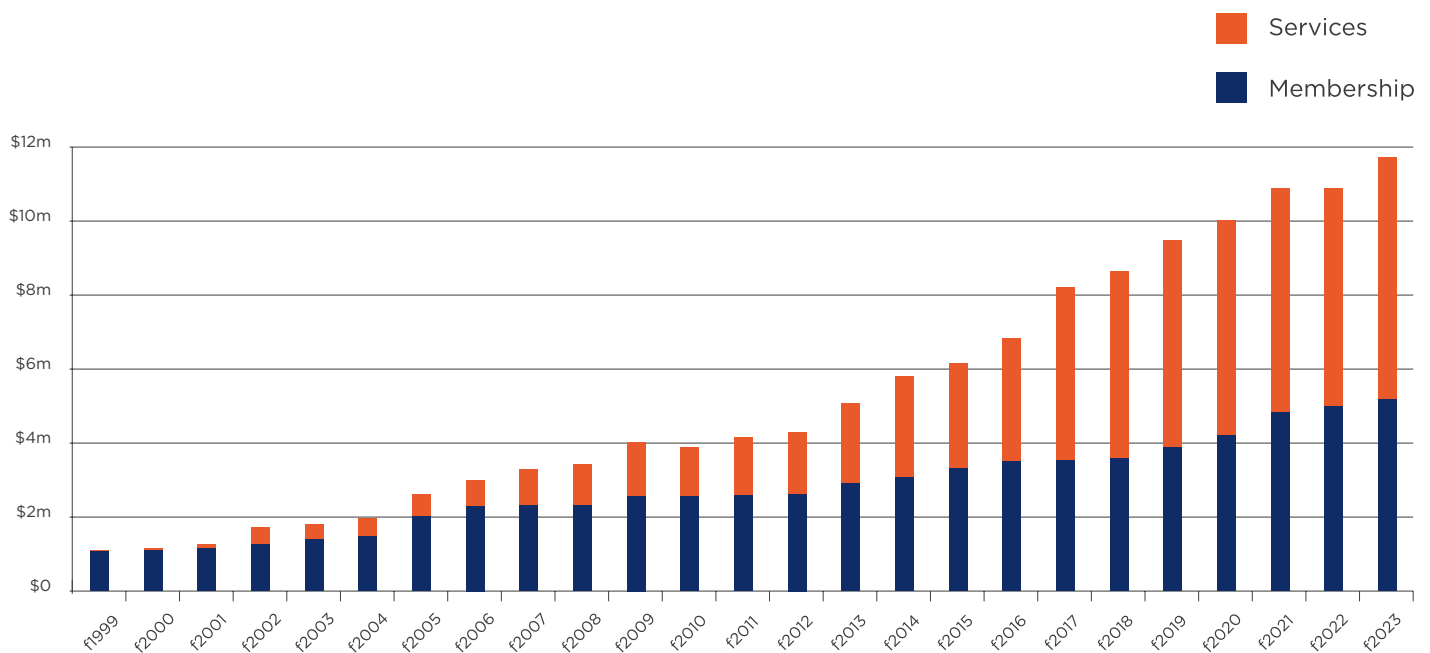


Here at GS1 we are all about “harnessing the power of global standards to transform the way we work and live.” To be successful, we need to be customer-centric, simultaneously local and global, and to purposely create communities that collaborate across the value chain.

As a not-for-profit organisation, there are many other things that our organisation has achieved throughout the past financial year to deliver on our broader aims and objectives. In our Statement of Service Performance, we present metrics that outline our key achievements that demonstrate value to our members and ‘NZ Inc’.



Membership versus services revenue since FY 1999



We have a 44:56 split of revenue from membership compared with services.

19th* GS1 New Zealand is ranked 19th globally in terms of annual turnover (in Euros) amongst the 116 GS1 member organisations.

*data reported is from FY 22, as this is based on retrospective reporting provided by GS1 Global Office.

Being a trusted data source

Numbers compared to 2022



9 4947 0007

609,591 ↑11%

active Global Trade Item Numbers (GTINs) in our core registries



106,373*

active Global Location Numbers (GLNs) in My Locations.



39,380 ↑61%

product passports created by our members and published to the Global Registry Platform

The core building blocks of a global supply chain are the identification of things, locations and parties. In context of GS1 standards and terminology, these are known as Global Trade Item Numbers ('barcode numbers') that are assigned to products and services, and Global Location Numbers (assigned to legal entities, physical, functional and digital locations).

The manual and distributed systems, typical of the past, are giving way to authoritative registries that can be queried to auto-populate computer systems or to check physical product against its 'digital twin' (e.g., by customs authorities at a border). A major focus of our activity is to modernise our registries and support our members to store their product data centrally in our systems and create 'product passports' to join the over 400 million already created in the GS1 Global Registry Platform.

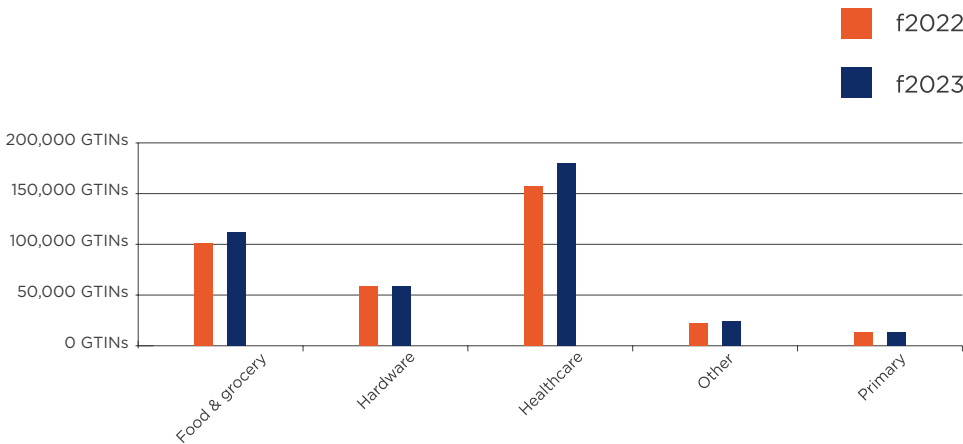
* comparative data for FY22 not available as the My Locations tool was delivered in FY 23.

Enabling effective information exchange

Numbers compared to 2022

Many of our services are focussed on facilitating key business processes with standards-based information exchanges between trading partners - from prepping their products for market to removing products off the shelf in the event of a quality problem.

NATIONAL PRODUCT CATALOGUE - GLOBAL TRADE ITEM NUMBERS (GTINS) BY SECTOR



NATIONAL PRODUCT CATALOGUE

This sophisticated service enables suppliers to create electronic catalogues of their products to securely share with trading partners such as retailers and hospitals. Supporting product master data such as identification, classification, descriptions, dimensions, packaging and pricing, the National Product Catalogue is 'mission critical' for many sectors.



1,243 ↑ 9.4%
active trading partner relationships supported

PRODUCTFLOW

Heavily relied upon by the Food and Grocery sector, our turnkey ProductFlow service readies products for the market. Users of ProductFlow get their products checked (including barcode quality and packaging), photographed and 'on pack' information is captured before it is entered into a catalogue.



734 ↑ 5.9%
trading partner relationships supported

ON PACK

Our On Pack database stores information such as ingredients, nutrition, claims and allergens and is made visible to consumers via retailer websites or used for research purposes by agencies such as the Ministry for Primary Industries.



60,448 ↑ 12.8%
product records available to retailers

PRODUCTRECALLNZ



63 ↑12.5%
product recall events supported



160 ↑68.4%
product withdrawal events supported



410 ↑42.4%
products involved in recalls and withdrawals

ProductRecallNZ (PRNZ) is a very mature and mission-critical service we operate for our customers. Launched in 2012, PRNZ now supports over 2,500 suppliers to the food and grocery sector, two regulators and almost 1,000 retail or distribution points (i.e. supermarkets, wholesalers, petrol stations etc). The vast majority of all product recalls and withdrawals (involving the removal of an unsafe product from the distribution chain but not product sold to the consumer) are run via PRNZ.

Creating an engaged community of purpose

We serve a very diverse range of stakeholders – from CEOs to graphic designers, quality managers to sales executives. We know Kiwis are generalists by nature, whereas in larger economies, it's specialists that manage product master data and packaging technology. Our global standards and services are designed to scale from the smallest of businesses to the largest enterprises in the world. This can create complexity for our members and so customer support is critical to engaging with our community and at the heart of our membership value proposition. We pride ourselves on our member satisfaction levels which are measured after every interaction with our support team. We also independently measure our service quality across our membership, products and services by means of a Net Promoter Score (NPS). This is a measure of loyalty on a scale of -100 to +100. Based on global NPS standards any score above '0' is considered good. We were delighted to have an NPS score of 18 in 2023 (up from a score of 2.5 in 2018).



90% ↑0.1% (2022)
customer satisfaction (email support)



18 ↑15.5 (2018)
Net Promoter Score

“The person who helped me was exceptional! I can't remember his name but one of the best customer service experiences I have ever had in NZ.”

“GS1 has an amazing customer service team with great knowledge to help when I get stuck (they also pick up the phone unlike a lot of companies these days).”

Being a capable and resilient organisation

Numbers compared to 2022

We have an obligation to our members to be well-run and prudent with our members' funds. Independent audits both for statutory purposes and for quality management are conducted annually. To be successful, we must also be an employer of choice with a highly engaged and motivated workforce. Lastly, to be resilient we need to have the financial reserves to invest when appropriate or prepare for a 'rainy day'; our board policy requires management to have greater than 50% of our total operating costs in reserve at all times.



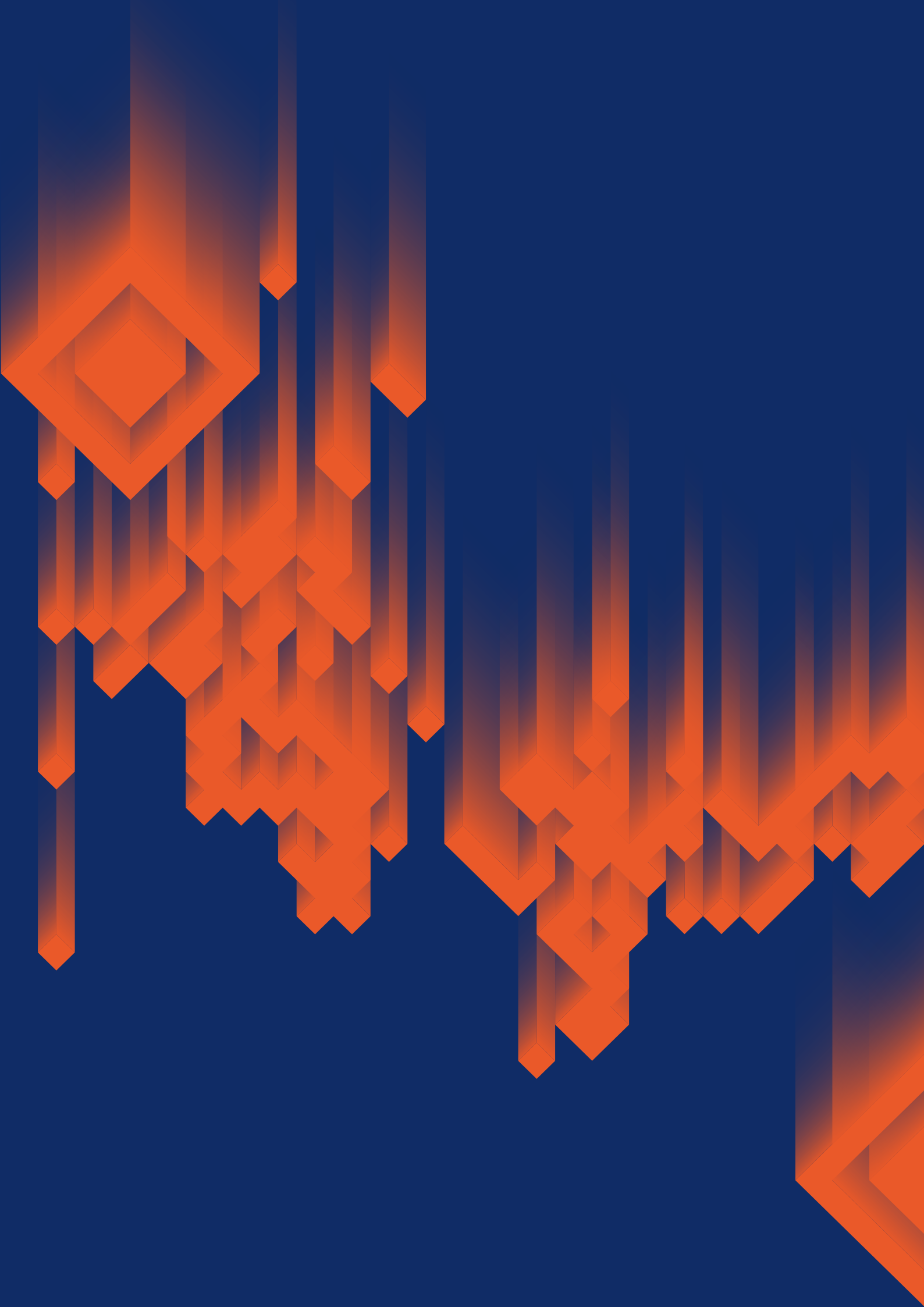
PASS
ISO 9001 quality management audit



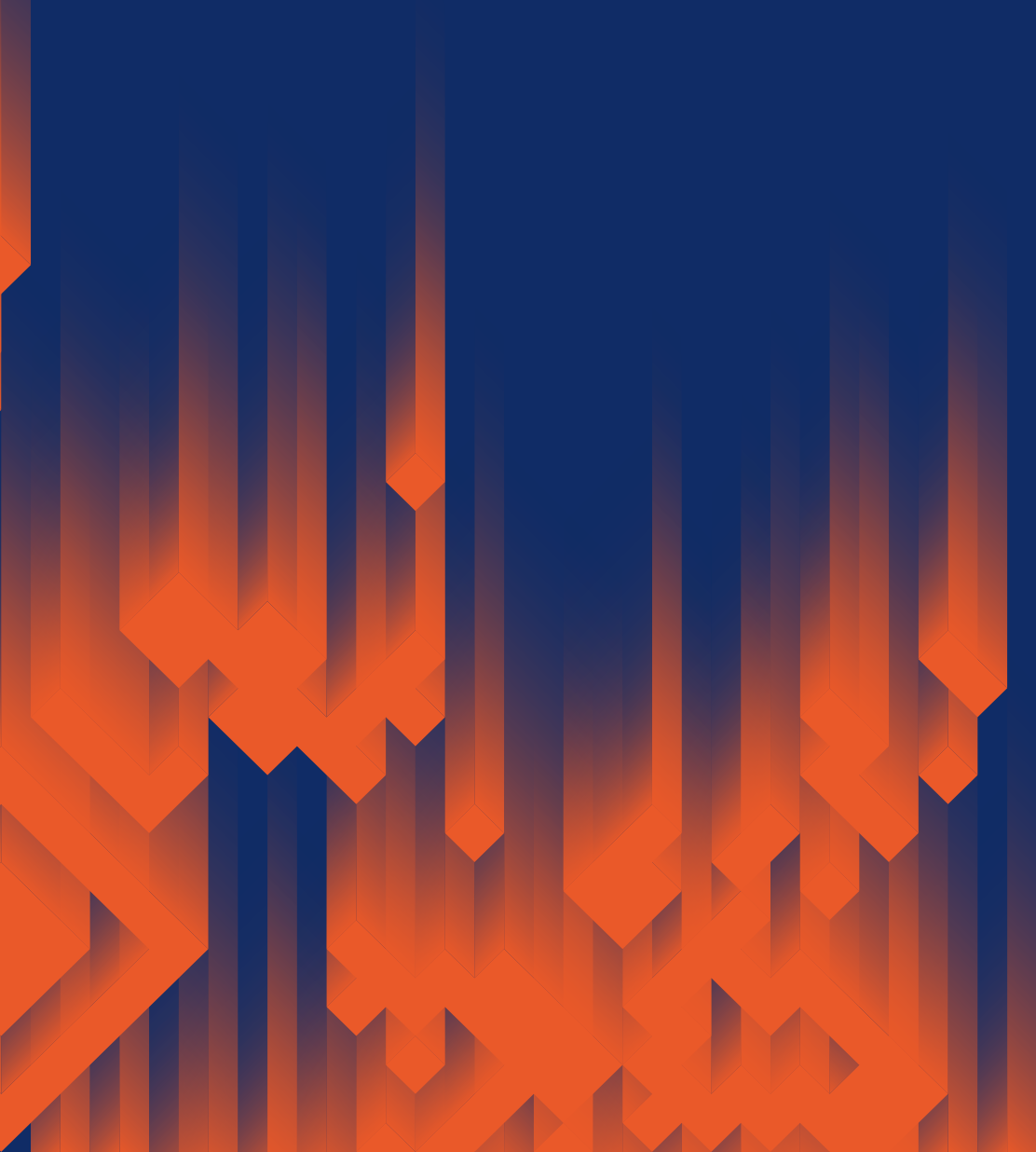
77%
of our annual operating costs in reserve



4.1/5 ↑0.5
wellbeing company motivator score



GS1 IN ACTION





50 years of
transforming
tomorrow

The barcode turns 50

The next generation of barcodes can offer new levels of reliable information for the benefit of consumers, businesses and the planet.

There is a reason the BBC has called the barcode “one of the 50 things that made the modern economy”. Since its creation in 1973, this humble - yet powerful - symbol is now on over 1 billion products, and the “beep” at the checkout counter is instantly recognisable around the world.

The barcode forever changed the way we shop. All barcodes may look the same, but the power lies inside. Thanks to GS1 global standards, a simple scan connects a physical product to digital information that flows seamlessly across the supply chain. From farm to store barcodes - and the data behind them - enable more resilient and transparent supply chains.

Explore our history



1973

On 3 April 1973, industry leaders in the U.S. retail grocery sector create the barcode—an innovation that has revolutionised our modern economy and society.



1974

The U.S.-based Uniform Code Council (UCC) is appointed as administrator of the new Universal Product Code (UPC) barcode.

On 26 June 1974—in a Marsh supermarket located in Ohio—a pack of Wrigley's gum becomes the first product in the world to be scanned with a barcode.



1977

The European Article Numbering (EAN) Association is established as an international not-for-profit standards organisation in Brussels, Belgium. The new EAN barcode is fully compatible with the UPC barcode in the U.S.



1979

Grocery leaders form New Zealand Product Numbering Council, later becoming GS1 New Zealand.



1983

Traditional barcodes are expanded and used beyond checkout counters for wholesale multipacks, cases and cartons.



1989

GS1 publishes its first international standard for electronic data interchange (EDI), creating an efficient, secure and automated way for trading partners to seamlessly exchange information and communicate with one another.



1995

GS1 expands into the healthcare sector, deploying standards to increase patient safety, drive supply chain efficiencies and improve the identification and traceability of medical products.



2000

At the start of the new millennium, GS1 is present in 90 countries.



2002

GS1's Global Standards Management Process (GSMP) is launched, providing a neutral setting for industry to discuss common business challenges and establish new standards-based solutions for their businesses.



2003

EPCglobal Inc. is formed to innovate and develop standards for the Electronic Product Code (EPC) and to support the use of Radio Frequency Identification (RFID) technology, ultimately improving inventory accuracy and increasing supply chain visibility.



2004

The GS1 DataMatrix is approved and is the first two-dimensional barcode adopted by GS1.

The GS1 Global Data Synchronisation Network (GS1 GDSN[®]) is launched. This product data network makes it possible for any company, anywhere, to seamlessly share high-quality product information.



2005

The UCC and EAN merge, creating a single international organisation with 101 local GS1 Member Organisations (MOs).



2006

GS1 launches the first global traceability standard, paving the way for improved supply chain interoperability and transparency.



2010

As e-commerce grows, GS1 enters the business-to-consumer (B2C) world, exploring standards to give consumers direct access to product information through their mobile devices.



2014

GS1 builds a new global strategy to respond to the demands of digital omni-channel commerce, including ratification of their first "digital" standard.



2016

The BBC names the GS1 barcode one of "the 50 things that made the world economy".



2018

GS1 expands into the financial sector as an accredited issuer of Legal Entity Identifiers (LEIs), the codes that uniquely identify companies participating in financial transactions.



2019

The GS1 Registry Platform (GRP) is established as a trusted source of GS1 Company Prefixes (GCPs), the Global Trade Item Number (GTIN) or barcode numbers and GS1 Global Location Numbers (GLNs). Verified by GS1 makes it possible for users to leverage the platform: brand owners can share basic data about their products and retailers and marketplaces can verify the identity of the products they sell.



2020

The GS1 Digital Link standard leverages QR codes to help connect consumers to rich amounts of brand-authorised data on the web, including product information, promotions, ingredients, recipes and more.



2021

GS1 supports industry with an ambition to read two-dimensional barcodes—QR codes and GS1 DataMatrix barcodes—at retail points of sale around the world by the end of 2027.



2022

A joint World Trade Organization (WTO) and World Economic Forum (WEF) report outlines the power of GS1 product and location identification to make cross-border trade more efficient, inclusive and sustainable.



2023

GS1 celebrates the 50th anniversary of the barcode together with its family of 116 local GS1 MOs. Over 1 billion products now carry GS1 barcodes that are scanned billions of times every day around the world.

2D barcodes in retail: Next generation barcodes. One scan. Infinite possibilities.



There's a 2D barcode r(e)volution taking place around the world and the way business is done will change for ever – much in the same way the original barcode transformed retail 50 years ago.

In recent years, GS1 has been actively working with the global retail community across many industry sectors as well as solution providers and consumers, in promoting the migration from traditional one-dimensional (1D) linear barcodes to two-dimensional (2D) barcodes. GS1 is targeting a global rollout in retail for 2027. The move towards 2D barcodes represents a significant leap in the evolution of supply chain technology, aiming to address the limitations of traditional barcodes while unlocking numerous benefits for businesses and consumers alike.

WHY THE 2D R(E)VOLUTION?

Data is a team sport now. Businesses and consumers alike are increasingly basing their buying decisions on what they read on product packaging and its online, 'digital twin'. People want rich, accurate, easily accessible, information on tap and often in real-time. As smartphone usage increases, the migration to 2D barcodes aligns well with the growing trend of mobile scanning applications. Consumers can use their smartphones to scan 2D barcodes for instant access to such things as enhanced product attributes, product sustainability and responsible disposal guidelines, product warranties and much more.

THE 2D POSSIBILITIES ARE REAL!

One of the primary drivers for the shift to 2D barcodes is their substantially higher data capacity compared to traditional 1D (linear) barcodes. Traditional barcodes store limited information, usually just the barcode number (or GTIN) that identifies a product or item. To cater for the increased need for more information, 2D barcodes can store thousands of characters, enabling access to a wealth of informative data.

Along with the insatiable need for more data, there's a heightened demand for product traceability – people want to know where their product comes from, where it's been, who has handled it in the supply chain and when. 2D barcodes enable comprehensive product traceability, allowing businesses to track items at every step of the supply chain journey. This improved traceability is crucial for all industry sectors where tracking the entire lifecycle of a product can streamline product recalls, prevent counterfeit products and improve supply chain efficiency. And because 2D barcodes can carry a web address (or URL) linking to a website, the once futuristic vision of creating an online 'digital twin' of a product is now a reality, including access to product videos, handling instructions, recipes and much, much more!

At the heart of the r(e)volution is global support for expansion of the Global Trade Item Number (GTIN). As businesses expand globally, the need for standardised unique identification of products, legal entities, physical or digital locations and assets for example, becomes more critical. 2D barcodes accommodate all GS1 identifiers which aids in uniquely identifying these things throughout the global supply chain including at the border.

With the ability to store more information, 2D barcodes enable real-time tracking of inventory levels, leading to more efficient stock management and reduced out of stocks or overstock situations. This enhanced efficiency drops straight to a company's bottom line and improves customer satisfaction and loyalty. Implementing 2D barcodes will facilitate enhanced product safety processes, product authentication, anti-counterfeiting and more.

It's at the checkout counter that will likely excite shoppers and retailers the most. 2D barcodes will be scannable at the checkout counter offering many benefits that 1D

barcodes don't offer. Imagine being at the checkout counter where the store's inventory system advised the operator/customer that the product presented is subject to a product recall alert. 2D barcodes can enable this and customers can look forward to a smoother, more engaging shopping experience.

THE TIME TO START YOUR 2D JOURNEY IS NOW!

The GS1 2027 migration programme towards 2D barcodes implementation marks a significant advancement in retail and supply chain technology and product identification. With increased data capacity, improved traceability and enhanced efficiency, 2D barcodes offer numerous benefits across all industries and sectors. The shift to 2D barcodes promises to revolutionise the way businesses operate and deliver value across the board. Embracing this transition will be a crucial step for organisations seeking to stay competitive in an increasingly interconnected and fast-paced global marketplace.



GS1 looks to accelerate the global exchange of ESG data

Action on climate change is heating up around the globe creating a greater need for sustainability disclosure across supply chains. The step change in activity is leading regulators to pass laws requiring sustainability disclosures and enabling the digital exchange of information.

An important signal of the future is the Digital Product Passport which will be required by all who are doing trade with organisations within the European Union. The draft regulations aim to enable the retrieval of the environmental, sustainability and governance (ESG) footprints of products from farm to consumer via a smartphone scan of a QR code. With these changes in the pipeline, the management and exchange of ESG data will be critical for New Zealand exporters wanting to maintain market access to the European Union moving forward.

GS1 has a pivotal role to play globally in helping the private sector navigate these changing regulatory requirements and many pilots are underway using GS1 standards to achieve this. Central to these pilots is using the GS1 Digital Link Standard; a two-dimensional (2D) barcode such as QR code or DataMatrix encoded with web links, connecting a product's unique identity to online sources of dynamic, real-time information. This means that GS1 identifiers such as the Global Trade Item Number (GTIN) are now a gateway to a wealth of information that strengthens supply chain traceability, business partner APIs, and much more.

In order to prepare for these types of regulatory changes, GS1 NZ is leading a global team including the GS1 Global Office, GS1 Hong Kong and GS1 Australia, to pilot how ESG data can be digitally exchanged seamlessly around the globe. The consortium is working with the Asian Development Bank, the International Sustainability Standards Board, brands and manufacturers. The aim is to evaluate the use of GS1 Digital Link as a means of providing supply chain participants with access to ESG data and advising on how to scale the use of GS1 standards across supply chains.

The project is connected to GS1's global transition from traditional linear barcodes to 2D barcodes. 2D barcodes encoded with a GS1 Digital Link will enable consumers and regulators to have access to ESG information such as material types, recycling instructions, customs import codes and much more. Assuming the project is successful, GS1 NZ will be in a strong position to support New Zealand organisations as they seek to exchange ESG product data with organisations and consumers in export markets.



MEMBER SPOTLIGHT

Two Dudes skincare: more than skin deep

Two Dudes skincare is helping Kiwi dudes across the motu care for not only their skin and hair but their mental and physical wellbeing too.

“There’s a massive men’s health issue in general where men don’t really take care of themselves. We created our products to help men look after themselves and give back to men’s health.”

The two dudes behind the brand are Tom Tappen and Mike McRae. Since launching the company in November 2020 they’ve expanded their product range from face wash and moisturiser to a full range of products for face, hair and body - including a ball butter for testicular cancer awareness.

As the ball butter suggests, Two Dudes are passionate about men’s health. 10% of all profits go to men’s health organisations such as New Zealand Men’s Health Trust, Fix Up, Look Sharp and New Zealand Nurses Organisation. Their newly launched \$2,000 scholarship aims to increase the male nurse workforce from their low share of 8%.

While many companies are increasing their prices, Two Dudes have just done the opposite - making good on a promise to their customers: “We promised that if you helped us enter supermarkets, we’d be able to produce the same products you love, for less” Their prices have been reduced up to 30%.

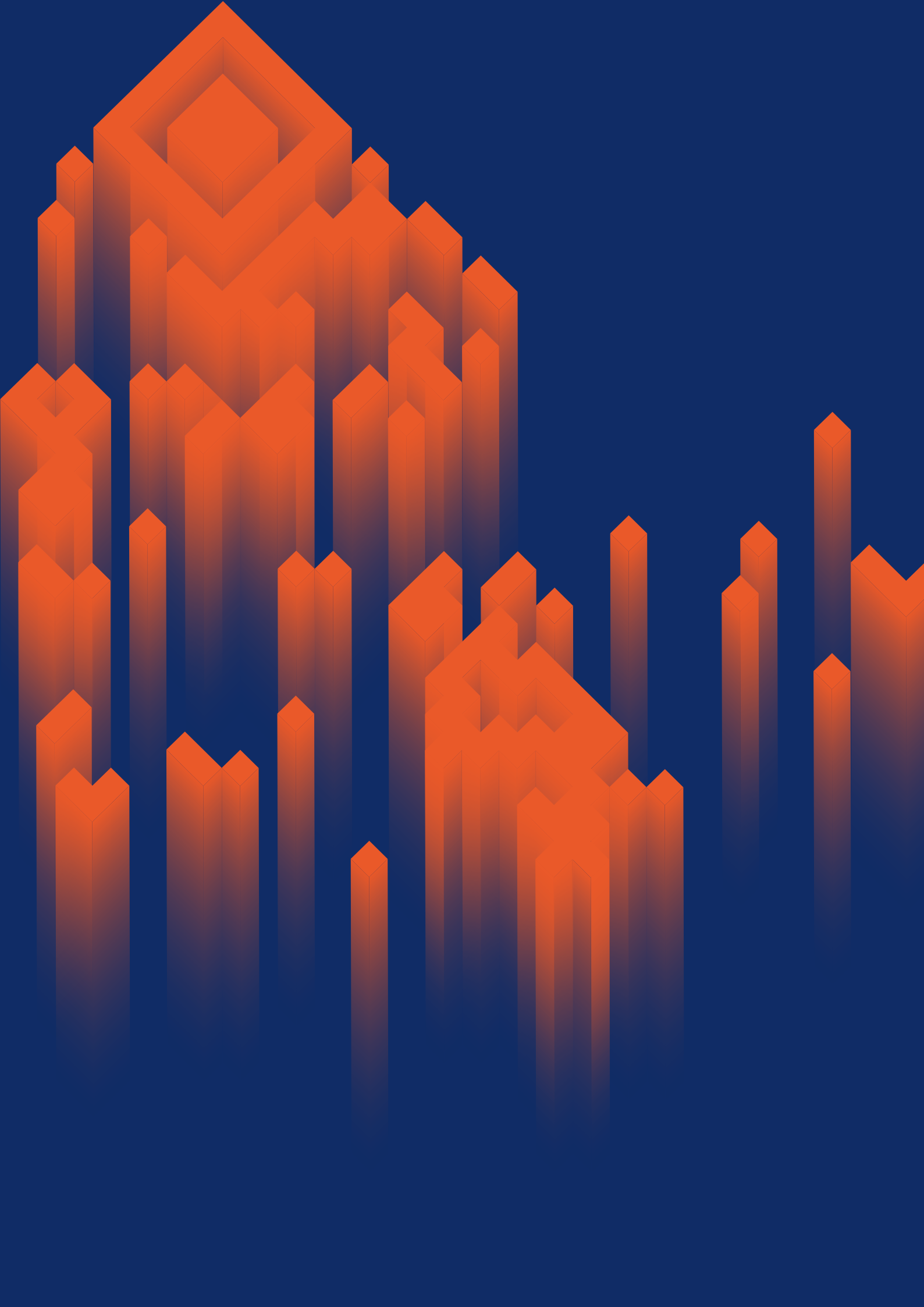
Two Dudes is now available in all 40+ New World’s in the South Island, 15 Fresh Choice supermarkets plus a range of other stores nationwide.

With hundreds of 5-star reviews from their customers, it’s not surprising that Two Dudes products have won multiple awards. At the Men’s Products Awards hosted by Beard Awards in 2022 they won: Best New Brand, Best Social Enterprise, Best Moisturiser (night cream). Plus, multiple honourable mentions.

GS1 NZ has supplied Two Dudes with barcodes, verification and our MediaLibrary service.

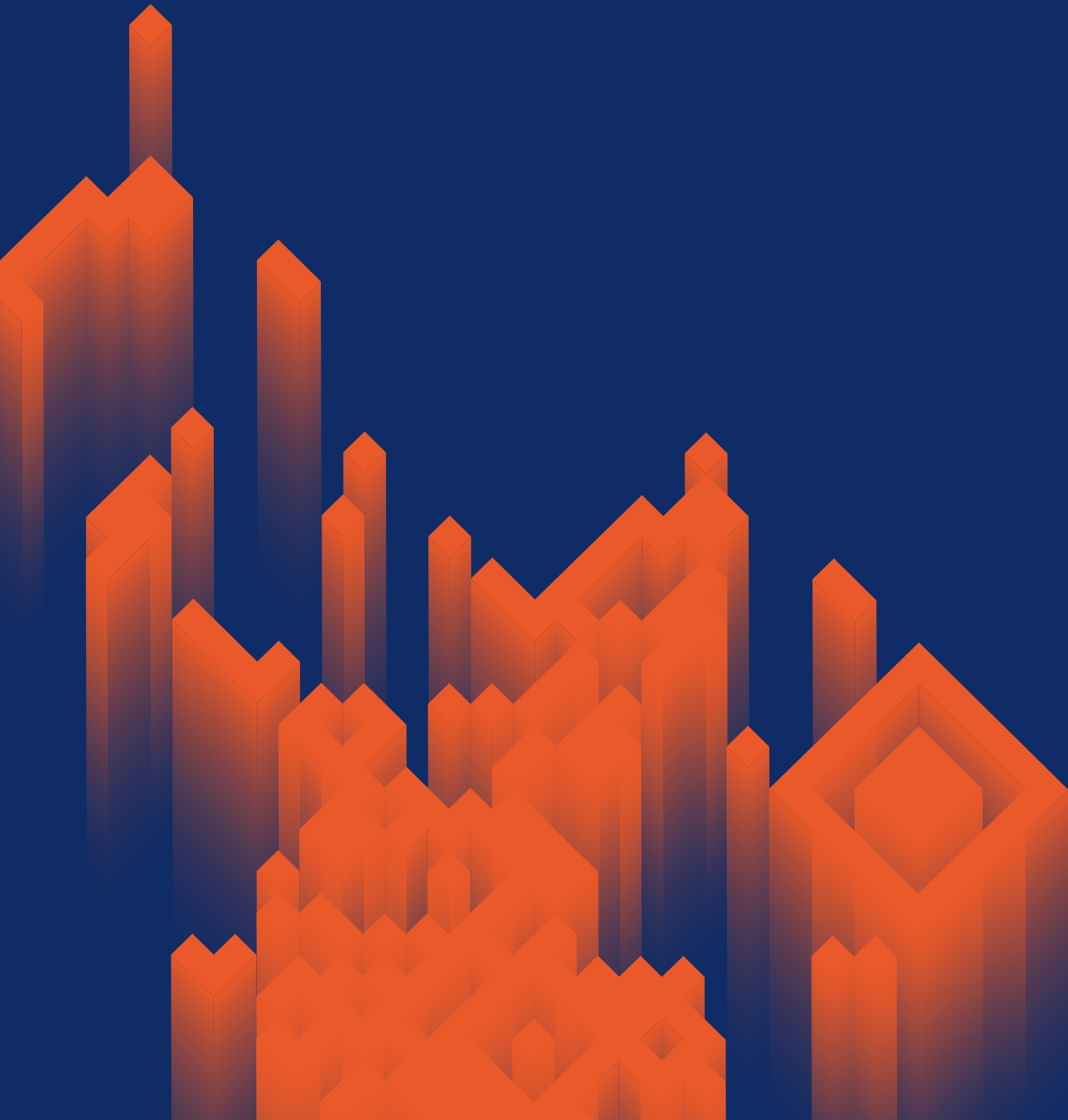
“You guys (GS1 NZ) are one of the suppliers where it’s just been awesome and seamless.”





THE RESULTS

A closer look at our financial results



Independent Auditor's Report

To the Board Members of GS1 New Zealand Incorporated

Report on the Audit of the performance report

Opinion

We have audited the performance report of GS1 New Zealand Incorporated (the "Association") which comprise:

- a. the financial statements set out on pages 27 to 32, which comprise the statement of financial position as at 31 August 2023, and the statement of comprehensive revenue and expense, statement of changes in net assets, and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies; and
- b. the statement of service performance on page 11 to 13.

In our opinion, the accompanying performance report present fairly, in all material respects:

- a. the financial position of the Association as at 31 August 2023 and its financial performance and cash flows for the year then ended; and
- b. the service performance for the year ended 31 August 2023 in accordance with the Association's service performance criteria

in accordance with the Public Benefit Entity Standards issued by the New Zealand Accounting Standards Board.

Basis for Opinion

We conducted our audit of the financial statements in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)) and the audit of the service performance information in accordance the International Standard on Assurance Engagements (New Zealand) (ISAE (NZ)) 3000 (Revised) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the General-Purpose Financial Report* section of our report. We are independent of the Entity in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other than in our capacity as auditors, we have no relationship with, or interest in, the Association.

Other Information Other than the Financial Statements and Auditor's Report thereon

The Board Members are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the Chair's Report and CEO's Report but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in

the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Those Charged with Governance for the Performance Report

Those charged with governance are responsible on behalf of the Entity for:

- (a) the preparation and fair presentation of the financial statements and statement of service performance in accordance with Public Benefit Entity Standards issued by the New Zealand Accounting Standards Board;
- (b) service performance criteria that are suitable in order to prepare service performance information in accordance with Public Benefit Entity Standards; and
- (c) such internal control as those charged with governance determine is necessary to enable the preparation of the financial statements and statement of service performance that are free from material misstatement, whether due to fraud or error.

In preparing the general-purpose performance report, those charged with governance on behalf of the entity are responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless those charged with governance either intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

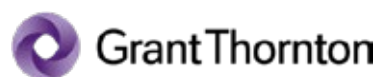
Auditor's responsibilities for the Audit of the Performance Report

Our objectives are to obtain reasonable assurance about whether the performance report as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (NZ) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the performance report.

As part of an audit in accordance with ISAs (NZ) and ISAE (NZ) 3000 (Revised), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements and the service performance information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of the Association's internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the use of the going concern basis of accounting by those charged with governance and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements and the service performance information, including the disclosures, and whether the financial statements and the service performance information represents the underlying transactions and events in a manner that achieves fair presentation.
- Perform procedures to obtain evidence about and evaluate whether the reported outcomes and outputs, and quantification of the outputs to the extent practicable, are relevant, reliable, comparable and understandable.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Restriction on use of our report

This report is made solely to the Association's Board Members, as a body. Our audit work has been undertaken so that we might state to the Association's 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 its 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

A handwritten signature in blue ink that reads "Grant Thornton".

B Kennerley

Partner

Wellington

18 October 2023

Chartered Accountants and Business Advisers
Member of Grant Thornton International Ltd.

Statement of Comprehensive Revenue and Expense

For the year ended 31 August 2023

	2023 \$	2022 \$
Revenue from exchange transactions		
Subscription income	5,258,046	5,019,885
Other fees & operating income	6,484,998	5,881,881
Revenue from non-exchange transactions		
Interest income	190,719	56,790
FV gain/(loss) on managed fund	46,720	(65,351)
Total revenue	11,980,483	10,893,205
Expenses		
Employee benefits	5,881,361	5,644,503
Other operating costs	3,336,189	3,426,001
Operating lease payments	689,996	671,121
Loss/(gain) foreign currency	6,691	(4,017)
Depreciation and amortisation	1,513,031	970,708
Total expenses	11,427,268	10,708,316
Surplus before taxation	553,215	184,889
Taxation	-	-
Surplus for the year attributable to members	553,215	184,889
Other comprehensive revenue and expense		
Other comprehensive revenue and expense for the year	-	-
Total comprehensive revenue and expense for the year attributable to members	553,215	184,889

These financial statements were approved at a meeting of Members of the Board held on 18 October 2023



Sean Goodwin
Board Chair



Dr Peter Stevens
Chief Executive

The accompanying notes form part of these financial statements

Statement of Changes in Equity

For the year ended 31 August 2023

	Members Capital \$	Retained Earnings \$	Total Equity \$
Balance at 1 September 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
Comprehensive revenue and expense for the year			
Surplus for the year	-	553,215	553,215
Other comprehensive revenue and expense	-	-	-
Comprehensive revenue and expense for the year	-	553,215	553,215
Transactions with members	-	-	-
Balance at 31 August 2023	-	5,877,198	5,877,198

The accompanying notes form part of these financial statements

Statement of Financial Position

As at 31 August 2023

	2023 \$	2022 \$
Current assets		
Cash and cash equivalents	744,897	862,572
Trade and other receivables	3,210,792	3,150,655
Prepayments	561,013	495,067
Investments in bank deposits	4,900,000	3,650,000
	9,416,702	8,158,294
Current liabilities		
Trade and other payables	1,024,673	1,164,060
Income in advance	4,836,184	4,650,381
Employee entitlements	871,626	1,016,973
	6,732,483	6,831,414
Working capital	2,684,219	1,326,880
Non current assets		
Investments	1,195,593	1,160,314
Plant and equipment	440,772	544,848
Intangible assets	1,678,376	2,444,142
	3,314,741	4,149,304
Non current liabilities		
Other payables	121,762	152,201
Total net assets	5,877,198	5,323,983
Represented by retained earnings	5,877,198	5,323,983
Total equity	5,877,198	5,323,983

The accompanying notes form part of these financial statements

Statement of Cash Flows

For the year ended 31 August 2023

	2023 \$	2022 \$
Cash flows from operating activities		
Receipts from operations	11,868,708	10,671,950
Payments to suppliers	(4,268,649)	(4,284,101)
Payments to employees	(6,026,708)	(5,691,343)
Interest received	190,719	56,790
Cash flow from operating activities	1,764,070	753,296
Cash flows from investing activities		
(Increase)/reduction in bank deposits	(1,238,558)	312,625
Purchase of plant and equipment	(118,910)	(37,851)
Purchase of intangible assets	(524,277)	(1,048,686)
Cash flow from investing activities	(1,881,745)	(773,912)
Net cash flows for the year - (outflow)/inflow	(117,675)	(20,616)
Cash balance at start of year	862,572	883,188
Cash balance at end of year	744,897	862,572

The accompanying notes form part of these financial statements

Notes to the Summary Financial Statements

For the year ended 31 August 2023

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 2023 have been approved for issue by the Board Members on 18 October 2023.

2. Summary Financial Statements

The Summary Financial Statements for the year ended 31 August 2023 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 18 October 2023 have been audited by Grant Thornton who issued an unmodified opinion dated 18 October 2023.

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 does not have public accountability and it is not defined as large.

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.

4. Contingent Liabilities and Guarantees

The non-current term deposit with ASB is collateral for the lease premises guarantee obtained \$211,863 (2022: \$211,863).

5. Events Occurring After the Reporting Period Date

There have been no significant events occurring after the reporting date (2022: \$nil)

Directory

as at 31 August 2023

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

Board Members:

- Sean Goodwin** (Board Chair, elected December 2021)
- Jason Bardell** (elected December 2022)
- Raewyn Bleakley** (co-opted December 2022)
- Anne Douglas** (elected December 2022)
- Grant Fraser** (elected December 2022)
- Simon Kennedy** (elected December 2022)
- Chris Morgan** (elected December 2022)
- Mark Wolfenden** (elected December 2022)
- Alison Van Wyk** (co-opted August 2023)

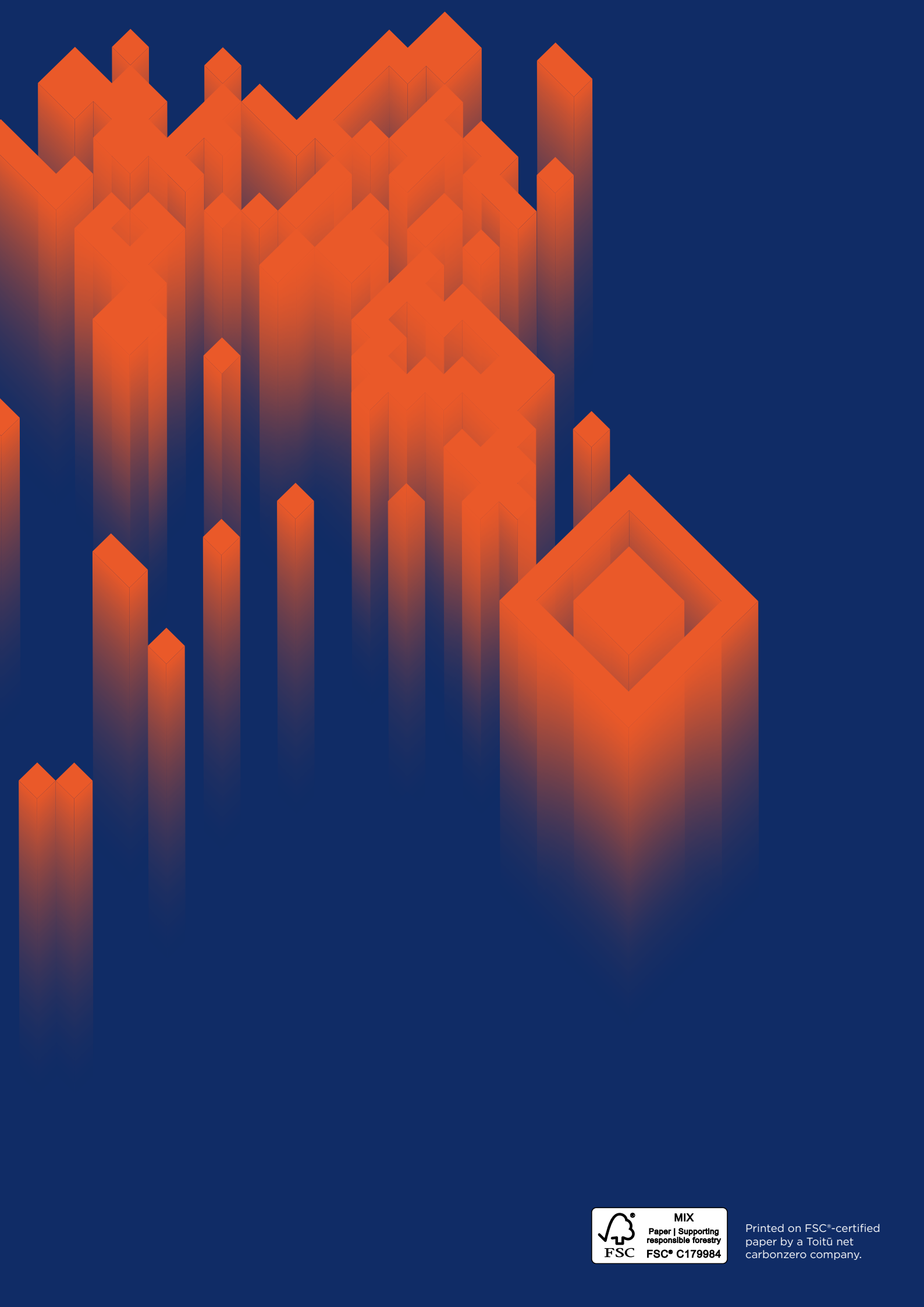
Senior Management:

- 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



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