



**Essential**

**Together, creating  
the best soil and  
food on earth.**

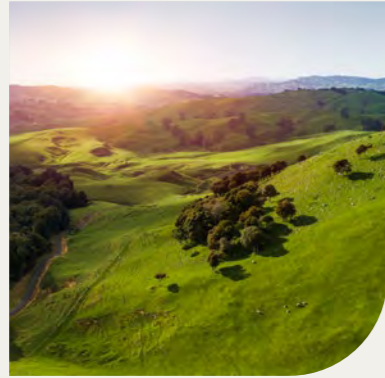


*Gardner family dairy farm in Maihihi, Waikato*

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**MARK WYNNE**  
CHIEF EXECUTIVE OFFICER



**DUNCAN COULL**  
CHAIRMAN, DIRECTOR NORTH ISLAND



**DACEY BALLE**  
DIRECTOR NORTH ISLAND



**ALBERT BRANTLEY**  
APPOINTED DIRECTOR



**OLIVIA BUCKLEY**  
ASSOCIATE DIRECTOR



**SHANE DUFAUR**  
GM OPERATIONS & SUPPLY CHAIN



**DAVID HEALY**  
CHIEF DIGITAL OFFICER



**DANI DARKE**  
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**CAMERON HENDERSON**  
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**SHEENA HENDERSON**  
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**JASON MINKHORST**  
GM SALES



**ANDREW MORRISON**  
DIRECTOR SOUTH ISLAND



**SIMON ROBERTSON**  
APPOINTED DIRECTOR



**JACQUELINE RICH**  
GM PEOPLE & CAPABILITY

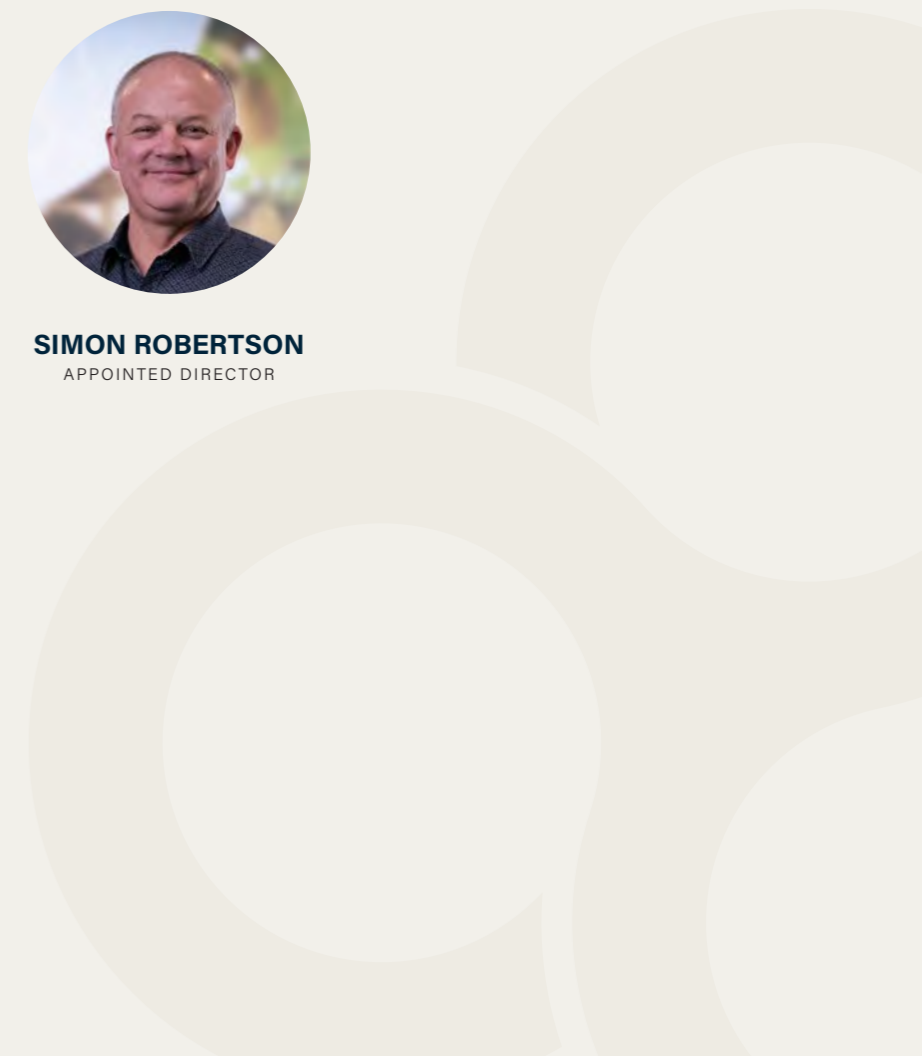


**MATT SKILTON**  
CHIEF FINANCIAL OFFICER



**SARAH VON DAELSZEN**  
DIRECTOR NORTH ISLAND

# Governance & leadership



**Thank you, Kiwi farmers  
and growers, for  
the essential  
work you do**



# Chairman's Report

## Thank you for the essential work you do

I want to open by saying thank you to our farmers and growers across New Zealand for the essential role you continue to play in shaping the prosperity of this country and our communities. Your ongoing commitment to continue to push forward, despite the uncertainties of regulation, climate-related travesties, and global trading conditions, is commendable. It shows character, belief and resilience which will ensure the primary sector continues to play an important part in representing who we are as a nation and the value we bring as sustainable food producers on the global stage.

There is a risk that we as primary producers could fall into the trap of buying into all the negativity we hear and see daily. There has been disruption in the past that posed a great threat to our industry. But we found a way forward and maintained our international competitiveness, despite the relative isolation from the world we trade in. I remember advice given to me as a youngster from my grandfather, albeit relating to rugby: "Keep the chin up, eyes firmly focused on the try line, look out for your mates and never give up". Sage advice for us all today.

**Ballance as an organisation has a strong belief in you and the future of the primary sector. As such, it's important that we continue to invest on your behalf, to help build resilience and support you to continue as global leaders in sustainable food production.**

We have three key areas of focus, starting with building supply chain resilience to ensure you can access nutrients where and when you need them.

This year we opened our new

**\$53m**

hub in Whangārei to improve service to farmers and growers in the region.

There has been

**\$3.5m**

invested in digital support tools to capture data in things like nitrogen use and simplify reporting.

We continue to invest heavily in innovation around next generation nutrients to help you meet sustainability targets. We have a comprehensive workstream focused on decarbonisation of

your investment in our Kapuni ammonia urea plant. We have named this project Te Ata (the dawn) as it represents an opportunity to reset and rebuild this critical piece of infrastructure for the primary sector in the new world. This project will mitigate supply chain risks, which will only amplify as the world shifts to lower emissions whilst grappling with the need to feed a growing population.

Maintaining 'our place' on the planet is important to show we are playing our part to make the world a better place. An ESG framework allows us to report on our progress on environmental factors, from our supply chain through to our farmers and growers; our social fabric in terms of being a good employer and respected member of our community; and that we have a governance framework in place to monitor, measure and report on this progress. Ultimately, it will be our actions that determine our success.

The operating environment has been challenging over the past twelve months as our farmers and growers responded to the rapid rise in fertiliser costs. This resulted in challenges around procurement and higher inventory at year end. The Board made the decision to impair the

value of inventory at year end to better reflect and align to current international commodity prices. Our financial performance was once again supported by your investment in Kapuni, which buffered the challenges faced in the fertiliser business.

We are pleased to announce a profit before tax of

**\$46m**

The Board has made a decision not to pay a rebate this year, reflected in part by the impairment decision, the need to protect working capital and the uncertain nature of demand for the season ahead. The Board will table an increase of the nominal share value to \$9.00 at the AGM in September to reflect the increased strength in the Balance Sheet due to retentions of \$91m over the last two years.

These results don't come easy and are a result of a partnership between our loyal shareholders and the dedicated team of 800 in Ballance who all play a part everyday to make it happen. The Board passes on its thanks to the entire Ballance team for their hard work and dedication to deliver a solid level of service and products to our customers in what has been a challenging year.

I want to also acknowledge our farmers and growers that have suffered through several climate-related events, the most significant being Cyclone Gabrielle. You can never be prepared for the enormity of events such as these, which will have lasting impacts on many families. As a co-operative – for farmers by farmers - we felt compelled to help those in need and donated to Rural Support Trust to help those impacted over the medium term with ongoing support for those needing to rebuild their businesses and, in some cases, their lives.

After nine incredible years of service to our co-operative, we bid farewell to our outgoing Chief Executive, Mark Wynne. Mark has done so much for Ballance over the past nine years in transforming the business from being a supplier of commodities to a true customer-led co-operative ensuring our customers are at the forefront of everything



we do. Mark has a background and passion for innovation as a key enabler in continuing to evolve an organisation to ensure its relevance to its customers needs. Investment in Sustain<sup>®</sup>, SurePhos<sup>®</sup> and MyBallance as a digital platform are just a few of the many projects he has overseen. Mark is someone who truly understands the value of people to an organisation. His willingness to walk alongside our people throughout the organisation, get to know, understand, and support them has created a very special culture within Ballance, which will be his greatest legacy. We wish Mark, Annette, and the boys every success as he embarks on a new chapter in his life.

I am very pleased to announce that after an extensive search, the Board has appointed Kelvin Wickham as the next Chief Executive of Ballance Agri-Nutrients. Kelvin is a proven co-operative leader with over 34 years at Fonterra.

The appointment of Kelvin reflects the Board's ongoing commitment for Ballance to be fit for purpose in a fast-evolving world. Kelvin's wide-reaching experience in the marketplace, his passion for innovation, strong focus on people and driving performance will ensure the co-operative is well placed to serve your needs into the future.

Kelvin's journey at Fonterra has seen him in various leadership roles throughout the world including New Zealand. Based in Amsterdam in his most recent position, he led all business activities across Africa, Middle East, Europe, North Asia, and the Americas. Additionally, he provided global oversight for the Active Living Functional Nutritional Unit and the renowned NZMP brand. In an earlier Supplier and External Relations role, he worked closely with farmer shareholders, with responsibility for Fonterra's farmer

facing teams as well as engaging with key New Zealand government and external stakeholders.

The Board is confident that Kelvin's skill set and proven leadership will continue to drive the co-operative's success, serving the needs of farmers and growers across New Zealand. Kelvin starts with Ballance after the AGM this September.

The Board also wants to recognise Andrew Morrison who is leaving after 12 years' service. Andrew has been a great contributor around the board table and a staunch advocate for our primary sector. Andrew has a strong commitment to the continued evolution of our business to ensure we continue to be well placed to support our farmers and their needs in an ever-changing environment.

We also welcomed Olivia Buckley to the Board as our second associate director. Olivia farms a mix of sheep & beef and dairy in the King Country with her husband and family. We look forward to the opportunity to continue advancing the governance capability of the primary sector through this role.

On behalf of the Board and all Ballance, I want to thank you, our shareholders, for your continued loyalty - this is not something we take lightly. As a Board, we are firmly focused on ensuring decisions made today have a positive impact for you and for future generations of our co-operative.

I wish you all well for the year ahead.

Duncan Coull  
CHAIRMAN

# CEO's Report

## Reflecting with pride on our progress together

It is with pride and gratitude that I look back on my time as Chief Executive, as I prepare to step down in September. It has been a huge privilege to work with you, our 16,800 co-operative shareholders, as we navigated the changes happening within New Zealand's food and fibre sector. I'd like to thank the Ballance Board for their support, shareholders for their trust, and our valued partners for their backing over the past nine years. I'd also like to thank the Ballance team for their commitment and dedication - a great team with a great culture, achieving great things.

The past nine years have been challenging at times, but also immensely rewarding as we've worked to ensure that New Zealand remains a global leader in sustainable food production. Our industry has seen a lot of change over the last few years and despite some challenges, I am optimistic about the future. As the global population continues to grow rapidly, so does the number of mouths that need feeding.

**The world relies on countries like New Zealand to continue producing quality, sustainable food, and Kiwi farmers and growers are essential to this. They have a job for life and we are committed to supporting them, especially when the going gets tough.**

### A greener future

One of the highlights over my tenure has been watching the Ballance Farm Environment Awards (BFEA) evolve and the stories of best practice sustainability being shared. These entrants are inspirational in their own rights, progressive thinkers who are taking steps to ensure their land is in the best possible shape for future generations. Each year, I have enjoyed the panel discussions, learning from these stewards of the land and watching them grow from each other, as well as watching the camaraderie, support, and optimism that this competition provides. I wish the New Zealand Farm Environment Trust all the best for the coming years of this competition.

In the changing landscape affecting New Zealand's primary industry, we have this year been privileged to be a voice for farmers, making many submissions, both written and in-person, on their behalf. We have held meetings with senior ministers, as well as hosting key stakeholders on our sites and taking them on farms and orchards, to demonstrate the connection between what our customers do and the end product. (See case study on [page 25](#))

As well as helping farmers reduce their footprint, this year we have embarked on a hugely significant journey to reduce our own, as we kicked off our Te Ata (the dawn) project to decarbonise our Kapuni facility. [Page 45](#) has more details on Te Ata.

**Our ambition is to permanently remove more than**

**190,000t**

**per annum (tpa) of carbon dioxide equivalent emissions out of New Zealand's national greenhouse gas inventory.**

### Caring for our people

This year, our industry was rocked by extreme weather events, of which the impacts will be felt for years to come. Our donation to the Rural Support Trust will go some way to help those affected but, as the long road to recovery begins, we remain committed to helping them



on the ground with our science and innovation teams working with farmers and growers in the region to find solutions and support them and their communities.

Our culture of care, nurtured through our C.O.W.S (care, ownership, well-being, safety) programme, has seen our team through a number of personal and professional challenges and is something I deeply value as I look back on my time at Ballance.

I'm proud of the work our team has done on creating a diverse and inclusive work environment to support the well-being of our people. We continue to support mental health initiatives like Surfing for Farmers and initiated Rural Riders for non-coastal regions.

### Growing for the future

It was a significant milestone this year to see our Whangārei hub open for business. The hub is truly the jewel in the crown of our Northland project, which aims to expand our footprint in this growing market. The innovation involved in the build is state-of-the-art and aims to deliver the best service to the region's farmers and growers.

Super Air has expanded even further this year with the acquisition of Aerospread in the Hawkes Bay, giving the company a truly national footprint. Aerospread is a trusted

brand with local knowledge while Super Air brings its leading precision technology, SpreadSmart®, and the latest mapping advances made by our geospatial team to ensure the best mapping capabilities delivering the best environmental outcomes.

**We know nitrogen reporting has been a challenge for a lot of our customers, so we have invested in our Nitrogen Limit Management tool in MyBallance to help them achieve compliance within the timeframe as simply as possible. We have a significant innovation programme underway to help our co-operative build resilience and be successful whatever the future brings.**

Ballance is a proud co-operative of hard-working Kiwi farmers and growers, essential to feeding New Zealand and the world. I will watch it with interest and always be thankful for my time here. With a dedicated Board, fresh new leadership, and a passionate hard-working team, Ballance is in good hands.

Mark Wynne  
CHIEF EXECUTIVE

# Report card



2023 Ballance Farm Environment Awards East Coast Regional Supreme Winners, Greg and Gail Mitchell of Mitchell Dairy Farms, Patoka

**\$53m**  
invested in the build of our Whangārei hub, to better serve Northland farmers and growers

Our locally manufactured blends were at times **\$50/ha** cheaper than imported alternatives, providing a price advantage to customers

Group sales: **1.26m TONNES**

Revenue: **\$1.222b**

**1hr**  
to bag the same amount of product at our new Whangārei Hub that our previous site could bag in a day



**\$1m**  
donated to Rural Support Trust to support Kiwi farmers and growers impacted by severe weather events

**\$35m**  
(after tax) profit retentions to strengthen our Balance Sheet for the future

**276kt**  
of urea produced in 2022, the most ever produced in a calendar year, reducing the amount of imported product required

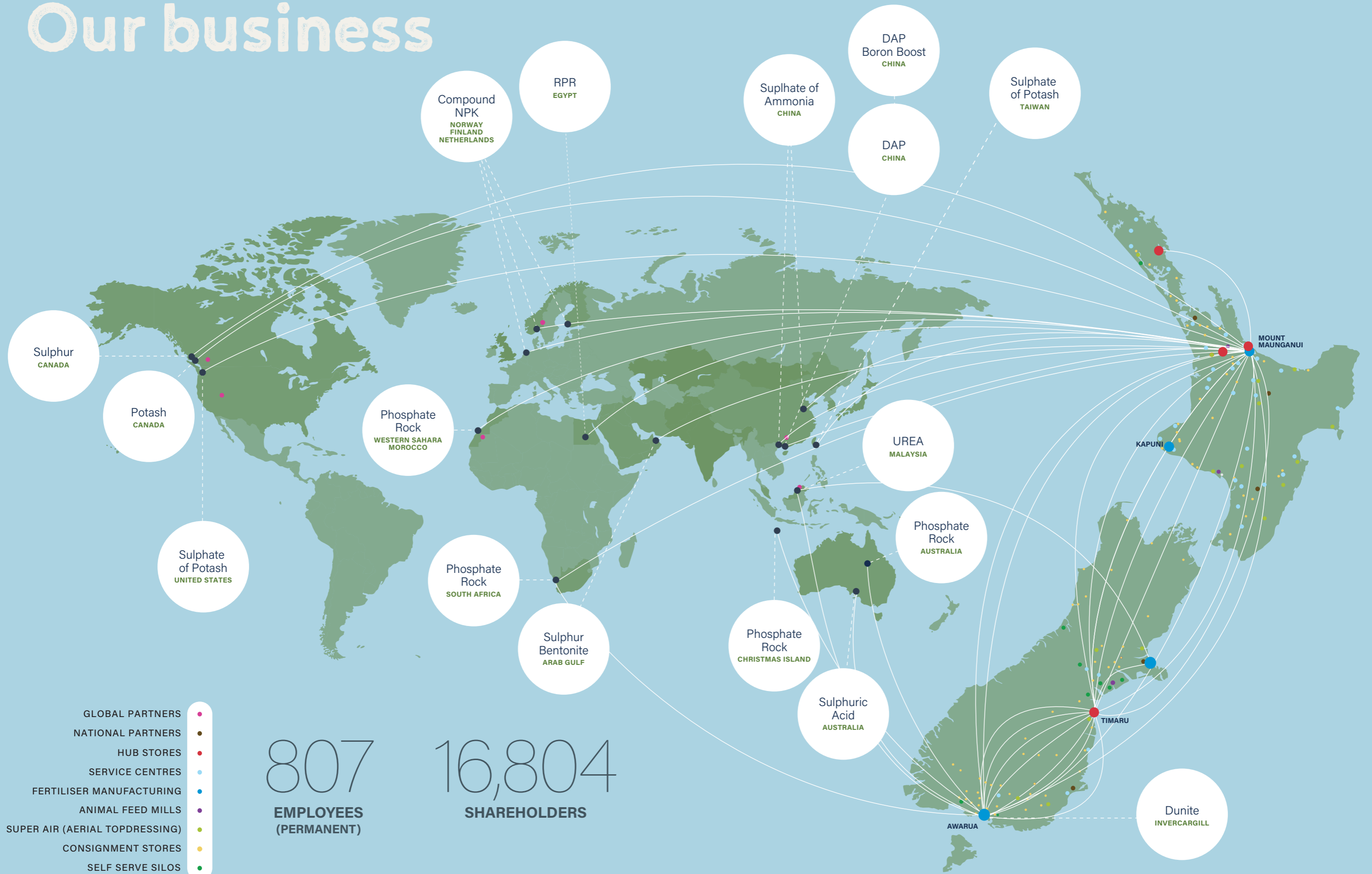
The environmental footprint of our urea is **7%** lower than that of imported equivalents

**23** planes and a national footprint for Super Air, following our acquisition of Aerospread, allowing greater reach of our innovations to sheep & beef farmers





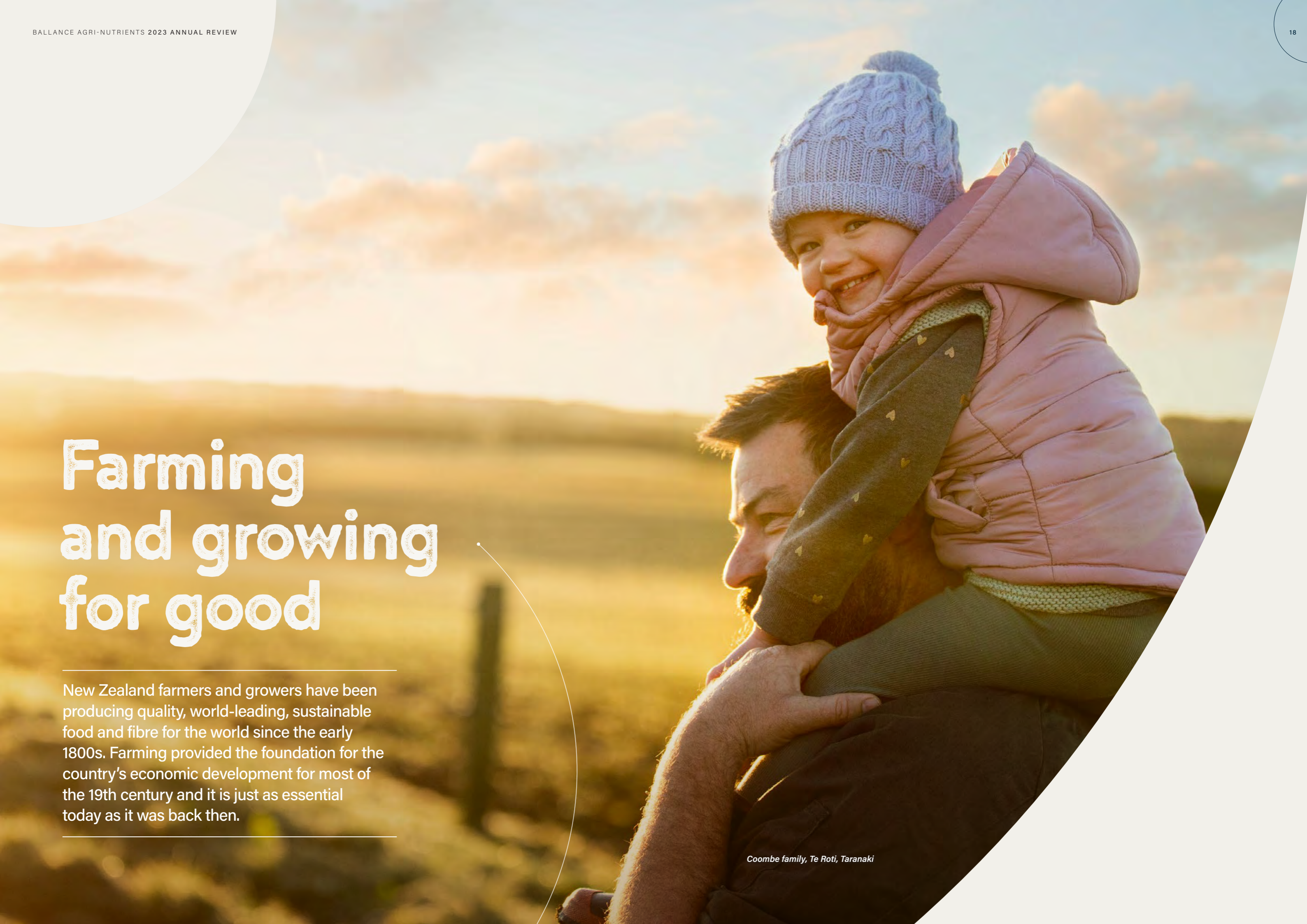
# Our business



# Farming and growing for good

New Zealand farmers and growers have been producing quality, world-leading, sustainable food and fibre for the world since the early 1800s. Farming provided the foundation for the country's economic development for most of the 19th century and it is just as essential today as it was back then.

*Coombe family, Te Roti, Taranaki*



**Remaining productive while being mindful of nature is not a new challenge to Kiwi farmers and growers, rather something they've been working on for generations. Science and technology continue to guide practices on farm.**

We invest in science to deliver proof points to our customers to enable their journey of continuous improvement. With the global focus on climate change, there is increasing pressure on the agricultural sector to reduce its footprint. New Zealand is world leading in its split gas (methane and carbon dioxide) approach to emissions management as we recognise the very different sources and impacts of these gases and their contribution to global warming. There's no doubt there are challenges ahead as we navigate

a low emissions environment, however, New Zealand is known for innovative solutions, and we believe we will find pathways to enable continued prosperity in our sector. With a growing global population to feed (it recently clocked 8 billion on its way to 10 billion by 2050) and further diversification options evolving on farm, the future looks bright. While humans walk this earth, farming and growing has a future. Not many industries can say that so definitively!

**Digital tools to help**

We want to help our customers carry out the essential work they do, by making it easier to farm with a lighter touch on the land. Tools like SpreadSmart® help identify exclusion zones and our Nitrogen Limit Management tool in MyBallance aims to help make applications more targeted, ensuring the right amount of nutrients goes where it is needed and nowhere else. We've had the highest number of submissions made this year and a significant uptake in proof of applications as a result. We're encouraged by the number of farmers geo-managing their nutrients, from plan to proof of application, creating strong results.

**Our Nitrogen Limit Management tool in MyBallance**



2023 Ballance Farm Environment Awards  
Canterbury Regional Supreme Winner,  
Ian Knowles of Glenmark Springs



**Showcasing sustainability in action**

The annual Ballance Farm Environment Awards (BFEA) showcase the very best of sustainable farming and growing practices in New Zealand and each year we are seeing more diversification and innovation to protect our unique and precious natural resources. This is strongly in line with Ballance with Nature (see page 22).

Every year, we see individuals, families, and communities from a variety of sectors – from dairy to sheep & beef; deer to horticulture & arable – throughout the country proudly display the work they are doing to protect the land they love. 2022 National Sustainability Ambassadors Phillip and Jocelyn Everest, Paul Everest and Sarah Hayman were awarded the Gordon Stephenson trophy, and have been generously sharing their story since then.

The Everest Family run Flemington Farm in Ashburton, which they've developed into a 255ha sustainable dairy and beef farm that balances the needs of people, animals, economics, and the environment. Environmental sustainability is at the core of how this family runs their business. They have implemented new strategies to successfully reduce greenhouse gas emissions and nitrogen loss, established more than 20km of shelter and riparian planting, to create a comfortable environment for their animals, and monitor all their waterways on a regular basis. They are heavily involved in the community, participating in several catchment groups and local initiatives focused on

improving local ecology, and continue to trial new technologies to further enable their sustainability work. The Everests are continually adapting their operations to lead sustainability on-farm and are strong examples of the passionate and visionary Kiwis that enter the Ballance Farm Environment Awards.



Scan to see the Everest's sustainability journey



Each year, we aim to help the New Zealand Farm Environment Trust (NZFET) diversify and grow BFEA by carrying out a 'muster' campaign. We cast the net wide to encourage farmers and growers from different regions and sectors to share the important work they do by entering the awards.



If you or someone you know is keen to enter BFEA, scan the QR code to visit the awards website



2022 National Sustainability Ambassadors Phillip and Jocelyn Everest, Paul Everest and Sarah Hayman of Flemington Farm in Ashburton.

# Collaborating at Owl Farm

Where we can, we use collaboration of our teams to deliver the best results for our customers. Owl Farm aims to share its learnings with the wider farming industry and educate students about dairy farming.

Owl Farm and Farm Sustainability Services have partnered together to model, through our MitAgator® tool, the mitigations carried out on Owl Farm and the risk of key lost contaminants.

This has allowed the team to capture the value of sustainable action carried out on farm, including wetland creation, stream fencing and riparian planting, the use of SurePhos®, our low soluble phosphate fertiliser, the creation of grass buffer strips and increasing effluent pond storage. Owl Farm has achieved an 8.5% reduction in nitrogen losses and 38% reduction in phosphorous losses thanks to these mitigations.

The nitrogen, phosphorous and sediment risk maps generated depict the spatial risk of lost nutrients across the farm. This allows Owl Farm to hone in on critical source areas and allow future mitigations to be targeted for these locations to maximise their efficiency and reduce wasted investment into low risk areas on farm. Owl Farm serves as a great example to the sustainable change that can be captured and presented back by MitAgator® to key stakeholders and other farmers.



**“Working with the team at Ballance allows us to access expertise and tools to create an annual plan for managing nutrients. It’s a fully integrated approach to efficient nutrient use, with the added benefit of seeing the progress that each of these small changes can make over time to the end outcome.”**

*Jo Sheridan, Demonstration Manager, Owl Farm*

## Future Ready Farms

Our Future Ready Farms programme of work, co-funded by the Government’s Sustainable Food and Fibre Futures fund, continues to progress 13 projects designed to significantly reduce the sector’s environmental footprint, while boosting economic growth and sustainability. The projects are aimed specifically at helping farmers and growers meet national environmental targets for reducing greenhouse gas emissions, agrichemical use and nutrient loss to waterways.

**\$2.1<sup>b</sup>** Projected benefits to farmers and growers by 2023

Project Name	Greenhouse Gases			Water Quality	AgChem	Sheep & Beef	Hort & Arable	Dairy	Forestry	Manufacturing
	Nitrous oxide	Carbon dioxide	Methane							
Project 1	▼	▼		▲		●	●	●		
Project 2	▼			▲		●	●	●		
Project 3	▼			▲		●	●	●		
Project 4				▲			●			
Project 5		▼		▲					●	
Project 6		▼								
Project 7		▼				●	●	●		●
Project 8	▼		▼	▲				●		
Project 9	▼		▼	▲	▼	●		●		
Project 10			▼		▼	●				
Project 11	▼	▼	▼	▲		●	●	●		
Project 12	▼	▼	▼	▲		●	●	●		
Project 13						●	●	●		●

# It starts in the soil

As a nutrient provider, we are a key part of a long food chain, which starts in the soil and ends up on dinner tables around the world. We continue to learn more about soil, recognising that there is still a lot to uncover. Leonardo da Vinci stated in the 16th century that **“We know more about the movement of celestial bodies than about the soil underfoot”** and this is still very true today.

Soil health is fundamental to sustainable, productive farm systems and is a key pillar of Ballance with Nature. A healthy soil will efficiently cycle nutrients, support high yields, protect water quality and reduce greenhouse gas emissions. Soil is also a very important reservoir of carbon.

Some environmental factors that influence soil health cannot be controlled, such as climate, topography, and soil type. Ballance is committed to helping customers understand aspects they can control, such as land management practices.

Some aspects of soil health are easier to measure, others are more difficult. We have delivered the ‘easier’ via Soil Health Check, which we spent two years developing with Manaaki Whenua. So far, 1,400 Soil Health Checks have been requested, or 3% of all soil samples taken, exceeding our predicted uptake for the first year. Our shareholders understand the value of healthy soil. Healthy soil grows healthy plants which feeds healthy animals. The healthier the soil, the greater optimisation of nutrients.

New Zealand soils are relatively very healthy compared to global counterparts and they contain high levels of organic carbon – sitting at around 100T carbon per hectare in the top 30cm. 92% of sites measured as part of National State of Environment monitoring met the target range for soil carbon.

## Ballance with Nature

Ballance with Nature is our promise to Kiwi farmers and growers to support them to be future ready and protect their land for the next generations. It’s about caring for and working with our natural resources, while remaining productive, guided by knowledge and underpinned by science.

There are seven key pillars to Ballance with Nature, many of which Kiwi farmers are already doing:

- Soil Health**
- Cleaner Air**
- Nutrient Efficiency**
- Healthy Water**
- Native Biodiversity**
- Animal Care**
- Resource Utilisation**



Read more about Ballance with Nature



Co-developed with Manaaki Whenua Landcare Research



## Protecting our local environment

While we are focused on making environmental gains for our farmers and our own operations, we also acknowledge our responsibility to help preserve the local environments in which we operate. Our team in Kapuni continue to support environmental projects including the Rotokare Scenic Trust and Kapuni Predator Free Project in conjunction with the Taranaki Regional Council and Trap NZ. Nearly 100 pests have been caught in bait and traps in the past 12 months, helping to protect native plants and animals in the area.

This year, we once again supported the work of the Bay Conservation Alliance, which saw 2,400 local students receive hands-on, science-based learning around conservation.

# Reducing our footprint

We are committed to providing innovative ways to help our customers succeed, to farm productively with pride. Like our customers we too are faced with greater expectations from less inputs – more with less. And like our customers we don't have all the answers, but we are guided by a clear vision and purpose. We know we must address our own footprint and are taking significant steps to reduce our operational emissions. Embracing environmental social and governance (ESG) principles validates the values we live in our business each day and ensures we have a relevant part to play in a modern food and fibre system. Our aim is to maintain a sustainable co-operative model that supports the long-term success of our shareholders.

## Nitrogen

Nitrogen is an essential input for farm productivity. It is a major component of chlorophyll, which enables photosynthesis, and it's a major component of amino acids, the building blocks of proteins. In other words, plants and humans need nitrogen to survive.

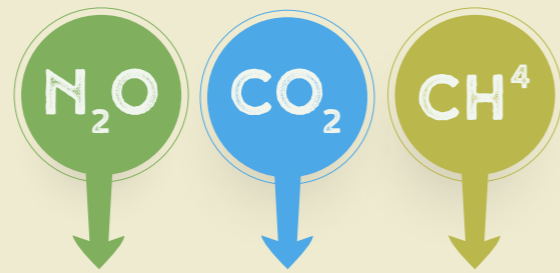
**Today, around half the world's population depends on food grown using nitrogen fertiliser.**

Enabling a low emissions food supply in New Zealand requires domestic production of low-emissions nitrogen to support our national commitment to global emissions reductions.

We manufacture urea at our Kapuni plant in southern Taranaki, the only such facility in the country. We are also New Zealand's #2 manufacturer of hydrogen, producing around 28,000 tonnes per annum (tpa). Made from methane, our New Zealand manufactured urea and Sustain® are the lowest emissions forms of nitrogen available in New Zealand today.

**Sustain® reduces nitrogen volatilisation by 50%.**

Urea is derived from ammonia and manufacturing ammonia is an energy-intensive process, producing significant carbon emissions.



## Decarbonising our Kapuni plant

We are committed to achieving meaningful emissions reductions at our Kapuni site and have identified a two-phase decarbonisation pathway, which can abate around 190,000 tonnes per annum of our manufacturing emissions – an opportunity that materially reduces New Zealand's national carbon emissions.

- Phase 1 will involve electrification of the synthetic ammonia loop along with several other decarbonisation projects. Instead of using natural gas to heat the plant to 1,100°C, we will use renewable energy. Annual emissions are projected to be reduced by approximately 90,000 tpa.
- Phase 2 comprises a plan to abate another 100,000 tpa post the deployment of phase 1. This involves us changing the manufacturing process to no longer use natural gas as an input, instead using hydrogen from electrolysis. This is in phase 2 because while deep decarbonisation is feasible at pilot scale, it will depend on improved global technologies, significantly greater renewable electricity supply, lower electricity price and enabling legislation.

We have called this decarbonisation programme Te Ata ("the dawn" in Te Reo) and have proposed a framework for collaboration between the Government and Ballance, which will help achieve the strategic and economic benefits of Te Ata. (see case study on [page 45](#))

## Hydrogen in heavy transport

Our joint venture with Hiringa Energy to produce 'green' hydrogen from renewable energy is currently sitting with the high court of appeal, with a judgement pending. The project applied to build four wind turbines to produce renewable electricity to power to our Kapuni plant, as well as supplying electrolyzers to separate oxygen and hydrogen, producing 'green' hydrogen. This would not only produce a 'greener' fertiliser with a lower emissions profile but would also provide a carbon-neutral fuel for the transport sector, a significant step towards our national Net Zero by 2050 emissions targets.

## Lower emissions domestic transport

Our partnership with Market2X (M2X) continues to add real value to both our shareholders and to New Zealand Inc, by reducing our transport emissions. With more than 40 additional trucking companies joining our M2X platform over the past 12 months, we are engaging with more carriers, minimising empty trucks and reducing CO<sub>2</sub> emissions, as well as adding significant capacity to our freight task during peak times. M2X is helping us deliver on our strategy of achieving a World Class Supply Chain.



We continue to produce large volumes of our AdBlue-certified GoClear® product, a diesel exhaust additive that reduces nitric oxide emissions in modern diesel engines. Ballance currently produces around 50% of New Zealand's AdBlue requirements. This year we won a supply contract for granulated urea produced at Kapuni and we now supply close to 100% of the industrial wood resins market for urea.

## Continuous improvement in our network

Site management plans ensure best environmental practices are integrated into the everyday running of our stores around the network. Following on from risk assessments, performance metrics are tracked monthly to monitor and assess the environmental performance of each site.

We have a network-wide programme in place to replace our conventional bulk store, office, and outside lighting with LEDs to reduce power usage. We continue to add electric forklifts to our fleet to reduce operating emissions in our network.

Our Mount Operations site implemented a comprehensive Dust Management Review Programme, which has resulted in reduced dust levels in and around our site.

## Responsible sourcing

We have an extensive procurement programme that not only ensures the product we are purchasing is fit for purpose, but that the organisation we are purchasing from is too.

Traditionally, we have sourced our phosphate from suppliers in the African continent and diammonium phosphate (DAP) from China. Being able to source raw materials closer to home reduces supply risk and has a positive effect on our CO<sub>2</sub> footprint, with approximately 60% of our superphosphate footprint attributed to the shipping of raw materials.



*We use electric forklifts to reduce operating emissions in our network.*

This year, our procurement team travelled to South Africa and Australia to conduct due diligence on potential rock suppliers. These audits include a strong focus on environmental, social and governance practices as well as identifying any potential risks a new supplier could pose to our operations and supply chain capabilities.

Establishing and communicating clear expectations is part of our Supplier Code of Conduct (the "Code"), which we have also implemented with all our current key fertiliser and raw material suppliers.

The long-standing relationships we have with global suppliers, in some cases over decades, have helped us to weather market volatility and supply chain issues.

**Ballance produces Hydrofluorosilicic Acid (HFA) at our Mount Maunganui site. HFA is an important chemical used in the fluoridation of drinking water, protecting the teeth of future generations.**





CASE STUDY

# Being a voice for Kiwi farmers and growers

New Zealand is a global leader in sustainable food production, and we are proud to play a big part in this. Farmers and growers are essential to New Zealand's food story, so as well as providing nutrients, we support them by making submissions on their behalf to ensure their voice is heard and their needs understood.

Ballance regularly reviews policy changes and contributes to consultations on these. Our aim is to provide constructive input to the processes, based on our expertise, to help identify any potential unintended consequences, develop solutions and increase the effectiveness of the proposals.



### Written submissions

Over the last year we made written submissions on the New Zealand Emissions Trading Scheme (ETS), Productivity Commission, and the Resource Management Act Reforms. A key element of these submissions has been highlighting the importance of supporting agriculture, associated industry, and decarbonisation projects to ensure the ongoing resilience and economic well-being of New Zealand.

In our discussions we have reinforced the importance of primary industry to New Zealand, the vital role our shareholders play for rural communities and for New Zealand, and the role we provide to ensure that, alongside our shareholders, New Zealand is productive and sustainable.



### Connecting our stakeholders to our customers

Being a voice for our customers means ensuring decision-makers fully understand the role of farmers and growers and how vital they are to our economy. We regularly host stakeholders on informative tours of our manufacturing sites, and often our customers' operations as well, to demonstrate the connection between what our customers do and the food that ends up on plates around the world.

This year, we hosted a group of Wellington stakeholders, including representatives from Ministry for Primary Industries (MPI) and Ministry for the Environment (MfE), for a tour of our Mount Operations site where they met our team, heard about our operations and were able to ask questions. The group were then taken on a tour of an orchard and a local dairy farm where hosts David and Lesley Jensen, who own both, discussed the nutrients needed and the farm systems.

Our Kapuni team also hosted representatives from Energy Efficiency and Conservation Authority (EECA), the Climate Change Commission (CCC), Ministry of Business Innovation and Employment (MBIE), MPI and MfE for the same purpose.

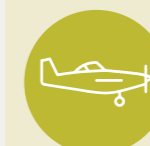


### Engaging policy-makers

It is critically important that New Zealand maintains onshore production and manufacturing, while at the same time enabling industries to transition to a lower emissions future. We have been engaging stakeholders to inform them about the benefits of decarbonisation to the New Zealand economy e.g. it is considerably more expensive to import 100% of our nutrients. Farmers and growers would have to earn more to offset these costs, creating a net increase to global emissions. To support this transition, we have been actively ensuring our presence and participation in policy-making discussions.

Over the past 12 months, we have held meetings with key Labour and Green party ministers including Ministers for the Environment, Primary Industries, Climate Change Commission, Agriculture, Energy and Resources and Economic Development, as well as prominent representatives and spokespeople from the Act and National parties. We did this to ensure bipartisan understanding of the implications of both new and existing policies.

This engagement involved engaging with a broad range of government stakeholders. The collective efforts ensured that during a recent presentation to the Environment Select Committee regarding proposed changes to the ETS, every member was well-informed about our decarbonisation efforts and the crucial role nutrients play in ensuring New Zealand's sustainability.



### Reviewing district plans

Reviewing district plans in addition to central government engagement, we regularly review and submit on district plan changes that affect our customers' business. These submissions focus on proposed restrictions around the use of rural airstrips and the generation of noise in rural zones. Many of the proposals would have unintentionally impacted farmers' ability to maintain productive hill country and our submissions use Super Air's operational experience to provide clear examples of airstrip use and aircraft operating constraints.

### Presenting to the Environment Committee



# Powered by our people

People are vital to the success of our co-operative and to our communities. They are the drivers behind our success, whether they work in our team at Ballance, are a passionate farmer or grower, or a member of one of our vibrant communities.

*Coombe family, Te Roti, Taranaki*

# Well-being of our people & communities

As a co-operative we know it's important that all members of our communities flourish and grow. We place importance in understanding the whole person because we care, and we want them and their whānau to prosper.

As an organisation, we are only as strong as our people, so we are committed to supporting each person's physical and mental well-being, as well as their whānau and community. Our communities are essential to the success of our co-operative, and for them to thrive, its people must be given the opportunity to reach their potential, and be safe at work.

Our C.O.W.S (care, ownership, well-being and safety) internal programme ensures we maintain a humanistic culture, placing the well-being of our people at the core. This year, 588 members of our staff attended workshops as part of our flagship C.O.W.S 2.0 programme, which specifically focused on driving ownership of our culture and performance. Ownership means that our people are empowered to make the right decisions for themselves and their whānau (work and home).



See our C.O.W.S 2.0 programme in action

We offer a range of medical, health, and care insurance benefits to all permanent full-time employees, some which extend to direct families, ensuring our people receive a minimum health and personal care standard.

## 1,750

Ballance employees or their dependents were covered with our medical insurance provider.

We offer an Employee Assistance Programme to all employees. This is a confidential service that continues to be valuable for our team and for our organisation. The sooner support is provided, the sooner the progress begins.



## 367 hours

of support were provided to staff for a range of personal and professional reasons.

Maintaining our well-being and safety focus, we are in the process of rolling out mental health first aid training workshops to enable our team to help others with mental health issues and/or crisis.

### Creating an inclusive workplace

We are committed to cultivating a diverse and inclusive work environment, that is welcoming, equitable, and inclusive for all employees. We have created a Diversity & Inclusion Policy that is specifically focused on well-being, flexible working and understanding and minimising bias.

### Updates made to our Diversity & Inclusion Policy framework:

 <b>1</b> Parental Leave	 <b>2</b> Flexible Working	 <b>3</b> Diversity & Inclusion
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Earlier this year, we announced three new updates to our Diversity and Inclusion Policy framework, which we believe are instrumental in ensuring that, as a business, Ballance is evolving to support the well-being of its employees. An industry leading change will be made to the co-operative's Parental Leave Policy, where staff members who are expecting parents will be granted leave benefits far greater than the standard legislative requirements and are gender neutral. Our Flexible Working Policy has also been updated to promote employee well-being and family-friendly needs.

We have trained 40 of our top leaders in diversity and inclusion and understanding and minimising bias in the workplace. We have worked with 180 members of our supply chain on improving inclusivity for our female colleagues.

# Supporting those in need

We both support and are enriched by New Zealand's rural communities, and this year, support has been needed more than ever as Kiwi farmers and growers across the country faced a range of adverse weather events.

In early 2023, New Zealand was hit by Cyclone Gabrielle, one of the worst storms to hit the country in living history. The East Coast and Hawkes Bay bore the brunt of the storm with hundreds left isolated and cut off from the rest of the country. Our Super Air team acted immediately, delivering much-needed supplies to help rural communities recover from the impact on land, animals, and people.

Approx.

# 18

tonnes



of supplies were delivered to isolated communities in the days following Cyclone Gabrielle

The Ballance Board endorsed a relief package to help provide the best on-ground response to the farmers and growers who provide essential produce to feed our country and the world. Our Weather Relief Fund comprised a \$1 million donation to the Rural Support Trust (RST), run by rural people who understand the needs of our local communities. The RST has the reach and services to help with all aspects of the recovery journey from clean-up to rebuilding. The fund has been provided in full to RST, however the bulk of the funds are aimed at the 6+ month time window where the enormity of the rebuild begins to be felt.



We are looking ahead to the support that will be needed over the coming months, and possibly years, as the recovery begins. Our Science Extension team are carrying out science-based work to help farmers determine what work is needed on-farm. An example is a Silt Revegetation Trial and Demonstration at the base of the Esk Valley, as part of local research to further understand the impact and ensure we have science-based data to show what works best in regards to practical measures that farmers can use to revegetate pastures onto flat silt covered areas.



**Our geospatial team created ways to quickly analyse satellite imagery to identify bare land and slips on farm. The team analysed nine different sheep & beef stations covering over 20,000ha and identified over 1000ha of significant slip area.**

Some properties had lost up to 10% of their productive land. Maps were supplied to farmers showing imagery before and after the cyclone as well as where slips had occurred.

We will continue to carry out such work to further inform how we can best support farmers in the region.



**Focus on safety**

Safety continues to be a key focus in the culture at Ballance. This year, we refreshed our Health & Safety strategy based on the foundations laid by our Safety Evolution project, which aimed to strengthen our organisational culture. The strategy highlights three core areas that require improvement: culture, capability and organisational resilience. We will be rolling out initiatives over the next three years to ensure these core areas are implemented well with SMART safety measures in place to monitor their progress.

**\$82,200**

contributed to our local communities as part of our Safety Cross programme, which sees a donation offered to a local charity each month that we meet a set of site-specific health and safety KPIs.



**Growing great people**

We believe that every person should have the opportunity to reach their potential. This is how we keep our co-operative moving forward and achieve results for our shareholders. We have a focus on promoting and developing our leaders from within and all of our roles have succession plans. This means we can provide development to key employees and have them primed and ready to step into vacancies as they arise.

This year, we launched our Futurework leadership programme, which aims to support our people to find new ways of thinking, leading and working. Each year, we provide a range of bespoke internal development programmes, and this year our team spent over 900 hours training on these courses. This is an investment in our future capability of over \$1 million.



**Connecting our people to our purpose**

The Ballance purpose is 'Together, creating the best soil and food on earth'. This purpose guides us to ensure that we achieve, for ourselves and for our shareholders. A team aligned and united to the purpose ensures we are working together bringing a range of mindsets, experiences, capabilities and perspectives to ensure the customer is at the core of what we do.

Strategy is about choice – what we want to focus on and achieve as a business, and how we are going to get there. Every 2-3 years we take our strategy, built from the ground up over the years with our people, and we refresh it with our current team members. This involves running a series of workshops throughout the country where each of our 800 employees are invited to participate. These 'Strategy to 800' workshops, facilitated by our Lead Team and assisted by emerging leaders in the business, explore the key opportunities that lie ahead. Wearing a customer lens, we identify the initiatives our people believe should be prioritised to maximise our strategic differences in market, how these initiatives fit under each strategic pillar, and how the team of 800 bring this to life in their everyday team environment. The results of these workshops, fresh thinking and new insights, are collated, shaped into a refreshed strategy and communicated to the business.

**A shared purpose, a shared strategy, and knowledge of each person's role to play and their value, creates a powerful team.**

We know that coming together to share food is how we connect, so we did this as part of the workshops, celebrating the amazing food produced by our farmers and growers with a menu inspired by chef Al Brown.

**Our values**

Values are our guide rails; they ensure that how we turn up reflects positively on our co-operative. Incorporating bravery, honesty, connections, and imagination into our everyday work has served us well, and together with our C.O.W.S culture, have helped us through challenges.



So we embrace challenges to create a positive impact.



So we share our views and welcome tough conversations.



So we nurture strong and caring relationships.



So we move forward with open minds and fresh perspectives.

**Celebrating our achievements**

Celebrating our achievements, individually and as a team, acknowledges the talent and skills within Ballance and the commitment we invest as we strive to be the best for our customers.

This year, our geospatial team took out the Environmental and Sustainability Award at the Spatial Excellence Awards, which celebrate the highest standard of achievement in the New Zealand geospatial community and is open to all New Zealand professionals and organisations working with spatial data.



**Our Customer Services team took out the 'Farming Support Services' major industry award at the National Contact Centre Awards in September.**

Our team have been recognised with major awards at this event for four years in the past five, setting the bar high for award-winning customer service.

**Community connection**

New Zealand is a global leader in sustainable food production, and we are proud to play a part in our country's food story. We relish the opportunity to share this with industry and stakeholders and demonstrate the connection between what we do and the food that ends up on plates around the world.

We open our doors to customers, industry, and our communities so they can view our operations, ask questions, and better understand our business. We regularly host community open days, like the one we hosted at our Mount Operations site, attended by over 200 people. The purpose of the day was to share information about who we are and what we do, to build trust and understanding. Over four hours, attendees were able to take a tour of the site, and connect with Ballance staff from the laboratory, Science Extension or Innovation teams about all the great mahi we do with farmers and growers. Our Kapuni team also opened its doors to the community as part of its 40th anniversary celebration.

**Being a good neighbour and an active member of our community reflects our co-operative spirit.**



# Encouraging youth into agriculture

At Ballance, we know that the future of New Zealand's primary sector relies on the passion and skills of the next generation. It needs bright, enthusiastic young people who are keen to continue, and build upon the best practices established now. We need to nurture this passion and give young people a foot in the door, so we proudly support educational initiatives like STEM Festivals, science fairs and Young Enterprise New Zealand challenge days, which inspire and educate students with an interest in STEM or social science subjects. This support is assisted in part by our \$25 million Future Ready Farms partnership programme with the Ministry for Primary Industries.

**We have a goal to not only deliver high performing Nutrient Specialists but also to be the best agribusiness intern programme in New Zealand.**

We receive a large number of applicants for our internship programme and had over 100 from Massey and Lincoln universities for this intake, with 50 interviews conducted.

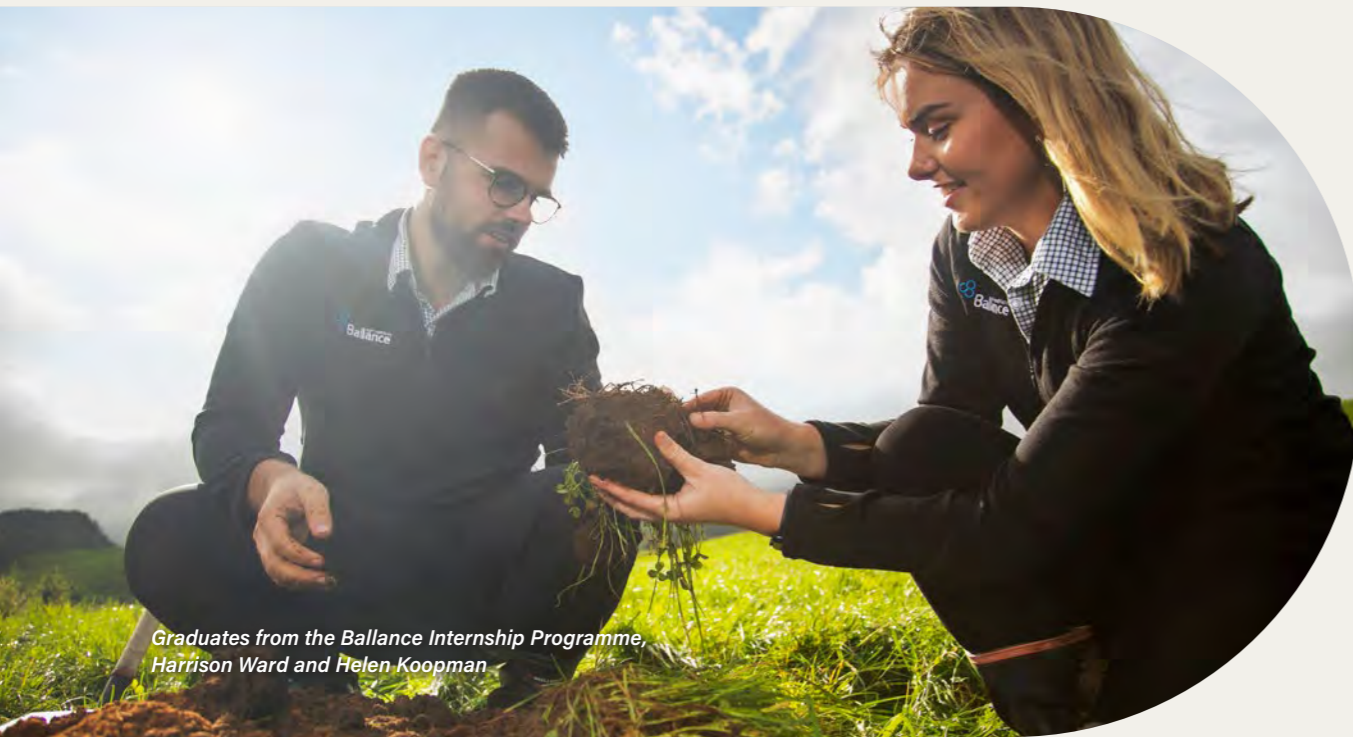
We offer tertiary scholarships to promising young students studying towards a career in agribusiness or the primary sector. This year, we awarded three 3-year scholarships and three 1-year scholarships, as well as five continuing scholarships from previous years. We had 58 applicants in total for this year's scholarships.



Students taking part in the Growing NZ Innovation Challenge

**9** This year we welcomed another nine students into the Ballance Internship Programme

Watch aspiring students taking part in Young Enterprise New Zealand



Graduates from the Ballance Internship Programme, Harrison Ward and Helen Koopman

# Strength in our partnerships

We are proud of the partnerships we have built at Ballance, whether community or industry focused, short or long-standing.

## Customer connection events

We value the opportunity that events give us to connect with our customers, in a relaxed, informal setting. Fielddays gives us the opportunity to thank our shareholders and customers personally for their business as well as share some locally sourced food, prepared by local food experts. Each year we put time and effort into ensuring we showcase the work we are doing on behalf of our customers and the innovation investments we are making to ensure we have solutions ready for them.



Watch our team in action at the National Fielddays

The 2023 BallanceEx Dinner Series was an opportunity for our team not only to provide thought-leadership content to regional audiences around the country but also to hear from farmers and growers about how their businesses are evolving and what they believe are the big opportunities coming down the line (see case study on [page 35](#)).



**Ballance Farm Environment Awards**  
Promoting Sustainable Farming and Growing

Our partnership with the New Zealand Farm Environment Trust delivers the Ballance Farm Environment Awards (BFEA), a showcase and celebration of the very best in sustainable farming and growing in New Zealand.

We also invest in local community partnerships, relationships fostered on Ballance giving back to the community and in respecting the region's unique natural resources.

**DAIRY WOMEN'S NETWORK**  
success through inspiration

Dairy Women's Network (DWN) is a partnership that is now 12 years in the making and continues to grow thanks to our values alignment and shared commitment to supporting inclusive and diverse farming leadership. This network is brimming with talented, thriving women who are not only committed to their own development, but also active in supporting and driving development in their communities and within the industry. Their stories are inspirational and provide the next generation with energy and aspiration to unleash their potential.



Watch some of the inspiring women from the Dairy Women's Network



CASE STUDY

# 2023 BallanceEx Dinner Series

Thought-leadership, connection, and great New Zealand food.

Helping our customers to be future ready is core to the service we provide. Our BallanceEx platform helps showcase our commitment to the future by looking at international trends and developing solutions to foster a sustainable and productive future.

BallanceEx is our version of TedEx, a home-grown leadership platform. However, unlike TedEx which has one expert leading the conversation, this year's BallanceEx Dinner Series featured a panel of experts and involved the farming and growing expertise in the room to discuss, debate and challenge a range of topics, all facilitated by Te Radar as MC. It is designed to be a farmer-to-farmer discussion where learnings and practices are shared in a relaxed, and entertaining atmosphere.

This year we looked up and out to the world of the global consumer. As a significant exporting nation, how do we ensure we are relevant in their future? And we took time to remind all in the room that they are Essential, our theme of the event. It reflected the essential role that New Zealand farmers and growers play in producing world-class food for a global population.

Ballance Science Strategy Manager, Warwick Catto provided a thought-provoking presentation, following a discussion from a farmer and grower panel, who shared their biggest challenges and successes so far and what they believe are the biggest opportunities coming down the line.

Warwick noted that the topics discussed across all eight events were consistent, highlighting some key industry trends. "The demographics are compelling in terms of the future world and how this may shape up," said Warwick. "When exploring future environmental trends, challenges and opportunities, the same topics keep arising, like land diversification and the opportunities around water."

Warwick also noted a growing focus on labour, with competition for good staff highlighting the need to be a good employer, as well as innovation, with many watching tech evolutions, closely monitoring how they can help be ready for the future.

Throughout the events, farmers and growers expressed their gratitude for the support Ballance provided to Rural Support Trust in response to the impact of extreme weather events. They also expressed a sense of optimism and excitement for the future.

World-class food and refreshments were provided to attendees as part of a menu inspired by Kiwi chef Al Brown and designed to showcase the quality meat and produce grown in New Zealand's primary sector. Each regional event was catered by local caterers using local produce, sharing the food grown in the region and celebrating the mahi of the attendees.

A total of eight regionally based events were held around the country and Te Radar once again kept the crowd engaged.



Te Radar has been part of BallanceEx since its inception and we are thankful for his talent, connectedness and smarts.

**"We really noticed a sense of optimism amongst the attendees. People are enjoying taking part in events and taking time to connect, especially after the past few years where the COVID-19 epidemic hindered connection."**



Watch the BallanceEx team in action during the 2023 BallanceEx Dinner Series

# Innovating for prosperity

Innovative leadership is at the heart of our economic prosperity.

*2023 Ballance Farm Environment Awards Waikato Regional Supreme  
Winners Anjena, Arjun, Amreeta and Daljit Singh of Lawwal Holsteins*



Fertiliser co-operatives started post World War II, when New Zealand farmers and growers struggled to access the nutrients they needed. They needed to replace the nutrients that left the farm as quality food and fibre for export. These co-operatives invested in local manufacturing assets to ensure access to affordable and reliable supply of appropriate nutrients.

This strategy remains relevant today. Primary industry is still the backbone of New Zealand and the economy. Our shareholders farm and grow a greater variety of products and export 95%+ of what they produce, so ensuring that the right

products are available at the right price, at the right time, and in the right place is still key.

Investing to ensure that our assets provide relevant and leading nutrients to enable our shareholders to achieve their goals is at the heart of our asset and innovation programme. It's also at the heart of our pricing for value programme where we aim to provide a nutrient cost advantage and lower greenhouse gas emissions per hectare applied versus an imported product.

### Self serve silo number 12

We added two more self serve silos at Woodlands in Southland and Mayfield in Canterbury, bringing the total number of silos around the country to twelve. Our self serve silos give our farmers and growers 24/7 access to nutrients allowing them to collect product at a time that's convenient for them. On average we are servicing 20% of customers' needs outside of our normal trading hours.

## Expanding our aerial offering

Aerial application of nutrients using clever technology is leading in both productivity gains and sustainability. SpreadSmart® and geospatial is helping more customers achieve their goals in a new regulatory environment.

This year, Super Air expanded its footprint into the Hawkes Bay, one of North Island's largest sheep and beef regions, with the acquisition of Aerospread.

**The purchase of Aerospread creates a truly national footprint for Super Air, allowing us to offer customers across the country access to market-leading innovation and value.**

### Science and innovation - farming & growing with pride

We continue to learn and be guided by science and knowledge gained from generations of farming and land-based families. Ballance has a proud and recognised history of significant science investment. We know that our shareholders value the proof points this investment gives our advice and our products, both of which contribute to the quality of food and fibre they produce for global consumers.

**We are committed to innovating for a productive and sustainable primary sector.**



A key priority of the Super Air business is to grow our market share in the sheep and beef category, and this acquisition is an important step in achieving this. Both businesses are an excellent fit from both a business model and cultural perspective. Aerospread is an exciting addition to the Super Air team, with its fleet of planes and loader trucks, local knowledge, and a trusted brand. Super Air brings leading precision technology, SpreadSmart®, which combined with geospatial mapping technology, provides customers with a productive fertiliser application plan to achieve the best environmental outcomes. We will maximise our combined strengths to provide market-leading service in the Central Plateau, Hawke's Bay, Wairarapa and Manawatu regions.

This year launched two products to give our customers the confidence that they can farm within limits:



SurePhos® is a world-leading, uniquely formulated, low emissions fertiliser that reduces phosphate loss by up to 75% when compared to other superphosphate products. This means that more stays on the land where it's needed. It is also compatible to blend with most other fertilisers, including SustaiN®, so you can combine nitrogen, phosphate and sulphur into a single application. SurePhos® was launched in the North Island in 2019 and is now available in the South Island.



SuperN® is a blendable nitrogen product that enables customers to combine their ideal ratio of nitrogen, phosphate and sulphur in one application. It creates 22% less emissions than DAP\* during production, and is a more sustainable option than DAP alternatives, making it easier for farmers to manage costs, meet productivity goals, and be confident that they can farm within limits. Currently available in the North Island only.

\*Source: Independent product comparison of the greenhouse gas footprint for Ballance sourced DAP and Ballance manufactured SSP.

# Whangārei Hub – open for business

When reviewing our capital programme, we always look for opportunities that will help our customers grow, increase our service offering and expand our footprint into markets where we can add value. Five years ago, we identified Northland as a region with significant growth opportunities for us as well as farmers and growers in the region. The area's tropical climate offers a competitive advantage for the agricultural sector, which is dominated by dairy, beef and sheep farming, but also the fast-evolving horticulture market. It is a critical time to support the horticulture sector, and growers need quality products delivered in a timely fashion.



Our plan to expand our footprint and our service offering in Northland, consisted of three major infrastructure projects:

- a service centre strategically based at Marsden Point
- a self serve silo at Te Kopuru
- and the jewel in the crown – a new, modern regional hub in Whangārei complete with automated bagging.

Our new Whangārei hub opened its doors in February this year after five years of research and planning. The operations team in Whangārei were involved throughout the project, from concept, to design and execution. Local spreaders and carriers were also involved making it one of our most collaborative projects to date. When building a regional asset like this, we ensure that the design and capabilities are specific to that region and it is important to us that the community is involved in the build. Communications were regular and widespread, in the form of open days, newsletters, and site visits from neighbours, spreaders, carriers, and customers. We asked local Iwi to come and bless the site in November, and to honour the Māori heritage in the area, Mauri stones were placed at the North and South end of the site.

The new Whangārei hub is state-of-the-art, incorporating hi-tech innovations and design elements aimed at delivering the best service to customers and spreaders. It enables us to deliver nutrients for food production blended using world leading technology, and specifically designed for our local customers. Some of the key features of the hub include:

- 
**Location**  
 The central location, secured among limited options in the region, allows for convenient access for spreaders and customers in the Northland region.
- 
**Product quality**  
 The design of the plant has minimised handling of product and therefore, degradation, producing a better quality product.
- 
**Environmental elements**  
 A dust management plan has been implemented and rain gardens installed to minimise the impact on the surrounding environment and neighbours.
- 
**Business continuity**  
 The decision to transition from our current long-serving Port Road site to the new site in Kioreroa Road has allowed for continuity of business for farmers and growers in the region.
- 
**Safety**  
 A traffic management plan has been implemented to ensure the safety of our people, spreaders and customers.



## World-class innovation

We are focused on the future of farming and growing in Northland, so we invested in precision automated technology and digital infrastructure that will enhance product quality and reliability of supply. The world-leading innovations featured in the build of the hub include:

### 1. Declining weight dispatch plant

Sourced from the Netherlands, our new dispatch plant is designed to reduce product degradation. Product is layered onto a conveyor belt based on mix percentage, then gently mixed at every transfer junction to create the very best blend.

### 2. Fully enclosed truck dispatch lanes

Two enclosed dispatch lanes, with fast acting doors and a traffic light system, control vehicle movement. Bespoke dispatch shuttle cones produce a vortex of product significantly reducing dust.

### 3. Intake plant

Fully automated with 24/7 access, our intake is full of hi-tech innovation including tripper conveyor, pile height sensors, Burnley Baffles to reduce dust and radar-controlled doors to ensure trucks can't exit the building with their hoist up.

### 4. Bagging plant

A key part of the new hub. Boasting 20kg, 500kg and 1 tonne bagging lines, which include dust extraction, the new plant can bag in an hour, what used to take a day at our old site.

### 5. Traffic management

Our new hub has been designed to minimise customers' time on site. Boom gates and intercoms connect customers, spreaders, and carriers to our customer service team without leaving their vehicle.

### 6. Raingarden, landscaping and building design

Our engineered raingarden has been designed to reduce solid waste from site. Any hard surface that may contain contaminants washes through the raingarden where native plants take up any nutrients, leaving minimal solid waste.



See some of the many innovations featured in our new Whangārei Hub

## Investment in our network

Our goal is to delight our customers with great timely service. Increasingly we are seeing shifts and changes in buying patterns and with weather giving us all a few challenges, perhaps the new normal, we invested in updating our inventory management system. MyStore is now up and running in each of our service centres. The aim of MyStore is to provide more information to service centres and improve decision making, freeing up time for our team members to work with customers, maintaining our sites and have some breathing space to consider continuous improvement and supply excellence. MyStore provides a standardised view of orders, transfers and capacity, as well as analytical tools to provide extra information, and generate top-up recommendations.



## Better blending and dispatch

Blending a combination of nutrients to best meet the specific requirements of our customers' nutrient needs is a key component of our service commitment and is part of the Ballance purpose – Together, creating the best soil and food on earth.

Recognising the importance of blending, this year we have begun investing in providing the most up-to-date infrastructure, upgrading our blending and dispatch plant at our Waingawa Service Centre, to add to our existing blending plants in Reporoa and Marsden Point. The new facilities will improve efficiencies for the team, including faster turnaround times, easier maintenance, and a safer environment, while providing a quality product to our customers and spreaders. We will be rolling out more blending plants throughout the network to further enhance our offering.



# Ensuring strength in all sectors

We place strategic importance on supporting our sectors as well as growing and sharing our knowledge so we can help our customers to grow their business.

## Growing our knowledge

We are excited by the mahi in the Māori agriculture sector and seek to increase our understanding of its aspirations, priorities and opportunities. To ensure we understand Tikanga and Mātauranga Māori, we hold regular wānanga, teaching and research sessions with Māori land entities to share knowledge and learnings of the application of Māori tradition according to Māori custom. One recent wānanga, held in Otamarakau in the western Bay of Plenty, covered a range of topics driven by three observations of our partners Dr Wiremu McMillan and Hemi Dawson from Whāma Kau – that Māori engage poorly with 'mainstream' events, that Māori engage well with 'Māori' events and that Māori prefer to work collectively – with Māori.

We continue to proudly support the Ahuwhenua Trophy competition and deeply value the learnings gathered at



the finalist fielddays. The Ahuwhenua Trophy is a very high profile, prestigious event with huge mana bestowed on the finalists and the overall winner. Both Ahuwhenua and the Ballance Farm Environment Awards (BFEA) showcase the commitment and mahi of generations of kaitiaki.

We know our shareholders care deeply for their animals and that strategic feed in a changing climatic environment is key to success. With that in mind, another 12 nutrient specialists joined our Sheep & Beef training group this year, which aims to develop them into specialists of the physical and financial fundamentals of sheep & beef farm systems.

This year, like all sectors, the dairy sector has been dominated by inflationary cost pressures, predominantly from interest rates, fertiliser prices and fuel prices. This has led to farmers reducing their use

of nutrients to help manage their operating bottom-line. We decreased the price on key products to help mitigate the inflationary cost pressures customers were having on farm.

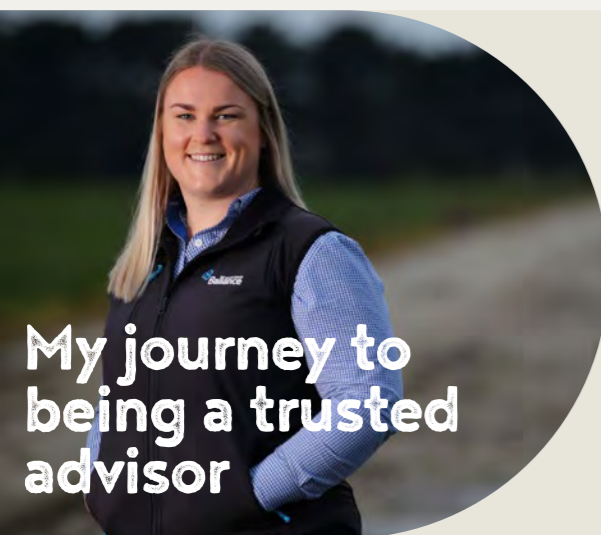
We continued to invest in both people and network upgrades in the growing horticulture and arable sector, especially in the Central South Island. We added an additional arable nutrient specialist to accommodate significant growth in both customers and volumes in the region, as well as continued our investment into our self serve silos.

After participating in the Ballance Sheep & Beef group, that broad picture has been broken down to understand how key parameters impact farming businesses.

I can now identify key drivers for their business to guide my conversation, engage closely with the farmer, and create value for them.

I've applied these learnings by having conversations that are topical to the time of year in which we meet. It's also pushed me to get out on-farm and be more hands-on and involved in their business, like pasture cover walks, body condition scoring etc.

My customers now see me as a trusted advisor and ask me questions that aren't necessarily related to fertiliser. They understand what impacts and benefits their fertiliser applications have on their whole farming business, rather than just being something that makes grass grow. My confidence to challenge my customers, has seen many review their initial decisions to not apply anything but instead look at the long-term big picture, and redistribute their spend to make more targeted applications that provide measurable benefits, rather than just convenience.



**My journey to being a trusted advisor**

## Rachael Hoogenboom, Ballance Sheep & Beef Group graduate

Prior to taking part in the Ballance Sheep & Beef group, my knowledge of the sector was very broad. I had a good understanding of the 'what' but not the 'why'.

## Leading the way in complete animal nutrition solutions

As our farmers face greater social and environmental accountability on farm, SealesWinslow's nutritional solutions provide value to our shareholders each year. Its range of compound feed and mineral products help farmers achieve greater production efficiencies and therefore a reduced nitrogen and carbon intensity of yield.

This year, SealesWinslow also became one of the first animal nutrition companies in New Zealand to join AgRecovery, a recycling scheme that allows farmers to recycle its 20kg and 25kg feed bags at

no cost. The initiative helps farmers reduce waste in order to meet dairy company requirements and environmental regulations and alone, could reduce up to 1 million bags from being buried or burned. SealesWinslow also engaged a new packaging supplier and new specifications to provide a lighter solution for its 20kg bags, reducing both the amount of plastic imported into New Zealand and transport emissions.



# A digital future in the cloud

Ballance is currently on a journey to move our IT systems to the cloud, to modernise and enable our IT strategic vision.

Last year, phase one of the programme was completed, which saw our core SAP system move to SAP Cloud, setting the foundation for phase two. This phase involves the technical upgrade of our Hybris technology, which has seen our system updated to the latest supported version and moved to the cloud, allowing a more agile way of working.



## The agility of the cloud system now means we can make the MyBallance customer journey even simpler.

### Mapping at your fingertips

Our geospatial team continue to make advances in mapping and we have collaborated with global companies to ensure the best mapping capabilities deliver greater accuracy and better decision making.

Our new Auto-Paddock Detection tool uses clever machine learning and geospatial smarts to make it much quicker and easier for a farm map to be created. The machine learning uses a new satellite imagery technique to identify paddock boundaries quickly, and then edits can be easily made before the map is made available for the customer to use in MyBallance.



### Digital support team

To help further with our digital tools, we have formed a dedicated group within our Customer Services team to provide support around MyBallance, mapping and submissions. The team are also proactively connecting with customers to help them get the most out of these tools.

### Nitrogen reporting

The new nitrogen limits reporting framework was launched this year and has been a learning journey for all involved – our customers and shareholders, ourselves, and regional councils. The industry has worked hard to collaborate and find solutions via the Ncap16 group.

With a clear reporting framework now agreed, we have invested in our Nitrogen Limit Management Tool to help our customers achieve their compliance goals inside the regulated timeframes and to try and make it as simple and easy as possible.

Recognising that nutrient reporting is time consuming for our customers, we collaborated with Fonterra to streamline data sharing for our joint customers. This allows those who opt-in to the data-sharing feature on MyBallance to automatically populate their end-of-season Farm Dairy Record reporting, saving them valuable time and allowing them to focus on what matters most – running their business.



View our Nitrogen Limit Management Tool

CASE STUDY

# Te Ata: The Dawn – Decarbonising



According to the UN Population Fund (UNFPA), the global population is expected to rise from 8 billion to 9.7 billion by 2050. This growing population will require an estimated 71% increase in global food production, despite growing constraints on productive land. Available arable land per person continues to decline (it decreased by 56% between 1960 and 2020).

New Zealand's food and fibre exports accounted for more than 81% of our GDP in the year ending June 2022. When we export our premium products, we are also removing nutrients from our system that need to be replaced, so there is no question that domestically produced fertiliser is therefore critical to New Zealand's contribution to a low emission domestic and global food supply.

Our ammonia-urea manufacturing facility in Kapuni, Taranaki, is dedicated to the domestic production of urea, and is a major provider of products to New Zealand's primary industry, transport, and wood processing sectors. The plant produces around 30% of New Zealand's nitrogen nutrient requirements.

Our Kapuni facility is a complex chemical manufacturing plant that currently relies on natural gas for feedstock, process heat, and plant operations. Many of New Zealand's hard-to-abate (energy-intensive) facilities are of strategic importance to our economy and our Kapuni facility is no exception. We believe supporting investment in solutions to transition hard-to-abate industries such as ammonia – urea manufacturing will provide New Zealanders with well-being, economic, and environmental benefits – do so while maintaining jobs in New Zealand is key, decarbonisation without deindustrialisation.

We have identified a two-phase decarbonisation pathway with the potential to abate over 90% of the CO<sub>2</sub>e emissions arising from day-to-day operation and manufacturing at the Kapuni facility (manufacturing emissions). Our ambition is to permanently remove more than ~190,000 tonnes per annum (tpa) carbon dioxide equivalent emissions (CO<sub>2</sub>e) out of New Zealand's national greenhouse gas inventory.

In addition, Ballance, as the second largest hydrogen producer (~28,000 tpa) in New Zealand, supports the transition of the high value oil and gas industry in Taranaki to a low carbon future, through its Te Ata project.

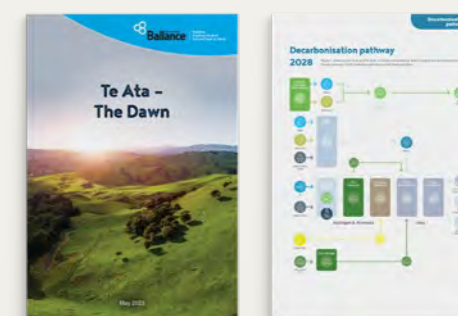
Our ambition through our Te Ata project:

- potentially avoid emissions leakage overseas of more than 300,000 tpa of CO<sub>2</sub>e, based on imported Saudi Arabia urea substitution.
- by 2040, materially transition from using gas to using electricity for manufacturing; and
- over two phases, invest around \$700+ million into New Zealand's low carbon future.

Te Ata is in addition to our joint venture with Hiringa Energy, which aims to use renewable energy to make green hydrogen for the heavy transport sector. Ballance can access green electricity and essentially underwrites Hiringa's hydrogen production while the hydrogen market is being established. Reducing emissions in heavy transport is another way Ballance can ensure we are leading and playing our part as a responsible member of the team of five million.



New Zealand's low emission primary production needs to be supported, while still reducing its carbon footprint, to minimise global emissions. Supporting innovation and greenhouse gas emissions reduction in the New Zealand primary sector is vital for the country to be able to achieve its emissions reduction commitments (net zero by 2050), and for global low emissions protein and food production. How to address agricultural issues through the lens of climate change and the urgent need to accelerate action around the Nationally Determined Contributions (NDCs) was reviewed at the 26th United Nations Climate Change Conference (COP26).



View Te Ata - The Dawn



View Te Ata Aide Memoir



# Sustainability

Guided by our purpose - "Together, creating the best soil and food on earth" - Ballance embraces a broad, ESG lens around sustainability. Our focus areas, where we seek to collaboratively create value now and for future generations, are outlined through four strategic pillars and underpinned by strong governance.

In 2023, we've developed an ESG Reporting framework to enable greater awareness, continuous improvement, and transparency of our business impacts across our value chain. We look forward to sharing relevant ESG reporting with our valued stakeholders in 2024.

*Gardner family dairy farm in Maihihi, Waikato*

# Green energy

Leading in sustainable energy with Kaitiakitanga front-of-mind.

## Kakariki Pūngaoa



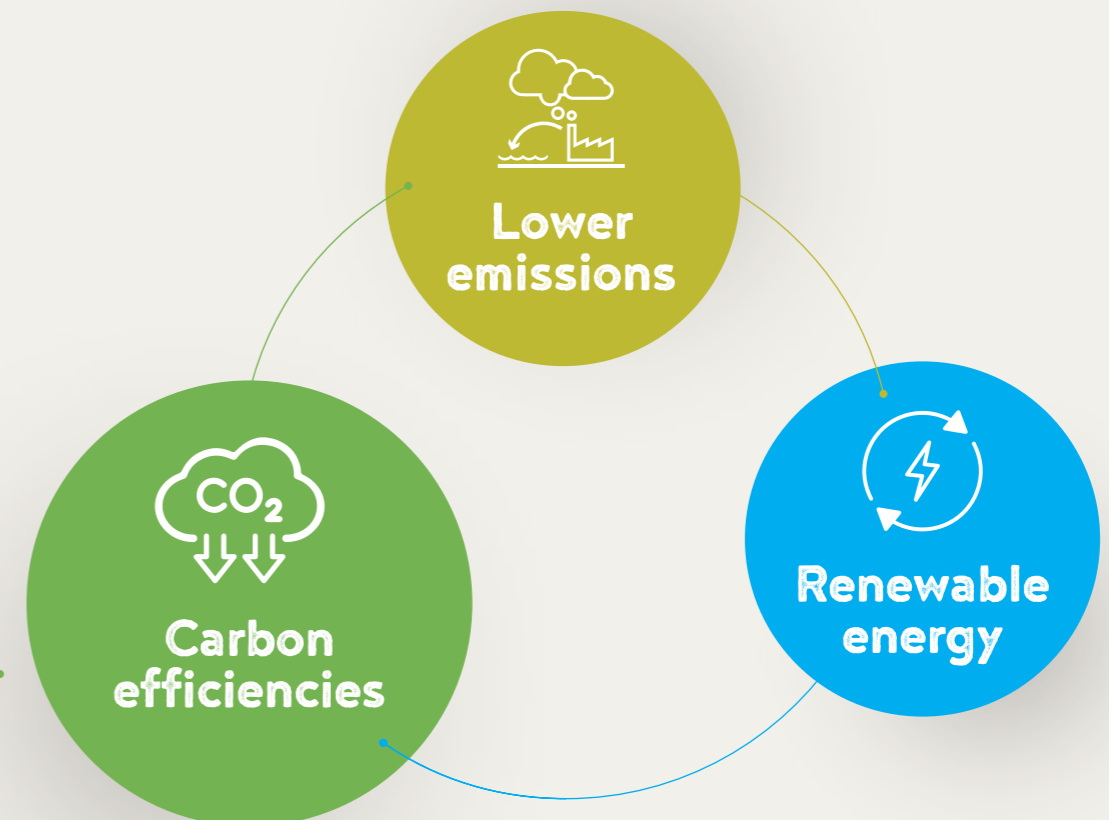
### Our activities/contribution

#### Ballance and Hiringa Energy: 'green' hydrogen initiative

Rationale	Where we've focused this year
Lower emissions nutrient manufacture	Our green hydrogen project with Hiringa Energy will produce greener nitrogen fertilisers with a low emissions profile.
Carbon efficiencies & opportunities for heavy transport	Our green hydrogen project will reduce carbon emissions in the transport sector, offsetting up to 12,000 tonnes of emissions.
Renewable energy	Sufficient renewable energy, produced as part of our hydrogen project, will supply our Kapuni site.

#### Decarbonising Kapuni

Rationale	Where we've focused this year
Lower emissions nutrient manufacture	As New Zealand's second largest producer of hydrogen, we are well positioned to help New Zealand reduce transport emissions.
Lower emissions farming and growing	Through staged investment in new and emerging technologies over the next 10 – 12 years, we believe there is an opportunity to remove up to 90% of our manufacturing emissions and contribute significantly to reduced on-farm and transport emissions. Phase one, the pathway is clear. Phase two is in the exploratory phase post the completion of Phase one.
Lower emissions heavy transport	



# Greener operations

Reducing the environmental footprint of our Ballance sites and operations.

## Kakariki Mahi



## Our activities/contribution

### Reducing our footprint

#### Rationale

Meaningful action towards adapting to climate change

#### Where we've focused this year

Focus on reduction in transport emissions: Another 40 trucking companies joined our M2X platform, optimising service delivery and associated emissions.

Operational leadership – monitoring data at our sites continues ahead of compliance.

Open and transparent operations – we continue to publish all site monitoring data and consents on our website.

We are developing plans to align with New Zealand targets for waste minimisation and management. We participate in a recycling scheme with AgRecovery, allowing us to recover more plastic from the environment. A Dust Management Review Programme has resulted in reduced dust levels at our Mount Maunganui site.

All sites monitor water discharges against consent limits with service centres operating a range of stormwater protection and treatment systems.

### Sustainable sourcing

#### Rationale

Open and transparent supply chain

#### Where we've focused this year

Our supplier code of conduct establishes clear expectations of all our suppliers, regarding their ethical, social, and environmental business responsibilities. Regular review and audit of sourcing to ensure compliance.

We also undertook in-person due diligence on new potential rock suppliers closer to New Zealand.

Meaningful action towards addressing climate change

Open and transparent supply chain

# Care for our people and communities

Supporting the well-being of our people and communities, enabling them to thrive and grow.

## Manaakitanga



In FY23  
**553**  
 of our people attended our flagship C.O.W.S 2.0 programme

## Our activities/contribution

### Thriving in a rapidly changing world

Rationale	Where we've focused this year
Well-being of our team	<p>We offer medical, health, or care insurance benefits to permanent full-time employees, some which extend to direct families.</p> <p>In 2022, 1,750 employees and their dependants were covered with our medical insurance provider and 4,700 claims valuing \$1.2m were paid.</p> <p>In FY23, 367 hours of support were provided through our Employee Assistance Programme (EAP). Mental Health First Aid Training workshops for people who can help others with mental health issues and/or crisis.</p> <p>In FY23, 553 members of our staff attended our flagship C.O.W.S (Care, Ownership, Well-being, Safety) 2.0 programme, an internal programme that ensures we maintain a humanistic culture where the whole human is at the core.</p> <p>We contributed \$82,200 to our local communities as part of our Safety Cross programme.</p>
Well-being of Kiwi communities	<p>We continue to support mental health initiatives like 'Surfing for Farmers', which saw 28 regional events held throughout the summer, attracting 800 rural participants. We initiated "Rural Riders" mountain biking events in six locations with nearly 1,500 participants.</p> <p>2,400 students received hands-on learning around sustainable land management and biodiversity enhancement, as part of our partnership with Bay Conservation Alliance.</p> <p>We produce Hydrofluorosilicic Acid (HFA), which is used in the fluoridation of drinking water, protecting the teeth of future generations.</p> <p>Our Weather Relief Fund included a \$1 million donation to the Rural Support Trust (RST) to help those recovering from severe weather events. Our science and innovation teams will continue to provide on-the-ground support in the long-term.</p>
Unleashing potential	<p>Recognising a changing business landscape and the diverse needs of our people, our Futurework Leadership programme aims to find new ways of thinking, leading and working.</p> <p>We continue to invest in our people to support promotion from within.</p> <p>We ran 15 different development programmes equating to over 900 hours of training. This is an investment in our future capability of over \$1 million.</p> <p>We supported educational initiatives, like STEM festivals and Young Enterprise New Zealand Challenge Days, to inspire students with an interest in STEM subjects.</p> <p>Another nine people graduated from our Ballance Internship Programme, and we offered four new scholarships to promising students studying agribusiness.</p>
Recognising contribution	<p>We are committed to paying equal pay for work of equal value and conduct annual reviews to work towards eliminating differences.</p> <p>We are proud to pay all employees the living wage or greater.</p>
Inclusivity & diversity – reflecting a changing New Zealand	<p>800 employees were invited to participate in our Strategy to 800 workshops, sharing our strategy built from the ground up and refreshing it with current team members.</p> <p>Our Diversity &amp; Inclusion (D&amp;I) Policy is focused on well-being, flexible working, and understanding and minimising bias. 40 of our top leaders have attended D&amp;I training.</p> <p>We have worked with 180 members of our supply chain to improve inclusivity for our female colleagues.</p> <p>Females make up 29% of our senior lead team and 52% of our sales team.</p> <p>We continue our 12-year partnership with the Dairy Women's Network, providing opportunities, connections, and development for women in the dairy industry.</p> <p>We are developing our understanding of Māori agribusiness and te taiao to better serve our customers in this sector. We hold regular wānanga with Māori land entities to share learnings of the application of Mātauranga Māori tradition according to Tikanga Māori practices.</p>

# Ballance with Nature

Helping farmers and growers reduce their environmental footprint whilst caring for our unique natural resources.

## *Kaitiakitanga*

## Our activities/contribution



### Rationale

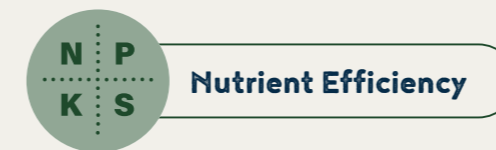
Healthy soil is key to productive, sustainable growth

### Where we've focused this year

Our healthy soil programme helps farmers and growers look after the physical, chemical, and biological health of their soil.

1,400 Soil Health Checks have been requested since launch last year, exceeding our predicted uptake for the first year.

We have developed a booklet on soil health in Te Reo to recognise the connection of soil health with Mātauranga Māori.



### Rationale

Optimising nutrient use whilst avoiding nutrient loss

### Where we've focused this year

The MyBallance mobile app allows customers to conveniently manage their farm's nutrients 24/7. Features like the Nitrogen Limit Management Tool help make applications more targeted.

My Pasture Planner helps farmers optimise nitrogen use within a regulatory framework.

Super Air fleet with SpreadSmart® technology ensures 'right place' aerial application, protecting sensitive areas and reducing nutrient use by up to 17%.



### Rationale

Help preserve and restore native flora and fauna

### Where we've focused this year

Biodiversity is an integral part of Farm Environment Plans developed by our Farm Sustainability Services team.



### Rationale

Mindful use of our natural resources

### Where we've focused this year

Support of on-farm practices from nutrient cycling to waste reduction, to reduce emissions and loss.

This year saw 150% more Farm Environment Plans developed, 140% more mitigation scenarios using MitAgator® and three times as many risk maps, as farmers seek to address potential contaminant losses.



Projected benefits of  
**\$2.1b**  
 to New Zealand farmers by 2030

Gardner family dairy farm in Maihihi, Waikato

## Our activities/contribution

### Cleaner Air

Rationale	Where we've focused this year
Understanding and reducing emissions	<p>Sustain<sup>®</sup> &amp; PastureSure<sup>®</sup> enable farmers and growers to reduce gaseous emissions from volatilisation.</p> <p>SuperN<sup>®</sup> is a blendable nitrogen product that creates 22% less emissions than DAP* ** during production.</p> <p>Our Kapuni plant produces GoClear<sup>®</sup> to reduce emissions from diesel engines in the motor and marine industries. We currently produce ~50% of New Zealand's requirements.</p> <p><small>*DAP emissions include ammonium nitrate production. **Source: Independent product comparison of the greenhouse gas footprint for Ballance sourced DAP and Ballance manufactured SSP.</small></p>

### Healthy Water

Rationale	Where we've focused this year
Protecting our precious waterways	<p>SurePhos<sup>®</sup> reduces phosphate loss to waterways by up to 75%**.</p> <p>My Pasture Planner and Sustain<sup>®</sup> nitrogen tools, along with Farm Sustainability Services and Science Extension resources, help farmers to navigate Essential Freshwater Policy.</p> <p>SpreadSmart<sup>®</sup> and geospatial mapping identify exclusion zones for Super Air customers.</p> <p><small>**Relative to superphosphate products.</small></p>

### Animal Care

Rationale	Where we've focused this year
Optimal animal care	<p>SealesWinslow<sup>®</sup> has worked alongside farmers to develop products that deliver key nutrients to dairy cattle to meet their specific needs through seasonal changes.</p>

## Innovation to create sustainable solutions

Rationale	Where we've focused this year
We use clever science and innovation to lead the way to a sustainable future	<p>13 projects are underway to help farmers reduce emissions and greenhouse gases as part of our Future Ready Farms project, partly funded by Government. Projected benefits are \$2.1 billion to New Zealand farmers by 2030.</p> <p>Our world-leading slow release phosphate fertiliser, SurePhos<sup>®</sup>, is now available in the South Island. Our production of superphosphate not only employs more New Zealanders but has a better environmental footprint than other products such as DAP.</p> <p>BallanceEx delivers thought-leadership that helps farmers address environmental issues while sharing our clever science and knowledge of our pre-eminent thinkers and creators. The 2023 BallanceEx Dinner Series was held in eight events throughout the country, the largest in Te Awamutu with over 160 attendees.</p> <p>We added two more self serve silos to our network, allowing 24/7 access to nutrients. We are servicing 20% of customers' needs after hours, with the silos proving popular among arable customers in growth regions.</p>

# Financial information

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*Community planting day at Wright family dairy farm in Tapanui, Northland*

## Consolidated Income Statement

FOR THE YEAR ENDED 31 MAY 2023. BALLANCE AGRI-NUTRIENTS LIMITED AND SUBSIDIARY COMPANIES

	GROUP 2023 \$000	GROUP 2022 \$000
<b>Revenue before rebate</b>	<b>1,222,337</b>	1,195,308
Rebates to shareholders	-	(36,522)
<b>Revenue after rebate</b>	<b>1,222,337</b>	<b>1,158,786</b>
Cost of sales	<b>(982,925)</b>	(926,453)
<b>Gross profit</b>	<b>239,412</b>	<b>232,333</b>
Other operating income	25,044	20,768
Sales, marketing and distribution expenses	<b>(101,918)</b>	(89,994)
Administrative expenses	<b>(84,651)</b>	(71,718)
Other operating expenses	<b>(11,257)</b>	(6,993)
Net financing costs	<b>(20,093)</b>	(8,799)
Share of (loss) / profit from equity accounted investments	<b>(88)</b>	(12)
<b>Profit before tax</b>	<b>46,449</b>	75,585
Income tax (expense)/benefit	<b>(11,554)</b>	(19,738)
<b>Profit for the year</b>	<b>34,895</b>	<b>55,847</b>
<b>Non GAAP supplementary note:</b>		
<b>Profit before tax</b>	<b>46,449</b>	75,585
<i>Add back:</i>		
<b>Rebates to shareholders</b>	-	36,522
<b>Adjusted profit before rebate and tax</b>	<b>46,449</b>	<b>112,107</b>

Profit before rebate and tax is an important profit measure of the Group that Directors use to monitor financial performance. The profit before rebate and tax is also one of the factors Directors consider when determining the amount of the discretionary rebate payable to shareholder customers.

## Summarised Consolidated Statement of Cash Flows

FOR THE YEAR ENDED 31 MAY 2023. BALLANCE AGRI-NUTRIENTS LIMITED AND SUBSIDIARY COMPANIES

	GROUP 2023 \$000	GROUP 2022 \$000
<b>Net cash flow from operating activities</b>	<b>68,095</b>	(55,459)
<b>Net cash flow from investing activities</b>	<b>(72,912)</b>	(91,591)
<b>Net cash flow from financing activities</b>	<b>86</b>	132,853
<b>Net movement in cash and cash equivalents</b>	<b>(4,731)</b>	(14,197)
Cash and cash equivalents at 1 June	7,471	21,668
<b>Cash and cash equivalents at 31 May</b>	<b>2,740</b>	7,471

## Consolidated Balance Sheet

AS AT 31 MAY 2023. BALLANCE AGRI-NUTRIENTS LIMITED AND SUBSIDIARY COMPANIES

	GROUP 2023 \$000	GROUP 2022 \$000
<b>Current assets</b>		
Cash and cash equivalents	2,740	7,471
Trade and other receivables	83,803	161,913
Prepayments	17,571	14,197
Inventories	349,717	317,741
Derivative assets	13,032	17,463
Intangible assets	14,249	13,320
Assets held for sale	32,810	7,381
<b>Total current assets</b>	<b>513,922</b>	<b>539,486</b>
<b>Non-current assets</b>		
Investments in equity accounted investees	401	114
Deferred tax assets	15,720	-
Property, plant and equipment	401,620	391,659
Lease assets	30,555	35,819
Intangible assets	55,543	51,952
Prepayments	5,670	5,908
<b>Total non-current assets</b>	<b>509,509</b>	<b>485,452</b>
<b>Total assets</b>	<b>1,023,431</b>	<b>1,024,938</b>
<b>Current liabilities</b>		
Trade and other payables	134,124	167,274
Loans and borrowings	248,000	226,000
Derivative liabilities	374	330
Rebate payable	-	27,300
Provisions	688	964
Lease liabilities	8,944	9,507
Income tax payable	29,651	11,472
<b>Total current liabilities</b>	<b>421,781</b>	<b>442,847</b>
<b>Non-current liabilities</b>		
Provisions	10,203	7,129
Lease liabilities	23,189	27,741
Deferred tax liabilities	-	490
<b>Total non-current liabilities</b>	<b>33,392</b>	<b>35,360</b>
<b>Total equity</b>	<b>568,258</b>	<b>546,731</b>
<b>Total equity and liabilities</b>	<b>1,023,431</b>	<b>1,024,938</b>



**DJ Coull**  
Chairman of Directors  
26 July 2023



**SD Robertson**  
Director  
26 July 2023

The Board of Directors of Ballance Agri-Nutrients Limited authorised this Financial Highlights review on 26 July 2023



## Trend Information

FOR THE YEAR ENDED AND AS AT 31 MAY 2023. BALLANCE AGRI-NUTRIENTS LIMITED AND SUBSIDIARY COMPANIES

		2023	2022
Group sales volumes	Tonnes	1,260,000	1,583,000
Revenue per tonne	\$/tonne	970	755
Adjusted profit before rebate and tax	\$000	46,449	112,107
	\$/tonne	36.86	70.82
Rebate per tonne	\$/tonne	-	30
Group equity ratio		55.5%	53.3%
Stock turn		2.7	3.8
Capital and investment expenditure - net	\$000	72,912	91,591
Number of shareholders		16,804	17,098
Shares on issue	000's	45,276	45,624
Nominal value per share		\$8.10	\$8.10
Share quota per tonne		30	30
Investment per quota tonne	\$/tonne	243	243
Net asset backing per share		\$12.55	\$11.98

The summary financial information has been derived from, and should be read in conjunction with, the Ballance Agri-Nutrients Limited annual consolidated financial statements (the "full financial statements"). The full financial statements, approved by the Board of Directors on 26 July 2023, are available at [www.ballance.co.nz](http://www.ballance.co.nz). The accounting policies used in these financial statements are included in the notes to the full financial statements.

The full financial statements have been prepared in accordance with and comply with International Financial Reporting Standards, as appropriate for profit-orientated entities. The full financial statements have been audited by KPMG and an unqualified opinion given. The summary financial information cannot be expected to provide as complete an understanding as provided in the full financial statements.

## Directory

### BALLANCE AGRI-NUTRIENTS LIMITED

#### Board of Directors

Duncan Coull – Chairman and Director (North Island)

Dacey Balle – Director (North Island)

Albert Brantley – Appointed Director

Olivia Buckley – Associate Director

Dani Darke – Director (North Island)

Cameron Henderson – Director (South Island)

Michele Kernahan – Appointed Director

Andrew Morrison – Director (South Island)

Simon Robertson – Appointed Director

Sarah von Dadelnszen – Director (North Island)

#### REGISTERED OFFICE

161 Hewletts Road, Mount Maunganui

#### SOLICITORS

Russell McVeagh

PO Box 8, Auckland

Sharp Tudhope

Private Bag TG12020, Tauranga

#### BANKERS

ANZ Bank New Zealand Limited

Bank of China (New Zealand) Limited

Commonwealth Bank of Australia

Hong Kong and Shanghai Banking Corporation Limited

Rabobank New Zealand

Westpac Banking Corporation

#### AUDITOR

KPMG

PO Box 110, Tauranga

### LEADERSHIP TEAM

Mark Wynne – Chief Executive Officer

Shane Dufaur – GM Operations & Supply Chain

David Healy – Chief Digital Officer

Sheena Henderson – GM Customer Experience & Marketing

Jason Minkhorst – GM Sales

Jacqueline Rich – GM People & Capability

Matt Skilton – Chief Financial Officer

### BALLANCE AGRI-NUTRIENTS LIMITED – HEAD OFFICE

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Email [Invercargill.reception@ballance.co.nz](mailto:Invercargill.reception@ballance.co.nz)

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Phone 0800 287 325

Email [sales@sealeswinslow.co.nz](mailto:sales@sealeswinslow.co.nz)

Website [www.sealeswinslow.co.nz](http://www.sealeswinslow.co.nz)

### SUPER AIR LIMITED

Rukuhia, RD2, Hamilton

Phone 07 843 6066

Email [reception@superair.co.nz](mailto:reception@superair.co.nz)



Scott family, Whiritoa Orchard, Te Teko, Bay of Plenty