

Sustainability Update

Financial Year 2026

(April 2025 - March 2026)



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From Our Chief Executive

Last year, we released our first ever sustainability update, and the enthusiasm and feedback we received has been heartening. It's encouraging to see the interest from our clients, vendors, and stakeholders in our journey.

Over the past year, we have made substantial progress. We've launched projects aimed at reducing our carbon footprint, enhancing renewable energy usage, and promoting sustainable practices across the board.

I believe this marks a key moment in our journey, as we continue to strive for excellence and make a real difference.

In this update, we'll outline the status of each goal, highlight key achievements (as well as hard-won lessons), and set out where we are taking our programme.

I hope you enjoy reading this update and I thank you for your support and engagement.



Greg Managh
Online Distribution - Chief Executive



Executive Summary

Following our FY25 review, we reduced the number of strategic goals from 27 to 15.

We learned that, while all 27 goals had merit, trying to progress too many priorities at once spread our efforts and made it challenging to deliver some results. For FY26, we chose to be more deliberate about where we invested our time, energy and resources.

The 15 goals remained organised across our three core pillars (People & Community, Planet and Business) but gave us a sharper focus on the outcomes that matter most. The intent was simple: focus on fewer things, do them well, and make a real difference.

We made excellent progress across our FY26 goals, achieving 11 of the 15 outright. One, our annual health and safety goal, was substantially achieved, with four of its five sub-goals met.

While the remaining three were not achieved outright, progress was made and valuable insights were gained.

This update highlights our successes as well as lessons we have taken from areas where goals have proved challenging to achieve.

For FY27 and beyond, we also recognise that some goals need more than a 12 month window to be achieved. Where that is the case, we will set longer-term goals.

This will give us a practical balance between sustained long-term progress and the actions we need to deliver each year.



FY26 Results Summary

People & Community	Result	Planet	Result	Business	Result
Annual Health & Safety goals achieved.	Majority Achieved 4/5 Sub goals achieved	Maintain a combined 20% reduction in Scope 1 & 2 GHG emissions.	Achieved (0.0048 CO ₂ e p/SQM - Goal of 0.0058 or less)	Maintain 65% or higher favourable response to internal survey question regarding our commitment to sustainability.	Achieved 75%
Maintain an eNPS score that exceeds the industry average.	Achieved eNPS of 14 (Industry average of 12)	Assess vendors for continued adherence to our Vendor Code of Conduct.	Achieved Vendor Code of Conduct programme underway	Provide an initial 6 months of 3PL services at cost for 1-2 sustainability focused start-ups.	Achieved 8 months provided
All new operations employees complete Level 1 & 2 operational / H&S training modules within 3 months of start date.	Progress Made Systems review in progress	Generate enough renewable energy to power 65% of our electric MHE fleet.	Progress Made 56.12% powered by renewable energy.	Maintain NPS score at least 30 points higher than industry average.	Achieved 63.45 (Industry average of 28)
Donate no less than 1.0% of EBIT to charities & local community initiatives.	Achieved 1.05% donated	Develop and maintain a client engagement programme with measurements to focus on emission reduction.	Achieved Programme in progress	Develop and publish carbon intensity baselines for customer shipments.	Achieved (Data sent to eligible clients)
Establish and maintain a relationship with an educational institution, providing ongoing support.	Achieved MOU with Lincoln University signed	Reduce the percentage of our waste sent to landfill by 50%	Progress Made 33.53% (23.98% or less required)	Maintain client retention rate of 97% or more.	Achieved (100%)



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People & Community

A

Goal: Establish and maintain a relationship with an educational institution, providing ongoing support

For more than two decades, we have welcomed students and graduates from Lincoln University into our business, with many going on to build rewarding careers in logistics.

In FY26, we formalised this long-standing relationship through a Memorandum of Understanding, recognising Online Distribution as an industry partner and preferred employer.

Talented graduates bring fresh thinking, new ideas and different perspectives that challenge us and strengthen our capability across our business.

In return, our people will continue to contribute guest lectures and provide expert industry input into course content, helping students better understand the realities of modern logistics.

A

Goal: Maintain an eNPS score that exceeds the industry average

This year, we achieved our goal of maintaining an employee net promoter score (14) above the industry average (12), a result we attribute to sustained investment in the wellbeing and support of our team.

That investment shows up in practical ways: free life insurance and access to discounted medical cover, negotiated staff discounts, free entry to local wellness events, and confidential counselling for personal, career, and financial support.

However, what we are most proud of is our safety culture. We've worked extremely hard to create an environment where our staff are "Safe Today, Safer Tomorrow" and where the safety and wellbeing of our people is always our foremost concern.

General Manager Commercial Guy Evans (L) with Lincoln University Vice-Chancellor Prof. Grant Edwards (R) signing our Memorandum of Understanding

P

Goal: All new operations employees complete Level 1 & 2 operational / H&S training modules within 3 months of start date

With some course completion falling outside of our specified timeframe in FY26, we fell short of this goal. However, we did make valuable progress while identifying key barriers (and how we plan to address them).

We are implementing a review of our training software and structured completion schedules to ensure teams have the support needed to meet this target.



People & Community

M

Goal: Annual Health & Safety goals achieved

In FY26 we had five Health & Safety sub-goals, four of which we achieved outright. The below goal was not achieved:

Achieve 0% Unfavourable or Strongly Unfavourable responses in Officevibe to the statement: “I feel physically safe where I am working.”

Achieving this target requires every single employee to register a non-negative response to a safety related question. It is a high bar, and that is exactly why we set it.

Because the safety of our people is always our top priority, we work continuously to ensure every team member is not only safe at work, but feels safe at work too.

We are committed to achieving this goal through FY27 and beyond.

See appendix 1 for a summary of these sub-goals

A

Goal: Donate no less than 1.0% of EBIT to charities & local community initiatives

Giving back to our communities is core to who we are. In FY26, our contributions exceeded 1.0% of EBIT through charitable partnerships, in-kind support, and local community initiatives.

Core to this program is our ongoing support for Big Brothers Big Sisters and the Mental Health Foundation, two organisations doing vital work in our communities.

Big Brothers Big Sisters is a mentorship programme that connects young people with caring adult role models, offering guidance, support, and encouragement to help children build confidence, develop life skills, and reach their full potential.

The Mental Health Foundation of New Zealand promotes wellbeing by providing resources, advocacy, and support to help foster positive mental health and resilience.

As an official supporter of the Mental Health Foundation, Online Distribution and our employees actively contribute funding across key campaigns. This year, we were proud to serve as the official matching partner for the Push-Up Challenge - matching community donations of \$20,000.

We also contributed to Coast Guard New Zealand, The Morgans Valley Bush & Bird Regeneration Project, as well as various local groups and organisations.

Beyond financial contributions, we partnered with the Auckland City Mission and Christchurch City Mission to donate surplus client stock to families in need.



Planet

A

Goal: Maintain a combined 20% reduction in Scope 1 & 2 GHG emissions

Scope 1 and 2 emissions come from the electricity, natural gas and fuel we use to power our fulfilment centres, offices, forklift fleet and company cars.

Through fleet electrification, hybrid vehicles, energy-efficient buildings, and smarter energy use, we have kept our Scope 1 and 2 emissions (p/SQM) at least 20% below FY20 levels.

In fact, relative to our growth in activity and revenue, our emissions have decreased by more than 60%!

See appendix 2 for a breakdown of our baseline year and the last three years.

P

Goal: Reduce the percentage of our waste sent to landfill by 50%

We've seen real and encouraging results in landfill waste reduction, in what is arguably our most ambitious goal.

We've worked hard with clients, vendors and internally across our teams to ensure we are minimising the amount of waste we send to landfill, and we are already seeing the benefits. FY26 saw our largest ever single year reduction in waste to landfill, down 15% on FY25.

We diverted nearly 11 tonnes of client product from landfill by working with clients and local charities to give these goods a second life. We also expanded our workplace recycling streams - introducing new collection channels for items like old uniforms and printer toners.

See appendix 3 for a breakdown of our baseline year and the last three years.

A

Goal: Develop and maintain a client engagement programme with measurements to focus on emission reduction.

In FY26 we partnered with clients to develop programmes focused on making their logistics operations more sustainable.

We're starting small, with waste diversion and reduction, and will expand into broader supply chain advisory - helping clients to optimise storage and transport efficiency.

Additionally, we provide clients with sustainable choices across stock disposal, freight services, and general operations to help reduce their overall environmental impact.



Planet

A

Goal: Assess vendors for continued adherence to our Vendor Code of Conduct

Developed in collaboration with our vendors, our new Vendor Code of Conduct establishes a clear framework for how our teams and vendors interact.

While our vendor relationships have always been positive, this document adds formal accountability and a process for resolving any issues that arise in the normal course of business.

Now approved and distributed to existing vendors, the code of conduct will be a requirement for all new vendors moving forward.

P

Goal: Generate enough renewable energy to power 65% of our electric MHE fleet

With 85+ forklifts and other material handling equipment (MHE), this fleet is one of our largest energy consumers and a critical part of our operations. In FY26, we powered approximately 56.12% of our MHE with our solar generated power.

After detailed feasibility studies, we determined that powering 65% of the fleet with renewable energy requires a longer deployment timeline. Consequently, we have aligned this target with our broader strategic roadmap, extending the target completion date to FY30.

While our primary focus is retrofitting existing facilities with solar power, we continue to evaluate additional renewable energy solutions.

See appendix 4 for a breakdown of energy generated in FY26



Business

A

Goal: Maintain 65% or higher favourable response to internal survey question regarding our commitment to sustainability

Engaging our people on sustainability matters to us, and it is what makes the goals in this update achievable.

Making sure our people are aware of the effort we are making gives them the chance to have their input on our actions and decisions.

We achieved this goal with a score of 75%.

A

Goal: Provide an initial 6 months of 3PL services at cost for 1-2 sustainability focused start-ups

We've partnered with oVRcome, a Christchurch-based startup specialising in virtual reality technology to enhance mental health treatment.

We look forward to building on this partnership and supporting their ongoing growth and successful outcomes.

A

Goal: Develop and publish carbon intensity baselines for customer shipments

This financial year we started providing reports for select clients on their freight-related carbon generation.

We have also developed a collection and allocation methodology which enables us to provide carbon generation estimates to eligible clients, and we are providing this data to them on a quarterly basis.



Business

A

Goal: Maintain NPS score at least 30 points higher than industry average

At Online Distribution, we realise that our clients are at the heart of everything we do. Their success is our success. That's why it's incredibly important to us that our clients experience real benefits from our services.

We measure client sentiment using Net Promoter Score, which asks clients how likely they are to recommend us on a scale of 0 to 10. Promoters (9–10) minus detractors (0–6) gives the score, on a range of -100 to +100.

Our average FY26 NPS was 63.45, against an industry average of 28, as measured by Perceptive in 2025 under their Freight & Logistics industry category.

A

Goal: Maintain client retention rate of 97% or more

Complementing our NPS score, protecting long-term client relationships remains a top priority.

While cost control is top of mind for most businesses, we focus on delivering high-value logistics services at competitive rates.

A 100% retention rate in today's competitive logistics sector is an achievement, one we are very proud of.



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Our Lessons

Centralised Systems Drive Results

Following FY25, we centralised our sustainability governance under a dedicated lead who coordinates cross-functional teams to execute our goals. This shift has proven to be successful.

Additionally, we identified a clear link between meeting our targets and using specialised software tools.

Implementing targeted, well scoped software will remain key to achieving our sustainability goals moving forward.

Clear Demand from Stakeholders

We've learned - and continue to learn - a great deal on our sustainability journey. One thing is clear: Demand for sustainability-focused operations is growing fast.

This is reflected in our own data: we fielded more requests for sustainability related reporting in FY26 than in all prior years combined.

From carbon emissions to waste diversion, our clients are requesting detailed data every day, and we are proud to have built the robust capabilities required to report on these vital metrics.

Keeping the Momentum

We're proud of what we have accomplished so far, but we know our journey is far from over. We still have targets to reach and new ambitions to introduce.

Fortunately, the essential groundwork is largely complete. Looking ahead, our focus is on maintaining this momentum and reliably meeting our goals - both year to year and over the longer strategic period.



FY27+ Framework

 People & Community				 Planet		 Business		
Employee Health, Safety & Wellbeing	Employee Engagement	Community Engagement	Environmental Impact	Supply Chain Engagement	Climate Impact	Storytelling	Leveraging Capabilities	Client Experience
Annual Health & Safety goals achieved.	Maintain an eNPS score that exceeds the industry average.	Donate no less than 1.0% of EBIT to charities & local community initiatives.	Reduce the percentage of our waste sent to landfill by 50%.	Assess vendors for continued adherence to our Vendor Code of Conduct.	Generate enough renewable energy to power 65% of our electric MHE fleet.	Maintain 65% or higher favourable response to internal survey question regarding our commitment to sustainability.	Provide an initial 6 months of 3PL services at cost for 1-2 sustainability focused start-ups.	Maintain NPS score at least 30 points higher than industry average.
Annual Goal Strategic Period Goal	All new operations employees complete Level 1 & 2 operational / H&S training modules within 3 months of start date.	Establish and maintain a relationship with an educational institution, providing ongoing support.		Maintain our client engagement programme.	Maintain a combined 20% reduction in Scope 1 & 2 GHG emissions.		Publish carbon intensity baselines for customer shipments.	Maintain client retention rate of 97% or more.



Closing Words

Reading through this update, what stands out to me most is how inseparable sustainability and commercial performance have become.

Our clients and partners increasingly expect this from us and meeting that expectation has strengthened relationships across our vendor and customer networks.

Over the past year, our commercial teams have worked closely with vendors and partners to embed more sustainable practices into how we source, deliver, and do business day to day.

I'm proud of how our teams and partners have collaborated to achieve real progress.

Looking ahead, I see sustainability as a genuine commercial advantage, rather than a compliance exercise.

As we build on the goals set out in this update, we'll keep working to make sustainable practice a shared industry standard.

Thank you to everyone across our networks who has contributed to this progress and thank you for your continued partnership as we take the next steps together.



Guy Evans
General Manager - Commercial



Our Partners

Community Engagement



Major Freight Providers



Major Goods & Service Providers



Carbon Reduction



McHugh & Shaw.

“Online Distribution is leading the way with a genuine commitment to sustainability. Their focus on reducing environmental impact is clear through practical efforts, from optimising supply chain efficiencies to minimising waste... it’s refreshing to see a company actively putting sustainability front & centre, striving to make a meaningful difference.”

- Allan Birch Strategy Director, Tadpole



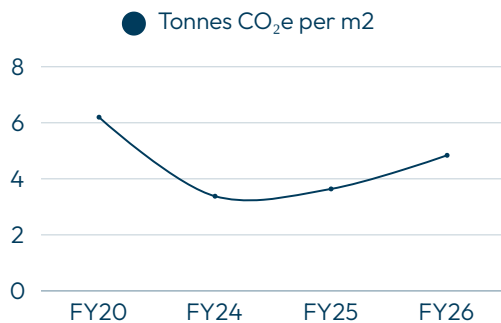
Appendix

1 (FY26 Health & Safety Goals)

Sub Goal

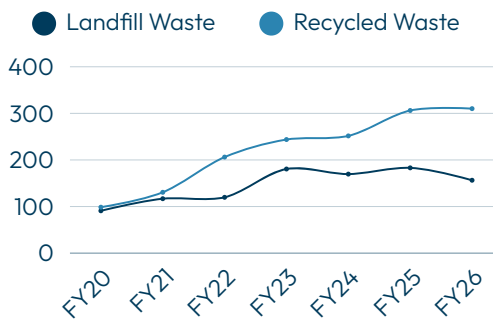
	Status
Achieve and maintain a rolling 12-month average score of >7.5 in Wellness in OfficeVibe.	Achieved
Each site to achieve or better 12 reported health and safety improvements.	Achieved
Each campus to perform CPR and Defibrillator training annually.	Achieved
Create and implement a container devanning procedure to achieve compliance and ensure the health & safety of involved personnel is maintained.	Achieved
Achieve 0% Unfavourable/Strongly Unfavourable in OfficeVibe for the question "I feel physically safe where I am working".	Progress Made

2 (Scope 1 & 2 Emissions)

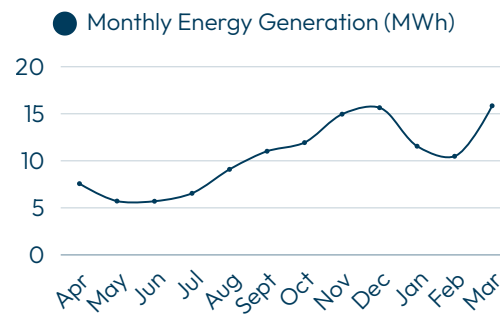


(Data not available FY21-23)

3 (Waste to Landfill)



4 (Renewable Energy Generation FY26)



Queries can be directed to info@onlinedistribution.co.nz.

This update has been prepared using information and data sourced from internal and external sources, including estimates and third-party information where applicable. While every reasonable effort has been made to ensure accuracy, Online Distribution accepts no liability for decisions or actions taken in reliance on the information contained in this update.

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