

# OUR PEOPLE

**Create a dynamic purpose-driven organisation that is the best place to work, with a high-performance, agile culture focused on the health, safety and wellbeing of our people.**

Our initiatives for our people focus on three commitments:

- Be the best place to work
- Build a strong and effective high-performance and agile culture that gets everyone home healthy and safe at the end of their day
- Preparing our people for the future of work.

**Be the best place to work**

In 2021, as part of our commitment to be the best place to work we launched initiatives to accelerate the development of our people, speed up innovation, expand capabilities, increase productivity, improve the attraction and retention of key talent, and boost real time reskilling/upskilling.

These initiatives included launching a new digital onboarding programme across all our brands for Store Support Office (SSO) roles and we are now refreshing our store onboarding programme.

For our SSO teams we developed agile contribution models for our key functional areas to define future career development and ensure gender pay equity. These contribution models will be supported by agile craft academies we are currently developing. We also embedded performance and remuneration models which align with the contribution model. In addition, we launched a new performance and development process for our SSO team members and are launching new performance and development processes throughout our stores.

We have made significant progress this year in creating learning pathways for all team members to embed streamlined skills development that can be easily transferred between our brands. These include an agile learning pathway to help our team members' transition to our new ways of working.

We implemented an open online learning platform provided by Udemy for Business. This offers over 6,000 digital courses and is available to our SSO team members, Store Leads, Distribution Centre (DC) Leads, and staff in our overseas offices. We also had 34 team members participate in our Toastmasters International Programme which aims to improve confidence, communication, public speaking and leadership skills.

Our Store Leadership Programmes launched last year develop our existing and emerging store leaders and prepare them for tomorrow. Our Group-wide, multi-brand, online Store Learning Pathways streamline learning to ensure the transferability of skills and retail fundamentals including Onboarding (Group and brand specific), Retail 101, Retail Speciality, Customer and Product, Self-development, Managing your Store, and People Leadership.

Our NZ Future Skills Fund (NZFSF) is offered to all exiting team members to enable them to study any programme of work in which they would like to upskill to make them more employable in the future, providing training and reskilling after leaving the Group. Transition assistance programmes are provided to facilitate continued employability and the management of careers for team members whose positions have ended due to retirement or termination of employment.

During the year we communicated our Group anti-corruption policies and procedures to the executive leadership team (ELS) and all our SSO team members, making up 11% of our total employees. We also rolled out employee anti-corruption training programmes for the ELS and all our SSO team members, including privacy, consumer protection and unfair business conduct, fraud awareness, anti-bribery and corruption, insider trading and other related topics.

A total of 156,000 hours has been spent on training our team members during FY21. This equates to approximately 11.7 hours training per person per year and covers a range of programmes that upgrade our current team members as well as transition assistance programmes.

Due to improvements in our onboarding process, we have reduced the numbers of average days to fill roles to 37 days in FY21, compared to 41 days in FY20 and against our target of 60 days.

We are proud of our retail wage commitment - entitling employees at The Warehouse, Warehouse Stationery and Noel Leeming with at least a year's worth of service to receive a minimum of \$21.15 an hour, compared to New Zealand's minimum wage of \$20.00. All our store staff are entitled to the same retail wage commitment, regardless of gender. At present 15% of our employees/contractors are covered by collective agreements.

Supporting our people during times of need is very important to

**Be the best place to work**



**+17** ↑

**Employee Net Promoter Score (eNPS) (Aug 2021)**

FY20: +11 (Aug 2020)

Against our target of 40 by 2025

**32** ↑

**Female senior leaders (44.4% of senior leadership roles)**

FY20: 27 (39% of senior leadership roles)

Against our target of women in senior leadership roles of 50% by 2025

**89.0%** ↑

**Gender pay equity**

FY20: 88.0%

Against our target of 100% gender pay equity by 2022

## Health and Safety



**34.5%** ↓

**Severity 1 frequency rate reduced**

**FY21: 9.3**  
(per million hours worked)

**FY20: 14.2**  
(per million hours worked)

Against a reduction target of 15.0%

**89.9%** ↓

**Same-day injury reporting**

**FY20: 92%**  
Against our target of 96% by FY25

**94.3%** ↑

**Incidents closed within 10 Days**

**FY20: 89%**  
Against our target of 96% by FY25

us – and looking after our teams has been a top priority during the challenging external events of the past year. In addition to COVID-19 uncertainty and alert level changes, we also looked after our teams following a tornado, floods and a tsunami alert. We paid our teams in full during these times even if our stores were closed and provided the support and time our people needed to deal with these events. Store team engagement scores rose during the year, even though there were some roster changes that came into effect in the first quarter.

We are focused on increasing our diversity and inclusion practices and reducing unconscious bias to gender, culture, age, and sexual orientation. We are proud to have maintained the Rainbow Tick and held several fantastic LGBTQI (lesbian, gay, transgender, bisexual, queer and intersexed) events in Auckland and Wellington which were well attended. We continue to work on gender equality and during the year invested over \$1m to close the gender pay gap at our store support offices. We also had 182 team members participate in our Lean in Circles programme which aims to counteract gender bias, navigate gender dynamics, provide leadership development for women and work towards gender equality.

During the year we expanded our work to support team members who may be impacted by family violence. We extended our policy to allow for 15 days' leave and three nights' free accommodation. We also implemented a new online training module to raise awareness of family violence to all our team members.

We are proud to celebrate the various cultures across our offices, stores and distribution centres and set up a dedicated Māori culture group which provides insight and helps us to develop a more comprehensive Māori strategy. Our Te Kaa training programme for senior leaders provides foundational knowledge about Māori culture and how to consider Māori culture within the decision-making process.

In FY21, we began running Māori cultural workshops where team members who identify as Māori come together to help us understand what they would like to see the Group be involved in or develop as a business. The outcomes of these initiatives will form the foundation of our Māori cultural strategy which we plan to implement in FY22.

We celebrated Matariki as a time to set new goals, connect with whānau and share kai. As a proudly Aotearoa New Zealand business, we wanted to help our team members and their whānau celebrate a uniquely Kiwi time of year.

By celebrating Māori Language Week, we promote the use of Te Reo. To support this, we plan to provide Te Reo learning for our team members in the coming year.

A future focus for us is neurodiversity. This year we raised awareness of autism and started partnerships with not-for-profit organisations to work together to understand how we can support our neurodiverse team members. This will involve how we can provide better learning for our neurodiverse team members as well as show all team members how critical neurodiversity is in order to help us be more innovative.

In order to promote The Group employment awareness and attractiveness, we are focusing on four key pillars – our people, our community, our planet and our business. We have run a successful technology and digital talent attraction campaign which showed above market average results, we are running a social media attraction campaign

for Seasonal Peak, and we have a large focus in FY22 on talent, both for attraction of new talent, as well as for internal career development.

### Health and safety

We are committed to maintaining a robust, effective health and safety culture that supports a workplace where everyone gets home safely at the end of their day. It is the Group's objective to continually promote improvements in its health, safety and wellbeing (HSW) systems, practices, and processes that nurtures a culture that welcomes constructive stakeholder feedback and input towards developing and implementing HSW workplace best practices.

We have a structured approach to consulting, reporting and talking about HSW at all levels of the organisation from the Board HSW Committee to Store Safety Huddles. Thorough stakeholder consultation at all levels of the organisation is key to achieving the Group's objectives through the sharing of lead and lag performance data to ensure teams and individuals have the necessary understanding to make informed decisions.

### Critical Risk Management

An essential part of the Group's annual HSW plan is the critical risk programme which addresses eight identified high risk activities within the network that have the potential to result in an individual sustaining either a life altering injury or a fatality. While all health and safety risks are actively addressed, violent and aggressive behaviour and traffic management have been assessed as the two most significant risks given the potential for an event to occur, and the resulting consequences.

Better training and equipment for our loss prevention officers, including Situational Incident Management (SIM) training saw serious violent and aggressive behaviour incidents towards our team members reduce by 47.3%, although the number of incidents involving abuse continues to rise which is in line with the experience of all key retailers in New Zealand. We met with the Police Commissioner in relation to violent and aggressive behaviour to discuss the ways we can work together to help keep both our customers and our team safe.

Every site has been assessed for an up-to-date traffic management plan, and an online traffic management training programme has been delivered to every operational site's team member. These actions have reduced the number of these events year-on-year by 60%.

Our health and safety performance this year has seen our Severity 1 events associated with our critical risks decrease by 45.7% (95 events in FY21 compared to 175 in FY20) while seeing an increase in Total Recordable Injuries for the year of 9.4% (524 injuries in FY21 compared to 479 in FY20). Total Recordable Injury Frequency Rate (TRIFR) was 37.2 per million hours worked in FY21, an increase from 30.6 per million hours worked in FY20.

### Safety Assurance Reviews

This year we further embedded our internal safety assurance reviews across our store network, with 152 stores being reviewed. These reviews ensure our stores have in place the necessary legal requirements, ACC accredited employer requirements and store level critical risk controls. This programme of work provides the Board and ELS with assurance that the underlying HSW processes are effectively keeping team members, contractors and members of the public safe. After a successful roll out to stores, we will expand the process to include our logistics network in FY22.

**Wellbeing**

We have continued to support our team members through the uncertainty of the COVID-19 pandemic with extra access to team member support such as counselling, online support programmes and information. Through our participation in the Government COVID-19 workplace vaccination pilot, we also offered all our employees access to COVID-19 vaccinations at their workplace.

This year we rolled out our employee “five ways to health and wellbeing” programme and initiatives - connect, give, take notice, keep learning, be active. This included activities such as mindfulness, yoga sessions, and other current wellbeing programmes, outlets and thought ideas to help and promote our people’s health and wellbeing.

In the year ahead we are beginning a partnership with a new employee assistance programme and wellbeing provider which will give team members the opportunity to seek support and help through an online portal that includes an online chat function with support services, as well as phone and face to face support if necessary and a range of self-help options.

**Future of work**

Our third commitment addresses the future of work - building our skills pipeline, workforce planning and introducing continuous learning and future-ready learning experiences. In addition to our UdeMY digital learning course platform, we have established a \$2m annual external learning fund to develop our team members, with a commitment to increase to \$5m annually by 2025. This funding is designed for team members wanting to upskill or reskill through a short course that is not offered internally.

For those wanting to build their retail career with more intensive professional study in a chosen field, we have launched a Group scholarship programme, with five scholarships awarded to team members so far. We also partner with Massey University to offer specific retail scholarships, in which 18 team members are currently enrolled.

Our partnership with ServiceIQ provides team members with NZQA recognised qualifications, through which 17 store team members completed the New Zealand Certificate in Retail Level 3 during FY21.

**Significance**

Our team members are at the core of our organisation’s success. We believe that by enabling them to thrive in this fast-paced environment and preparing them for the future workplace we will lift employee engagement and achieve sustainable business performance.

To do this, it is critical we focus on our people’s wellbeing and everyday experience at work, adopt agile ways of working to empower our people and put our customers first, as well as invest in digital solutions to leverage people data and insights. We are also prioritising attracting top talent, upskilling and reskilling our people to build the skills of the future and shifting to a purpose-driven high-performance culture.

We continually develop and strengthen our relationships with industry bodies and government to ensure we remain part of the conversations helping to shape the future of work in New Zealand.

**Materiality**

True transformation requires a behavioural and mindset change and a meaningful shift to a new way of working. Combined with the current volatility, uncertainty, complexity and ambiguity of the world, the amount of change within the Group has meant we needed to find a more dynamic, constant and mobile engagement tool that enables frequent surveying feedback as well as ensuring a heightened focus on our team members’ wellbeing and safety.

In addition, rapidly changing technology, shifting demographics and a growing concern for climate outcomes are shaping the future of work. As customer expectations continue to evolve, we need to make significant improvements to accelerate performance and attract future talent. The next few years will see deliberate and ongoing change as we embed agile ways of working and embrace future of work environments. This is a long-term undertaking and the financial investment in technology, accelerated learning experiences, talent development, and health, safety and wellbeing will be critical to empower, equip and enable our people to bring to life the purpose and vision of the Group.

**Future focus areas**

- Developing a talent-to-value approach that ensures we place our best talent in our most critical roles and dynamically manage their performance and development
- Develop a purpose-driven high-performance culture
- Be the best place to work to attract and retain critical talent for tomorrow’s workforce
- Accelerate learning and development to build an adaptive and future-ready workforce that can thrive in an agile and fast-paced environment.

**Future of work**



In employee learning fund for training and career development in FY21



Of the TWG Gateway pathways to employment programme in FY21

