

OUR PEOPLE

OUR GOAL: Build a dynamic organisation that has the highest performing retail talent in New Zealand

		ACTUAL PROGRESS		
FOCUS AREA	PRIORITIES	FY18 (last year)	FY19 (this year)	FY19 Progress
Health, Safety and Wellbeing	Increase the number of our team members who go home safely at the end of their work day			Total Recordable Injury Frequency Rate (TRIFR) ¹ increased from 21.5 (per million hours worked) in FY18 to 25.9 in FY19 against a target of 18.3 <ul style="list-style-type: none"> The majority of TRIs are strains and sprains of a minor nature High level of reporting in place, with high levels of near miss reporting Our Severity One Incidents Frequency Rate (SV1FR) ² was 22.4 per million hours worked (not measured in FY18).
	High performance workplace			<ul style="list-style-type: none"> Achieved an Organisational Health Index (OHI) of 68 (FY18: 71) maintaining our position in the second quartile Launched Group Performance and Development Framework.
	Lift our diversity and inclusion			<ul style="list-style-type: none"> Achieved Rainbow Tick accreditation in September 2019 Achieved 100% gender pay equity in our store network.
Future-ready talent	Build our skills pipeline and workforce planning			<ul style="list-style-type: none"> Introduced a single source of recruitment across the Group Commenced leadership behavioural model Took an average of 43 days to fill roles vs our target of 60 days.
	Introduce continuous learning and future-ready learning experiences			<ul style="list-style-type: none"> Launched 'Ability2Execute' facilitated and digital training programmes Commenced work to build a 'learning, fail fast and iterate' culture.

OUR NETWORKS

Key initiatives

As part of a shift to a Group focus on performance, we aligned a set of Group values on which to orient our culture. We also introduced a performance focus and discipline to all of our activities and actions, with a new performance and development model aligning goals and measures for all positions.

With a distributed employee model, communicating effectively is critical, especially through times of change. We deployed Workplace by Facebook as our unified platform of communication and engagement, to share vision, best practices and dialogue across all our team members.

In stores we have implemented tools to improve productivity and deliver real-time analytics on store performance. These tools also support coaching and timely feedback for managers and team members.

To help us continue to secure the best people available, we established a connected talent relationship and recruitment digital solution powered by SmartRecruiters and Phenom People.

Key Health, Safety and Wellbeing changes: we introduced a new anti-bullying and harassment policy, launched new Health, Safety

and Wellbeing Standards and completed Bow-Tie analysis for three priority critical risks. In our distribution centres, we focused on traffic management and mechanical handling equipment and in FY20 we will be allocating capital for further safety improvements. Directors of the Board attended a number of Health and Safety observations, engaging directly with our people at sites across the country.

From a team development perspective, the transformation programme has delegated the responsibility for driving change across over 150 initiative owners in the business. As we look to move the business towards a more collaborative, less structurally rigid way of working, empowering more team members to own and drive change will be a key success measure.

During FY19 we focused on five priority practices for improving our organisational culture: Challenging Leadership, Performance Framework, Talent Development, Performance Review and Rewards & Recognition. In our team member engagement survey at the end of the financial year, we improved on four out of five of those practices, with Rewards & Recognition going backwards. In FY20 we will adopt a revised set of priority practices based on survey feedback.

¹ TRIFR is measured as a 12-month rolling and 1 million hours is used

² Severity One Incidents are those with a high potential for serious injury, long-term health effect or death. SV1FR is measured as a 12-month rolling and 1 million hours is used





ROADMAP TO OUR GOAL			KEY RISKS	MITIGATIONS
FY20 (next year)	FY21	FY22+		
 TRIFR <20 million hours worked SV1FR >10% year on year decrease	 TRIFR <15 million hours worked SV1FR >10% year on year decrease	 TRIFR <10 million hours worked SV1FR >10% year on year decrease	<ul style="list-style-type: none"> Handling of bulky, heavy or awkward goods by team members Slips and trips due to poor housekeeping or excessive stock Stockroom racking failure causing product fall Team member interaction with moving equipment Falls from height from ladders Exposure to violent and aggressive behaviour in our stores Storage of hazardous substances. 	<ul style="list-style-type: none"> Early intervention programme for pain and discomfort and review of team member tasks in stores Manual handling improvement programme involving AUT Occupational Health Unit Equipment solutions for goods handling Invest in traffic control processes across distribution centres to separate people from mechanical handling equipment (MHE) Consideration of height access equipment to replace ladder use where practical Introduce enhanced security for high risk stores Ongoing compliance with regulatory standards.
 Maintain Rainbow Tick accreditation	 Retain Rainbow Tick accreditation. Gender diversity is at best practice in our store network.	 Ongoing improvement	<ul style="list-style-type: none"> Team member and/or union dissatisfaction with change and bargaining outcomes. Challenge in building and/or buying required talent capability. 	<ul style="list-style-type: none"> Develop a clear employee relations strategy Build and nurture relationships with government and external stakeholders. Proactively develop talent pipeline Assign appropriate budget and technology to lift capability Activate a single-entity approach to talent development and mobility.
			<ul style="list-style-type: none"> Gap in change management experience and demonstrated resilience as we prepare our culture and organisation for Future of Work environments. 	<ul style="list-style-type: none"> Invest in technology to reinvent productivity Define clear direction around expected leadership behaviours and seek support from external experts Align communication clearly and consistently with vision and strategy.
			<ul style="list-style-type: none"> Resistance to change Training does not meet organisational requirements and impedes speed of change. 	<ul style="list-style-type: none"> Support change readiness through leadership guidance and by shifting mindsets Streamline engaging communication.

Significance

Our team members are at the heart of our organisation and we believe that by focusing on their performance, keeping them safe and preparing them for the future workplace we will lift engagement and achieve long-term business sustainability.

To do this, it is critical we invest in digital solutions to leverage people data and insights to drive performance. Alongside this, we focus on our people's wellbeing and everyday experience at work. We are also focused on attracting top talent, building the skills of the future and defining and embedding leadership behaviours. 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 culture change and a meaningful shift to a new way of working. Naturally, change can take time and is sometimes met with resistance. This has meant in some cases we have not met the milestones we have set in some initiatives. We also made the conscious decision to exit the implementation of a digital solution option which in turn impacted our potential to scale performance.

Despite this, rapidly changing technology is shaping the future of work and as customer expectations continue to evolve, we need to make significant process, productivity and technology improvements to unlock performance and enable improved ways of working. The next several years will see deliberate change as we prepare our culture and organisation to move into the future of work environments. Moving our culture to be more adaptive will take time. Financial investment into technology, talent development and health, safety and well-being will be critical to reinvent productivity across the Group.

Future focus areas

Our focus in FY20 and beyond will be to accelerate initiatives that deliver:

- Simplified practices and processes that will allow us to track and measure performance and productivity
- Consequence management and remuneration to reward output
- Connected digital solutions that function at scale, enabling productivity and actionable insights
- An evolving organisational structure, team design and capability to support future ways of working.