

Our environment



Treading lightly

The Warehouse Group is committed to operating in a sustainable manner and helping Kiwis to live their lives in the same way. The current environmental crises are a pressing global challenge, and we want to play our part for New Zealand, and the world.

Addressing our carbon footprint is at the centre of our decision-making. We are embedding emission management into all our business practices, including calculating emissions' impacts as part of business cases, and factoring this into our negotiation and selection of suppliers.

Tracking our carbon emissions

The Warehouse has been tracking and reporting on its carbon emissions since 2009, and the entire Group of brands—Warehouse Stationery, Noel Leeming and Torpedo7—from 2015. The Group has a target of a reduction of 32% on 2015 emissions by 2030. This target reflects the 2015 international agreement to keep global warming under 2.0%.

Group emissions increased by 3.4% to 40,852 tonnes of carbon dioxide equivalent (CO₂e) in FY18, due to increases in electricity usage, domestic shipping (especially fulfilment of online orders), landfill, fleet fuel usage and refrigerant leaks from HVAC units.

In FY18, the Group retained our New Zealand CEMARS® (Certified

The Warehouse Group: Inventory of carbon emissions
(tonnes of carbon dioxide equivalent) in FY18 vs FY17

ACTIVITY	FY18	FY17	CHANGE IN EMISSIONS
International shipping	14,081	14,231	-1%
Electricity	11,920	11,522	3%
Domestic shipping	6,687	6,087	10%
Employee air travel	2,891	2,954	-2%
Waste	2,150	2,062	4%
Company-owned vehicles	2,525	2,271	11%
Refridgerant losses from air conditioning systems	438	209	110%
Employee private mileage claims	160	178	-10%
Total	40,852	39,514	3.4%

Emissions Measurement and Reduction Scheme) certification for our emissions measurement and reduction programmes. To receive this certification, our emissions and emissions reduction plan were independently reviewed and audited.

The Group is one of 13 New Zealand-listed companies (out of over 50 invited to participate) to fully disclose their carbon performance and management plans to CDP (formerly the Carbon Disclosure Project). CDP is an international not-for-profit organisation providing a platform for companies to measure, disclose, manage and share environmental information with investors to improve market transparency.

We were ranked second equal of participating New Zealand companies by the CDP for our carbon disclosure. We were also the highest-ranked company in our category for Australasia.

Energy efficiency

Part of our move to reduce emissions is a transition to LED lighting in stores. In

FY18 we increased the number of stores with LED lighting by four, bringing the total to 14. We've also continued an LED replacement programme in our Distribution Centres. We already promote natural light where possible.

Efficiencies in logistics

In FY19, we will be continuing to improve international shipping container utilisation, ensuring capacity is maximised. Where possible, we are working with our shipping partners to transport our products on bigger vessels, which are more modern and efficient.

We are continuing to investigate electric delivery vehicles and we are watching developments in electric commercial vehicles closely, awaiting vehicles for with suitable range and size.

We utilise rail for store deliveries where possible within New Zealand, as rail is more efficient than road, particularly over longer distances. We have also introduced trucks with mezzanine floors in FY18, to increase cubic capacity and allow the double

stacking of goods, and are working with our logistics partners to support their efforts to drive better emissions performances in road transport.

Climate Leaders Coalition

In 2017, a group of CEOs, including The Warehouse Group CEO Nick Grayston, agreed that there was a clear need for collective action on climate change. They drafted the Climate Change Statement and in July 2018, it was signed by 60 New Zealand businesses. By signing, the Group has committed to measuring and reporting our greenhouse gas emissions and working with suppliers to reduce emissions, with the aim of helping to keep global warming within 2°C as specified in the Paris Agreement. The Coalition also supports the introduction of a Climate Change Commission and the establishment of carbon budgets, enshrined in law. Together, the 60 businesses represent almost 50% of New Zealand's emissions. More information on the Climate Leaders Coalition can be found at www.climateleaderscoalition.org.nz



Above:
Suzanne Miller charging her EV outside the Invercargill store.

The Warehouse Invercargill leads the EV charge

The Warehouse Invercargill was one of the first stores in New Zealand to have an Electric vehicle (EV) charger installed.

Checkout operator Suzanne Miller (above) drives a Nissan Leaf EV, and she's delighted to have an EV charging station at the store.

"If I need a quick charge, I can pop in and top up," she says. "It's great to know that many of the towns I go to with a The Warehouse Store will have a charger."

Ms Miller says she likes that her electric car is much cheaper to run than petrol-based one, and easier and cheaper to maintain with fewer moving parts and no oil changes or cam belt.

"It's as fast as petrol cars and the running costs are cheap," she says. "And of course it's good for the environment."

Since 2009, The Warehouse has reduced the number of plastic checkout bags substantially and donated close to \$4.5m to support charities and community groups from the sale of plastic bags.

Powering up EVs

In late 2017 we began rolling out public EV stations at 24 The Warehouse stores across New Zealand, where EV owners can plug in and charge their vehicles while they shop.

We're proud that we could use the scale and convenience of our store network to support the development of an EV infrastructure in New Zealand. The chargers have had an enthusiastic response from customers and team members, and to date, we have supplied around 30,000km of travel to EV owners, saving close to 7,500kg of CO₂.

The charger network was jointly funded by The Warehouse Group and the Government's Low Emission Vehicles Contestable Fund.

The Warehouse has EV charging stations in Bell Block, Blenheim, Cambridge, Dunedin, Gisborne, Gore, Hastings, Hawera, Invercargill, Masterton, Motueka, Napier, Oamaru, Petone, Rangiora, Rolleston, Royal Oak, Snells Beach, Taupō, Tauranga, Te Awamutu, Te Kuiti, and Timaru, Whangarei. We also have a further two EV charging stations at our Auckland Store Support Office in Northcote, with four more to be installed.

As a group, we are also committed to having 30% of our road vehicle fleet electric by the end of 2019.

Moving to reusable bags

In May 2018, The Warehouse Group announced that we would introduce compostable bags at checkouts as a more environmentally-friendly option

and in response to customer feedback. In August, we confirmed that we would bypass this transitional step, and start becoming plastic bag-free at checkouts from mid-2019. The move for The Warehouse, Warehouse Stationery, Noel Leeming and Torpedo7 stores aligned with the government's plans to impose a ban on single-use plastic checkout bags.

In 2009, The Warehouse was the first in New Zealand to introduce a charge for single-use plastic checkout bags, giving the net proceeds back to the local community. Since then, The Warehouse has reduced the number of plastic checkout bags substantially, and donated close to \$4.5m to support grass-roots community organisations including kids' sports teams, food banks, disability support services and many others.

The Warehouse Group will continue to support the community through the sale of reusable bags at The Warehouse stores.

Waste and recycling

Waste increased 6.1% to 3,531 tonnes in FY18. Driving this increase were store development works and changes in what can be readily recycled, forcing us to landfill more.

We are part of a soft plastics recycling scheme, where we have recycling bins at 47 The Warehouse stores across New Zealand. To July 2018, we have collected over 72 tonnes of material, which translates into 36 million pieces of plastic.

We recycle polystyrene in our Noel Leeming Auckland stores. We have on-site polystyrene recycling equipment that compacts polystyrene by 90%; it is then transported internationally and made into art frames. Since February, we have compacted over 7,500 cubic metres of polystyrene, or enough to fill three Olympic-sized swimming pools.

Customers can recycle their old mobile phones at The Warehouse and their old toner cartridges at Warehouse Stationery.

Environmentally sustainable sourcing

We want to give our customers peace of mind that the products they buy are sourced in environmentally-sustainable ways. In FY15 we introduced a Wood Product Sourcing policy to ensure that wood products were not linked to deforestation. In FY16, we committed to stocking products containing palm oil from a certified sustainable source, and in FY17 we banned micro plastics.

Plastic and packaging

We are currently working on reducing single-use plastics and plastic in our packaging, while balancing the need to protect products from damage during shipping. Where possible we use recycled materials or recyclable materials. FY19 will see the introduction of a packaging team, tasked with improving the sustainability and efficiency of our home-brand product packaging.

#CleanUpNZ

The Great Community Clean Up is a partnership between The Warehouse and Neighbourly to encourage New Zealanders to keep our country clean and green by hosting clean-up events in their neighbourhood, taking place in April each year. It's about getting together with friends, colleagues and neighbours to foster community spirit and take responsibility for our environment.

People who registered were sent a Clean Up pack, which included gloves, rubbish bags, sanitiser, welcome instructions and a \$10 The Warehouse

gift card. This year, 60 public teams registered via Neighbourly.co.nz.

Over a 1,000 The Warehouse team members from 77 stores across New Zealand got involved in cleaning up their local beaches, parks and roadsides, removing an estimated 100 large bags of rubbish and recycling from the environment.

In Auckland, The Warehouse Sylvia Park team were joined by MP for Maungakiekie Denise Lee and members of the public for their clean up of the Mt Wellington shopping complex.

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