

# Our relationships

## The whole is greater than the sum of its parts.



We believe that working together as partners for the benefit of New Zealand is the key to building successful relationships. Through our business operations and activities, we regularly engage with stakeholders including our customers, our employees, our suppliers, our communities, government and industry bodies, and our charity partners.

### Our communities

Social responsibility is in our DNA as a company. The Warehouse Group has a long history of supporting New Zealand communities, built on the philosophy of our founder, Sir Stephen Tindall. Since 1982, we've facilitated donations of more than \$63m to charities and community groups across the country. In FY18, we raised \$5.3m.

As customers increasingly expect organisations to behave in a socially responsible and ethical way, we're focusing on extending our corporate citizenship activities. We don't do this to seek recognition, but because we believe it's a fundamental part of our purpose, and we are encouraged by the results we achieve by working with our community partners.

We value our relationships with our charity partners and we work together to design programmes that will have an impact on New Zealand's most pressing issues. In future, we will align our partnerships and programmes of work with our key areas of focus in accordance with the Sustainable Development Goals for New Zealand.

### Government

We have links to government through our Board of Directors and Executive Team, and contribute our point of view on issues that matter to us, our team members and our customers. We tend to work through Retail NZ (formerly The Retail Association of New Zealand) on matters of government policy. However, we are considering how we might use our voice more on matters of particular significance to the Group; for example: our work to reduce family violence in New Zealand with a range of partners, and our recent contribution to the Human Rights Commission's submission to the Select Committee considering the Victim's Protection Act 2018.

### Sector engagement

In 2017 we officially launched The Warehouse Red Shirts in Community programme, an innovative public-private partnership with the Ministry of Social Development (MSD) to provide work experience opportunities for young people aged 16 to 24 not in employment, education or training. Participants spend three weeks working in a The Warehouse store and receive training in retail customer service, communication skills, stock management and basic health and safety. Where possible, participants can earn NCEA credits towards a National Certificate in Retail (Level Two).

The scheme was rolled out to 1,154 young New Zealanders after pilot programmes in Whanganui, Kaitia and Wellington saw 70% of the participants in some form of paid work within three months of completing the programme. We are now working closely with MSD to develop an adapted model that can be used by other large New Zealand organisations interested in work readiness programmes.

In partnership with the Department of Corrections, our Distribution Centres have been involved with Corrections' release-to-work programme for offenders since 2008. The programme allows minimum-security prisoners, who are assessed as suitable, to engage in paid employment. They are paid market-related wages. To date, we have assisted a total of 185 people to gain work experience through this initiative.

In 2017, we partnered with the Government's Low Emissions Contestable Fund to install 24 electric vehicle charging stations at The Warehouse stores around New Zealand.

Noel Leeming has a commercial relationship with the Government also, being the only major retailer participating in an all-of-government procurement contract to provide IT hardware to government agencies and departments. In addition Noel Leeming has a syndicated contract with the New Zealand Defence Force to supply goods and services, and other government agencies can take part in this contract, with around 20 participating at present.

The Group has a commercial partnership with The Manaiakalani Education Trust, which guarantees digital equity and access for students from low-decile schools, retooling these schools to make education engaging, empowering and success-making. As well as supplying technology and equipment, we also provide give-back benefits and the opportunity to pilot digital innovations for participating schools.

The Warehouse operates 'Red Shirts in Schools', a high-school-based work experience programme, part of the Tertiary Education Commission's Gateway Programme. Gateway funding enables secondary schools to give senior students access to structured workplace learning, integrated with school-based learning.

In 2018 the Group hosted 12 students to spend a day with business leaders as part of the Auckland University of Technology (AUT) Shadow a Leader programme, and provided five scholarships to students completing the Bachelor of Retail and Business Management at Massey University. The Group also hosts AUT and Massey University co-op students as interns each year.

### Our contribution to New Zealand's regions

We employ around 5,000 people in the regions outside of Auckland, Wellington and Christchurch, which is around 40% of our workforce. In more than 20 New Zealand regional centres, The Warehouse is the only general merchandise retailer in town, providing New Zealanders with everyday necessities they otherwise would not have easy access to.

### Suppliers and partners

Our suppliers are strategic partners in delivering quality products that provide good value for New Zealanders.

We take an open and honest approach to communicating with suppliers. For example, in June 2017 we held a suppliers' conference to

talk through the change from Hi-Lo discount-based pricing to EDLP in The Warehouse, and we're grateful to our suppliers for their support as we continue to bed that change in. Similarly, we met with Torpedo7 suppliers to update them on our plans and appreciate their support and positive feedback as we expand the Torpedo7 store network across New Zealand.

In areas such as consumer electronics, where product innovation is rapid, our relationships with global brands such as Sony, Samsung and Apple enable us to ensure our customers can access (sometimes scarce quantities of) the best products as they become available internationally.

Our move to a direct sourcing model for our private labels has meant we have been able to facilitate much closer relationships with the factories that produce our goods for mutual benefit. For example, with some suppliers we can book production lines in advance, which gives us certainty and pricing advantages.

Closer relationships with factories and understanding their timelines and capacity helps us to also ensure that our ethical sourcing practices are adhered to. We currently have 99% visibility of our Tier 1 factories and their conditions and standards.

Fundraising FY18: Accountability Report

CAUSE	BRAND	AMOUNT RAISED	BENEFIT TO NEW ZEALAND	STRATEGIC PRIORITY AREA
Breakthrough Programme	The Warehouse Group	\$638,000	A programme of mentoring and support for fathers with a history of violence	Family violence Building stronger families
OUTLine	The Warehouse Group	\$5,000 Sponsorship	20,000 pamphlets produced to promote counselling for the LGBTI+ community	Diversity and inclusion
PHAB – Supporting youth with disabilities	The Warehouse Group SSO Charity Partner	\$17,461	Helped upgrade PHAB's Takapuna facility by providing much-needed homewares, games and technology, and donated several Mac Books to the teenagers of PHAB	Education Building stronger communities
Distribution Centre fundraising – various charities	The Warehouse Group – Distribution Centre fundraising	\$13,136	Fundraising supporting Duffy Books, Blind Foundation, NZ Breast Cancer Foundation, Cancer Society of NZ, and The Salvation Army	Local communities
Bob Tindall Golf Day	The Warehouse Group	\$54,033	Youthline will be able to train an additional 200 volunteers in 2018/19 to respond to increased need	Mental health Supporting youth
Payroll Giving	The Warehouse Group	\$114,169	Employees engaged in charitable giving to support their community	Local communities
Plunket	The Warehouse	\$343,576	1,100 new baby essential packs distributed to struggling families	Building stronger families
Zoofari	The Warehouse	\$305,961	9,000 kids from low-decile schools received free educational zoo visits	Environmental education Youth
Water Safety New Zealand	The Warehouse	\$450,000 Sponsorship	51,557 kids received free water safety education lessons	Education Safety
Youthline	The Warehouse	\$314,268	84,470 young people supported to get the help they need during a crisis, relating specifically to self-harm, suicide, anxiety and depression	Mental health Supporting youth
Variety – the children's charity	The Warehouse	\$332,745	290 financially disadvantaged kiwi kids supported through Variety's sponsorship programme and/or provided essentials	Supporting youth
The Parenting Place	The Warehouse	\$301,229	4,144 parents have attended a Toolbox Parenting course	Building stronger families
Life Education	The Warehouse	\$340,698	4,200 children from low-socioeconomic areas, who would have otherwise missed out, attended the Life Education programme	Supporting youth education
Women's Refuge	The Warehouse	\$462,914	Over 4,100 children across New Zealand were supported through the 'Kids in the Middle' programme, to help rebuild a life free from violence	Domestic violence Building stronger families
Women's Refuge – Twice the Joy Christmas Appeal	The Warehouse	\$65,500 raised	Over 9,000 Christmas gifts given to kids throughout New Zealand across 31 Women's Refuges. (realising over \$163,750 product value)	Domestic violence Building stronger families

CAUSE	BRAND	AMOUNT RAISED	BENEFIT TO NEW ZEALAND	STRATEGIC PRIORITY AREA
Bags for Good – local community charities	The Warehouse	\$349,728	552 local charity groups supported with proceeds from the sale of checkout bags and coin box donations	Local communities
Small Product Donations	The Warehouse	\$260,640	Funds collected through plastic bags within each of the 93 The Warehouse stores used for small product donations to local community groups	Local communities
BBQ Fundraising	The Warehouse	\$274,964	Store BBQs used to support and assist local community groups to fundraise for community activities	Local communities
The Salvation Army – Aspire programme	Warehouse Stationery	\$66,004	225 at-risk young Kiwis taken through a year-long youth development programme	Supporting youth education
The Salvation Army – Back to School	Warehouse Stationery	\$63,875	4,000 children supported with Back-to-School supplies	Supporting youth education
CanTeen	Warehouse Stationery	\$127,758	43 CanGrow grants awarded, allowing 270 youth cancer patients to receive one-on-one educational programmes	Supporting youth education
Duffy Books	Warehouse Stationery	\$26,520	1,500 students across 11 schools received 5 books; 7,700 books distributed in total	Supporting youth education
Child Cancer Foundation of New Zealand	Warehouse Stationery	\$72,374	Over 150 families of kiwi kids newly diagnosed with cancer, supported with a wellbeing pack	Supporting youth education Health and wellbeing
Scouts New Zealand	Warehouse Stationery	\$39,511	Over 250 disadvantaged Kiwi kids received an adventure experience	Supporting youth education
The Key to Life Charitable Trust	Warehouse Stationery	\$19,439	20,000 students will hear the message of positive attitudinal change throughout New Zealand, in part due to the generous support of Warehouse Stationery customers	Mental health Supporting youth
New Zealand Fallen Heroes Trust	The Warehouse	\$32,520	Benefiting the families of fallen and injured soldiers with grants to help with Back-to-school costs	Building stronger families
New Zealand Schools	Noel Leeming - Friends and Family rebates	\$65,800	Funds raised benefiting 413 recipients across New Zealand	Supporting youth education
Hillary Outdoors	Torpedo7	\$20,825	2,500 kids were given the gift of outdoor adventure through the Get2Go and Hillary Challenge national events	Supporting youth education
Ronald McDonald House Charities	1-day	\$50,000	\$20,000 in funds, \$30,000 in product donations to support Ronald McDonald House	Health and wellbeing
All other fundraising*	The Warehouse Group	\$26,740	Funds donated to 30 smaller charity groups.	Local communities
TOTAL \$5,255,388				

\*All other fundraising (funds donated to 30 charities, including: Bluelight, Christchurch Hospital, Red Cross, Skylight, The Hearing House, World Vision).



Left: Sewing operator Shirin Akter of apparel manufacturer Yunusco Group in Bangladesh.

Case Study

# Ethical sourcing

New Zealanders want to know that the overseas workers who make their products are not mistreated. As an organisation that contracts for the manufacture of products offshore, The Warehouse Group has a responsibility to ensure that workers in our suppliers' factories are paid fairly and have humane working conditions.

All suppliers must abide by our comprehensive ethical sourcing programme, which focuses on protecting the workers who make our own-brand products. Our programme contains the three elements of policy, due diligence, and remediation or corrective action described in the United Nations Guiding Principles on Business and Human Rights.

Local laws and customs, sub-contracting practices and limited visibility of the entire value chain in regard to raw materials mean that challenges exist. With around 500,000 people associated with the manufacture of our products each year, our responsibility is significant.

We have been actively assessing and monitoring working conditions

in these supply chains since 2004. More recently this has also included suppliers associated with the Warehouse Stationery and Torpedo7 brands and our larger non-trade procurement programmes.

We've made good progress, but we still have work to do. Our achievements to date include the fact that we have visibility of 99% of our private-label merchandise factories supplying The Warehouse. Every new factory wanting to join our supply chain must be independently assessed to ensure they meet our standards. Our standards are stringent – in 2017, we declined 39% of new factory applications.

Our work does not stop short at assessments – our own Ethical Sourcing specialists work actively with factories to support their ongoing improvement. In addition to face-to-face consultation, we distribute a free library of e-Learning lessons addressing various labour management challenges factories may face.

We work with our suppliers to address unique needs in each developing country. For example,

through our membership of the Alliance for Worker Safety in Bangladesh, we have been part of a complete transformation in health and safety within members' garment factories.

In Malaysia, where manufacturers have a high dependency on foreign migrants, we have been enrolling our vendors in a multi-stakeholder programme facilitated by the Responsible Business Alliance. This programme brings together recruitment agents, factory managers, and foreign migrants to alleviate forced labour risks for all participants.

We are introducing further initiatives in FY19 to progress improvements in working conditions for the people within our supply chain. We will sponsor new workplace health and financial literacy initiatives for women in India and Bangladesh through HerProject. We will also join the international drive to improve the sustainability of cotton production by becoming a participant in the Better Cotton Initiative.

In FY18 we continued our tradition of public transparency with our most comprehensive report to date: The Warehouse Ethical Sourcing Report, which contains more information about our accomplishments and challenges and a detailed description of how our programme works. We also launched 'Wear Your Ethics', a consumer-facing website for The Warehouse. These resources were reviewed and informed by dialogue with NGOs and external consultants.

OUR COMMITMENT TO  
ETHICAL SOURCING. WE  
STRIVE TO ENSURE THAT:

Working  
conditions are  
safe and hygienic

There is no  
child labour

Employment is  
freely chosen

Wages meet or  
exceed legal  
entitlements

Working hours  
are not excessive

Environmental  
protection  
measures  
are sound

There is no  
unauthorised  
subcontracting  
or processing

There is no  
unethical or  
illegal conduct





# Changing lives with Breakthrough



“Me mahi tahi tātou mō  
te oranga o te Katoa.”

“We should work together  
for the well being of everyone.”

Family violence is an important issue in New Zealand, with one in seven children stating they have been harmed by a parent, and an act of family violence being reported every five-and-a-half minutes. In 2017 The Warehouse Group extended our work to address family violence in New Zealand by funding the ground-breaking Breakthrough programme.

A partnership between The Salvation Army and The Parenting Place, Breakthrough is a comprehensive programme to support fathers with a history of violence to build healthy, safe family relationships.

Thanks to the generosity of suppliers, partners and team members, The Warehouse Group Gala Dinner in 2017 raised \$638,000 to support the programme. The Warehouse Group Gala Dinner raises money for community partners that take an innovative approach to a challenge facing the community.

Jono Bell, National Practice Manager Social Services at The Salvation Army, says the Breakthrough programme addresses a critical service gap – supporting dads to change.

“While there are some existing programmes to help fathers

address their violence, this is the first comprehensive initiative in New Zealand designed to strengthen the relationships between at-risk dads and their kids.”

Breakthrough involves three components: ‘Building Awesome Matua’ – a parenting course for fathers; an intensive, personalised male mentoring programme; and a transformational three-day father-child adventure experience.

Breakthrough will be delivered in Kaitia, Whangarei, West and South Auckland, Gisborne, Taranaki and Dunedin.

Jono says that The Warehouse Group has been a leader in addressing family violence, supporting White Ribbon and Women’s Refuge, and establishing a family violence policy to support team members.

“Now, establishing Breakthrough means that the Group is tackling the issue from several different angles, and collaborating to provide a real solution.”

It costs about \$1,000 for a participant to complete the Breakthrough programme, and The Warehouse Group Gala Dinner has raised sufficient funds for 638 families impacted by domestic violence to benefit.

Above:  
Laurie Beamish (Ngāi Tai ki Tāmaki),  
David Benattar, The Warehouse Group,  
Major Pam Waugh, The Salvation Army,  
Greg Fleming, The Parenting Place,  
Shari French, The Warehouse Group,  
Hannah Chapman, The Parenting  
Place, Jono Bell, The Salvation Army,  
Camille Astbury, The Salvation Army,  
Tim Hamilton, The Salvation Army, at  
Umupuia Marae.



# The magic of zoo learning

Visiting the zoo is a memorable part of childhood for many Kiwi kids, but for some families facing hardship, it can be something a child may never get to experience, says Auckland Zoo director Kevin Buley.

Auckland Zoo is one of the New Zealand zoos that teams up with The Warehouse to deliver ‘Zoofari’, a programme providing free conservation-based educational experiences to children from low-decile-schools.

A total of 12,000 children will benefit from the programme this year, after The Warehouse raised \$305,961 from a successful in-store fundraising campaign supporting Zoofari.

Kevin says that “we can sometimes feel overwhelmed and think that, as individuals, we can’t really make a positive difference. But we need to remember there are millions of us, and every little positive action we each take counts – there is enormous power in our collective efforts, and The Warehouse Zoofari programme is testament to this.”

“The children who participate in Zoofari are Aotearoa’s future wildlife

conservationists, vets, zookeepers, teachers and wildlife documentary makers – and The Warehouse Zoofari programme is what may help spark that passion and begin that journey,” says Kevin.

“Over the five years Zoofari has been at Auckland Zoo, we have seen what a positive experience it can be for everyone involved. Our wonderful zoo educators see both children and adults being inspired from the moment they arrive and long after they have left. They learn about the way we care for our animals at the Zoo, the way we help wildlife in the wild and, importantly, what each of us can do to help make the world a better place. It is because of initiatives like The Warehouse Zoofari that we can all feel more optimistic about the planet that our children and grandchildren will inherit.”

The Warehouse Zoofari experience is certified by the Ministry of Education and the visit is facilitated by zoo educators in partnership with teachers to ensure integration into the school curriculum.

**Opposite:**  
Kids from Finlayson Park School in Manurewa enjoy getting up close and personal with animals at a Zoofari visit at Auckland Zoo.



'The children that participate in Zoofari are Aotearoa’s future wildlife conservationists, vets, zookeepers, teachers and wildlife documentary makers – and The Warehouse Zoofari programme is what may help spark that passion and begin that journey'

**KEVIN BULEY,**  
Auckland Zoo director