

# INTEGRATED REPORT

This is the third year The Warehouse Group has reported under Integrated Reporting.

## INPUTS

## RETAIL VALUE

Manufactured Capital



### Our Networks

Our aim is to build a world-class omni-channel retail network that leverages physical and digital assets to deliver customer needs and wants in an efficient and innovative way.

Intellectual Capital



### Our Customers

Our expertise in understanding our customers allows us to keep them at the centre of all that we do.

Social and Relationship Capital



### Our Relationships

We want to build strong relationships with our communities and our stakeholders to deliver sustainable value and positive change.

Human Capital



### 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, wellbeing and development of our people.

Financial Capital



### Financial Capital

We need to ensure efficient utilisation of financial capital to compete and enable growth, provide resilience and deliver consistent and strong total shareholder return.

Natural Capital



### Our Environment

It is our goal to embed our Sustainable & Affordable platform throughout our ecosystem and accelerate the Group's transition to a sustainable, circular, and low-carbon future.

Supporting New Zealand communities

Omni-channel sales environment



This Integrated Report describes our retail business model and how our resources contribute to our goals and vision to build New Zealand's most sustainable, convenient and customer-first company. These are demonstrated through the six capitals shown below and detailed in this report.

The aim of this report is to outline our focus areas, priorities and progress for each year, and targets for the future. This Integrated Report has been prepared using the International Integrated Reporting Council's (IIRC) Integrated Reporting Framework.

In addition, in 2021 we have taken a further step into how we determine what Environmental, Social and Governance (ESG) areas are material to The Warehouse Group, and we have reported on current ESG initiatives and achievements, as well as relevant economic impacts, through adopting the Global Reporting Initiatives (GRI) reporting framework. Refer to pages 103 to 106 of this Annual Report for further information on the GRI reporting framework, The Warehouse Group's materiality assessment and the GRI content index.

The Group's Board and Management have established internal preparation and quality control processes to ensure the quality and integrity of this report. We have not sought external audit or assurance for the non-financial information contained throughout this Integrated Report or on the GRI content of this report with the exception of our carbon emissions and energy consumption which are audited by Toitū Envirocare.

## CREATION PROCESS

## FY21 OUTPUTS

Sourcing product



Understanding our market

Bringing product to market

### Our Networks

- **252** stores including 25 stores-within-a-store
- **88.0%** of overseas sourced products through three offshore offices
- DIFOT to store **98.0%**
- DIFOT home delivery: **91.7%** for The Warehouse and **93.4%** for Warehouse Stationery

### Our Customers

- NPS up +7.5 points to **76.6**
- SKU reduction of **18.5%** for TWL and **12.6%** for WSL
- Online sales **11.5%** of total sales
- Click & Collect sales growth **21.1%**
- Stock turn **5.3** times

### Our Relationships

- Raised **\$4.3m** for New Zealand charities and communities in FY21. **\$75.5m** since 1982
- **856** student enrolments in The Warehouse Group's Gateway programmes
- **1,744** suppliers completed e-learning lessons on labour and environmental management topics

### Our People

- eNPS **+17** (Aug 2021)
- Women in **44.4%** of senior leadership roles
- Gender pay equity **89.0%**
- Severity 1 Frequency Rate (SV1FR) decreased by **34.5%**
- Incidents closed within 10 days performance **94.0%**

### Financial Capital

- Share price growth of **66.2%** in FY21
- TSR **74.9%**
- Liquidity of **\$490.5m**
- Final dividend **17.5cps**, Full dividend **35.5cps**

### Our Environment

- **11,500** SKUs carrying a sustainability attribute, accounting for over **\$176m** in sales
- Diverted **77.9%** of operational waste from landfills
- Decreased Scope 1&2 emissions by **2.7%** compared to FY19
- **60%** of the Group's passenger fleet is full EV