

Our people

We're on for our customers.

The Warehouse Group's team members are our heart, and New Zealand is our focus. We are working harder on working smarter and making the connection between our capability and our customers stronger than ever before.

Culture

To achieve our goal of delivering long-term sustainable profitability in an increasingly competitive context, we are transforming our culture. Reaching our full potential means focusing on both culture and performance.

A key part of that is respecting our heritage. We're already a people-centred, Kiwi-proud and socially-responsible organisation. We are now developing a performance culture, centred on delivering to and exceeding our customers' expectations. This means providing clarity of focus to our team, and defining what good looks like to drive elevated performance right across the organisation, from customer interactions in store through to our Store Support Office's activities.

We could be better at aligning performance objectives with our Group strategy, supporting individual career purpose and goals, and aided by learning and development. This is a key focus area for our culture change as we push to become a more performance-oriented business, while not losing the heritage values that connect us with our customers. We want to constantly improve productivity, continually grow individual and company capability, and enable greater visibility and recognition for high performance.



The Warehouse Group employs 12,000 people in New Zealand.

One of the complexities of Group matrix management is taking the strong values from each brand and making them relevant and resonant across the business. The next step in the evolution of our culture was to engage our people in over 70 workshops to capture and define the purpose that unites us.

These workshops helped to create our new Group vision, purpose and values, which were launched to our team in July 2018.

People and capability

Finding people with the right skills is a key challenge. While we have been able to attract world-class talent to bring in new ideas of global best practice at senior management level, we struggle to find the required omnichannel retail experience across many departments, particularly in buying and sourcing, and supply and logistics.

This challenge is not unique to us or the sector, and reflects New Zealand as a small market and the relatively recent exponential developments in retail disruption. It is also a result of our specific operating model, with functions such as direct sourcing.

As well as continuing to look for specialist talent offshore when we can't find it in New Zealand, we are focused on building our bench through learning and development too. Retraining and developing our existing people makes sense, from both a cost and intellectual property perspective, as supported by our People strategy.

In stores, we have a very good level of operational excellence, and our focus now is to look at



The Warehouse Group team members at the Store Support Office in Northcote, Auckland

Diversity Targets

White Ribbon Accreditation by 2017	Complete
Inclusion Network in place by 2018	On track
All managers to have completed Bias training by 2018	Complete
Rainbow Tick Accreditation by 2019	On track
Pay Equity across the Group by 2020	In progress
Promotion Equity across the Group by 2020	In progress

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how we can develop and recruit for strategic agility and enterprise. This also requires us to introduce more flexibility within our frameworks and decision-making processes.

Workplace relations

The industrial climate in New Zealand has shifted recently, and rising labour costs are a challenge for the Group, which employs 12,000 people, and for the retail sector at large. The expanding labour supply has dampened wage inflation and there is an expectation that wages will catch up, as people meet higher costs of living.

The Warehouse has typically paid above the minimum wage through the Career Retailer Wage programme, which rewards team members who have completed their training and more than 5,000 hours or five years' service.

We see the overall cost of labour as a headwind over the next few years, and while the Group is currently unable to simply absorb increased wage costs within current productivity levels, we will work to unlock further productivity gains, and drive innovation around our business processes.

Keeping our people safe and well

We are committed to providing a safe environment for our team, customers, contractors and visitors, and our appetite for risk is low. We take a holistic approach to health, safety and wellbeing, and people are supported to be their best through the promotion of healthy environments and safe behaviours.

While the Group has made progress on developing a positive safety culture, FY18 has seen

a renewed rigour and focus on health, safety and wellbeing.

The Board has established a new Health, Safety and Wellbeing Committee to ensure the best-possible governance exists, and there is a stronger focus on assurance through auditing and reporting. The health, safety and wellbeing function has also been elevated within the organisation to General Manager level, reporting to the Chief People Officer. As part of this, we are rebuilding our Health Safety and Wellbeing framework to create clear standards that hold us accountable, and we are continuing to improve the management of risks that could cause serious injury or harm.

We have re-identified our critical risk areas, and established critical risk workstreams with assigned subject-matter experts and operational leads to create control methodology. This will create more consistent practice across the Group, keeping our team members, contractors and customers safer.

Like most large employers in New Zealand, The Warehouse Group self-insures against health, safety and wellbeing claims as part of the ACC Partnership Programme. In FY18 the Group retained its accreditation.

Wellbeing

The Warehouse Group prides itself on taking a stand on social issues that affect the health and wellbeing of our team members and New Zealanders at large. One of these is smoking, which kills 5,000 New Zealanders a year. The Warehouse has never sold cigarettes or tobacco products and we were pleased to adopt a completely Smokefree environment on 1 January 2018.

Mental health is a key issue, also with around one in six New Zealanders experiencing some form of mental illness. In October 2017 we introduced our 'Suicide: Supporting those at risk' policy, designed to ensure early support is available to address significant mental distress among team members. The policy aims to minimise access barriers to primary care, and educates managers on how to support and respond to team members who may be experiencing mental distress.

The Group already offers free counselling to team members and their families, and the new policy provides additional support by way of a free GP visit, and the opportunity to take leave to support family members or colleagues experiencing mental distress.

In 2015 we launched our Domestic Violence Policy to support team members experiencing family violence. We provided training to managers on how to appropriately support staff, and made resources and information available on our intranet. In 2016 we created a shielded icon on our external website to allow women to access help and support services in a way that is untraceable.

We have focused on reducing the impact of family violence in New Zealand through our fundraising initiatives in FY18, including raising \$638,000 through The Warehouse Group Gala Dinner for the Breakthrough programme. Breakthrough is a partnership between The Salvation Army and The Parenting Place to help fathers with a history of domestic violence become better dads.

We have shared our knowledge with over 100 other businesses interested in developing their own policies, and readily welcome enquiries. In FY18 we were acknowledged for our work in this area by Women's Refuge, and received their Workplace Refuge endorsement for businesses actively providing a workplace refuge for staff experiencing family violence. We were also the first organisation in New Zealand to become White Ribbon accredited in 2017.



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Above:
The Warehouse Group participated in the Auckland Pride Parade in February 2018.

Connecting with our people

In May 2018 we launched a new digital platform for internal communication across the Group. Using The Warehouse Group TWG Tahi desktop and mobile apps, our 12,000 team members can now share, collaborate and receive business information whenever and wherever it is needed. This is the first time the Group has had a tool which is available to every single one of our team members at once.

Celebrating diversity and inclusion

The Warehouse Group has always believed in doing what is right and helping Kiwis to reach their full potential. We believe that diversity creates a more productive, creative and dynamic society and improves our ability to see and connect with the world around us. It's the right thing to do, and it also makes good business sense to reflect the rich make-up of our 12,000 team members and the millions of Kiwis who shop with us every week.

We're dedicated to providing an inclusive work environment to attract and retain talented people. The focus areas to progress our diversity and inclusion agenda continue to be: gender, ethnicity, age, disability and our Lesbian, Gay, Bisexual, Transgender and Intersex (LGBTI+) community.

In August 2017 we introduced our Gender Transition Policy to support team members transitioning gender. The policy provides an additional ten days paid leave to any team member transitioning gender, and was developed in consultation with the Rainbow Tick organisation. This policy is an important statement about our commitment to inclusivity.

FY18 also saw the Group participate in the Auckland Pride Parade for the first time. A total of 128 team members registered to participate in the Parade, along with Group CEO Nick Grayston and members of the Executive Team, to march in support of diversity, respect and inclusion.

In FY19 we are looking forward to receiving the Rainbow Tick, which demonstrates that we are an organisation that understands, values and welcomes sexual and gender diversity.

FY18

BOARD MEMBERS



EXECUTIVE TEAM



ALL TEAM MEMBERS FY18



FY17

BOARD MEMBERS



EXECUTIVE TEAM



ALL TEAM MEMBERS FY17



Women

For the 2018 calendar year, we have expanded our Noel Leeming Women in Leadership pilot programme across the wider group. Initially designed to help improve the number of women in management roles within the Noel Leeming business, the programme will see 14 high-potential women from various roles across the Group graduate from the programme in September.

Currently we have median gender pay equity at a group level. However, there are some areas within our business where we have a slight difference. We are working on a consistent approach to gender pay equity

across the Group, with investment planned in FY19. Our goal is to be operating at best practice by FY20.

We are developing our diversity initiatives across more segments of our team in FY19. Each member of the leadership team will undertake responsibility for one area of diversity and inclusion as executive sponsor.

In terms of governance, Diversity is an important focus for our People and Remuneration Committee. We updated our Diversity Policy and objectives in September 2017, and the Committee has reassessed and confirmed the policy and progress against objectives in 2018.



Ka pai,
Ata Marsh!

Case Study

Charming customers with Te Reo at The Warehouse

Learning to speak Te Reo Māori gave team member Ata Marsh a “sense of belonging” - and now it’s made her famous.

The much-loved checkout operator at The Warehouse store in Newmarket has been charming customers for years by chatting with them in Te Reo, but she managed to reach a whole new audience when she was featured on Stuff, One News, and Maori Television in early 2018.

The inspirational mother-of-four told reporters that customers are often “so happy” to hear her speak Te Reo that some even join in. “Some people haven’t heard it in a long time and reminisce with me, tell me how it takes them back.”

For others, she hopes that she will inspire them to learn the language. Ata says, “I hope that every single customer that I’ve spoken Te Reo Māori to, I’ve planted a seed in them and maybe they could go to a wānanga and learn Te Reo Māori and be as passionate as I am about my language.”

For Ata, learning to speak Te Reo Māori is still a work in progress after she went on an immersive year-long course. “For me personally, being an older speaker, I don’t absorb quite as quickly as our young tamariki do, but kei te pai. I’m so passionate about Te Reo Māori nothing can stand in my way.”

That passion is evident to everyone who meets her. In fact, The Warehouse Chief Executive Pejman Okhovat says he’s been inundated by phone calls, letters and emails about Ata since she joined the team nearly five years ago.

“Customers have reached out and shared their wonderful experiences with Ata - her great attitude and what a positive role model she is for the community. We’re extremely proud to have her on the team.”