Actual Progress				
Focus Area	Priorities	FY19 (last year)	FY20 (this year)	FY20 Progress
Health, safety and wellbeing	Increase the number of our team members who go home safely at the end of their workday	🔴	🟢	• Severity 1 events associated with our critical risks decreased by 38% (175 events vs 281 in FY19) • Severity 1 Frequency Rate (SV1FR) of 14.2 per million hours worked, a year-on-year decrease of 37% • Same-day injury reporting of 92% - exceeding our target of 85% • Incidents Closed within 10 Days of 89% - exceeding our target of 85% • Total Recordable Injuries for the year increased 13% (479 injuries vs 424 in FY19) – the majority continue to be strains or sprains of a minor nature • Total Recordable Injury Frequency Rate (TRIFR) of 30.6 (per million hours worked) increased from 21.5 in FY19 against a target of <20 per million hours worked • Increased use of technology to keep our people and customers safe in store e.g. Aura.
High performance workplace	Increase our organisational health and engagement	🟡	🟡	• Implemented Employee Net Promoter Score (eNPS) • Launched a new digital onboarding programme • Developed a new contribution model that will define future career development, performance and remuneration.
	Lift our diversity and inclusion	🟡	🟢	• Maintained Rainbow Tick and achieved Accessibility Tick accreditation • Increased female senior leaders from 21 in FY19 to 25 in FY20 • Launched 'lean in circles' to counteract gender bias, navigate gender dynamics, provide leadership development and peer-to-peer mentoring for women and work towards gender equality.
Future-ready talent	Build our skills pipeline and workforce planning	🟡	🟡	• Launched Store Leadership Programme • Average of 41 days to fill roles vs our target of 60 days.
	Introduce continuous learning and future-ready learning experiences	🟡	🟢	• Launched Store Learning Pathways • Rolled out a Group leadership learning library, curated by S4K, focusing on micro and macro factors affecting The Warehouse Group to help develop our leaders[1] • Launched Agile Academy • Created and launched new Agile behaviours to enable a 'learning, fail fast and iterate' culture.

OUR PEOPLE

Build solutions to address productivity challenges and create a dynamic organisation that has the highest performing, diverse retail talent in New Zealand.

Key Initiatives

In preparation for moving to an Agile way of working, we launched three Frontrunner Agile Tribes in January 2020 which provided invaluable insights into how the Group should operate in an Agile world. COVID–19 was challenging for all New Zealanders including our own team members. Across the Group, we used Workplace by Facebook to share daily COVID–19 updates including information on working from home, entertaining kids during lockdown, managing mental wellbeing and finances, and providing online learning opportunities.

During FY20 we focused on five priority practices for improving our organisational culture: Customer Focus, Strategic Clarity, Challenging Leadership, Talent Development, and Rewards & Recognition. In FY21 we will adopt a revised set of engagement drivers based on survey feedback using our new eNPS tool.

In stores, we launched new Store Leadership Programmes aimed at developing our established and emerging store leaders. We refreshed and launched our new online Store Learning Pathways focused on the retail fundamentals including operational, customer, leadership and health and safety pillars. In addition, we launched a new online onboarding programme for all new employees across the Group.

From a health, safety and wellbeing perspective, we continued to address our critical risks. A focus for FY20 was managing violent and aggressive behaviour incidents against our team members in stores and we saw a successful reduction in incidents. We also signed the NZ Retailers Against Racism pledge which commits to protecting our frontline team members from racism, bigotry and physical and verbal abuse.

Significant work was undertaken preparing our Store Support Office to move to an Agile way of working. We completely reviewed all our key people practices and processes including our performance management processes, organisational structure, career

	Roadmap to our goal		Key Risks	Mitigations
	FY21	**FY22+**		
	TRIFR <20 million hours worked SV1FR > 10% year-on-year decrease	At completion of FY21 the HS&W roadmap will be reviewed and new metrics set	• Team member interaction with moving equipment • Exposure to violent and aggressive behaviour • Storage of hazardous substances – volumes consistently higher than compliance levels • Handling of bulky, heavy or awkward goods by team members • Slips and trips associated with poor housekeeping • COVID–19 outbreak across The Warehouse Group network.	• Early intervention programme for pain and discomfort and review of team member tasks in stores • Further roll-out of violent and aggressive behaviour mitigation controls to 30 high-risk sites • Reporting process for compliance with regulatory standards • Manual Handling – identify four tasks for process improvements • Focus on stockroom housekeeping and minimising stock in walkways and aisles • Partnerships with NZ Police • COVID–19 policy and implementation plans developed and tested.
	eNPS > 30	eNPS > 40	• Team member and/or union dissatisfaction with change and bargaining outcome • Embedding Agile ways of working at Store Support Office.	• Develop a clear employee relations strategy • Build and nurture relationships with government and external stakeholders • Partnering with experts on Agile.
	Maintain Diversity and Inclusion accreditations	Maintain Diversity and Inclusion accreditations Gender diversity is at best practice across TWG	• Challenge in building and/or buying required talent capability • Reduced performance due to lack of diversity at the Group.	• Proactively develop a diverse talent pipeline • Assign appropriate budget and technology to lift capability.
			• Inadequate change management experience and demonstrated resilience as we implement Agile ways of working at scale • Gaps in skilled or crucial experience due to unexpected employee departures • Loss of key talent.	• 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 • Succession planning in order to fill crucial roles.
			• Change fatigue • Training does not meet organisational requirements and impedes speed of change.	• Support change readiness through leadership guidance and by shifting mindsets • Streamline engaging communication.

Legend: ○ Not currently measured ● Behind plan ● On plan but at risk ● On plan ◗ Early stages of completion ◖ 50% Complete ◕ 75% Complete ● 100% Complete

paths and remuneration model, with the aim of creating a culture that is less hierarchical, more collaborative, and with teams that are empowered to move at pace and make decisions.

Significance
Our team members are at the heart of our organisation. We believe that by keeping them safe, enabling them to thrive in this fast-paced environment and preparing them for the future workplace we will lift engagement and achieve long-term business sustainability.

To do this, it is critical we focus on our people's wellbeing and everyday experience at work, adopt Agile to empower our people and put our customers first, as well as invest in digital solutions to leverage people data and insights. We are also prioritising attracting top talent, building the skills of the future and shifting our culture to be the best place to work. 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. Combined with the current volatility, uncertainty, complexity and ambiguity of the world, the amount of change within the Group has meant we needed to find a more dynamic, constant and mobile engagement tool that enables frequent surveying feedback as well as ensuring a heightened focus on our

team members' wellbeing and safety.

In addition, rapidly changing technology, shifting demographics and a growing concern for climate outcomes are shaping the future of work. As customer expectations continue to evolve, we need to make significant improvements to accelerate performance and attract future talent. The next few years will see deliberate change as we prepare our culture and organisation to work in an Agile way and embrace 'future of work' environments. This is a long-term undertaking and the financial investment in technology, talent development, and health, safety and wellbeing will be critical to empower, equip and enable our people to bring to life the purpose and vision of the Group.

Future focus areas
• Embed an Agile way of working
• Implement and maintain productivity improvements
• Be the best place to work and rebuild trust and brand to attract and retain tomorrow's workforce
• Modernise learning and development to build an adaptive workforce that can thrive in an Agile and fast-paced environment
• Connect digital solutions that function at scale, enabling productivity and actionable insights
• Ensure an evolving capability to drive business performance and support future ways of working.

1. S4K is an external curation service providing learning resources and leadership insights https://s4k.com/