

OUR RELATIONSHIPS

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

In addition to our customers and our team members, we have valuable stakeholder relationships with:

- Our community and government partners
- Our suppliers
- Our investors.

Our community and government partners

The Group has been supporting New Zealand communities since the first The Warehouse store opened in 1982. Guided by our purpose of helping Kiwis live better every day and having a charitable foundation as our second largest shareholder, we have been able to continue to support our communities this year.

The Warehouse Group's community programmes focus on key issues that affect the wellbeing of New Zealanders, including period equity, family violence, and child poverty. By mobilising our charity partnerships, our team members and customers, we help to achieve a better outcome for Aotearoa New Zealand. Some of the key charity partnerships with which we work include Women's Refuge, Variety – the Children's Charity, The Salvation Army and The Period Place.

We raised \$4.3 million for New Zealand charities and communities in FY21, bringing the total raised to \$75.5 million since 1982. In addition to the charity partnerships mentioned above, the key instore fundraising campaigns in FY21 included Be the Joy, Back to School, Period Equity, Healthy Homes and Toys for Good initiatives.

We were particularly proud of our efforts to promote period equity. We hosted numerous Members of Parliament from various political parties in our stores to build understanding of our work to address period inequity. Initiatives included expanding an instore donation initiative across 26 The Warehouse stores, enabling customers to donate period products which are distributed to people in need via local community groups. We are now providing free period products in all our team bathrooms – across all brands, support offices and distribution centres.

We are also proud of our individual stores which work closely with local community groups. For example, The Warehouse Whakatāne provided 300 lunchboxes to Tāneatua School to assist them with their participation in the Healthy Lunches programme and sponsored The Kindness Cup through The Kindness Collective in multiple schools around New Zealand. The Warehouse Porirua provided thermals and warm essentials to the volunteers caring for the stranded orca, Toa, and The Warehouse Snells Beach donated warm essentials to Middlemore Foundation for children in need.

The Warehouse Group interacted with relevant government ministries, ministers, and officials on issues such as COVID-19, climate change, the future of work, regional community needs, access to period products and ongoing efforts around tackling family violence.

For example, we met with the Minister for Sexual and Family Violence to

discuss our updated and enhanced family violence policy, our work in this area, and how we could provide further support to our team members and the public in general.

We actively engaged with Government on issues pertaining to climate action which included our submission to the Climate Change Commission on its draft advice to government for the first three emissions budgets through to 2035. We also engaged with government through our contribution to the industry-led low carbon freight pathway report, and to product waste stewardship regulation via the roll out of our e-waste recycling initiative in partnership with TechCollect NZ. This pilot programme will help inform the best options for an ongoing regulated e-waste product stewardship system in New Zealand.

During the year we participated in the Government's "make summer unstoppable" campaign to support the Government's COVID-19 promotion of the use of QR code scanning to enable COVID-19 tracking. We also liaised with the Ministry of Health about supporting the COVID-19 vaccination programme, becoming part of the COVID-19 workplace vaccination pilot alongside three other large New Zealand companies.

The Warehouse Group's Gateway programmes, including The Warehouse Red Shirts in Schools, Warehouse Stationery's Blue Shirts in Schools and Noel Leeming's Discovering Passionate Experts, reached 856 student enrolments in FY21. These numbers are slightly lower than FY20 due to the continuing effects of COVID-19 lockdowns. During FY22 the Group plans to extend Gateway programmes to our Torpedo7 Bike Hubs. This will further extend opportunities for students to experience working in a wide range of retail settings and help address New Zealand's current bike building skill shortage.

The Group has maintained its role as a key partner in the IBM Pathways in Technology (P-TECH) programme. P-TECH NZ was established in 2019 and is a five-year programme where students complete high school, and earn an advanced diploma in digital technology with engaged mentoring, ready to begin a career by the time they graduate from the programme.

The P-TECH programme directly addresses some of the recommendations of the NZTech 'Digital Skills for our Digital Future' (January 2021) report by building the digital skills pipeline and supporting students' transition to work. The report's foreword states: "We must also do more to foster greater inclusion of different groups within the tech sector – in particular Māori, Pasifika and women - to ensure that the opportunities available for business enterprise and career development can be realised by all." P-TECH specifically targets these three population groups.

We continued to work with Massey University to shape and design the retail element of the Massey University Bachelor of Retail and Business Management degree.

In 2021, the Industry Establishment Board set up the Services Workforce Development Council, on which The Warehouse Group has a representative. We endeavour to use our membership to promote retail as a career as well

Community



Fundraised for New Zealand charities and communities in FY21. \$75.5m since 1982.

Promote Period Equity



Donation initiatives across 26 The Warehouse stores enabling customers to donate period products

856 student enrolments in The Warehouse Group's Gateway programmes

- The Warehouse's Red Shirts in Schools
- Warehouse Stationery's Blue Shirts in Schools
- Noel Leeming's Discovering Passionate Experts

Supplier insights



on various labour and environmental management topics



in-person, on site or group and virtual supplier training sessions

By 31 July 2025, achieve traceability of all Tier 2³ Sources for at least 50% of Tier 1² Textile Wood & Paper Suppliers

FY21 Progress: Established a register of Tier 2 apparel sources.

as our continued partnerships with Retail NZ and various Industry Training Organisations (ITOs), such as ServiceIQ, in order to build a sustainable vocational retail education system in New Zealand.

In FY21, The Warehouse Group distributed \$13.3m to The Tindall Foundation in the form of dividends, in line with the Foundation's 21.3% shareholding. The Tindall Foundation is a private philanthropic family foundation, independent of The Warehouse Group, set up by Group founder Sir Stephen Tindall and his wife Lady Margaret Tindall. Working to build a stronger, sustainable Aotearoa New Zealand, the Foundation supports up to 700 organisations a year and has donated over \$200m since 1995 to help families, communities and the environment to thrive now and in the future. Beyond monetary donations, the Foundation also provides support, skills, connections and communication that help organisations and communities to achieve their goals.

Our suppliers

In 2021 we have focused on strengthening our partnerships with our overseas suppliers with the introduction of a balanced vendor scorecard that guides our annual reviews. These reviews allow us to support our vendors in improving their ethical, quality, sustainability and commercial outcomes they deliver to our business. A large part of our business awarding criteria is based on our vendor scorecard, thereby incentivising continual improvement. COVID-19 lockdowns in many regions and worldwide shipping disruptions have affected our suppliers. Our in-country teams have stayed close to these issues and worked through them with our vendors to ensure we prioritise key stock for our customers.

During the year, we extended our ethical sourcing programme by placing more emphasis on supplier development and training and implementing a supplier balanced scorecard, while continuing our regular factory auditing and monitoring activity.

Ethical sourcing

There are explicit requirements for suppliers providing merchandise carrying a brand or private label owned by The Warehouse Group. These include the ongoing disclosure of the identity and location of all primary and secondary manufacturing sites associated with each purchase order, the qualification of these sites (in reference to this policy) as a pre-condition of order placement, and the acceptance of ongoing monitoring and continuous improvement as a condition of business.

In FY21, The Warehouse's private label products were sourced from around 500 factories¹ primarily located in China, Bangladesh, India, Vietnam, Malaysia, and Pakistan, involving about 246,000 workers. 172 new factories (70% of applicants) qualified to enter our supply chain via our oversight of third-party Labour and Environmental Audits.

Our programme at Tier 1² supplier level is relatively mature – we can now trace and qualify almost 100% (500 suppliers) of these sources.

Building on this, we have a new ambition. Starting with textile, wood, and paper products we aim to extend our existing ethical sourcing work into Tier 2³ of these supply chains. By 2025 we aim to trace and qualify the Tier 2 sources for the most valuable 50% of our Tier 1 textile, wood, and paper suppliers. This is an ambitious goal as we do not have direct relationships with suppliers at Tier 2 and the number of factories proliferate at this level of the supply chain.

In 2016, we committed to only stocking products containing palm oil from certified sustainable sources, reinforcing the Group's commitment to the environment and making it easier for our customers to be more sustainable.

Comprehensive disclosures and factory lists pertaining to our ethical sourcing programme can be found in our [Ethical Sourcing Report](#) on our website.

Our investors

Through our relationships with investors, we aim to enhance shareholder engagement and provide continuous disclosure on company performance and strategy and investments, with the objective of building shareholder value and delivering consistent and sustainable total shareholder returns.

In our investor reporting, we continue to embrace Integrated Reporting to improve the quality and relevance of information provided to key stakeholders, including providers of financial capital. Using the principles of integrated thinking in decision-making helps our business recognise the different aspects of value that are important in a way that is understandable and consistent across the Group. This year we have expanded our Integrated Reporting to include the Global Reporting Initiatives (GRI) reporting framework. In accordance with this framework, we have assessed material economic, environmental and social matters relevant to the Group and have used this framework to report on our initiatives and our positive and negative impacts in these identified material areas.

Our next step in investor reporting will be adopting the Task Force on Climate Related Financial Disclosures (TCFD) framework, and we continue to monitor developments from the New Zealand External Reporting Board with a view to reporting under TCFD by the 2024 financial year.

We build open relationships with our investors through various initiatives, including investor days. In May we held our first investor day in four years which provided an opportunity to review the Group's transformation over the last four years and current strategy.

We welcome communication with the New Zealand Shareholders' Association, transparent discussions with our shareholders at our Annual Shareholders' Meeting and the Chair of the Board has held a number of meetings during the year with shareholders on key governance issues.

Significance

Our size and scale mean we continue to play a role in New Zealand communities – nationally at a Group level and locally through our stores. We take this role seriously and work across many stakeholder groups to share our voice and work towards positive impacts. Do Good means standing up for our people, our planet and our communities, and we have the opportunity to drive positive change through our ethical sourcing initiatives by working with suppliers who share the same values.

Materiality

Given the broad coverage of The Warehouse Group's stakeholders, we have not attempted to define or explain materiality to our relationships.

Future focus areas

- Continue to work within our communities and with key stakeholders to deliver a positive impact for the communities we serve
- Partner with suppliers who can help us build our ranges faster, smarter and with more sustainable options
- Drive product development and design through strategic relationships with our suppliers and take the ethical and responsible sourcing actions that our customers now expect
- Grow our culture and organisational performance under an agile working environment to prepare for future developments.

1. Factories with orders over US\$50,000 in FY21.

2. Tier 1 supplier means supplier of textile, wood and paper products to TWL and WSL being the final manufacture site where our products are made.

3. Tier 2 supplier means a site that manufactures componentry and processed material inputs such as fabric, buttons and zips, as ordered by sales volume, present in a finished product that is manufactured by a Tier 1 supplier.