

GLOBAL REPORTING INITIATIVES (GRI) MATERIALITY ASSESSMENT

The Warehouse Group’s vision is to make sustainable living easy and affordable for everyone. We are committed to providing customers with sustainable and affordable products, packaging and circulatory solutions, and to increase the sustainability of our own operations by reducing waste and emissions. The Global Reporting Initiatives (GRI) Framework is an open and transparent way we can report on our progress on this ambition to our stakeholders.

This is the second year we have reported on the Environment, Social and Governance (ESG) topics which are material to The Warehouse Group through the GRI reporting framework.

We have maintained our view of material topics, which was determined in FY21 in our first year of GRI Reporting through an internal and external stakeholder mapping exercise. We interviewed a variety of stakeholders including customers, employees, suppliers, shareholders and business customers to determine a materiality assessment of economic, environmental, social and governance issues which are most important to our stakeholders. These include groups which our business has a significant impact on, and those which have a high interest in or considerable influence on the success of our business.

Value at stake reflects the impact on the economy, environment, and/or society which can lead to consequences for the organization’s business model, reputation, or ability to achieve its objectives.

The following materiality matrix discloses the ranking of importance of these ESG issues.

This report has been prepared in accordance with the GRI Standards: Core option. We have applied the GRI reporting principles, including consideration of Stakeholder Inclusiveness, Sustainability Context, Materiality, and Completeness, when deciding what topics and content to include in this report.

The report has been internally reviewed, supported by evidence, signed off by management, and approved by the Board. The Warehouse Group has engaged Ernst & Young (‘EY’) to provide limited assurance over the metrics within the Group’s GRI Disclosures, specifically in relation to 305 (Emissions) and 306 (Waste). Refer to page 115 for this audit report.

Importance to stakeholders	High	<ul style="list-style-type: none"> • GHG emissions • Waste & hazardous materials management • Business ethics* • Child labour & exploitive labour • Physical impacts of climate change & product carbon footprint 	<ul style="list-style-type: none"> • Product packaging and waste • Product quality and safety • Future workforce • Materials sourcing and efficiency • Supply chain management • Access and affordability
	Low	<ul style="list-style-type: none"> • Water & wastewater managements • Ecological impacts • Customer welfare • Selling practice and product labelling • Air quality • Sustainability oversight • Critical incident risk management • Systematic risk management* • Business model resilience* 	<ul style="list-style-type: none"> • Human rights, responsible sourcing, & community relations • Employee health & safety • Customer privacy • Data security* • Energy management • Employee engagements, diversity and inclusion • Labour practices & employee training • Product design & Lifestyle management • Competitive behaviour*
	Low		High
Value at Stake – economic, environmental and social impacts			

* These topics are governance related topics which are not specifically covered under GRI economic, environmental and social topics and boundaries.

GLOBAL REPORTING INITIATIVE (GRI) CONTENT INDEX

GENERAL DISCLOSURES

Indicator GRI 102:	Disclosure	Reference in this Annual Report	Omission or External Reference
102-1	Name of the organisation	The Warehouse Group	
102-2	Activities, brands, products, and services	Pag 15-25	
102-3	Location of headquarters	Page 115	
102-4	Location of operations	Page 15-25, 37, 115	
102-5	Ownership and legal form	Page 66	
102-6	Markets served	Page 15-25	
102-7	Scale of the organisation	Page 15-25: Store map and brands Page 46: Our People Page 50-52: Financial Capital Page 62: Consolidated Income Statement Page 63: Consolidated Balance Sheet Page 68-69: Note 2.0, Segment Note Page 101: Celebrating Diversity and Inclusion	
102-8	Information on employees and other workers	Page 46-49: Our People Page 101: Celebrating Diversity and Inclusion	Information on employees is not broken down by employment type or employment contract. An insignificant portion of the Group's activities is performed by workers who are not employees or who are seasonal workers.
102-9	Supply chain	Page 36-37: Our Networks Page 44-45: Our Relationships	
102-10	Significant changes to the organisation and its supply chain	None	
102-11	Precautionary Principle or approach	Page 34-35: Risk and Materiality Page 96-101: Corporate Governance	
102-12	External initiatives	Page 110	
102-13	Membership of associations	Page 110	
102-14	Statement from senior decision-maker	Page 6-9: Chair and CEO Report	
102-16	Values, principles, standards, and norms of behaviour	Page 10	
102-18	Governance structure	Page 91-99	
102-40	List of stakeholder groups	Page 40-49: Customers, Relationships, People Page 107: 20 largest shareholders Page 111: Stakeholders considered in GRI materiality matrix	
102-41	Collective bargaining agreements	Page 46: Our People	
102-42	Identifying and selecting stakeholders	Page 111	
102-43	Approach to stakeholder engagement	Page 111	
102-44	Key topics and concerns raised	Page 40-43: Our Customers Page 44-45: Our Suppliers, Our Investors Page 46-49: Our People	
102-45	Entities included in the consolidated financial statements	Page 66: Note 1.3	
102-46	Defining report content and topic boundaries	Page 111	
102-47	List of material topics	Page 111	
102-48	Restatements of information	None	
102-49	Changes in reporting	None	
102-50	Reporting period	2 August 2021 to 31 July 2022	
102-51	Date of most recent report	1 August 2021	
102-52	Reporting cycle	Annual	
102-53	Contact point for questions regarding the report	investors@thewarehouse.co.nz	
102-54	Claims of reporting in accordance with the GRI Standards	GRI Standards (Core Option), Page 111	
102-55	GRI content index	Page 112-114	
102-56	External assurance	<ul style="list-style-type: none"> The disclosures under GRI Standards 102-5, 102-7 (in part), 102-40 (in part) 102-45 are covered by the external audit of the financial statements by PricewaterhouseCoopers, but these are not audited in accordance with GRI. Refer to pages 84-89 for this audit report. GRI Standards 305 and 306 have been externally assured with limited assurance by Ernst & Young. Refer to page 115 for this audit report. Carbon and energy emissions are obtained from Toitū certified emissions data. Refer to The Warehouse Group 2022 Emissions Inventory Report. 	

ECONOMIC

Indicator	Disclosure	Reference in this Annual Report	Omission or External Reference
GRI 205: Anti-corruption (2016)			
103	Management Approach	Page 34, 46–49, 100	
205-2	Communication and training about anti-corruption policies and procedures	Page 48	
205-3	Confirmed incidents of corruption and actions taken	There have been four bribery incidents of note from external suppliers during the year ended 31 July 2022, and these vendors have been removed from our supply chain.	
GRI 206: Anti-competitive Behaviour (2016)			
103	Management Approach	Page 34, 99, 100	
206-1	Legal actions for anti-competitive behaviour, anti-trust and monopoly practices	We are not aware of any legal cases against the organisation regarding anti-competitive behaviour and violations of anti-trust and monopoly legislation during the reporting period.	

ENVIRONMENTAL

Indicator	Disclosure	Reference in this Annual Report	Omission or External Reference
GRI 302: Energy (2016)			
103	Management Approach	Page 28–29, 32–33, 98	
302-1	Energy consumption within the organisation	Page 56	Refer to The Warehouse Group 2022 Emissions Inventory Report .
302-3	Energy intensity	Page 56	
302-4	Reduction of energy consumption	Page 56	
GRI 305: EMISSIONS 2016			
103	Management Approach	Page 28–29, 32–33, 98	
305-1	Direct (scope 1) GHG emissions	Page 55, 57–58	Refer to The Warehouse Group 2022 Emissions Inventory Report .
305-2	Energy indirect (Scope 2) GHG emissions	Page 55, 57–58	
305-3	Other indirect (Scope 3) GHG emissions	Page 55–58	
305-4	GHG emissions intensity	Page 57	
305-5	Reduction of GHG emissions	Page 55, 57–58	
GRI 306: WASTE 2020			
103	Management Approach	Page 28–29, 32–33, 98	
306-1	Waste generation and significant waste-related impacts	Page 55, 58	Refer to The Warehouse Group 2022 Emissions Inventory Report .
306-2	Management of significant waste-related impacts	Page 54–58	
306-3	Waste generated	Page 58	
306-4	Waste diverted from disposal	Page 55, 58	
306-5	Waste directed to disposal	Page 58	
GRI 307: ENVIRONMENTAL COMPLIANCE (2016)			
103	Management Approach	Page 28–29, 32–33, 98	
307-1	Non-compliance with environmental laws and regulations	We are not aware of any incidents related to non-compliance with environmental laws and regulations during the reporting period.	
308-1	New suppliers that were screened using environmental criteria	Page 44–45	
308-2	Negative environmental impacts in the supply chain and actions taken	Page 44–45, 56	The Warehouse Group Ethical Sourcing Policy

GLOBAL REPORTING INITIATIVE (GRI) CONTENT INDEX

SOCIAL

Indicator	Disclosure	Reference in this Annual Report	Omission or External Reference
GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018			
103	Management Approach	Page 48–49, 96, 98–99	
403–6	Promotion of worker health	Page 46–49	
403–9	Work-related injuries	Page 48–49	
GRI 404: TRAINING AND EDUCATION 2016			
103	Management Approach	Page 32–33, 46–49	
404–1	Average hours of training per year per employee	Page 48	Information on training hours per year by gender and employee category is not yet available. We will endeavour to work on this reporting in the future.
404–2	Programs for upgrading employee skills and transition assistance programs	Page 47–48	
GRI 405: DIVERSITY AND EQUAL OPPORTUNITY 2016			
103	Management Approach	Page 32–33, 46–49, 96, 98, 100	
405–1	Diversity of governance bodies and employees	Page 101	
405–2	Ratio of basic salary and remuneration of women to men	Page 101	Information on salary and remuneration by employee category is not yet available. We will endeavour to work on this reporting in the future.
GRI 407: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING 2016			
103	Management Approach	Page 44–45, 100	The Warehouse Group Ethical Sourcing Policy
407–1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Page 44–45	
GRI 408: CHILD LABOUR 2016			
103	Management Approach	Page 44–45, 100	The Warehouse Group Ethical Sourcing Policy
408–1	Operations and suppliers at significant risk for incidents of child labour	Page 44–45	
GRI 409: FORCED OR COMPULSORY LABOR 2016			
103	Management Approach	Page 44–45, 100	The Warehouse Group Ethical Sourcing Policy
409–1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	Page 44–45	
GRI 414: SUPPLIER SOCIAL ASSESSMENT 2016			
103	Management Approach	Page 44–45, 100	The Warehouse Group Ethical Sourcing Policy
414–1	New suppliers that were screened using social criteria	Page 44	
414–2	Negative social impacts in the supply chain and actions taken	Page 44	



INDEPENDENT LIMITED ASSURANCE STATEMENT TO THE MANAGEMENT AND DIRECTORS OF THE WAREHOUSE GROUP LIMITED

ASSURANCE CONCLUSION

Based on our limited assurance procedures described below, nothing has come to our attention, that causes us to believe that selected non-financial disclosures prepared by The Warehouse Group ("TWG") in its '2022 Integrated Report', is not reported and presented, in all material respects, in accordance with the criteria defined below.

SCOPE

Ernst & Young ('EY') has performed a limited assurance engagement over selected non-financial disclosures prepared by TWG in its 2022 Integrated Report ("the Report") for the year ended 31 July 2022 against the Global Reporting Initiative's Sustainability Reporting Standards in order to conclude that nothing has come to our attention to indicate that the non-financial disclosures are not reported accurately against these criteria.

SUBJECT MATTER

The Subject Matter for our limited assurance engagement included selected non-financial disclosures in the Report, for the year ended 31 July 2022, limited to those listed in Table 1 below.

Table 1: Selected Non-financial Disclosure

Climate Change

- **Direct (Scope 1) GHG emissions**
Scope 1 greenhouse gas ('GHG') emissions of 2,800 tonnes of carbon dioxide equivalent (tCO₂-e);
- **Energy Indirect (Scope 2) GHG emissions**
Scope 2 GHG emissions of 9,535 tCO₂-e
- **Reduction of GHG emissions**
Increase of GHG emissions (Scope 1 & Scope 2) of 0.3% from 2021 to 2022

Waste

- **Waste generated**
Waste generated of 13,216 tonnes
- **Waste diverted from disposal**
Waste diverted from disposal of 9,704 tonnes
- **Waste directed to disposal**
Waste directed to disposal of 3,512 tonnes

THE SUBJECT MATTER DID NOT INCLUDE:

Data sets, statements, information, systems or approaches other than the selected non-financial performance data specified in Table 1; and neither Management's forward-looking statements. Our Subject Matter does not include sustainability disclosures relating to TWG's funds, or for activities outside of TWG's self-declared reporting boundaries, as specified in the Criteria below

CRITERIA

In preparing the selected non-financial disclosures, Management determined the reporting criteria as set out in:

- The Global Reporting Initiative (GRI) Standards' Sustainability Reporting Standards, as follows:
 - GRI 305: Emissions 2016
 - GRI 306: Waste 2020
 - GHG Protocol Corporate Accounting and Reporting Standard
- With GHG emissions factors sourced from:
- New Zealand Ministry for the Environment, Measuring Emissions: A Guide for Organisations (2022)

TWG's organisational boundary is set out in [TWG's 2022 Greenhouse Gas Emissions Inventory Report](#).

MANAGEMENT RESPONSIBILITY

The management of TWG is responsible for the collection and presentation of the Subject Matter in accordance with the criteria and for maintaining adequate records and internal controls that are designed to support assertions made in the selected non-financial disclosures.

ASSURANCE PRACTITIONER'S RESPONSIBILITY

EY's responsibility is to express a limited assurance conclusion on the selected non-financial disclosures, based on our review. We are also responsible for maintaining our independence and confirm that we have met the requirements of the *APES 110 Code of Ethics for Professional Accountants* including independence and have the required competencies and experience to conduct this assurance engagement.

LEVEL OF ASSURANCE

A limited assurance engagement consists of making enquiries and applying analytical, controls testing, and other evidence-gathering procedures sufficient for us to obtain a meaningful level of assurance as the basis for providing a negative form of conclusion. The procedures performed depend on the assurance practitioner's judgement including the risk of material misstatement of the specific activity data, whether due to fraud or error. While we considered the effectiveness of Management's internal controls when determining the nature and extent of our procedures, these procedures were not designed to provide assurance on internal controls. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

OUR APPROACH

We conducted this review in accordance with the International Accounting Standards Board's *International Standard on Assurance Engagements Other Than Audits or Reviews of Historical Financial Information (New Zealand) ('ISAE 3000'(NZ))*, and *Assurance Engagements on Greenhouse Gas Statements ('ISAE 3410')*, as well as the terms of reference for this engagement as agreed with TWG on 06 July 2022.

The procedures we performed were based on our professional judgement and included, but were not limited to, the following:

- Conducting interviews with key personnel to understand the process for collecting, collating and reporting the selected non-financial disclosures during the reporting period
- Gaining an understanding of the basis for calculating and reporting GHG emissions
- Checking that the calculation criteria had been applied in accordance with the methodologies outlined in TWG's criteria
- Undertaking analytical review procedures to support the reasonableness of the data
- Identifying and testing assumptions that support calculations
- Checking emissions factors and considered their consistency with the reporting criteria
- Reviewing the presentation of the information in TWG's 2022 Integrated Report.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

LIMITED ASSURANCE

Procedures performed in a limited assurance engagement vary in nature and timing, and are less in extent, than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

While we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Further, our procedures did not include testing controls or performing procedures relating to checking the aggregation or calculation of data within IT systems.

USE OF OUR ASSURANCE STATEMENT

We disclaim any assumption of responsibility for any reliance on this assurance report, or on the Subject Matter to which it relates, to any persons other than Management and the Directors of TWG, or for any purpose other than that for which it was prepared.

Ernst & Young Limited



Pip Best Partner
Auckland, New Zealand
27 September 2022