

## MATERIAL TOPICS – ASSESSMENT AND REPORTING

Material Topic	Impact / Commitment	How we measure performance	GRI Reporting Standard	Integrated Report Capital
<b>1. Sustainable products and packaging</b>	To increase the share of private label sales from products and packaging which are more sustainable, or which have a circularity solution, to 50% by 2025 and 100% by 2035.	<ul style="list-style-type: none"> <li>Percentage of private label sales in The Warehouse and Warehouse Stationery were derived from products with one or more sustainable material or production features;</li> <li>Percentage of private label sales were derived from products with packaging which can be recycled via New Zealand's kerbside recycling infrastructure, or circularity solutions.</li> </ul>	N/A	Our Environment
	Enable 2.5 million customers to use our waste recycling or circular reuse solutions by 2030.	<ul style="list-style-type: none"> <li>Number of tonnes of post-consumer waste recycled.</li> </ul>	N/A	Our Environment
<b>2. Supply chain management</b>	To build a reliable and sustainable supply chain network.	<ul style="list-style-type: none"> <li>Assessment scores of ethical, labour and environmental audits;</li> <li>Number of new and existing suppliers screened using environmental audits.</li> </ul>	GRI 414-1 GRI 414-2	Our Networks Our Relationships
	Ensure products get from our suppliers, through our distribution networks, into store and available for our customers.	<ul style="list-style-type: none"> <li>Amount of goods in transit and stock availability;</li> <li>Distribution cost to serve;</li> <li>Fulfilment cost to serve.</li> </ul>	N/A	Our Networks
<b>3. GHG emissions</b>	Reduce Scope 1 and 2 emissions by 42% by 2030, and zero emissions by 2040.	<ul style="list-style-type: none"> <li>Scope 1 and 2 reduction in emissions year on year and compared to 2020 base year.</li> </ul>	GRI 305-1 GRI 305-2 GRI 305-3 GRI 305-4 GRI 305-5	Our Environment
<b>4. Waste reduction</b>	Become a zero-waste status organisation by 2025.	<ul style="list-style-type: none"> <li>Percentage of waste diverted from landfill year on year.</li> </ul>	GRI 306-1 GRI 306-2 GRI 306-3 GRI 306-4 GRI 306-5	Our Environment
<b>5. Responsible and ethical sourcing</b>	To build a reliable and sustainable supply chain network.	<ul style="list-style-type: none"> <li>Percentage of private label sales derived from products with one or more sustainability features;</li> <li>Number of new and existing suppliers screened using environmental audits;</li> <li>Supplier audit and results.</li> </ul>	GRI 407-1 GRI 408-1 GRI 409-1 GRI 414-1 GRI 414-2	Our Relationships Our Environment Ethical Sourcing Policy Ethical Sourcing Report
	Work with suppliers, associations and initiatives for sustainable sourcing and materials e.g. BCI, FSC.	<ul style="list-style-type: none"> <li>Membership of sustainable material initiatives.</li> </ul>	GRI 2.28	Our Environment Corporate Disclosures Statutory Disclosures
<b>6. Employee health, safety and wellbeing</b>	Build a strong and effective high-performance and agile culture that gets everyone home healthy and safe at the end of their day.	<ul style="list-style-type: none"> <li>Critical Risk Management and Safety Assurance Reviews, including: <ul style="list-style-type: none"> <li>Number of violent and aggressive behaviour incidents;</li> <li>Number of traffic management critical events;</li> <li>Total Severity 1 Frequency Rate (SVIFR);</li> <li>Total Recordable Injury Frequency Rate (TRIFR).</li> </ul> </li> </ul>	GRI 403-9	Our People
<b>7. Employee engagements, diversity and inclusion</b>	Be the best place to work by creating an environment of belonging and connection.	<ul style="list-style-type: none"> <li>eNPS;</li> <li>Promotion of worker health.</li> </ul>	N/A GRI 403-6	Our People
	Provide learning pathways and career development.	<ul style="list-style-type: none"> <li>Average training hours per year per employee;</li> <li>Programmes for upgrading employee skills and transition assistance programmes.</li> </ul>	GRI 404-1 GRI 404-2	Our People
	Celebrating diversity and providing equal opportunities for everyone.	<ul style="list-style-type: none"> <li>Percentage of senior leaders who are female;</li> <li>Gender pay equity;</li> <li>Rainbow Tick accreditation;</li> <li>Diversity, inclusion and wellbeing initiatives and objectives.</li> </ul>	GRI 405-1 GRI 405-2	Our People Diversity & Inclusion Report
<b>8. Business ethics and human rights</b>	The Company is committed to fostering the highest standards of ethical behaviour and good conduct.	<ul style="list-style-type: none"> <li>Adherence to NZX Corporate Governance Code, Principle 1;</li> <li>Compliance with Code of Ethics, Financial Products Trading Policy, and Market Disclosure Policy;</li> <li>Supplier and factory labour and environmental audits.</li> </ul>	GRI 2.23 – 2.27 GRI 205-2 GRI 205-3 GRI 206-1 GRI 407-1 GRI 408-1 GRI 409-1	Corporate Governance

## GENERAL DISCLOSURES

Standard	Disclosure	Section in this Annual Report	Page in this Annual Report
<b>GRI 2: GENERAL DISCLOSURES 2021</b>			
2-1	Organisation details	Directory	117
		Financial Statements, Note 1.1	68
		Store Map	14
2-2	Entities included in the organisation's sustainability reporting	Financial Statements, Note 1.1	68
2-3	Reporting period, frequency and contact point	GRI Report	60
		Financial Statements, Note 1.1	68
		Directory	117
2-4	Restatements of information	The Warehouse Group has restated its Scope 2 emissions in FY20 (base year), FY21 and FY22, to account for the August 2022 MfE revised emission factors for electricity, which was a change in methodology. E&Y have not provided assurance over the restated emissions for prior years.	
2-5	External assurance	GRI Report	60
		E&Y Limited Assurance Report	114-115
		Toitū Envirocare have verified our GHG inventory and provided reasonable assurance in accordance with ISO 14064-3:2019.	
2-6	Activities, value chain and other business relationships	GRI Report	60
		Our Brands	16-25
		Our Networks	32-35
		Our Customers	36-38
		Our Relationships	40-42
2-7	Employees	Diversity and Inclusion Report	105
2-8	Workers who are not employees	An insignificant portion of the Group's activities is performed by workers who are not employees or who are seasonal workers. Employees through our supply chain are addressed through this GRI2: Disclosures 2-6.	
2-9	Governance structure and composition	Our Board	92-93
		Governance Report	96-100
2-10	Nomination and selection of the highest governance body	Governance Report – Board Composition and Performance	96-97
2-11	Chair of the highest governance body	Governance Report – Board Composition and Performance	96-97
2-12	Role of the highest governance body in overseeing the management of impacts	Governance Report	Page 92-93, 96-98
		ESS Committee Charter	<a href="http://www.thewarehousegroup.co.nz/about-us/corporate-governance">www.thewarehousegroup.co.nz/about-us/corporate-governance</a>
2-13	Delegation of responsibility for managing impacts	Leadership Squad	94-95
		Governance Report – Board Committees	98
2-14	Role of the highest governance body in sustainability reporting	Governance Report – Board Committees	98
		ESS Committee Charter	<a href="http://www.thewarehousegroup.co.nz/about-us/corporate-governance">www.thewarehousegroup.co.nz/about-us/corporate-governance</a>
2-15	Conflicts of interest	Governance Report – Director Independence and conflicts	97
		Statutory Disclosures	106-108
2-16	Communication of critical concerns	Risk & Materiality	30-31
		Our People	47
		Governance Report – Ethical Standards, Risk Management	96,103
2-17	Collective knowledge of the highest governance body	Governance Report – Board Skills Matrix	97
		The The Warehouse Group's Sustainability team provides regular updates on how sustainable development impact the Group's development and risks. During the year, KPMG presented on the XRB climate risk scenarios to the Environmental and Social Sustainability Committee.	
2-18	Evaluation of the performance of the highest governance body	Governance Report	96-98
2-19	Remuneration policies	Remuneration Report	99-103
2-20	Process to determine remuneration	Remuneration Report	99-103

## GENERAL DISCLOSURES contd

Standard	Disclosure	Section in this Annual Report	Page in this Annual Report
<b>GRI 2: GENERAL DISCLOSURES 2021</b>			
2-21	Annual compensation ratio	Remuneration Report	102
2-22	Statement of sustainable development strategy	Our Environment	52-59
2-23	Policy commitments	<a href="http://www.thewarehousegroup.co.nz/about-us/corporate-governance">www.thewarehousegroup.co.nz/about-us/corporate-governance</a>	
2-24	Embedding policy commitments	Governance Report – Ethical Standards, Reporting and Disclosure, Risk Management. Diversity and Inclusion Report	96, 99, 103, 105
2-25	Processes to remediate negative impacts	Risk and Materiality Governance Report – Risk Management	30-31 103
2-26	Mechanisms for seeking advice and raising concerns	Governance Report – Ethical Standards	96
2-27	Compliance with laws and regulations	Group subsidiary TheMarket.com Limited, trading as 1-day, pleaded guilty to eight representative charges under section 10 of the Fair Trading Act 1986, relating to website representations about the amount of time available to purchase items on the website and the quantity of stock available to purchase. It was fined \$840,000 in September 2022.	
2-28	Membership associations	Initiatives and Associations	109
2-29	Approach to stakeholder engagements	Our Relationships	40-42
2-30	Collective bargaining agreements	Our People	46

## MATERIAL TOPICS

Standard	Disclosure	Section in this Annual Report	Page in this Annual Report
<b>GRI 3: MATERIAL TOPICS 2021</b>			
3-1	Process to determine material topics	GRI Report	60
3-2	List of material topics	GRI Report	60
3-3	Management of material topics	GRI Report	61

## TOPIC DISCLOSURES

### Economic

Standard	Disclosure	Section in this Annual Report	Page in this Annual Report
<b>GRI 205: ANTI-CORRUPTION 2016</b>			
3-3	Management of material topics	GRI Report Risk and Materiality Our People Governance Report – Ethical Standards	61 30-31 44-47 96
205-2	Communication and training about anti-corruption policies and procedures	Our People Our Relationships  Communication and training provided to employees is not available by employee level but is provided between SSO and store team members.	45 40-42
205-3	Confirmed incidents of corruption and actions taken	Seven supplier bribery attempts were brought to our attention in FY23 with consequential escalation and penalties issued. We are not aware of any other bribery incidents.	
<b>GRI 206: ANTI-COMPETITIVE BEHAVIOUR 2016</b>			
3-3	Management of material topics	GRI Report Risk and Materiality Governance Report – Ethical Standards Governance Report – Risk Management	61 30-31 96 103
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.	

# GRI CONTENT INDEX

## TOPIC DISCLOSURES

### Environmental

Standard	Disclosure	Section in this Annual Report	Page in this Annual Report
<b>GRI 302: ENERGY 2016</b>			
3-3	Management of material topics	GRI Report Integrated Report Governance Report – ESS Committee	61 28–29 98
302-1	Energy consumption within the organisation	Our Environment	57
302-3	Energy intensity	Our Environment	57
302-4	Reduction of energy consumption	Our Environment	57
For further information, please refer to <a href="https://www.thewarehousegroup.co.nz/sustainability/emissions-inventory-report">https://www.thewarehousegroup.co.nz/sustainability/emissions-inventory-report</a>			
<b>GRI 305: EMISSIONS 2016</b>			
3-3	Management of material topics	GRI Report Integrated Report Financial Capital - Sustainability Linked Loan Governance Report – ESS Committee	61 28–29 51 98
305-1	Direct (scope 1) GHG emissions	Our Environment	54, 56, 58
305-2	Energy indirect (Scope 2) GHG emissions	Our Environment	54, 56, 58
305-3	Other indirect (Scope 3) GHG emissions	Our Environment	54, 56, 58
305-4	GHG emissions intensity	Our Environment	56
305-5	Reduction of GHG emissions	Our Environment	56
For further information, please refer to <a href="https://www.thewarehousegroup.co.nz/sustainability/emissions-inventory-report">https://www.thewarehousegroup.co.nz/sustainability/emissions-inventory-report</a>			
<b>GRI 306: WASTE 2020</b>			
3-3	Management of material topics	GRI Report Integrated Report Governance Report – ESS Committee	61 28–29 98
306-1	Waste generation and significant waste-related impacts	Our Environment	58
306-2	Management of significant waste-related impacts	Our Environment	58
306-3	Waste generated	Our Environment	58
306-4	Waste diverted from disposal	Our Environment	58
		Offsite waste is not reported because all operational waste is generated onsite.	
306-5	Waste directed to disposal	Our Environment	58
		Offsite waste is not reported because all operational waste is generated onsite. A breakdown of waste directed to disposal by incineration with and without energy recovery is not reported because we do not receive this information from our waste management suppliers.	
<b>GRI 307: ENVIRONMENTAL COMPLIANCE 2016</b>			
3-3	Management of material topics	GRI Report Integrated Report Governance Report – ESS Committee	61 28–29 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	Our Relationships Our Environment	40–42 54
308-2	Negative environmental impacts in the supply chain and actions taken	Our Relationships Our Environment	40–42 54
For further information, please refer to The Warehouse Group Ethical Sourcing Report: <a href="https://www.thewarehousegroup.co.nz/sustainability/responsible-sourcing">https://www.thewarehousegroup.co.nz/sustainability/responsible-sourcing</a>			

## TOPIC DISCLOSURES contd

### Social

Standard	Disclosure	Section in this Annual Report	Page in this Annual Report
<b>GRI 403: OCCUPATIONAL HEALTH AND SAFETY (2018)</b>			
3-3	Management of material topics	GRI Report Governance Report – Board Committees: Health, Safety and Wellbeing Committee	61 98
403-6	Promotion of worker health	Our People, Looking after our teams in 2023 Our People, Wellbeing	45-46 47
403-9	Work-related injuries	Our People, Health, Safety, and Wellbeing Chair's Report	46-47 7
<b>GRI 404: TRAINING AND EDUCATION (2016)</b>			
3-3	Management of material topics	GRI Report Our People	61 44-47
404-1	Average hours of training per year per employee	Our People	45
404-2	Programs for upgrading employee skills and transition assistance programmes	Our People	44-45
<b>GRI 405: DIVERSITY AND EQUAL OPPORTUNITY (2016)</b>			
3-3	Management of material topics	GRI Report Our People Governance Report – Board Committees: People and Remuneration Committee Environmental and Social Sustainability Committee	61 44-47 98 98
405-1	Diversity of governance bodies and employees	Diversity and Inclusion Report	105
405-2	Ratio of basic salary and remuneration of women to men	Diversity and Inclusion Report	105
<b>GRI 407: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING (2016)</b>			
3-3	Management of material topics	GRI Report Our Relationships Governance Report – Ethical Standards Ethical Sourcing Policy: <a href="http://www.thewarehouse.co.nz/suppliers-ethical-sourcing">www.thewarehouse.co.nz/suppliers-ethical-sourcing</a>	61 40-42 96
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Our People Our Relationships	46 40-42
<b>GRI 408: CHILD LABOUR (2016)</b>			
3-3	Management of material topics	GRI Report Governance Report – Ethical Standards Ethical Sourcing Policy: <a href="http://www.thewarehouse.co.nz/suppliers-ethical-sourcing">www.thewarehouse.co.nz/suppliers-ethical-sourcing</a>	61 96
408-1	Operations and suppliers at significant risk for incidents of child labour	Our Relationships	40-42
		One child labour case was raised through these audits, occurring during the school holidays with a child accompanying the parent. The factory requested the children be returned home with supervision and the relationship with this factory was terminated.	
<b>GRI 409: FORCED OR COMPULSORY LABOUR (2016)</b>			
3-3	Management of material topics	GRI Report Governance Report – Ethical Standards Ethical Sourcing Policy: <a href="http://www.thewarehouse.co.nz/suppliers-ethical-sourcing">www.thewarehouse.co.nz/suppliers-ethical-sourcing</a>	61 96
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	Our Relationships	40-42
<b>GRI 414: SUPPLIER SOCIAL ASSESSMENT (2016)</b>			
3-3	Management of material topics	GRI Report Governance Report – Ethical Standards Ethical Sourcing Policy: <a href="http://www.thewarehouse.co.nz/suppliers-ethical-sourcing">www.thewarehouse.co.nz/suppliers-ethical-sourcing</a>	61 96
414-1	New suppliers that were screened using social criteria	Our Relationships	41-42
414-2	Negative social impacts in the supply chain and actions taken	Our Relationships	41-42

For further information on GRI 408, 409 and 414, please refer to The Warehouse Group Ethical Sourcing Report:  
<https://www.thewarehousegroup.co.nz/sustainability/responsible-sourcing>



## INDEPENDENT LIMITED ASSURANCE STATEMENT TO THE DIRECTORS AND MANAGEMENT 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 '2023 Integrated Report', is not reported and presented, in all material respects, in accordance with the criteria defined below.

### SCOPE

Ernst & Young Limited ("EY") has been engaged by TWG to perform a 'limited assurance engagement,' as defined by International Standards on Assurance Engagements, here after referred to as the engagement, over TWG's selected non-financial disclosures ('the Subject Matter') prepared by TWG in its 2023 Integrated Report ('the Report') for the year ended 31 July 2023.

The relevant metrics are as follows:

- GRI 305-1: Direct (Scope 1) GHG emissions
- GRI 305-2: Energy Indirect (Scope 2) GHG emissions
- GRI 305-5: Reduction of GHG emissions
- GRI 306-3: Waste Generated
- GRI 306-4: Waste diverted from disposal
- GRI 306-5: Waste directed to disposal

### CRITERIA APPLIED BY TWG

In preparing the Subject Matter, TWG applied the Global Reporting Initiative's Sustainability Reporting Standards ('GRI') ('the Criteria').

These standards are:

- GRI 305: Emissions 2016
- GRI 306: Waste 2020
- The Greenhouse Gas Protocol ('GHG Protocol')
- Emissions factors: New Zealand Ministry for the Environment, Measuring Emissions: A Guide for Organisations (2023)

TWG is responsible for selecting the Criteria, and for presenting the Subject Matter in accordance with that Criteria, in all material respects.

This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the subject matter, such that it is free from material misstatement, whether due to fraud or error.

### EY'S RESPONSIBILITIES

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

Our engagement was conducted in accordance with the *International Standard for Assurance Engagements: Assurance Engagements Other than Audits or Reviews of Historical Financial Information* ('ISAE (NZ) 3000') and *International Standard for Assurance Engagements: Assurance Engagements on Greenhouse Gas Statements* ('ISAE (NZ) 3410') and the terms of reference for this engagement as agreed with TWG on 20 July 2023. Those standards require that we plan and perform our engagement to obtain limited assurance

about whether, in all material respects, the Subject Matter is presented in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

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

### LEVEL OF ASSURANCE

A limited assurance engagement consists of making enquiries and applying analytical, 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 INDEPENDENCE AND QUALITY CONTROL

We have complied with the independence and other ethical requirements of the Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies Professional and Ethical Standard 3, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.



### DESCRIPTION OF PROCEDURES PERFORMED

Procedures performed in a limited assurance engagement vary in nature and timing from, 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. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although 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. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

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 calculations had been applied in accordance with the methodologies outlined in the 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 Criteria
- Reviewing the presentation of the information in the Report.

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

### LIMITATIONS ON SCOPE

There are inherent limitations in performing assurance – for example, assurance engagements are based on selective testing of the information being examined – and it is possible that fraud, error, or non-compliance may occur and not be detected. There are additional inherent risks associated with assurance over nonfinancial information including reporting against standards which require information to be assured against source data compiled using definitions and estimation methods that are developed by the reporting entity. Finally, adherence to ISAE 3000 (NZ) is subjective and will be interpreted differently by different stakeholder groups. Our assurance was limited to the Subject Matter and did not include statutory financial statements.

### RESTRICTED USE

This report is intended solely for the information and use of The Warehouse Group Limited and in accordance with the terms of reference for this engagement as agreed on 20 July 2023. It is not intended to be and should not be used by anyone other than those specified parties.

Ernst & Young Limited

27 September 2023