

# Impact Report

Released  
December 2021



**Jacobsen**<sup>®</sup>

< >

**Mō tātou, a, mō ngā  
uri ā muri ake nei.**

**For us and our  
children after us.**

## Message from our Business Leaders.

This release of our inaugural Jacobsen Impact report is a significant milestone for us. It's an opportunity to pause, reflect, celebrate our progress, and look ahead at further areas for improvement. Over the past two years we have been firmly integrating sustainability and impact into the way we do everything at Jacobsen. It is a continually evolving journey and this report marks our progress at this point in time.

It is our intent to understand and be accountable for all the environmental and social costs of doing business, and to identify opportunities to make the greatest positive impact around us, for our communities and planet, and within the context of our industry.

One of our underlying principles regarding impact at Jacobsen is to be transparent and credible, utilizing third party audits and certifications where possible. So as we embarked upon this inaugural report it was important to us that it is credible and honest. We are a family-owned business with strong governance and no official requirement to produce this report, yet it came from within our business – we want to share our progress, encourage others to do the same, and

to hold ourselves to account publicly. It's this spirit of transparency and credibility that have guided us to write this report in reference to GRI Sustainability Reporting framework and we need to thank Go Well Consulting for guiding us on this journey. We also want to acknowledge and thank Nicola Rodricks, our People & Impact Officer, for her commitment and tireless effort to get this report completed.

During our reporting period we were faced with the unprecedented challenge of the COVID-19 pandemic, and to be honest it delayed this Impact report and reporting period by one year. We've certainly had to adapt and be resilient, and as we write this, the ongoing impact of a health crisis is felt in unexpected areas of global shipping challenges and a difficult labour market, on top of a relentless need to carefully manage costs and invest for the future needs of our business, ensuring we can face adversity as it arises. Perhaps it's in this context that we find ourselves reflecting about this report and that the greatest learnings have been understanding the material issues, gaining clarity and alignment on that, and publicly holding ourselves to account in these areas. In business and in life, it can be easier to keep busy, moving ahead and making excuses rather than gaining clarity on the critical issues at hand to drive positive change.

Jacobsen have a core value to 'Create Positive Impact' and in delivering this report it's one further step to do so and hold ourselves accountable.



Pictured here: Mark von Batenburg, Renee Jacobsen & Sue Suckling

## Message from our Business Leaders. (continued)



We've taken on some challenging and rewarding initiatives within our business relating to Impact over the reporting period (April 2019 – March 2021). We haven't always been successful. We undertook research to try and find local solutions to the challenge of diverting flooring waste in New Zealand from landfill. Ultimately we conceded that the best environmental result is to first look for re-use opportunities and then partner with our suppliers to ship the material back to the factories for recycling. We've implemented this initiative in the majority of our product offering under our programme Re.Form and were proud to be a Sustainable Business Network Finalist in 2020 for this program. In the period ahead we want to extend the usage of this program and have it certified by the Ministry of Environment.

We also examined the system we operate within to truly understand our greatest levers for positive change. What we chose to source and carry stock of in New Zealand and what we chose to promote to customers are the biggest opportunities for Jacobsen to create positive impact within our industry. We've implemented a Supplier Code of Conduct to ensure our partners meet our minimum expectations regarding environmental management and ethical manufacturing, and we carefully review environmental certifications during product selection, but this can become more robust and accountable in the future.

With climate change being one of the greatest issues of our time, we have elevated our commitment to carbon reporting and reduction and are now Toitū carbonreduce certified, with reduction goals set in line with science based targets and a plan to become Toitū carbonzero certified shortly. Our supply chain logistics is the largest contributor to emissions so we will focus on how we can reduce that as a Scope 3 emission source, but within our influence we will be looking to transition our vehicle fleet to Electric Vehicles in the next reporting period.

Lastly, we are proud of the way that our team of 60 have embraced this Positive Impact culture and participated in volunteering opportunities or lead their own team projects to make change, such as going paperless or reusing packaging waste in our distribution centre. We've also engaged with

our local business community to support a thriving innovation network by hosting Hack Tāmaki, and with Tāmaki College and the Tāmaki Jobs and Skills Hub to support local employment pathways and skills development. This action by all our people has led to us becoming finalists in the Westpac Business Awards for Excellence in Community Contribution (South & East Auckland).

Finally, Jacobsen is a third generation, family-owned business. We are proud of our history and look to the future with the mindset to nurture and protect this legacy for generations to come. Decisions are made with this in mind and we know that our planet needs to thrive to sustain Aotearoa's future generations, and this place that we are proud to call home, and do business in.

A handwritten signature in black ink, appearing to read 'Mark von Batenburg'.

**Mark von Batenburg**  
Managing Director

A handwritten signature in black ink, appearing to read 'Renee Jacobsen'.

**Renee Jacobsen**  
Director — Marketing, Innovation & Impact

A handwritten signature in black ink, appearing to read 'Sue Suckling'.

**Sue Suckling**  
Board Chair

# Contents

<b>About this Report — Tēnei Rīpoata</b>	<b>6</b>
About Jacobsen.	8
Our Values & Purpose.	10
Supply Chain.	11
Our Suppliers.	13
Our Commitments & Awards.	14
Stakeholder Engagement.	15
Materiality Assessment.	16
The World of Flooring.	17
<b>Our People — Tā Mātou Iwi</b>	<b>19</b>
Our People Are Our Legacy & Our Future. Tā Mātou Iwi.	20
Training & Professional Development.	21
Our Employees.	23
Health & Safety.	24
Product Safety — Our Products. Ngā Hua.	26
Our Community. Tā Mātou Hapori.	27
Case Study: The Breakfast Club & Glen Innes Primary School.	28
Communication. Whakawhitiwhiti Kōrero.	29
<b>Our Planet — To Tātou Aorangi</b>	<b>30</b>
Greenhouse Gas Emissions — Our Footprint. Tā Mātou Tapuwae.	31
Procurement & Product Provenance — Our Suppliers. Ngā Kaiwhakarato.	33
Case Study: Our Two Largest Suppliers — Tarkett and Shaw Contract.	34
Case Study: Product Stewardship Re.Form. Whakahouhou.	36
<b>Prosperity — Taurikura</b>	<b>38</b>
Innovation. Auaha.	39
Case Study: Hack Tāmaki.	40
COVID-19.	42
Industry Relations.	43
Key Topics & Concerns Raised by Our Stakeholders.	44
<b>GRI Reporting Initiative Standards</b>	<b>45</b>



This Contents page is navigable —  
Click any section to go through to  
the appropriate page.



# About this Report

# Tēnei Rīpoata

# About this Report.

To ensure we produced a high quality report we have written this in reference to the reporting framework the Global Reporting Initiative (GRI). You can see which disclosures we have referenced in the table on **pages 47 — 53.**

A key part of the GRI framework includes engaging with our stakeholders to identify the material topics we should report on. You can read more about the stakeholder engagement we undertook on **page 15.**

Unless otherwise stated all data and information in this report relates to the period 1st April 2019 — 31st March 2021 (our financial year), and covers the entire global operations of Jacobsen.

We welcome any questions, ideas, or feedback on this report. If you have any you can contact us at **[hello@jacobsen.co.nz](mailto:hello@jacobsen.co.nz)**



## About Jacobsen.

Jacobsen Creative Surfaces (Jacobsen) is a wholly-owned New Zealand family limited business founded in 1962 on strong family values, outstanding service, technical expertise and dependable relationships. Jacobsen is owned by Jacobsen Holdings Ltd.

To Jacobsen, the floor is where life happens and for nearly 60 years we have been bringing the best flooring from around the world, inspiring everyday Kiwis with big dreams to transform those dreams into reality.

We exclusively represent, import and distribute some of the world's leading flooring brands: such as Tarkett, Shaw Contract, Desso, Regupol, Tredsafe, Carpets Inter and Armstrong. We are specialists at understanding the needs and supplying all flooring types to commercial sectors such as Health, Aged Care, Education, Workplace and High Traffic Commercial. We also service the residential flooring market selling our Jacobsen collection of carpet, vinyl, timber and laminate through a network of dealers, either independently owned or part of a large flooring chain.

In addition, Jacobsen has a Building Systems division and proudly represent and distribute world-leading systems such as Dintel Structural Walling, NBK Terracotta, Rodeca, EOS and Kalwall.

Jacobsen headquarters are located in Mt Wellington, Auckland. We have regional offices in Wellington and Christchurch and during the reporting period we had an employee based and working in both Waikato and Dunedin. Our sales representatives travel throughout New Zealand to provide sales support.

The sectors we serve include: Education, Health, Aged Care, Workplace, Heavy Traffic Commercial, Fitness, Retail, Hospitality & Residential. We work with Architects, Designers, Project Managers, Corporate Accounts and End Users to support their flooring needs, but we are a trade only business and our customers purchasing the flooring are either contracting companies or flooring retailers.

Jacobsen is governed by a board of directors with an independent Chair and is part of the Jacobsen Holdings Group of businesses.



**Whatever your space, our top international brands bring the best in materials and textures.**

- Carpet
- Carpet Tiles
- Laminate
- Building Systems
- Luxury Vinyl Tiles
- Vinyl
- Rubber
- Flooring Accessories
- Porcelain and Ceramic Tiles
- Wood
- Wall Coverings
- Linoleum

# About Jacobsen.

Jacobsen Creative Surfaces is overseen by a Board and the Jacobsen Holdings Group.

Internally, Jacobsen has a Senior Leadership Team (SLT), consisting of 8 team members. Leaders from each key department are included: Sales, Marketing, Operations, Finance, People and Wellbeing, and Impact. Employment data is relevant to our reporting period.

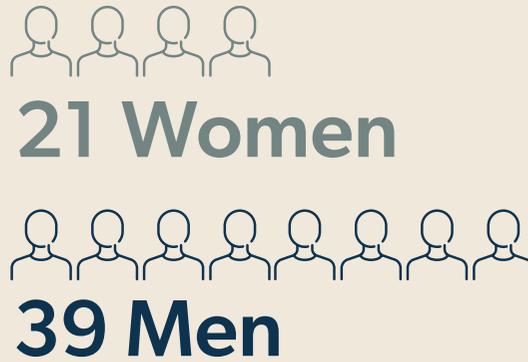
# \$91 Million

In sales for the two year reporting period, an annual average of \$45.5 million

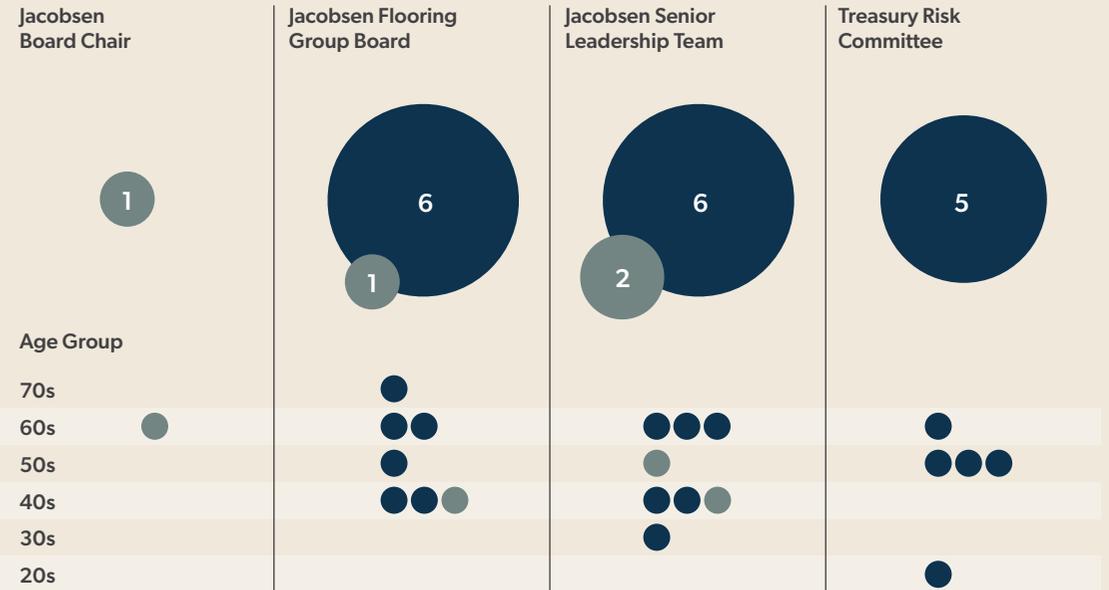
## Jacobsen Employees:



## Gender:

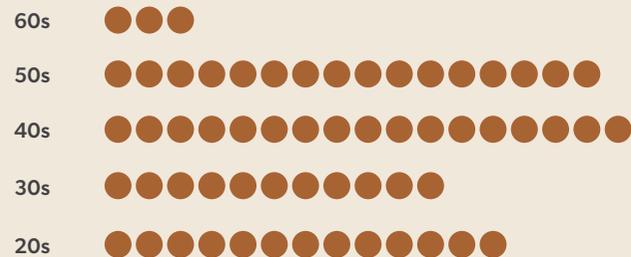


## Jacobsen Leadership Team:



60 Full Time Employees | 1 Part Time Employee | 1 Contractor

## Age Group

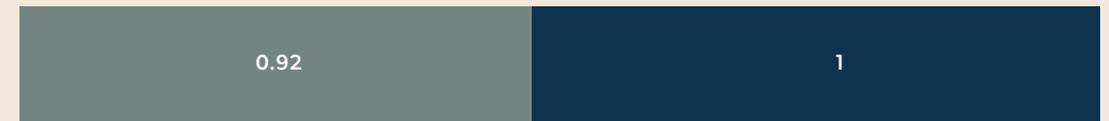


**3,151,217**<sup>M2</sup>  
of flooring  
supplied for NZ



## Gender Pay Ratio (New Zealand):

Only base salary (does not include Kiwisaver, medical insurance etc.)



● Women ● Men ● Gender undisclosed

# Our Values & Purpose.

Jacobsen is a family-owned organisation, and the aroha (love), whakautu (respect) and manaaki (care) that comes from this is woven into our DNA. People and the planet are placed at the core of our five main values and our purpose.

Jacobsen strives to employ exceptional people and place them in winning positions. We believe our people are our legacy and our future. Our power comes from building a team of diverse empowered individuals.

Jacobsen believes in embracing change and dreaming big. Encourage innovation and the entrepreneurial spirit means we celebrate both successes and learning from mistakes, in the spirit of curiosity and open mindedness.

At Jacobsen we hold ourselves accountable to the triple bottom line: people, planet and profits, and look for opportunities to create positive outcomes. We believe in a future where our planet and its people are truly able to thrive.

Jacobsen implores all our employees to steer away from complacency and drive towards a workplace culture where creativity and passion are fostered. In doing so employees are able to treat the business as their own.

At Jacobsen we take workplace health, safety and wellbeing seriously. Fostering an inclusive and safe environment is of the utmost importance to us.

Our purpose at Jacobsen is 'Inspiring Better Spaces for Life' and we are proud of the role we play in creating these spaces with our partners, suppliers and customers.



**Our People Are Our Legacy & Our Future**



**Create Positive Impact**



**Encourage Innovation & An Entrepreneurial Spirit**



**Treat the Business As Your Own**



**Commitment to Workplace Health Safety & Wellbeing**

# Supply Chain.

At Jacobsen, we recognise we are one piece in the total supply chain and it's important for us to recognise the entire chain and how we can make the best decisions amidst that.

This chart maps out the workflow of each Jacobsen product - from innovation to installation and ongoing maintenance before end of life.

Manufacturers are responsible for their product innovation, raw material procurement, manufacturing processes and certifications related to production and material health/product declarations.

Jacobsen review supplier options and their product offering and decides what product we would like to promote and stock in New Zealand, and additionally make available for custom projects.

Jacobsen orders product from the supplier based upon NZ stock requirements or often for custom projects.

Jacobsen work with a shipping company to move the goods from the manufacturer to a New Zealand port and then to the Jacobsen warehouse (our national distribution centre or a third-party logistics site).

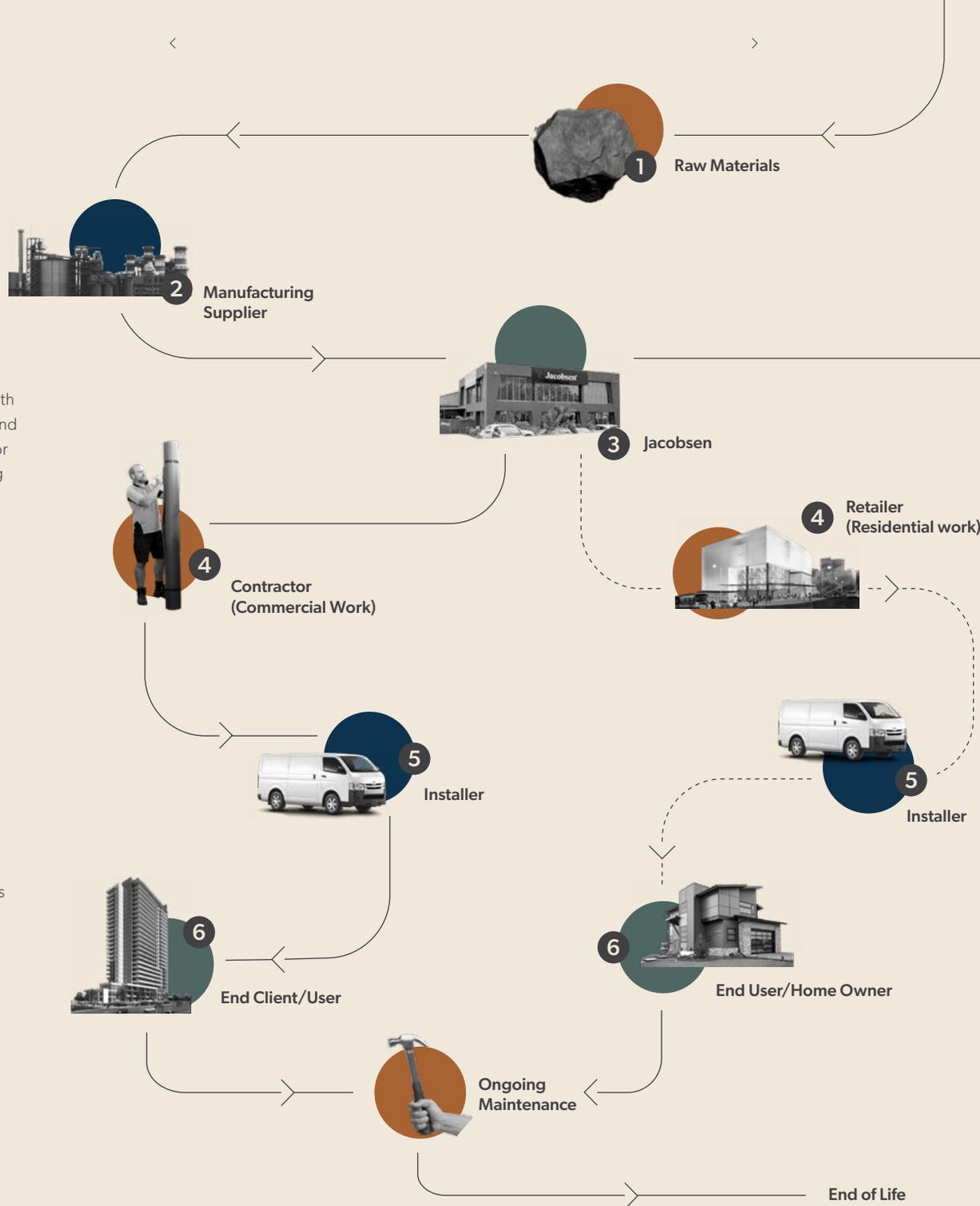
Jacobsen then sells the product (often engaging with multiple parties such as architects and designers) and invoices our account holder customer (contractor or retailer) and dispatches to our customer's site using one of our various freight partners.

Our customers (either contractors or retailers) – then on sell the goods to the end user but as these products need to be professionally installed the goods are passed to a trades person for install.

Trades person installs the goods into the final destination (residential or commercial space). They may be either employed or sub-contracted to the retailer or contractor.

Over the life of the product, ongoing maintenance is carried out to ensure the product remains clean, looks great and is fit for purpose for years to come.

At the end of its life, usually for aesthetic purposes or changes to building requirements, the flooring is uplifted and replaced with new flooring.





**“To Jacobsen, the floor is where life happens and for nearly 60 years we have been bringing the best flooring from around the world, inspiring everyday Kiwis with big dreams to transform those dreams into reality.”**

# Our Suppliers.



ShawContract®

Carpets Inter®

REGUPOL

Armstrong®  
FLOORING

Tredsafe®



ASPECTA®



REFIN  
CERAMICHE

Ceramica  
VOGUE



DINCEL  
STRUCTURAL WALLING

rodeca®  
Translucent Building Elements



NBK | ARCHITECTURAL  
TERRACOTTA  
A Hunter Douglas Company



balta



beaulieu®



ec | CARPETS

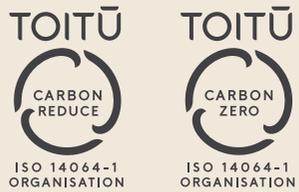
BEAU  
FLOR®  
we decorate your floor

CFL  
CREATIVE FLOORING SOLUTIONS



FORESTRY  
TIMBER

# Our Commitments & Awards.



# Stakeholder Engagement.

With this being our first Impact report, we made a concerted effort to engage with these 41 stakeholders and to inform them of their invaluable contribution in deciding what we should report on.

In addition to stakeholder engagement for this report, communication with our various stakeholders is seen as 'business as usual' at Jacobsen. These interactions go beyond the everyday 'work talk', we prioritise getting to know our stakeholders as we see them as critical partners in our business and our extended family. See Communication on [page 16](#) for more details.



Listed in the table on [page 44](#) are the groups of stakeholders we spoke to and the topics they wanted us to address.

# 41 Total stakeholders

# Materiality Assessment.

On completion of our extensive stakeholder engagement we reviewed the feedback and undertook a materiality assessment with the guidance of Go Well Consulting. The prioritisation of the topics are visible in the graph on this page and the Material Topics we chose to report are listed below, categorised under three key pillars.

## Material Topics

### People

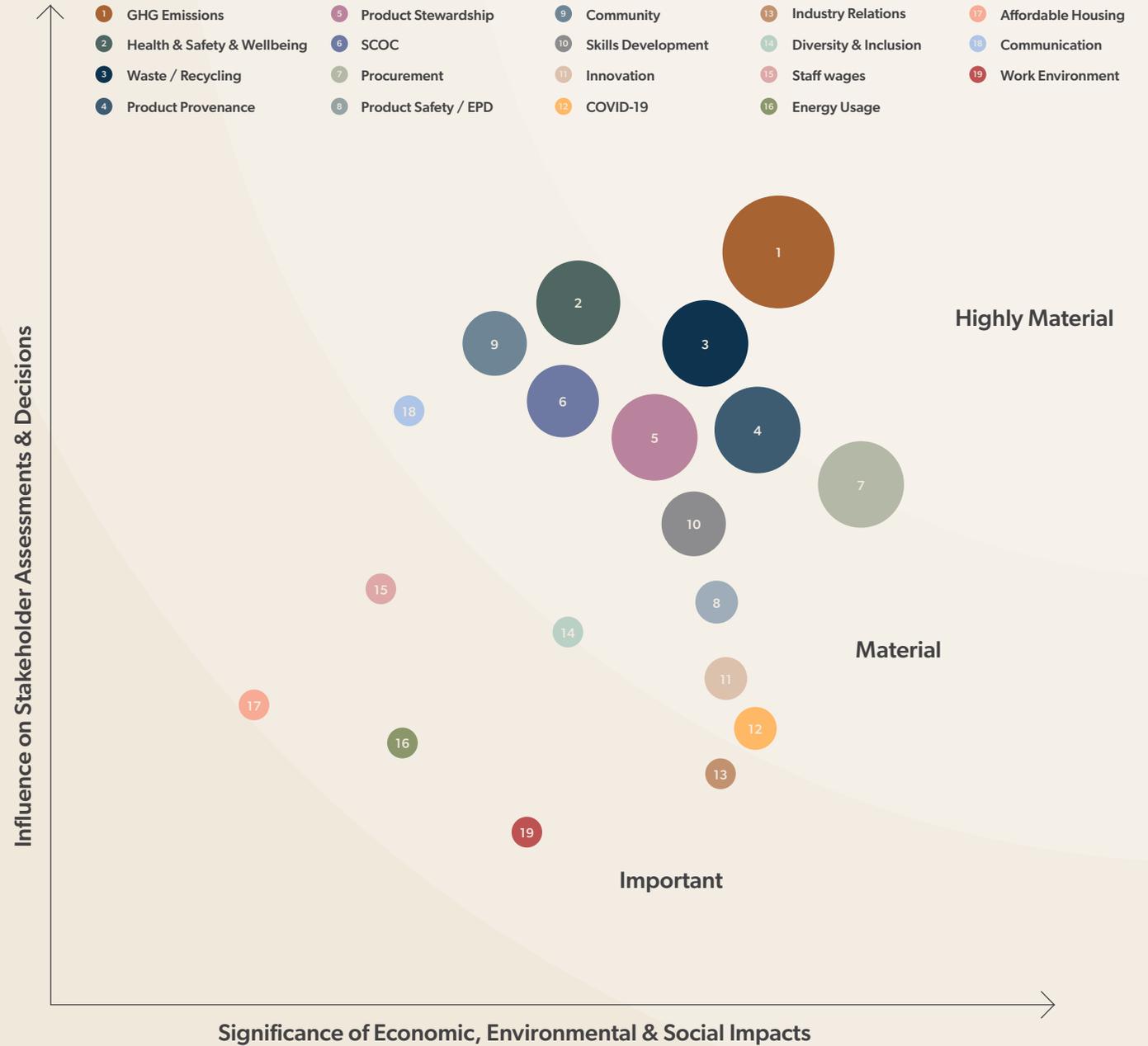
- Our Staff.
- Our Community.
- Communication.
- Product Safety.

### Planet

- Greenhouse Gas Emissions.
- Procurement & Product Provenance.
- Product Stewardship.

### Prosperity

- Innovation.
- COVID-19.
- Industry Relations.



# The World of Flooring.

Source countries



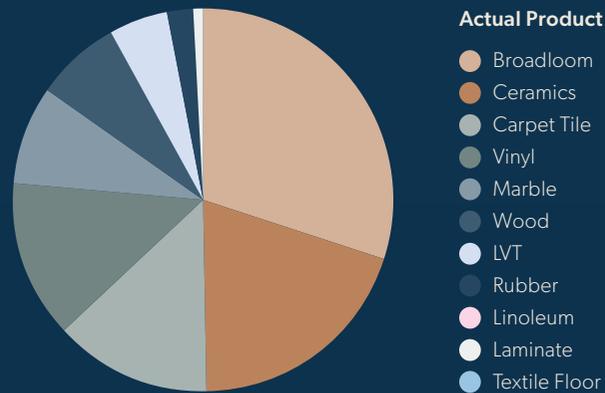
Flooring imported to New Zealand is sourced from all over the world, and as the map depicts the key areas are Australia, USA, Europe, UAE, China and South East Asia.

— NZ import statistics

## The World of Flooring. (continued)

In New Zealand the majority of flooring is imported from overseas. Broadloom carpet makes up the largest imported category and in addition a significant amount of broadloom carpet is manufactured locally (approximately 40%). Import statistics for the 2021 financial year report that the total import value of flooring in New Zealand was \$223 million.

— NZ Import Statistics



# \$1<sup>NZD</sup> Billion

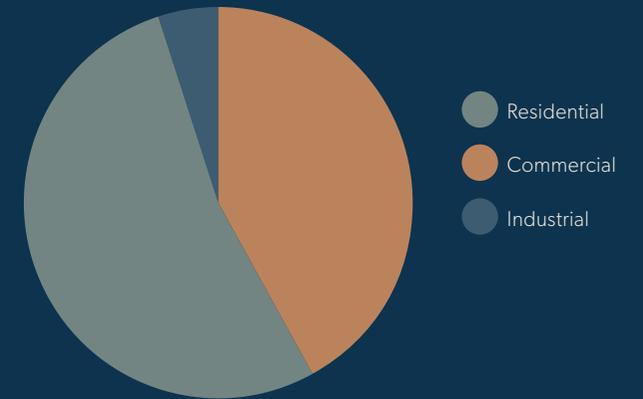
The total build cost in New Zealand for the 2021 financial year was \$25.18 billion, and we estimate flooring to be \$1 billion of that. Approx. 68% of the total building costs are residential buildings and 30% non-residential buildings.

— Building Consent Data

# \$388.24<sup>USD</sup>

The global flooring market size was valued at USD \$388.24 billion in 2020 and is expected to grow at a compound annual growth rate of 6.1% from 2021 to 2028.

— www.grandviewresearch.com



## Global flooring market share, by application, 2020 (%)

— www.grandviewresearch.com



# Our People

# Tā Mātou Iwi

# Our People Are Our Legacy & Our Future. Tā Mātou Iwi.

With 'Our people are our future and our legacy' being one of our guiding principles at Jacobsen we believe that the strength of our business is due to our team of experts.

Our force of diverse, kind and intelligent staff can absolutely appreciate the soft touch, pile weight and depth of design of any flooring product, but more importantly care for and give undivided attention to the work they do.

Our Iwi are what truly makes us stand out and we take great care to ensure they are treated with care, fairness and respect, with a heavily exalted focus on their health, safety and well-being. Fully subsidized medical insurance for all employees and their families (dependents up to the age of 19 years of age) and 24/7 Free EAP counselling services through Vitae Services are just a few of the ways we make sure our people are taken care of whether that be emotionally and or physically.

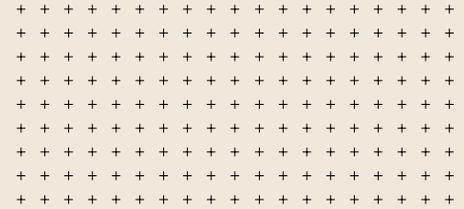
We see it as our priority to support and empower our Jacobsen whānau. Upskilling courses, product and systems related training are just a few of the ways we try to motivate and invest in our people. In addition, where applicable we motivate our staff to be proactive with their professional development.

Our staff are encouraged to sign up for external courses relative to their role, attend industry, waste and sustainability related events and so forth. All of our employees have performance management and development tools that encourage personal growth within their roles. Where there is an opportunity to fill a vacancy in the business, we make sure to promote and recruit for the role internally with our existing staff members before advertising the role publicly.

Jacobsen is not officially registered as a Living Wage employer, however the minimum wage for our employees is currently set at \$22.75 (the living wage as of September 2021). Our business leaders are committed to continually matching the Living Wage as a minimum wage at Jacobsen.

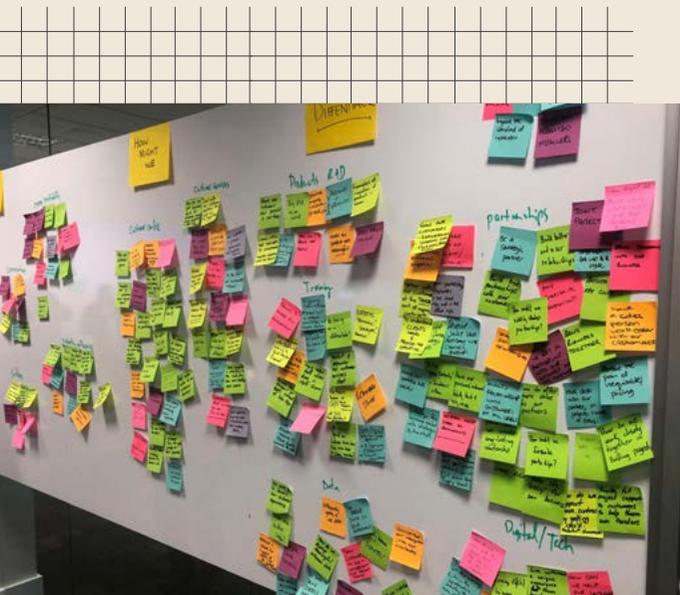
100% of our fulltime/ fixed term and part time employees receive annual performance reviews.

Like many businesses in Aotearoa and around the globe Jacobsen has felt the impact of the COVID-19 pandemic outbreak. We had to navigate through unprecedented times and therefore had to modify our business practices and investment accordingly. This led to a restructure that unfortunately meant certain redundancies in the company. Nine of our employees were made redundant. Our restructure drew from three departments: these being our sales, retail and marketing team. The closure of our Mount Wellington tile store saw the related redundancies of our retail team.



Members of the Jacobsen team showing their support for National Prostate Health Month.

# Training & Professional Development.



Innovation Workshop ideation.

The training and professional development undertaken by our staff during the reporting period included:

## Training Mindset Lean Foundations

This consisted of a half day facilitated workshop followed by online learning over 10 weeks and an assessment to gain the 'Lean Foundation' skill attainment credential. 25 employees from Jacobsen participated and completed their assessment and skill credential. The aim is to embed a culture of continuous improvement and understanding how waste exists in our everyday processes and operations and how we can create a culture of quality and removing non value adding work streams from our business. This took place in Q1 2020.

## DMAIC Workshop

Five Jacobsen employees were given the opportunity to participate in a small group workshop held over four and a half days.

COVID-19 lockdowns interrupted the in-person workshops and we adapted to virtual workshops that were then extended with small group virtual coaching. These workshops were to provide a tool kit to solve operational challenges that require problem definition, measurement, analysis, implementation of counter measures and controls to ensure the changes are managed.

This took place in Q1 & 2 2020.

## Innovation & Idea Generation

A design sprint was held to uncover transformational innovation and operational excellence opportunities. Nine Jacobsen employees participated in this three day workshop combining ideation, lightning talks, customer discovery, problem analysis and solution ideation, and MVP prototypes. This design sprint took place during August and September with follow up conclusion meetings in October of 2019. A lot of the ideas that were captured and elaborated on during the innovation activities have become real pieces of work for improvement within our business.

## Microsoft Dynamics 365 Systems Training

In June 2020 Jacobsen implemented a new ERP system that required many people from the Jacobsen team to be involved in planning and implementation, over two years, and then in advance of roll out, systems training was required for everyone in the business. Some team members only required a half day or a full day training session however frequent users of the system had three days of training, learning the new enterprise system. The training for the majority of users took place over May 2020.

## HubSpot Systems Training

In September and October 2020 Jacobsen implemented the HubSpot software suite for Sales (CRM) and Marketing. All sales team members were requested to undertake online certifications on the HubSpot Academy and then attend in person training, both in group format and individual one on one format depending on the employee needs.

28 employees completed the HubSpot Academy courses to varying levels of skill attainment. The two primary courses were Sales Software (3 hour time requirement) and Inbound Sales (4.5 hour time requirement).

In depth in person training took place with key users in both Sales and Marketing tools, each a full day of training that three staff members participated in.

Many hours have been spent on employee training of HubSpot since, to ensure our staff are utilising the tool and getting the most value out of it, making their working life easier. This continues to be a focus area for us today as more of our processes and information is centralised in HubSpot for various operational and sales teams.



**“Our force of diverse, kind and intelligent staff can absolutely appreciate the soft touch, pile weight and depth of design of any flooring product, but more importantly care for and give undivided attention to the work they do.”**

# Our Employees.

When contemplating any tough decisions or adjustments, our senior leaders prioritise how we can best support our team members. Given these exceptional circumstances and in line with our values, for those staff whose roles were made redundant the following assistance and transition programs were made available.

- A redundancy payment of one week's pay for each year of employment in the Jacobsen business.
- EAP counselling services continued to be available for them to utilize.
- Assistance in developing a professional CV.
- Coaching for interview techniques with our Head of People & Wellbeing.
- Opportunities for supporting your search for employment by connecting you to our network of contacts where relevant and employment search specialists in your area.
- Career guidance or transition coaching, connecting them with a professional in this area paying for their first session.
- Assistance in applying for the 12 week government tax free redundancy subsidy.

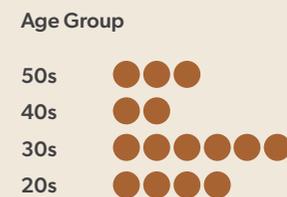
During the reporting period we had the following new employee hires and employee turnover.

## New Employees:



4 Women

11 Men

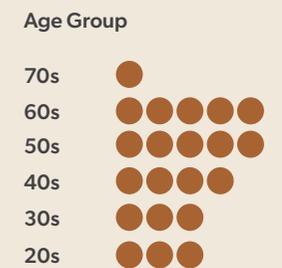


## Employee Turnover:



11 Women

10 Men



## Health & Safety.

Our Jacobsen Health and Safety system was formalised and implemented in the business in 2009 and was managed according to the standards of the previous ACC WSMP (Workplace Safety Management Practices) program. We held achieved Tertiary status until this program was abolished. We continue to manage health and safety using this type of system which covers:

1. Employer commitment to safety management practices.
2. Planning, review and evaluation.
3. Hazard identification, assessment and management.
4. Information, training and supervision.
5. Incident and injury reporting, recording and investigation.
6. Employee participation in health & safety management.
7. Emergency planning and readiness.
8. Protection of employees from on-site work undertaken by contractors and sub-contractors.

9. Workplace observation – confirmation of safe systems in action.
10. Focus group interview – confirmation of safe systems in action.

The legal requirements we work to are now managed according to the Health & Safety at Work Act HSWA2015.

All staff are inducted into our Health & Safety program on commencement of employment and are then invited to attend or participate in any health and safety related events and initiatives.

### These include:

1. Committee meetings.
1. Wellbeing initiatives.
2. Workplace audits including monthly safety checklists and compliance reporting.
3. Provide feedback.
4. Bi-monthly employee publication called 'Enlighten' that includes a Health & Safety section used for raising awareness or educating on relevant topics. This also has a feedback and recognition section covering our 5 business core values.
5. Annual Values Awards employee function where three employees in the Health, Safety & Wellbeing category are nominated and a winner is elected.



William Navabale, Jacobsen Warehouse Dispatcher.

## Health & Safety. (continued)



### Health & Safety Representatives

Our Health & Safety Representatives (HSRs) meet monthly with our Health & Safety Manager to discuss any related items. Quarterly Health & Safety committee meetings are held including the Managing Director (Officer of the PCBU).

While the responsibility for providing a healthy and safe workplace rests with our Directors, our HSRs play an important role in keeping our people safe. By representing workers, our HSRs provide a link between workers and management.

Our HSRs are formally trained through the EMA (Employers and Manufacturers Association). They attend a two day formal training program through EMA. The business pays for all HSR training and related expenses. Generally HSRs get two days paid leave each year to attend training.

In addition to our Health & Safety system our workers are provided with a range of healthcare services and resources.

### These include:

1. Fully subsidized medical insurance for all employees and their families (depends up to the age of 19 years of age).
2. Free 24/7 EAP counselling services through Vitae Services.
3. Wellbeing programs and campaigns to educate and inform.
4. Flu vaccinations.
5. Respiratory testing (role dependent).
6. Hearing tests (role dependent).

### At Jacobsen we provide a range of internal awareness and education programs and campaigns (including but not limited to):

1. Managing impairment in the workplace.
2. Bullying and Harassment.
3. Mental Health.
4. Fatigue.
5. Wellness Actions Plans.
6. Sun Smart campaign.
7. Men's Health campaign.
8. Managing stress.
9. Women's Health.
10. Budgeting and advice on getting the most from Kiwisaver.



# Our Community. Tā Mātou Hapori.

At the heart of Jacobsen are its people. In line with our value to create positive impact we've always strived to be active members of the communities we operate in. Our staff are encouraged to sign up for volunteering events held throughout the year. These events take different forms but are generally based on us supporting projects and initiatives that align with our Jacobsen values and staff feedback. From modest gestures of generosity to our local community events our commitments intend to work towards long-term partnerships. We aim to offer our staff a choice of at least three events a year.

Below are a few of the projects we have been involved with during the reporting period. Although we haven't measured quantitative data of the impact from these events, we have received humbling feedback from all of them.

- **Everybody Eats** — Cooked and served in their pay-as-you-feel community restaurant and donated flooring to them.
- **Auckland, Wellington & Christchurch** — Tree planting with Conservation Volunteers New Zealand.
- **Ronald McDonald House** — Cooking for families whose children are in hospital.
- **Habitat for Humanity 'Build a Home'** — Spent a day working on the exterior of a home under repair.



Courtenay Fenner & Gayle Stichbury at Everybody Eats.

Gary Clark, Andrew French and Warren Drinkwater at Ronald McDonald House.



Renee Jacobsen & Graham Debney working with Habitat for Humanity as part of their 'Build a Home' initiative.

Mark Faulkner & Steve Gormley taking part in tree planting with Conservation Volunteers New Zealand.

## Case Study: The Breakfast Club & Glen Innes Primary School.

The Breakfast Club is a program in our local community that was created to assist principals and teachers of low decile schools, by removing obstacles caused by poverty, hunger and lack of resources.

Our ongoing involvement and support of The Breakfast Club led to one of our community volunteering events being held at Glen Innes Primary School where 14 of our employees spent the day installing donated colourful carpet tiles in the school's library, painting window sills in the student classrooms, and creating educational resources for the students.

The library carpet tile installation came about from one of our employees clearing out samples of a deleted carpet tile and asking if we could reuse them, rather than sending to landfill.

**"Jacobsen's donated materials, time and skill has left a permanent mark at our school in the most positive way. Thank you for your time spent collating the learning resources. You have really given back many hours to those teachers to focus on actual teaching. Our classrooms are looking in top shape after the addition of colour around the window frames. The transformation in the library is truly amazing. Please pass on our gratitude to all involved as we're not sure they have yet comprehended the impact they have had!"**

— Jono Hendricks — Glen Innes Primary School Principal

**"It fills me with a sense of pride to work with a company whose passion lies in supporting the local community. Spending the day at Glen Innes primary school was eye opening, enriching and rewarding. Seeing the results of our teams mahi was a heart-warming experience!"**

— Dan Bolland — Jacobsen Purchasing Officer



Dan Bolland painting classrooms at Glen Innes Primary School.



Renee Jacobsen & Gary Smith laying floor tiles in the library at Glen Innes Primary School.

## Communication. Whakawhitiwhiti Kōrero.

At Jacobsen we see knowledge as our mana (power). Our reputation stands on our focus on sourcing and supplying the best quality flooring from around the world.

With exclusive access to leading flooring and building system suppliers, Jacobsen aims to provide New Zealand architects, designers and end users with complete commercial and residential product knowledge and solutions. We are continually sourcing innovative products to ensure that all New Zealanders can access the best quality, most sustainable and greatest value products available.

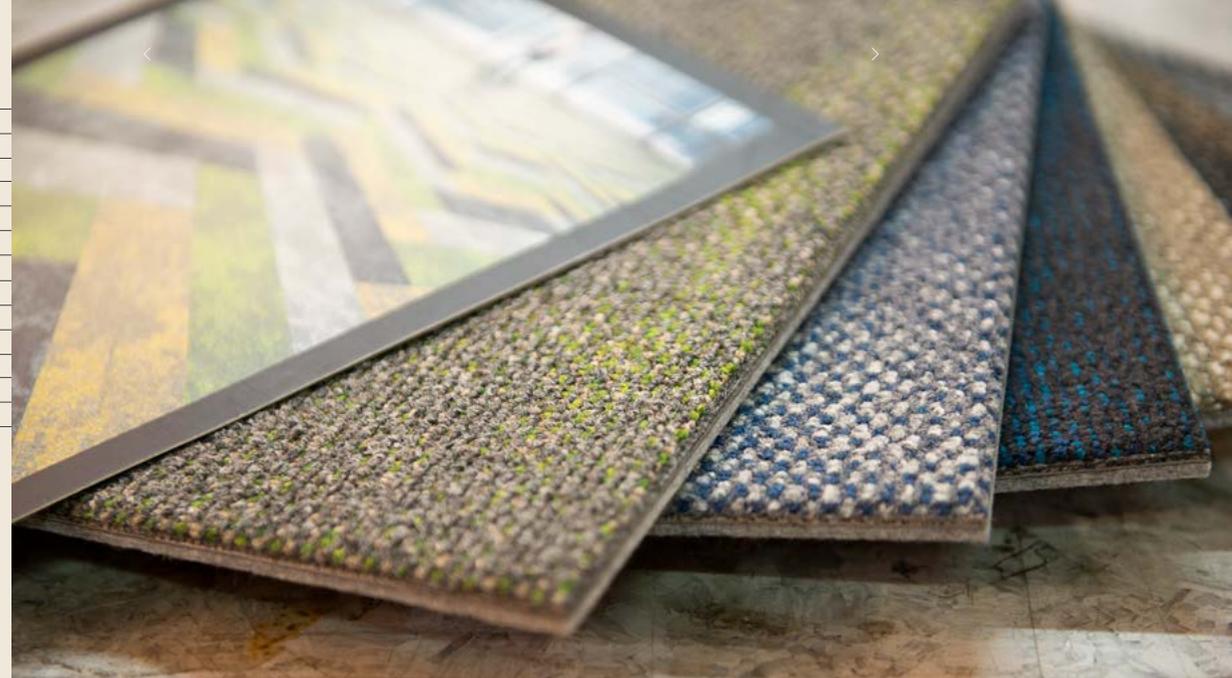
One of the most efficient channels of communication with our customers is through our product labelling and our website. Our procedures for labelling our products are in line with the current New Zealand laws that regulate what we supply. We have had no incidents of non-compliance concerning marketing communications nor product and service information labeling. As an importer and distributor, we follow our suppliers reputable and trusted detailed product labelling guides. All of our products sold have:

1. Installation guide.
2. Warranties.
3. Maintenance instructions.
4. Technical certifications where applicable (fire, slip and acoustic tests).
5. Composition information (what the key raw components are in the product).

Where possible we utilise all certification reports from our suppliers, however some products require unique testing in Australia or New Zealand to ensure the relevant code is met, which we undertake in collaboration with our suppliers.

Most of our products have some form of environmental certification which is also included on some product labelling and on the website. In addition, we provide a reference table that summarises all of our product range and environmental certifications achieved, reflecting the certifications that are commonly requested in New Zealand.

Outside our primary communication channels of the website and product labelling, we also use social media, in-person events, and focus on training our staff and our customers about products, their credentials and certain technical aspects they should be aware of when selecting and installing these products.



As part of our commitment to continual improvement, by using these channels we will better communicate our sustainability performance to our stakeholders (including the publishing of this Impact Report).

Looking ahead we have also committed to provide more transparent product information that is easier to search, and introduce QR codes on product sample labels that direct customers to our website where the full detailed technical and environmental specifications of products can be found.

Improving our internal communication has been a solid focus of the business. Currently an internal intranet is being developed to make learning and development opportunities more accessible anytime, and we intend to include an e-learning certification programme to increase competency. This intranet will also improve the accessibility to all our policies and procedures.

### **We undertake regular communications with our stakeholders which includes:**

- Daily communication with our customers as well as formalised meetings for business review.
- Communicating with our main product suppliers daily. This ranges from ongoing support to formalised meetings, and updating each other on business and market activity.
- Each month Jacobsen Holdings publishes an internal publication called Enlighten. Featured in this communication is messages from our leaders covering highlights, profits, staff announcements, values nominations, impact education and reporting and other important initiatives.
- There are bi-monthly board meetings and quarterly Jacobsen family council and shareholder meetings.
- Regular contact with the other various groups as needed.



# Our Planet

# To Tātou Aorangi

# Greenhouse Gas Emissions — Our Footprint. Tā Mātou Tapuwae.

The global average temperature in 2019 was 1.1 degrees Celsius above the pre-industrial period, according to UN's World Meteorological Organisation. 2019 concluded a decade of exceptional global heat and record sea levels driven by greenhouse gases produced by human activities.

In the summer of 2019-2020 New Zealand experienced one of its worst droughts. All over the country, records tumbled, and we experienced one of the longest and severe water shortages across the country.<sup>(1)</sup> To prevent warming beyond 1.5°C, we must reduce our emissions.

1. [www.rnz.co.nz/stories/2018750899/beyond-reasonable-drought-new-zealand-s-climate-future](http://www.rnz.co.nz/stories/2018750899/beyond-reasonable-drought-new-zealand-s-climate-future)
2. [www.news.un.org/en/story/2021/08/1097362](http://www.news.un.org/en/story/2021/08/1097362)

In 2019 as part of our mission to ensure longevity and sustainability of our planet we signed Jacobsen Holdings Ltd onto the Toitū carbonreduce certification scheme.

At the end of each financial year, we are required to verify our carbon footprint and strategies to manage and reduce our carbon footprint meeting the ISO-14064 standards.

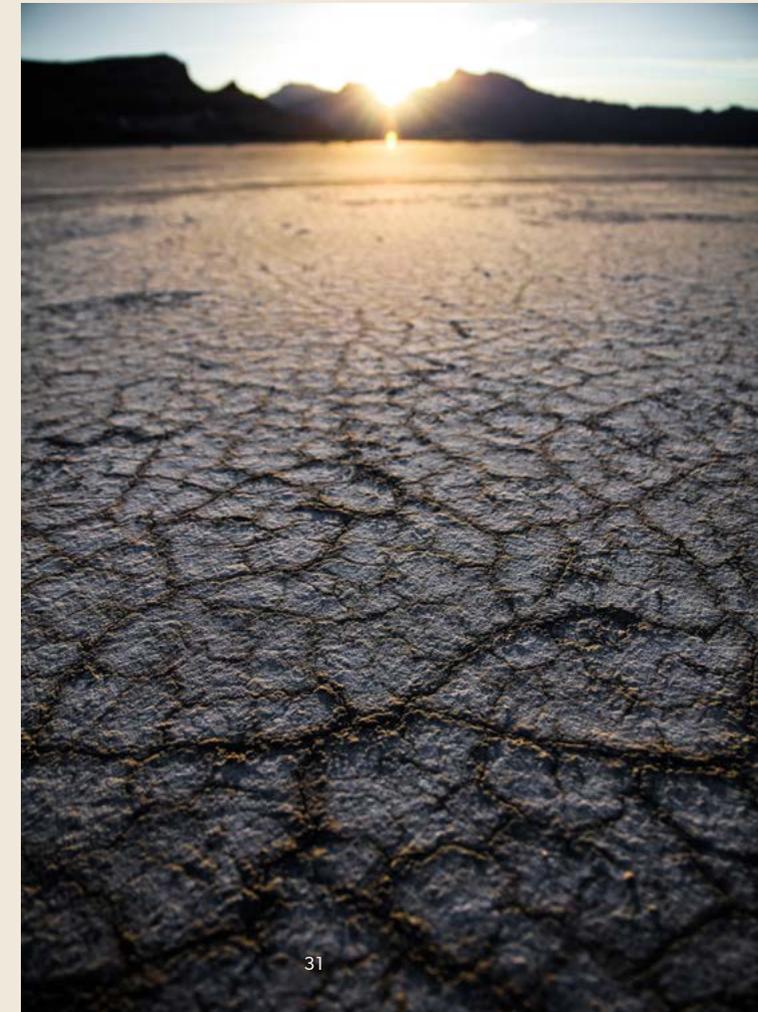
For the 12 months between April 2020 – March 2021 Jacobsen's carbon footprint was 2371 tCO<sub>2</sub>e – you can read the full report [here](#). Our carbon reduction goals are measured in two ways:

1. We have committed to 50% absolute reduction for our Scope 1 and 2 direct emissions by 2030 (from the base year 2018-2019).
2. We have also used an intensity basis for Scope 1, Scope 2 and mandatory Scope 3 emissions (combined), per \$M turnover from the base year (2018-2019 financial year).

tCO<sub>2</sub>e stands for tonnes (t) of carbon dioxide (CO<sub>2</sub>) equivalent (e) The tCO<sub>2</sub>e measurements here refer to our base, second and third year Toitū reporting periods.

**“It has been clear for decades that the Earth’s climate is changing, and the role of human influence on the climate system is undisputed,”**

— IPCC Co-Chair, Valérie Masson-Delmotte.<sup>(2)</sup>



# Greenhouse Gas Emissions — Our Footprint. Tā Mātou Tapuwae. (continued)

In 2021 to further extend our carbon reduction goals we signed onto the Toitū carbonzero scheme, whereby our greenhouse gas emissions are offset to zero. We see carbon offsetting as a great way to invest in conservation and balance out the impact we are creating by doing business. Taking the step towards becoming carbon zero is a step towards making ourselves more responsible for the carbon we emit, therefore ensuring a safe and prosperous planet for ourselves and future generations to come.

At time of writing our Impact Report, our 2020-2021 footprint was under Toitū audit process. November of 2021 Jacobsen successfully completed the annual audit requirements of its Toitū carbonzero certification. Our audited emissions by scope for 2020-2021 are as follows, Scope 1: 143 tCO<sub>2</sub>e, Scope 2: 28 tCO<sub>2</sub>e & Scope 3: 2,200 tCO<sub>2</sub>e.

The final report is available on both the Toitū website and through our Jacobsen Sustainability featured specific webpage.

As an importer and distributor our main source of GHG emissions comes from our freight. The large contribution of shipping emissions to our profile is to be expected, given our core business is importing flooring products, processing them, and distributing them around Aotearoa.

Coming into our second reporting year of our emissions, 2019-2020, Jacobsen was understocked, resulting in significant purchase orders and a

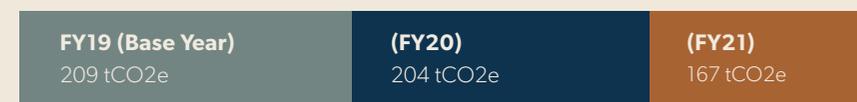
corresponding increase in freight shipping. We therefore expected to see a sizable drop in our third year (2020-2021) reporting period irrespective of the COVID-19 business impacts.

## In Order to Meet Our Toitū Carbon Reduction Goals We Are:

- Reducing air travel by assessing each trip individually, implementing a travel policy and utilising video conferencing for communication with overseas partners.
- Electric Vehicle consideration and replacement of our vehicle fleet.
- Working with our key suppliers to encourage them to set measurement and reduction plans for their emissions.
- Monitoring the air freight of product and causes for the air freight so that we can put control measures in place to reduce the occurrence. One of these control measures has been implementing a new CRM platform so that we can more closely monitor our commercial projects and installation requirement dates rather than solely relying on our customers.
- Review and begin discussing how we can approach freight in the most efficient way possible, including further focus on reducing air freight and substituting for sea freight with our key freight providers.

## Scope 1 & 2 combined

**Change 42% Reduction**  
(42 tCO<sub>2</sub>e)



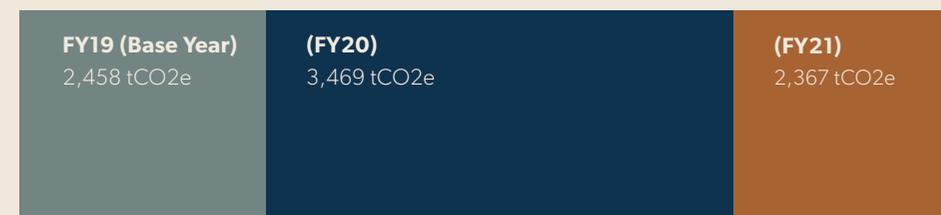
## Scope 3

**Change 2% Reduction**  
(49 tCO<sub>2</sub>e)



## Total

**Change 3% Reduction**  
(87 tCO<sub>2</sub>e)



# Procurement & Product Provenance — Our Suppliers. Ngā Kaiwhakarato.

What Jacobsen choose to import, market and sell to New Zealanders, is the biggest opportunity for us to have a positive impact, ensuring that we procure the best flooring options for both the environment and human health. In addition, ensuring that our suppliers run their businesses with environmental and ethical standards in place, including labour and human rights, health and safety and environmental management. This is part of our Re.Spect focus and Supplier Code of Conduct.

Four new suppliers were introduced to our business during the reporting period and all four were screened using environmental and social criteria.

The suppliers were:

- Dincel (Structural Wall Formwork).
- Bespoke Timber (Timber Flooring Collection).
- Forestry Timber (TimberTop Flooring Collection).
- CFL Creative Flooring Solutions (Audacity Laminate Collection).

We expect suppliers to meet as a minimum our environmental expectations as set in our **Supplier Code of Conduct**, but we also then dive deeper into the specific product environmental certifications which varies by product type and local third party certifiers. In addition, for the social criteria we had the new suppliers provide us with their signed code of conduct or we visited their operations.

None of our own operations are at risk for incidents of child labour, however this is a risk in our international manufacturing supply chain and why this was important for Jacobsen to include in our Supplier Code of Conduct, which we implemented within Jacobsen during this reporting period. Our suppliers have all pledged their commitment to this document however we have been unable to have these all independently verified and audited so you could consider there to be some risk remaining, however not significant.

The same applies for those in our supply chain and their rights to freedom of association and collective bargaining. It is a risk in our international manufacturing supply chain and our suppliers have now<sup>(1)</sup> all pledged their commitment to our Supplier Code of Conduct, however, we have been unable to have these all independently verified and audited. Again, we consider there to be some risk remaining, however not significant.

Whilst we are proud to have implemented our Re.Spect Supplier Code of Conduct and set minimum expectations on environmental and ethical standards that we expect our suppliers to meet, or at least collectively work towards in partnership with us, our management approach to improve in this area includes:

- Set KPIs within the business to focus on increasing the percentage of our product sales coming from best practise 'gold' standard environmental certifications.
- Implement more stringent process and controls within product management to ensure all environmental and social standards are included in the decision-making process and heavily weighted in decision making.
- Reviewing which supply countries and suppliers would be deemed greatest risk and consider third party verification to ensure they are meeting our Supplier Code of Conduct pledge.



1. Note: During the reporting period 2 of our 4 new suppliers had not yet signed our supplier code of conduct. One of which had provided us with their own supplier code of conduct and the other we had visited.

## Case Study: Our Two Largest Suppliers — Tarkett and Shaw Contract.

Jacobsen are proud to be longstanding partners and distributors of global leaders in flooring manufacturing. As procurement and product provenance is an area of critical importance to Jacobsen and our stakeholders, it is worth highlighting our two largest suppliers commitment to sustainability & impact, being Tarkett and Shaw Contract.

Both are proud signatories to the United Nations Global Compact, a set of principles for corporations to uphold and protect human rights, labour, environment and anti-corruption standards.

Both are also totally committed to offering a product range that promotes the health and wellbeing of the planet as well as the people interacting with the products daily. The way in which they measure and independently certify that is with Cradle to Cradle®, a globally recognised measure of safer, more sustainable products made for the circular economy.

Nearly 90% of Shaw's products<sup>(1)</sup> and 98% of Tarkett's raw materials are third-party assessed according to Cradle to Cradle® principles<sup>(2)</sup> and analysed in regards to their impact on the planet and human health. With a growing portfolio of certified Cradle to Cradle® products and 58% of Jacobsen sales coming from Tarkett, Shaw or related factories, we are assured that our supply chain is leading the flooring industry regarding environment and human health.

Further details on these product certifications are available on the;

- [Jacobsen Website](#).
- [Cradle to Cradle® Certified Products Registry](#).
- [Tarkett Sustainability Report](#).
- [Cradle to Cradle® Brochure](#).
- [Shaw Sustainability Report](#) and [Website](#).



ShawContract®



 <b>material health</b>	<p><b>Cradle to Cradle®</b></p> <p>To receive Cradle to Cradle® certification, products are assessed for environmental and social performance across five critical sustainability categories:</p> <ol style="list-style-type: none"> <li>1. <b>Material Health:</b> Ensures products are made using chemicals that are as safe as possible for humans and the environment by leading designers and product developers through a process of inventorying, assessing and optimizing material chemistries.</li> <li>2. <b>Material Reutilisation:</b> Aims to eliminate the concept of waste by helping to ensure products remain in perpetual cycles of use and reuse from one product use cycle to the next.</li> <li>3. <b>Renewable Energy &amp; Carbon Management:</b> Ensures products are manufactured using renewable energy so that the impact of climate changing greenhouse gases due to the manufacturing of the product is reduced or eliminated.</li> <li>4. <b>Water Stewardship:</b> Ensures water is recognised as a valuable resource, watersheds are protected, and clean water is available to people and all other organisms.</li> <li>5. <b>Social Fairness:</b> The aim of this category is to design business operations that honour all people and natural systems affected by the manufacture of a product.</li> </ol> <p>After assessing across the five critical sustainability categories, a product is assigned an achievement level (Basic, Bronze, Silver, Gold, Platinum) for each category. A product's lowest category achievement also represents its overall certification level. The standard encourages continuous improvement over time by awarding certification on the basis of ascending levels of achievement and requiring certification renewal every two years.</p>
 <b>material reutilization</b>	
 <b>renewable energy</b>	
 <b>water stewardship</b>	
 <b>social fairness</b>	

1. [www.shawcontract.com/en-us/sustainability/people-planet](http://www.shawcontract.com/en-us/sustainability/people-planet)

2. [www.professionals.tarkett.com/en\\_EU/node/cradle-to-cradle-methodology-circular-economy-97222](http://www.professionals.tarkett.com/en_EU/node/cradle-to-cradle-methodology-circular-economy-97222)

**“What happens  
to this product at  
the end of its life?  
Going circular is  
our answer.”**

## Case Study: Product Stewardship Re.Form. Whakahouhou.

Product stewardship offers us a solution to the landfill crisis. It gets us questioning, “What happens to this product at the end of its life?” Going circular is our answer. A circular economy goes beyond just diverting materials from landfills, it is critical if we are to avoid complete climate breakdown.

**A circular economy is based on three key principles:**

1. Design out waste and pollution.
2. Keep products and materials in use.
3. Regenerate natural systems.

This economic model rapidly needs to replace the dated linear ‘take – make – waste’ approach to which sadly most of our worlds production systems are still built on.

To start our exploration into incorporating a circular framework into our business, we conducted local research on reuse and recycling options of vinyl flooring, supported by Callaghan Innovation, and on carpet sustainability and recycling in conjunction with AUT, supported by the Waste Minimization & Innovation Fund (WMIF). This research led us to the conclusion that the best and highest value solution would be to ensure we are partnering with suppliers who are making products designed with the circular economy in mind.

**“Construction and demolition waste makes up 40-50% of New Zealand’s total waste going to landfill,”**

[www.level.org.nz/material-use/minimising-waste/](http://www.level.org.nz/material-use/minimising-waste/)



As flooring distributors we aren’t manufacturing any product and we aren’t installing any product, so collaboration with our suppliers and customers is key to the success of this program.

Through several discussions with our suppliers, Tarkett (Australia & Europe), Shaw Contract and Regupol, we saw a like minded attitude to create a local product stewardship scheme together.

We recognised the need to provide a solution that influences and encourages behaviour change by installers, through simple and achievable actions, at little or no additional cost.



## Case Study: Product Stewardship Re.Form. Whakahouhou. (continued)

### How It Works

1. We provide our customers with heavy duty bags to collect the discarded materials.
2. When it's full the customer scans a QR code or emails us to let us know it's ready for collection from their site and to replace it with another empty one.
3. Back at the Jacobsen warehouse we separate the material based upon supplier and material type.
4. When we have enough to fill a container, the materials are shipped back to our flooring suppliers to be recycled in the highest value stream.
5. We donate any high-quality re-usable carpet tiles that can be used for projects or can be sold on to Habitat for Humanity.<sup>1</sup>

The critical elements for us are that this system is easy and does change behaviours, as well as creating any high value use of the waste material locally. We've started with our largest product suppliers and product categories, however we continue to look for further product solutions, re-use opportunities and local recycling options, as the scheme continues to evolve.

**“I personally find it incredibly frustrating when a product claims to be ‘recyclable’ yet there is no method to do so in New Zealand, and the only option becomes landfill. We wanted to address this for our flooring products”**

— Renee Jacobsen  
— Director Marketing, Impact & Innovation

Re.Form is one of the first programmes in Aotearoa that has a solution for discarded installation materials as well as material at the end of its life. It also takes responsibility for the discarded materials regardless of whether it is connected to a new sale or not.

We're proud to share that in 2020 the Jacobsen Re.Form product stewardship scheme was recognised by New Zealand's Sustainable Business Network as a finalist for the 'Outstanding Collaboration' Award.

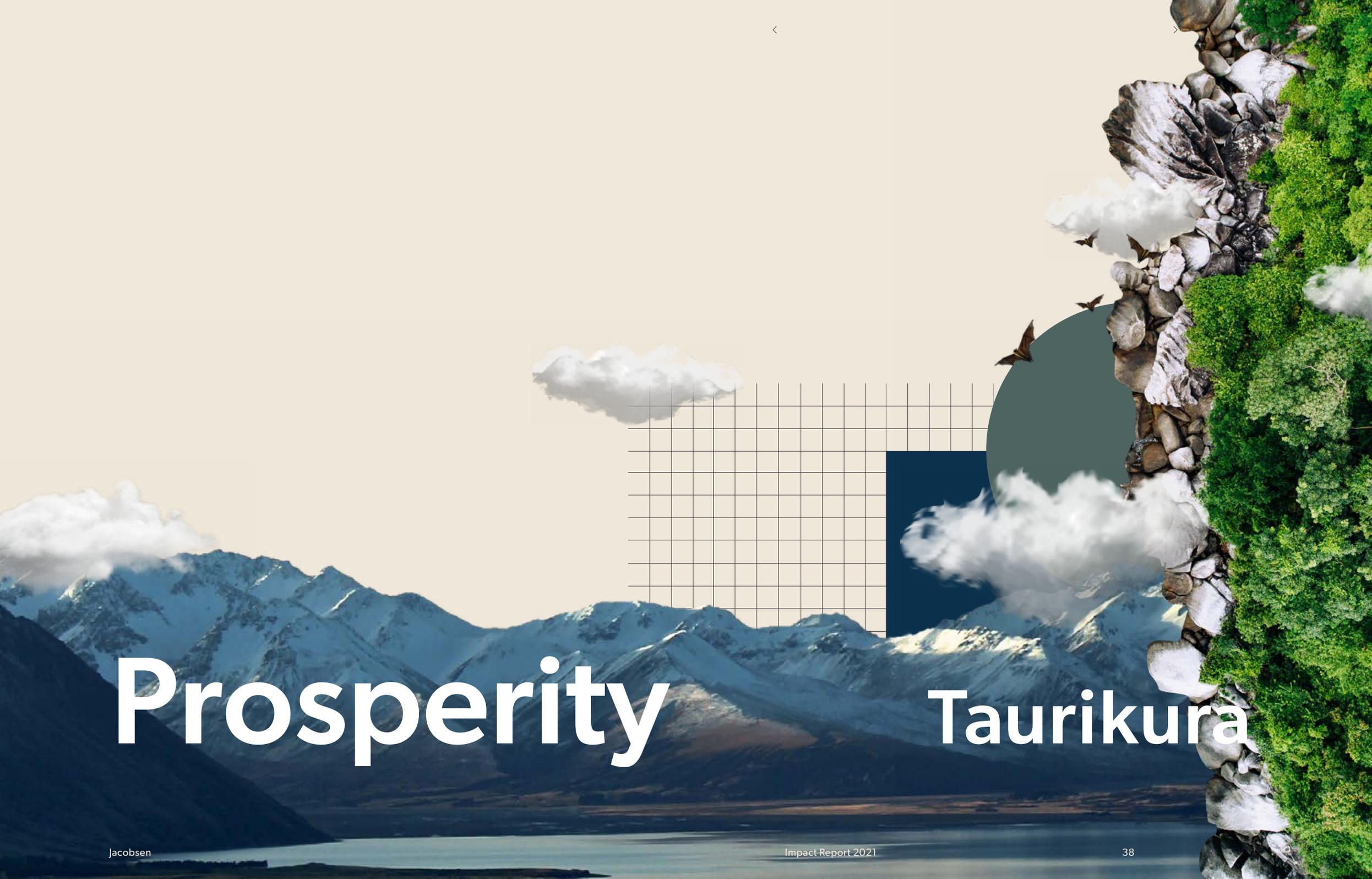
Moving forward we continue to actively engage with the Sustainable Business Network (SBN) and Auckland Council's Construction & Demolition Waste working group. We are also in the process of submitting Re.Form to the Ministry of Environment for accreditation under the Waste Minimisation Act 2008.

Jacobsen and our suppliers are committed to finding solutions for all our products. This includes both 'clean' installation waste and 'contaminated' post-consumer waste. Unfortunately we aren't able to take everything back at present, as we need to ensure it can go back into the manufacturing stream to make new products, but we are actively researching and pursuing local solutions to find value in waste and will always ensure we apply the waste hierarchy framework and consider other environmental impacts in the steps we take.

These are complex recycling processes and so will take time to solve all the challenges, but we are committed to do our part in achieving a circular economy for New Zealand.



1. Habitat for Humanity is a non-profit organisation that helps families build and improve a place to call home, here in New Zealand and around the world.



# Prosperity

# Taurikura

# Innovation. Auaha.

Innovation is the catalyst to business growth, both when starting up and to keep your existing business profitable. It means:

- Being open to new ideas, technology and unexplored markets.
- Committing to adapt to industry and market changes.
- Welcoming diverse thought.<sup>1</sup>

One of Jacobsen's core values is to 'Encourage Innovation and the Entrepreneurial Spirit'. Whilst we are a business with 60 years of trusted history in the marketplace, we are founded and owned by an entrepreneur. That same curiosity, passion for excellence and innovation persists today and guides us to continue to forge new paths, and always remain relevant to our customers.

In 2018 we formalised this commitment to Innovation with the appointment of a Chief Impact & Innovation Officer with the mandate to ensure that both Innovation and Impact are pillars that drive our business forward and integrate into our everyday ways of working. We've partnered with Callaghan Innovation and run two programs with them 'Driving Innovation' and 'Better by Lean' that involve an external coach working with the business to shape operating systems, experiences and bringing the new ways of working to life in the business. We've invested heavily in this area and engaged a lot of staff time in Lean foundation training, Design Sprint and Customer Discovery, DMAIC training and broader understanding of why Innovation is critical to our future.

A lot of the ideas that have surfaced out of these initiatives are now coming to life within our business. In particular, the digital enablement of sales and marketing with integrated systems across our ERP, PIM, CRM and Website. The digital transformation in this space at Jacobsen since the start of 2020 has been significant, and continues as a key strategic pillar for the next two years. With the subsequent onset of COVID-19 it has only increased the importance of this digital innovation for Jacobsen.

During the reporting period Jacobsen team members had the opportunity to participate in three Innovation experiences; an 2-day Introductory workshop on the importance of Innovation, an Ideation session within the Jacobsen sales conference and a 3-day Design Sprint focused on our improving our service to our account customers. Ideas for improvement were collated at each of these events with these outcomes:



## We structure our Innovative thinking across three lenses:

- Everyday Innovation.
- Operational Excellence.
- Transformational Innovation.

Transformational Innovation is the new thinking outside of the current scope of the business model, and a longer term horizon view. Our Board of Directors include this thinking in our strategic planning, and a recent management approach is for this to become a standing agenda item in Board meetings.

1. [www.business.govt.nz](http://www.business.govt.nz)

## Case Study: Hack Tāmaki.

In 2020 the Tāmaki Regeneration Company came to us to discuss a hackathon they planned to hold, and we put up our hand to host the event in our offices because it was so aligned with two of our core values; to Create Positive Impact to our people and the community around us, and to Encourage Innovation and the Entrepreneurial Spirit.

Jacobsen sponsored the 48-hour hackathon event by hosting over the weekend 26–28 March 2021. The purpose was to bring together the country’s top tech talent to unlock the potential of businesses and community in Tāmaki. It was led by The Kerry Topp Collective and T3W, with support from Tāmaki Regeneration, Datacom and Auckland Unlimited.

Jacobsen actively participated in the challenge, focusing on how we could unlock better opportunities for our local community amidst all the construction work taking place in Tāmaki. With over 10,000 new homes on the way, the population is set to more than double and we all want to see Tāmaki residents prosper and enhance wellbeing in the community, especially for Māori and Pasifika. At the same time there is a severe skills shortage in the flooring industry that is only set to worsen with an aging workforce that is under-represented within the 15–25 age bracket.

Kerry Topp and Hack Tāmaki participants.



Chris Dick, Commercial Contractor Manager.

**“Having lived in or near the Tāmaki area my whole life, #HackTāmaki was a chance for me to give something back to the community in a different way.”**

— Chris Dick, Jacobsen Commercial Sales

# Case Study: Hack Tāmaki.

## The hackathon consisted of 5 challenges:

1. A food business struggling to reach customers in the post-COVID working from home environment.
2. Students unable to find suitable career pathways.
3. Local iwi looking to share their history in meaningful ways.
4. Assisting consumers and households to make sensible financial decisions.
5. Our own challenge of filling the labour shortage in the flooring trade and helping under-represented groups gain successful careers.

## Outcomes from the weekend:

- 100 participants working on solutions for these 5 challenges, made up of;
- 33% Māori & Pasifika.
- 41% Female.
- 20% Tāmaki Residents.
- 50% Previous Experience in Hackathons.

## Outcomes since the Hack Tāmaki event include:

- Tamaki Connect network formed with the weekend’s challenge leaders to ensure progress is made on each of our projects following the success of the hackathon. We aim to uplift, unlock and help hold each other accountable for making bold change for good in each of our respective focus areas.
- Jacobsen formed a partnership with Tāmaki College to speak to their trades academy about flooring as a profession, and to provide an experiential opportunity engaging with their trades academy in an upcoming flooring installation where Jacobsen will volunteer their staff time to work alongside the students.
- Engagement with the Tāmaki Skills and Jobs Hub, and Tāmaki College, regarding Jacobsen work pathways. We have since employed 7 people from our local community, 5 of which are not our full time employees and 2 in part time employment. We are working towards an internship program with the local community to open pathways as a local employer and to help develop our own talent pipeline.
- Working on a pilot model for how Jacobsen can support industry training and employment.



Left: Joehan Ewen + Middle: Chris Dick.



Jacobsen staff participating with others from the community at Hack Tamaki.

## COVID-19.



COVID-19 is the defining global disruption of this century and one which we did not have on our risk profile to mitigate for. It required a huge step up in agility and resilience, and for our business to examine everything in our business model as we tried to contingency plan for the unknown. Balancing the responsibility of business future viability and sustainability, with protecting our people financially and safely became front and center for us in this past reporting period. Never have we had a future so unpredictable and this continues as we try to set future strategic plans but constantly need to adapt to changing government restrictions and global supply chain disruptions.

Our values definitely shone through our people in these challenging times and complacency was not an option. Jacobsen did consider and need to implement a restructure review. We considered the following:

- Strategic direction of the business.
- Impact on sales revenue with the recent COVID-19 economic downturn.
- Overhead structure and business model.
- Needs of a new future.

This resulted in a restructure with 7 roles disestablished and 1 role redesigned. We also hired three new roles with critical skills for our future that we didn't previously have in the business. Plus, we made the decision to close one aspect of our business being our retail store that had been in steady decline for a number of years. This decision resulted in another 2 roles disestablished and 1 role retained, but aligns better with our overall business model and strengths.

In addition to the business model restructure, we reviewed and implemented a new COVID-19 Health and Safety protocol, detailing how we will keep our teams and external stakeholders safe and operating at the various alert levels.

**“Each generation of business leaders likely believes the forces they face are more profound than those of previous generations. This time, they may be right. The COVID-19 pandemic has been an accelerant and shock to the system. The past year has been one of not only great disruption but also great acceleration. Like an earthquake that releases millions of years of pressure in a matter of seconds, COVID-19 forced companies to implement years of change in a matter of months.”**

— [www.mckinsey.com https://www.mckinsey.com/business-functions/strategy-and-corporate-finance/our-insights/why-2021-will-define-the-next-decade-for-australian-companies](https://www.mckinsey.com/business-functions/strategy-and-corporate-finance/our-insights/why-2021-will-define-the-next-decade-for-australian-companies)

Moving forward COVID-19 and other global pandemics are well and truly on our risk profile, along with the flow on impacts we are experiencing such as supply chain disruption. Working capital utilisation and capacity are more important than ever and the partnerships with our suppliers remain critical to be able to adapt to these challenging times. Health, Safety and Wellness also remain a critical risk and focus area within our Health and Safety protocol.

Whilst costs were scrutinised, we decided to continue and increase our investment in digital enablement, which we believe to be a significant platform for our business future and progression to a data enabled business.

## Industry Relations.

Industry relations emerged as a material topic across multiple stakeholder segments and the importance of this is because Jacobsen are one part within this ecosystem. Our purpose is about inspiring better spaces for life for those living in them, but that can't be done solely by marketing and supplying flooring products. There are other critical elements that we need to partner with across our industry to fulfil this purpose.

There are two key areas that this relates to, one being our industry relations with specifiers and how we support that community to ensure that the right product is selected up front and specified correctly to ensure it meets both the functional and design needs of the space and those using the space. And secondly our industry relations within the flooring industry (retailers, contractors and installers), to again ensure the product selected is fit for purpose and that it is installed correctly to fulfil the requirements and technical properties of the product.

### Specification Industry Support

In the reporting period we have spent \$85,000 supporting the specification industry by way of:

- Masterspec (online specification platform) where we assist architects with writing accurate specifications.
- NZIA (NZ Institute of Architects) Practise Series sponsor (NZIA run seminars to help architects manage their practises better).
- CPD (Continuing Professional Development) Network Provider. We run CPD seminars to architects about different aspects of flooring to educate them on a number of topics from using standards to sustainability.
- NZIA Conference sponsor.
- NZIA Bay of Plenty / Waikato event sponsor.

In addition, we invest in the industry by hiring a full time Technical Sales representative who has a career working in flooring installation and training and his role is to provide specialist support during specification, installation and post installation to ensure success.

### Flooring Industry Support

In the reporting period we have spent \$11,000 supporting the flooring trade industry, plus have the equivalent of two full time skilled employees focused on training and support. Specific support is provided by:

- Floor NZ is a trade association that also owns Allied Trades which is the NZ Flooring training school, and they are responsible for writing best practise guidelines for resilient and carpet installation. They also support retailers and wholesalers in the flooring industry. Jacobsen are a gold sponsor of Floor NZ. In addition to the \$11,000 we have financially contributed to Floor

NZ, one of our Jacobsen team members sits on the board of Floor NZ and takes time out of his role at Jacobsen to provide this service. He has been on the board for 17 years and contributes a minimum of 5 days per year to this. We also sit on the committee to review flooring best practise standard reviews.

- Installer and Contractor training and support. Our Technical Sales Representative works closely with our commercial contractor customers to ensure the installation of all our flooring products goes smoothly, and includes hands on training. He often goes above and beyond, travelling to sites all over New Zealand to provide this support and as one customer said 'No other supplier would or could do this'.
- Retailer and internal staff training and support. We have a full time senior employee who is our Product Solutions Manager. He screens all new product to ensure it is the best quality that our unique market conditions require and works closely with our internal staff and our retailer partners, including their installers, to ensure they understand the product characteristics and can sell appropriately the features and benefits. This is important because supporting our partners to select the right product for their application is critical.

Finally, we would like to acknowledge industry support to the NZGBC (NZ Green Building Council). We were members however withdrew our membership during COVID-19 challenges, yet our management approach is to support this council with ongoing membership and we rejoined this year. We believe this is important to participate and advocate for best practise within the building industry in relation to the sustainability and wellness of our built environment, and we want to use our position in the industry to advocate for inspiring better spaces for life.

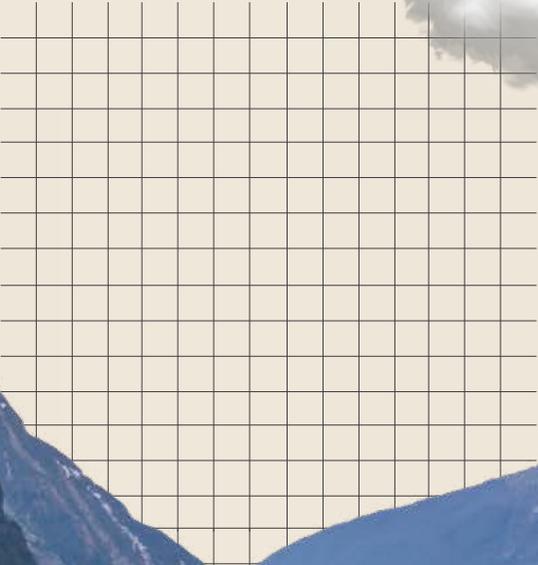


Jacobsen national carpet training roadshow set up.

# Key Topics & Concerns Raised by Our Stakeholders.

This table show the key topics and concerns raised by each of our stakeholder groups. The topics are listed in random order.

Staff	Senior Leadership Team	Family Council & Board Members	Architects & Designers	Suppliers	Trade Customers	Local Providers
Health, Safety and Wellbeing of Staff	Health & Safety in the Workplace	Health & Wellbeing	Communities in Need	Local Community Involvement	Wage Standards	Health & Wellbeing
Community Support	Employee Skill Development	Skill & Training Development	Diversity & Inclusion	Product Transparency	Innovation	Employee Skill Development
Wage Reviews	Ethical and Sustainable Procurement	Supporting our Local Community	Having ranges that are more accessible to all	Responsible Sourcing & Modern Slavery	Health & Wellbeing	Supply of Affordable Housing
Transparency	Wage Standards	Sourcing Sustainably	Product Transparency	Supporting Equal Employment for Women	Ethical Sourcing	Materials at Affordable Prices
Ethical and Sustainable Supply Chain	Community Support	Renewable Energy	Ethical and Sustainable Procurement	Recycling & Minimising Waste	GHG Emissions	Industry Relations
COVID-19 Budgets	Communication and Transparency	Prosperity	Recycling & Minimising Waste	3rd Party Accredited Environmental Credentials	Life Cycle Analysis	Waste
Decision Making	Governance	Eliminating Operational Waste — Reusing	Financial Stability	Marketing Communication	Renewable Energy	GHG Emissions
GHG Emissions	Waste	Industry Support		Full-life Cycle Consideration of Products		
Life Cycle of Products	GHG Emissions					
Professional Development	Industry Innovation					



# Global Reporting Standards

## GRI General Disclosures.

Section	Disclosure	Description	Page(s)	Notes
Organisational Profile	102-1	Name of the organisation.	8	
	102-2	Activities, brands, products and services.	8	
	102-3	Location of headquarters.	8	
	102-4	Location of operations.	8	
	102-5	Ownership and legal form.	8	
	102-6	Markets served.	8	
	102-7	Scale of the organisation.	8	
	102-8	Information on employees and other workers.	9	
	102-9	Supply chain.	11	
	102-12	External initiatives.	4	
	102-13	Membership of associations.	43	

## GRI General Disclosures.

Section	Disclosure	Description	Page(s)	Notes
Strategy	102-14	Statement from senior decision-maker.	3	
Ethics and Integrity	102-16	Values, principles, standards, and norms of behaviour.	10	
Governance	102-18	Governance structure.	3	
Stakeholder Engagement	102-40	List of stakeholder groups.	15	
	102-42	Identifying and selecting stakeholders.	15	
	102-43	Approach to stakeholder engagement.	15	
	102-44	Key topics and concerns raised.	44	
Reporting Practice	102-46	Defining report content and topic Boundaries.	5	
	102-47	List of material topics.	5	

## GRI General Disclosures.

Section	Disclosure	Description	Page(s)	Notes
Reporting Practice	102-50	Reporting period.	7	
	102-52	Reporting cycle.	7	
	102-53	Contact point for questions regarding the report.	7	
	102-55	GRI content index.	46	

## GRI Topic-Specific Disclosures.

Section	Disclosure	Description	Page(s)	Notes
Our Staff - Tā Mātou Iwi	401-1	New employee hires and employee turnover.	9	
	404-2	Programs for upgrading employee skills and transition assistance programs.	20	
	404-3	Percentage of employees receiving regular performance and career development reviews.	23	
	403-1	Occupational health and safety management system.	24	
	403-4	Worker participation, consultation, and communication on occupational.	27	
	403-5	Worker training on occupational health and safety.	24	
	403-6	Promotion of worker health.	24	
	403-9	Work-related injuries.	24	
	405-1	Diversity of governance bodies and employees.	9	
	405-2	Ratio of basic salary and remuneration of women to men.	9	

## GRI Topic-Specific Disclosures.

Section	Disclosure	Description	Page(s)	Notes
Our Community — Tā Mātou Hapori	413-1	Operations with local community engagement, impact assessments, and development programs.	27	
Communication — Whakawhitiwhiti Kōrero	417-1	Requirements for product and service information and labeling.	29	
	417-2	Incidents of non-compliance concerning product and service information and labeling.	29	We have had zero incidents of non-compliance relating to product and service information and labelling.
	417-3	Incidents of non-compliance concerning marketing.	29	We have had zero incidents of non-compliance relating to marketing compliance.
Product Safety — Our Products. Ngā Hua	416-1	Assessment of the health and safety impacts of product and service categories.	26	
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services.	26	

## GRI Topic-Specific Disclosures.

Section	Disclosure	Description	Page(s)	Notes
Greenhouse Gas Emissions — Our Footprint. Tā Mātou Tapuwāe.	305-1	Direct (Scope 1) GHG emissions from sources that are owned or controlled by the company.	31	
	305-2	Indirect GHG emissions (Scope 2): GHG emissions from the generation of purchased electricity, heat and steam consumed by the company.	31	
	305-3	Indirect GHG emissions (Scope 3): GHG emissions required by the Programme that occur as a consequence of the activities of the company but occur from sources not owned or controlled by the company, such as freight and business air travel.	31	
Procurement and Product Provenance — Our suppliers. Ngā Kaiwhakarata.	308-1	New suppliers that were screened using environmental criteria.	13	
	414-1	New suppliers that were screened using social criteria.	13	
	408-1	Operations and suppliers at significant risk for incidents of child labor.	13	
	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk.	13	
Product Stewardship	103-1	Explanation of the material topic and its Boundary.	36	

## GRI Topic-Specific Disclosures.

Section	Disclosure	Description	Page(s)	Notes
Innovation	103-1	Explanation of the material topic and its Boundary.	39	
COVID-19	103-1	Explanation of the material topic and its Boundary.	42	
Industry Relations	103-1	Explanation of the material topic and its Boundary.	43	

As we reflect and celebrate our progress, it's also the time to look ahead at what further improvements must be made. This is a continually evolving journey of understanding and being accountable for all the environmental and social costs of doing business, as well as identifying opportunities to make the greatest positive impact around us, for our communities and planet, and within the context of our industry.

