



LASTING

CONNECTIONS

NEWSLETTER

WATCH OUT
FOR POLICIES
LAUNCHING
IN Q2



FlexiWork

FlexiWork is ITW Construction Asia Pacific's flexible work arrangement policy.

Work done differently.

FlexiWork is an opportunity for employees to get work done differently, balancing their personal needs with the needs of the business.

ITW VISION FOR FLEXIBILITY

A performance driven culture, where work is what we achieve towards full potential of business and individuals, not a place we go.

PAID PARENTAL LEAVE



16
WEEKS

leave for primary carer (male or female)

Superannuation paid for duration of leave



4
WEEKS

Partner pay (secondary carer)

Flexible return options including staggered start

A WORD FROM GAVAN

The Easter period has just finished and April has already started, so that means we are already over a quarter way through 2018.

As the year is progressing so quickly I wanted to share three things with the whole divisional team.

I want to cover our Safety journey and priorities, then to share our Divisional strategic priorities, and finally some important policy updates.

Stop for Safety Day in the last quarter of 2017 was a wonderful opportunity for all of us to increase our awareness and knowledge of safety and particularly the SLAM process.

The real success will be when we use SLAM to guide the work and tasks we do everywhere every day. It is a simple process of **Stopping** before you do a task, **Looking** at what and where it is, then **Assessing** any risks that may exist and finally **Managing** those risks before completing the task. Embedding SLAM and using it as part of our thinking and behaviours is critical and is a personal accountability for all of us on the team.

As a Division we continue to make progress on our path to full potential, and 2018 will be an important growth year for us as we focus on the same small number of strategic priorities, we have been pushing forward over the last couple of years. Our key growth initiatives are to **Defend and extend** our share of the Cordless Nailer market with Paslode, **Protect and Expand** the reach of our Offsite business with Pryda and **Grow** our Rural business with Stockade globally.

From a simplification perspective we will continue to work on fixing our roofing business and improving on our operational excellence in manufacturing and warehousing. We will continue to look at how we can be more efficient and effective as One Team and One Division. Across the year we will communicate regularly on our progress against these priorities.

The final element that I wanted to share, is about some changes we are making to our Parental leave policy, and, where appropriate, our FlexiWork policy. Both of these important policies are designed to ensure we become an inclusive, diverse and productive business. More detail on these is shared in this edition and the HR team will be happy to assist with any questions you may have.

Thank you all for a wonderful start to the new year, and please stay safe.

Gavan



Buildex Website Launch

Proven quality fastening solutions with Buildex - Launch of new digital creative assets to drive end user engagement.

As part of the Buildex journey to drive increased customer engagement and brand loyalty from our market leading fasteners, we are excited to announce the launch of the new Buildex website.

As we know, our end users are spending more of their time online than ever before, so remaining relevant, modern and informative has never been more critical for our Buildex brand.

New Buildex web and mobile sites.

We have completely redesigned the Buildex website and made it friendly for mobile devices.

High impact visual imagery has been used to create impact and connect with our end users. The new site also maximises the use of video content with a fresh navigation system allowing the end user minimal clicks to access key product and "where to buy" information.

Product navigation has improved allowing the user to

find the right fastener based on their application. It also provides the user with the ability to find the right fastener through the Product Search tool if they know exactly what they need.

We have an updated portal of Technical and Application information, as well as much easier access to datasheets from the Product Section.

What's next?

Now that we have refreshed the Buildex website, our next task is to ensure that our customers and key influencers are interacting with it and we are building a database that we can regularly communicate to.

How you can help...

- Let your Buildex customers know about our new website and content. (We will shortly provide the Buildex Sales Team a template for you to send to your customers).
- Drop Mitchell Amore an email at mamore@buildexanz.com if you spot an error or you have any feedback on the new site.

Agile Journey

Pryda is highly reputable market leader in the offsite construction industry, with steady progress in the development of software products for our customers over the journey.

The early days of Pryda software development were well aligned to the Agile concept to deliver software products to market, through timely execution of features and fixes. Recent initiatives may have slowed the pace, which customers have noticed. Jeff Stratford (Business Manager – Offsite ANZ) engaged with a consulting company, EPIC Agile Coaching, a leader in the Agile methodology space across several industries to run a companywide induction and fundamentals workshop to bring Pryda up to speed on the 'Why' and 'What' Agile is and means.

Why do we want to become an Agile Company?

"Our software today is market leading. It is a perfect time to pause, reflect and challenge ourselves. Adopt Agile methods to build tomorrows software solutions and accelerate our product delivery. Set us up to keep winning and win faster." Words from Jeff.

Agile is a mindset which includes the following themes: respect, collaboration, improvement and learning cycles, pride in ownership, focus on delivering value, and the ability to adapt to change. Any team, not just software product delivery can adapt Agile as a way of working and incrementally breaking down work into actionable bite sized chunks to deliver reliably with the highest of quality.

To date we have been operating in an Agile method

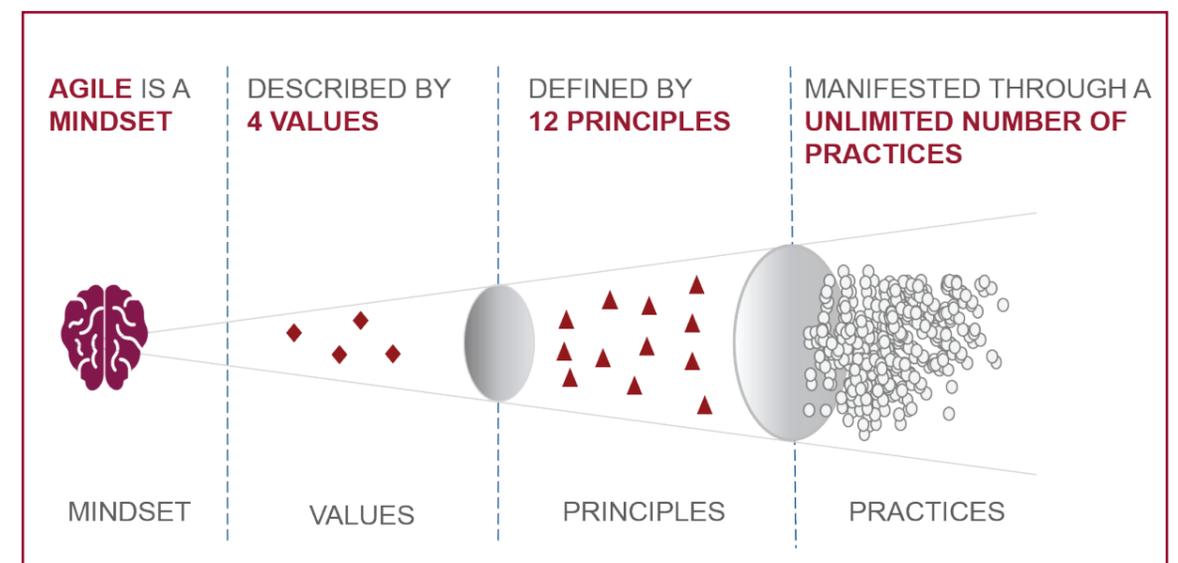
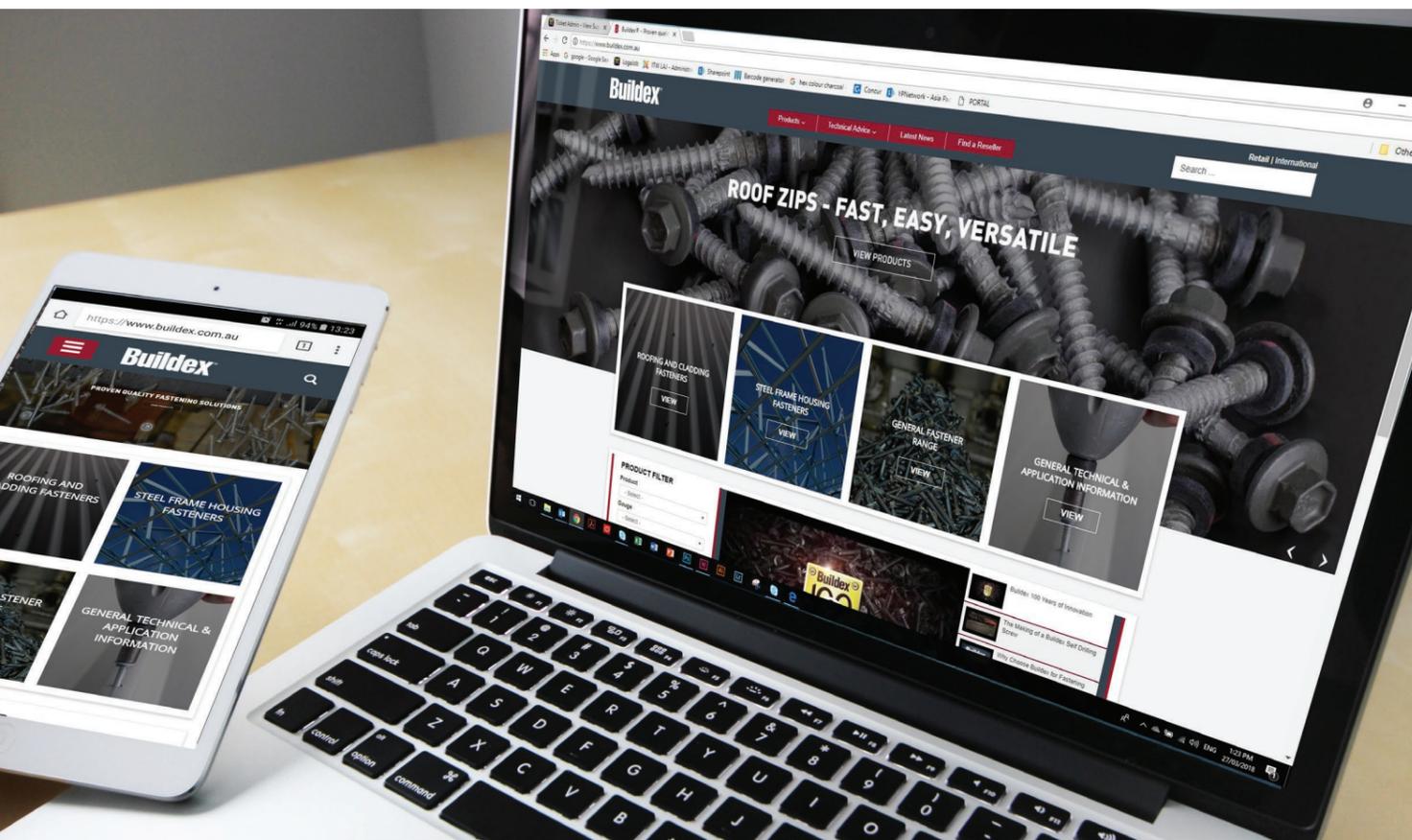
since October 2017. The software development team has 2 out of 4-team's setup and seen early success with regards to capacity to execute and focus on 80 work items, such as innovation in fixings in the software space. TIS (PFFS) development for a couple of 80's customers such as Epping Timber exceeded expectations with regards to time to execute but also innovative software thinking in the process. The GM was over the moon with the speed of development and thinking in this space.

When we started the journey, we did a pulse check and landed on these three key Agile adoption areas: Accelerating Product Delivery, Improving Productivity and Improved Team Morale. All three were rated on a scale of 1 to 5 (1 being low and 5 being high) in October. The results were unimpressive; however I can safely say today we have seen double digit percentage improvements.

Agile is a journey and we are in the crawl phase of "crawl, walk, run and fly" as an organisation, however, the results are starting to tell for themselves. If anyone has questions or would like to get a more in-depth run through of Agile and what it means to your team please don't hesitate to contact me directly.

Carl Breitenbach

Software Development Manager – ANZ



IHG Expo

The Paslode team headed to the Adelaide Convention Centre in February and debuted the new look trade stand at this year's Independent Hardware Group 2018 National Expo.

Over 2,000 people attended the show, made up of 1,000 store delegates, 120 IHG staff and 900 suppliers from 203 companies.

IHG was formed when Metcash officially took over the HTH Group business in October 2016, and is made up of Mitre 10, Home Timber and Hardware, Thrifty Link and True Value stores. Mitre 10 and HTH accounts for 85% of the group's sales.

At the business session before the expo opened, stores and suppliers were given insights into the IHG business. Highlights include:

- IHG's Purpose – Building Successful Independents
- Creating the "Best Store in Town" by supporting:
 - Merchandise
 - Marketing / Digital
 - Distribution
 - Operations
- Rolling out their Sapphire Store Program –
 - Investing in the store network to bring them up to store standards
 - 50% investment by the store, 50% by IHG
 - 3 Formats – Small DIY, Mixed DIY and Trade, Trade Only
 - 30 Completed in 3 years – Proof of concept with sales up 17%

We were also given a glimpse of what their brand strategy for their Mitre 10 and HTH stores will be over the coming years. After surveying over 2,100 consumers, and 360 stores, they have found the following:

- With regards to DIY, Bunnings dominates. DIY however still provides IHG stores with the cashflow to fund their trade business
- Amongst tradies, Mitre 10 was the yardstick in terms of quality, but no one owned "Price"
- Across members, the majority of Mitre 10 stores preferred a single brand strategy, whilst HTH members preferred a dual brand strategy

IHG is recommending a dual brand strategy with a tiered approach. This will be achieved in 2 stages.

Stage 1: 2 Year Program

- Continue with M10 and HTH, but accelerate Sapphire rollout to both M10 and HTH 4 and 5 star stores – 40 stores per year
- Retain IHG Trading Terms for all HTH stores for a minimum of 2 years

Stage 2: 2020 Onwards

- Mitre 10 becomes the Premier Brand
- HTH becomes the strong 2nd brand

Once the Business Sessions concluded, it was time for the Expo to open. The Paslode stand was manned by Scot "Let's Make a Deal" Gorton, Peter "The Boss Man" Corridon and Mark "That Marketing Guy" Sommer.

Over the next 13 hours of show time, they managed to sell promotional stock at a rate of \$100,000 an hour. Stores were excited by the return of the Paslode Pair, as well as the opportunity to buy pallet loads of nails and tools. By the end of the show, the Paslode team ended up as one of the top suppliers in terms of sales at the show.

The evenings allowed for everyone to network in a more relaxed environment. Pre-expo welcome drinks were held in the members stand of the Adelaide Oval. Dinner after the first day of the show was held at Pinky Flat on the banks of the River Torrens – it was the largest outdoor sit down dinner in Adelaide's history. A gala dinner was held on the last night, which was an opportunity to celebrate the successful show.

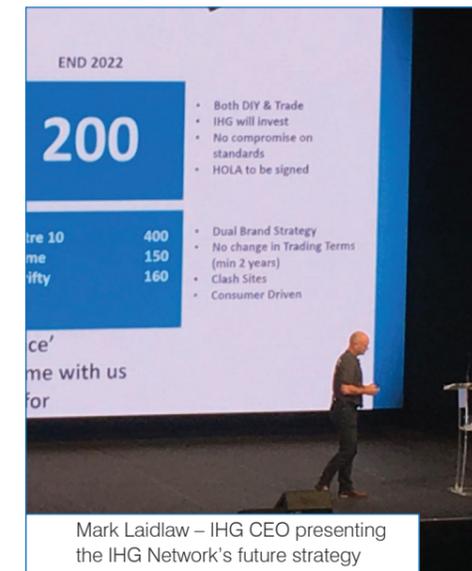
The IHG Expo provided the platform for great networking opportunities between suppliers and stores, opportunities to catch up with colleagues from work lives past, and for the Paslode team, the opportunity to sell over a million dollars' worth of promotions.



Paslode's new look Trade Stand at IHG Expo February 2018



Paslode Pallet Alley promotion



Mark Laidlaw – IHG CEO presenting the IHG Network's future strategy



SLAM @ ITW Pryda, Healey Rd

Task: Feeding and lining the coil up whilst reaching for a valve.

Stopped: One of the presses was highlighted about how difficult it was to reach a valve to push and pull, in order to feed material into the machine – short of being a contortionist – hence being an awkward twisting action and judging if alignment on the coil was correct.

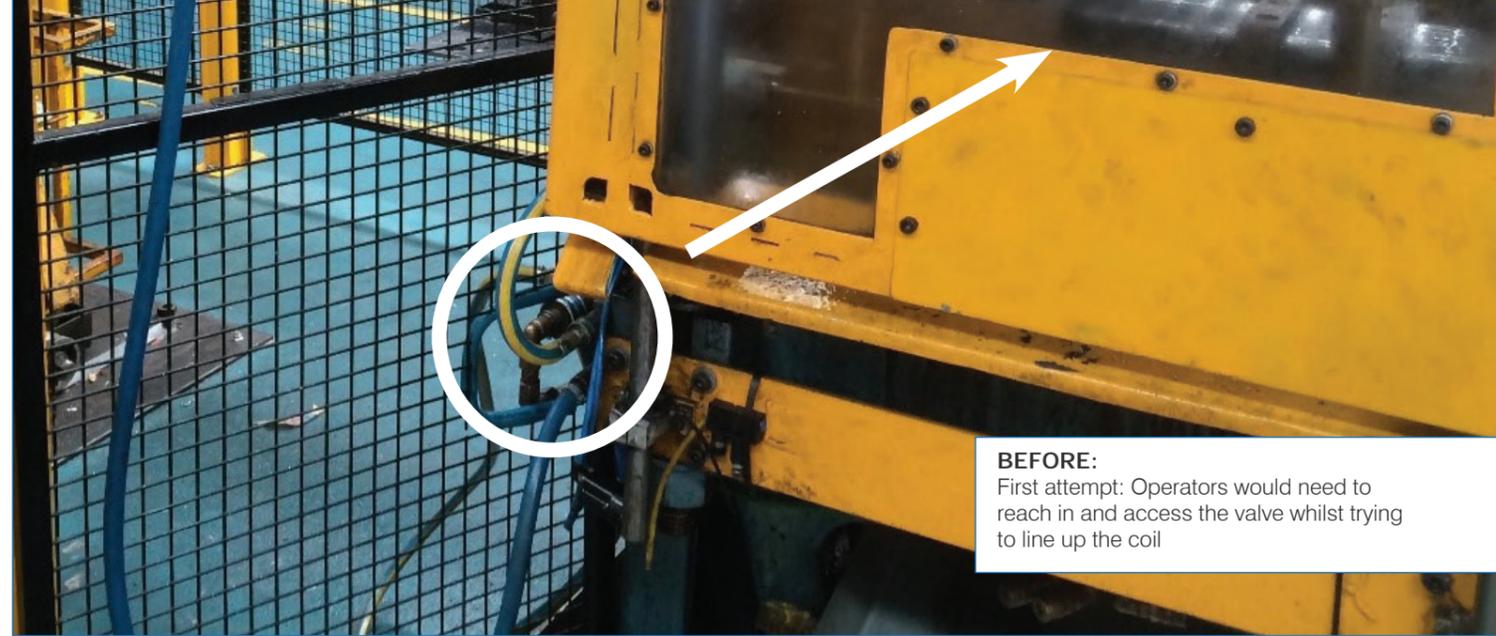
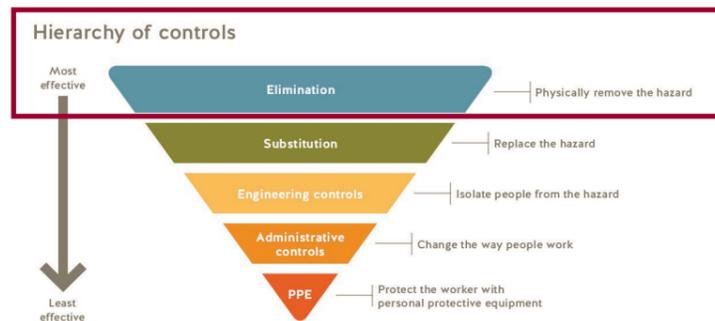
Looked: The access to the valve could be made easier and making alignment of the coil more manageable

Assessed: Guarding was restricting access to the valve

Managed: After review of guarding compliance where pinch points could not be accessed, the guarding was modified to allow an access point to the valve

Reviewed: The problem was further analysed through hierarchy of control and established this method could be engineered out which would eliminate the hazard.

Reassessed: After another consultation – to eliminate the hazard, the valve was extended to be outside the guarding and the guarding mesh to have a more restricted area to access the valve.



BEFORE:
First attempt: Operators would need to reach in and access the valve whilst trying to line up the coil



REASSESSED



AFTER:
Second attempt: Operators can now access the valve directly in front of where line of sight will be to feed the coil

SLAM @ ITW Buildex Moorabbin

Department: Aspire Department

Task: Adjusting cutting edge bolts on forges

Stopped: It was highlighted that when adjustments are required for the cutting edge during the forging process, there is a risk of slipping and hurting the operator's elbow or cutting their arm on the guard.

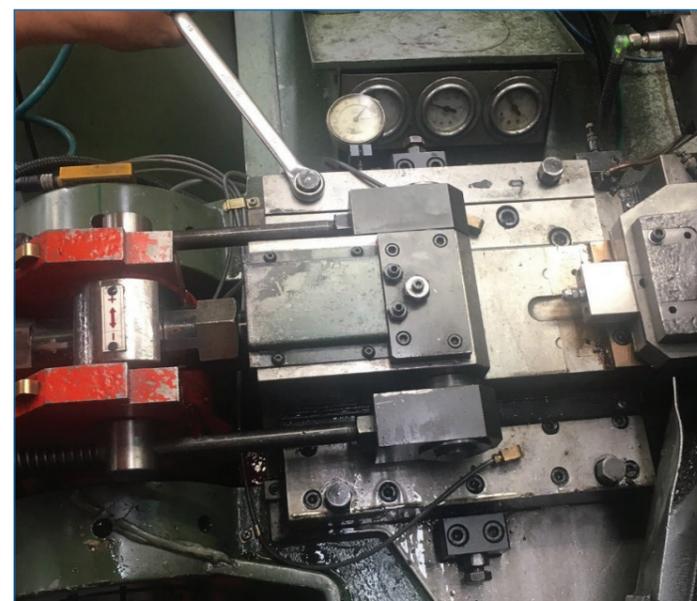
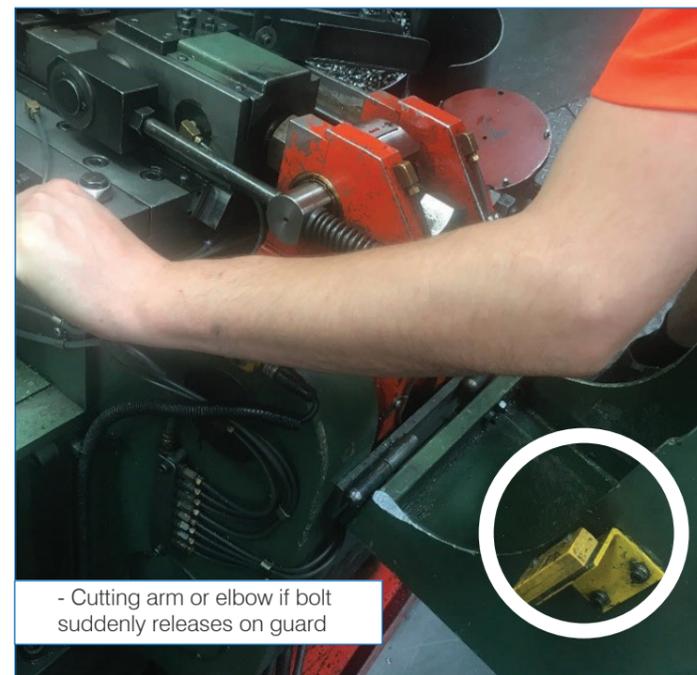
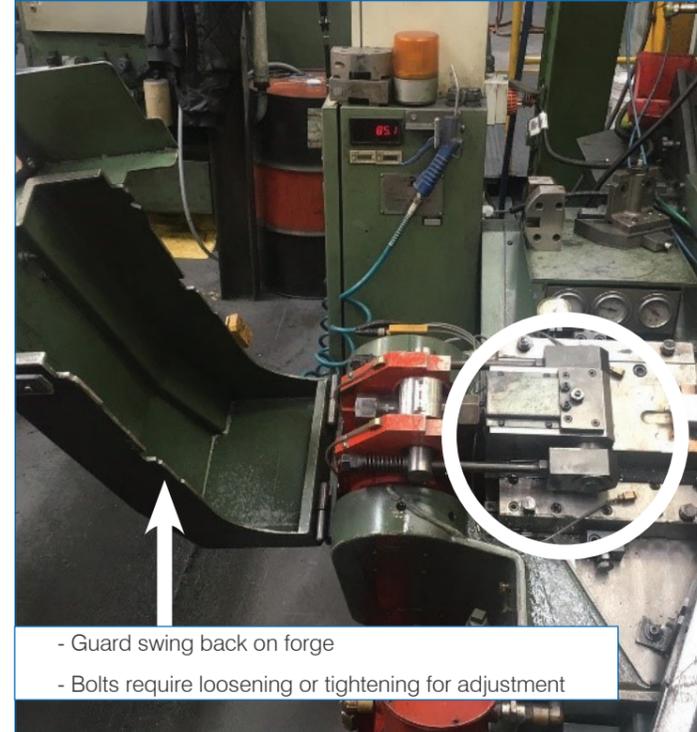
Looked: (pics on right)

Assessed:

- Normally a ring and open-end spanner is used to adjust bolts.
- It is important the bolts are done up reasonably tight, but the spanner does not provide much leverage, so a lot of force is required to tighten.
- A lot of force is required to loosen and when the bolt finally 'releases' there is a real chance of hitting your elbow or arm on the guard or centre block of steel.
- Operators tend to 'over tighten' bolt, making it difficult to loosen.

Managed:

- Darren and Janos suggested a socket could be used with an extension piece to remove your hand and arm from impacting the guard or centre block.
- They also suggested a torque wrench should be used, ensuring bolts are not 'overtightened'.
- A longer torque wrench provides more leverage, so less force is required, reducing the chance of straining.
- Implement SOP showing torque wrench, socket extension and torque required.
- Provide torque wrenches to all Aspire Setter/Operators.
- Training Toolbox and sign off required to all Setter/Operators on use of torque wrench.



SLAM @ ITW Paslode

Task: Rebuilding of machinery on the work bench

Hazard: Electrical Cables running across the floor.

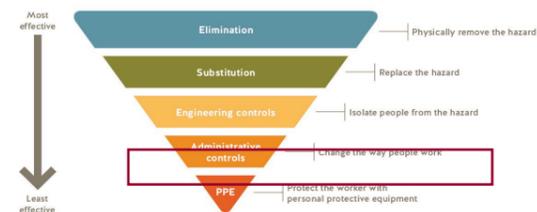
Stopped: The power source required to power machinery in the maintenance area was located on the far side of the factory, causing trip hazards.

Looked: The access to power could be made easier by relocating some power sources closer to the work stations in the maintenance area.

Assessed: Power source and power supply to the workstations.

Managed:

Hierarchy of controls



After reviewing the power source in the area, a decision was made to remodel the maintenance area and centralise the power supply to the workstations. This eliminated the use of extension leads running across the floor. (NO MORE TRIP HAZARDS)



Centralised Power Supply

Carters Buggy 2018



Paslode NZ staff members are Sheng Li, Ryan Hogan and Pete Horgan.

Over the last 6 months, Carters Henderson (one of the largest commercial resellers in NZ) have been running a Buggy Promotion in conjunction with Paslode New Zealand.

Every purchase of a new Paslode Impulse FrameMaster tool qualified as an entry into the prize draw to win the off-road buggy. This generated a massive 300 tool sales during this period which well exceeded all expectations. Fulton Hogan Ltd, a large commercial contractor with over 6000 staff were the prize winners. They generously decided to donate the buggy to Youth Encounter, a local charity using dirt bikes to deliver an exciting and engaging way to unlock the potential in at risk youth. Youth Encounter intends to use the Paslode buggy as their safety vehicle so a great result for this much needed community venture and Carters Henderson, who, together with Paslode, made this happen.

Apprentice Training Program – Paslode ANZ

Through TAFE and tertiary institutions in Australia and New Zealand, Paslode is conducting training programs for Cert 3, for Carpentry Apprentices.

The focus of these sessions is to instruct the next generation of carpenters on the safe use of our range of tools. Demonstrations teach how to effectively clean and maintain their tools to gain maximum performance over the course of the life of the tool.

Tony Ryan and Brett Fuller, field specialist's for Paslode in Queensland and Victoria respectively, have already conducted classes in 2018. Warren Herlihy leads the way in New Zealand with scheduled training at his 80 institutions, Weltec, Whitirea and G&H, training approximately 200 apprentices each year.

Practical training rooms across both countries have Paslode signage displayed so all new carpenters will be aware of Paslode as a quality brand and trained accordingly in the correct and safe use of our products.

In addition to training apprentices, we have also started training the teachers. As classes are flexible in alot of campuses it has become apparent that we can't always be available. We also discovered the knowledge of the teachers needed to be upgraded so they can utilise the training material we provide and conduct their own sessions as required.

This is all contributing to a safe workplace for the next generation of Paslode users.



Staff News

Welcome to ITW!



December 2017

Congratulations to Tony Centorame on the birth of his son Christian.



31st December 2017

Congratulations to Kyle Billings and Kelly who are now engaged after 2 years of dating.



27th January 2018

Congratulations to Sam and Matt Lambert on their newest little trouble maker, Finn, born a healthy 3.714kg and 52cm.



23rd December 2017

Congratulations to Madelien Poppner on taking out the Bluey Evans Manufacturing Award.



Brett Fuller
Trade Field Specialist, Residential

Belinda DeVries
(casual to perm) - AP, Residential

Lishan Mei
Finance, Paslode

Eva Bonacci
Marketing Insights Manager, Residential

Cheng-Wei Huang
Operator, Buildex

Adam Bence
Operator, Buildex

Carl Breitenbach
Software Manager ANZ, Pryda

Shane Anthony
Lab Technician, Pryda

Joemar Mante
Software Development, Pryda

Brian Robertson
Site Manager Brisbane, Residential

Nathan Paternoster
Software Tester, Pryda

Gareth Murgatroyd
Fitter, Pryda

INTERNAL HIRES

Steph Whiteside into
the role of Segment Market Manager
Paslode AU

Warren Herlihy into
the role of Area Sales Manager
Paslode NZ

James Hyam into
the role of Leading Hand
Paslode NZ

Man Kwong into
the role of Leading Hand
Paslode NZ

Ollie Nam into
the role of Product Manager
STOCKade

Neal Porter into
the role of Dev Ops/Scrummaster
Pryda Software

Lindsay O'Brien into
the role of Software Architect
Pryda Software

Elaine Liu into
the role of Production Supervisor
Pryda

Kenneth Ong into
the role of Finance Manager ANZ
Residential

Iris Havard into
the role of Sales Representative
Buildex

Energy-Focus-Clarity Winners

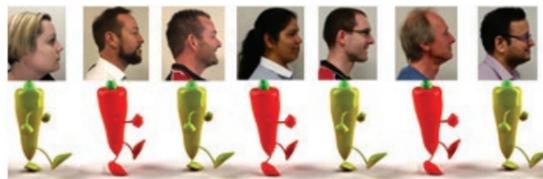
Congratulations to the winning teams of our 2018 step challenge.

The 2018 challenge was all about finding Energy-Focus-Clarity to get the year off on the right foot and make 2018 a success!

Our wellbeing themes included, boosting your morning, changing habits for the better, and using music for energy and focus.

With 51 people on 9 teams including all sites, the competition was hot!

Our victors earned themselves \$200 credit each for the ITW Benefits Program!



THE RED HOT CHILLI STEPPERS

Winner: Highest percentage improvement

Team: Ashutosh Bhatt, Lavanya Elemella, Tom Zuscak, Vladimir Kozlov, Matt Taylor, Adele Taylor and John Buckley.

The Red Hot Chilli Steppers improved by 320%.

FITNESS FIRST

Winner: Highest average steps

Team: Benedicta Monterio, Gloria Siebel, Tammy Ong and Viorica Manole.

The Fitness First team averaged 823,172 steps over the 6 weeks.



Culture, Safety and Wellbeing

Culture, Safety and Wellbeing in 2018

Keeping our people safe, healthy, connected and engaged is our foundation for ensuring we have a positive culture. The importance of understanding that safety and wellbeing are two sides of the same coin; with positive resilience and wellbeing practices being one of the best ways we can ensure safety.

For 2018 we have a 12-month calendar of education, events, and coaching supporting safety, wellbeing, and positive relationships at work.

Energy-Focus-Clarity

Our January – March quarter focus was supporting our physical wellbeing with our Energy-Focus-Clarity step challenge. Our wellbeing education themes included boosting your morning, changing habits for the better and using music for energy and focus.

One Team and Psychological Safety

Everyday each one of us is contributing to our culture. How we think, speak, behave, act, react and interact with our colleagues all contributes to our working environment and ultimately culture.

Psychological safety at work is about creating environments in which all employees feel valued, accepted and respected. Research shows that trust, transparency, mutual respect and a sense of security in teams, is important for us to do well and be well at work.

We also know that people who have strong supportive relationships with their colleagues have better personal health and wellbeing.

So this quarter we are focusing on psychological safety. Throughout April, May and June we will be engaging managers and work teams across sites in workshops to come together and have conversations to build quality relationships and psychological safety.

LONG SERVICE AWARDS



Stephen Collins - Residential (Jan)
 Scot Gorton - Paslode (Feb)
 Mark Grech - Paslode (Jan)
 Steve Lennon - STOCKade (Apr)
 Cameron Laszlo - Pryda (Apr)
 Li Sheng - Pryda (Jan)



Wilma Girish - Residential (Apr)
 Nick Athanasopoulos - Buildex (Apr)
 Mark Sommer - Residential (Mar)
 Magda Andrawis - Buildex (Feb)



Frederick Edwards - Residential (Jan)
 Viorica Buildex - (Feb)
 Tammy Ong - Buildex (Feb)
 Paul Jacobs - Buildex (Feb)
 Julie Hayman - Residential (Mar)
 Paul Wynne - Buildex (Apr)
 Madelien Poppner - Buildex (May)
 Peter Horgan - Paslode - NZ (Apr)
 Nola Evans - Pryda (Apr)
 Simon Healey - Residential (Mar)
 Safeta Hajdarevic - Buildex (Feb)



Dyan Bulner - Buildex (Mar)



Charles Tan - Buildex (Feb)
 Ashraf Andrawis - Buildex (Feb)
 Janos Bicsak - Buildex (Jan)



LASTING CONNECTIONS AWARD

NEW

Introducing the ITW Lasting Connections Reward and Recognition program

Employees of ITW Residential are engaged, committed and do great work every day. ITW Residential is committed to recognising and rewarding all employees for their contribution to creating a culture that encourages excellence in performance and lives the residential vision.

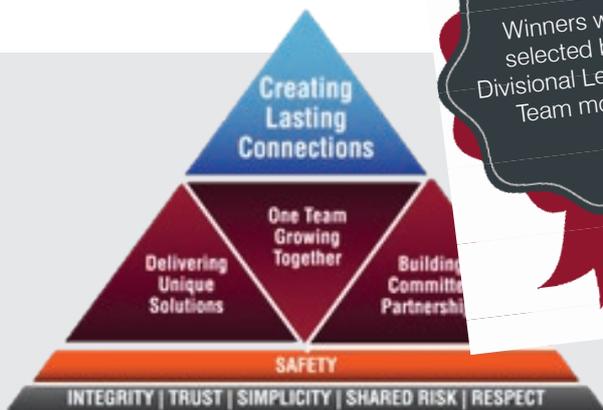
When you see a co-worker demonstrating behaviour that lives our vision you are encouraged to nominate them for an award. Nominations can be submitted by anyone in the business. Employees can be nominated for living the vision across any category.

How to Nominate

1. Nomination forms will be available both on SharePoint and selected locations across the major sites.
2. Once complete, nominations forms are emailed to the Lasting Connections email: LastingConnectionsAward@itwcap.com or submitted to your site representative who will forward to the email address.

Site Reps:

Ingleburn – Steve Pasialis
 Moorabbin – Chris Wilkes
 Healy Rd – Andrew Skerritt



The form is titled "LASTING CONNECTIONS NOMINATION FORM" and includes the ITW Residential logo. It contains the following sections:

- Introduction: "Employees of ITW Residential accomplish small miracles every day! Help us recognize and reward employees who have gone above and beyond by nominating them."
- Section 1: "I am nominating:"
- Section 2: "The 'Creating Lasting Connections' values demonstrated were (please tick):"
 - Creating Lasting Connections
 - Delivering Unique Solutions
 - One Team Growing Together
 - Building Committed Partnerships
 - SAFETY
 - The ITW Core Values
- Section 3: "Describe how the nominee displayed the vision values." (with a line for text)
- Section 4: "How has the nominee's actions impacted you?" (with a line for text)
- Section 5: "Nominated by:" and "Contact number:" (with lines for text)
- Section 6: "Date:" (with a line for text)
- Footer: "Drop this form into the nominated collection box or email donna.zabalero@itwcap.com. Thanks for taking the time to recognise your peers!"

Thanks for reading!

If you would like to contribute to the next edition of Lasting Connections, please email andrew.keir@itwcap.com with your article and attach any photos as well. Submissions are due by 6th July. We look forward to bringing you a new edition.