

2009 COMMUNITY REPORT CARD



BUNNINGS



BUNN 1987/08/09

OUR BUSINESS



Bunnings is the leading retailer of home improvement and outdoor living products in Australia and New Zealand and a major supplier of building materials. We employ over 28,000 people.

Revenue during 2008/09 exceeded \$5.8 billion dollars. At 30 June 2009 there were 175 Warehouse stores and 56 smaller format stores operating across Australia and New Zealand. We also operate 7 Frame & Truss Plants and 22 Trade Centres in Australia.

Tell us what you think...

If you have a question or suggestion please contact us via our website www.bunnings.com.au

Bunnings Group Limited
16-18 Cato Street Hawthorn East,
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A HISTORY OF REAL ACTIONS...

A real commitment to local communities and sustainability is integral to how we do business. Highlights across the last decade include:

- 2001**— Start detailed public triple-bottom-line reporting.
- 2002**— Work with Greenpeace on eliminating illegally logged rainforest timber.
- 2003**— Focused reviews started to reduce energy waste.
- 2003**— Adopted current timber procurement policy.
- 2003**— Introduce voluntary 10 cent levy on plastic bags at point of sale, raising more than \$180,000 for Keep Australia Beautiful (first major retailer to do so).
- 2004**— Commence voluntary reporting of greenhouse gas footprint.
- 2004**— Community group contributions exceed \$2m pa (direct & indirect).
- 2005**— Lift energy efficiency measures.
- 2005**— Establish recycling systems for cardboard and plastic at all major sites.
- 2005**— Waterwise reviews result in reduced water consumption.
- 2006**— Forest Stewardship Council (FSC) certified paper product introduced.
- 2006**— Introduced factory accreditation for offshore factory working conditions.
- 2007**— Public commitment to achieve carbon neutrality by 2015 or earlier.
- 2007**— Commence 2 year \$6m project to retrofit rainwater harvesting systems.
- 2007**— Commence Murdoch University research partnership targeting energy efficiency & renewable energy opportunities.
- 2007**— Timber furniture ranges achieve FSC certification & labelling.
- 2008**— Single-use plastic bags removed from all stores.
- 2008**— Purchased 5% of grid energy needs in Australia from renewable sources & introduced 55 hybrid cars into our vehicle fleet.
- 2008**— Major investment program in energy efficient lighting.
- 2008**— Offset 16,000 tonnes of 2007/08 emissions through Landcare CarbonSMART native revegetation projects.
- 2008**— Nursery sections of Australian stores revert to hand watering with reductions of 80% plus in water usage.
- 2009**— Community group contributions exceed \$15.5m pa (direct & indirect).
- 2009**— Confirmed that 99% of timber products purchased are sourced from verified legal & sustainable forest operations.
- 2009**— Increased energy efficiency further through store lighting including more e-tronic lighting, night switches & the introduction of LED technology.
- 2009**— New trials in renewable energy solutions for stores including wind turbines and solar panels.

“We pursue sustainability within our operations by striving to make them socially responsible, environmentally aware and economically viable.

We engage with the communities in which we operate and live and we actively contribute to causes and organisations that benefit these communities.

We’re building the best... our team makes it happen.”

WELCOME

Over the past year it has been pleasing to see the real and meaningful actions we have taken in the areas of sustainability and community involvement. We continued our long standing commitment to operate in a sustainable way and to actively participate in our local communities.

This report card is an overview of what we did in 2008/09. All Team Members can take pride in our actions and we thank all those involved for the work done.

During the past year we have:

- Continued making our operations more sustainable with no increase in our total carbon footprint despite expanding our business
- Doubled our recycling rate from 25% to 50% in Australian stores
- Substantially reduced water usage through installation of rainwater harvesting systems and innovative nursery irrigation approaches

Bunnings endeavours to have an on-going and active role within our local communities. We are proud to have assisted in over 25,000 community activities in 2008/09 which were as diverse as fundraising sausage sizzles to D.I.Y. projects. Our team spirit came to the fore in February, when Team Members across Australia and New Zealand raised money for the Victorian Bushfire Appeal.

We make no claim to be perfect, but we are sincere in our attempts to do the right thing.

To that end, we welcome any suggestions or feedback you may have regarding the content in this report card. Please contact us via our website www.bunnings.com.au.

John Gillam, Managing Director
and Peter Davis (PJ), Chief Operating Officer

PERFORMANCE SNAPSHOT

| 2009 Priorities | Outcomes | 2010 Priorities |
|--|--|---|
| Achieve carbon neutrality by 2015 or earlier. | Partially achieved: Achieved zero growth in total carbon foot print and a 6% reduction in CO ₂ emissions per \$100,000 of revenue. | Achieve carbon neutrality by 2015 or earlier. |
| Continue strengthening water saving initiatives. | Achieved: Australian based stores achieved a 22.5% reduction in total kilolitres of water used through rain water collection & innovative nursery irrigation approaches. | More water saving initiatives. |
| Increase work with suppliers to reduce supply chain resource waste & develop products with stronger sustainability traits. | Achieved: 99% of timber products purchased from low-risk sources. Stepped up product-level packaging improvements & waste reductions in our supply chain. Expanded product ranges for customers. | Increase work in-store & with suppliers to reduce supply chain resource waste, increase recycling rates & bring to market products with stronger sustainability traits. |
| Continue providing customers with access to information about environmentally-friendly products & projects that can support sustainable living. | Achieved: Increased customer access to information via our website, in-store information, catalogues & D.I.Y. workshops. | Continue providing customers with access to information about environmentally-friendly products & projects that can support sustainable living. |
| Maintain our contributions to improve the social wellbeing of the communities in which we operate. | Achieved: Contributed and helped raise over \$15.5 million in direct donations, in-kind support & Team Member labour toward community projects. | Maintain our contributions to improve the social wellbeing of the communities in which we operate. |



Over the year we have continued our commitment to operate sustainably and to reach our goal of carbon neutrality by 2015.

This year we have achieved:



Less Water

- Continued installation of rainwater harvesting systems which now form part of the standard design brief for our new stores
- Continued water saving initiatives in our nurseries through hand watering & introducing capillary mats (drawing water from the base of plant trays)

Less Energy

- Installation of energy efficient e-tronic lighting systems in a total of 43 stores
- 112 stores fitted with low-mode light switching devices for night fill operations
- Trialling LED (Light Emitting Diode) lighting in outdoor nurseries, under canopy lighting & car parks
- Increased the number of hybrid cars in our fleet to 57
- Continued partnership with Murdoch University to identify & trial new energy efficiency opportunities — solar power and wind power micro-generation installations underway in September 2009
- Purchase of accredited renewable energy certificates which represented 5% of our total Australian energy needs
- Offset 6,222 tonnes of 2008/09 carbon emissions through Landcare CarbonSmart



Less Waste

- Doubled our recycling rate for the 2nd consecutive year in Australian based stores, increasing from 25% to 50%. We continue to promote recycling in our stores through:
 - separate systems to recover plastic, cardboard & timber
 - training our team on recycling practices
 - co-mingled recycling bins for food & beverage containers
 - detailed monthly store reporting of waste & recycling volumes circulated on a monthly basis
- Following inconclusive battery & plastic plant pot recycling trials we continue to explore options for effective end of life solutions for customers



More Education & Awareness

- Continued focus on helping our customers understand practical sustainability actions through in-store activities & D.I.Y. workshops
- Increased water & energy saving information for customers with free online videos on sustainability for the home & garden
- Worked with Victorian & Queensland water authorities to promote Target 155 & Target 200 water saving campaigns to householders
- Team Members across New Zealand joined forces to participate in a Big Green Clean in support of Keep New Zealand Beautiful
- Partnered with Yarra Valley Water to provide 10,000 water saving showerheads for customers through a product exchange program
- Switched off lights in stores across Australia in support of the WWF led Earth Hour movement

- A partnership with the Keep Australia Beautiful WA's 'Adopt a Spot' pilot program which involves Team Member led clean ups of local community areas



In More Schools

- Conducted sustainability programs in all stores across Australia for more than 570 local primary schools
- Supported Australian Firestarter Youth Environment Conferences as the Environmental Project Day Partner, providing materials & hands on workshops including native bird box building, tree planting & plant propagation
- Commenced support of Schools Tree Day in South Australia which will be supported across Australia in 2009

More Efficient Supply Chain / Business Operations

- Identified and implemented material reductions in packaging on direct imported product ranges after concluding assessment work in March 09
- Continued our strong long-term focus on timber procurement:
 - Approximately 99% of our whole timber products are now sourced from lower risk plantations or other verified legal or certified forest operations
 - Our timber products ranges are featured in the Greenpeace Good Wood guide in both Australia & New Zealand
 - In June 2009 became a lead retail signatory to the Greenpeace campaign calling for stronger Australian legislation on sustainable timber procurement

SUSTAINABILITY

Bunnings contributes to a diverse range of local, regional and national causes. All of Bunnings' community involvement activities place a strong emphasis on local and active participation in the communities in which we operate.

Our Australian and New Zealand teams supported well over 25,000 community activities through community group BBQs, D.I.Y. projects, local fundraising, Fun Days, blood drives and other activities. Our support included direct cash and/or product donations as well as Team Member participation. Throughout the year Team Members dedicated both paid and unpaid hours to community projects.

This involvement has helped raise and contribute more than \$15.5 million to local, regional and national charities and community organisations across Australia and New Zealand. Stores continued to offer free Adult D.I.Y. Workshops, Kids D.I.Y. Clinics, Ladies Days and Nights.

Bunnings also supported a number of national organisations through local store run activities including:

Australia

- Prostate Cancer Foundation (Father's Day 2008)
- Salvation Army (Christmas 2008)
- Australasian Fire Authorities Council Volunteer Firefighters (summer campaign 2009)
- Meals on Wheels and the Country Women's Association (Mother's Day 2009)
- 'Paint Your Community' campaign (Easter 2009)

New Zealand

- New Zealand Breast Cancer Foundation (October 2008)
- Heart Kids Week (May 2009)
- St Johns Annual BBQ Appeal (June 2009)

In response to the 'Black Saturday' bushfires Australian and New Zealand teams supported the Victorian Bushfires Appeal by:

- Holding sausage sizzles raising a total of \$1.67million
- Directly donated funds and products
- Fundraising at events in conjunction with suppliers
- Acting as collection points for cash donations to the appeal

Local teams also fundraised for flood victims in various parts of QLD and NSW.



COMMUNITY INVOLVEMENT