

Community Report Card 2006

>Welcome

Our team is always looking for new ways to engage with the communities in which we operate, improve the sustainability of our operations and to 'do the right thing'. Looking back over the past year, it is pleasing to see what we achieved and to also assess what we can do better.

We take our commitment to sustainability and local community involvement very seriously. **We are therefore pleased to publish this 2006 Community Report Card which summarises our contribution to the community and our initiatives to improve the sustainability of our operations.** This is a summary of a more detailed report published by our parent company, Wesfarmers Ltd.

We consider that our operations are sustainable when they are socially responsible, environmentally sound and economically viable.

Our three main environmental areas of focus during the year were; continued implementation of our existing water and energy reduction initiatives; building further sustainability standards within our supply chains; and conducting a review to improve our Australian recycling and waste management services.

In 2005/06 our Team Members have once again been actively supporting many local community involvement projects within their working week and by donating their own personal time to participate in a range of activities. During the year, we helped raise funds and contributed more than \$4.6 million to various charities and community groups throughout Australia and New Zealand.

Our response to Cyclone Larry, which did so much damage in north Queensland earlier this year was really pleasing. It's that sort of community involvement we're known for, and it's a great example of Bunnings community spirit making a difference.

We strive to be a real part of each and every community in which we operate. Our work in the community is a huge part of who we are and I encourage all Team Members to keep up their efforts.



'Red Shirts' planting trees at Kennington Reserve Bendigo, VIC.

We are always looking for new ways to make a difference to the community and to lift our environmental performance. We encourage all readers of this report to provide feedback by filling out the feedback form on the Bunnings website (www.bunnings.com.au) under the 'In the Community' section or by simply sending me a note to the address displayed on the last page of this report card.

John Gillam
Managing Director

BUNNINGS





Underground storm water storage tank, Belconnen Warehouse, ACT

> Our Business

Bunnings is Australia and New Zealand's leading retailer of home and garden improvement products and a major supplier of building materials.

Revenue during 2005/06 reached \$4.27 billion. At 30 June 2006 we operated through 142 warehouse stores and 84 small format stores (including Benchmark stores in New Zealand and WA Salvage and Houseworks stores in Western Australia) across Australia and New Zealand. We also operate eight frame and truss plants, seven trade distribution centres and three trade-focused small format stores. We employ over 23,000 Team Members.

> Sustainability

The three main environmental areas on which we focused our attention during the year were:

- > water and energy reduction initiatives
- > sustainability within our existing local and overseas supply chains; and
- > review of our Australian recycling and waste management services.

Water and Energy

Our approach to water and energy conservation is to lead by example in what we sell, what we do, and the information we provide to customers.

Water saving initiatives this year included installation of waterless urinals at a further 31 sites, installing basin tap flow restrictors where possible, the introduction of a trial underground storm water storage tank system at our new warehouse store at Belconnen in the ACT, and customer displays of working rainwater tanks in many stores to promote use of this resource.

We estimate that the water saving measures in place reduce our overall consumption by approximately ten percent or 77 megalitres per year. This equates to around 642 domestic swimming pools of water saved.

Energy efficiency systems are now fitted at 70 warehouse stores. In addition, a new "Bi lighting" system has been installed at 11 stores. This system uses globes that automatically switch to half and full power according to available ambient lighting.

We provide our customers with information about environmentally friendly products and projects that can support sustainable living via our website, Adult D.I.Y. Workshops, 'How to' Brochures and in-store communications.

Sustainability Within Our Supply Chains

In 2003 we established a Timber and Wood Products Purchasing policy that over time will require all wood and wood products to originate from legal and well-managed forest operations.

We are working with our suppliers so that they can independently verify the original forest source, and we are also seeing more paintable alternatives like MDF and jointed pine coming into our stores.

We have recently conducted an extensive review of our progress within Australia in implementing the policy to determine the best way forward. From the review we classified a little over 90 per cent of purchases of whole wood products as being low to very low risk in that the overwhelming majority (86 per cent) is derived from Australian and New Zealand native and plantation operations and the balance is made up of other softwood imports. As a result of the review, we have decided to focus our efforts on:

- > Higher risk countries and products; and
- > Establishing a verifiable legal basis as a condition of future supply.

To view our policy statement, please visit the Bunnings website (www.bunnings.com.au) under the 'Who We Are' section.



Customer display of working rainwater harvesting tank at Rocklea Warehouse, QLD.



Most of our timber outdoor leisure range is now certified by the Forest Stewardship Council (FSC).

Recycling and Waste Management

Our recycling and waste management practices in Australia has been reviewed with the purpose of lifting the level of separation of recyclables and further reducing the waste sent to landfill from all of our sites.

We have invested in compactors at all major sites to recycle cardboard, with about half of these also recycling plastic shrink wrap.

We continued our industry-leading initiative that has enormously reduced plastic shopping bag use. Since the inception of our plastic bag levy in September 2003 (with all proceeds being donated to the Keep Australia Beautiful Council) over \$166,000 has been raised. During this period, 66 million bags have potentially been removed from the waste and litter stream and over 1.5 million reusable bags have been sold.

Our focus is on the 'reduce, reuse and recycle' waste management principles. Below is a great example of putting the 'reduce' principle into practice. Small ideas can produce great outcomes.



Team Members from Villawood Warehouse NSW designed and built a fairy garden for the KU Chester Hill Children's Centre.

Register Receipts (Case Study)

By reformatting the layout of our receipts, the size has been decreased by more than 30%. This will reduce annual stationery costs by approximately \$150,000 and reduce thermal register roll consumption by around 2,500 units per annum.

> Community Involvement

We support many community groups and activities with our primary focus being in the areas of family, community and sustainability. During the year, we helped raise funds and contributed more than \$4.6 million to various charities and community groups throughout Australia and New Zealand.

Local

Our Team Members personally support their local community in many ways, including:

- > providing expert advice or hands-on support to assist community groups with D.I.Y. projects;
- > offering facilities for local community groups to operate fundraising sausage sizzles at our Bunnings Warehouse stores;
- > acting as collection points and fundraising for various charities and community groups;
- > personally taking part in charitable events like blood drives for the Red Cross; and
- > sponsoring local community groups.

Clean Up Australia Day, Fyshwick ACT (Case Study)

Bunnings Fyshwick participated in the 'Adopt a Road' program. Team Members from the store clean up a stretch of the Monaro Highway near the store on a bi-monthly basis.



Bunnings and Dulux supported the Australasian Fire Authorities Council across Australia.

Regional

At a regional level we also supported various major Australian appeals such as the Alfred Hospital Fathers' Day Appeal in Victoria, Princess Margaret Hospitals Starlight Foundation in Western Australia, Surf Life Saving WA, and Bluey Day in Victoria, Queensland and New South Wales.

National

This year we were proud to support the following programs within Australia: National Breast Cancer Foundation "Porches in Pink"; the Anglicare Angels Christmas Appeal; Australasian Fire Authorities Council (AFAC) and Planet Ark's National Recycling Week.

In New Zealand we supported a variety of prominent causes including, Special Olympics NZ, Hospice, SPCA, The Heart Foundation, Project Hope and the New Zealand Blood Service.



Bunnings workshops at the Starlight Express Room at Princess Margaret Hospital, WA.

Operation Larry Assist (Case Study)

On Monday 20 March 2006, Cyclone Larry – a category five cyclone – swept through the communities of Far North Queensland (FNQ) leaving a trail of destruction in its wake. While our team has always held strong relationships with our local communities, from the moment Larry arrived, the reaction was remarkable.

Local stores responded immediately. Stores opened their doors in dismal conditions so that people had access to much needed emergency products and plans were developed to assist the communities most in need.

The communities in FNQ were in desperate need of mattresses, bedding, clothing and other items that we don't normally stock. Our Queensland support office utilised our supplier network to organise these vital items and deliver them to the affected areas without delay, working closely with the Queensland Government's Operation Recovery Task Force.

Together with local government, the Bunnings-Babinda Community Assistance Program committee was formed. Through this committee, our local team continued to drive recovery efforts post-Cyclone Larry to help this community rebuild.

The ability of our team to get in and get things done with no fuss and no red tape helped to bring essential products, some relief and a few smiles to the people of FNQ. The donation of time from our Team Members was substantial and was in addition to our fundraising efforts that resulted in donations of over \$65,000.



The Babinda District Community Association Inc. receiving a cheque raised through Team Member efforts.



Part of the outstanding fundraising efforts being presented to Babinda District Community Assistance Program.

Team Members were able to anticipate the needs of the community and didn't wait for requests to come rolling-in. Enthusiasm to help spread right across the rest of the region and our stores throughout Queensland and the Northern Territory began to fundraise via daily sausage sizzles, cake stalls and dress-up days.

Many Team Members rallied to donate personal effects to others who had lost everything and some volunteered at the Red Cross to further help those in need.

In true Bunnings spirit, many local projects were supported through Team Members becoming involved, helping wherever needed, restoring gardens, organising clean up teams and helping local schools.

One particular Team Member dressed up as the Easter Bunny to face paint kids from the local communities of Babinda, Innisfail and Malanda, spreading some much needed community spirit to those people directly affected by Larry.



Team Members Joan and Liz from Cannon Hill donating their time to raise money for victims of Larry.



The New Zealand Support Office team assisting at the NZ Special Olympics.

Special Olympics New Zealand, Auckland (Case Study)

Bunnings Support Office in New Zealand recently assisted the NZ Special Olympics. Special Olympics provides weekly training programs and regular competition opportunities for children and adults with an intellectual disability.

On Sunday, 28th May, 25 volunteer Team Members from Support Office donned their Reds and headed off to assist Special Olympics New Zealand at their Swimming Ribbon Event in Auckland. The team helped in the areas of board-keepers, timekeepers, marshals and wherever a helping hand was needed.

Our Team Members were pleased to help out at this great event and had a lot of fun in the process.

In-store Activities

Our stores have continued to offer our customers a range of unique, educational and entertaining activities such as free Adult D.I.Y. Workshops, Kids D.I.Y. Clinics, Ladies Nights, Ladies Days and Community Fun Days. Every store brings their own imagination to running these activities.

Our store teams have done an exceptional job in bringing their own individuality and creativity to these events. The in-store activities not only provide fun and excitement in our stores but also help to deliver expert advice to our customers.

Another way we support our local communities is through our Community Fun Day program where various community groups, youth groups and service organisations are invited to hold information displays and conduct activities at one of our warehouse stores on a weekend.

At the Community Fun Days our stores provide a variety of free family activities such as face painting, jumping castles, clowns and petting zoos. Donation cheques for \$1,000 are drawn and presented to the five lucky organisations there on the day. Community Fun Days contributed over \$55,000 to local organisations throughout the year.

During special event periods like Father's Day, Christmas, Easter etc. we are providing more free in-store entertainment and activities for families. Recently for the Father's Day period our stores throughout Australia held a Dad and Kids' Night where Dads and their kids came into the store to undertake a free D.I.Y. activity together. The event was supported by an online invitation for kids to invite their Dads; a colouring in competition, a best Dad in the world certificate and a Father's Day card. The event was well received by families all over Australia and each

individual store added to the night in their own way by running other activities such as hat giveaways, 'handy Dad' challenges, fairy floss, jumping castles, face painting and sausage sizzles.



Female customers listening intently as Bernard from Warrn Ponds Warehouse in Victoria, talks about power tools at their Ladies Day.



Debbie demonstrating how to install reticulation at the Mandurah Ladies Night, WA.





> Performance Snapshot

2005 Report Priorities	Outcomes	Priorities For The Future
Continue to drive greater efficiencies in our use of energy and water and improve our recycling and recovery of waste.	Achieved. Lighting controllers or Bi lighting systems installed at a further 30 sites. Waterless urinals and tap flow restrictors installed at a further 31 sites. Trial commercial storm water storage tank installed at our Belconnen store in the ACT. Began review of Australian recycling and waste services.	Lessen our direct environmental impact through achieving better and more efficient use of resources (energy, water, and other services) and improved waste management practices.
Work with our suppliers to develop sustainability of supply chains and sustainable product choices for our customers.	Achieved. Began a formal factory assessment and accreditation process for manufacturers of Bunnings' imported products. Revised our Timber and Wood Products Purchasing policy to focus on independently verifying legal status of source material.	Work with our suppliers to further develop sustainability of supply chains and sustainable product choices for our customers.
Provide our customers with access to information about environmentally friendly products and projects that can support sustainable living.	Achieved. Working rainwater tank displays established at 31 stores. Promoted energy and water reduction strategies to customers through website home page features, "How to" brochures and water-saving D.I.Y. workshops in stores.	Proactively provide customers with access to information about environmentally friendly trends, products and projects that can support sustainable living.
Maintain our contributions to improve the social wellbeing of the communities in which we operate.	Achieved. Contributed over \$4.6 million in direct donations, in-kind support and fundraising.	Maintain our contributions to improve the social wellbeing of the communities in which we operate.



If you have a question or suggestion please contact us:

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