

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

- Investment in new environmental commitments
- Continued Sustainability within our existing local and overseas supply chains



Environmental

In May 2007 we announced an \$8 million investment in additional environmental projects and commitments. We are committed to becoming carbon neutral by 2015 or earlier and as part of this two new major projects were announced:

- A research partnership with Murdoch University for the next 2 years investigating commercially feasible ways for our business to reduce our reliance on current grid sourced power.
- We have also invited submissions for grants for carbon offsetting projects that will offset our carbon emissions in the short-term.

In addition to these major projects we will also be installing a minimum of 30,000 litre rainwater tanks in all of our warehouse stores in mainland Australia (excluding the tropics) to allow the irrigation of outdoor nurseries with the collected water. This significant investment will reduce our mains water usage by up to 80 percent in some stores and a saving of 250,000 kilolitres per year, based on average rainfall.

Across 2006/07 a significant investment has been made in research projects and store upgrades relating to sustainability and environmental outcomes.



Energy and water efficiency research projects and store upgrades aimed at increasing energy, water efficiency and controlling dust were introduced during this year. Further updates are available on the Bunnings website www.bunnings.com.au under the sustainability section.



Professor John Yovich, Vice Chancellor Murdoch University and John Gillam, Bunnings Managing Director on site at WA Murdoch University's RISE (Research Institute for Sustainable Energy)

Sustainability within our Supply Chains

In 2006/07 we have continued our focus on sustainability within our supply chains with several initiatives such as:

- Developing a specific training programme for stores to enhance the use of recycling systems and reduce the environmental impact of waste.
- Continuing our industry leading initiative to reduce plastic bags in Australia and New Zealand.
- Continued diversion of all end of life computer equipment from landfill's.
- Renewing our status for the National Packaging Covenant in Australia and continuing to reduce our packaging waste.
- An in-store trial of plastic pot recycling at our Rockingham store.

Our Timber Procurement policy was established in 2003 and we continue to work towards the goal of ensuring all future products supplied to us originate from legal and sustainable forest operations. We are on track to achieve legal verification of tropical timber whole wood products by December 2008 and our suppliers are required to provide details of their progress towards this goal.

We continued our participation in the award winning Paintback paint recycling programme. This programme involved specially designed containers based at Vermont South store where customers could drop off any unwanted paint and paint cans. This paint was then reprocessed by Dulux into quality recycled fence finish which was made available through our store network, with the steel tins also being recycled. Over a 15 month duration over 200 tonnes of paint was collected which in turn created 28,000 litres of fence paint. This pilot programme has now finished and is currently under review by Sustainability Victoria.



Local

- Providing advice and hands on support to assist community groups with D.I.Y. projects;
- Providing facilities and support 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 events like blood drives for the Red Cross; and
- Sponsoring local community groups

Regional

At a regional level we supported many charities and appeals such as Daffodil Day in South Australia, the Royal Children's Hospital Mothers Day Appeal in Queensland, Relay for Life and the Manawatu/Wanganui branch of the Child Cancer foundation in New Zealand among many others.

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 \$8 million to various charities and community groups throughout Australia and New Zealand.



National

We were proud to support the following programs within Australia over the year: National Breast Cancer Foundation "Porches in Pink", Australasian Fire Authorities Council (AFAC), The Anglicare Angels Christmas Appeal, Bunnings Fathers Day Appeal and the Starlight Foundation.

In New Zealand we supported a variety of prominent causes including NZ Special Olympics, Hospice, New Zealand Blood Service, Keep New Zealand Beautiful and the New Zealand Breast Cancer Foundation.

Instore Activities

We also have continued to offer our customers a range of unique, educational and entertaining activities such as our free Adult D.I.Y. Workshops, Kids D.I.Y. Clinics, Ladies Nights, Ladies Days and Community Fun Days. Our store teams have done an exceptional job in bringing their own creativity and individuality to these events.

CASE STUDY NSW STORMS



Severe devastation was caused to the Hunter and Central Coast region in NSW from storms occurring on the long weekend of 8-11 June 2007. These storms caused extensive flooding, damage and loss of life, with over 300mm of rainfall falling in the region over the weekend.

Our stores in the area were affected significantly by flooding, severe winds and power blackouts. Our Team Members performed admirably, with all stores showing the level of community spirit for which we are renowned. This included helping customers have access to phones, recovering vehicles, helping set up emergency accommodation for customers and assisting customers in getting the resources they needed to clean up. All of this was achieved in most cases without power, limited resources and flooding in-store.

Our team dealt with extreme circumstances over this weekend effectively and compassionately, whilst at the same time as having to protect their own property.

Fundraising sausage sizzles held at our warehouse stores in New South Wales raised more than \$68,000 and plans were put in place with key charity organisations to assist with any special needs groups or individuals that needed help.

Our warehouses closest to the flood affected areas in Kotara, Gosford and Maitland have commenced community refurbishment projects with three local schools most affected by the floods.

COMMUNITY INVOLVEMENT

WELCOME

Looking back over the past year it is pleasing to see what we have achieved throughout the communities in which we operate, whilst improving the sustainability of our operations and continuing to 'do the right thing'.

We are pleased to publish the 2007 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 (www.wesfarmers.com.au). We consider that our operations are sustainable when they are socially responsible, environmentally sound and economically viable.


Our two main environmental areas of focus during the year were: significant investment in new environmental commitments and pursuit of continued sustainability within our existing local and overseas supply chains.

During the year we have helped raise funds and contributed more than \$8 million to various charities and community groups throughout Australia and New Zealand. Our Team Members have once again been actively supporting many local community projects within their working week and by donating their own personal time to participate in a range of activities.

The Bunnings community spirit shown during the storms that hit the northern NSW coast in June 2007 was really pleasing and it is the sort of community involvement we're known for.

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 sending us a note to the address displayed on the last page of this report card.

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



PERFORMANCE SNAPSHOT

OUR 2006 PRIORITIES	2007 OUTCOMES	PRIORITIES FOR THE FUTURE
Maintain our contributions to improve the social wellbeing of the communities in which we operate.	Achieved. Contributed over \$8m in direct donations and in-kind support as well as providing paid and unpaid team member hours towards community projects.	Maintain our contributions to improve the social wellbeing of the communities in which we operate.
Lessen our direct environmental impact through achieving better and more efficient use of resources (energy, water and other services) and improved waste management practices.	Achieved. Existing programmes bolstered by new commitments - \$6m towards water conservation projects including installation of rainwater harvesting systems and \$2m towards projects to achieve a goal of becoming carbon neutral by 2015 or earlier. Commenced implementation of recommendations from the Australian recycling and waste services review.	Achieve carbon neutrality by 2015 or earlier. Accelerate water, energy and waste reduction initiatives.
Work with our suppliers to further develop sustainability of supply chains and sustainable product choices for our customers.	Achieved. Over 90 per cent of timber products purchased are sourced from plantation and other known low risk sources. Joined as an official member of the WWF's Australia Forest & Trade Network. Continued to conduct independent factory working condition assessments for manufacturers of our imported product range.	Continue work with suppliers to further reduce resource waste within supply chains and develop products with stronger sustainability traits.
Proactively provide customers with access to information about environmentally friendly products and projects that can support sustainable living.	Achieved. Increased amount of sustainability resources available to our customers via our website, in store information and catalogues. New energy and water efficient product ranges introduced.	Continue to proactively provide customers with access to information about environmentally-friendly products and projects that can support sustainable living.

OUR BUSINESS



Bunnings is Australia and New Zealand's leading retailer of home and garden improvement products and a major supplier of building materials. We employ over 24,000 people.

Revenue during 2006/07 reached \$4.9 billion. At 30 June 2007 we operated through 155 warehouse and 68 small format stores (operating in every state and territory in Australia and both islands in New Zealand). We also operate eight frame and truss plants and eleven trade distribution centres in Australia.

“There are over 24,000 Team Members that make Bunnings what it is...”

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

Our ambition is to provide our customers with the widest range of home improvement products at the lowest prices everyday, backed with the best service.

Our Team Members are the heart and soul of our business. Our team's guiding principles are integrity, respect, teamwork, achievement and innovation. Our guiding principles are the keys to our culture and to achieving our vision.

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 seek to lessen our environmental impact in ways that are measurable including: achieving better and more efficient use of resources; ensuring our suppliers operate sustainably and ethically; encouraging and educating customers about environmentally friendly alternatives; and focusing on the “reduce, re-use and recycle” waste management principles.

We value our Team Members' contributions, recognise and reward their efforts and provide a fun, satisfying and safe workplace.

By living our values and operating sustainably, we will continue to “build the best” and earn the right to serve our customers tomorrow and into the future.

SUGGESTIONS

We welcome your comments and feedback, if you have a question or suggestion please contact us:

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2007



COMMUNITY REPORT CARD

