



Responsible Timber Sourcing Policy

August 2018 – Addendum November 2020

Bunnings has been committed to responsible timber sourcing for well over a decade. We understand our responsibility to ensure that the communities where we source timber derive direct and long-term benefit from well managed forestry operations.

Our goal is to ensure all timber and wood products supplied to Bunnings originate from:

- Legal, responsibly sourced and well managed forest operations.
- Plantations or natural forest that don't contribute to deforestation by conversion or clearing.
- Forests that provide direct benefit to local communities.

By December 2020 all timber in our products originating from natural forests will originate from third party certified forests (e.g. FSC® or PEFC).

Bunnings commitment to responsible timber sourcing began in 2001 when we introduced a zero-tolerance approach to illegally logged timber in our supply chain. During this time Bunnings has worked closely with key industry groups, government and environmental organisations to continuously improve our timber sourcing practices.

We have worked closely with suppliers to confirm the legality of wood products. To ensure that our goal is achieved Bunnings evaluates all suppliers of timber products and conducts annual timber supply chain due diligence to verify the source and chain-of-custody of the timber products we purchase. We monitor and report supplier performance and agreed action plans on an annual basis. In sensitive forest regions the timber that we purchase must have credible third-party certification. This ensures that these regions are protected, and the ongoing biodiversity of the forest is maintained.

We can state with confidence that more than 99 per cent of business wide timber products are confirmed as from low risk plantation, verified legal, or certified responsibly sourced forests. Within that, more than 79 per cent of Bunnings total timber products are sourced from independently certified forests or sourced with demonstrated progress towards achieving independent certification, such as that provided by the Forest Stewardship Council® (FSC®) and the Programme for the Endorsement of Forest Certification (PEFC).

We believe that our customers and team members have a right to know that the timber we sell is responsibly sourced and we remain committed to ensuring that we provide this assurance.

To deliver on our policy commitment we exclude timber sources where:

- The source forest is known or suspected to be of high conservation value, except where:
 - The forest is certified or;
 - In progress to certification under a credible certification system, or;
 - The forest manager can demonstrate that the forest and/or surrounding landscape is managed to ensure that value is maintained.
- The source forest is highly contentious, and impacting endangered species, and lacks appropriate third-party certification to an FSC® or equivalent standard.
- The source forest is being actively converted from natural forest to a plantation or other land use, unless the conversion is justified on grounds of net social and environmental gain, including the enhancement of high conservation values in the surrounding landscape.
- The material was illegally harvested or traded.
- The material was traded in a way that drives violent armed conflict or threatens national or regional stability (what is commonly referred to as conflict timber).
- The harvesting or processing entity, or a related political or military regime, is violating human rights.
- The supplier doesn't support indigenous communities.
- The material is sourced from genetically modified trees.
- The source forest is unknown.



Addendum to the Bunnings Responsible Timber Sourcing Policy – November 2020

Bunnings has been committed to responsible timber sourcing for well over a decade, we aim to ensure all timber and wood products supplied to Bunnings originate from legal and well managed forest operations.

In 2018, through an update to the Bunnings Responsible Timber Policy (the **Policy**), we set the goal to only source timber products from third-party certified natural forests by December 2020.

COVID-19 has had a material impact on some of our suppliers and their ability to achieve this goal, by causing delays through business and government shutdowns, and closures of international and domestic borders. These impacts are adversely affecting the ability of third parties to access forests and workplaces to complete the independent certification process.

Due to these unforeseen and exceptional circumstances, Bunnings has re-evaluated its timeline to achieve the original December 2020 commitment, and will work with incumbent suppliers who have been impacted by COVID-19 to achieve certification. Our ambition is to support existing impacted suppliers with a 12-month extension, however the continued disruption caused by COVID-19 may require additional flexibility. For this reason, Bunnings will review our policy position regularly as new information becomes available.

COVID-19 Impact Extension

In order to honour the intention of our Policy and support suppliers who have been adversely impacted by COVID-19, suppliers who source products from natural timber forests may be conditionally approved and granted an extension to achieving certification if the following criteria are met:

- The supplier has been supplying timber products to Bunnings prior to December 2020, all new suppliers and timber products do not qualify for an extension.
- The supplier demonstrates a commitment to achieving third-party certification and can verify the adverse impact of COVID-19 in their achievement of this commitment prior to December 2020.
- The supplier agrees to a timeline to complete certification. Failure to adhere to this agreed timeline will result in the trading agreement between Bunnings and the supplier being suspended or terminated, at Bunnings' discretion.
- The supplier documents and provides to Bunnings evidence confirming timber and timber products are sourced in compliance with the other elements of Bunnings' Responsible Timber Policy. All orders are conditional upon meeting these minimum requirements.
- The supplier completes Bunnings' Timber Survey when requested and provides full and complete documentation to support their declaration. Incomplete survey questionnaires will be ineligible for conditional approval.
- The supplier notifies Bunnings before any change is made to the specifications of any timber product, including species, origin and certification. This includes changes to sub-contracting suppliers in their supply chain.