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# BUNNINGS GROUP

# COMMUNICATION ON PROGRESS



Reporting period: 1 July 2021 to 30 June 2022

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## STATEMENT OF CONTINUED SUPPORT

To our stakeholders,

I am pleased to confirm that Bunnings Group reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption.

In this annual Communication on Progress for financial year ending 30 June 2022, we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture, and daily operations. We also commit to sharing this information with our stakeholders using our primary channels of communication.

Sincerely yours,

Michael Schneider  
Managing Director  
Bunnings Group

## DESCRIPTION OF ACTIONS

### 1. Human Rights

#### *Ethical Sourcing*

Bunnings takes a risk-based approach to the ethical procurement of goods and services based on the United Nations Guiding Principles on Business and Human Rights (UNGPs), 'Protect, Respect and Remedy' framework.

Bunnings Group respects and supports the dignity, wellbeing, and human rights of workers in our supply chain and operations, and recognises its role in upholding human rights, with our robust Ethical Sourcing Program continuing to evolve in line with industry developments.

This program includes relevant provisions in supplier trading terms, sourcing policies, human rights due diligence for high risk suppliers, training and education, which is underpinned by [Bunnings' Ethical Sourcing Code of Conduct](#). This program also includes risk assessments, and third-party audits, all targeted at identifying issues and working in partnership with suppliers and manufacturers to resolve these issues.

Delivering training to Bunnings team members and suppliers was a major focus throughout the year, with more than 3,700 team members and over 6,100 suppliers, manufacturers and their workforce completing modern slavery and human rights training.

During the year, Bunnings continued to participate in industry initiatives to support the introduction of modern slavery legislation in New Zealand.

#### *Diversity & Inclusion*

At Bunnings, team members are the heart and soul of the business. Bunnings are committed to creating a welcoming and supportive workplace for all.

Reflecting the diverse communities in which they operate, Bunnings provides opportunities for all people regardless of their age, gender, cultural heritage, sexual orientation, or abilities.

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## COMMUNICATION ON PROGRESS

Bunnings believes that when diverse and inclusive teams work well, they make everyone feel valued, respected, and connected at work. Bunnings are proud to employ team members that speak more than 70 languages and represent over 50 diverse cultural backgrounds across Australia and New Zealand. Bunnings are also proud to employ a team with a wide range of ages. At the end of the financial year, 27 per cent of team members were over the age of 50 and 48 per cent were under 30 years of age.

### **Gender**

Bunnings are proud that over 26,000 women have chosen to further their careers at Bunnings. At the end of the financial year, the gender balance was 51 per cent women and 49 per cent men. Gender balance is integrated across the organisation as they continue to grow and work towards a 40/40/20 gender balance, inclusive of non-binary team members.

Bunnings are proud to have a partnership with Code Like a Girl, which provides girls and women with the confidence and skills to grow their careers in technology. Bunnings female technology leaders share their knowledge with the Code Like a Girl community to inspire emerging talent. Bunnings also offers six fully funded places for the She Codes program for Bunnings female team members to participate in the She Codes Plus program. This course provides the foundational training to develop skills for team members pursuing a career in technology.

### **Parental leave**

Bunnings provides 12 weeks of paid parental leave for both parents, regardless of gender, as well as paid superannuation on unpaid parental leave. Bunnings has seen a pleasing increase in men taking extended paid parental leave in the last five years and believes that by supporting men, the whole family is supported.

During the year, Bunnings continued to provide perinatal wellbeing programs aimed to support the team and further educate leaders to support their teams' parenting journey.

### **Retirement support**

Older workers who have valuable life skills and share experience with the team and customers are highly regarded throughout the business. To ensure team members who decide to transition to retirement are supported, Bunnings offers a Retiring Well Program, which provides information on wellbeing in the planning and retirement phase.

### **LGBTIQA+**

Bunnings are committed to creating a safe and supportive work environment for all team members, with gender neutral policies as well as a LGBTIQA+ support network in place. Bunnings acknowledge days of significance through a calendar of events and provides badge stickers for team members who identify and support the LGBTIQA+ community. Team members can also choose to wear pronoun stickers on their name badges and add pronouns to their email signatures to support an inclusive work environment.

### **Māori and Pasifika**

To create employment opportunities across New Zealand, during the year Bunnings partnered with TupuToa to provide a cadetship for Māori youth aged between 18 and 25 who are currently not studying or employed. The cadetship aims to help participants achieve their professional goals while highlighting the importance of connection to their identity; their whānau (family), hapū (sub-tribe) and iwi (tribe). Other employment initiatives during the year included an internship for Māori and Pasifika university students over the summer holidays, working on a specific business project and on-the-job learning to provide work experience.

Bunnings has introduced several resources and initiatives to support Māori team education and inclusion. This included introducing a Te Reo Māori e-learning course for team members so they can communicate with customers and each other. A Māori tiki symbol for team name badges was also created, promoting and encouraging the use of Te Reo. Bunnings is also an active participant in Te Wiki o te Reo Māori (Māori Language Week), with signage and in-store activities conducted to acknowledge the importance of Te Reo.

### **Aboriginal and Torres Strait Islanders**

Encouraging Aboriginal and Torres Strait Islander people to obtain fulfilling jobs with leadership development and career progression is a priority for Bunnings. In Australia, 2.7 per cent of team members self-identify as an Aboriginal and/or Torres Strait Islander.

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## COMMUNICATION ON PROGRESS

During the year, Bunnings continued to offer Indigenous employment programs to support Aboriginal and Torres Strait Islander candidates with the recruitment and onboarding process. The Transition to Work Program aims to recruit Aboriginal and Torres Strait Islander people from highly disadvantaged backgrounds to transition into permanent and rewarding work at Bunnings.

Bunnings also aims to support Indigenous businesses and communities in three key areas: direct and indirect procurement of goods and services, supporting Indigenous customers, and supporting all customers and suppliers with their commitment to reconciliation initiatives.

Bunnings continued to facilitate cultural awareness training for team members, which during the year was completed by 250 leaders.

### **Abilities**

To support Bunnings leaders to recruit and onboard team members with a disability, during the year Bunnings launched a recruitment and onboarding leader guide. The guide provides leaders with the confidence and support they need to recruit and build a fully inclusive team. The focus for the coming year is to continue to implement initiatives for customers and team members that support a diverse and inclusive environment for all.

## 2. Labour

### *Ethical Sourcing*

In accordance with the UNGPs, Bunnings works collaboratively with suppliers and manufacturers to remediate issues identified through third-party audits. Bunnings recognises that the best approach is to build capability in its supply chains, and that exiting a product line or supply chain is always a last resort. During the financial year, 145 manufacturing sites remediated more than 800 non-conformances identified via third-party audits, which improved working conditions for more than 57,000 workers in 17 countries.

In collaboration with other Wesfarmers businesses, Bunnings launched the 'Your Voice, Worker Helpline' in 110 factories across China and Vietnam during the financial year. The Helpline allows workers to confidentially raise concerns about their pay or working conditions. Posters promoting the Helpline are displayed inside factories and business cards are provided to workers.

Workers can raise concerns via phone call, email, or messenger services, including WhatsApp or WeChat. All reports are answered in the worker's native language by a dedicated in-country team, available 24 hours a day, seven days a week. The Helpline allows Bunnings to work collaboratively with its suppliers to proactively address workers' concerns, identify patterns over time and improve audit performance.

The continued focus for Bunnings in the coming year is to expand the Ethical Sourcing Program to include additional suppliers and product categories, supporting remediation and promoting positive change for more supply chain workers.

### *Health & Wellbeing*

At Bunnings, team members are at the heart of the business and their safety and wellbeing remain the highest priority. By striving to provide a safe environment for team members, customers, suppliers and visitors, Bunnings aims to ensure everyone returns home safely.

Bunnings' key focus is on eliminating fatalities and preventing work-related injuries, illnesses and incidents as well as protecting and promoting the wellbeing of the team.

During the year, the business focused on evolving the safety strategy through enabling leadership and engagement. More than 19,700 team members completed manual handling training, over 380 new leaders completed leading safety training and more than 260 forklift coaches completed forklift coach training. In addition to this, two forklift forums were conducted during the year at each site with more than 22,600 team members attending, and over 149,000 safety conversations were held.

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## COMMUNICATION ON PROGRESS

Bunnings sharpened their focus on life-threatening risks and established steering committees to provide governance and oversight of the management of material risks. Additionally, Bunnings developed learning teams to refine learnings following a serious incident and evolved the safety campaign program.

In the 2022 financial year, the total recordable injury frequency rate remained the same as the previous year. The number of team member injuries recorded during the year decreased by 4.0 per cent, which is attributed to the easing of COVID-19 restrictions.

COVID-19 continued to present a risk to team member health and wellbeing. In March 2022, in partnership with BizHealth, Bunnings team members were offered COVID-19 vaccination booster doses through 75 vaccination hubs at centrally located stores in Australia. Bunnings also partnered with the Victorian Department of Health to establish 21 vaccination hubs at selected stores across Victoria to encourage community participation in the COVID-19 booster program.

Bunnings also focused on the mental health and wellbeing of their team, and during the year the Stronger Together wellbeing campaign continued, with a focus on taking a break and team gatherings to connect and check in on teammates.

During the year more than 16,700 team members completed mental health training. Enhanced mental health support was also provided for leaders across Australia and New Zealand to ensure they were supported and that could support their team.

Following the official launch of the Corporate Mental Health Alliance Australia in 2021, in November 2021 Bunnings ran a livestreamed panel discussion on balancing mental health, wellbeing and performance at work with more than 13,200 team members attending. Bunnings continued to contribute to the Corporate Mental Health Alliance as a founding member, to work collaboratively with other businesses towards a common goal of providing a mentally healthy workplace for all.

The focus for the year ahead will be to empower the Bunnings team to be physically and mentally at their best. Bunnings will create a mentally and physically safer workplace through their relentless focus on life threatening and life-altering risks, and will seek to boost capability and continuously improve by learning from incidents.

### 3. Environment

#### *Climate & Energy*

Bunnings recognises that business has an important part to play in reducing emissions and addressing climate change. Reducing energy consumption and transitioning to renewable electricity across its network are the foundation of Bunnings' efforts to reduce carbon emissions.

During the year, Bunnings' Scope 1 and 2 market-based emissions reduced by 4.9 per cent, as it progresses towards its targets to achieve 100 per cent renewable electricity by 2025 and net zero Scope 1 and 2 emissions by 2030.

This reduction can be attributed to continued efforts in energy efficiency, reduction in overall energy consumption and transitioning towards more renewable energy sources.

Bunnings has a comprehensive roadmap in place to achieve net zero Scope 1 and 2 emissions by 2030. To deliver this, Bunnings has focused on signing long-term renewable power purchase agreements, which have a multiplier effect that supports broader decarbonisation.

In December 2021, Bunnings entered a long-term contract with CleanCo Queensland Limited to power its Queensland network with renewable electricity. Over 50 per cent of the entire Bunnings network is now powered by renewable electricity. In New Zealand, Bunnings' network is powered by 100 per cent renewable electricity.

Energy efficiency plays a key role in accelerating carbon emission reductions across the Bunnings network. During the year Bunnings continued to upgrade its store network with new LED lighting, with over 67 per cent of sites using this energy efficient technology as of 30 June 2022.

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## COMMUNICATION ON PROGRESS

Bunnings also continued to increase local generation of renewable power across the network with 12 new solar PV systems rolled out during the year. As of 30 June 2022, there were 96 solar PV systems installed on Bunnings stores across Australia, covering more than 190,000 square metres of roof space, generating 25 MW and up to 30 per cent of each store's energy needs.

During the year Bunnings continued its efforts to decrease supply chain emissions with the addition of two all-electric trucks in partnership with Linfox. The new technology trucks will deliver products from the Bunnings Laverton Fulfillment Centre to stores across Melbourne's southwest and will be powered by 100 per cent renewable electricity. Bunnings also commenced trials of electric vehicle charging stations for customers at five stores across Australia and New Zealand.

The focus for the coming year is to continue to transition to renewable electricity sources and to develop a Scope 3 roadmap.

### *Circular Economy*

Bunnings is committed to reducing the environmental impact of its operations. Integral to this is minimising operational waste, optimising product packaging, and implementing product stewardship programs for customers.

Throughout the year Bunnings focused on driving waste reduction across the business through improved reporting and management of waste streams. As of 30 June 2022, Bunnings diverted 55 per cent of waste from landfill, representing an improvement of more than 4.5 per cent when compared to the previous year.

Bunnings is committed to achieving 100 per cent sustainable packaging by 2025. Bunnings continued to work with suppliers during the year to collect product packaging data to aid the optimisation of primary, secondary, and tertiary packaging across the product range, with a key focus on directly sourced products.

Bunnings also continued to collaborate with suppliers to evaluate opportunities to reduce overpackaging of products and redesign packaging for reuse and recovery. Key achievements include removing unnecessary strapping from timber and decking ranges, and replacing polystyrene with recyclable cardboard packaging within the kaboodle kitchen cabinet range.

During the year, Bunnings also joined REDcycle in Australia and The Soft Plastic Recycling Scheme in New Zealand. Both organisations partner with manufacturers to recycle soft plastic into new products.

To assist customers with their sustainability journey, Bunnings introduced a 100 per cent recycled and recyclable paper bag solution for Click & Deliver orders across all Australian stores in February 2022. Bunnings also continued to integrate the Australasian Recycling Label on new directly sourced products, to help customers better understand how to divert packaging from landfill.

Product stewardship opportunities were a continued focus for Bunnings this financial year. Following a successful trial in selected stores in Victoria, in November 2021 Bunnings introduced a national battery recycling program across its Australian network, to provide customers with an instore recycling solution for household and power tool batteries. The program offers the largest network of power tool battery recycling locations in Australia.

In June 2022, a similar program was launched across Bunnings' New Zealand sites and Tool Kit Depot stores in South Australia and Western Australia. Since these programs commenced, more than 65 tonnes of batteries have been collected for recycling in collaboration with Envirostream Australia.

Bunnings' focus for the coming year will be to continue to increase resource recovery across the business. Bunnings will also accelerate the transition to reusable and recyclable packaging, while exploring additional circular economy solutions for customers and the community.

### *Nature & Biodiversity*

Bunnings' Responsible Sourcing Program focuses on identifying and mitigating potential social and environmental risks associated with sourcing timber. Bunnings' goal is to ensure all timber and wood products originate from legal and well managed forestry operations.

As a leading retailer of home improvement and outdoor living products, Bunnings' goal is to ensure all timber and wood products originate from legal and well-managed forest operations.

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## COMMUNICATION ON PROGRESS

To reduce the risks associated with uncertified natural forest timber procurement, in August 2018 Bunnings revised its Responsible Timber Sourcing Policy (Policy) to require all natural forest timber products to be independently certified to Forest Stewardship Council® (FSC®), Programme for the Endorsement of Forest Certification (PEFC) or other equivalent standard by the end of 2020.

During the year, Bunnings continued to work closely with seven remaining suppliers that were subsequently granted an extension to Bunnings' December 2020 Policy requirements. These suppliers were required to demonstrate progress towards achieving the requirements of the Policy. At the end of June 2022, six of these suppliers either achieved certification for their products or met provisionally approved conditions with actions plans and milestones to achieve certification. Bunnings discontinued its trading relationship with one supplier due to its lack of progress towards meeting Bunnings' Policy requirements.

During the year, Bunnings continued to further implement its due diligence process to monitor timber supplier performance in accordance with its Policy, with the frequency of timber supplier surveys increasing to quarterly over the course of the year. Bunnings' responsible timber sourcing survey is completed by suppliers of timber, wood, or fibre products to Bunnings, and captures the timber species, country of harvest, forest type, country of manufacture, applicable timber certification, and product claims for timber products, including component and composite products which have a percentage of timber inputs.

In March 2022, as a result of the Russian invasion of Ukraine, global timber certification schemes the FSC® and PEFC reclassified Russian and Belarussian timber and later timber from conflict zones in Ukraine, as conflict timber and excluded it from their certification schemes. In line with this and Bunnings' Policy to not accept conflict timber, Bunnings notified affected suppliers that any timber or timber products sourced from Russia, Belarus and conflict areas of Ukraine would be excluded from Bunnings' supply chain. Bunnings is working closely with a small number of affected suppliers to transition to alternative sources as soon as practicable.

During the year, as a key stakeholder representing the National Retail Association, Bunnings actively participated in the Responsible Wood AS/NZS 4708 Sustainable Forest Management Standards Reference Committee, with the new version of the standard issued in December 2021. This joint New Zealand and Australian Standard® for Sustainable Forest Management provides forest managers with economic, social, environmental, and cultural criteria and requirements that support management of forests for products and services.

In the year ahead, Bunnings will be focused on investigating the expansion of its Responsible Sourcing Program beyond timber and has commenced a materiality assessment of relevant raw material commodities in Bunnings' supply chains for this purpose. The assessment is intended to identify raw materials that are subject to emerging global environmental or social concerns, particularly around extraction and harvesting impacts. Bunnings anticipates the output of this assessment will assist the development of a roadmap for the phased introduction of increased responsible sourcing oversight for key raw materials.

### 4. Anti-Corruption

Bunnings is committed to complying with the laws and regulations of the countries in which we operate and to acting in an ethical manner, consistent with the principles of honesty, integrity, fairness, and respect.

Bribery and related improper conduct are serious criminal offences for the company and any individuals involved. They are also inconsistent with the [Wesfarmers Anti-bribery Policy](#), which prohibits Directors and employees in the Group from engaging in activity that constitutes bribery or corruption. The policy provides guidelines for the conduct that constitutes bribery or corruption. The Board is provided with details of any material breaches of the Anti-bribery Policy in accordance with Wesfarmers' reporting processes and procedures, for immediate attention if and as required. Relevant Bunnings team members undertake Anti-Bribery training on a periodic basis.

## COMMUNICATION ON PROGRESS

### MEASUREMENT OF OUTCOMES (1 July 2021 to 30 June 2022)

Greenhouse gas emissions (tonnes CO <sub>2</sub> e)				
Scope 1 & 2 <sup>1</sup>	Scope 1 & 2 <sup>2</sup>	Scope 3 <sup>3</sup>	Total	Total
Location Based	Market Based		Location Based	Market Based
220,490	104,885	12,968,840	13,189,330	13,073,725

Waste (tonnes)	
Disposed	Recovered
35,411	43,146

Water use (megalitres)
1,438

Modern slavery and ethical sourcing training			
Number of people trained		Total hours training delivered	
Suppliers	Team Members	Suppliers	Team Members
6,155	3,725	37,398	1,863

Ethical sourcing audit program findings	
Total number of suppliers registered on your books	6,151
Suppliers not covered by the audit program	5,485
Number of suppliers covered by the audit program	666
% of suppliers in the ethical sourcing program and monitored this year	77%
Number of sites in the ethical sourcing program	1,366
Number of sites monitored in the ethical sourcing program	699
Number of sites with reportable breaches this year	35
% of sites monitored	51%
% of sites in the program with reportable breaches	3%
Total number of reportable breaches	76
% of reportable breaches remediated, or with remediation underway in FY223	100%
Number of sites exited as a future supply site due to remediation being unsuccessful	0