



BLACKWOODS **CLIMATE AND ENVIRONMENT POLICY**

Current Version: May 2023. Approved by Andrew Bray, Chief Executive Officer.

CLIMATE & ENVIRONMENT POLICY

Blackwoods is committed to doing business in a way that cares for our people, product and environment. We acknowledge the scientific consensus on climate change and the diverse effects that climate change may have on our customers, businesses, the economy, and the communities in which we operate. We recognise that business' have an important role to play in addressing climate change and environment management, and that its actions may deliver economic, social and environmental benefits over the long term.

Policy Scope and Implementation

- Blackwoods leadership team are responsible for implementing the Climate & Environment Policy.
- All Blackwoods team members will be made aware of the Policy and understand their responsibilities to implement the commitments outlined.
- Compliance with all relevant state and federal environmental laws, including regulatory, assessment and approval requirements and environmental permit and license conditions where applicable is a minimum standard of the Policy.
- Progress on the commitments outlined in the Policy will be reported to the Blackwoods Sustainability Steering Committee and through the Wesfarmers Annual Report.
- Blackwoods will review the Climate & Environment Policy at least every two years.

Climate Change and Carbon Emission Targets

We will manage our activities in an environmentally responsible manner that strives to achieve an aspirational target of net zero greenhouse gas emissions by 2035 (Scope 1 and 2) and a 40% reduction in emissions by 2025 (based on 2018

baseline - reported at 10.2 kT Co2e) and incremental steps towards better understanding Scope 3 emission categories.

Blackwoods will work towards achieving net zero by 2035 through the following:

- Delivering on grassroots campaigns to educate our team members in their role and localised improvements
- Incremental changes in switching to renewable energy in purchased electricity
- Highlighting opportunities to reduce emissions through investment in technology, alternate energy sources, transport efficiency and optimising our operations
- Continue to assess abatement programs that have the potential to contribute to decarbonisation
- Partnership with the Property team and proactive engagement with lease & facility management to better facilitate energy reduction programs
- Ensuring adequate resources are available to implement this policy including education and awareness campaigns for our team members and developing measures that will help guide our progress.

Environment

We support this commitment by:

- Proactively identifying, assessing, monitoring, and managing environmental impacts, risks and incidents – extends to natural systems, biodiversity, native fauna and flora
- Establishing and regularly reviewing environmental objectives and targets to continually improve Blackwoods' environmental performance
- Maintaining a management system which is aligned with ISO 14001 Environmental Management System
- Embed Sustainable Packaging Guidelines into Own Brand Sourcing activities and create awareness to National brands and International brands
- Supplier conversations and reviews to consider sustainability and environmental performance
- Exploring waste reduction opportunities to minimise consumption including reduce, reuse and recycle initiatives
- Work towards the National Packaging Targets for Own Brand packaging, with focus areas being to embed Sustainable Packaging Guidelines into Product Development, reducing packaging footprint where practical and recyclable packaging.
- Identifying and participating in relevant circular economy initiatives and product stewardship such as end of life product schemes.
- Committed to removing unnecessary problematic single-use plastic products from our internal use and goods for resale in line with the state and territory regulatory requirements.
- Supporting Blackwoods customers to adopt environmentally responsible actions and behaviors by providing more conscious procurement choices such as certified items (e.g. FSC®, GECA, Green star rated, Fair trade etc) and recycled content where possible.

Footnote:

- Consistent with the Wesfarmers Climate Policy, greenhouse gas emission baselines will be updated in the event of material or significant portfolio changes, such as material changes to production volumes (including through substantial plan investments) and mergers, acquisitions and divestments. Baselines will also be updated to reflect changes in greenhouse gas emission reporting protocols including changes in reporting (including operational control) definitions. Should changes to baselines occur, then adjustments may be made to the interim Scope 1 and 2 emissions reduction targets or may be made to the net zero targets.
- Hard-to-abate sectors are those that are widely recognised as having no readily available or commercially viable technology to abate their carbon emissions. This is particularly acute for the Blackwoods' extensive distribution network whereby technologies are either newly commercialised, currently in development and/or currently economically unviable alternatives. The new interim and net zero targets assume that emission reduction technologies relating to distribution assets (including heavy vehicle distribution) will continue to develop in the coming years, as they have in recent years, and that in time they will become commercially viable and operate at scale to meet these targets. It is also assumed that government policy will be supportive of climate change action.
- APCO national targets reference: <https://apco.org.au/national-packaging-targets>. Whilst we recognise APCO and the National Packaging Targets are positioned more so towards Kerbside recycling and B2C operators, Blackwoods remain committed to eliminating problematic packaging and optimising packaging footprint within Own Brand range.