

AT BLACKWOODS, SUSTAINABILITY MATTERS

SUSTAINABLE BUSINESS MANAGEMENT.

POSITIVE IMPACT FOR OUR
PEOPLE, OUR COMMUNITY,
AND THE ENVIRONMENT.

BEHAVING RESPONSIBLY AND
ACTING WITH INTEGRITY.

With the United Nations Sustainable Development Goals as our guide, we focus on nine core sustainability areas to maximise our contribution on a global scale. Engagement with our stakeholders – customers, suppliers, our team – helps us identify, understand, prioritise and uncover new ideas.

Blackwoods



Health, safety and wellbeing

We maintain a relentless focus on providing safe workplaces.



Product safety and quality

We commit to providing customers with safe and high-quality products.



Cyber security

We commit to strict compliance under the laws governing privacy and data security where we act ethically and remain true to our values of honesty, integrity and accountability.



Ethical sourcing and human rights

We commit to strong and respectful relationships with our suppliers. We strive to source products in a responsible manner while working with suppliers to improve their social and environmental practices. Respecting and upholding human rights within our supply chain and operations are integral to doing business with Blackwoods.



Inclusion and diversity

We strive to create an inclusive work environment, with particular attention to gender balance, the engagement and employment of Indigenous Australians, and respecting and valuing individual differences.



Environmental stewardship

We commit to reducing the emissions intensity of our business and improving our resilience to climate change. We work towards achieving zero waste to landfill by 2032 and adopting a more circular economy.



Community contributions

We make a positive contribution to the communities in which we operate.



People development

We provide opportunities for our people to enhance their job performance and develop their careers.



Sustainable product range

We create opportunities for a more conscious procurement choice.

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Health, safety and wellbeing

- **Lifesaving Rules:** guidelines to protect our team members and visitors from the dangers in and around our warehousing and distribution operations
- **Health and Happiness Community:** for team members to share helpful resources with each other (such as how to build mental resilience, guided meditation sessions, and nutrition and physical health ideas)



Product safety and quality

- **ISO 9001:2015 Quality Management System:** independent accreditation
- **Product testing, quality and compliance:** working closely with Own Brand suppliers to embed due diligence
- **Risk management:** a proactive approach to due diligence of national and international brands, to better understand suppliers' performance across a range of operational activities such as product safety, quality, compliance and testing, responsible sourcing, and general operational compliance.
- **Reliable product quality:** undertaking safety and quality investigations in collaboration with suppliers and improvement initiatives



Cyber security

- **Industry partnerships:** we are an Australian Cyber Security Centre partner, drawing on collective understanding, experience, skills and capability to lift our cyber resilience
- **Prioritisation of risk management:** allowing timely and effective identification, mitigation of cyber threats to our people, vendors and partners
- **Operational testing and monitoring:** ensuring immediate detection of and intervention on cyber threats, and proactive simulation exercises and security campaigns
- **Cyber security awareness training:** annual training for all team members



Ethical sourcing and human rights

- **Modern slavery statement:** updated and released annually to reflect our efforts to combat modern slavery across the supply chain
- **Ethical sourcing program:** to monitor working conditions through supply chain mapping, risk assessments, third-party audits, and working with suppliers and service providers to remediate non-conformances
- **SMETA 6.1 methodology audit:** we engage an Association of Professional Social Compliance Auditors-certified third party to audit suppliers using the SMETA 6.1 methodology, considered global best practice in managing and improving working conditions in global supply chains
- **Responsible behaviour in supply chain:** adopting an educational approach to support suppliers through remediation, developing action plans, and assessing and remediating any risk to the worker/community wellbeing from the factories with which we work
- **Responsible sourcing:** of products and raw materials

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Inclusion and diversity

Gender balance

- **Gender balance in teams:** Building appropriate gender balance across all teams (defined as a minimum of 40% of either gender)
- **Women in leadership roles:** Maintaining a minimum of 30% women in leadership roles
- **Gender pay equity:** proactively managed to ensure no unconscious bias exists

Indigenous engagement and employment

- **Indigenous employment:** stretch target of increasing Indigenous employment to above 4% (with 4.3% achieved as at 30 June 2022)
- **Cultural awareness:** annual training conducted, with cultural awareness workshops every three years
- **Indigenous supplier spend:** an ongoing commitment to increase our spend with Indigenous suppliers, which was more than \$6.4 million in FY22 — a 106% increase from FY21
- **Intern program and traineeships:** we regularly host Indigenous interns & school-based trainees through CareerTrackers and the Clontarf Foundation

Inclusion

- **National calendar of events:** celebrating days of significance
- **Flexibility policies:** launched a Purchased Leave Policy and All Can Flex Policy, supporting our team members with workplace flexibility options
- **LGBTIQA+ support:** a partnership with BHP to sponsor JOY 94.9, an LGBTIQA+ radio station



Environmental stewardship

Carbon and energy*

- **26% reduction on 2018 base line (target: 12% by 2025):** Progress above plan has led to launching new net zero targets by 2035 (down from 2050)
- **Initiatives:** Transitioning to hybrid vehicles (18% of fleet), LED lighting fit-outs and solar panel installation support carbon emission reductions

Circular Economy

- **Undertook further education** on circularity and product lifecycle mapping
- Future planning underway for potential projects and initiatives

Waste

- **Zero waste to landfill by 2032:** 30% diverted
- Continued education and recycling assessments on sites

Packaging

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Community contributions

- **Sustainable Packaging guidelines:** built into our Own Brand product development process
- **New product launches:** include a tool box whereby EPS was replaced with cardboard, zero soft plastic in bulk earplugs, hygiene masks, tape dispenser and callipers
- **Australian Packaging Covenant Organisation (APCO):** committed to working towards National Packaging Targets for our Own Brand Range by 2025 and further educating National/ International Brands



People development

- **Partnership with The Fred Hollows Foundation's Indigenous Australian Program:** supporting improved eye health for Aboriginal and Torres Strait Island peoples — Over \$2.7 million donated since 2008 through sales of our PROSAFE eyewear, including \$0.4 million in FY22
- **Community group donations and sponsorships:** over \$100,000 donated to various local community groups focused on supporting education, volunteers, charities, sporting teams and more
- **Building the best team:** an ongoing focus on capability, engagement and high-performing teams
- **Mentoring program:** for high-potential talent
- Succession and development planning reviews: undertaking bi-annually
- **Training opportunities:** building skills for our team members across a broad range of areas including commercial and sales fundamentals



Sustainable product range

- **Environmental practice improvement:** building partnerships with our suppliers and service providers to provide customers with more conscious product choices
- **Paper goods:** commitment to responsibly sourcing paper goods including Harvey's hygiene paper-based products FSC®-certified, Ebony copy paper PEFC™ certified carbon neutral, and FSC®-certified hygiene products
- **Greener cleaning and kitchen goods alternatives:** providing more sustainable options for cleaning products and recycled content in select kitchen goods
- **Phase-out of styrofoam products and single-use plastics:** preventing almost six million polystyrene cups from entering our supply chain
- **Workhorse Workwear Hi Vis Safety Vest:** fabric made from 100% recycled post consumer plastic bottle waste

* Consistent with the Wesfarmers Climate Policy, 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 divisions' 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.