

Blackwoods

SUSTAINABILITY INSIGHTS
2023

SUSTAINABILITY DRIVERS AND COMMITMENTS

At Blackwoods, we are committed to our people, our product and our planet. Acting ethically and with integrity is fundamental to how we operate as a business.

As part of our sustainability agenda, we actively assess and manage issues most relevant and material to our operations. These issues guide our efforts, and though we are proud of our achievements, we always strive to do better.

This document highlights our efforts in Health, Safety and Wellbeing, Ethical Sourcing, Product and Packaging, Community, and Environment in FY23*.

SUSTAINABLE BUSINESS MANAGEMENT
POSITIVE IMPACT FOR OUR PEOPLE, OUR COMMUNITY AND THE ENVIRONMENT
ACTING ETHICALLY AND WITH INTEGRITY



Health, Safety and Wellbeing

We maintain a relentless focus on providing safe workplaces.



Ethical Sourcing

We strive to source products in a responsible manner and partner with suppliers to improve their social and environmental practices.



Environmental Stewardship

We commit to reducing our Scope 1 and Scope 2 emissions, mapping our Scope 3 emissions profile, and improving our resilience to climate change.



Community Contributions

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



Inclusion and Diversity

We strive to create an inclusive work environment.



People Development

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



Product Quality and Safety

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



Sustainable Product Range

We create opportunities for a more conscious procurement choice.



Cyber Security

True to our values of acting ethically and being accountable, we have implemented robust cyber security controls in our business.



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*All 2023 data (except Ethical Sourcing) is at 30 June 2023, unless shown otherwise.

Ethical Sourcing data is for 1 June 2022 to 31 May 2023.

HEALTH, SAFETY AND WELLBEING

We take the health, safety and wellbeing of our people very seriously and maintain a relentless focus on providing safe workplaces.

We closely manage our manual handling risk and promote good health and wellbeing practices. Through training, we empower our people to make safer choices and create an environment where hazards and risks can be raised, reviewed and mitigated.

FY23 Highlights

- 2.05 TRIFR in FY23 (Total Recordable Injury Frequency Rate).
- We have implemented Lifesaving Rules — guidelines designed to protect our team members and visitors from the dangers in and around our warehousing and distribution operations.
- We have established a 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.
- We have implemented mental health first aiders into our business.

Outlook

Blackwoods' unwavering commitment to maintaining exceptional safety standards continues to foster a culture of safety and care within our organisation.

Case Study: Safer driving bags a win for Blackwoods at the 2023 National Safety Awards

Following the rollout of the DriveSAFE program, Blackwoods' dedication to safer driving earned us the *Category 4: Best Communication of a Safety Message* award at the National Safety Awards in both 2022 and 2023.

With nearly a quarter of the Blackwoods, and Bullivants, team driving in metro and regional areas, the DriveSAFE program reinforces the importance of keeping safe on the roads.

The program uses defensive driving training, driver education and measurable data to help mitigate the risk for our drivers. In 2022 we introduced 'Lunch and Learn' virtual and face-to-face sessions across our network to provide our team with tips and tricks they can easily implement to make them safer drivers on the road.

Our data shows that speeding has reduced by 86 per cent, we are seeing less police infringement notices, and fuel usage is dropping, which in turn is reducing our carbon emissions.



Case Study: Stop. Assess. Move.

In 2020, Blackwoods conducted a study of injury trends and identified that most injuries involved soft tissue and were directly associated with manual handling of heavy, long, sharp or awkward products. We launched the Stop Assess Move (S.A.M.) initiative to empower team members to make safer choices when undertaking manual handling and raise awareness of slips, trips and falls.

In 2022, the S.A.M. program was nationally recognised by the National Safety Council of Australia, receiving the award for the Best Communication of a Safety Message.



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ETHICAL SOURCING

Blackwoods has detailed and stringent measures in place to mitigate human rights risks in its operations and supply chain. We work closely with suppliers, partners and customers to investigate and remediate any human rights risks, improve transparency, and undertake broader due diligence.



FY23 Highlights

- We have released an updated version of our Ethical Sourcing Policy, affirming our position on preferred material sourcing, grievance mechanisms and responsible recruitment. We draw upon the local law of the countries in which we operate, as well as standards such as the International Labour Organisation (ILO) conventions.
- We continue our accreditation to Ethical Clothing Australia and are members of the Responsible Labor Initiative (RLI) to target forced labour in our supply chain and safeguard the rights of workers.
- 73% of own-brand factories in China, Taiwan and Vietnam participated in the 'Your Voice, Worker Helpline' grievance mechanism. 'Your Voice, Worker Helpline' is an anonymous and confidential worker grievance reporting service set up by QIMA, an independent supply chain consultancy firm that engages with manufacturers globally.

199

Manufacturer sites within Ethical Sourcing Program

646

Hours spent training Blackwoods team members on ethical sourcing

Membership



Sedex Member



Outlook

Blackwoods will further strengthen our Ethical Sourcing Program through continued use of the RLI, specifically in relation to responsible recruitment, and by providing further education to suppliers on prevalent human rights risks

and effective remediation methods. We also intend to expand the 'Your Voice, Worker Helpline' grievance mechanism to additional sourcing locations.



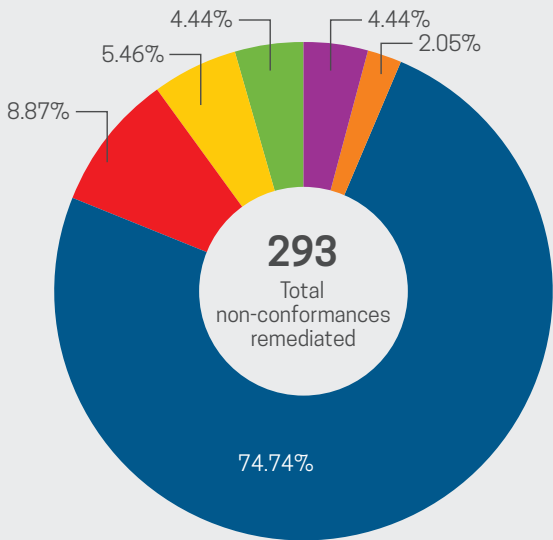
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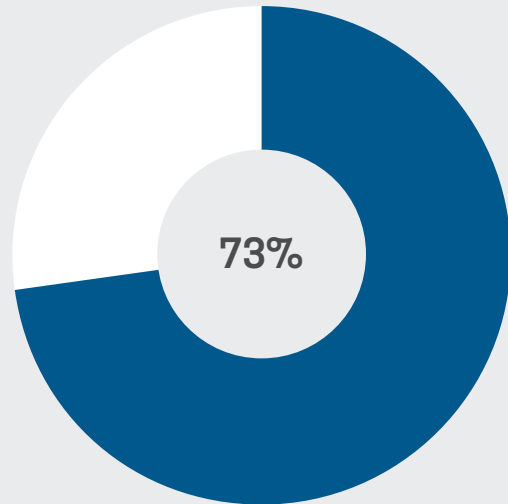
ETHICAL SOURCING (CONT.)

Non-conformances remediated within FY23

- Management Systems
- Health, Safety & Hygiene
- Working Hours
- Environment
- Wages
- Others



73% eligible own-brand factories participating in 'Your Voice' Program in China, Taiwan and Vietnam



Case Study: New ethical sourcing protocols launched

Blackwoods launched new sourcing protocols after identifying a need to expand ethical sourcing due diligence beyond goods for resale.

To build a foundation for the new protocols, we mapped our raw material profile and associated risks, taking into consideration:

- Product range
- Country of origin
- Traceability
- Environmental impact
- Relevant regulatory requirements.

From this, we selected strategic raw materials that are widely used across our own-brand range — cotton, wood and certain minerals.

To further assess the risks associated with these raw materials and identify potential social and environmental impacts, our protocols are aligned to industry frameworks and standards, including the Responsible Mineral Initiative (RMI) assurance program, the Forest Stewardship Council®

(FSC) and the Organization for Economic Cooperation and Development (OECD) due diligence guidance for responsible supply chains.

Our new pre-screening process for supply chains of cotton, wood and certain minerals, and elevated internal protocols with more frequent assessments, will lead to improved transparency and mitigate foreseeable risks within the supply chain.

We will continue to monitor the cotton supply chain through supplier assessments and annual internal audits to ensure transparency and further table discussions on progressing to a more sustainable value chain.



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PRODUCT AND PACKAGING

We are committed to reducing the impact of our own-brand products and our environmental footprint. We have established a series of initiatives to improve our materials, and reduce, replace and recycle packaging where possible.

FY23 Highlights

- We have embedded sustainability packaging guidelines into all new own-brand products.
- We are removing all polyfoams and soft foams from our existing range, replacing desiccants with moisture-controlling polybags and removed soft plastic from selected hand protection styles (replaced by recyclable paper bands).

Outlook

Blackwoods will continue to review our operational packaging footprint with a view to establish base lines and incorporate more sustainable packaging initiatives. We will also engage strategic national brands to understand their approach to packaging and supply chain initiatives. We will continue to regularly review our product range for opportunities to substitute materials for more sustainable options and provide more conscious procurement choices.

Case Study: Putting in the work to launch a new recycled-content hi-vis vest

Blackwoods' exclusive brand Workhorse has launched a high vis-vest made from post-consumer recycled polyester.

The high-vis vest contains recycled polyester* which is made from post-consumer plastic waste that otherwise would have gone into landfill.

To ensure these recycling practices are responsible, we have sourced our vest from factories that have been verified at each stage of the supply chain. The facilities from source to final supplier have met social and environmental requirements.

We regularly audit our suppliers to verify the source of the polyester and continue to educate ourselves within the areas of design, circularity and end-of-life solutions.

*Excluding trims, labels, and reflective tape



Case Study: Conscious packaging choices

As part of our drive to reduce our packaging footprint while still maintaining product integrity and quality, we have begun the transition to more easily recyclable options and also provide guidance to end users as to what is recyclable. These new product development initiatives include:

- Removing non-recyclable blister packs from our Polypak strap cutters and replacing with recyclable cardboard packaging, which is expected to save 300 sets of plastic packaging entering landfill per annum.
- Converting from plastic polybags to paper bands on all new products within our PROSAFE hand protection range and working to retrofit older product packaging.
- Re-designing packaging for our PROSAFE disposable earplugs to remove plastic.
- Completely removing the non-recyclable blister packaging and backing card on our JBS Tape measure. We now package this product in a shelf-ready, recyclable cardboard box. This is due to launch later in the year.



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COMMUNITY

Our communities are the backbone of our operation, and we are proud to support groups that work hard to make a real difference. We donate to a variety of community groups, work with Indigenous supply partners and take part in fundraising to support those in need.

FY23 Highlights

- More than \$6.4 million spend with Indigenous-owned suppliers and contractors.
- More than \$370,000 donated to various community groups.
- Support of internships and career opportunities for Aboriginal and Torres Strait Islander peoples through CareerTrackers and Indigenous recruitment partners.

Outlook

Blackwoods will continue to support local communities and review new partnerships to help those most in need. Our volunteer work is hugely rewarding for Blackwoods staff and we are proud of the difference we are making for our local community partners.

▲ Case Study: The Fred Hollows Foundation

Blackwoods has partnered with The Fred Hollows Foundation since 2010 and has donated more than \$3 million (excl GST) to support The Foundation's vision to improve access to eye care and eyewear in Australia. We donate 10 per cent of profits from the sale of PROSAFE eyewear, faceshields and related accessories sold through Blackwoods Australia to The Foundation's Indigenous Australia Program to help close the gap in eye health.

This contribution supports increased investment in, and access to, culturally appropriate eye care services for remote and underserved Aboriginal and Torres Strait Islander communities. It helps deliver surgery and medical treatment for cataract, diabetic retinopathy and the elimination of trachoma, provides training and support to Aboriginal and Torres Strait Islander health staff, increases access to services for patients in remote communities, and coordinates and improves outreach medical services.



▲ Case Study: Parkerville Children and Youth Care — Community Projects

Parkerville Children and Youth Care has been caring for vulnerable children and young people for more than a century. Blackwoods is proud to support this vital organisation, with our team visiting campus several times during the past year.

In December 2022, nearly 50 Blackwoods team members assembled and donated bikes for the Christmas campaign — one of the largest corporate volunteer groups Parkerville had on campus.

In July 2023, our team took part in Parkerville Volunteer Day, transforming part of the yard into a vegetable patch and preparing bulk meals for the students.



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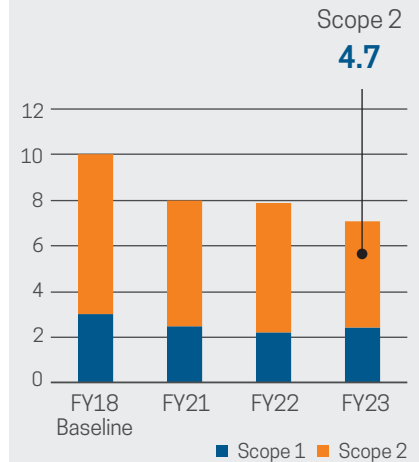
ENVIRONMENT

We are committed to reducing the level of emissions from our business operations and improving our resilience to climate change. We recognise the impact our business has on our planet and actively make decisions to reduce our waste, carbon emissions, energy use and packaging to better care for our environment.

FY23 Highlights

- 29% waste diverted from landfill.
- 23% of our fleet are hybrid or electric.
- 1 electric vehicle under pilot trial in metro Sydney.
- 28% of total energy use (approximately 1,100 MWh) delivered from on-site solar generation from within our five Distribution Centres.
- Reduced Scope 2 emissions to 4.7kt CO₂e in FY23 and overall lowered our emissions since FY22.
- More than 90% of own-brand packaging components mapped and improvement initiatives underway.
- 20T less plastic was put into market in 2022 because of packaging improvements compared to 2021.

Carbon Emissions (kt CO₂e)



Outlook

Blackwoods is committed to zero waste to landfill by 2032. We are continuing to reduce our impact on the planet and are working towards net zero carbon emissions by 2035. We are also undertaking a Scope 3 project to map emissions with further review planned.

Case Study: Lighting up the future of energy

During the 2023 financial year, Blackwoods focused on better understanding our LED footprint across all sites and assessing the lighting in warehouses, carparks and office areas. We formed a plan for lighting upgrades, with selected sites to be upgraded in the 2024 calendar year, and have aligned with partners that can support the rollout.

Solar generation plans are also progressing for our Melbourne distribution centre, with installation occurring in FY24.



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