



18 April 2008

Dear Team Member,

In May 2007 we announced a step-up in our sustainability commitments, including the challenge of being carbon neutral by 2015 or earlier. We wanted to build on past good work with actions of real benefit to the environment.

A lot has been achieved in the 11 months since May last year. This note updates you on our progress.

In simple terms, our energy saving and waste reduction actions are lowering our carbon footprint. And we've made a good start to lessen mains water consumption by harvesting rain water. We've also now completely phased out single-use plastic bags. These actions are pleasing, but our focus must continue and widen to do more, for example, in areas like reducing packaging.

The key actions completed since May 2007 are detailed below.

Saving Water

We've now installed rainwater harvesting equipment at 33 stores. A further 35 installations are scheduled in April, May and June. This is part of a \$6 million investment in rainwater harvesting systems for all Australian mainland warehouse stores (excluding the tropics).

Lowering Greenhouse Gas Emissions

- We've installed energy efficient lighting systems in more than 34 stores. This lighting is expected to provide emissions savings of 600 tonnes of greenhouse gases per store per year.
- We've fitted 60 warehouse stores with night switches to reduce energy consumption during night-fill work.
- The latest "e-tronic" energy efficient lighting will be installed in over 20 stores by the end of June 2008. Emissions savings from this initiative are likely to exceed 25% per store per year.
- Our research partnership with Western Australia's Murdoch University is well underway. This includes a detailed assessment of our energy use. The Murdoch University work will also shape the future direction for how we build our stores and the potential use of hybrid renewable energy sources.
- In December 2007 we began a carbon offset project with Landcare CarbonSMART. This enables us to offset over 20,000 tonnes of our 2007/08 carbon emissions through the planting of native vegetation.
- From January 2008 we started purchasing 5% of our grid energy in Australia from renewable sources.
- We now have Toyota Prius hybrid cars in our fleet. By June 2008, hybrids will represent 25% of our car fleet.
- Actions introduced from last year's waste and recycling review have seen recycling levels in stores almost double with significantly less waste going to landfill.

Sustainability Information For Your Home

We are pleased to announce the launch of our new online **Sustainability Home** this month. Please take time to visit our website for a virtual tour of an interactive house and garden. You will learn about the easy things you can do to make a real difference at home through reducing energy use; saving water; and recycling.

As you can see, we've stepped up our sustainability actions. We encourage all Team Members to get behind these initiatives and to share this news with family, friends, customers and suppliers.

If you have ideas on things we could do or you would like further details on any of the above, please visit our online sustainability section at www.bunnings.com.au, or contact Gabby O'Dwyer at godwyer@bunnings.com.au or just send us a note.

John Gillam
Managing Director

Peter Davis (PJ)
Chief Operating Officer