

BGP ENVIRONMENTAL SUSTAINABILITY

- **Waste Management**
- **Energy Efficiency**
- **Carbon Footprint**



Hi everyone,

Today I've been asked to give you an update on where Briscoe Group is at in improving our Environmental performance.

For some time, the team have been on a somewhat silent journey, working on various initiatives to firstly understand where and how we can improve, and then setting out to see exactly what we can achieve within each in each area of the Business.

We've broken down our initiatives into 3 areas that we believe are of key importance to make the most meaningful improvements to the environment.

They are; Waste Management; Energy Efficiency and Carbon Footprint.

Governance and management reporting is also key to ensuring continued Business focus – and the team have built regular updates into weekly and monthly meetings to support the sustainability initiatives.

For example, we have a monthly Sustainability meeting chaired by the Chief Operating Officer where Senior Management check in with progress in their respective areas. We also report progress to the Board in our monthly updates when there is tangible progress to table.

Environmental Sustainability

"Briscoe Group is committed to improving standards of environmental performance to enable a more efficient and sustainable future.

Being one of New Zealand's leading retailers encompassing multiple large-format retail outlets, there are many ways we can improve our environmental performance.

As a minimum, Briscoe Group will comply with all legislative and regulatory requirements.

Going beyond the minimum, new initiatives will be introduced across the business to ensure that our team are not only led in the right direction, but continually challenged to create a successful and sustainable future".



On screen is our sustainability mission statement which heads up our initiatives.

We believe that sustainability has never been more important.

The future wellbeing of the environment depends on rapid improvements in the way businesses (and individuals) operate globally.

There can be no doubt about the devastating impact climate change is having on our planet as a result of greenhouse gasses being trapped within the atmosphere and oceans, which are increasing the earth's temperature, changing weather patterns, bleaching our coral reefs, and causing sea levels to rise.

There are still some that don't believe in this phenomenon, but even those people can't deny the impact of plastic waste washing around in our oceans, & the subsequent impact on marine and bird life.



Collaboration between manufacturers, supply chain, retailers and consumers will be key to making improvements moving forward. There are plenty of examples already where consumers are demanding more of retailers, and more of manufacturers and brands. The current movement to remove single-use plastic bags from retail counters is probably the most prolific example.

However, longer term we see consumer awareness increasing further – challenging the product lifecycle, & perhaps even willing to pay more for products that last longer, or can be easily fixed rather than thrown away.

The team at Briscoe Group are committed to reducing our impact on the Environment – regardless of the driver or belief, as we know it is the right thing to do.

Waste Management

- LY recycled >2,100t of recyclable materials.
- ~Weight of 12x houses, or 1/5th the weight of the Eiffel Tower.
- Cardboard contributed >1,920 tonne.
- ~Weight of the structural steel in the Sky Tower.



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The majority of our waste is either recyclable cardboard or plastics used in the supply chain. EnviroWaste have many exciting & innovative projects underway and they're building capability to truly recycle these streams into useful by-products within NZ, without the need to use landfill or to ship waste overseas. Projects such as plastics to oil, wet fibre plant (which will convert plastic recyclable material into wall product similar to gib or into plastic desktops) and zero waste; and many more. In fact, no greater than 5% of all of EnviroWastes total waste is shipped off shore. We believe their focus on innovation and their demonstrable examples of investing in these new technologies make EnviroWaste a great service partner to help us in our journey to reduce waste.

Shrink wrap and plastics make up about 125 tonne; Mixed Recycling 60 tonne, and paper and secure document destruction 46 tonne.

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Sandra who was pleased with her online order:

“Kia ora. I recently made an online purchase and was impressed with the service and the environmentally friendly packaging used, in terms of volume and choice of re-usable and recyclable materials. Thank you for making a difference. Nga mihi, Sandra.

An example of perhaps one of our most searching initiatives is taking 5x auckland stores and piloting a ‘Zero Waste’ trial programme which is due to start later this year.

Zero waste would mean operating in such a way that all waste is diverted from landfill from those stores.

From lunchroom foodscraps being composted; to plastic, cardboard and metals being recycled; and then finding innovative ways to deal with whatever is remaining.

Acknowledging that the source of our products is where we can make the biggest impact, Our Buying team have one of the most important roles – specifying at source a reduction in packaging, and applying as much pressure as possible to ensure we’re targeting recyclable packaging materials in the most efficient quantities. Not just for use through the supply chain, but also in reducing the end-user product packaging.

Much good work has been done in this regard, but there is still lots to do. Being at the end of the global supply chain here in NZ makes this a more difficult challenge, however pressure from consumers in all corners of the globe and from other much larger international retailers, we expect manufacturers will be more amenable toward reducing unnecessary packaging in future.

Product innovation

DRI GLO AUSTRALIA
EST. 1980

BRISCOES
HOMEWARE

REPREVE[®]

WHAT IS REPREVE?

- IT'S A RECYCLED FIBER THAT IS ECO-FRIENDLY
- IT'S ENVIRONMENTALLY RESPONSIBLE
- IT'S GIVING BACK TO MOTHER NATURE
- IT'S PLASTIC BOTTLES...REBORN



Some of our suppliers are already well advanced on their own sustainable journeys. For example one of our Briscoes bedware suppliers - Dri Glo in Australia – is launching an innovative new product called Repreve.

Repreve is a recycled fibre that is eco-friendly made by recycling plastic bottles into a yarn to make bedware products.

Fully certified, environmentally friendly and safe – product examples within their first collection will include Duvet Inners, Mattress Toppers and Pillows - available in our stores later this month.

Rather than have me try to explain how this process works, we have a short video to show which best demonstrates how this product is made.

[PLAY VIDEO]

Product innovation



Repeve products will be supplied in packaging that is designed to be re-used and the packaging livery will encourage reuse.

Examples could be used as - good quality storage bags to store seasonal clothing; as a portable toy bag; as storage for additional table and bed linen, or to collect old clothing for donation..

Plastic portions of packaging will be made using PEVA rather than PVC.

PEVA doesn't use chlorine in the manufacturing process – which is the most harmful component within PVC.

PEVA is also a more environmentally friendly packaging solution and will be labelled so consumers can see they are making a difference when selecting these products.

Other examples of product innovation and packaging reduction are demonstrated in the left hand picture.

By transitioning 4x product ranges to self-fabric bags, within 6 months we have saved over 43,000 PVC bags from coming into NZ.

That equates to about 4.3m tonnes of PVC now removed from the environment – and what's more our customers can feel the product without even having to open the packaging.

In Rebel Sport, suppliers such as Puma are folding their garments tighter and smaller to reduce the size of the product packaging; and Champion no longer send product hangers as we recycle our hangers in store.

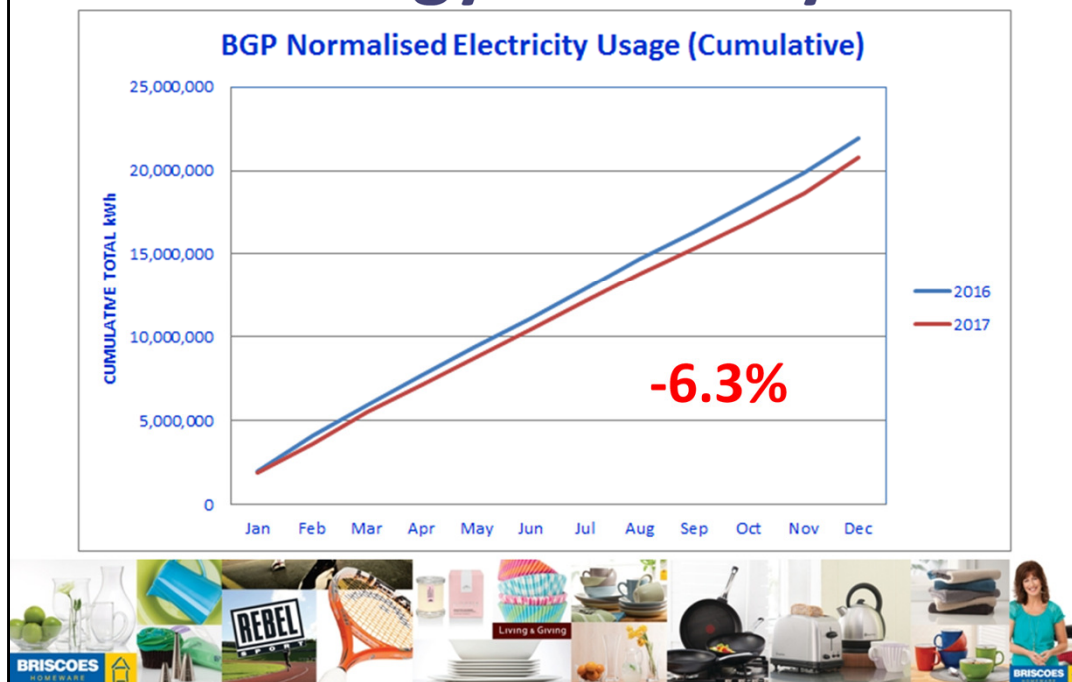
Two blue tote bags with a yellow pattern of houses and the text 'BRISCOES' and 'BRISCOES'. The bags are shown from a front-three-quarter view, highlighting the pattern and the blue handles. The pattern consists of stylized houses with gabled roofs and windows, arranged in a dense, repeating fashion. The word 'BRISCOES' is printed in yellow on a blue background at the bottom of each bag.



We're currently in the throes of finalising a solution to change to a re-usable and washable bag; which will be similar in design to those shown, and available to purchase for a small fee.

Our staff are very excited about this initiative, and we've had plenty of feedback supporting the change along with some great ideas to help our customers on this journey as we transition.

Energy Efficiency



This year we have 7x initiatives relating to energy efficiency.

Our main focus is around ensuring new buildings use the latest efficient technologies, and in providing reporting to our business managers so they can analyse their usage and ensure equipment is being turned off after hours. We also target some capital investment each year within our Store Development programme into upgrading old lighting platforms and plant.

Last year, by maintaining a modern and energy efficient building spec for our new developments, and in ensuring refurbishment projects included upgrades to LED lights, we saw a reduction in consumption of over **9million units** of power – equivalent to a 6.3% reduction in usage. This cumulative consumption is Total Group - it includes new sites and expanded sites; so to achieve such a reduction of this magnitude really is a highlight given the property portfolio grew larger last year. This demonstrates the power of investing in energy efficiency.

Electricity generation has an impact on our carbon footprint, so continued investment in energy efficient equipment will be vital for us to reduce our greenhouse gas emissions in future.

This year we'll also be reviewing our energy management policy covering the use of powered equipment, to ensure efficient use of heating & cooling systems, and to minimise unnecessary power wastage.

We'll also professionally audit our lines network plans and have experts audit our 5 highest consumption stores (on a per sq/m basis) to highlight other ways in which we can improve.

Carbon footprint

- Establish a GHG report structure, determine data sources & calculation methodology.
- Establish a GHG emission baseline for FY19.

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We're committed to establishing the report this year, and are currently working through many data sources and streams of information required to generate this. Once the report structure is complete, we'll use 2018 data to set our baseline for future comparisons, and then start looking for more ways in which we can reduce our footprint.

As you can imagine, I get plenty of unsolicited advice & ideas from Tracey!

thank you



I trust the presentation has given you a window into many of the environmental sustainability initiatives at play within Briscoe Group.

We're very confident these initiatives will drive continued focus and improvement in our environmental performance and ensure that eventually – 'thinking and working sustainably' will engrain deeper within our culture.

Thanks for your time.