



Supplier Payment Policy

Bunnings Group Limited (Bunnings) strives to provide its customers with the widest range of home improvement products at the lowest prices every day, backed with the best service.

Bunnings partners with more than 2000 suppliers from Australia and internationally. Bunnings' preference is to support locally based and Australian made products wherever possible. However, Bunnings also purchases many imported products from around the globe.

Bunnings truly values its suppliers and works very hard in close cooperation with them to provide the best offer possible to customers. In particular, Bunnings strives to be a low-cost operator and, in turn, to deliver lowest prices to customers. Bunnings works closely with its suppliers to foster sustainable, long-term trading relationships that allow Bunnings to manage costs and pass-on savings to customers.

As outlined in the Wesfarmers Code of Conduct, Bunnings, as a subsidiary of Wesfarmers, is committed to making positive economic, social and environmental contributions to society, consistent with the principles of honesty, integrity, fairness and respect. Bunnings is committed to working with its suppliers to achieve positive outcomes for all stakeholders and acknowledges the important role our suppliers play in the Australian economy.

Bunnings has implemented this policy to confirm the guiding principles which govern its approach to engaging with Australian suppliers.

Our approach

Bunnings recognises the importance of fostering sustainable, long-term relationships with its suppliers and will:

- treat suppliers and their intellectual property with respect.
- deal fairly with suppliers.
- negotiate with suppliers reasonably and without imposing unfair pressure; and
- ensure processes and dealings with suppliers are appropriately transparent.

In return, Bunnings expects its suppliers to also negotiate reasonably with us, to comply with their agreed contractual commitments and to work cooperatively with Bunnings, especially in relation to ensuring our customers are treated fairly.

Australian small business supplier payment terms

Bunnings commits to paying all eligible Australian small business suppliers within 30 days from receipt of a correct invoice or delivery of goods (whichever is later).

To be an eligible Australian small business, a supplier must:

- have an Australian Business Number.
- together with its related entities, have revenue of no more than AU\$10 million over the last 12 months.

Any supplier that satisfies these criteria will be placed on 30-day payment terms at the time their trading account is created with Bunnings.

Bunnings will periodically review whether suppliers continue to satisfy these criteria. If a supplier ceases to do so, Bunnings may contact them to re-negotiate payment terms.

To ensure prompt payment of invoices, Australian small business suppliers should ensure that they adopt Bunnings' electronic invoicing and payment processes, as notified by Bunnings from time to time.

Other payment terms and Supply Chain Finance options

Bunnings recognises that certainty of cash flow and timely payment is a key requirement for Australian business. Bunnings also appreciates that a 'one size fits all' approach to payment terms does not reflect the diverse needs of its supplier base.

In recognition of these issues, Bunnings:

- commits to paying all Australian suppliers within their mutually agreed payment terms following receipt of a correct electronic invoice and delivery of goods; and
- is pleased to offer a flexible, cost-effective and transparent Supply Chain Finance program to eligible suppliers, via a third-party invoice trading platform, to enable eligible suppliers to better manage their payment requirements and accelerate their receivables cash flow.

A key feature of the Supply Chain Finance Program is the ability for eligible suppliers to obtain early payment of selected invoices on terms of less than a week from date of invoice. The program is optional for eligible suppliers, who can choose to utilise the program for all, or a selection of, their invoices to Bunnings.

Supply Chain Finance is a voluntary program available to Bunnings' merchandise suppliers and is operated by a third party. Interested suppliers may contact their Buyer or Category Manager for further information.

Dispute resolution

It is Bunnings' intention that any queries or disputes will be addressed and resolved quickly and in good faith. Suppliers are encouraged to raise any concerns with their usual Bunnings contact in the first instance.

If any supplier has a further complaint or feels that Bunnings has not adhered to the above commitments, we encourage them to contact any of the following people:

- For merchandise suppliers:
 - Your Buyer or Merchandise Manager
 - Our Head of Central Merchandise
 - Our General Managers, Merchandise Home & Lifestyle, Building or Industry & Services
 - Our Director Merchandising
 - Our Chief Operating Officer
 - Our General Manager of Risk & Compliance
 - Our Managing Director
- For non-merchandise suppliers:
 - Our Procurement Manager
 - Our Chief Operating Officer
 - Our Company Secretary

Suppliers may also utilise Bunnings' Speak Up anonymous reporting service:

- by phone: 1800 176 386
- by email: SpeakUp@deloitte.com.au
- web-based access: www.SpeakUp.deloitte.com.au
- by post: Att: "Speak Up" Reply Paid 12628, A'Beckett Street Melbourne VIC 3000