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# Environmental, Social and Governance



AS AT 30 JUNE 2024

## BWP's commitment

The Board has adopted a set of Sustainability Principles, shown below, for incorporating environmental, social and governance ("ESG") issues into the Trust's policies, practices and processes.

These principles are based on the United Nations Principles for Responsible Investment. They reflect BWP's commitment to

sustainability, and represent the benchmark against which BWP will report on its activities and achievements.

BWP's Sustainability Principles and commitment to sustainability are embedded in its corporate strategy, approach to governance and risk management.

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## Sustainability Principles

BWP is committed to acting responsibly and ethically and operating its business in a manner that is sustainable.

BWP has developed the following principles for incorporating environmental, social and governance ("ESG") issues into its policies, practices and processes.

BWP will consider ESG issues in its investment analysis and decision-making processes.

### **BWP's Sustainability Principles are below:**

- > BWP will address ESG issues in policies and practices regarding its ownership of assets and its use of resources.
- > BWP will engage with suppliers and tenants on ESG issues.
- > BWP will report on the progress of its ESG activities and initiatives.
- > BWP will continue to build on its knowledge and understanding of ESG and ways of addressing ESG issues so that it can assess opportunities for improved ESG performance.

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## Context, content and quality of our sustainability reporting

BWP acknowledges climate change and biodiversity loss as risks that may have an impact on the properties it owns, the businesses that operate from them, the communities that BWP operates in, and its financial performance.

BWP is committed to actively participating in the transition to a low-carbon economy to understanding the impacts of its assets on biodiversity and to addressing the risk of modern slavery in its business, supply chains and investments.

BWP's approach considers the size and nature of its operations and reflecting these relatively modest potential impacts on the environment and society. BWP's ownership and management of established commercial property is considered low in intensity in terms of emissions, waste, energy use, and materials.

Social and governance impacts are limited due to the passive nature and localised scope of BWP's operations and the regulated environment in which it operates.

Climate-related financial disclosures will become mandatory for Australian entities that are required to lodge financial reports under Chapter 2M of the Corporations Act 2001 (Cth) ("Corporations Act"). Amendments to the legislation require entities that are within scope of the mandatory climate-related financial disclosure to prepare a

sustainability report in accordance with the Australian Accounting Standards Board's ("AASB") three proposed Australian Sustainability Reporting Standards ("ASRS").

The introduction of the standards will be implemented through a phased approach based on an entity meeting a prescribed size threshold or being a 'registered corporation' reporting under the National Greenhouse and Energy Reporting Act 2007. With the implementation thresholds now adopted, BWP will be required to report against the new standards starting from the 2026/27 financial year.

BWP is proactively aligning its practices and policies and is well prepared to comply with the forthcoming ASRS. The areas of focus include preparing for assurance requirements, reducing the emission intensity of its properties, improving data quality, understanding its value chain and assessing opportunities to support tenants to reduce their emissions intensity where it makes sense to do so.

BWP's net zero Scope 2 position for the year ended 30 June 2024 was independently verified.

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## Scale, scope and nature of our operations

The Trust's property business is relatively small by global and national standards.

It owns 82 properties, all in Australia, comprising land and warehouse-style improvements leased to other entities for use primarily for home improvement retailing. BWP does not typically engage in development work (other than capital expenditure related to the repositioning of a property where a vacancy has occurred), generally acquiring established properties or developments that pass to BWP on completion. At 30 June 2024, the total area of land owned by BWP was approximately 260.7 hectares, with gross lettable area of 1,154,960 square metres. The total fair value of BWP's investment properties at 30 June 2024 was \$3,544.6 million.

The responsible entity has been able to attract and retain a high calibre team. The small management team comprised 64 per cent male and 36 per cent female as at 30 June 2024. There is equal gender representation on the Board. Given the small team size, changes in team composition can have a disproportionate impact on the gender diversity of the team. Importantly, any change in diversity ratio due to a small move in team composition does not reflect any deliberate bias or lack of inclusivity in BWP's recruitment process, or team dynamics. Instead, it is simply a consequence of a small team size.

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## Sustainability reporting criteria

Due to the degree of inter-relationship between BWP Trust ("the Trust") and the responsible entity, BWP Management Limited ("the RE" or "BWPM"), where the RE operates solely for the Trust and undertakes all of the activities of the Trust, the operations of both the Trust and the RE are considered collectively from a sustainability perspective and only disclosed separately to the extent that it is relevant.

### ORGANISATIONAL BOUNDARIES

Reporting is confined to those aspects of the business over which BWP has operational control (which is essentially repositioned properties vacated by Bunnings and common-areas at multi-tenanted properties, such as common parking areas and road and pedestrian access ways where BWP has responsibility for some of the electricity usage).

In relation to BWP's portfolio, most properties are subject to whole-of-site leases, for which BWP has no operational control over the properties or the businesses operating at them. Some multi-tenanted properties have common areas that BWP is responsible for maintaining, being those areas not for exclusive use by the respective tenants, and typically include car parks and other common access areas. BWP is responsible for the electricity usage in these areas, and the electricity usage for any properties that are vacant or being repositioned.

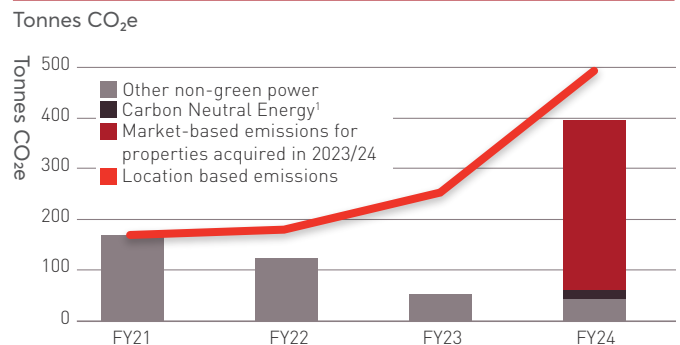
As BWP's leases are generally whole of property leases, any improvements to properties need to be carried out in consultation with the tenant. As part of the lease terms tenants are responsible for most energy usage. The nature of lease arrangements comprising long-term commitments with a 10–12 year initial term, and multiple options thereafter, mean it's difficult to change lease terms once in place.

# Assessing the Group's impact

## Emissions and energy

### UNDERSTANDING THE GROUP'S GREENHOUSE GAS EMISSIONS PROFILE

#### Scope 2 emissions – total market-based and location-based emissions



| SCOPE 1<br>Direct emissions within BWP's operational control   | SCOPE 2<br>Indirect emissions from purchased electricity within the Group's operational control   | SCOPE 3<br>Indirect emissions generated within the Group's operational control  | SCOPE 3<br>Indirect emissions from assets leased by the Group to others  |
|--|---|---|--|
| No Scope 1 emissions are produced as the Group's business activities do not directly release emissions into the atmosphere.  | <p><b>Upstream emissions</b></p> <p>Taking into account green electricity usage and ACCUs surrendered during the period, the Group's net Scope 2 emissions position for the year ended 30 June 2024 was zero tonnes CO<sub>2</sub>e.</p> <p>Indirect emissions from purchased electricity were 396<sup>2</sup> tonnes CO<sub>2</sub>e.</p> <p>When adjusted for the acquisition of properties and construction activity at one property<sup>3</sup>, the Scope 2 emissions of the Group increased 7.1 per cent from 2023.</p> <p>This increase can be attributed to changes in the lighting practices at some properties, where adjustments were required to meet the changing safety requirements of tenants, and lighting practices at vacant properties. Changes in renewable energy procurement also contributed to the increase in emissions.</p> <p>The Group is working to understand the energy requirements of new acquisitions and to identify emissions reduction opportunities at these properties. The emissions intensity of these properties is expected to reduce with a focus on operational changes including lighting practices, and renewable energy procurement.</p> | <p>The Group completed its first Scope 3 inventory in 2023 and is focusing on working towards pre-assurance, and continuing to iterate and mature its approach to Scope 3 data.</p> <p>The most significant contributor to Scope 3 emissions, other than those relating to assets leased by BWP to others, relate to the emissions associated with the purchase of goods and services, and capital goods.</p> <p>The Responsible Entities of the Group are 100 per cent owned by Wesfarmers. Employees from Wesfarmers are seconded to the responsible entity and, as such, business-related travel and emissions relating to employee commuting incurred by the responsible entity are reported by Wesfarmers.</p> | <p><b>Downstream emissions</b></p> <p>This is the most material category of emissions for the Group as it comprises Scope 1 and Scope 2 emissions of tenants. The most significant contributor to this category of Scope 3 emissions is Bunnings, as it comprised approximately 80 per cent of the portfolio at 30 June 2024.</p> <p>Bunnings continues to progress towards its targets to achieve 100 per cent renewable electricity by 2025 and net-zero Scope 1 and 2 emissions by 2030<sup>4</sup>.</p> <p>The Group continues to expand its understanding of its Scope 3 inventory in order to support value chain engagement, with a focus on working towards pre-assurance and continuing to iterate and mature its approach to Scope 3 data.</p> |
| <p><b>Organisational boundaries, methodology and definitions</b></p> <p>The Group reports Greenhouse Gas ("GHG") emissions, in accordance with the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD)'s GHG Protocol and National Greenhouse and Energy Reporting Act 2007 and the National Greenhouse and Energy Reporting (Measurement) Determination 2008. Reporting is confined to those aspects of the business over which the Group has operational control.</p> |   |   |  |

<sup>1</sup> Carbon Neutral Energy refers to the energy acquired by BWP during the 2023/24 financial year where the emissions associated with the consumption of this energy are offset by the electricity provider, effectively reducing the net carbon emissions to zero. Under the market-based emissions calculation methodology used in NGERs, the application of offsets by the electricity provider is not recognised, and emissions associated with this consumption are calculated and included in BWPs total as a conservative approach.

<sup>2</sup> The Group's Scope 2 market-based emissions total assumes control of properties for a full 12 month period.

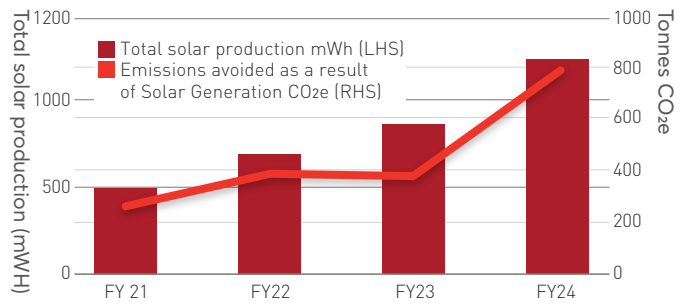
<sup>3</sup> The increase in Scope 2 market-based emissions between 2023 and 2024 was largely attributable to the acquisition of nine new properties under the NPR transaction.

<sup>4</sup> Wesfarmers Annual Report, 30 June 2023, p23.

## ENERGY GENERATION

In addition to the net-zero Scope 2 emissions position recorded for the year, solar production for the year ended 30 June 2024 was 1,254 mWh (30 June 2023: 693.7 mWh). The solar power produced is used by the Group's tenants in common areas where the Group has some operational control, or fed back into the grid for use by other network customers. This solar power generation enabled the Group to avoid 794 tonnes of CO<sub>2</sub>e compared to 390 tonnes of CO<sub>2</sub>e in the prior corresponding period.

## Energy generation



| ENVIRONMENT  | SOCIAL   |   |  |
|--|--|---|--|
| Nature & Biodiversity  | Diversity & Gender   | Human Rights  | United Nations Global Compact  |
| <p>The finalised Taskforce on Nature-related Financial Disclosures (“TNFD”) recommendations were formally issued for market adoption in September 2023. Participation in TNFD is currently voluntary and provides a risk management and disclosure for organisations to act on and report against for evolving nature-related risks and opportunities. The overarching intention of this framework is to shift global financial flows away from nature-negative outcomes and toward nature-positive outcomes.</p> <p>BWP will explore impacts of its assets on biodiversity, nature-related risks and opportunities relevant to the Group’s operations in preparation for mandatory adoption.</p> <p><b>Scale, scope and context</b></p> <ul style="list-style-type: none"> <li>&gt; The Group owns 82 properties, all in Australia.</li> <li>&gt; At 30 June 2024, the total area of land owned by the Group was approximately 260.7 hectares.</li> <li>&gt; BWP does not typically engage in development work (other than capital expenditure related to the repositioning of a property where a vacancy has occurred).</li> <li>&gt; BWP generally acquires established properties or developments that pass to BWP upon completion.</li> </ul> | <p>BWP Trust is an externally managed listed entity and does not have any direct employees.</p> <p>The Group’s 2024 Corporate Governance Statement can be viewed in the Corporate Governance section under the <b>About Us</b> tab of BWP’s website.</p> <p>The Responsible Entity’s Board and ten team members are subject to Wesfarmers’ Diversity Policy.</p> <p>To the extent that it can with a small team, the Responsible Entity is committed to working within the guiding principles and objectives set out in the Wesfarmers’ Diversity Policy.</p> <p>The Responsible Entity’s commitment to diversity principles is reflected both in the Board’s composition and in the workplace, where it is demonstrated daily by its support for flexible working arrangements for its team. The Responsible Entity has been able to attract and retain a high calibre team. The small management team plus part time Company Secretary is comprised 64 per cent male and 36 per cent female.</p> <p>There is equal gender representation on the Board.</p> <p>Given the small team size, changes in team composition can have a disproportionate impact on the gender diversity of the team. Importantly, any change in diversity ratio due to a small move in team composition does not reflect any deliberate bias or lack of inclusivity in BWP’s recruitment process, or team dynamics.</p> <p>Instead, it is simply a consequence of a small team size.</p> | <p>The Responsible Entity is committed to addressing the risk of modern slavery in its business, supply chains and investments. The full details are provided in BWP’s Modern Slavery statement and minimum standards expected of suppliers can be viewed in the Corporate Governance section under the <b>About Us</b> tab of BWP’s website.</p> <p>Modern slavery risk in BWP’s supply chains was considered during the reporting period. Some categories of supplier risk have been identified as focus areas, but overall, the Group’s exposure to modern slavery risk is not considered to be material in view of the nature of the Group’s business and its small number of primarily Australian suppliers. BWP have reviewed Modern Slavery Statements submitted by its material suppliers and has been satisfied that these suppliers understand their obligations under the Modern Slavery legislation.</p> <p>No modern slavery practices either at the Group’s operations or in its supply chain were identified in 2023. BWP has continued working with its suppliers and other stakeholders in 2024 to ensure that no individual is subjected to modern slavery or related labour exploitation within its supply chain.</p> <p><b>Scale, scope and context</b></p> <ul style="list-style-type: none"> <li>&gt; Headquartered in Western Australia.</li> <li>&gt; Operated by a small team of ten – responsible for leasing, property management, development management and all of the corporate and compliance functions of an ASX-listed entity operating in the financial services sector under an AFSL.</li> <li>&gt; Large format retail customer base – primarily Bunnings.</li> <li>&gt; Around 100 suppliers – mostly Australian.</li> <li>&gt; Land and building assets located in Australia.</li> <li>&gt; Owned by approximately 24,000 unitholders.</li> </ul> | <p>BWP Management Limited (“BWPML”), the responsible entity for BWP is 100 per cent owned by Wesfarmers, who have committed to the United Nations Global Compact (“UNGC”) corporate responsibility initiative and its principles in the areas of human rights, labour, the environment and anti-corruption. As part of the broader Wesfarmers group and operating under the same values and principles, there is an expectation that BWPML upholds the same high standards of social responsibility and sustainability. This statement is not a symbolic gesture, but evidenced by the policies and processes which are integrated into the Group’s operations; its continued work to reduce its carbon footprint and improve the energy efficiency at its properties; and the Group’s work to ensure no individual is subjected to modern slavery or related labour exploitation within our supply chain.</p> |

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## Key risks and opportunities

### IDENTIFICATION AND ASSESSMENT PROCESS

As part of BWP's annual corporate planning process and risk review, a broad range of factors that may impact operations and the long-term sustainability of the business are considered. In addition to this more general assessment, a detailed review of climate-related risks and opportunities is undertaken.

The risk management framework provides a structured and systematic risk management approach, and considers obligations under the Corporations Act, AFS Licence, ASX listing rules and other applicable laws and AS/NZS ISO 31000:2018 Risk Management – Guidelines. The Board Audit and Risk Committee oversees the approach.

The outcome of the risk and opportunity assessment did not identify any material risks or opportunities arising from ESG issues, having regard to the current scale, scope and nature of BWP's operations.

### RISK MITIGATION

From a broad perspective, ESG risks are largely mitigated by the solely domestic scope of the Trust's activities, the relatively passive nature of the Trust's business (essentially, leasing out established commercial property for retail use), its relatively uncomplicated and transparent structure, and the highly regulated framework under which the Trust and responsible entity operate.

### Climate-related and environmental risks and opportunities

Environmentally, the Trust's direct sourcing of materials, use of water, energy and generation of waste is limited. The risks associated with these activities can be readily identified, monitored and managed within the Trust's normal operations. However, climate change is considered a key aspect of ESG due to its relevance to operations and the imperative placed on this issue by stakeholders.

### Social sustainability risks

Social and governance issues under the Global Reporting Initiative ("GRI") encompass labour practices, human rights, society, and product responsibility. The responsible entity is subject to a number of formal policies and processes which address those aspects directly relevant to the Trust's activities. Policies and processes cover areas such as health and safety, ethics and conduct, diversity, continuous disclosure, whistleblowing, anti-bribery, remuneration and conflicts management, and can be found at the Corporate Governance section (under the **About us** tab). In addition to this governance regime, the social and governance implications of each individual investment are expressly considered as part of the assessment and approval process, for example, the likely impact on the local community of the investment and appropriate approach to conflicts of interest and related party issues. This allows BWP to consider potential ESG risks and opportunities at an individual asset level.

The Trust recognises the significance of ensuring that people's health and safety is not put at risk by its activities and operations. It has in place policies and practices to help identify health and safety risks and to manage those risks appropriately.

The responsible entity is currently engaging and working with suppliers to assess and address the Trust's modern slavery risks.

### CLIMATE CHANGE

The most material ESG issue relevant to the Trust is climate change. A review of risks and opportunities is conducted annually as part of the risk management processes. No major risks have been identified to date, the main opportunities relate to the increasing of energy efficiency of our properties.

Regulatory changes to address climate change are considered manageable within the existing business model. For new developments, increased capital costs due to design or construction requirements to address energy efficiency or emissions reduction should be factored into commencing rents. For existing buildings, compulsory changes to address climate change are considered to be less likely and would probably be triggered by and incorporated into a redevelopment or upgrade. Legislative requirements for increased collection, monitoring and reporting of climate-related data are able to be managed through existing compliance and reporting frameworks.

The physical impacts of climate change, such as severe weather events, may increase the risk of damage or impairment to properties. The geographic spread of the Trust's properties means that the potential impact is likely to be confined to individual properties, reducing the likely per-event loss. For most of the Trust's properties the tenant is responsible for insuring the building and improvements against the risk of physical loss or damage on a replacement or reinstatement basis.

The regulatory environment for ESG disclosure for listed entities is evolving rapidly. On 26 June 2023, the International Sustainability Standards Board ("ISSB") issued its inaugural standards – IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information* and IFRS S2 *Climate-related disclosures* – ushering in a new era of sustainability-related disclosures in capital markets worldwide.

The standards are intended to create a common language for disclosing the effect of climate-related risks and opportunities on an entity's prospects. Both standards fully incorporate the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD"). Once these international standards have been incorporated into domestic regulatory frameworks, it is anticipated that Australian businesses may be required to report under them as early as the financial year ending June 2025. The Trust has been progressively aligning its practices and policies with these recommendations and is well positioned to meet the incoming Australian focused sustainability-related and climate-related disclosure standards.

## ADAPTING FOR A LOW CARBON ECONOMY

| ACTIONS  | 2024   | 2023   | PRIORITIES  |
|--|--|--|---|
| <b>Greenhouse gas emissions management</b>           | <ul style="list-style-type: none"> <li>&gt; 396 tonnes of CO<sub>2</sub>e generated for the year ended 30 June 2024 of which 335 tonnes are attributable to the 12 month contribution from acquisitions completed in the year, but have only been within the Group's control for part of the reporting year.<sup>1</sup></li> <li>&gt; The Group surrendered 450 ACCUs to offset the 396 tonnes of CO<sub>2</sub>e.</li> <li>&gt; BWP solar installations (excluding Bunnings Warehouses) helped tenants reduce their emissions by 794 tonnes of CO<sub>2</sub>e.</li> <li>&gt; BWP completed its first Scope 3 emissions inventory in August 2023. BWP is focusing on working towards pre-assurance, and continuing to iterate and mature its approach to Scope 3 data.</li> </ul>  | <ul style="list-style-type: none"> <li>&gt; 49 tonnes of CO<sub>2</sub>e generated for the year ended 30 June 2023</li> <li>&gt; The Trust surrendered 55 ACCUs to offset these and some future emissions</li> <li>&gt; In addition, the Trust avoided 390 tonnes of CO<sub>2</sub>e as a result of solar generation at properties where the Trust has some responsibility for electricity usage</li> <li>&gt; The Trust is in the process of finalising its Scope 3 emissions profile</li> </ul>  | <ul style="list-style-type: none"> <li>&gt; Further investment in solar and energy efficient lighting</li> <li>&gt; Complete the Trust's Scope 3 emissions inventory</li> </ul>   |
| <b>Governance</b>                                    | <ul style="list-style-type: none"> <li>&gt; BWP has progressively aligned its practices and policies with the Taskforce for Climate-Related Financial Disclosure ("TCFD") recommendations and will continue to provide climate-related and sustainability-related disclosure in accordance with this framework.</li> </ul>   | <ul style="list-style-type: none"> <li>&gt; The Trust has progressively aligned its practices and policies with the TCFD recommendations and will continue to provide climate-related and sustainability-related disclosure in accordance with this framework in preparation for the incoming Australian specific reporting standards</li> </ul>   | <ul style="list-style-type: none"> <li>&gt; Continue to review applicable incoming reporting standards and provide disclosure as required</li> </ul>  |
| <b>Strategy</b>                                      | <ul style="list-style-type: none"> <li>&gt; Procured renewable energy at seven properties where the Group is responsible for some electricity usage.</li> <li>&gt; Completed external assurance of Scope 2 emissions inventory and gained confirmation of net-zero status again for 2024.</li> <li>&gt; Continued to work with insurance advisors and providers to better understand the impact climate risk may have on insurance affordability and funding availability, particularly in relation to those assets in areas at higher risk of severe weather events.</li> </ul>   | <ul style="list-style-type: none"> <li>&gt; Purchased 100 per cent green electricity at eight properties where the Trust is responsible for some electricity usage</li> <li>&gt; Completed external assurance of emissions inventory and gained confirmation of net-zero status again for 2023</li> <li>&gt; Continued to work with insurance advisors and providers to better understand the impact climate risk may have on insurance affordability and funding availability, particularly in relation to those assets in areas at higher risk of severe weather events</li> </ul>   | <ul style="list-style-type: none"> <li>&gt; Continue to focus on reducing the environmental impact of the portfolio through investing in technology applications such as energy efficient LED lighting</li> <li>&gt; continue to identify areas for improvement and opportunities to enhance portfolio's ESG-related resilience</li> <li>&gt; Continue to develop understanding of how scenarios apply to each property and how to best incorporate these learnings into the right tools to assist in managing our portfolio, strengthening due diligence processes and embedding resilience into our strategy for the short, medium and long-term</li> </ul> |
| <b>Risk</b>  | <ul style="list-style-type: none"> <li>&gt; BWP's annual risk and opportunity review was completed during the 2023/24 financial year. The outcomes of the assessment did not identify any material risks due to climate change.</li> <li>&gt; BWP's 2024 Corporate Governance Statement summarises BWP's exposure to environmental and social risks, complemented by content within the Sustainability section of the BWP website.</li> </ul>  | <ul style="list-style-type: none"> <li>&gt; The Trust's annual risk and opportunity review was completed during the period. The outcomes of the assessment did not identify any material risks due to climate change</li> <li>&gt; The Trust's 2023 Corporate Governance Statement details climate-related risk management and can be viewed in the Corporate Governance section under the <b>About Us</b> tab of the Trust's website</li> </ul>   | <ul style="list-style-type: none"> <li>&gt; Explore impacts of our assets on biodiversity, nature-related risks and opportunities relevant to the Trust's operations</li> <li>&gt; Continue identifying and managing transition risk and potential impacts relating to transition to low-carbon economy</li> </ul>  |
| <b>Property resilience</b>                           | <ul style="list-style-type: none"> <li>&gt; A further eight air conditioning units were replaced to phase out ozone-depleting refrigerant models and initiatives were introduced to improve efficiency of air conditioning units.</li> <li>&gt; Upgrades to new, more energy-efficient LED lights were installed at six properties during the year.</li> <li>&gt; Solar power generation is installed at 41 properties owned by the Group.</li> <li>&gt; A Tesla battery is installed at one property. The battery collects surplus energy from the solar installation at the property.</li> <li>&gt; 78 per cent of properties have water tanks in place for the recycling of roof-collected rainwater. The decrease from the prior year is attributed to newly acquired properties where water tanks are not installed, or where the presence of a water tank has not yet been confirmed.</li> </ul> | <ul style="list-style-type: none"> <li>&gt; A further 15 air conditioning units were replaced to phase out ozone depleting refrigerant models and initiatives introduced to improve efficiency of air conditioning units</li> <li>&gt; New energy efficient LED lights were installed at six properties during the year. As at 30 June 2023, 100 per cent of Trust-owned properties had LED lighting in one or more of the car park, nursery trading area, canopy trading area, or in the main store</li> <li>&gt; Solar power generation is installed at 24 properties owned by the Trust</li> <li>&gt; A Tesla battery is installed at one property. The battery collects surplus energy from the solar installation at the property</li> <li>&gt; 92 per cent of the Trust-owned properties have in place water tanks for the recycling of roof collected rain water</li> </ul> | <ul style="list-style-type: none"> <li>&gt; Continue programme for phasing out ozone depleting air conditioning</li> <li>&gt; Continue to work with our major customers to roll out energy efficient LED lighting into existing properties, as and when appropriate, and also to install roof based solar panels on buildings where the energy saving benefits are significant</li> </ul>   |
| <b>Customer and supplier engagement</b>              | <ul style="list-style-type: none"> <li>&gt; Continued dialogue with tenants regarding sustainability initiatives, particularly in relation to reducing energy consumption through the upgrade of lighting in existing stores to energy efficient LED technology, and the installation of solar power generation.</li> </ul>  | <ul style="list-style-type: none"> <li>&gt; Continued dialogue with Bunnings regarding its sustainability initiatives, particularly in relation to reducing energy consumption through the upgrade of lighting in existing stores to energy efficient LED technology, and the installation of solar power generation</li> </ul>  | <ul style="list-style-type: none"> <li>&gt; Continue to engage with the trust's customers for a cooperative approach to sustainability initiatives, particularly in relation to LED lighting, and solar energy capture</li> </ul>   |
| <b>Environmental social and governance reporting</b> | <ul style="list-style-type: none"> <li>&gt; Participating in the 2024 CDP (formerly the Carbon Disclosure Project).</li> </ul>   | <ul style="list-style-type: none"> <li>&gt; Participating in the 2023 CDP (formerly the Carbon Disclosure project)</li> </ul>  | <ul style="list-style-type: none"> <li>&gt; Continue reporting on our progress in improving the energy efficiency of the Trust's properties reducing operational carbon emissions and working to understand the impacts of our assets on biodiversity</li> </ul>  |

<sup>1</sup> The Group's Scope 2 market-based emissions total assumes control of properties for a full 12 month period.

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The Trust undertakes detailed due diligence on property acquisitions to fully understand levels of site contamination, as well as the potential for exposure to climate-related events, prior to committing to purchase.

Operationally, increased costs and charges relating to energy, water, materials and waste for the Trust's properties would generally be borne directly by the tenant or could be recovered in part or whole from tenants under the lease arrangements. For this reason, increased costs associated with the implementation of a carbon pricing scheme are not

considered to be a material risk for the Trust. Incorporating renewable energy sources at some properties may provide a modest longer-term source of revenue, with the trust currently assessing this opportunity. Tenants' businesses do not appear vulnerable to climate change induced shifts in consumer behaviour or demographic changes, with tenants likely to be able to change product and service offerings to meet any such changes (also potentially providing new product category opportunities).

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## Implementing the Trust's approach to ESG

To promote an ongoing focus and priority on ESG issues, sustainability has been expressly incorporated into the Trust's strategies, objectives and investment criteria. ESG initiatives are included in action items in the annual corporate plan. Responsibility for achieving these are included in annual performance objectives for individuals within the management team. Progress of the action items in the corporate plan is reviewed at each board meeting, and reported in the annual report. Progress on

individual performance objectives are monitored periodically during the year and achievement of performance objectives contribute towards 50 per cent of the individual's short-term remuneration incentives. In assessing proposed acquisitions and upgrades of existing investment priorities, the trust considers what features are to be or may be incorporated to enhance sustainability and lessen the environmental impact of the improvements and the property overall.

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## Targets

BWP's focus is on achieving outcomes to improve the energy efficiency of its properties, understanding, and to understanding to advance its measurement and reporting of ESG issues.

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## Disclosure

BWP discloses its sustainability-related actions, progress, and future priorities in each annual report. It also participates annually in the CDP survey (formerly the Carbon Disclosure Project).