

ANNUAL SUSTAINABILITY REPORT 2026

Working better together

BSR GROUP

BSR AUSTRALIA LIMITED ABN 84 122 529 695

ANNUAL SUSTAINABILITY REPORT 2026

Message from our ESG Committee

Financial Year 2026 was a year of meaningful progress for BSR Group as we moved from preparing for mandatory climate reporting to putting it into practice. This is our third Sustainability Report, and it sets out our Scope 1 and Scope 2 emissions against last year's results, together with a structured assessment of the climate-related risks and opportunities most material to our business.

During the year, we built on the success of our digital-first catalogue program, which retired our printed catalogues in July 2025, by trialling digital ticketing in our stores to further reduce our reliance on printed materials. We also strengthened our commitment to product and packaging stewardship through membership of COFOSS and CESA, with APCO membership in progress. Our people and communities remained at the heart of what we do. We became naming rights partner of The Kids' Cancer Project's Better Challenge, continued to support local and inclusive community organisations, and rolled out the work health and safety management system across the Group.

Looking ahead, we will build on this foundation by expanding our reporting and further embedding climate risk into how we plan and make decisions. We acknowledge the environmental impacts inherent in retailing and distributing electrical and furniture products, and we remain focused on reducing waste, energy use and emissions while serving our customers and communities nationwide.



Climate-Related Disclosures (AASB S2)

This section sets out BSR Group's climate-related disclosures for FY26, structured around the four core content areas of AASB S2 Climate-Related Disclosures: Governance, Strategy, Risk Management, and Metrics and Targets.

Governance

As BSR Group prepares for mandatory sustainability and climate disclosure reporting, significant groundwork is being laid to ensure compliance with regulatory requirements while also advancing our commitment to responsible operations for the benefit of future customers and communities.
Our preparations have included formal engagement with external consultants to conduct a comprehensive readiness assessment and develop a climate disclosure roadmap.
In addition, team members have participated in external seminars and information sessions focused on best practice methodologies.

Carbon accounting software has strengthened BSR Group's emissions reporting governance by improving data quality, monitoring and accountability. It also supports future Scope 3 reporting and continued assessment of mandatory sustainability reporting.

With a formal Risk Management Framework firmly established, we continue to educate and ensure material risks are identified, assessed and that appropriate mitigations are in place to sustain our business objectives. We continue to explore ways to mature our risk management practices and embed risk accountability. Quarterly Audit and Risk Committee meetings steer the direction of the risk, compliance and audit landscape ensuring risk is at the forefront of key business decisions while committees such as the ESG Committee and Workplace Health and Safety Committees help to drive important initiatives.

Strategy

BSR Group has undertaken a structured process to identify and prioritise the climate-related risks and opportunities most material to its operations, in line with AASB S2. This included assessing both physical risks, such as extreme weather, flooding and bushfires and transition risks and opportunities including regulatory change, shifting customer preferences and supply chain impacts across stores, distribution centres, the franchise network and supply chain, over short, medium and long-term horizons. Key material risks identified include extreme weather events, policy and regulatory change, and supply chain disruption. Key opportunities include operational efficiency, decarbonisation and regulatory readiness. These findings form the foundation for BSR Group's ongoing climate risk management and AASB S2 disclosure program.

Energy and Emissions

Our FY26 emissions results show where our reduction efforts matter most. Electricity accounts for around three-quarters of our Scope 1 and 2 emissions, and fleet fuel for the remainder. Hence energy efficiency and fleet optimisation remain the focus of our reduction efforts. Our purpose-built Head Office and Warehouse at Brisbane Airport continues to draw on its 390kW rooftop solar photovoltaic (PV) system, reducing our reliance on grid electricity and the emissions that come with it.

Waste Efficiency and Reduction

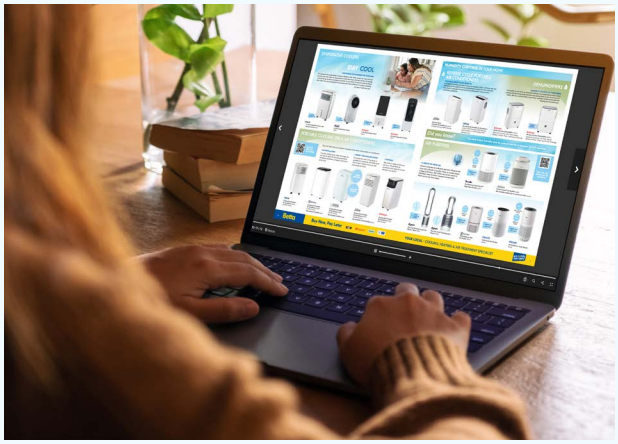
In FY26, we continued our work to reduce waste and lift recycling rates. We have now consolidated waste practices across our Head Office, corporate stores and warehouses, so that best-practice recycling is applied consistently across all sites. Across our member network, many retailers actively recycle end-of-life appliances and electronic goods, supported by our partnerships with ReSource and the Australian Bedding Stewardship Council. We have also appointed a preferred waste management partner, which will give our members a smarter, more sustainable approach to waste management. The partnership will also enable transparent reporting on key environmental metrics, including total waste diversion, recovery rates and greenhouse gas emissions.





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FY26 was the first full year of our digital-first catalogue program, following the retirement of our printed catalogues in July 2025. The move has changed how we connect with our customers while significantly reducing our reliance on printed materials. Building on this, we trialled digital ticketing in selected stores during the year, replacing printed shelf and product tickets with digital displays to further reduce paper use and in-store waste. As the trial period continues more stores will be onboarded, with significant savings on materials printed and time efficiencies in store.



E-Waste and End of Life Product Recycling

BSR Group remains committed to sustainable and ethical management of electronic devices and appliances that are no longer operational. Our Victorian operations partner with ReSource, one of Australia's leading e-waste processing companies, to facilitate the responsible disposal and recycling of end-of-life products such as refrigerators and freezers. During the financial year, these efforts resulted in an estimated reduction of approximately 235 tonnes of CO_2 emissions—comprising 66 tonnes from degassing and 169 tonnes from recycling activities. These estimates are based on environmental impact calculations provided by ReSource and are subject to verification of the underlying methodology.

Australian Bedding Stewardship Council (ABSC) aims to reduce waste generation and improve recovery of bedding products, in particular, end of life mattresses. It is a voluntary, industry-led product stewardship scheme backed by the Federal Government and with ACCC authorisation.

Since 2024, BSR Group's partnership with ABSC focuses on educating consumers through in-store and online communications that promote mattress recycling. We also encourage our Supplier Partners to adopt circular economy practices, and to work alongside our Betta Franchise Members to raise public awareness of the issues around end-of-life mattresses.

Product and Packaging Stewardship

BSR Group formalised membership of two industry bodies supporting product and packaging stewardship across the consumer electronics and home appliance sector: The Coalition For Sustainable Solutions (COFOSS), which drives industry-wide policy advocacy and circular economy initiatives, and the Consumer Electronics Suppliers' Association (CESA), which represents suppliers and retailers on regulatory, technical and commercial matters affecting product supply. Building on these commitments, BSR Group is also progressing membership application of the Australian Packaging Covenant Organisation (APCO) under which we will formally report against national packaging sustainability targets.



Risk Management

BSR Group has adopted a systemised risk management approach to strengthen how enterprise and climate-related risks are identified, assessed and monitored across the business. This includes a centralised risk register, enabling risks, including climate-related risks and opportunities, to be tracked, prioritised and reported consistently, and structured board and governance reporting to support oversight. This strengthens the integration of climate risk into BSR Group's overall risk management framework and supports its ongoing alignment with AASB S2.

Metrics and Targets

BSR Group remains committed to reducing the carbon footprint of our operations as we transition to more sustainable business practices. As we prepare for mandatory climate reporting under AASB S2, we are also strengthening the quality and consistency of the emissions data that underpins our decisions.

Our carbon accounting software tracks our Scope 1 and Scope 2 emissions year on year, and this report compares our FY26 results with FY25. This helps us understand what drives our emissions and where we can make the greatest improvements. The engagement of an energy procurement partner also supports our AASB S2 reporting, reducing manual handling and estimation and providing an audit trail from each figure back to its source invoice. Over time, this will build a consistent site-level record to support year-on-year comparisons, target setting and external assurance as our reporting obligations grow.

Scope 1

BSR Group's Scope 1 emissions are entirely categorised under mobile combustion driven by usage of diesel and fuel oil from company-owned vehicles. The Group's scope 1 emissions represent 24.6% of total scope 1 and 2 emissions. Total scope 1 emissions were 203 t CO2-e (FY25: 192 t CO2-e). Scope 1 emissions have increased by 10.8 t CO2-e (5.6%) driven by an increase in fleet fuel consumption.

Scope 2

Scope 2 emissions are entirely attributed to electricity consumption across NSW/ACT, QLD, VIC and TAS. The Group's scope 2 emissions represent 75.4% of total scope 1 and 2 emissions. Total emissions were 622 t CO2-e (FY25: 616 t CO2-e) using the location-based method of emissions accounting. Scope 2 emissions have increased by 6.2 t CO2-e (1.0%), driven by the acquisition of the Virginia store in April 2026.

Scope 3

We will prioritise developing our Scope 3 data capability while we continue to evaluate our reporting obligations.

Measurement approach

Scope 1 and 2 emissions are measured using the activity data times emission factor method. Activity is metered or invoiced consumption. Minor and immaterial estimation has been done for Scope 2 activity data not invoiced. Factors are the Australian National Greenhouse Accounts Factors 2025 issued by DCCEEW.

Scope 2 is measured on the location-based method, which applies the average emission intensity of the grid supplying each site and so reflects where electricity is consumed rather than any contractual instrument. The Group operates across four grids of materially different intensity, from 0.20 kg CO2-e per kWh in Tasmania to 0.78 in Victoria, so the location of consumption affects reported emissions independently of the volume consumed.

Emissions are measured in kg CO2-e and then converted to tonnes for presentation.

Scope	FY25 t CO2-e	FY26 t CO2-e	Change (t)	Change (%)	FY26 % of scope 1+2
Scope 1	192.2	203.0	10.8	5.6	24.6
Scope 2	615.8	622.0	6.2	1.0	75.4
Total scope 1+2	**808.1**	**825.1**	**17.0**	**2.1%**	**100.0%**

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People and Community

Social and Community Initiatives

At BSR, we believe business should be about more than just products and services, it should also be about giving back. Supporting the communities where we live and work is at the heart of what we do, and we are committed to making a lasting, positive difference. With Community being one of our core values, we strive to facilitate socially responsible activities to contribute to the local community and minimise the impact on the environment through honest and transparent operations.

We are proud to continue our partnership with The Kids' Cancer Project, an independent national charity dedicated to funding world-class scientific research into childhood cancer. Since 1993, The Kids' Cancer Project has invested millions into research that improves survival rates and reduces the long-term side effects of treatment, giving children the chance to live healthier, fuller lives.

This year, we took a significant step forward in our commitment by becoming the naming rights partner of the Better Challenge, TKCP's annual fitness fundraising campaign that sees Australians walk or run 90km throughout September to honour the 90 children diagnosed with cancer in Australia every month. Having our name on the Better Challenge reflects not just our financial support, but our belief that businesses have a responsibility to show up for causes that matter.



Across our network of stores, support office staff, retailers, and suppliers, our teams have once again embraced the challenge, walking, running, and fundraising together in support of children and families facing one of the most difficult experiences imaginable. Our support of The Kids' Cancer Project has taken many forms since the partnership began — from dedicated fundraising campaigns and sales weekends, to donating items for charity auctions and using the reach of our network to raise awareness of the cause across Australia. Together, these efforts have seen BSR Group raise $169,615 for The Kids' Cancer Project, and we remain committed to growing that impact year on year.

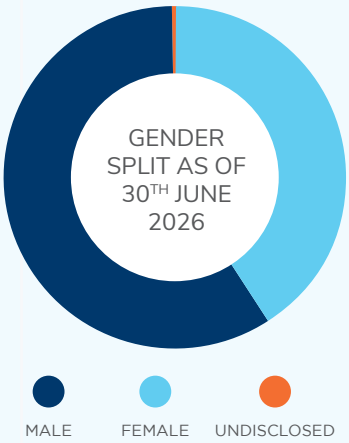
Childhood cancer affects not just the children diagnosed, but the families, friends, and communities around them. Through our partnership with The Kids' Cancer Project, we are proud to play a role in funding the research that gives more kids the chance to grow up, chase their dreams, and enjoy the futures they deserve.

BSR Group is proud to champion diversity and inclusion, both within our workplace and in the communities we serve. In Melbourne, Stan Cash Superstore remains a long-standing sponsor of the Joy Radiothon, supporting the local LGBTQI community, and of 3ZZZ, Australia's largest multilingual community radio station. Stan Cash also provided appliances for the Lighthouse Foundation's homes for young people experiencing homelessness and contributed funding towards One Voice's mobile shower units.

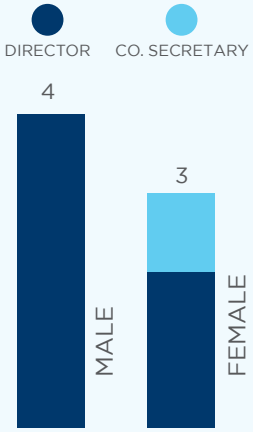
In FY26, Stan Cash also supported Melbourne Surge, Victoria's only LGBTQIA+ inclusive water polo club. Stan Cash donated more than $2,550 in prizes for Surge's annual Trivia Night in October 2025 and $400 in vouchers for its Surf vs Turf raffle in April 2026. Together, the two events raised more than $20,500. Funds raised subsidise the club's Rookies Program, Victoria's only adult beginner water polo program, which registered 80 new participants at the Midsumma Carnival. Stan Cash's support will also fund around 30% of the club's fee subsidy for the next winter season, reducing the cost of the sport for 150 active players.

BSR Group upholds Equal Opportunity Employment practices, with a culturally and linguistically diverse team. The Workplace Gender Equality Agency (WGEA) report highlights our continued commitment to promote and improve gender equality in the workplace which is actively monitored by the leadership team.

Gender Diversity



Board Mix



Workplace Culture and Engagement

Throughout FY26, BSR Group continued to bring our people together through a calendar of engagement and wellbeing activities. Highlights included an International Women's Day morning tea, regular Friday Food Trucks and Town Hall sessions that kept team members connected with business updates and leadership. Friendly competition featured strongly, from the Battle of the Chips to State of Origin 'wear your colours' days, while our Movember campaign supported men's health awareness across the business. Team members were also encouraged to share their ideas and feedback through our suggestion box and Engagement Survey.

An organisation-wide engagement survey was completed during the year, to better understand employee experiences and identify opportunities for improvement. The findings informed a targeted action plan focused on strengthening communication, employee recognition, workplace connection and management capability. The Group also continued its leadership development activities, regular employee town halls, and improvements to its performance appraisal process and manager training.

Programs such as Connect Conversations and our Employee Assistance Program continue to support the wellbeing of our people and foster a more inclusive workplace. Together, these initiatives help build a collaborative culture and reflect our leadership team's ongoing commitment to a positive and healthy workforce.







Health and Safety Initiatives

The Workplace Health and Safety Committee continues to play a vital role in enhancing health and safety measures across the Group and fostering engagement and consistent practices amongst our expanding team. By directly involving staff representatives from across the business, the Committee provides corporate site team members with a platform to contribute to Workplace Health and Safety Management. To further assist with a consistent and transparent approach to all aspects of Workplace Health and Safety, we rolled out a new work health and safety management system across our company stores, warehouses and head office. The system now provides a single system of record and reporting, helping us to respond quickly and appropriately to safety incidents and to prevent future instances of concerns identified.

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Training and Development

As BSR grows and evolves, training and development remain essential. We have focused on leadership development, talent and succession planning, and industry-specific training to prepare our teams for sector challenges. A new training platform, ELEV8, supports how our people learn, connect and grow, with in-house modules tailored to team members' needs and updated as the organisation changes. To produce training content more efficiently and at scale, BSR partnered with Synthesia, an AI-powered video platform. This partnership enables the rapid creation of engaging video modules, conversion of existing guides and presentations, and ongoing support for retail initiatives, system processes and best practice, allowing BSR to keep its commitment to continuous improvement and governance.

ELEV8

NDIS and Betta Mobility

The Group continued to support the delivery of mobility and assistive-technology products to National Disability Insurance Scheme participants and other customers with accessibility needs. BSR maintained policies, guidance and training requirements designed to ensure that participating stores have appropriately screened and trained team members. The Group also continued to assist members seeking to become accredited National Disability Insurance Scheme providers. Mobility and assistive-technology products remain an important service offering for customers and local communities. The first stand-alone Mobility/Assistive Technology (AT) franchise store will open in Tully, QLD in Q2 FY27.





We support the ndis





Responsible Business Conduct

BSR Group continues to embrace artificial intelligence, harnessing ongoing advancements to improve efficiency, enhance decision-making and support our people across the business. During FY26, AI-powered tools have enabled us to produce training content faster and at scale. We continue to explore new opportunities where AI can add value for our team members, retailers and customers. Our use of AI is guided by our AI Policy and supported by robust controls that safeguard our organisation, data and people. Working with trusted third parties, we continue to assess and adopt AI solutions responsibly, ensuring we realise these benefits in line with our governance and regulatory obligations.

Respect for the human rights of workers across our supply chain remains a priority for BSR Group. Throughout FY26, we continued to undertake due diligence to meet our obligations under modern slavery, vehicle safety and ethical timber laws. Our supplier questionnaires include dedicated sustainability questions, helping us confirm that our suppliers share our sustainability goals. Our Modern Slavery Statement and Whistleblower Policy have now been publicly available on our website for seven years.

Supporting our member network to operate responsibly and compliantly is central to the strength of our network. Our regional managers and legal team work closely with members, providing the guidance and resources they need to meet their legal and regulatory obligations. Every retailer member receives Australian Retailers Association membership, together with access to compliance training and policy templates. Store audits provide practical feedback that helps members comply with the Fair Work Act and Workplace Health and Safety legislation.

We value our long-standing relationships with the National Associated Retail Traders of Australia (NARTA) and the Australian Retailers Association (ARA), which keep us connected to industry developments and best practice. Our Board members maintain their membership of the Australian Institute of Company Directors (AICD), supporting high standards of governance. Several board members attend the annual Australian Governance Summit by AICD, to stay informed of emerging governance trends, contemporary best practices and evolving director responsibilities. Independent assurance is provided by our external auditors, KPMG, who also advise us on key regulatory matters.





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