

# 2022 Wesfarmers Modern Slavery Statement



# Contents

## Acknowledgement of Country

Wesfarmers proudly acknowledges the Traditional Owners of Country throughout Australia and their continuing connection to lands and waterways upon which we depend. We pay our respects to the Elders, past and present.

Recognising its potential to advance social, economic and cultural equity for Aboriginal and Torres Strait Islander Australians, Wesfarmers supports the Uluru Statement from the Heart including the proposal to establish an Aboriginal and Torres Strait Islander Voice.

We value your feedback. Please forward any comments to [sustainability@wesfarmers.com.au](mailto:sustainability@wesfarmers.com.au)

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# About this statement

This Statement has been prepared to meet the mandatory reporting criteria in the *Modern Slavery Act 2018 (Cth)*. The table below identifies where each criterion is addressed in this Statement.

<b>Criterion 1</b> Identify the reporting entity	Page 2 Appendix A
<b>Criterion 2</b> Describe the reporting entity's structure, operations and supply chains	Pages 8–13 Appendices A & B
<b>Criterion 3</b> Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls	Pages 14–18
<b>Criterion 4</b> Describe the actions taken by the reporting entity and any entity it owns or controls to assess and address those risks, including due diligence and remediation processes	Pages 19–29 Appendix C
<b>Criterion 5</b> Describe how the reporting entity assesses the effectiveness of these actions	Pages 30–33 Appendix D
<b>Criterion 6</b> Describe the process of consultation with any entities that the reporting entity owns or controls (a joint statement must also describe consultation with the entity giving the statement)	Pages 6–7
<b>Criterion 7</b> Include any other information that the reporting entity, or the entity giving the statement, considers relevant	Pages 3–7

This Modern Slavery Statement is made in accordance with section 14 of the Australian *Modern Slavery Act 2018 (Cth)* (MSA).

It describes steps taken by the Wesfarmers Group during the year ended 30 June 2022, to mitigate the risk of modern slavery in the Group's businesses and supply chains.

This is our seventh modern slavery statement and third made under the MSA.

This Modern Slavery Statement is a joint statement, made on behalf of all reporting entities in the Group. A reporting entity under the MSA is based or operating in Australia with revenue exceeding \$100 million in the reporting period and not all businesses within the Group are reporting entities. A list of Group reporting entities is at Appendix A.

## Reporting entities

Wesfarmers is an Australian public company listed on the Australian Securities Exchange (ASX:WES).

Wesfarmers is registered at Level 14, Brookfield Place Tower 2, 123 St Georges Terrace, Perth Western Australia 6000.

In this Modern Slavery Statement, a reference to:

- 'Wesfarmers' is to Wesfarmers Limited ABN 28 008 984 049
- 'Wesfarmers Group', 'the Group', 'we' or 'us' is a reference to Wesfarmers and its divisions and businesses
- A division includes each reporting entity listed as part of that division, and other businesses within the division.

Across the Group, each division is accountable for managing its modern slavery risks. Modern slavery risks differ between industries and therefore the Group's divisions may have different areas of focus. The Group's minimum standards are, however, expected to be met in all divisions and businesses. Where divisional ethical sourcing programs differ materially from the Group's minimum standards, these differences have been highlighted in this Modern Slavery Statement.

It is important to acknowledge that the maturity of modern slavery risk management and reporting continues to evolve over time. The Health and OneDigital divisions are new to the Group and early in the process of aligning to the Group's minimum standards. Health and OneDigital data is not included in the reported metrics.

This modern slavery statement was approved by the Wesfarmers Board on 27 October 2022.

# Managing Director's statement



**Across the Group, we are committed to contributing to the elimination of modern slavery, which is a growing and complex problem, best tackled by collective action.**

Wesfarmers seeks to engage fairly with suppliers, to source ethically and sustainably, and to advance the understanding of and respect for human rights in our operations and supply chains.

These are important, shared priorities for all members of the Wesfarmers Leadership Team and the Wesfarmers Board.

In Australia and internationally, our teams work with our suppliers and others to take and collaborate on actions which are aimed at identifying, assessing, managing and mitigating modern slavery risks.

The Group employs almost 120,000 team members in Australia, New Zealand and other countries. We have nearly 26,000 suppliers producing goods and services in more than 40 countries. We've long known that strong supplier relationships are essential to the long-term success of Wesfarmers.

Through our actions, often in cooperation with our suppliers, we can reduce the risk of modern slavery.

Our businesses seek to partner with suppliers which share our values including respect for human rights. When engaging new suppliers, we conduct due diligence to assess diverse supplier risks including the risk of modern slavery.

Where appropriate, we monitor active suppliers and during the 2022 financial year, we conducted more than 2,600 audits of supplier sites. These audits provide confidence to our businesses and customers that the human rights of team

members employed by our suppliers are being upheld, and that they are being treated with respect. Where monitoring identifies concerns, our businesses work with our suppliers to report and remediate issues.

While this is Wesfarmers' seventh Modern Slavery Statement, we continue to look for opportunities to improve. This year, we commissioned independent reviews of our 2021 Modern Slavery Statement and ethical sourcing reporting. Pleasingly, the reviews recognised many leading aspects of Wesfarmers' ethical sourcing programs and reporting. The reviews recommended that Wesfarmers enhance its reporting by further contextualising our work, by evolving to more meaningful performance metrics, and that we strengthen our reporting on remediation. I am pleased to see the progress on these areas in this year's Modern Slavery Statement.

In the past year, COVID-19 continued to impact our local and global teams, and our suppliers' teams. I am proud of the leadership role Wesfarmers has played prioritising the health, wellbeing and safety of our teams and communities. Likewise, I am gratified by the support our businesses have provided to suppliers, their teams and local communities, in our major sourcing markets.

I am pleased to present this Modern Slavery Statement.

A handwritten signature in black ink, appearing to read 'Rob Scott'.

**Rob Scott**

Managing Director  
27 October 2022

# 01

## Approach

Our approach to ethical sourcing



# Our approach to ethical sourcing

For the Wesfarmers Group, it is essential that we engage fairly with suppliers, source ethically and sustainably, mitigate or prevent modern slavery risks, and respect human rights.

We are committed to ethical sourcing and have reported transparently on modern slavery risks in our operations and supply chains for almost a decade.

We recognise that businesses can play an important role, advancing the understanding of and respect for human rights and eradicating modern slavery.

We recognise that modern slavery is a complex problem, best tackled by collective commitment and we are committed to working with our team members, suppliers and others to fulfil this common goal.

Under the MSA, modern slavery is defined to include servitude, human trafficking, debt bondage, forced marriage, forced labour, deceptive recruiting for labour or services, and the worst forms of child labour. It includes situations of serious exploitation where offenders use coercion, threats or deception to exploit victims and undermine their freedom.

This Modern Slavery Statement summarises steps taken by the Wesfarmers Group to identify, prevent, mitigate and manage the risk of modern slavery in our operations and supply chains.

We recognise that modern slavery rarely occurs in isolation. It forms part of other complex challenges and systems, including gender and racial discrimination, weak rule of law and low wages.

Where possible, our businesses work in collaboration with industry-wide initiatives, government and non-government organisations, and with our suppliers, to drive impact and to promote coordinated approaches to tackling complex modern slavery issues.

## Human rights commitment

The Wesfarmers Group has long recognised that managing our businesses with an awareness of and respect for human rights will support performance against our purpose, over the long-term.

To deliver satisfactory returns to shareholders, we need to understand and manage the ways we affect people, communities and the environment across our value chain. Doing so helps to ensure that we can continue to create value in the future.

While we can achieve much in the short term, respect for human rights requires long-term focus and commitment, as is the case with many other environmental and social opportunities and challenges facing the Wesfarmers Group today.

Wesfarmers is committed to observing the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights, the International Covenant on Economic, Social and Cultural Rights and the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work.

We are also committed to implementing the United Nations Guiding Principles on Business and Human Rights (UNGPs) and the ten principles of the United Nations Global Compact. Together, these principles help us identify and respond to potential human rights and modern slavery risks.

For more information, see **Our approach to human rights** on the Wesfarmers website.



## Our approach to ethical sourcing

Our approach to ethical sourcing aligns with the Wesfarmers primary objective.

The Wesfarmers Way guides the company's operating model and sets out our values and value-creating strategies which are directed at achieving the Group's primary objective of providing a satisfactory return to shareholders.

Our business model is underpinned by our core values of integrity, openness, accountability and entrepreneurial spirit.

Further details about the Wesfarmers Way are published on our website.

Our human rights commitments are supported by our Code of Conduct and our Group and divisional policies and procedures. These include our Group Ethical Sourcing and Modern Slavery Policy, Our approach to human rights statement, and our environmental commitments, recognising the linkage between human rights and environmental issues, including climate change.

Together, these Group and divisional policies and procedures seek to identify, prevent, mitigate and manage adverse human rights impacts which may arise from our activities and value chain.

Our Group Ethical Sourcing and Modern Slavery Policy sets the minimum standards expected of divisions. It seeks to ensure that the Group's businesses meet the minimum standards including a prohibition on forced or compulsory labour and child labour, and to operate in accordance with all applicable laws. The Group policy also aims to safeguard rights including the freedom of association and collective bargaining and to eliminate discrimination.

A list of Group and divisional policies and codes can be found at Appendix B.

### Consultation

All Wesfarmers' divisions supported the preparation of this Modern Slavery Statement including with annual ethical sourcing and modern slavery reports for divisional boards.

Divisional board reports include details of divisional ethical sourcing programs, supplier due diligence and monitoring activities, emerging risks, identified issues, remediation actions, planned program improvements and collaborations and other initiatives. This Modern Slavery Statement draws upon divisional board reports, and has been co-developed and reviewed by executives in our divisions.

Ernst & Young (EY) has reviewed and provided limited assurance over the content of this Modern Slavery Statement including reported ethical sourcing and audit program data. The EY assurance statement is on the Wesfarmers website and sets out further information on the scope of their assurance.

This Modern Slavery Statement has also been subject to review by Allens Linklaters.

### Our primary objective is to deliver a satisfactory return to shareholders.

We believe it is only possible to achieve this over the long-term by:



anticipating the needs of our customers and delivering competitive goods and services



looking after our team members and providing a safe, fulfilling work environment



engaging fairly with our suppliers, and sourcing ethically and sustainably



supporting the communities in which we operate



taking care of the environment



acting with integrity and honesty in all of our dealings

# Our approach to ethical sourcing

## Ethical sourcing governance

The Wesfarmers Board approves the purpose, values and strategic direction of the Group. It guides and monitors management, oversees governance and sets the Group's risk appetite. The Board also approves the Group Ethical Sourcing and Modern Slavery Policy.

The Wesfarmers Audit and Risk Committee (ARC) assists the Board in overseeing the Group's ethical sourcing programs including activities undertaken to address modern slavery risks and the Group's ethical sourcing reporting including this Modern Slavery Statement. The ARC receives regular reporting on human rights risks management including modern slavery. Human rights risk in our own operations and supply chains is a standing item in the Wesfarmers Group operational risk framework.

The Wesfarmers Managing Director and Wesfarmers Leadership Team (composed of Wesfarmers senior executives and divisional managing directors) oversee the implementation of divisional ethical sourcing programs.

Working with experienced executives in our divisions, the Wesfarmers Leadership Team reviews emerging human rights risks and opportunities and leads stakeholder engagement. Divisional boards and management teams have responsibility for identifying and managing material risks in accordance with the Group's risk management framework, with support from divisional audit, risk and compliance committees which oversee existing and emerging modern slavery and human rights risks.

Wesfarmers divisions leverage internal (and in some cases Group) expertise to maintain ethical sourcing programs that assess and monitor human rights risks relating to suppliers of products and services. Due diligence is conducted when engaging new suppliers, and on an ongoing basis for high-risk suppliers. Reports on divisional ethical sourcing programs are presented to divisional boards, the ARC and the Wesfarmers Board.

The Health division and OneDigital are new divisions to the Group and early in the process of aligning to the Group's minimum standards.

## Divisional ethical sourcing programs

Each division is responsible for implementing its own ethical sourcing program, tailored to address the modern slavery and ethical sourcing risks relevant to its business and industry.

While the divisions focus on different risks, their ethical sourcing programs share a broadly common methodology to identify, assess, manage, and mitigate modern slavery risks, as represented below.

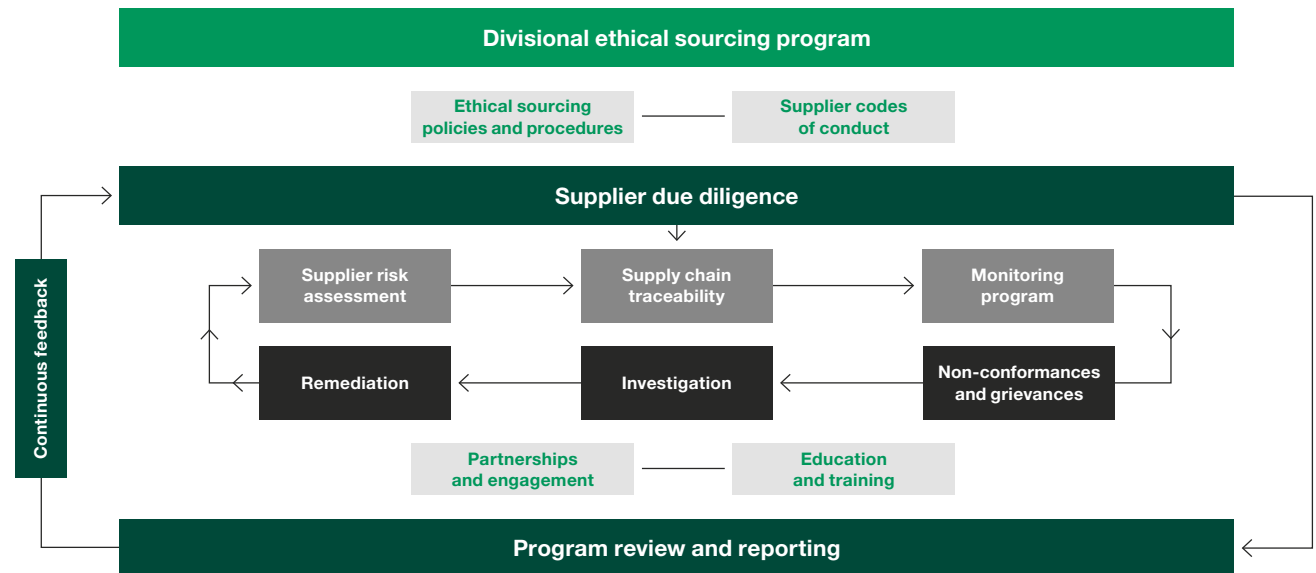
Wesfarmers convenes quarterly human rights forums where divisional and business representatives share learnings and leading practice. During the year, these forums have been used to collaborate and share insights on emerging issues, to further align divisional ethical sourcing programs and terminology, and to agree key metrics used to track modern slavery due diligence and effectiveness.

All Wesfarmers divisions are required to develop divisional policies which adopt the Wesfarmers minimum standards, as appropriate to their industries.

The divisions maintain ethical sourcing programs which include supplier due diligence, contractual protections and monitoring of high risk suppliers. In the event a supplier is unwilling to meet the minimum standards or unwilling to implement required improvements within mutually specified timeframes, the contractual arrangements between the division and the supplier may be suspended or terminated.

As noted above, the new Health and OneDigital divisions are early in the process of aligning to the Group's minimum standards.

Key policies and other instruments relevant to the management of modern slavery and human rights risks are in Appendix B on page 39 and, unless noted, available on the Wesfarmers website.







# Our structure, operations and supply chains

## About Wesfarmers

From its origins in 1914 as a Western Australian farmers' cooperative, the Wesfarmers Group has grown into one of Australia's largest listed companies, owned by more than 515,000 shareholders.

The Wesfarmers Group is organised into seven divisions. Within each division, there are several businesses. In the 2022 financial year, we established the Health division, following the acquisition of Australian Pharmaceutical Industries (API). Wesfarmers OneDigital, which brings together the Group's digitally native businesses, was also established in the 2022 financial year.

Group businesses span home improvement, outdoor living and building materials; general merchandise and apparel; office and technology products; health, beauty and wellbeing products; wholesale pharmacy distribution; manufacturing and distribution of chemicals and fertilisers; mine development and construction; industrial and safety product distribution; retail and commercial energy supply; and a data and digital ecosystem.

Our model of divisional autonomy means that each division has its own management team and is accountable for strategy development and implementation, as well as day to day operational performance including its ethical sourcing programs.

Each division is overseen by a divisional board of directors that includes the Wesfarmers Group Managing Director and Chief Financial Officer and is guided by a Group-wide operating cycle and governance framework.

All divisions have dedicated ethical sourcing teams to manage ethical sourcing and human rights risks. Merchandise and procurement teams are responsible for managing supplier relationships and are central to the management of ethical sourcing and human rights risks.

In some divisions, in-country sourcing teams help our businesses to promptly identify and respond to potential risks, and build strong links with suppliers, government and non-government organisations in sourcing countries. Kmart Group has more than 560 team members within its sourcing team, located in Australia, Bangladesh, China, Hong Kong, India and Indonesia. Blackwoods has a sourcing team in China. Workwear Group has teams in Bangladesh, China and India.

The Wesfarmers Group has long supported the local communities where we operate, as this supports our long-term success. With successful businesses, we have the opportunity to deliver diverse economic and social benefits to our team members, customers, suppliers and communities, including through employment, training, community investment and in areas such as Indigenous employment and supplier diversity.

More information about the Wesfarmers Group including its strategies, products and operations, as well as approach to sustainability is on the Wesfarmers website at [www.wesfarmers.com.au](http://www.wesfarmers.com.au) and our divisional websites.

Headquartered in Western Australia



26,000

Extensive supply chains with almost 26,000 suppliers



More than 515,000 shareholders

515,000











120,000

One of Australia's largest employers with almost 120,000 team members

# Our structure, operations and supply chains

The Wesfarmers Group is organised into seven divisions. Within each, there are several businesses.

<b>Bunnings Group</b>	<p>Bunnings Warehouse, Bunnings, Bunnings Trade, Beaumont Tiles<sup>1</sup>, Tool Kit Depot</p> <p>Bunnings is the leading retailer of home improvement and lifestyle products in Australia and New Zealand, and a major supplier to project builders, commercial tradespeople and the housing industry.</p>
	
<b>Kmart Group</b>	<p>Kmart, Target, Catch<sup>2</sup></p> <p>Kmart and Target provide everyday retail products in stores and online in Australia and New Zealand, and Catch is an online retailer and marketplace.</p>
	
<b>Wesfarmers Chemicals, Energy and Fertilisers (WesCEF)</b>	<p>CSBP, Australian Vinyls, AGR (75%), QNP (50%), Evol LNG, Kleenheat, Modwood, Covalent Lithium (50%)</p> <p>WesCEF manages a portfolio of businesses that manufacture and sell diverse industrial products including chemicals for use in resources and industrial settings; fertilisers for use in agriculture; energy solutions for retail and industrial customers. WesCEF is also developing the Mt Holland lithium project.</p>
	
<b>Officeworks</b>	<p>Officeworks, Geeks2u</p> <p>Officeworks is Australia's leading retailer and supplier of home and office products and solutions to retail and business customers. Geeks2U provides in-person and online IT support services.</p>
	
<b>Wesfarmers Industrial and Safety (Industrial and Safety)</b>	<p>Blackwoods, NZ Safety Blackwoods, Workwear Group, Coregas, Bullivants, Grencap</p> <p>Industrial and Safety is a leading supplier of industrial, safety and workwear products and services, and industrial and medical gases, to business and government customers. On 1 August 2022, the Industrial and Safety division completed the sale of the Grencap consulting business.</p>
	
<b>Health<sup>3</sup></b>	<p>API, Priceline, Priceline Pharmacy, Clear Skincare Clinics, franchises and banner brands Priceline Pharmacy, Soul Pattinson and Pharmacist Advice</p> <p>Health is a new division focused on health, beauty and wellbeing, established in 2022 following the acquisition of API. Health includes a wholesale distributor of pharmaceutical goods, health and beauty retail businesses and support services to pharmacies through franchises and banner brands.</p>
	
<b>Wesfarmers OneDigital (OneDigital)<sup>4</sup></b>	<p>OneDigital, OnePass, and OneData, Catch<sup>2</sup></p> <p>OneDigital is a new division, bringing together the Group's digitally native businesses including the Catch marketplace, the OnePass membership program and the OneData Group data asset.</p>
	
<b>Other activities</b>	<p>Flybuys</p> <p>Wesfarmers holds a 50% interest in Loyalty Pacific Pty Ltd which prepares its own modern slavery statement.</p>
	

<sup>1</sup> Beaumont Tiles was acquired in November 2021 and will be integrated into Wesfarmers reporting processes in the next Modern Slavery Statement.

<sup>2</sup> In FY2022, Catch was part of Kmart Group. From 1 July 2022, Catch sits within OneDigital.

<sup>3</sup> Health has commenced the process of aligning with Wesfarmers reporting processes. Additional resources have been invested to establish an ethical sourcing program consistent with the Wesfarmers Group approach. API published a modern slavery statement in February 2022, prior to its acquisition by Wesfarmers.

<sup>4</sup> OneDigital is not a reporting entity for the purposes of this Modern Slavery Statement.

# Our structure, operations and supply chains

## Wesfarmers value chain

This is a high-level view of our businesses' value chains. It represents our suppliers providing goods and services, our operations, and our products sold to customers.

The Group's supply chains are multi-tiered, complex and dynamic. All Wesfarmers divisions have different supply chains, reflecting their diverse operations and products.

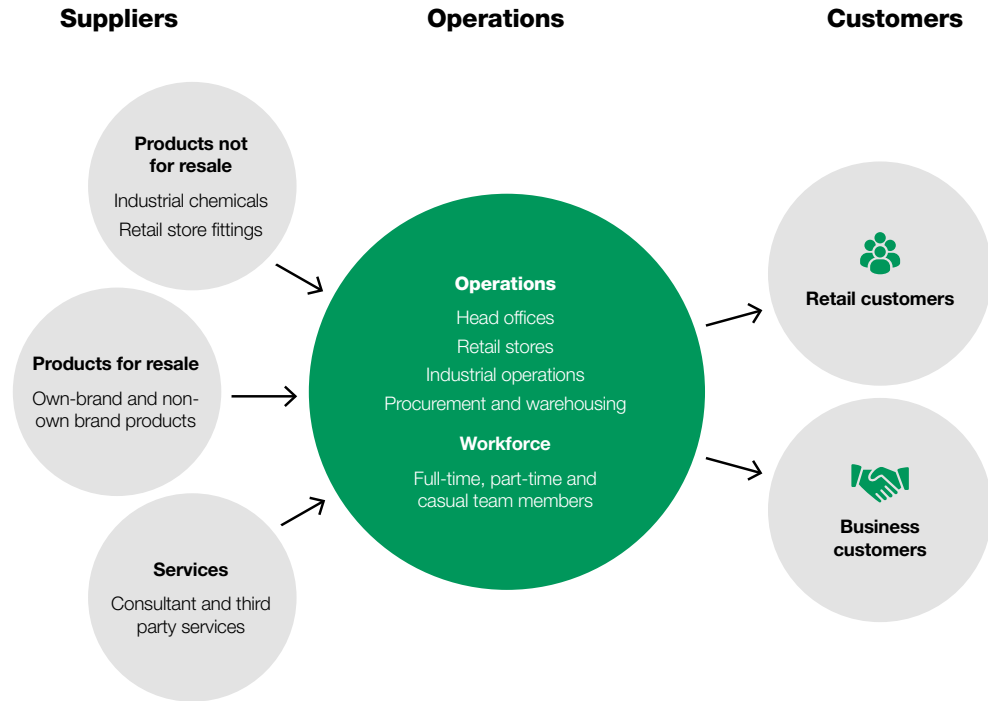
This year, we transacted with nearly 26,000 suppliers in more than 40 countries. Of these, about 12,000 supplied products and about 14,000 supplied services.

Total spend on own-brand products was nearly \$8 billion. When measured by value, over 92 per cent of own-brand product was with suppliers in Australia, Bangladesh, China, Europe, India, Indonesia and North America.

Each division has merchandising, procurement and ethical sourcing teams that manage the majority of this spend, with support from the Wesfarmers corporate team. Additional information on the Bunnings, Kmart Group, Officeworks, Blackwoods, NZ Safety Blackwoods and Workwear Group ethical sourcing programs (including their supply chain teams) is included on the Wesfarmers and divisional websites.

Importantly, the Group's retail businesses do not own the factories where products are made, but instead engage third-party suppliers to manufacture products. Industrial and Safety manufactures some own product including uniforms and gases. WesCEF manufactures chemicals and fertilisers and produces gases.

Some categories of services supplied to the Wesfarmers Group are known to present higher risk of modern slavery. For cleaning and security services, Wesfarmers businesses may engage team members directly or engage businesses to provide workers to provide these services or engage suppliers to provide these services with their own staff. Our divisions also engage labour hire businesses to supply some workers in our distribution centres.



The Group's businesses directly source products for resale, products not for resale and services. All are considered part of the Group's supply chains.

**Products not for resale:** Include items used in our operations such as IT equipment, retail store fit-outs, uniforms, industrial products and equipment, and bulk raw materials used in the Group's industrial businesses.

**Products for resale:** Are finished products that include home improvement products, clothing, general merchandise, office supplies and health and beauty products, sourced principally by Wesfarmers' retail businesses.

**Services:** Including IT services, security, cleaning and waste removal services, shipping and logistics services, maintenance and repair services, real estate and property management services, training and other consulting services.

## Our structure, operations and supply chains

The Wesfarmers Group is committed to sourcing products and services in an ethical manner while working with suppliers to improve their social and environmental practices.

We expect suppliers and other business partners to respect workers' rights, and we strive to reduce and mitigate the risk of modern slavery in our supply chains.

Should modern slavery be identified, we focus on placing the rights of victims at the centre of our response and remediation.

### The apparel supply chain

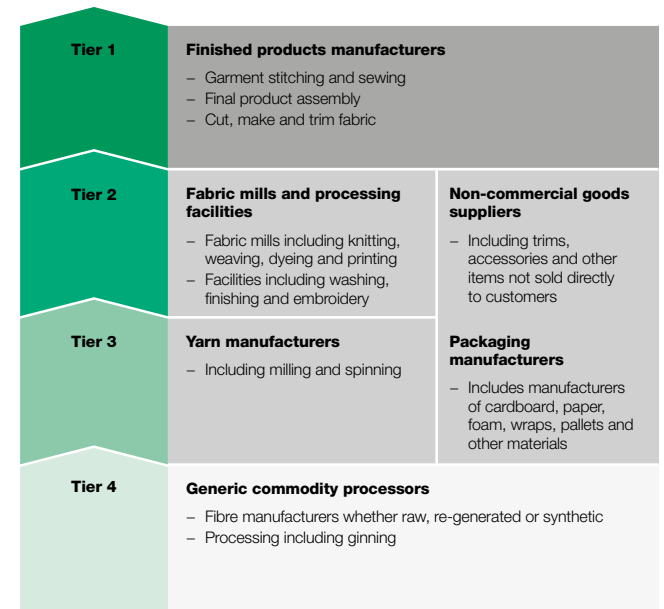
Our contractual relationships are with tier 1 suppliers of products for resale. We do not generally have contractual relationships with the suppliers to our tier 1 suppliers (often called tier 2 suppliers), who are further up the supply chain.

As illustrated opposite, the garment supply chain is especially complex and nuanced, depending upon the design and materials in the product. Tier 2 and 3 suppliers provide diverse inputs including fabric, thread, trim, and accessories. Tier 4 suppliers provide diverse raw materials (such as cotton) and services (such as cotton processing).

Relationships between tiers may be complex. Some suppliers are vertically integrated, spanning multiple tiers of the supply chain, while others specialise in a single component of the supply chain. Each tier may be located in different countries, with products shipped to another country for further manufacturing.

The apparel supply chain shown is particularly relevant to our Kmart and Target businesses. Workwear Group has a similar supply chain, although it also manufactures uniforms.

Across the Group, other divisions and businesses have very different supply chains. For instance, WesCEF sources diverse raw materials (such as chemicals) for its processes, with outputs used in chemical processes or sold to customers.



## Major sourcing locations

### Pakistan

Apparel, general merchandise

### India

Apparel, general merchandise, personal protective equipment

### Vietnam

Apparel, general merchandise, office supplies, electronics

### China

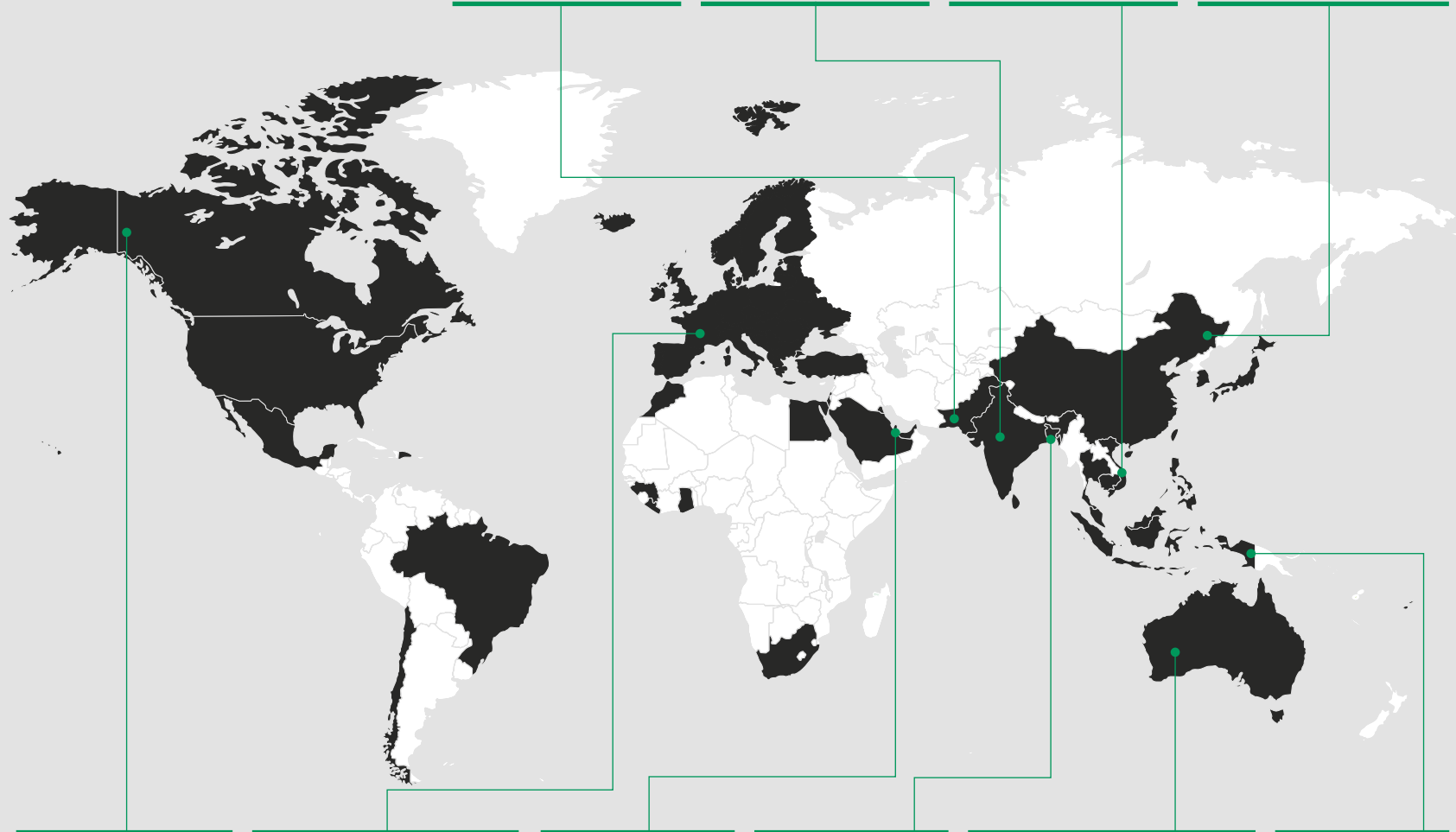
Apparel, electronics, general merchandise, industrial parts, office supplies, furniture, personal protective equipment

**26,000**

suppliers of products and services

**96%**

of spend on own-brand products is sourced from the 10 locations



### United States of America & Canada

Industrial inputs, general merchandise

### Europe

Apparel, chemicals and industrial inputs, hand tools, office supplies, general merchandise, personal protective equipment

### Qatar

Fertiliser inputs

### Bangladesh

Apparel

### Australia

Cleaning, maintenance, security contractors, office supplies, furniture  
Operational activities are principally undertaken in Australia and New Zealand

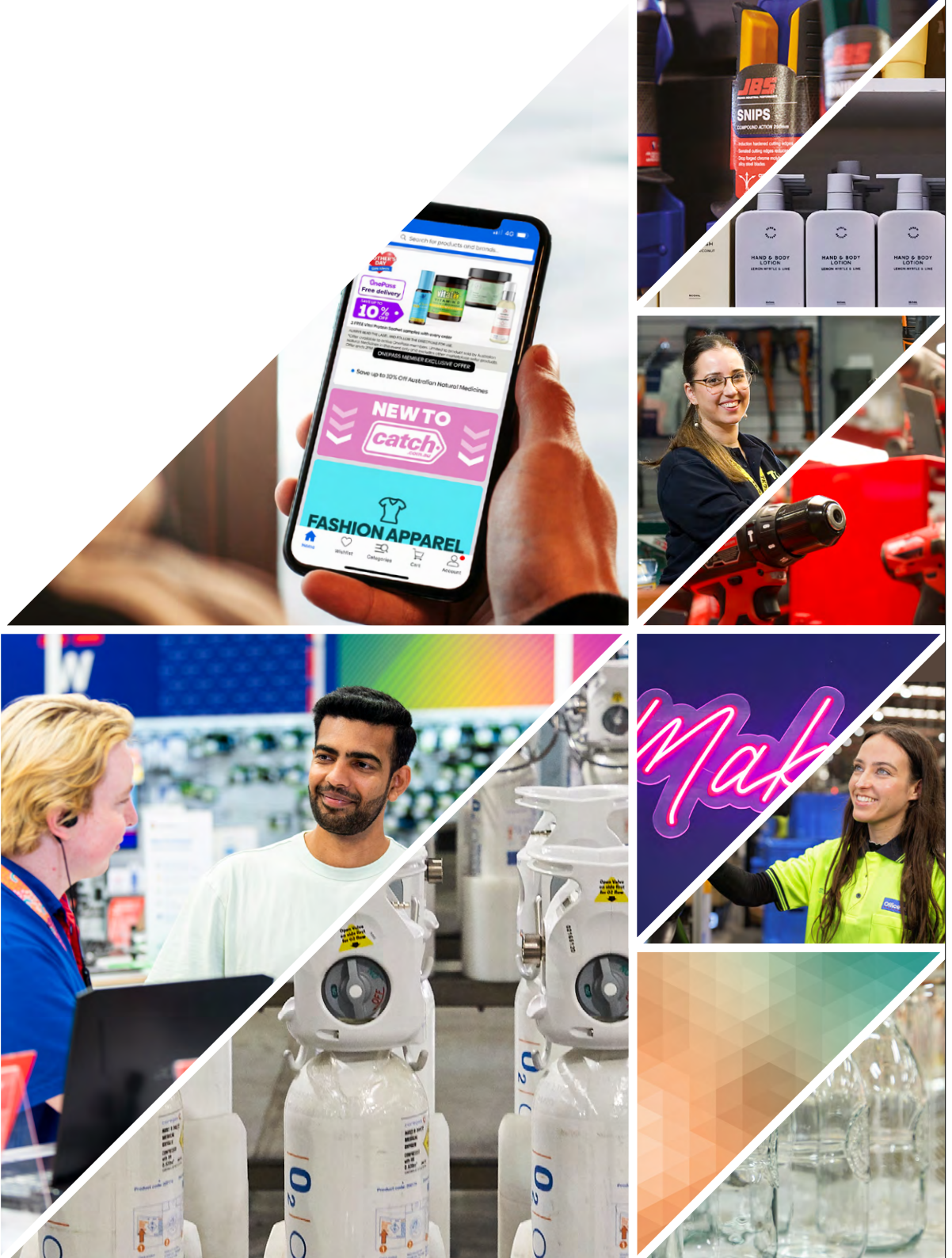
### Indonesia

Apparel, general merchandise, furniture

# 03

## Risks

Risks of modern slavery in our operations and supply chains



# Risks of modern slavery in our operations and supply chains

As a large, diverse conglomerate with operations in Australia and internationally, and complex international supply chains, the Wesfarmers Group is exposed to human rights risks.

We monitor our exposure to these risks using a combination of external research, new supplier screening, supplier due diligence programs (including audits), and supplier and supply chain worker feedback mechanisms.

## Risks in Wesfarmers operations

The salient human rights risk assessment undertaken in 2021 identified that maintaining safe and fair workplaces for our workers was a key risk in the Wesfarmers Group's operations, which are principally in Australia and New Zealand.

The Wesfarmers Group has assessed the risk of modern slavery in its operations as low. Our workforces are predominantly in low-risk countries and we maintain robust human resources systems.

Many leaders are trained in human rights, and the Wesfarmers Code of Conduct, the Equal Employment Opportunity Policy and the Diversity and Inclusion Policy are widely communicated and well understood. Whistleblower and grievance mechanisms provide greater transparency and mitigate modern slavery risks.

Around 89 per cent of the Wesfarmers Group's Australian workforce (about 107,000 team members) is employed under collective agreements, with the others employed through individual contracts. Agreements confer minimum pay and entitlements and typically provide for consultation regarding significant operational changes. Wesfarmers recognises the rights of team members to negotiate collectively, with or without the involvement of third parties.

## Salient human rights assessment

In 2021, Wesfarmers engaged a third-party human rights consultant to support a salient human rights issues assessment for the Group.

This assessment engaged cross-functional working teams to consider overarching human rights (including modern slavery) risks for our businesses. Human rights risks were mapped across our operations, supply chains and business relationships, with each risk assessed for scale, scope, irremediability and likelihood of potential or actual human rights impact.

The Wesfarmers Group continue to utilise the findings from this assessment to prioritise actions to mitigate human rights risk.

This risk assessment enabled the Group to prioritise six salient human rights issues:

- Supporting labour rights in our value chain
- Respecting Indigenous peoples' rights
- Maintaining fair and safe workplaces for our workers
- Preventing adverse impacts on communities
- Upholding the privacy and personal dignity of our customers, team members and other stakeholders and
- Ensuring product safety for our customers.

## Customer due diligence

During the year, the Refinitiv Know Your Customer World Check Risk Intelligence tool was introduced, as an additional tool to assess and manage the risk of modern slavery.

The tool includes global screening for adverse media reporting and supports the identification and categorisations of potential risks including violations of human rights and labour rights, forced and slave labour, exploitation of children, and illegal immigration such as human trafficking.



## Risks of modern slavery in our operations and supply chains

### Risk factors in supply chains and suppliers

Consistent with their diverse operations and industries, our divisions use diverse multi-factor risk methodologies to assess the inherent risk in their supply chains and suppliers.

Risk is influenced by various factors including the category of product, raw materials used in manufacture, the manufacturing process, whether the product is own-brand or non-own brand, where the products are manufactured or services are procured and the value of spend with the supplier.

In assessing inherent risk, our divisions may also consider self-assessment questionnaires completed by suppliers and findings detailed in independent audits.

External research is reviewed to assess the risk profile of our divisions and suppliers including:

- Trafficking in Person Report (TIP), US Department of State
- Global Rights Index (GRI), International Trade Union Confederation
- Global Slavery Index, Walk Free
- Corruption Perceptions Index, Transparency International
- Global Estimates of Modern Slavery published by the International Labour Organisation
- Refinitiv customer risk analysis software
- Reports by supplier ethical trade membership organisations such as SEDEX

Across the Group, over many years, the following risk factors have been identified as contributing to a higher risk of modern slavery, although the relevance of each varies across the divisions, based on their operations and risk criteria.



#### Complex multi-tiered supply chains

There is an increased risk of modern slavery when the supply chains are complex, multi-tiered, opaque and span various countries. These factors limit the line of sight to working conditions throughout the value chain.



#### Certain types of product and service

Products and services present higher risk of modern slavery if they are low margin, include hazardous or unregulated manufacturing processes, use of hazardous types of raw materials or reliance upon low-skilled, seasonal or low-paid workers.



#### Country of sourcing

According to international human rights reports, some countries have a higher prevalence of modern slavery. This is often associated with weak rule of law, poor governance practices, conflict, migration flows and socio-economic factors such as poverty.



#### Complex labour sourcing

There is an increased risk of modern slavery where teams are employed by third party labour hire companies or via complex labour value chains. Third-party labour hire companies may be contracted to provide cleaning and security services and to work in horticultural facilities.

## Material risks in Wesfarmers supply chains and suppliers

The following table identifies material supply chain risks across the Group, and the relationship to products or services sourced. These material risks build upon our assessment of salient human rights risks, and our understanding of risk factors across our operations, suppliers and supply chains, and sourcing location. Similar analysis will be undertaken for the Heath and OneDigital divisions.

Sourcing locations	Risk types	Products or services	Businesses
<b>Australia</b>	Migrant labour exploitation Deceptive recruitment practices	Contracted services including cleaning, maintenance and security Some risk in the provision of office supplies and furniture	All divisions
<b>Bangladesh</b>	Excessive overtime	Apparel	Kmart, Target NZ Safety Blackwoods, Workwear Group
<b>Brazil</b>	Excessive overtime	Timber including timber boards and indoor flooring	Bunnings
<b>China</b>	Freedom of association Excessive overtime Forced labour Risks in the raw material supply chain	Apparel Electronics General merchandise Industrial parts Office supplies Furniture	Bunnings Kmart, Target, Catch Officeworks Blackwoods, NZ Safety Blackwoods, Workwear Group
<b>Europe</b>	Migrant labour exploitation	Apparel Chemicals and fertiliser inputs Office supplies General merchandise Personal protective equipment	Bunnings Kmart, Target Blackwoods, Workwear Group Officeworks WesCEF
<b>India</b>	Forced and bonded labour Migrant labour exploitation Child labour*	Apparel General merchandise Personal protective equipment	Bunnings Kmart, Target, Catch Officeworks Blackwoods, NZ Safety Blackwoods, Workwear Group
<b>Indonesia</b>	Forced and bonded labour Excessive overtime Migrant labour exploitation	Apparel General merchandise Furniture	Bunnings Kmart, Target Workwear Group
<b>Malaysia</b>	Forced and bonded labour Migrant labour exploitation Deceptive recruitment practices Excessive overtime	Electronics Office supplies General merchandise Personal protective equipment	Bunnings Blackwoods, NZ Safety Blackwoods, Workwear Group Kmart, Target
<b>Pakistan</b>	Forced and bonded labour Migrant labour exploitation Child labour*	Apparel General merchandise	Kmart Group NZ Safety Blackwoods, Workwear Group
<b>Qatar</b>	Freedom of association Forced labour Migrant labour exploitation	Fertiliser inputs	WesCEF
<b>Taiwan</b>	Forced and bonded labour Migrant labour exploitation Deceptive recruitment practices Excessive overtime	Electronics Office supplies General merchandise Personal protective equipment	Blackwoods, NZ Safety Blackwoods Officeworks
<b>United State of America &amp; Canada</b>	Migrant labour exploitation	Fertiliser inputs General merchandise	Kmart WesCEF
<b>Vietnam</b>	Excessive overtime	Apparel General merchandise Office supplies Electronics	Bunnings Kmart, Target Officeworks Blackwoods, Workwear Group

\* 'Child labour' is a reference to the worst forms of child labour as defined in article 3 of the ILO convention (No 182) concerning the Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labour.

## Material risks in Wesfarmers supply chains and suppliers

### Risks among suppliers of services to Wesfarmers

All Wesfarmers divisions engage suppliers of services including to provide cleaning, security and maintenance services.

These suppliers may employ or rely upon low skilled and/or migrant workers who are known to be more vulnerable to exploitation. Risks among low skilled and migrant workers are higher because they may be less educated, less familiar with workplace laws and less proficient in local languages. Migrant workers may be more vulnerable because of dislocation from community and family support structures, concern about employment security and its capacity to impact immigration status, and issues related to personal background (such as conflict in home countries which caused migration). Together, these reasons may mean low skilled and migrant workers are less likely to raise issues through grievance or whistleblower mechanisms.

Recognising that Australia and New Zealand are considered lower risk for modern slavery, suppliers of services in Australia are not generally included in divisional ethical sourcing programs. They are, however, actively monitored. For instance, following its review of selected cleaning providers in Australia last year, Bunnings has strengthened controls applied to the procurement of labour services, transitioning to using a single cleaning provider across Australian retail locations. These enhanced controls reduce ethical sourcing risks. Officeworks is a member of the Cleaning Accountability Framework, an organisation that brings businesses, unions, government and workers together, to help improve the conditions for workers in Australia's cleaning industry.

### Impact of COVID-19

This year, COVID-19 continued to create challenges for our business and our suppliers, with flow-on consequences for our ethical sourcing programs.

As has been the case since the onset of the pandemic, Wesfarmers' divisions have continued to provide support to team members and suppliers, as they grappled with the challenges associated with COVID-19 including the broader impact of extended lockdowns and restrictions.

During the year, the Group continued to provide paid pandemic leave to team members and paid all permanent and many casual team members through periods of prolonged lockdown, even when there was no meaningful work for them, and when they were required to isolate. This investment totalled approximately \$49 million in the 2022 financial year, and provided certainty to team members and their families. For our customers and local communities, we were also pleased to support the delivery of over 140,000 COVID-19 vaccinations at Bunnings sites during the year, in collaboration with the Commonwealth and State Governments.

Since the onset of the pandemic, Wesfarmers' divisions have continued to engage fairly with suppliers, and this included maintaining orders to ensure business continuity. In selected countries, we have supported training webinars and shared best practices to help suppliers comply with best practice and provide COVID-safe workplaces. During the year, stringent COVID-19 restrictions were applied in China. In some instances, these restrictions meant that scheduled audits were postponed or cancelled, particularly during lockdowns. Increasingly, the challenge of maintaining an ethical sourcing program which operates around COVID-19-related interruptions is fast becoming normal.

### Cause, contribute and directly linked

The UNGP uses the three concepts – cause, contribute and directly linked – to define a company's connection to a negative human rights impact and subsequent responsibility to support the provision of a remedy.

These are not rigid categories but rather guiding principles, used to assist companies in assessing and managing risk responsibly.

The Wesfarmers Group recognises its responsibility to avoid causing or contributing to adverse human rights impacts through our activities, and to address such impacts when they occur.

We also seek to prevent or mitigate adverse human rights impacts that are directly linked to our operations, even if our businesses have not caused or contributed to those impacts.

In identifying and assessing modern slavery risks in our operations and supply chains, we have used this UNGP framework to better understand potential linkages between our activities and human rights impacts.

In future modern slavery statements, we expect to report on identified alignment between our activities and potential human rights impacts, using the cause, contribute and directly linked framework.

# 04

## Actions

Our actions to address key modern slavery risks



# Our actions to address key modern slavery risks

## Approach to due diligence

We take a range of actions to proactively identify and address modern slavery risks in our operations and supply chains. These actions include:

- Supporting supply chain traceability by increasing transparency of our suppliers, their activities and their supply chains
- Conducting due diligence on suppliers including pre-qualification prior to on-boarding. This may include supplier self-assessments and audits
- Ongoing monitoring activities which may include audits, support for grievance mechanisms and whistleblower programs, and investigating and reporting on identified non-conformances and grievances (with public reporting focused on reportable breaches)
- Supporting the remediation of identified non-conformances
- Training our team members and suppliers, to increase awareness of human rights and modern slavery risks
- Collaborating with other organisations, industry bodies, governments and non-government organisations.

For instance, Blackwoods has an established **Human Rights Framework** that aims to prevent and address potential human rights impacts, including forced labour. Measures include improved risk assessment, due diligence and impact measurement processes.

Importantly, based on our experience over many years, we understand that the maturity of modern slavery risk management and reporting evolves with time and investment. Wesfarmers' new Health and OneDigital divisions are early in the process of aligning to the Group's minimum standards. Both are developing their ethical sourcing programs but neither undertakes supplier due diligence to the same extent as other divisions, as detailed in this section. For both divisions, this is a focus area for the 2023 financial year.

## Supporting supply chain traceability

For the Wesfarmers Group, supply chain transparency is a key strategy to identify, prevent, mitigate and manage the risk of modern slavery in our operations and supply chains. This is likely to remain an area of continued focus for all our businesses for several years.

To support supply chain transparency, Wesfarmers' divisions assess their suppliers, identifying high risk suppliers. This helps us to prioritise ethical sourcing activities, and to determine whether additional supplier monitoring is required.

Recognising their different businesses and industries, each division has developed its own approach to assess inherent supplier risk, using diverse multi-factor risk methodologies. Risk is influenced by various factors including the category of product, raw materials used, the manufacturing process, whether the product is own-brand or non-own brand, where the product is manufactured or service is procured and the value of spend.

Our divisions are mapping their high risk tier 1 suppliers in the following ways:

- Bunnings, Officeworks, Blackwoods, NZ Safety Blackwoods, Bullivants, Workwear Group and Coregas – continued to use the secure Supplier Ethical Data Exchange (SEDEX) platform to share information with tier 1 suppliers covered by their ethical sourcing programs. Information shared includes risk assessments, audit reports and evidence of remediation
- Kmart Group – maintains a very mature ethical sourcing program focusing on tier 1 merchandise suppliers. It has extensive in-country procurement teams and a 14-person dedicated ethical sourcing team, based in key sourcing markets
- WesCEF – has engaged an independent ethical sourcing consultant to review its supplier mapping and support the development of a tiered risk assessment model, to better support the identification and management of ethical sourcing and modern slavery risks.

Increasingly, our divisions are extending supply chain transparency by mapping beyond tier 1 suppliers. This is a complex, ongoing process, and our divisions are working closely with suppliers, industry associations and other stakeholders to provide additional traceability including, in some instances, to raw material sources.

Necessarily, across the Group, there are different maturities, approaches and areas of focus, as regards mapping beyond tier 1 suppliers:

- Bunnings and Officeworks – have continued mapping timber and wood fibre supply chains through responsible timber sourcing programs such as the Forest Stewardship Council (FSC) which maps timber back to the forest in which it is grown

## Our actions to address key modern slavery risks (continued)

- Kmart and Target - were among the first Australian retailers to publish the identity and location of all tier 1 own brand factories. In financial year 2022, Kmart and Target went one step further and published the location of all tier 2 and tier 3 processing facilities that produce own brand clothing, towel and bedding products. Kmart and Target define processing facilities as spinning mills, fabric mills, laundries, dyeing and printing facilities
- Workwear Group – has engaged its largest (by volume) garment suppliers, requesting verification of cotton sourced in its supply chain.

Traceability of raw materials is an area of ongoing focus. Bunnings, Kmart Group and Officeworks are working closely with suppliers, industry associations and other stakeholders to pilot approaches to advance the mapping of raw materials, increasing confidence that they have been responsibly sourced.

### Supplier pre-qualification and on-boarding

While each Wesfarmers division manages its own ethical sourcing program, all businesses are required to follow a risk-based approach when conducting due diligence on potential new suppliers.

Each business performs due diligence to assess ethical sourcing risks attaching to potential new suppliers including whether the supplier maintains controls to manage these risks.

The businesses may require high risk potential new suppliers to complete a self-assessment questionnaire. In some instances, high risk potential new suppliers may also be independently audited before they are on-boarded.

Our approach to pre-qualification and on-boarding reflects our focus on building long-term supplier relationships. Through pre-qualification and on-boarding, we are able to share our strategic focus on ethical sourcing with potential new suppliers, laying the foundations for stronger, long-term partnerships. This process also helps increase our understanding of potential risks including how we can manage our engagement with suppliers to minimise those risks (such as by maintaining strong order management disciplines) and when we need to be particularly alert to emerging risks (such as when raw materials supply chains are dislocated).

### Monitoring suppliers and manufacturing sites

Suppliers (and their supplier sites) included in the divisional ethical sourcing programs are actively monitored at a frequency that varies from three to 24 months, depending on various factors including assessed risk level and prior audit findings. Monitoring includes:

- Site-based audits
- Post-audit site checks
- Quality control visits and
- Additional supplier questionnaires.

The Wesfarmers Group ethical sourcing reporting draws upon the findings of our supplier monitoring. For a monitoring event to be included in our reporting, the event needs to be at a sufficient level of scrutiny to identify a non-conformance.



### CASE STUDY

#### Kmart and Target top the 2022 Fashion Transparency Index

This year, Kmart and Target achieved an equal first ranking in the 2022 Fashion Transparency Index (FTI).

This is the second year running where Kmart and Target have achieved a top 10 ranking in the internationally recognised index.

The FTI ranks 250 of the world's largest fashion brands and retailers according to information disclosed about their operations and supply chains.

In 2022, Kmart and Target were the only Australian brands to feature in the top 50, reflecting longstanding efforts to provide leadership in supply chain transparency.

Supply chain transparency is a cornerstone principle of the Kmart and Target ethical sourcing programs, knowing that a transparent supply chain will help ensure suppliers align with their ethical sourcing and sustainability standards.

The Kmart and Target Ethical Sourcing Transparency Policy was launched in 2021, setting out clear requirements including for suppliers, when requested, to disclose human rights and environmental information about their supply chain – including from suppliers' own manufacturing sites and facilities in their supply chains, including for components and raw materials.

# Our actions to address key modern slavery risks

## Reportable breaches

For suppliers streamed into our ethical sourcing and monitoring programs, we monitor suppliers for minor, major and reportable non-conformances with our policies, standards and codes.

Where a minor, major or reportable non-conformance is identified, the divisions work with the supplier to remediate, through proportionate corrective action plans which address the specific needs of that situation. Breaches identify indicators of human rights issues which, if not managed, may escalate to instances of modern slavery.

We publicly disclose reportable non-conformances (which we call reportable breaches). These are based on a standard designed with reference to the Sedex Members Ethical Trade Audit (SMETA) Non-Compliance Guidance and Wesfarmers internal policies, and subject to a materiality threshold.

Reportable breaches are identified by the divisions through their monitoring activities, which can include third-party audits, grievance and whistleblower mechanisms, or other monitoring activities like supplier questionnaires, surveys and quality control visits.

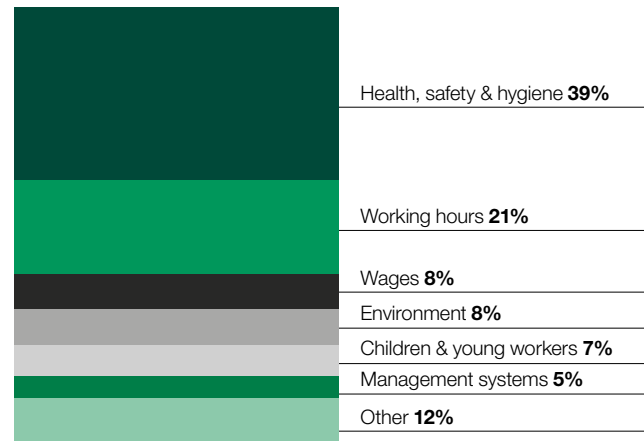
In the 2022 financial year, we identified a total of 593 reportable breaches at 307 supplier sites. This equates to about seven per cent of all sites in our divisional ethical sourcing programs. The main reportable breaches identified by our businesses were related to health, safety and hygiene violations and excessive working hours. Those reportable breaches relative to children and young workers do not include instances of child labour.

Reportable breaches are split across 20 countries with 330 (56 per cent) in China, 149 (25 per cent) in Bangladesh and 33 (6 per cent) in India.

Suppliers		FY2022 data	Outcomes
Total suppliers in ethical sourcing program	2,744	% of suppliers in our ethical sourcing program monitored: <b>63%</b>	% of suppliers monitored with reportable breaches: <b>17%</b>
Total suppliers monitored this year	1,724		
Total number of suppliers with reportable breaches	286		

Supplier sites		FY2022 data	Outcomes
Total number of sites in ethical sourcing program	4,355	% of sites in our ethical sourcing program monitored: <b>61%</b>	% of sites monitored with reportable breaches: <b>7%</b>
Total number of sites monitored	2,651		
Total number of sites with reportable breaches	307		

### Reportable breaches (by type, FY2022)



### Reportable breaches (by location, FY2022)

Location	Total breaches	Percentage
China	330	56%
Bangladesh	149	25%
India	33	6%
Cambodia	14	2%
Indonesia	13	2%
Vietnam	13	2%
Malaysia	12	2%
Pakistan	9	1%
Thailand	5	1%
South Korea	4	1%
Other	11	2%
<b>Total</b>	<b>593</b>	<b>100%</b>

Health and OneDigital division data is not included in reported metrics.

## Our actions to address key modern slavery risks

### Remediation of non-conformances

Where a non-conformance with a Wesfarmers or divisional policy, standard or code is identified, whether minor, major or reportable, or an instance of modern slavery is identified, a remediation process is activated.

When remediating a non-conformance, the divisions seek to work in partnership with their suppliers. The nature of the response depends on the severity of harm (or potential harm) to the worker, arising from the non-conformance. The divisions may develop a corrective action plan (or remediation plan) with recommended activities which may include immediate rectification of identified issues, targeted capacity building or training, a review of production processes or purchasing practices, or involvement in industry-based initiatives.

When seeking remediation, our divisions regularly partner with other customers to the supplier, local non-government organisations and other experts and organisations, to help ensure worker rights and safety are upheld.

Management of forced labour risk is an area of particular focus. Where an indicator of forced labour is identified, remediation focuses on priorities which may include:

- Ensuring the immediate safety and wellbeing of workers
- Supporting the supplier to better understand acceptable and unacceptable work practices and
- Developing a corrective action plan which may include measures like ensuring employment contracts are written in the language of the worker, maintaining responsible recruitment practices, implementing grievance mechanisms and ensuring workers retain their identity documents

Where a reportable breach is identified, it is very rare for a supplier or supplier site to be exited. Our preference is to support remediation, improving the conditions for workers. However, if the supplier is not willing or able to address a reportable breach within an agreed timeframe, or the breach is considered a severe breach of policy (such as bribery or unauthorised subcontracting), the division may decide to no longer place orders with that supplier and the supplier may be exited.

This year, we remediated 42 per cent of reportable breaches and 56 per cent are in the process of being remediated.

This year, seven supplier sites representing two per cent of reportable breaches were exited. Supplier exit decisions were based on the nature and severity of the reportable breach and a conclusion that the supplier could or would not satisfactorily remediate the issue. These exits include:

- Three exits related to indicators of forced labour in Malaysia
- Two exits related to attempted bribery in China
- One exit related to unauthorised subcontracting in China
- One exit related to denying auditors access to site during monitoring in China

### Forced labour and transparency initiatives

Managing forced labour is a key focus for our ethical sourcing teams.

As several divisions continue to expand their ethical sourcing programs beyond tier 1 and own brand products to tier 2 and 3 suppliers, we expect additional instances of forced labour to be identified.

To better manage the risk of forced labour in our supply chains, some divisions have implemented additional actions and initiatives including improved risk assessment and supplier due diligence processes – such as more detailed supplier and worker questionnaires, and introduction of independent grievance mechanisms. These can include:

- A confidential and anonymous foreign worker feedback tool
- Inclusion of forced labour risk as a supplier selection criteria
- For identified higher risk products, more engagement in programs such as the Responsible Mineral Initiative, and the Better Cotton Initiative
- Remediation protocols that promote collaboration with suppliers to remediate instances of forced labour.



**CASE STUDY**

**Bunnings ethical sourcing program improves factory worker conditions**

Bunnings respects and supports the dignity, wellbeing and human rights of workers in its global supply chain and upholds this commitment by working collaboratively with suppliers and their factories to build local capacity and address identified areas of improvement.

This year, the three most common minor, major and reportable non-conformances identified through third-party audits of Bunnings suppliers relate to health, safety and hygiene (564 findings, 63 per cent of total), environment (77 findings, nine per cent of total) and working hours (69 findings, eight per cent of total).

Remediation of non-conformances is conducted as soon as practicable, after the non-conformance is detected.

During the year, 145 factories remediated more than 800 non-conformances. These remediations were aimed at improving working conditions for more than 57,000 workers in 17 countries including more than 36,500 workers at 100 manufacturing sites in China.

As an example of collaboration with suppliers, Bunnings identified a manufacturing site in China which was unable to balance production requirements and responsible use of overtime hours, principally due to COVID-19-related disruptions.

To support remediation, Bunnings partnered the factory management team with third-party in-country ethical sourcing experts to deliver an on-site improvement program.

Together, the management team and experts identified the root-causes of the problem and implemented the following long-term rostering and production solutions:

- Workforce management – including planning, hiring, training and a grievance mechanism
- Production scheduling – including cadence, volumes, shipping, and hours of operation
- Cost and quality management – including for wages, benefits, recruitment, health and safety and energy consumption
- Management engagement – including communication strategies and tools.

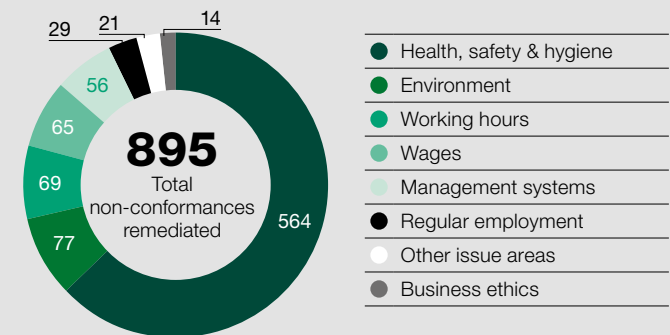


Worker sentiment surveys were completed during the improvement program to gauge workers' awareness and feedback. Positive trends were observed across various satisfaction metrics including those assessing workers' willingness to speak up, workers' understanding of how wages are calculated and workers' overall satisfaction with their wages.

The factory management team has since demonstrated a commitment to continuous improvement hiring additional workers and adjusting production schedules, meeting Bunnings' responsible overtime hours requirements.

While some worker metrics still need to improve, Bunnings is committed to better understanding worker preferences and ensuring that overtime hours are responsibly managed, and to continuing to work with the factory management team to support further improvement.

**Non-conformances remediated in Bunnings supply chain in FY2022**



## Our actions to address key modern slavery risks

### Grievance and whistleblower mechanisms

Wesfarmers regards grievance mechanisms and whistleblower programs as important tools to monitor worker conditions in supplier sites.

In contrast to audits (which reflect findings at a point in time), effective grievance mechanisms provide near real-time and regular feedback on working conditions.

Through the establishment of effective grievance mechanisms, our aim is to enable workers in our supply chains to confidentially raise concerns including business-related human rights and modern slavery risks. We support grievance mechanisms that are intended to be consistent with our ethical sourcing policies, the UNGPs and International Labour Organisation conventions.

Across the Group, there are examples of support for grievance and whistleblower mechanisms (including the ‘Your Voice, Worker Helpline’ profiled on the following page).

- Blackwoods – participated in a Sedex-led Direct Worker Reporting Pilot from November 2021 to June 2022. The pilot engaged workers directly via an anonymous, online, in-language survey, to better understand working conditions and worker wellbeing, in parallel with a SMETA audit. The survey provided insights into worker sentiment (with targeted questions on health and safety), recruitment fees, overall wages, working hours and general wellbeing. The pilot was conducted at sites in India and China, engaging over 450 workers. Blackwoods and the audit firms will further investigate survey responses and identify barriers and opportunities to engage workers directly. Generally, these issues are not well understood through standard audits.
- Kmart Group – supported factory worker grievance mechanisms, publicised using posters in local languages, to provide better insight for their discussions with suppliers. Kmart Group requires all own-brand retail merchandise suppliers to display these posters in their factories

### Whistleblower program

The Wesfarmers Whistleblower Policy applies to all Wesfarmers’ directors and team members, and to external whistleblowers, including suppliers and their employees and relatives. Through the policy, Wesfarmers is seeking to build human rights awareness, and to enable team members and others to confidentially voice concerns, without fear of retribution.

Each division is also required to have a whistleblower policy, consistent with the Wesfarmers Policy, to apply to their team members, whistleblowers and suppliers.

Wesfarmers and each divisional whistleblower program receive whistleblower reporting via various channels, including confidential hotlines managed by third parties. All reports are provided to Wesfarmers or divisional protected disclosure officers, and assessed for coverage and if so, investigated, under the whistleblower policy.

This year, the Group received reports via the Group’s whistleblower reporting channels. The reports related to various issues including alleged breaches of the Wesfarmers’ Code of Conduct, and concerns about supplier conduct. No reports were received making allegations of modern slavery.



#### Grievance mechanism

		<b>FY2022 data</b>	<b>Outcomes</b>
Total number of sites with a grievance mechanism	<b>1,400</b>	<b>New grievance mechanism at</b>	<b>Grievances raised by the new mechanism</b>
Factory workers with a grievance mechanism	<b>750,000</b>	<b>190 sites</b>	<b>5 grievances 100% remediated</b>

If you have a work-related concern regarding Wesfarmers and its businesses, you can call 1800 500 965 or use the Wesfarmers FairCall Service, a secure web platform to provide an anonymous disclosure:

<https://www.kpmgfaircall.kpmg.com.au/Wesfarmers>

## CASE STUDY

### Your Voice, Worker Helpline

This year, Bunnings, Blackwoods, Officeworks and Workwear Group launched the 'Your Voice, Worker Helpline'.

Consistent with the UNGPs' guidelines for operational-level grievance mechanisms, the 'Your Voice, Worker Helpline' was developed with a focus on open dialogue with suppliers, to support the remediation of reported grievances.

The 'Your Voice, Worker Helpline' complements ethical sourcing due diligence programs by validating audit and risk assessment results and providing visibility of issues beyond the regular audit cadence. It helps problems to be addressed promptly before they escalate, and to track ethical sourcing trends over time.

To date, the 'Your Voice, Worker Helpline' has been implemented in more than 190 third-party manufacturing sites in China, Indonesia, Taiwan and Vietnam, covering more than 43,000 workers in our supply chains.

The 'Your Voice, Worker Helpline' is managed by QIMA, an independent supply chain consultancy, with dedicated in-country teams available 24 hours a day, seven days a week, to answer workers' reports, in their language.

Onsite and online training is held for the manufacturing sites, and posters are located in communal areas like toilet cubicles, canteens and dormitories. To grow awareness, more than 5,600 factory workers from nine manufacturing sites in Bunnings' supply chain participated in on-site training about the helpline.

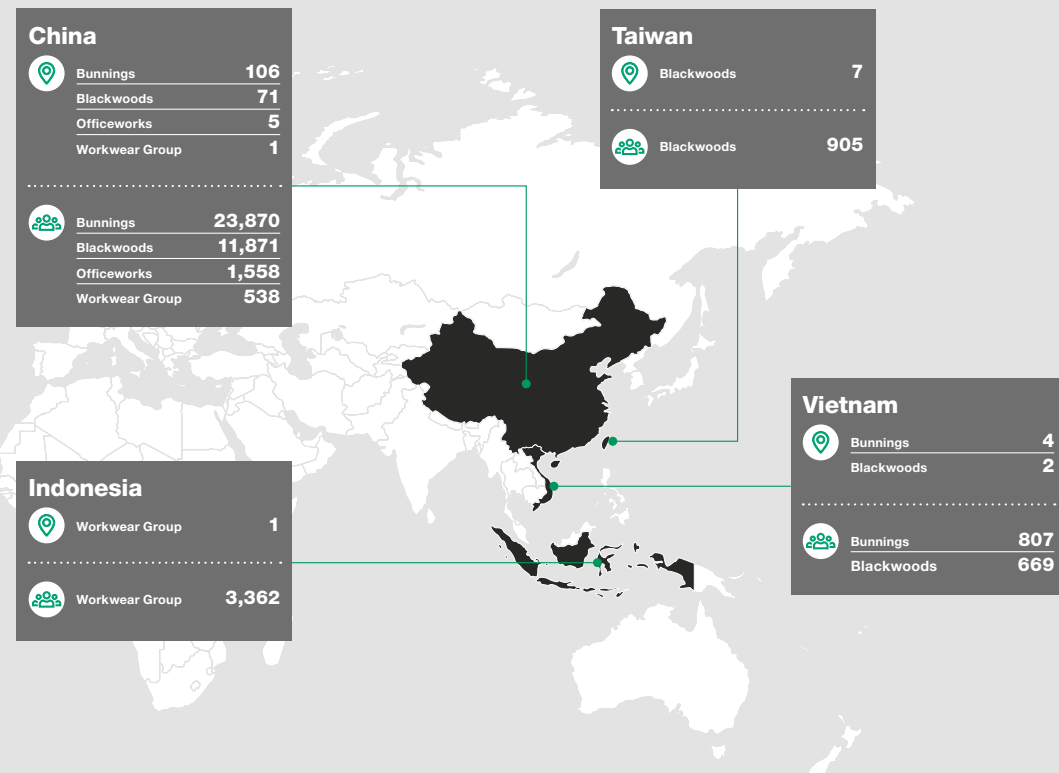
When a report is received by the 'Your Voice, Worker Helpline', divisions aim to act as quickly as practicable to investigate and if required, remedy any adverse impacts on workers, individuals or communities, and aim to engage directly with affected stakeholders. More information about the escalation process is included at Appendix C.


Since it was launched in December 2021, 12 workers have contacted the 'Your Voice, Worker Helpline', with five reports confirmed as a grievance and seven reports classified as enquiries about working rights. Of the five grievances, all have been resolved and no investigations are ongoing.


To measure the efficacy of the 'Your Voice, Worker Helpline', Bunnings deployed an anti-retaliation call-back service to selected manufacturing sites. The voluntary worker call-back service is an additional measure, with auditors calling workers after the audit to assess impact including any feedback about the Helpline.

With complex and dynamic supply chains spanning many countries, we acknowledge there are different socio-cultural barriers that may prevent vulnerable workers from raising concerns, either directly with their employer (our supplier) or via the 'Your Voice, Worker Helpline'.

Bunnings, Blackwoods, Officeworks and Workwear Group meet frequently to share learnings and collaborate on improvement initiatives.



 Locations with the 'Your Voice, Worker Helpline'

 Workers covered by 'Your Voice, Worker Helpline'

# Our actions to address key modern slavery risks

## Training and capacity building

Each year, the Group invests in human rights training and capacity building, with our teams and suppliers. During the 2022 financial year, more than 9,000 team members and more than 8,000 suppliers received ethical sourcing and modern slavery training, totalling almost 45,000 hours.

Ordinarily, training of divisional buying and sourcing teams focuses building awareness and understanding around:

- Our ethical sourcing and human rights commitments
- New and evolving expectations (including under domestic law or international instruments or among stakeholders)
- How our actions may impact workers’ rights
- Insight into strategies that deliver impact and
- Findings from Group and divisional audit programs and stakeholder engagements.

Cross-functional teams in the Group regularly collaborate in regular human rights forums, to share knowledge and lessons learned.

The Group’s divisional ethical sourcing teams also deliver training to other relevant team members including merchandising and procurement teams, third party auditors and suppliers (including their factory teams), to ensure a shared understanding of Wesfarmers expectations.

Team members from Bunnings, Officeworks, Blackwoods, NZ Safety Blackwoods, Bullivants, Workwear Group, Coregas, Greencap, WesCEF and Wesfarmers Corporate Office

completed divisional and business specific online modern slavery and human rights training, designed to ensure that team members understand their roles and responsibility to support the ethical procurement of goods and services. This online training described modern slavery, what team members can do to protect and safeguard human rights and how to identify modern slavery risks in the workplace.

Kmart Group conducted modern slavery awareness training for all Kmart and Target apparel and soft home own brand suppliers and team members.

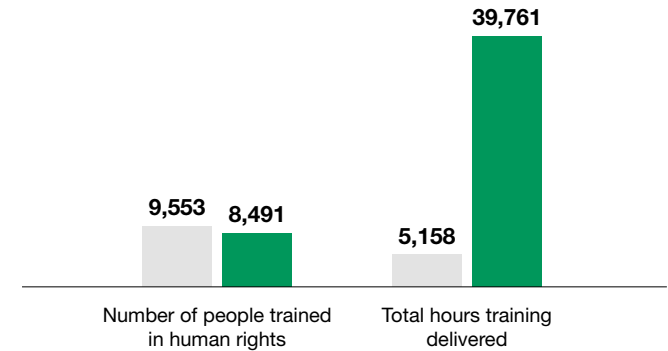
Officeworks strengthened its engagement with two high-risk service providers, sharing modern slavery expertise to help them align their practices to meet Officeworks’ requirements. Officeworks also created a responsible purchasing practices guidance document and training module for its merchandise team, covering what constitutes a fair price, the production process and how to best place orders (and avoid changes to orders) to reduce modern slavery risk.

Kmart Group is focused on improving outcomes for women workers in its supply chain committing to provide professional skills, health or education training to 100,000 women. As at June 2022, almost 60,000 female workers were enrolled in HERproject programs across 24 Kmart and Target supplier factories in Bangladesh, India and Vietnam.

As noted above, during the year, Bunnings, Blackwoods, Officeworks and Workwear Group implemented a new grievance mechanism at supplier sites. Across 190 sites, this program was supported with a large-scale training program to provide information and resources to workers and supervisors.

## Human rights training

● TEAM MEMBERS ● SUPPLIERS



## Our actions to address key modern slavery risks

### Collaboration and engagement

#### Collaboration on initiatives led by industry organisations, government and non-government organisations is important when taking action to address modern slavery risks.

Our stakeholders – and potential partners for collaboration – include those people or organisations who affect or are affected by our operations including our team members, customers, suppliers and their workers, local communities, investors and lenders, and others including media, government and non-government organisations. Engaging openly and transparently with these stakeholders has long been central to our approach.

During the 2022 financial year, the Wesfarmers Group participated in and facilitated many initiatives whereby organisations worked together to solve problems, share knowledge, cultivate best practice and foster innovation including the:

- Better Cotton Initiative
- Cleaning Accountability Framework
- Sustainable Apparel Coalition
- United Nations Global Compact Network Australia including as a member of the Modern Slavery Community of Practice.

We also collaborated with other leading global companies in our sectors, to further develop our approach to sourcing by sharing our learnings and debating topics.

Wesfarmers' divisions engaged with non-government organisations on a range of projects including formal collaborations and certification schemes. We hosted (and participated in) stakeholder engagement sessions supporting the review of the MSA and hosted the release of the remediation guidance by Walk Free. Our ethical sourcing programs are enhanced by partnering with organisations like the International Labour Organisation and International Finance Corporation Better Work Program. Likewise, third-party organisations such as Baptist World Aid assess and rate the Group's performance, helping to drive our program and reduce modern slavery risks.

### Due diligence on value-adding transactions

The Group evaluates a broad range of investment opportunities. In assessing these opportunities, the Group applies a long-term horizon to investment decisions. We also incorporate a detailed due diligence assessment of sustainability considerations focused on our most material sustainability issues (which includes ethical sourcing and human rights).

Capital may be deployed in the existing portfolio, adjacent opportunities or value-accretive transactions, with the Group maintaining strong commercial discipline in its approach to evaluating opportunities.

In the 2022 financial year, Wesfarmers acquired API, which is the foundation business of our new Health division. As part of the due diligence process, sustainability and ethical sourcing leads assessed API's sustainability and ethical sourcing maturity and risks, conducting a gap assessment of capability and reporting. This due diligence was based upon public disclosures, confidentially disclosed information and meetings with company representatives. It identified risks and opportunities for improvement which were considered as the acquisition progressed. As noted in this Modern Slavery Statement, the Health division is new to the Group. More information about its progress aligning to the Group's minimum standards will be included in next year's Modern Slavery Statement.

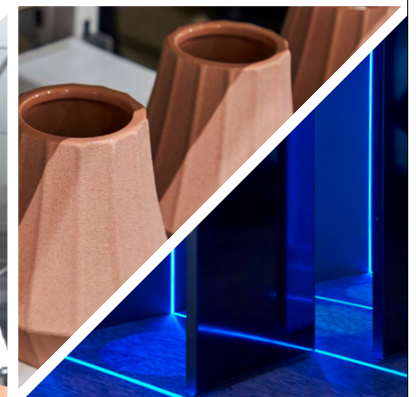
Below, we list selected organisations with which our businesses partnered and collaborated during FY2022.

Organisation	Purpose	Participating business
Association of Professional Social Compliance Auditors (APSCA)	The industry association created to support individuals and organisations by promoting the use of independent social compliance audits as a tool to advance workplace conditions globally.	Bunnings Officeworks, Blackwoods NZ Safety Blackwoods Bullivants Workwear Group Coregas
Better Cotton Initiative (BCI)	A global not-for-profit organisation overseeing the world's largest cotton sustainability program. BCI's sustainable cotton practices include robust standards prohibiting forced labour and promoting decent working conditions.	Kmart Group Officeworks Workwear Group
Cleaning Accountability Framework (CAF)	An organisation that brings businesses, unions, government and workers together to help raise the conditions of cleaners in Australia. The CAF Certification scheme assesses compliance with labour standards at a building.	Officeworks
Collaborative Advantage	A platform for New Zealand ethical and sustainable sourcing practitioners to discuss and share best practice approach to modern slavery and ethical sourcing.	Bunnings Blackwoods NZ Safety Blackwoods Workwear Group
International Labour Organization (ILO) / International Finance Corporation Better Work Program	An organisation to improve working conditions and respect of labour rights for factory workers.	Kmart Group
Responsible Labour Initiative	A multi-industry, multi-stakeholder initiative focused on ensuring that the rights of workers vulnerable to forced labour in global supply chains are consistently respected and promoted.	Blackwoods
Sedex stakeholder initiatives	Involvement within Sedex initiatives has supported the evolution of the platform and identified best practice opportunities. Our businesses have been involved in Sedex's ANZ Advisory Group, Data Framework Taskforce, Grievance Mechanism Approach, Audit Framework and API Beta Program. Feedback has been provided to Sedex on excessive recruitment fees, worker surveys, forced labour self-assessment questionnaires. Our feedback on the service provider modern slavery questionnaire has helped to influence SEDEX's strategy to better include emerging risks.	Bunnings Blackwoods Workwear Group Officeworks
Sustainable Apparel Initiative	This organisation takes a multi-stakeholder approach to improve and standardise measurement. Kmart is incorporating the HIGG index into its reporting.	Kmart Group
United Nations Global Compact Network Australia (UNGONA) Modern Slavery Community of Practice	A group that shares emerging best practice to build common capability in addressing modern slavery human rights risk management among Australian businesses.	Bunnings Kmart Group Officeworks, Blackwoods
Certification, agreement or accreditation		
Action, Collaboration, Transformation (ACT)	A ground-breaking agreement between global brands, retailers and trade unions to transform the garment, textile and footwear industry by achieving living wages for workers through collective bargaining at the industry level. ACT participants are making progress on a number of commitments that intend to accelerate living standards of workers in the apparel and footwear supply chain. For Kmart, this has included implementing the ACT Global Purchasing Practices Standard. Additional information is available on the Kmart website.	Kmart Group
Accord on Fire and Building Safety in Bangladesh	An independent agreement designed to ensure a safe working environment in the Bangladesh garment industry.	Kmart Group, Workwear Group
Ethical Clothing Australia (ECA)	An accreditation body working collaboratively with local textile, clothing and footwear businesses to protect and uphold the rights of Australian garment workers.	Blackwoods Workwear Group
Forest Stewardship Council (FSC)	In addition to sustainable forestry practices, FSC standards consider social and economic wellbeing of workers, to ensure that harvesting sites are free from forced or bonded labour.	Bunnings Kmart Group, Officeworks, Blackwoods
Programme for the Endorsement of Forest Certification (PEFC)	An international, non-profit, non-government organisation that promotes sustainable forest management.	Bunnings

# 05

## Effectiveness

Assessing the effectiveness of our actions



# Assessing the effectiveness of our actions

Each year, we assess the effectiveness of our actions to ensure that our ethical sourcing program is advancing the rights of workers and mitigating modern slavery risk in our operations and supply chains.

To understand how effectively we are managing the risk of modern slavery in our operations and supply chains, we:

- Undertake independent reviews of our ethical sourcing programs and reporting
- Maintain an internal audit program
- Undertake regular risk reviews and implement recommendations from independent reviews
- Respond to confirmed grievances received through grievance mechanisms and whistleblower programs, to improve working conditions
- Undertake sustainability due diligence prior to capital allocation decisions

## Independent reviews

The Wesfarmers Group undertakes reviews of the approach to managing modern slavery risks to identify areas for improvement. This year, Wesfarmers engaged leading, independent consultants to review our 2021 Modern Slavery Statement and our ethical sourcing data and metrics. Both reviews recognised many leading aspects of Wesfarmers' ethical sourcing reporting.

The data and metrics review recommended that Wesfarmers continue to enhance its reporting by better contextualising its ethical sourcing work, and by evolving its reporting from absolute to relative metrics, whether reporting audits or breaches. For instance, non-conformances may reduce over time in a well-functioning program, however the reported number of non-conformances may increase if more audits are undertaken or if a higher percentage of suppliers are streamed into the monitoring program.

As a result of the data and metrics review, this year we have reported more metrics related to our monitoring programs, along with additional insights into the nature of reportable breaches and sites monitored with reportable breaches. To better report the impact of our ethical sourcing programs, we also reported the percentage of reportable breaches that were remediated during the year. These newly disclosed metrics will enable year on year comparisons and analysis of trends over time.

As a result of the review of our 2021 Modern Slavery Statement, this includes new material including on our operations and supply chains, more detail on actions taken to address identified modern slavery risks and the effectiveness of those actions, and a report on progress against prior focus areas.

## Internal audit of our processes

Wesfarmers has an internal audit program to support continuous improvement and change in its divisions. The Wesfarmers internal audit plan includes periodic audits of compliance with Wesfarmers' policies including compliance with the Wesfarmers Ethical Sourcing and Modern Slavery Policy. Internal audits are robust processes with findings reported to divisional audit, risk and compliance committees and the ARC.

This year, we completed an internal audit on the processes and controls attaching to sustainability commitments, focused principally on materials and waste. These commitments are of growing interest across the retail sector and have historically been subject to less assurance than certain other sustainability metrics (such as emissions). The audit supports continuous improvement in reporting across all sustainability domains including ethical sourcing and human rights, particularly as our reporting continues to evolve.



## Assessing the effectiveness of our actions

### Ongoing monitoring and implementation of recommendations

Modern slavery and ethical sourcing are part of the annual risk review in which Wesfarmers' divisions thoroughly consider their risks and control environments. As part of this process, the risk profile and risk management strategies are examined and assessed, to ensure currency.

Reportable breach reporting is discussed at divisional audit, risk and compliance committees and in the cross-divisional human rights forums.

Wesfarmers' divisions continue to use the findings from the salient human rights issues assessment conducted in 2021, to further improve human rights due diligence processes. The Wesfarmers Group leveraged that assessment to better identify, analyse and respond to salient human rights risks are detailed here.

Each year, the divisions report to their divisional boards, the Wesfarmers ARC and the Wesfarmers Board on their compliance with the Wesfarmers Ethical Sourcing and Modern Slavery Policy.

As part of this report, each division completes a self-assessment of performance against the Group's minimum standards and details its approach to the management of modern slavery and human rights risks. In the 2021 financial year, the divisions identified focus areas for the 2022 financial year and beyond. Progress against these focus areas is summarised at Appendix D.

Human rights risk assessment recommendations	Implementation status
Make a public commitment to respect human rights	Our approach to human rights statement was published in 2021.
Reporting transparency	Wesfarmers recognises the importance of, and continues to advance reporting transparency. This action has been recognised including through the Fashion Transparency Index and Monash University's review of modern slavery statements.
Contracts with suppliers	Most contracts with tier 1 suppliers include ethical sourcing and human rights clauses.
Risk assessments	Wesfarmers takes a range of actions to proactively identify and address modern slavery risks in its operations and supply chains including supplier due diligence as a pre-qualification to on-boarding.
Employee training	Extensive modern slavery and human rights training is undertaken by Wesfarmers team members.
Supplier screening and supplier auditing	The due diligence approach includes screening of suppliers prior to being accepted as a supplier. Generally their on-boarding includes a screening mechanism known as a Supplier Assessment Questionnaire, and depending on the risk assessment outcome, suppliers are monitored (including audits) as part of the monitoring program in place at each division.
Key Performance Indicators	An independent review of Wesfarmers' ethical sourcing data and metrics was undertaken. A new set of data and metrics was developed during the 2022 financial year. This will enable a set of performance indicators to be reported year-on-year and to analyse trends and performance.
Grievance mechanism for employees	All team members in the Wesfarmers Group have access to a confidential whistleblower mechanism to report matters under the Group or divisional whistleblower policy. This is in addition to the human resources grievance mechanisms that team members have access to as an employee.
Supplier grievance mechanisms	About 750,000 members of the supplier workforce are covered by a grievance mechanism, across 1400 sites.  The 'Your Voice, Worker Helpline' was further implemented at 190 manufacturing sites in China, Taiwan, Indonesia, and Vietnam covering more than 43,000 supply chain workers.

## Assessing the effectiveness of our actions

### Implementation of learnings from grievance mechanisms

At their best, effective grievance mechanisms provide near real-time and regular feedback on working conditions.

Where they support grievance mechanisms at supplier sites, our divisions seek to ensure that confirmed grievances are resolved, improving working conditions at supplier sites and the effectiveness of our ethical sourcing programs.

The 'Your Voice, Worker Helpline' case study on page 26 and the following 'Worker feedback and supplier engagement' case study show the opportunity for improved effectiveness.

#### CASE STUDY

### Worker feedback and supplier engagement

Officeworks sells many thousands of products, sourced around the world and created by many people along the way.

Supply chains are complex, with products (or components of products) manufactured in countries where laws may not align with our standards or may not always be sufficient to mitigate the risk of modern slavery.

Officeworks believes that workers in its supply chain have a right to work in a safe environment of their choosing, and that taking care of employees is both better for people and business.

This year Officeworks continued to complement its ethical sourcing due diligence program with an initiative aimed at improving worker wellbeing and engagement, and assessing modern slavery risk.

A new worker survey program facilitates continuous engagement with workers, to identify concerns that might not have been captured during audits and to work with management to achieve positive change for workers. These surveys capture worker sentiment across the areas of wages and working hours, workplace wellbeing, environment, health and safety, grievance mechanisms, productivity and stability.

Following a successful pilot program in the 2021 financial year, Officeworks rolled out its worker survey program across four new factories in the 2022 financial year.

In the first round of surveys, 1,258 workers shared concerns, which included a lack of trust in internal grievance channels, lack of understanding of how wages are calculated, unequal treatment of workers based on their gender, and dissatisfaction with working hours.

Using this information, Officeworks team members collaborated with management to implement actions addressing worker concerns and improving overall working conditions. The actions included additional training, new machinery, extra staff and a cost-of-living comparison to ensure that wages covered basic living needs.

At some sites, based on worker feedback, social interactions were introduced, to make their workplaces more enjoyable. Some suppliers found the surveys useful and have implemented their own pulse surveys, to enable regular, direct communication with their workforce.

Six months after the first round of surveys, Officeworks conducted follow-up surveys to assess worker sentiment at three of the initial sites. Overall, the survey response rate increased from about 30 per cent to just over 50 per cent, and worker sentiment generally improved with the largest improvements in the areas of wages and working hours. A 17 per cent improvement in worker satisfaction was achieved, evidencing positive change for more than 2,000 workers at those factories.

Officeworks now has two years of valuable insights which enables it to become more sophisticated in its approach in identifying and remediating risks within its supply chain.

In financial year 2023, Officeworks will continue to expand the worker voice program and support its supplier partners to take meaningful action on direct worker feedback. This contributes to Officeworks' goal of enabling positive change for 15,000 workers in its supply chain by 2025.

## Assessing the effectiveness of our actions

### Future focus areas

We remain focused on improving our ethical sourcing program to identify, prevent, mitigate and manage the risk of modern slavery in our operations and supply chains.

The intended areas of focus in the 2023 financial year across the Group are summarised below.

Program area	Focus
<b>Governance</b>	Support the new Health and OneDigital divisions to implement the Wesfarmers Ethical Sourcing and Modern Slavery Policy including minimum standards
<b>Supplier due diligence and on-boarding</b>	Review supplier contract documents and consider revisions to modern slavery clauses to ensure that they capture the Group's evolving standards Review and further develop frameworks for supplier due diligence across the Group, to further integrate human rights and other considerations into supplier selection
<b>Ethical sourcing program</b>	Continue to expand the scale and scope of the ethical sourcing program Review and consider additional accreditations and certifications for product categories, to supplement existing transparency initiatives
<b>Supplier monitoring</b>	Provide greater detail on monitoring activities undertaken in relation to modern slavery and other human rights risks
<b>Stakeholder engagement</b>	Support further expansion of grievance (or other stakeholder engagement) mechanisms in our supply chains
<b>Remediation reporting</b>	Consider how to better report on remediation activities, and to share learnings with suppliers, industry partners and other external stakeholders
<b>Program effectiveness</b>	Using historic ethical sourcing data, develop a methodology to assess the effectiveness of the ethical sourcing program over time
<b>Training, education and engagement</b>	Continue to build awareness and capability among team members, suppliers and workers in our supply chains, to better identify, prevent, mitigate and manage the risk of modern slavery in our operations and supply chains
<b>Program reporting</b>	In Wesfarmers' FY2023 Modern Slavery Statement, further differentiate performance and activities across the various reporting entities Start to align the activities we undertake in our supply chains with the UNGC guidance on 'cause', 'contribute' and 'directly linked'

# Appendices

## Appendix A – reporting entities

This Modern Slavery Statement is made on behalf of Wesfarmers Limited (ABN 28 008 984 049) and the following reporting entities.

Reporting entity	Principal place of business	Description of activity
<b>Wesfarmers Limited</b> ABN 28 008 984 049	Perth, Western Australia	Wesfarmers Limited (Wesfarmers) is a for-profit company limited by shares incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange (ASX). The nature of the operations and principal activities of Wesfarmers and its subsidiaries include: home improvement, outdoor living and building materials; general merchandise and apparel; office and technology products; health, beauty and wellbeing products; wholesale pharmacy distribution; manufacturing and distribution of chemicals and fertilisers; mine development and construction; industrial and safety product distribution; retail and commercial energy supply; and a data and digital ecosystem. Wesfarmers Limited is the ultimate holding company of the reporting entities listed in this statement.
<b>Group reporting entities</b>		
<b>Howard Smith Limited</b> ABN 54 004 071 845	Perth, Western Australia	These entities form part of the Wesfarmers Group corporate structure
<b>Ucone Pty Ltd</b> ABN 99 002 534 278	Perth, Western Australia	
<b>Wesfarmers Retail Holdings Pty Ltd</b> ABN 14 126 199 022	Perth, Western Australia	
<b>Wesfarmers Retail Pty Ltd</b> ABN 94 097 092 085	Perth, Western Australia	
<b>WFM Investments Pty Ltd</b> ABN 75 651 355 501	Perth, Western Australia	
<b>Bunnings reporting entities</b>		
<b>Bunnings Group Limited</b> ABN 26 008 672 179	Burnley, Victoria	Bunnings Group Limited ('Bunnings') is the leading retailer of home improvement and lifestyle products in Australia and New Zealand, and a major supplier to project builders, commercial tradespeople and the housing industry. Bunnings is also the holding company of RJ Beaumont & Co Pty Ltd.
<b>RJ Beaumont &amp; Co Pty Ltd</b> ABN 61 007 703 997	West Richmond, South Australia	These entities form part of the Wesfarmers Group corporate structure and are associated with the Bunnings division.
<b>Wesfarmers Bunnings Limited</b> ABN 25 008 673 363	Perth, Western Australia	
<b>Kmart Group reporting entities</b>		
<b>Kmart Australia Limited</b> ABN 73 004 700 485	Mulgrave, Victoria	In FY2022 Kmart Group comprised Kmart, Target and Catch. Kmart and Target provide everyday retail products in stores and online in Australian and New Zealand. Kmart is a leading product development company. Catch operates an online business model offering branded products on a first-party basis and a third-party online marketplace.
<b>Kmart Holdings Pty Ltd</b> ABN 57 627 042 460	Perth, Western Australia	These entities form part of the Wesfarmers Group corporate structure and are associated with the Kmart Group division.
<b>Target Australia Pty Ltd</b> ABN 75 004 250 944	Williams Landing, Victoria	
<b>Target Holdings Pty Ltd</b> ABN 32 627 042 353	Perth, Western Australia	

## Appendix A – reporting entities (continued)

<b>Kmart Group reporting entities</b>	<b>Principal place of business</b>	<b>Description of activity</b>
<b>Wesfarmers Department Stores Holdings Pty Ltd</b> ABN 22 627 042 308	Perth, Western Australia	These entities form part of the Wesfarmers Group corporate structure and are associated with the Kmart Group division.
<b>Wesfarmers Online Retail Holdings Pty Ltd</b> ABN 66 633 981 414	Perth, Western Australia	
<b>Catch.com.au Pty Ltd</b> ABN 22 149 779 939	Bentleigh East, Victoria	
<b>Catch Group Holdings Limited</b> ABN 89 159 074 003	Bentleigh East, Victoria	
<b>Officeworks reporting entities</b>		
<b>Officeworks Ltd</b> ABN 36 004 763 526	Bentleigh East, Victoria	Officeworks is Australia's leading retailer and supplier of office products and solutions for small and medium-size businesses, students and households, operating through a nationwide network of stores, an online platform, a call centre and a team of business specialists.
<b>Officeworks Holdings Pty Ltd</b> ABN 51 627 042 497	Perth, Western Australia	This entity forms part of the Wesfarmers Group corporate structure and is associated with the Officeworks division.
<b>Wesfarmers Chemicals, Energy and Fertilisers (WesCEF) reporting entities</b>		
<b>Wesfarmers Chemicals, Energy and Fertilisers Limited</b> ABN 48 008 797 402	Murdoch, Western Australia	Wesfarmers Chemicals, Energy and Fertilisers (WesCEF) manages nine businesses in Australia across the chemicals, energy and fertiliser sectors with a shared services model that supports the production and distribution assets across the portfolio.
<b>AVC Holdings Pty Ltd</b> ABN 22 099 222 456	Campbellfield, Victoria	These entities form part of the Wesfarmers Group corporate structure and are associated with the WesCEF division.
<b>AVC Trading Pty Ltd</b> ABN 65 099 189 072	Campbellfield, Victoria	
<b>Chemical Holdings Kwinana Pty Ltd</b> ABN 34 009 187 375	Kwinana, Western Australia	
<b>CSBP Limited</b> ABN 81 008 668 371	Kwinana, Western Australia	
<b>Cuming Smith and Company Ltd</b> ABN 46 004 048 319	Perth, Western Australia	
<b>Manacol Pty Limited</b> ABN 70 114 552 251	Campbellfield, Victoria	
<b>Wesfarmers Energy (Gas Sales) Limited</b> ABN 27 058 451 997	Murdoch, Western Australia	
<b>Wesfarmers Fertilizers Pty Ltd</b> ABN 73 008 741 160	Perth, Western Australia	
<b>Wesfarmers Kleenheat Gas Pty Ltd</b> ABN 40 008 679 543	Murdoch, Western Australia	

## Appendix A – reporting entities (continued)

<b>Wesfarmers Chemicals, Energy and Fertilisers (WesCEF) reporting entities</b>	<b>Principal place of business</b>	<b>Description of activity</b>
<b>Wesfarmers LPG Pty Ltd</b> ABN 32 009 214 831	Kwinana, Western Australia	These entities form part of the Wesfarmers Group corporate structure and are associated with the WesCEF division.
<b>Wesfarmers Industrial and Safety (WIS) reporting entities</b>		
<b>Wesfarmers Industrial and Safety Pty Ltd</b> ABN 15 137 253 528	Macquarie Park, New South Wales	Wesfarmers Industrial and Safety (WIS) is a leading supplier of industrial, safety and workwear products, and services to a wide range of customers, including Australia and New Zealand's largest corporate and government entities, through four main businesses: Blackwoods, NZ Safety Blackwoods, Workwear Group, and Coregas
<b>Coregas Pty Ltd</b> ABN 32 001 255 312	Yennora, New South Wales	These entities form part of the Wesfarmers Group corporate structure and are associated with the WIS division.
<b>J. Blackwood and Son Pty Ltd</b> ABN 43 000 010 300	Macquarie Park, New South Wales	
<b>The Workwear Group Pty Ltd</b> ABN 82 004 055 387	Port Melbourne, Victoria	
<b>The Workwear Group Holding Pty Ltd</b> ABN 52 154 382 386	Macquarie Park, New South Wales	
<b>Health division reporting entities</b>		
<b>Australian Pharmaceutical Industries Pty Ltd (formerly Australian Pharmaceutical Industries Limited)</b> ABN 57 000 004 320	Camberwell, Victoria	The Health division was formed in March 2022, with the acquisition of Australian Pharmaceutical Industries (API). API has been serving the health, beauty and wellbeing needs of Australians for more than 100 years. It's one of Australia's leading health and beauty companies and is a wholesale distributor of pharmaceutical goods, offering retail support services to pharmacies through its Priceline Pharmacy franchises and banner brands. API also owns non-pharmacy Priceline stores, the Sister Club loyalty program and Clear Skincare clinics
<b>API Victoria Pty Ltd</b> ABN 68 001 941 608	Camberwell, Victoria	These entities form part of the Wesfarmers Group corporate structure and are associated with the Health division.
<b>Australian Pharmaceutical Industries (Queensland) Pty Ltd</b> ABN 62 009 781 668	Camberwell, Victoria	
<b>New Price Retail Pty Ltd</b> ABN 28 082 268 362	Camberwell, Victoria	
<b>New Price Retail Finance Pty Ltd</b> ABN 25 107 444 315	Camberwell, Victoria	
<b>Priceline Proprietary Limited</b> ABN 18 005 968 310	Camberwell, Victoria	
<b>Synapse Finance Pty Ltd</b> ABN 95 107 444 299	Camberwell, Victoria	
<b>The Priceline Unit Trust</b> ABN 65 701 908 786	Camellia, New South Wales	

Wesfarmers holds a 50 per cent interest in Loyalty Pacific Pty Ltd (Flybuys) which prepares its own modern slavery statement.

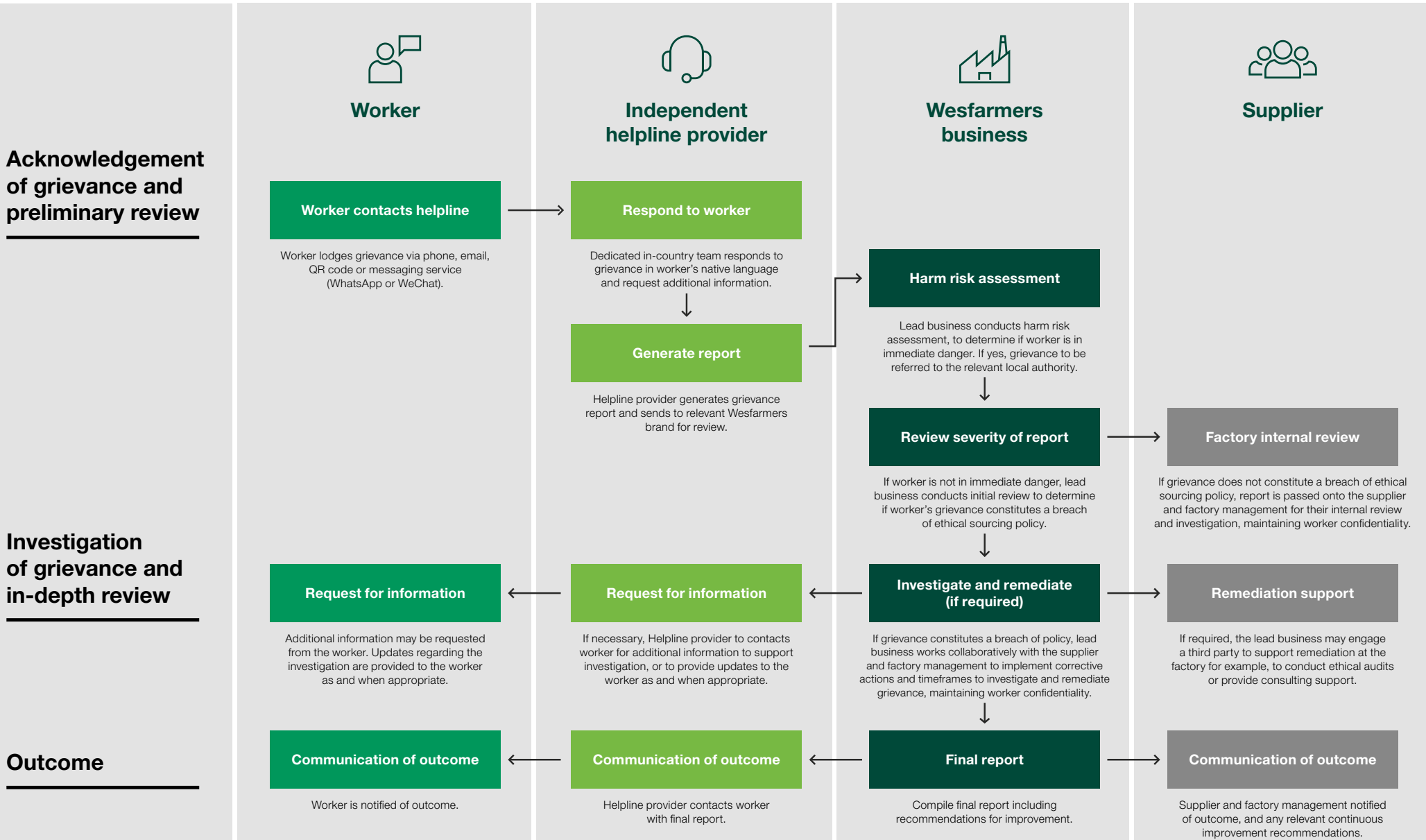
## Appendix B – policies and control documents

Policy or control document	Description
<b>Wesfarmers Code of Conduct</b>	Sets out the guiding principles and expectations of everyone who works in the Group. It outlines shared legal and ethical obligations
<b>Our approach to human rights</b>	Sets out the Wesfarmers Group commitment to respecting human rights, including through its sourcing activities and as an employer. It identifies the Group's most salient human rights issues
<b>Group Ethical Sourcing and Modern Slavery Policy</b>	Sets minimum standards for Wesfarmers businesses including to identify, prevent, mitigate and manage the risk of modern slavery in their operations and supply chains
<b>Wesfarmers Anti-bribery Policy</b>	Sets out the responsibilities of Wesfarmers business and team members to observe and uphold the prohibition on bribery and related improper conduct. It provides guidance on how to recognise and deal with instances of bribery and corruption
<b>Wesfarmers Whistleblower Policy</b>	Outlines the process for making and investigating a disclosure seeking whistleblower protections
<b>Wesfarmers Diversity and Inclusion Policy</b>	Outlines the Wesfarmers Group's commitment to diversity and inclusion including difference of gender, ethnicity, indigeneity, thought, experience, religious beliefs, education, age, ability, family responsibilities, sexual orientation and gender identity
<b>Risk Appetite Statement*</b>	Details risk (uncertainty) that the Wesfarmers Board is prepared to accept across material risk categories, in pursuit of the Group's objectives. It is aligned to Wesfarmers primary objective, values and Code of Conduct and outlines how modern slavery risks are expected to be managed
<b>Group Procurement Policy*</b>	Seeks to ensure the Group has appropriate capabilities to enable effective sourcing strategies and risk management
<b>Divisional policies and codes</b>	<p>Address modern slavery governance and management appropriate to the businesses and supply chains. These are updated regularly to align with international best practice</p> <p>Key policies and codes include:</p> <ul style="list-style-type: none"> <li>– <b>Bunnings Group's Code of Conduct</b></li> <li>– <b>Kmart Group's Ethical Sourcing Code</b></li> <li>– <b>Officeworks Ethical sourcing and modern slavery policy</b></li> <li>– <b>Blackwoods' Ethical Sourcing Policy</b></li> <li>– <b>NZ Safety Blackwoods' Ethical Sourcing Policy</b></li> <li>– Bullivants Ethical Sourcing Policy*</li> <li>– <b>Workwear Group's Ethical Sourcing Statement</b></li> <li>– <b>Coregas' Ethical Sourcing Policy</b></li> <li>– <b>WesCEF's Ethical Sourcing and Modern Slavery Policy</b></li> </ul> <p>An ethical sourcing policy is being developed for each of the new Health and OneDigital divisions.</p>

\* Not available on the Wesfarmers or divisional website



# Appendix C – grievance mechanism process – ‘Your Voice, Worker Helpline’



## Appendix D – progress against prior year focus areas

Each year, the divisions report to their divisional boards and the Wesfarmers ARC on their compliance with the Wesfarmers Ethical Sourcing and Modern Slavery Policy.

As part of this report, each division completes a self-assessment of performance against the Group's minimum standards and details their approach to the management of modern slavery and human rights risks. In the 2021 financial year, the divisions also identified focus areas for the 2022 financial year and beyond. Progress against these focus areas is summarised below.

Division	Focus areas (FY2022)	Activities and status
<b>Bunnings</b>	Continue to review and expand the ethical sourcing program to include human rights due diligence for all tier 1 suppliers of products for resale, products not for resale and suppliers of services. Through the responsible timber sourcing program, progress the mapping of timber supply chains back to forests. Expand on other high-risk raw material supply chains to include additional environmental and/or human rights due diligence.	This multi-year focus area remains ongoing. Bunnings is working to continue to expand its ethical sourcing program including human rights and environmental due diligence on suppliers of products for resale, products not for resale, high risk raw materials and services.
<b>Kmart and Target</b>	Identify and publish 100 per cent of tier 2 processing facilities producing Kmart and Target own-brand clothing, towel and bedding products. Update the listing on the Kmart and Target websites of processing facilities every six months.	During FY2022, Kmart and Target identified and published 100 per cent of tier 2 processing facilities that produce Kmart and Target own-brand clothing, towel and bedding products. The list of processing facilities is now published on the Kmart and Target websites.
<b>Officeworks</b>	Begin mapping tier 2 supplier sites.	During FY2022, Officeworks mapped five tier 2 supplier sites. In addition, forced labour worker surveys were deployed at these sites.
<b>NZ Safety Blackwoods, Workwear Group and Coregas</b>	Complete a risk assessment of service suppliers.	NZ Safety Blackwoods completed a risk assessment for cleaning and local logistic service suppliers. Workwear Group completed the risk assessment for cleaning suppliers. Work is underway and ongoing for other service suppliers. Coregas completed the risk assessments of cleaning suppliers.
<b>Coregas</b>	Undertake a risk assessment of tier 1 own-brand suppliers.	Coregas completed a risk assessment of tier 1 own brand suppliers.
<b>Bullivants, Workwear Group, NZ Safety Blackwoods and Coregas</b>	Identify high-risk product categories and raw material suppliers.	Bullivants did not identify high-risk categories as purchased products are commodities. No raw materials are purchased by Bullivants. Workwear Group identified high-risk product categories for products for resale, products not for resale and raw materials. NZ Safety Blackwoods completed risk assessments of tier 1 own-brand suppliers and on selected raw materials suppliers. Coregas identified some high-risk product categories such as branded not for resale products. This work will continue in FY2023.
<b>WesCEF</b>	Increase focus in the monitoring program on high-risk suppliers including suppliers beyond tier 1.	All tier 1 suppliers were risk-assessed and prioritised. An audit program was developed and is ongoing in FY2023, with assistance from a third-party auditing supplier provided.
<b>Officeworks</b>	Strengthening internal grievance channels through worker surveys and e-learning at tier 1 manufacturing sites. Begin mapping of tier two sites for directly sourced strategic suppliers. Update policy and process documentation for investigating and reporting on issues raised through grievance channels.	Four new factories included in Officeworks worker voice surveys, with two of these now implementing their own internal worker voice surveys as an additional grievance channel. Five tier 2 sites mapped, with forced labour worker surveys deployed at these sites in FY22. Internal policy and process documentation updated on actions taken to investigate and report on issues raised through grievance channels.
<b>Industrial and Safety</b>	Investigate worker voice direct engagement trials for use in overseas supplier factories.	Blackwoods and Workwear Group implemented a worker voice mechanism at certain overseas factories.

