

2023 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 and where our businesses operate. We pay our respects to their Elders, past and present, and actively support progress towards Aboriginal and Torres Strait Islander cultural, social and economic equity.

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About this statement

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

Criterion 1 Identify the reporting entity	Page 2 Appendix A
Criterion 2 Describe the reporting entity's structure, operations and supply chains	Pages 8–15 Appendices A & B
Criterion 3 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 16–22
Criterion 4 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 23–36
Criterion 5 Describe how the reporting entity assesses the effectiveness of these actions	Pages 37–41 Appendix C
Criterion 6 Describe the process of consultation with any entities that the reporting entity owns or controls	Pages 6–7
Criterion 7 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 2023, to identify, mitigate and remediate the risk of modern slavery in the Group's businesses and supply chains.

This is Wesfarmers' eighth modern slavery statement and fourth 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 an entity based or operating in Australia with revenue exceeding \$100 million in the reporting period. 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', 'us' or 'our' 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 and different approaches to the identification, mitigation and remediation of these risks. 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 evolves over time. The Wesfarmers Health and OneDigital divisions were new to the Group in 2022 and have partially aligned to the Group's minimum standards.

This Modern Slavery Statement was approved by the Wesfarmers Board on 26 October 2023.

Managing Director's statement



Wesfarmers has long recognised the importance of engaging fairly with suppliers and sourcing ethically and sustainably, to continue to deliver upon our corporate objective over the long term.

Across the Group, we are committed to taking action to support the elimination of modern slavery, which is a growing and complex problem. For many years, our teams have worked together and with suppliers and other partners to deliver against this objective, recognising that modern slavery is best tackled by collective action.

I'm pleased with the progress during the 2023 financial year, but we recognise that this important work will remain ongoing given the often insidious nature of modern slavery.

Through the Wesfarmers Ethical Sourcing and Modern Slavery Policy, we have established minimum standards governing the management of these issues in our operations and minimum standards expected of suppliers. Importantly, our approach and standards continue to evolve, strengthening our ethical sourcing programs.

For our businesses, modern slavery risk management is multi-pronged. In Australia and internationally, our teams work with suppliers and others to collaborate on actions aimed at identifying, assessing, managing and mitigating modern slavery risks. Our businesses seek to partner with suppliers that share our values, including our respect for human rights. Among other measures across our Group, our businesses leverage risk assessments (which include a focus on sourcing location, product categories and raw materials), supplier due diligence at onboarding and ongoing supplier monitoring, often through independent audits. Across the Group, we employ teams in all key sourcing markets, which helps to strengthen supplier relationships and is essential to our long-term success.

Wesfarmers' minimum standards apply to all suppliers, addressing diverse issues, including indicators of forced labour, a prohibition of illegal child labour, and requirements regarding wages, working hours, working conditions, record keeping and freedom of association. This year, we added a further minimum standard that suppliers not interfere with the operation of grievance mechanisms where they operate in supplier sites.

Reflecting increased focus on ethical sourcing, this year, more than 4,500 supplier sites were included in our ethical sourcing program (up 4.8 per cent, relative to last year), with more than 3,000 supplier sites monitored during the year (up 15 per cent, relative to last year). When a non-conformance is identified, our focus turns to remediation of the issue. By requiring and supporting the remediation of non-conformances, we are confident that our businesses are supporting an improvement in working conditions for workers in our supply chains.

As a large employer with complex supply chains, in recent years, we have made an important investment in training – to build deeper awareness and respect for human rights. During the year, this included training on human rights, ethical sourcing risks and buying practices for our team members and supplier workers. We see this as foundational to progress because widespread awareness of human rights is a first step in our teams' and suppliers' efforts to reduce and ultimately eliminate instances of modern slavery.

This 2023 Wesfarmers Modern Slavery Statement was approved by the Wesfarmers Limited Board on 26 October 2023, on behalf of all reporting entities covered by this Statement.

A handwritten signature in black ink, appearing to read 'Rob Scott', written in a cursive style.

Rob Scott

Managing Director
26 October 2023

01. Approach

Our approach to ethical sourcing



Our approach to ethical sourcing

At Wesfarmers, we believe 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 since 2016.

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

We also understand that modern slavery is a complex problem, best tackled by collective commitment. 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, assess, manage and mitigate modern slavery risks 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 Organization'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

The Wesfarmers Way guides Wesfarmers' operating model and sets out our values and value-creating strategies, which are directed at achieving the Group's primary objective.

Our approach to ethical sourcing aligns with the Group's primary objective to provide 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 on our website.

Wesfarmers' 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 certain other environmental policies and 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 that may arise from our activities and value chain.

Our Group Ethical Sourcing and Modern Slavery Policy sets the minimum standards expected of divisions and businesses to identify and address modern slavery and broader ethical sourcing risks in their operations and supply chains. The minimum standards include a prohibition on forced or compulsory labour and child labour, and a requirement to operate in accordance with all applicable laws. The Group policy also aims to safeguard the rights of the supplier workforce, including the right to freedom of association and collective bargaining, and to eliminate discrimination.

In 2023, following an independent review, the Group Ethical Sourcing and Modern Slavery Policy was amended to improve the Group's approach to identifying and managing modern slavery and ethical sourcing risks. The changes better align the policy to the United Nations Guiding Principles on Business and Human Rights and strengthen and clarify certain definitions, to reflect changes in the Group's ethical sourcing practice. Other amendments support additional governance over Group reporting and the operation of grievance mechanisms in supplier sites. The policy also enhances the requirement for stakeholder engagement.

A list of Group and divisional policies and codes, and links to their location on the Wesfarmers website are at Appendix B.

Consultation

All Wesfarmers divisions supported the preparation of this Modern Slavery Statement, including 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 can be found at Appendix D, which sets out further information on the scope of its assurance.

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 risk management, including modern slavery. Human rights risk in our own operations and supply chains is included 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 as part of an annual risk review and leads or helps to guide stakeholder engagement. Divisional boards and management teams have responsibility for identifying and managing material divisional 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 goods 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 ARCs and boards, and the Wesfarmers ARC and Board.

Divisional ethical sourcing programs

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

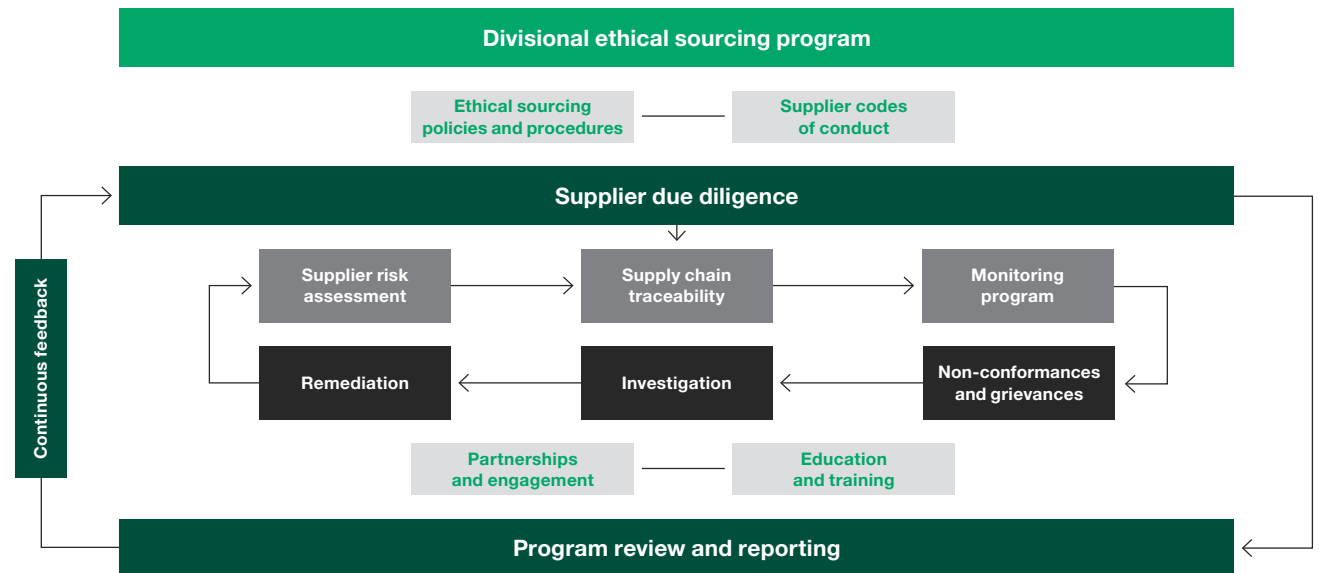
While the divisions may focus on different risk areas, their ethical sourcing programs share a broadly common methodology to identify, assess, manage and mitigate modern slavery risks. This is represented in the diagram below.

Wesfarmers convenes quarterly human rights forums where divisional and business representatives share learnings and leading practice. Additional information on the human rights forum is provided in section 4.

To support the implementation of their ethical sourcing programs, all Wesfarmers divisions develop divisional ethical sourcing policies, which adopt the Wesfarmers minimum standards, as appropriate to their industries.

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

Key policies and other instruments relevant to the management of modern slavery and human rights risks are listed in Appendix B and, unless noted, available online.



02.

Structure

Our structure, operations
and supply chains



Our structure, operations and supply chains

About Wesfarmers

From its origins in 1914 as a Western Australian farmers' cooperative, Wesfarmers has grown into one of Australia's largest listed companies. With headquarters in Perth, Wesfarmers' diverse businesses today span: home improvement, outdoor living products and supply of building materials; general merchandise and apparel; office and technology products; health, beauty and wellbeing products and services; management of a retail subscription program and shared data asset; wholesale distribution of pharmaceutical goods; manufacturing and distribution of chemicals and fertilisers; development of an integrated lithium project, including mine, concentrator and refinery; industrial and safety product distribution; gas processing and distribution; and management of the Group's investments.

Wesfarmers is one of Australia's largest private sector employers with approximately 120,000 team members and is owned by more than 510,000 shareholders.

Wesfarmers is a significant contributor to the Australian and New Zealand economies. During the year, the Group generated wealth of \$43.7 billion, of which \$28.9 billion related to suppliers for raw materials and inventory, and \$4.2 billion for rent, freight, services and other external costs.

The Wesfarmers Group is organised into seven divisions. Within each division there are several businesses. In the 2022 financial year, we established the Wesfarmers 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, and includes Catch. This Modern Slavery Statement includes data and disclosures for the Health division and for Catch (but otherwise not for OneDigital) noting that Catch was previously a part of the Kmart Group.

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 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 team members to manage ethical sourcing and human rights risks and issues, when identified. Beyond the ethical sourcing teams, other team members, such as divisional leadership teams, merchandising, procurement and operations teams also have responsibilities for managing supplier relationships and play a central role managing 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.

For example, during the year, there were around 570 team members in different Kmart Group sourcing offices in Bangladesh, China, Hong Kong, India and Indonesia. Additionally, Wesfarmers Industrial and Safety businesses Blackwoods and Bullivants have merchandise and sourcing teams in China, and WorkWear Group has teams across China, Bangladesh and India. Officeworks has merchandise and sourcing team members located in India.

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. The Wesfarmers Group has long supported the local communities where we operate, which supports our long-term success.

More information about the Wesfarmers Group, including our strategies, products and operations, as well as approach to sustainability is on the Wesfarmers website at www.wesfarmers.com.au and our divisional websites.

Headquartered in Western Australia



31,000

Extensive supply chains with nearly 31,000 suppliers of goods for resale, goods not for resale and services



More than 510,000 shareholders

510,000



120,000

One of Australia's largest private sector employers with approximately 120,000 team members

Our structure, operations and supply chains

The Wesfarmers Group is organised into seven divisions. There are several businesses within each division.

Bunnings Group



Bunnings Group is the leading retailer of home improvement and outdoor living and building products in Australia and New Zealand. Bunnings' network of 513 locations includes warehouses, trade centres, Tool Kit Depot stores and Beaumont Tile stores. Bunnings Group employs more than 52,000 team members.



Industrial and Safety



Industrial and Safety operates three main businesses spanning safety products, industrial and corporate workwear, and industrial and medical gases. Industrial and Safety employs approximately 3,600 team members.



Kmart Group



Kmart Group comprises Kmart and Target and operates 449 stores across Australia and New Zealand, employing around 50,000 team members in Australia, New Zealand and key sourcing markets.



Health



The Health division was formed in March 2022, with the acquisition of API, one of Australia's leading health and beauty companies. The Health division includes 76 company-owned Priceline stores, 390 Priceline pharmacy franchise stores and 92 Clear Skincare clinics and is also a wholesale distributor of pharmaceutical goods. The division employs more than 3,000 team members.



Chemicals, Energy and Fertilisers



Chemicals, Energy and Fertilisers manages nine businesses in Australia and employs almost 1,500 team members across its production and distribution facilities and support offices.



OneDigital



Established in 2022, OneDigital brings together the Group's digitally native businesses, including the OnePass membership program, the Catch marketplace, and the Group data asset. OneDigital powers the Group's data and digital growth ambitions and provides customers with a more seamless, rewarding and valuable omnichannel experience across the Group's retail businesses. The division employs about 600 team members.



Officeworks



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 166 stores. Officeworks employs more than 9,000 team members.



Other activities

Wesfarmers is an investor in Flybuys, the BWP Trust, Gresham Partners and Wespine Industries.



Our structure, operations and supply chains

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

This year, the Group has nearly 31,000 suppliers producing goods and providing services from more than 40 countries. Of these, about half supplied goods and about half supplied services.

Total spend on own-brand goods for resale was about \$7.2 billion. When measured by value, over 91 per cent of own-brand goods were sourced from suppliers in Australia, Bangladesh, China, Germany, India, Indonesia, Qatar, Republic of Korea, Switzerland and the United States.

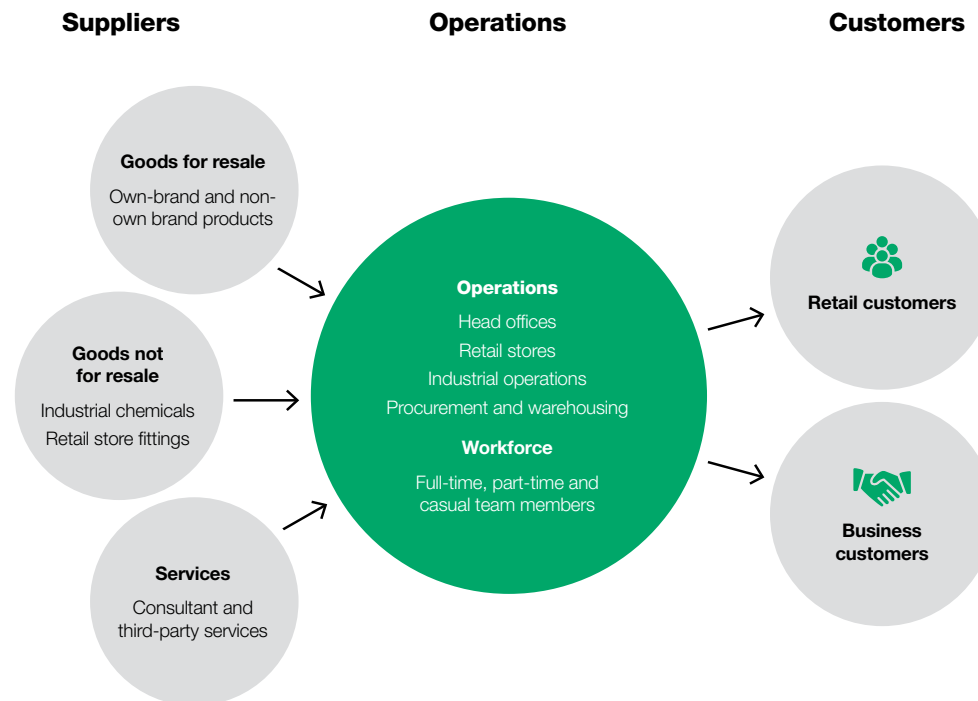
Each division has procurement and ethical sourcing teams that manage the majority of this spend, with support from the Wesfarmers corporate office team. Additional information on the Bunnings, Kmart Group, Officeworks, Blackwoods, NZ Safety Blackwoods, Workwear Group, Wesfarmers Chemicals, Energy and Fertilisers (WesCEF), Wesfarmers Health and OneDigital 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 goods are made, but instead engage third-party suppliers to manufacture products. Industrial and Safety manufactures some of its 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 who deliver these services, or suppliers that deliver these services using their own staff. Our divisions also engage labour hire businesses to supply some workers in our distribution centres.

Wesfarmers value chain

This is a high-level representation of our businesses' value chains with suppliers providing goods and services to our operations, which provide goods and services to customers.



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

Goods 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.

Goods 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 across the Group.

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 in all Group businesses.

Our structure, operations and supply chains

The Wesfarmers Group is committed to sourcing goods and services in an ethical manner while working with suppliers to improve their social 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 aim to place the rights of workers at the centre of our response and remediation.

Supply chains

Across the Group, the divisions and their 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. By contrast, the retail divisions engage suppliers to manufacture goods for resale, with the supplier typically responsible for procuring inputs, including in some cases, raw materials.

The apparel supply chain

Those businesses that source apparel (such as Kmart, Target or Workwear Group) have a supply chain with multiple, complex tiers and relationships, including between suppliers.

The apparel supply chain is complex and nuanced, depending upon the design and materials used in a product. Our divisions and their businesses have contractual relationships with tier 1 suppliers of goods for resale. There generally are not contractual relationships with suppliers to our tier 1 suppliers (often called tier 2 suppliers), who are further up the supply chain.

Tier 2 and tier 3 suppliers may provide inputs, including fabric, thread, trim and accessories. Tier 4 suppliers may provide raw materials (such as cotton) or services (such as cotton processing).

The structure of the apparel industry is complex. Some suppliers are vertically integrated, spanning multiple tiers of the supply chain, while others specialise in a single component of the supply chain. Apparel industry supply chains may be located across several countries, with goods shipped from one country to another country for further manufacturing.

The supply chain illustrated below is an example of what an apparel supply chain may look like at Kmart, Target or Workwear Group.

Apparel supply chain

Tier 1	Finished products manufacturers <ul style="list-style-type: none"> – Cut, make and trim fabric – Garment stitching and sewing – Final product assembly 	
Tier 2	Fabric mills and processing facilities <ul style="list-style-type: none"> – Fabric mills, including knitting, weaving, dyeing and printing – Facilities, including washing, finishing and embroidery 	Non-commercial goods suppliers <ul style="list-style-type: none"> – Including trims, accessories and other items not sold directly to customers
Tier 3	Yarn manufacturers <ul style="list-style-type: none"> – Including milling and spinning 	Packaging manufacturers <ul style="list-style-type: none"> – Including manufacturers of cardboard, paper, foam, wraps, pallets and other materials
Tier 4	Generic commodity processors <ul style="list-style-type: none"> – Fibre manufacturers whether raw, re-generated or synthetic – Processing, including ginning and spinning 	

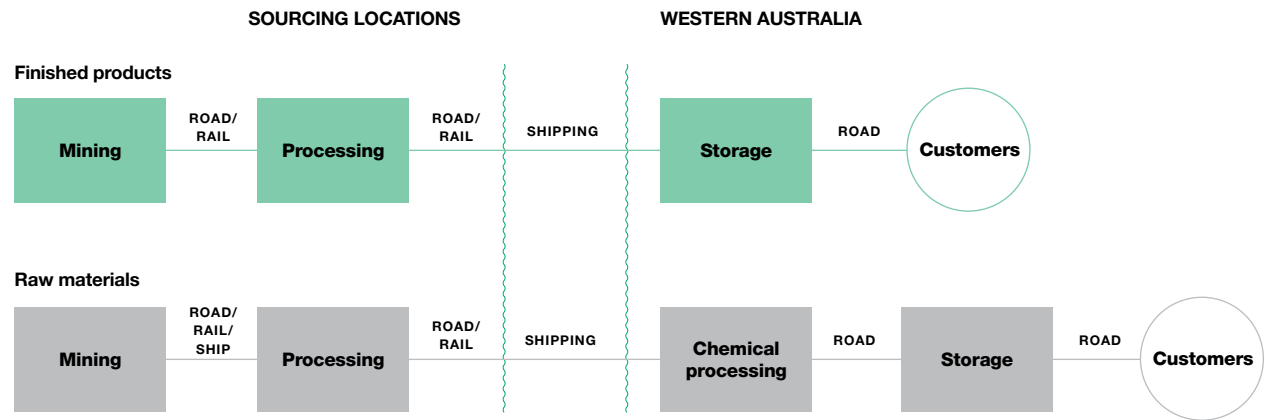
CSBP Fertilisers supply chains

The typical supply chain of the WesCEF CSBP Fertilisers business generally starts with mined materials, which undergo processing and extends to the distribution of products to end customers.

CSBP Fertilisers manages its transport logistics, with shipping provided by global shipping providers, and road and rail transport provided by local service providers.

CSBP Fertilisers' supply chain starts with phosphate rock or potash, or chemically produced nitrogen-based products sourced from around the world. These are used as raw materials or final products in Western Australian agriculture and are transported to ports on the west coast of Australia by sea. On arrival in Western Australia, they can undergo further chemical processing, which combines them with inputs that CSBP produces itself. At CSBP's industrial facilities in Western Australia, fertilisers are manufactured to meet local market requirements. Alternatively, they can be used directly as final products. These are distributed to customers in Western Australia through the road network.

Fertiliser supply chain



CASE STUDY

Women supported in Kmart and Target supply chain

In some countries, women workers in the garment supply chain have limited opportunities for job advancement, are under-represented in leadership positions and are exposed to human rights impacts. Some female workers do not have access to basic services needed to ensure health and wellbeing, or skills training and opportunities to support their professional development.

Kmart Group believes all women deserve the opportunity to have a voice and reach their full potential, in their work life and also home life. With women representing approximately 60 per cent of workers at Kmart Group's suppliers, Kmart and Target have committed to support health, education and professional skills training for at least 100,000 women in their supply chain by 2025.

Kmart Group has partnered with BSR HERproject, which became a founding partner of RISE: Reimagining Industry to Support Equality in January 2023. RISE is an initiative to support collaborative industry action at scale to advance gender equality in global garment, footwear and home textiles supply chains. RISE includes training on health, financial inclusion, gender equality and includes workplace rights.

As at June 2023, there were 83,875 women workers enrolled in the RISE program across 41 Kmart and Target supplier factories in Bangladesh, India and Vietnam. Kmart Group has not completed a comprehensive impact assessment of the training modules, however early feedback from participants and management indicates the program builds confidence of women workers in using technology, supports explanation of sensitive topics and provides a channel for informal feedback among workers.



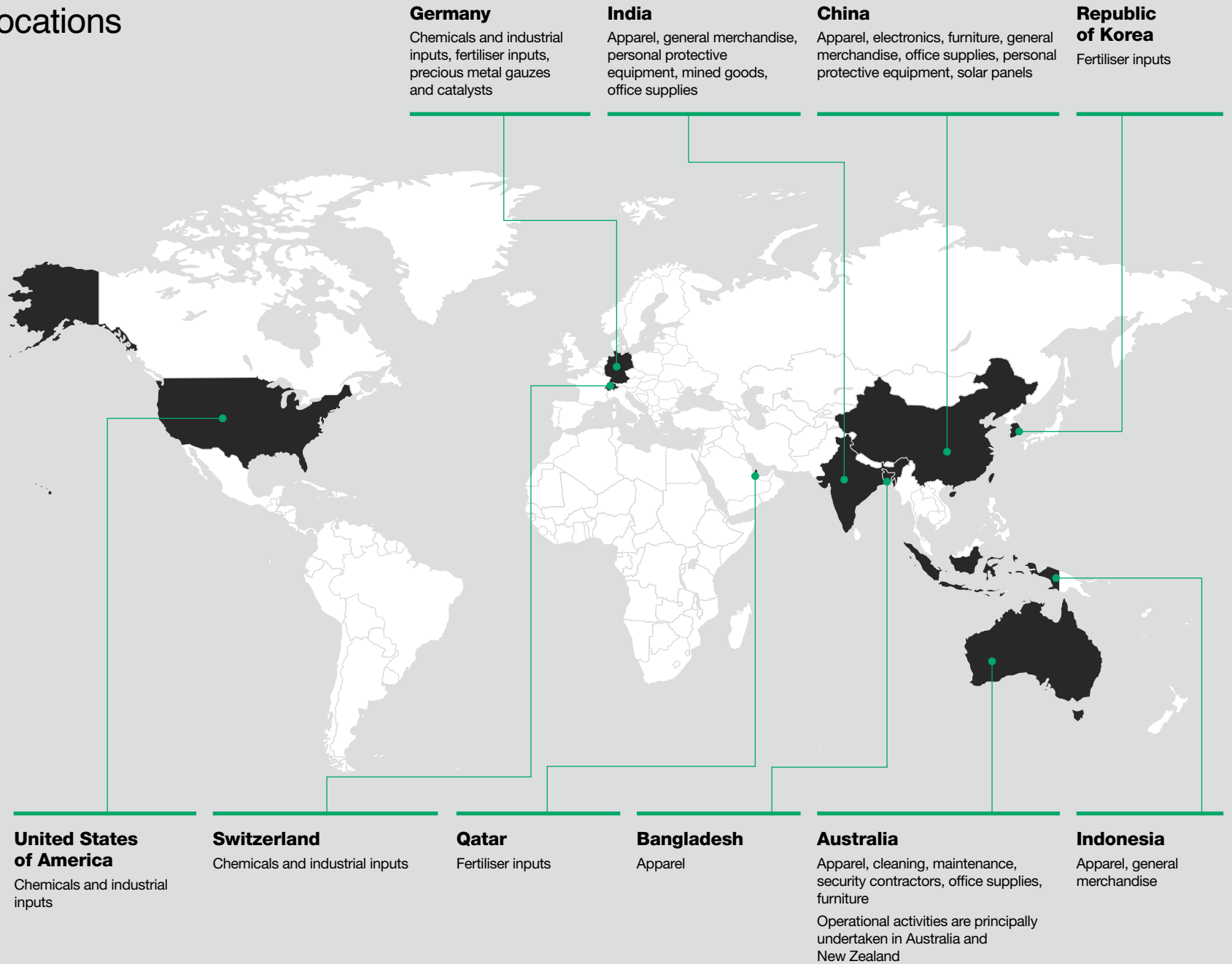
Major sourcing locations

31,000

suppliers of products and services

91%

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



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 recognise that these risks exist in all countries including Australia and New Zealand.

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

A 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.

Our operational workforce is predominantly located in Australia and New Zealand, both of which have been assessed as having low likelihood of modern slavery.¹ However, we recognise the risk of modern slavery exists in all countries. We mitigate the risk of modern slavery in our operations by maintaining robust human resources and safety management systems.

Across the Group, 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. Effective whistleblower and grievance mechanisms exist, to provide greater transparency and help mitigate modern slavery risks.

Around 89 per cent of the Wesfarmers Group's Australian workforce (about 110,000 team members) are employed under collective agreements, with the majority of 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 continues to utilise the findings from this assessment to prioritise actions to mitigate human rights risk and guide decisions and actions taken within our businesses.

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
- Ensuring product safety for our customers.

¹ Walk Free Global Slavery Index, 2023, Importing Risk, online, available at: www.walkfree.org/global-slavery-index/findings/importing-risk/

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 varied 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 goods, 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 the divisions and their 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 Organization
- Reports by supplier ethical trade membership organisations such as Supplier Ethical Data Exchange (Sedex).

Based on this research, Wesfarmers has identified the risks associated with goods and locations applicable to the Group's supply chains.

Across the Group, 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 products and services

Products and services present higher risk of modern slavery if they are low margin, include hazardous or unregulated manufacturing processes, use hazardous types of raw materials or rely 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.

Sourcing goods with a high risk of modern slavery

Modern slavery is connected to the supply of goods and services, domestically and globally. Walk Free (an international human rights group focused on the eradication of modern slavery) has identified the highest at-risk imports into G20 economies by goods category. The top four categories include electronics, garments, solar panels and textiles, which are sourced by divisions. Across the Group, we source from certain known high-risk jurisdictions: Bangladesh, Malaysia, Qatar, the Republic of Korea and South Africa.

Forced labour is a form of modern slavery and according to the latest global estimates, about 27.6 million people are in forced labour.¹ Research indicates that forced labour exists across the world, including in industrialised and developing countries, and that most people in forced labour work in southeast Asia, in manufacturing, construction, agricultural, services and domestic work sectors. Migrant workers are known to experience greater risks related to forced labour, including being exposed to more unsafe environmental conditions, feeling unsafe at work, discrimination and wage theft.

High risk goods and materials

Research reports evidence of forced labour in solar panel supply chains. Some divisions may be exposed to this risk through the procurement of solar panels for electricity generation and goods such as portable solar chargers and products with embedded solar cells.

Estimates of forced labour in the cotton supply chain indicate that around 20 per cent of global cotton used in apparel manufacture is at risk of being tainted with forced labour. This creates risk of forced labour in some divisions' cotton/textile supply chains.

A list of the Group's sourcing locations, the goods sourced from those locations and modern slavery and forced labour risks is provided in the following table. The Group's approach to managing these modern slavery risks is included in section 4.

To support and strengthen management and reporting on forced labour risks, we are working to develop a better understanding of forced labour risks across the divisions and to develop risk mitigation strategies which may include guidelines and procedures for procurement of high risk goods or from high risk jurisdictions.²

Officeworks due diligence procedure for procurement of solar panels

The Officeworks Human Rights team was involved in the tender for rooftop solar panels for Officeworks stores in 2022. Key selection criteria included the traceability information provided by each supplier for their solar panel supply chain and any exposure to forced labour. This was assessed by cross referencing the supply chain information provided by each supplier with a report into forced labour in the polysilicon supply chain.³ The chosen supplier provided visibility across raw materials used and reported that no manufacturing sites were identified as having exposure to forced labour.

We recognise that this is a first step in due diligence of the solar panel supply chain and it relies on suppliers providing accurate information.

¹ ILO, 2022, Global Estimates of Modern Slavery: Forced Labour and Forced Marriage, online, available at: www.ilo.org/global/topics/forced-labour/publications/WCMS_854733/lang--en/index.htm

² Walk Free Global Slavery Index, 2023, Importing Risk, online, available at: www.walkfree.org/global-slavery-index/findings/importing-risk/

³ Sheffield Hallam University, In Broad Daylight, 2021 Over-Exposed | Sheffield Hallam University (shu.ac.uk)

Material risks in Wesfarmers supply chains and suppliers

The following table identifies material risks across the Group and the relationship to goods 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.

Sourcing locations	Risk types	Products or services	Businesses
Australia	Migrant labour exploitation Deceptive recruitment practices Child labour*	Contracted services, including cleaning, maintenance, waste disposal, catalogue distribution and security. Some risk in the provision of office supplies, apparel and furniture as well as the horticulture industry.	Bunnings, Kmart Group, Officeworks Blackwoods, Coregas, Workwear Group, Bullivants Wesfarmers Health OneDigital
Bangladesh	Excessive overtime	Apparel	Kmart Group NZ Safety Blackwoods, Workwear Group
China	Freedom of association Excessive overtime Forced labour Risks in the raw material supply chain Migrant labour exploitation	Apparel Electronics Furniture General merchandise Office supplies Personal protective equipment Solar panels	Bunnings, Kmart Group, Officeworks Blackwoods, NZ Safety Blackwoods, Workwear Group Wesfarmers Health OneDigital
France	Migrant labour exploitation	Office supplies	Officeworks
Germany	Discrimination	Chemicals and industrial inputs Fertiliser inputs Precious metal gauzes and catalysts	WesCEF**
India	Forced and bonded labour Migrant labour exploitation Child labour* Excessive overtime	Apparel General merchandise Personal protective equipment Mined goods Office supplies	Kmart Group Officeworks Blackwoods, NZ Safety Blackwoods, Workwear Group Wesfarmers Health
Indonesia	Forced and bonded labour Excessive overtime Migrant labour exploitation	Apparel General merchandise	Kmart Group Workwear Group
Lithuania	Migrant labour exploitation	Apparel	Workwear Group
Malaysia	Forced and bonded labour Migrant labour exploitation Deceptive recruitment practices Excessive overtime	Apparel Electronics General merchandise Personal protective equipment	Officeworks Blackwoods, NZ Safety Blackwoods, Workwear Group Wesfarmers Health

Sourcing locations	Risk types	Products or services	Businesses
Pakistan	Forced and bonded labour Migrant labour exploitation Child labour*	Apparel	NZ Safety Blackwoods, Workwear Group
Qatar	Excessive overtime Forced labour Migrant labour exploitation	Fertiliser inputs	WesCEF**
Republic of Korea	Migrant labour exploitation Excessive overtime Forced labour	Fertiliser inputs	WesCEF**
Switzerland	Migrant labour exploitation Excessive overtime Forced labour	Chemicals and industrial inputs	WesCEF**
Taiwan	Forced and bonded labour Migrant labour exploitation Deceptive recruitment practices Excessive overtime	Apparel Electronics Office supplies Personal protective equipment	Officeworks Blackwoods, Workwear Group, NZ Safety Blackwoods
United Kingdom	Migrant labour exploitation	Office supplies	Officeworks
United States of America	Migrant labour exploitation Excessive overtime Forced labour Discrimination	Chemicals and industrial inputs	WesCEF**
Vietnam	Excessive overtime	Apparel Office supplies Furniture	Officeworks Blackwoods, NZ Safety Blackwoods, Workwear Group Bunnings

* '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.

** For WesCEF, in some instances the sourcing location may be a reference to a vendor location.

Material risks in Wesfarmers supply chains and suppliers

Risks among suppliers of services to Wesfarmers

Across the Group, the divisions engage suppliers of services including cleaning, security, maintenance, waste disposal and catalogue distribution.

Suppliers of these services may employ or rely upon low-skilled and migrant workers who are more vulnerable to exploitation.

The risk of modern slavery is higher among low-skilled and migrant workers because they may be less educated, less familiar with workplace laws and less proficient in local languages. Migrant workers may be more vulnerable because they can be dislocated from their community and family support structures, have concerns about employment security and its impact on their visa or immigration status, and issues related to personal background (such as conflict in their home country that caused them to migrate). In combination, these reasons may mean low-skilled and migrant workers are less likely to access 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.

United Nations: Cause, contribute and directly linked

The UN Guiding Principles on Business and Human Rights (UNGPs) are the global standard for addressing human rights and modern slavery associated with business activities.

The UNGP uses ‘cause’, ‘contribute’ and ‘directly linked’ to define a company’s connection to a negative human rights impact and its responsibility to support remediation. The Modern Slavery Act Guidance explains that adopting these concepts will assist companies to understand the risk that they may be involved in modern slavery and whether that risk arises directly or indirectly (because a company’s actions facilitate or incentivise modern slavery or because a company’s operations, products or services are connected with modern slavery via a third party).¹

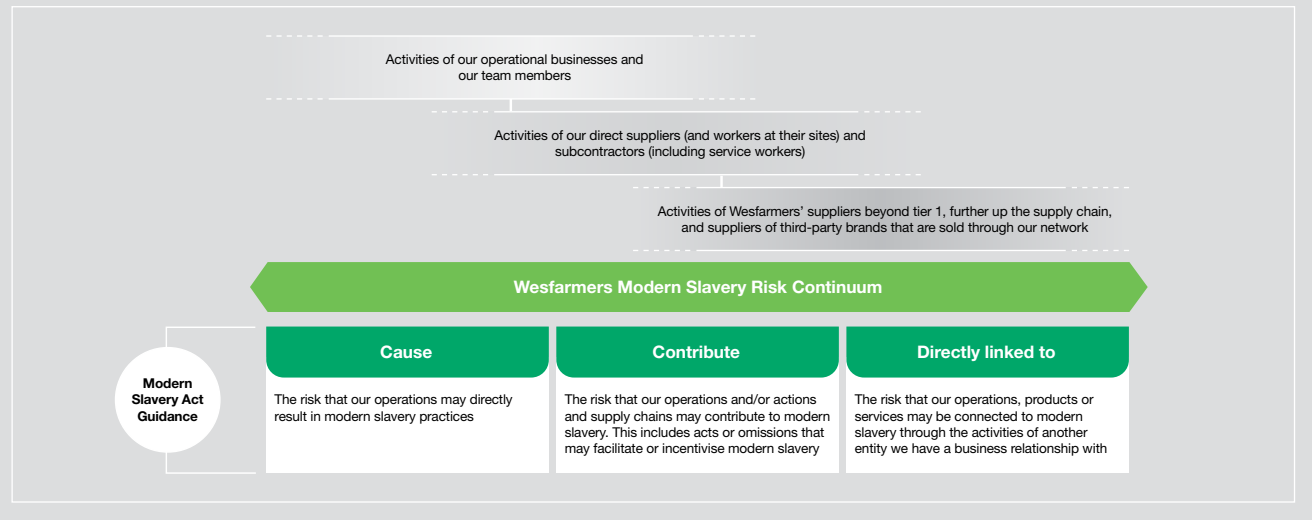
The divisions’ ability to influence worker conditions, the actions taken to avoid modern slavery risks through due diligence processes and remediation action plans are relevant when considering modern slavery risks in the Group’s supply chains and operations.

We aim to avoid causing or contributing to adverse human rights impacts. The Wesfarmers Ethical Sourcing and Modern Slavery Policy states that where the Group’s activities have caused or contributed to an adverse human rights impact, Wesfarmers or the relevant division or business will provide for or cooperate in remediation of the impact.

This year, the Group reviewed the UNGP framework and its applicability to our activities, operations and supply chains. This guides how we understand if each division’s sourcing and operational practices could cause, contribute or be directly linked to modern slavery risks, and to focus our human rights due diligence in an effort to avoid adverse impacts.

The diagram below explains how Wesfarmers views the continuum as related to modern slavery risk.

An example of an action to avoid causing, contributing or being directly linked to a modern slavery risk is to engage with suppliers to understand their work orders and ensure we reduce, as much as practicable, last minute or modified orders as this can contribute to forced overtime or excessive hours worked.



¹ Commonwealth *Modern Slavery Act* Guidance for Reporting Entities.

04.

Actions

Our actions to address key modern slavery risks



Our actions to address key modern slavery risks

There are a range of actions deployed by the divisions to proactively identify, prevent, mitigate and manage modern slavery risks in their operations and supply chains.

This reflects our experience over many years, across the Group's diverse businesses, that maturity of modern slavery risk management and reporting evolves with time and investment.

These actions include:

- Supporting supply chain traceability by increasing transparency of our suppliers, their activities and their supply chains.
- Taking measures to trace and report on the traceability of raw materials.
- Conducting due diligence on suppliers including pre-qualification prior to onboarding. 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, suppliers and workers at supplier sites, to increase awareness of human rights and modern slavery risks.
- Collaborating with other organisations, industry bodies, governments and non-government organisations.

During the year, additional due diligence processes were established, including:

- Wesfarmers Health now aligns with the Group's minimum standards and has implemented a due diligence program, including audits and monitoring activities.
- OneDigital is in the process of aligning to the Group's minimum standards. Catch, now a business within the OneDigital division, has continued on its journey to undertake due diligence on its own-brand products.
- Bunnings worked with its direct provider for static guards in Australia, to design and implement pre-qualification controls for indirect subcontractors.
- 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.

Supporting supply chain traceability

Supply chain transparency allows our divisions to identify, prevent, mitigate and manage the risk of modern slavery in their operations and supply chains. This is likely to remain an area of continued focus for all Wesfarmers' businesses.

To support supply chain transparency, divisions assess suppliers to determine whether they present a higher risk of modern slavery. This helps prioritise ethical sourcing activities and determine whether additional supplier monitoring activity is required.

Each division operates different businesses in different industries. Accordingly, they each face different risks and assess inherent supplier risk using diverse multi-factor risk methodologies. Risk of modern slavery is influenced by a variety of factors, including goods category, raw materials required to produce a product, the manufacturing process, whether a product is own-brand, where a product is manufactured or a service procured and how much a division is spending with a particular supplier.

Divisions map high risk tier 1 suppliers in the following ways:

- Bunnings, Officeworks, Blackwoods, NZ Safety Blackwoods, Bullivants, Workwear Group, Wesfarmers Health and Coregas use the secure Supplier Ethical Data Exchange (Sedex) platform to access 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 robust ethical sourcing program, which incorporates all tier 1 own-brand merchandise suppliers. It has extensive in-country procurement teams and a 16-person dedicated ethical sourcing team, with team members based in Australia and other key sourcing markets.
- WesCEF continues to enhance its supplier mapping and support development of a tiered risk assessment model, to better identify and manage ethical sourcing and modern slavery risks.

Our actions to address key modern slavery risks

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

Across the Group the divisions have different approaches and different levels of maturity in supplier mapping beyond tier 1:

- Blackwoods launched new ethical sourcing protocols, which expand its due diligence program beyond goods for resale.
- Bunnings and Officeworks continue their work on the traceability of timber and wood fibre supply chains using independent forest certification schemes, such as the Forest Stewardship Council (FSC) and Programme for the Endorsement of Forest Certification (PEFC). FSC and PEFC support chain of custody for timber back to the forest in which it is grown.
- Kmart and Target were among the first Australian retailers to publish the identity and location of all tier 1 own-brand factories on the Kmart and Target websites. In 2022, Kmart and Target went further, publishing the location of tier 2 and tier 3 processing facilities that produce own-brand clothing, towel and bedding products. During the year, Kmart Group identified a further 1,031 tier 2 and tier 3 processing facilities, including spinning mills, fabric mills, laundries, dyeing and printing facilities.

Traceability of raw materials

Raw materials are used in production of goods for resale and goods not for resale and some raw materials present an elevated ethical sourcing and modern slavery risk.

During the year, several businesses strengthened their investment in raw materials traceability:

- Kmart Group suppliers of own-brand and licensed product are required to complete a modern slavery declaration and a survey regarding cotton sourcing, and yarn and fabric manufacturers.

The declaration and survey are conducted every six months with a view to mitigating modern slavery risks associated with cotton sourced from high risk regions.

- Blackwoods further developed its raw material traceability and due diligence program to include an initial screening process and expanded annual monitoring. The program is focused on cotton, certain minerals and wood-based products that have been identified by Blackwoods as carrying an increased human rights risk.
- Workwear Group continued to engage its largest (by volume) garment suppliers and fabric mills, requesting verification on the source of cotton fibres in its supply chain.

Work to support further raw materials traceability is expected to remain ongoing for several years.

Supplier pre-qualification and onboarding

Each division follows a risk-based approach when undertaking modern slavery due diligence on potential new suppliers.

Due diligence is used to assess ethical sourcing risks, including whether the supplier maintains controls to manage its ethical sourcing risks.

High-risk potential new suppliers may be asked to complete a self-assessment questionnaire and may be independently audited before they are onboarded.

This approach to pre-qualification and onboarding reflects a focus on building long-term supplier relationships. Sharing our ethical sourcing focus with potential new suppliers lays foundations for stronger, long-term partnerships. It gives an opportunity to increase our understanding of a supplier's operations and supply chain, and therefore any modern slavery or broader human rights risks that the supplier may present. This in turn facilitates engagement with a supplier aimed at minimising any modern slavery risks.

For example, a business may recognise the importance of maintaining strong order management discipline to reduce the risk of excessive overtime for a supplier's workers. It also assists with responding to emerging risks such as those that flow from dislocation in raw material supply chains.

Monitoring suppliers and manufacturing sites

During the year, 2,880 suppliers and 4,563 supplier sites were included in divisional ethical sourcing programs. This is an increase of about five per cent from the previous year, for both.

Suppliers (and supplier sites) in the 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 activities include:

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

Wesfarmers Group ethical sourcing reporting draws on findings from supplier monitoring activities. For a monitoring activity to be included in our reporting, the activity needs to have reached a sufficient level of scrutiny to identify a non-conformance with a division's minimum standards.

Our actions to address key modern slavery risks

Reportable breaches

The divisions monitor suppliers in our ethical sourcing programs, to identify non-conformances with our policies, minimum standards and codes. The divisions have procedures in place that classify findings as minor, major or critical non-conformances. For reporting purposes, the Group uses the Wesfarmers Reportable Breach Framework to report any non-conformances deemed to be a 'reportable breach'. The reportable breach classification is based on a standard designed by Wesfarmers with reference to the Sedex Members Ethical Trade Audit (SMETA) Non-Compliance Guidance and Wesfarmers internal policies.

Generally, an identified non-conformance will trigger a remediation action. This happens whether a non-conformance is minor, major, critical or constitutes a reportable breach. A division will usually work with the supplier to remediate the non-conformance, through a proportionate corrective action plan intended to address the specific needs of the situation. Non-conformances may identify indicators of human rights issues, which if not managed, may escalate to instances of modern slavery.

Non-conformances are identified through 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 2023 financial year, a total of 410 reportable breaches at 226 supplier sites were identified. This equates to about seven per cent of all sites across the divisional ethical sourcing programs.

The main reportable breaches identified related to health, safety and hygiene, excessive working hours and wages.

Reportable breaches were identified in 20 countries with 221 (54 per cent) in China and 97 (24 per cent) in Bangladesh.

During the 2023 financial year, no reportable modern slavery event was identified by the Group.

Suppliers

Total suppliers in ethical sourcing program	2,880
Total suppliers monitored this year	1,895
Total number of suppliers with reportable breaches	192

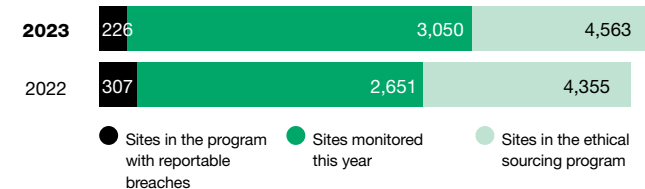
FY2023 data	Outcomes
% of suppliers in our ethical sourcing program monitored:	% of suppliers monitored with reportable breaches:
66%	10%

Supplier sites

Total number of sites in ethical sourcing program	4,563
Total number of sites monitored this year	3,050
Total number of sites with reportable breaches	226

FY2023 data	Outcomes
% of sites in our ethical sourcing program monitored:	% of sites monitored with reportable breaches:
67%	7%

Ethical sourcing program



Reportable breaches (by location, FY2023)

Location	Total breaches
Australia	5 1%
Bangladesh	97 24%
Cambodia	14 3%
China (including Hong Kong and Taiwan)	221 54%
India	11 3%
Indonesia	10 2%
Japan	1 <1%
Lithuania	5 1%
Malaysia	10 2%
Mexico	1 <1%
Netherlands	1 <1%
New Zealand	1 <1%
Pakistan	4 1%
Poland	2 <1%
Republic of Korea	1 <1%
Sri Lanka	2 <1%
Thailand	2 <1%
Türkiye	7 2%
United Arab Emirates	2 <1%
Vietnam	13 3%
Total	410 100%

Reportable breaches (by type, FY2023)



Our actions to address key modern slavery risks

Remediation of non-conformances

If any non-conformance with a division's policies, minimum standards or codes is identified, a remediation process is activated.

The divisions seek to work in partnership with their suppliers to remediate a non-conformance. Exactly what action is taken and how a division responds depends on the nature of the non-conformance and takes into account 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. This can 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.

As part of their remediation work our divisions regularly partner with other customers of a supplier, local non-government organisations and other experts and organisations to help ensure worker rights and safety are upheld.

Where an indicator of forced labour is identified, remediation may focus on:

- Ensuring the immediate safety and wellbeing of workers
- Supporting the supplier to better understand acceptable and unacceptable work practices
- 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.

The emphasis placed on working with suppliers to remediate non-conformances means that it is rare for a supplier or supplier site to be exited. Instead, we support remediation, because it can help improve conditions for workers. This year, across the Group 39 per cent of reportable breaches were remediated and 49 per cent are in the process of being remediated.

Sometimes a supplier is not willing or able to remediate a non-conformance within an agreed timeframe, or it may be a severe breach of policy (such as bribery or unauthorised subcontracting). The division may then decide to no longer place orders with that supplier and the supplier may be exited.

Various factors influence decisions to exit a supplier or supplier site, including the nature and severity of the reportable non-conformance and an assessment of whether the supplier will satisfactorily remediate the issue.

This year, across the Group seven suppliers or their sites were exited where remediation could not be achieved:

- One site exit related to excessive overtime in China
- One site exit related to systemic occurrence of workers not receiving rest days, isolated incidents of locked fire exits and excessive overtime in China

- One site exit related to unauthorised sub-contracting in China
- One site exit related to attempted bribery in China
- One supplier exit in Vietnam related to employees not being paid and attempted bribery
- Two supplier exits related to ongoing lack of engagement with ethical sourcing program requirements in China.

In respect of these supplier and supplier site exits, remediation was attempted, including:

- Investigation and classification of the reportable breach and development of a corrective action plan
- Direct engagement with the supplier or supplier site management to discuss the breach and remedy to be implemented
- Follow-up audits and engagement to assess performance.

In response to the two instances of attempted bribery, the supplier or site was immediately exited or disqualified from registration in the ethical sourcing program.

When a division exits a supplier or supplier site it shares the decision (including the reason for the exit) with other divisions.

Shipping risks and due diligence

Maritime cargo shipping companies and charter vessels are classified as high risk for modern slavery.

This classification reflects various factors, including:

- That they operate across multiple offshore locations, including in many higher-risk countries and in international waters
- The highly fragmented and multi-national regulatory regime governing the shipping industry
- Practical limitations to effective enforcement and monitoring of work practices and conditions on board vessels.

This year, the Group updated shipping contracts, with carrier agreements including a sanctions clause related to sanctioned persons and sanctioned parties, and an expanded modern slavery clause with wording recommended to Wesfarmers by the non-government organisation, Human Rights at Sea.

An updated self-assessment questionnaire was also finalised and sent to carriers for completion.

Six carriers responded to the self-assessment questionnaire. The Wesfarmers shipping team collaborated with the Bunnings Group Ethical Sourcing team to review responses and to rate the carriers.

The results will inform Wesfarmers' engagement with carriers in the next shipping year.

Forced labour investigation

The salient human rights risk assessment undertaken in 2021 identified forced labour in our supply chains as a key risk.

This year, the Group undertook additional research into the risks of forced labour in our supply chains.

With an improved understanding of the risks of forced labour some divisions implemented additional actions and initiatives around improved risk assessment and supplier due diligence processes. Some examples include:

- Strengthening governance arrangements
- Undertaking additional direct engagement with their suppliers, to request declarations of cotton sourcing
- Establishing chain of custody arrangements to confirm cotton did not originate from high-risk locations
- Focusing on the identification of specific indicators of forced labour such as recruitment fees
- Supporting direct worker engagement measures including grievance mechanisms
- Including a forced labour risk assessment as a supplier selection criteria
- Strengthening supplier prequalification controls such as for shipping contractors.

Where divisional ethical sourcing programs identify indicators of forced labour, they are classified as a reportable breach and the divisional (and supplier) focus turns to remediation. As noted above, a decision may be taken to exit the supplier or supplier site if the supplier is unwilling or unable to complete remediation.

For the first time, this year the Wesfarmers corporate office reviewed each reportable breach reported by the divisions against the International Labor Organization (ILO) forced labour indicators.

The review identified the following trends:

- Underpayment of wages and repeated excessive overtime violations dominate reportable breaches. Where systemic, these are classified by the ILO as a forced labour indicator.
- There were instances where information from suppliers on wages and working hours was missing, incomplete, inconsistent or intentionally withheld from the auditors. This may constitute an indicator of forced labour.
- There were instances of debt bondage, lack of freedom of association and reports that could be classified as intimidation and threats. These may constitute indicators of forced labour.

Wesfarmers will continue to investigate and provide information on forced labour indicators.

CASE STUDY

The 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 through the Bunnings Ethical Sourcing Program, which works collaboratively with suppliers building local capacity and driving continuous improvement.

This year, Bunnings worked with 235 supplier sites to remediate more than 1,400 non-conformances identified via ethical sourcing audits. These remediation activities supported improvement at supplier sites in 18 countries with over 70,000 workers working at those sites.

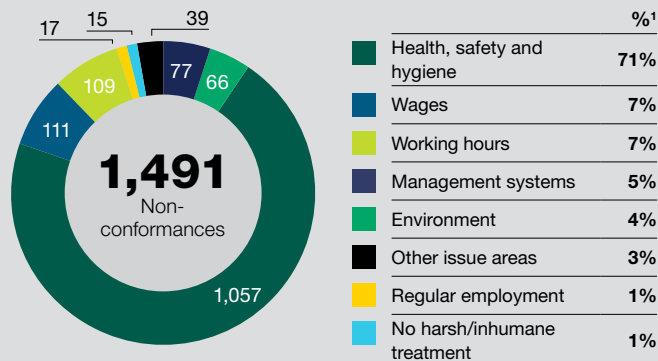
The three most common remediated non-conformances address health and safety issues (1,057 findings, 70.9 per cent); incorrect wages (111 findings, 7.4 per cent); and excessive working hours (109 findings, 7.3 per cent).

Bunnings is committed to continuous improvement and works collaboratively with suppliers to address and remediate non-conformances as soon as practicable. In addition, Bunnings supports remediation via bespoke training programs for supplier site management teams supporting the implementation of the 'Your Voice, Worker Helpline' and 'Your Voice, Call-Back' services.

As a measure of ethical sourcing program efficacy, Bunnings tracks the positive impact of the audit program over time. There has been consistent growth in actions taken to improve working conditions year on year. Bunnings will continue to expand the scale and scope of its ethical sourcing program to include additional suppliers, their manufacturers and their workforce.



FY2023 Number of resolved non-conformances by category



¹ Does not sum to 100% due to rounding.

	FY2021	FY2022	FY2023
Total sites where remediation took place	138	145	235
Total non-conformances remediated	1,379	895	1,491
Number of countries where remediation took place	15	17	18

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 the observed findings of an auditor at a point in time), effective grievance mechanisms have the potential to provide near real-time and regular feedback on working conditions, in all parts of a supplier's operations.

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 ILO conventions.

Across the Group, there are examples of support for grievance and whistleblower mechanisms. The **Wesfarmers 2022 Modern Slavery Statement** included detail on the 'Your Voice, Worker Helpline' and the escalation and remediation process.

The case study on the following page outlines an approach taken by Bunnings and Officeworks to test and supplement the 'Your Voice, Worker Helpline'.

Whistleblower program

All divisions have a Whistleblower Policy in place, consistent with the Wesfarmers Whistleblower Policy, and provide various mechanisms to allow officers, team members, suppliers, their employees and relatives to raise potentially 'reportable conduct' as defined in the Policy for investigation, without fear of retribution. Across the Group, whistleblowers can make reports through various channels, including confidential hotlines managed by third parties as well as direct to the nominated Protected Disclosure Officers of the relevant division or to Wesfarmers' Protected Disclosure Officers. All reports assessed to fall under the Whistleblowing Policy are investigated.

Where substantiated, action is taken in response to those reports, including issuing a formal warning or providing training and coaching or where appropriate termination of employment or contract.

So far as is relevant to this Modern Slavery Statement, no reports were received making allegations of modern slavery through the domestic whistleblower processes.

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

www.kpmgfaircall.kpmg.com.au/Wesfarmers



Grievance mechanism

		FY2023 data	Outcomes
Total number of sites with a grievance mechanism	1,634	New grievance mechanism at	10 grievances raised
Factory workers with a grievance mechanism	769,733	234+ sites	1 substantiated grievance Not remediated¹

¹ This grievance related to a worker who was unable to access their social insurance (superannuation) payments. Ability to remedy was limited due to local law.

CASE STUDY

Worker engagement supports workforce grievance mechanism



This year, Bunnings, Blackwoods, Bullivants, Officeworks and Workwear Group extended their worker grievance helplines – the ‘Your Voice, Worker Helpline’. This grievance mechanism complements their divisional ethical sourcing programs by providing additional visibility of issues beyond the regular cadence of ethical sourcing audits. Additional information on the Helpline and the grievance mechanism process can be found [here](#).

This year, the ‘Your Voice, Worker Helpline’ was implemented at an additional 180 supplier sites covering more than 43,000 workers in China, Indonesia, Taiwan and Vietnam. The service now provides workers at more than 350 manufacturing sites with access to the helpline, to confidentially raise concerns about their working conditions.

Further detail on the remediation of grievances through the ‘Your Voice, Worker Helpline’ is provided on the [Wesfarmers sustainability website](#).

Bunnings call-back service

To complement the grievance mechanism and to gauge the efficacy of the ‘Your Voice, Worker Helpline’, Bunnings launched the ‘Your Voice, Worker Call-Back’ service during the year, to actively seek feedback from factory workers. This proactive, worker-centred approach provides Bunnings with an opportunity to hear directly from factory workers, to better understand their experiences, needs and concerns.

The ‘Your Voice, Worker Call-Back’ is initiated during an on-site factory audit, via Bunnings’ third-party supply chain partner. This voluntary service is introduced to the worker during the interview section of an audit and requires workers’ consent. After the audit, the worker receives a phone call enabling them to provide feedback and raise concerns about their living or working conditions in a private setting in their local language.

During the phone call the worker is invited to raise any other concerns, with the interview intended to establish:

- If the worker was asked to provide false or misleading information during the audit or experienced any retaliation or disciplinary procedures due to their participation in the audit
- If the worker is making unlawful repayment of debt and is in control of their identity documentation
- If overtime is voluntary
- If the worker is aware of and would use the ‘Your Voice, Your Helpline’ service.

Since the launch of the service, 130 workers have been interviewed from 14 factories in China. To date, no grievances have been raised and the service has established that 20 per cent of interviewed workers are aware of Bunnings’ grievance mechanism and over 50 per cent of workers would use it to raise a concern. Bunnings will continue to expand the ‘Your Voice, Worker Call-Back’ service to additional supplier sites, to verify the effectiveness of the grievance mechanism and to proactively provide workers with an additional channel to raise concerns.

Officeworks continues to embed worker voices

To complement its ethical sourcing audit program, Officeworks has continued to extend its worker survey program, which enables direct engagement with workers to identify concerns that may not have been captured during audits.

The surveys capture worker sentiment related to wages and working hours, workplace wellbeing, environment, health and safety, productivity and stability, and the workplace grievance mechanism. This is the third year of the worker survey program.

Initially, a total of 1,810 workers at eight factories shared their concerns, which included a lack of trust in internal grievance channels, lack of understanding in how wages are calculated, concerns that wages were unfair and a hesitation to speak up at work.

Using this information, Officeworks collaborated with factory management to implement appropriate actions to address worker concerns and to improve working conditions at each site. This included rewarding workers for providing their feedback, introducing team member engagement activities, such as ‘town halls’, organising activities to encourage worker belonging, facilitating monthly meetings with worker representatives and ongoing quarterly surveys to check that concerns were being addressed.

To address worker concerns, wage assessments were conducted to review wage fairness, with training on wage calculation and an anonymous channel for wage complaints established as an additional mechanism for workers to provide feedback.

Six months after the first round of surveys, Officeworks conducted follow-up surveys to understand worker sentiment at all these sites. These surveys showed a 13 per cent improvement in worker sentiment, enabling positive change to 3,390 workers.

After three years of working collaboratively with its suppliers, Officeworks has gathered valuable program insights, expanded the worker voice program and taken meaningful action on direct worker feedback.

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 2023 financial year, more than 7,500 team members and more than 5,500 suppliers received ethical sourcing and modern slavery training, totalling almost 29,500 hours.

Ordinarily, training of divisional buying and sourcing teams focuses on 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
- Findings from Group and divisional audit programs and stakeholder engagements.

Team members complete 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 generally describes modern slavery and forced labour, what can be done to protect and safeguard human rights, and how to identify modern slavery risks in the workplace.

The Group’s divisional ethical sourcing teams 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.

Kmart Group developed a new animated ethical sourcing and modern slavery training video for Kmart Group suppliers and team members. The training video explains the risks Kmart and Target face in the area of modern slavery and ethical sourcing more broadly, and how the Kmart Group Ethical Sourcing Program works to mitigate those risks.

To support the expansion of the ‘Your Voice, Worker Helpline’ grievance mechanism, Bunnings supported the delivery of direct and indirect training to supplier factory management teams in English, Mandarin, Bahasa and Vietnamese, and on-site training was delivered to more than 2,900 workers in China and Indonesia.

Beaumont Tiles delivered over 90 hours of training to suppliers, providing support and guidance on compliance with the requirements of their ethical sourcing program.

Wesfarmers Health delivered three face-to-face training sessions to its supplier-facing teams, including supplier relationship management, procurement and logistics teams, to build their understanding of the ethical sourcing program and modern slavery risk.

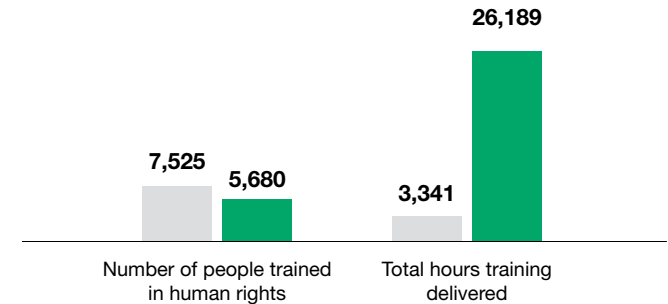
Workwear Group has a wide-ranging training program for its team members and for suppliers, as profiled in the case study on page 33.

WIS continues to prioritise training on ethical sourcing and modern slavery for employees, customers and suppliers. Blackwoods conducted internal training on emerging risks with a focus on high-risk raw materials. Coregas implemented a new online training system called Litmos with refreshers required every two years. Workwear Group continues its focus on training with suppliers and internal team members.

Officeworks updated its human rights and sustainable sourcing workshop, which is mandatory for all team members from merchandise and procurement teams when inducted. This includes topics like responsible purchasing practices covering what constitutes a fair price, the production process and how to best place orders (and avoid changes to orders), so as to reduce modern slavery risk. It also includes examples of forced labour indicators that are becoming more prevalent in its supply chain.

Human rights training

● TEAM MEMBERS ● SUPPLIERS



Internal collaboration

Cross-functional teams in the Group regularly collaborate in human rights forums, to share knowledge and lessons learned, and via technical working groups (15 occurred in FY2023).

The forums have been used to collaborate and share insights on issues such as forced labour, respecting Indigenous peoples’ rights, regulatory considerations and reform, global human rights frameworks, grievance mechanisms and other worker voice initiatives, and auditing/monitoring activities. Through these regular forums the divisions have further aligned on terminology and reporting. An important outcome from the forum meetings in FY2023 has been discussion and alignment on an update to the Wesfarmers Reportable Breach Framework, which will incorporate the 2022 SMETA issue titles in FY2024.

CASE STUDY

Workwear Group's modern slavery training program

Workwear Group is building awareness and capability among its team members and supplier groups on modern slavery risks, in their operations and supply chains.

All team members are required to complete modern slavery awareness training when they commence their employment and annually thereafter.

The e-learning training module addresses:

- Modern slavery and relevant legislation
- The importance of managing modern slavery risks
- Examples of forced labour
- Guidance on the identification and mitigation of modern slavery risks.

Team members working with high-risk supply partners receive additional training that covers:

- The Workwear Group Ethical Sourcing Program and supplier onboarding
- A risk-based approach to supplier management
- Supplier due diligence and transparency
- Business ethics and labour standards
- Responsible sourcing practices that drive better outcomes for workers
- Ethical social compliance audits.



Team members directly involved in the management of the Workwear Group Ethical Sourcing Program are also trained on:

- The SMETA Foundation
- Forced labour global standards and best practice, including the ILO indicators of forced labour
- Global standards, trends and international best practice
- Evolving legislation and global compliance requirements
- Child labour monitoring and remediation.

Annual compliance training is provided to all core and strategic suppliers of footwear, apparel and accessories. This year, training was provided to Workwear Group's international supply base in Bangladesh, China, India, Indonesia and Sri Lanka with suppliers in attendance employing approximately 28,000 workers within their factory sites. The training for suppliers focused on modern slavery risk and included:

- Workwear Group's Ethical Sourcing Program requirements and expectations
- Modern slavery risks
- Supplier obligations
- The role of unannounced ethical sourcing audits.

The training session included a presentation from a Workwear Group-nominated auditing body on managing non-compliances using case studies, common findings and root-cause analysis.

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 2023 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.

These organisations include:

- Better Cotton
- Cleaning Accountability Framework
- Sustainable Apparel Coalition
- Ethical Clothing Australia
- United Nations Global Compact Network Australia, including as a member of the Human Rights Resources and Energy Collaborative (HRREc).

Across the Group, our divisions also collaborated with other companies in our sectors, to further develop our approach to the management of ethical sourcing and modern slavery risk, 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. Wesfarmers provided detailed feedback to the Commonwealth Government as part of its review of the *Modern Slavery Act*.

Engagement and support for new acquisitions

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 our approach to evaluating opportunities.

In March 2022, Wesfarmers acquired API, which is the foundation business of our new Wesfarmers Health division. The acquisition due diligence included an assessment of API's sustainability and ethical sourcing maturity and risks and a capability and reporting gap assessment, conducted by sustainability and ethical sourcing leads.

The acquisition due diligence drew upon public disclosures, confidentially disclosed information and meetings with company representatives. It identified risks and opportunities for improvement that were considered as the acquisition progressed.

This year, the Wesfarmers Health division further developed and implemented an ethical sourcing plan developed with reference to the acquisition due diligence, and the division has now commenced monitoring and audit activities, and reports data and disclosures in this Modern Slavery Statement.

During the year, Wesfarmers Health benefited from the experience of other businesses within the Wesfarmers Group.

Below, we list selected organisations with which our businesses partnered and collaborated during FY2023.

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
Australian Catholic Anti-Slavery Network (ACAN)	To develop training material and delivered a webinar.	Wesfarmers Health Workwear Group
Better Cotton	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 network for New Zealand ethical and sustainable sourcing practitioners to discuss and share best practice approach to modern slavery and ethical sourcing.	Bunnings NZ Safety Blackwoods Workwear Group
Human Rights Resources & Energy Collaborative (HRREC)	The purpose of this Group is to provide a forum for practitioners working in the resources and energy sectors to network and share knowledge on respect for human rights, including but not limited to the implementation of the MSA.	WesCEF
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 and 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 NZ Safety Blackwoods Bullivants Workwear Group Coregas Officeworks Wesfarmers Health
Sustainable Apparel Coalition (SAC)	The SAC is a global multi-stakeholder non-profit alliance for the consumer goods industry.	Kmart Group

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
The European Do It Yourself Retail Association (EDRA), as part of the Global Home Improvement Network (GHIN)	The Global Home Improvement Network (GHIN) is a forum for knowledge sharing and networking for retailers. EDRA creates a strong collective voice for home improvement retailers in Europe and Australia.	Bunnings
United Nations Global Compact Network Australia (UNGCA) 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 Blackwoods Kmart Group Officeworks Wesfarmers Health
Zero Discharge of Hazardous Chemicals (ZDHC)	ZDHC is a multi-stakeholder organisation comprising over 150 contributors from across the industry, including brands, suppliers and chemical suppliers.	Kmart Group
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, the Group assesses the effectiveness of the divisions' actions to ensure that their ethical sourcing programs are advancing the rights of workers and mitigating ethical sourcing and modern slavery risks in their operations and supply chains.

To understand how effectively we are managing the risk of modern slavery we:

- Undertake independent reviews of 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 again engaged a leading Australian independent consultant to review our 2022 Modern Slavery Statement and the Wesfarmers Ethical Sourcing and Modern Slavery Policy.

Last year, an independent review included analysis of ethical sourcing and human rights-related data and metrics. Based on the changes made in that year, we can better contextualise our reporting. In the future, we expect to be able to report on the effectiveness and impact of our ethical sourcing programs and key trends.

This year, Pillar Two reviewed the Workwear Group's Ethical Sourcing Policy and Modern Slavery Risk Management Framework. This will enable Workwear Group to strengthen its approach to ethical sourcing and enhance alignment with the Ethical Trading Initiative (ETI) Base Code and UN Guiding Principles on Business and Human Rights (UNGPs).

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.

For the year ended 30 June 2023, no internal audit reviews were completed on modern slavery and ethical sourcing.

Assessing the effectiveness of our actions

Ongoing monitoring activities and implementation of recommendations

Modern slavery and ethical sourcing are part of the annual risk review undertaken by the divisions.

As part of that process, a division's risk profile and risk management strategies are examined and assessed to ensure currency.

Reportable breach reporting is discussed at divisional ARC committees and in the cross-divisional human rights forums.

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.

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 and the implementation status is detailed in the following table.

In the 2022 Modern Slavery Statement, the Group identified focus areas for the 2023 financial year. Progress against these focus areas is summarised at Appendix D. The Group focus areas in place for FY2024 are shown in the table on page 41.

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 reporting transparency and continues to enhance its reporting transparency. This transparency has been recognised, including through the Fashion Transparency Index and ACSI'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 our operations and supply chains, including supplier self-assessment questionnaires and third-party audits as a pre-qualification to onboarding.
Employee training	Modern slavery and human rights training is undertaken by Group team members.
Supplier screening and supplier auditing	The due diligence approach includes screening of suppliers prior to being accepted as a supplier. Generally, their onboarding includes a screening mechanism known as a supplier self-assessment questionnaire. Depending on the risk assessment outcome, suppliers are monitored (including through audits) as part of the ethical sourcing 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 FY2022. This has enabled stronger year-on-year reporting and analysis of 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. Team members also have access to human resources grievance mechanisms.
Supplier grievance mechanisms	1,600 sites in 10 countries are now covered by grievance mechanisms. The 'Your Voice, Worker Helpline' was further implemented at an additional 180 supplier sites, covering more than 43,000 supply chain workers.

CASE STUDY

Officeworks assessing the impact of remediation

Factory audits are one of a number of critical enablers in the Officeworks Ethical Sourcing Program, helping to identify and address modern slavery risks.

A pre- and post-comparison of audit findings for sites that had reportable breaches in FY2022 against their FY2023 ratings showed improvement in the audit status of 77 per cent of suppliers or their sites where Officeworks had ongoing commercial relationships.

In FY2022, 362 suppliers of goods were in the Officeworks Ethical Sourcing Program, covering 82 per cent of all goods for resale and goods not for resale suppliers. The audit program identified 79 reportable breaches at 18 suppliers (over 33 sites). These sites were subsequently given a red audit status.

The most common reportable breaches related to excessive working hours and falsification or inconsistencies with payroll or time records. The lack of freedom to choose employment was also detected, where workers pay excessive recruitment fees to agencies or employers when commencing their employment.

In accordance with the Officeworks procedure, the 33 suppliers or their sites were given red audit ratings. The ethical sourcing team worked with the supplier or their sites to remediate the items identified and a follow-up independent audit was undertaken within three months.

In FY2023, the audit results showed that for those supplier sites with whom Officeworks still had a commercial relationship, more than three-quarters (77 per cent) had improvements in audit ratings. There were still items raised in the audits, however they were of a lower level of impact – shown in the chart with green, amber or yellow status.

One of the suppliers was exited after four attempts to close excessive overtime breaches were unsuccessful.

How did the Officeworks team remediate these issues?

Officeworks worked closely with the suppliers to develop corrective action plans to remediate the reportable breach items identified in the audits.

Where workers were found to have paid excessive recruitment fees (at nine supplier sites):

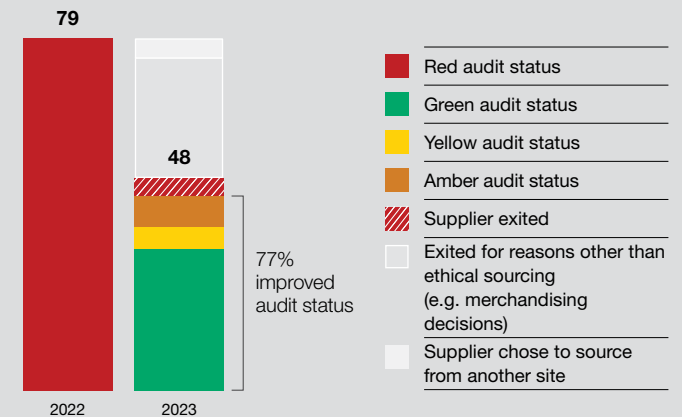
- Four supplier sites had a zero-recruitment fee policy introduced, including that the factory would bear recruitment costs if using a recruitment agency and all outstanding debt was waived to any current migrant worker who had outstanding recruitment fees. At three of these supplier sites the migrant workers were reimbursed the fees they had paid.
- At five supplier sites the supplier decided to exit that site, or the products were deleted, so there were no ongoing commercial relationships.

Where workers were required to work excessive working hours (33 supplier sites), examples of remediation actions taken included:

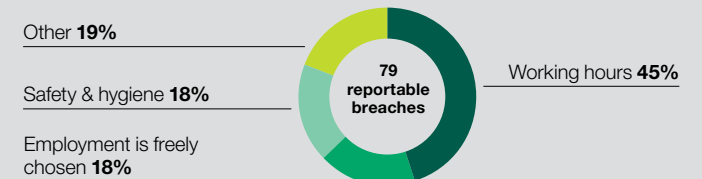
- Suppliers were supported to develop better planning and rostering for peak production periods
- Systems were implemented at supplier sites to monitor overtime and alert management when excessive hours were worked
- New policies were introduced to ensure a regular rest day.

Regular supplier audits are complemented by worker grievance mechanisms, relevant training of suppliers and team members, conducting worker surveys and acting on findings.

Reportable breach improvements



Officeworks FY2022 reportable breaches



Assessing the effectiveness of our actions

Future focus areas

The divisions remain focused on improving ethical sourcing programs to identify, prevent, mitigate and manage the risk of modern slavery in their operations and supply chains. The table below provides a summary of areas of future focus from across the Group. The focus of each division's ethical sourcing program may vary and therefore not all focus areas apply to each of the divisions.

Program area	Focus
Governance	<p>Further evolve the Ethical Sourcing and Modern Slavery Policy to enhance consideration of the risks to vulnerable workers in the supply chains.</p> <p>Support progress to implement ethical sourcing programs in new divisions and businesses, including Wesfarmers Health and OneDigital, or businesses that have recently become a reporting entity under the MSA.</p> <p>Continue to leverage the Group human rights forum and working groups for greater collaboration and learning.</p>
Supplier due diligence and onboarding	<p>Further develop procedures for procurement of high risk products. For example, this may include procedures related to direct and indirect procurement of solar panels and cotton.</p>
Ethical sourcing program	<p>Continue to expand the scale and scope of the ethical sourcing program. This continues work undertaken in FY2023.</p>
Supplier monitoring	<p>Seek independent advice on exposure to forced labour across the Group's operations and supply chains.</p>
Stakeholder engagement	<p>Support ongoing implementation and uptake of grievance mechanisms and other direct engagement with workers or their representatives.</p>
Remediation reporting	<p>Consider how to better report on remediation activities and to share learnings with suppliers, industry partners and other external stakeholders. This item is an extension to the work completed in FY2023.</p>
Program effectiveness	<p>Establish a shared country risk profile resource to support sourcing and supply chain diversification strategies.</p>
Training, education and engagement	<p>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. This remains an ongoing focus area.</p> <p>Deploy additional or new specialised modern slavery and human rights training for supplier-facing teams on the risks associated with engagement with suppliers in high-risk countries.</p>
Program reporting	<p>Implement a Group sustainability data system to more efficiently capture divisional and Group ethical sourcing data and metrics.</p> <p>Continue to align activities and reporting to using the United Nations Global Compact (UNGC) guidance on cause, contribute and directly linked. This continues work undertaken in FY2023.</p>

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
Wesfarmers Limited 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:WES). The nature of the operations and principal activities of Wesfarmers and its subsidiaries include: home improvement, outdoor living products and supply of building materials; general merchandise and apparel; office and technology products; health, beauty and wellbeing products and services; a retail subscription program and shared data asset; wholesale distribution of pharmaceutical goods; manufacture and distribution of chemicals and fertilisers; a joint venture to develop an integrated lithium project, including mine, concentrator and refinery; industrial and safety product distribution; gas processing and distribution; and management of the Group's investments. Wesfarmers Limited is the ultimate holding company of the reporting entities listed in this Modern Slavery Statement.
Bunnings Group reporting entities		
Bunnings Group Limited 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 owns and operates the Beaumont Tiles and Tool Kit Depot businesses. Bunnings businesses operate from more than 500 stores and online.
RJ Beaumont & Co Pty Ltd ABN 61 007 703 997	Adelaide, South Australia	RJ Beaumont & Co owns the Beaumont Tiles business specialising in tiles and bathroomware, tools and accessories. It operates through a network of over 110 showrooms, studios, clearance centres and trade centres across Australia.
Kmart Group reporting entities		
Kmart Australia Limited ABN 73 004 700 485	Mulgrave, Victoria	Kmart provides everyday retail products in over 320 stores in Australia and New Zealand and online. Kmart is a leading product development company and is expanding into international product wholesale arrangements to other global retailers.
Target Australia Pty Ltd ABN 75 004 250 944	Williams Landing, Victoria	Target is a retailer of apparel, homewares, beauty and general merchandise products in more than 125 stores in Australia and New Zealand and online.
Officeworks reporting entity		
Officeworks Ltd ABN 36 004 763 526	Chadstone, 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 more than 166 stores and online.
OneDigital reporting entity		
Catch.com.au Pty Ltd ABN 22 149 779 939	Docklands, Victoria	Catch is an online e-commerce business offering branded products on a first-party basis and operating a third-party online marketplace.

Appendix A – Reporting entities (continued)

Reporting entity	Principal place of business	Description of activity
Wesfarmers Health reporting entities		
Australian Pharmaceutical Industries Pty Ltd (formerly Australian Pharmaceutical Industries Limited) ABN 57 000 004 320	Docklands, Victoria	Australian Pharmaceutical Industries (API) is a leading Australian health and beauty retailer and supplier, operating a network of Priceline stores. API is also a wholesaler of pharmaceutical products and offers retail support services to pharmacies through its Priceline Pharmacy franchise and banner brand stores. API also operates the Sister Club loyalty program, Clear Skincare clinics and the InstantScripts online and telehealth business.
API Victoria Pty Ltd ABN 68 001 941 608	Docklands, Victoria	API Victoria is a distributor of pharmaceutical goods and products to pharmacies throughout Australia.
Australian Pharmaceutical Industries (Queensland) Pty Ltd ABN 62 009 781 668	Docklands, Victoria	API Queensland is a distributor of pharmaceutical goods and products to pharmacies throughout Australia.
Priceline Proprietary Limited as trustee for The Priceline Unit Trust ABN 65 701 908 786	Docklands, Victoria	Priceline is a leading pharmacy, health and beauty store comprising 470 company-owned and franchised Priceline and Priceline Pharmacy stores across Australia.
Wesfarmers Chemical Energy and Fertilisers (WesCEF) reporting entities		
Wesfarmers Chemicals, Energy and Fertilisers Limited ABN 48 008 797 402	Murdoch, Western Australia	Wesfarmers Chemicals, Energy and Fertilisers (WesCEF) manages nine businesses in Australia across the chemicals, energy, fertiliser and lithium sectors with a shared services model that supports the production, distribution and retail assets in the WesCEF portfolio.
AVC Trading Pty Ltd ABN 65 099 189 072	Campbellfield, Victoria	AVC Trading is Australia's largest importer of PVC resin and polymer materials. AVC Trading also provides shipping solutions and is a third-party specialist logistics provider assisting businesses that regularly import non-hazardous products into Australia from Asia.
Australian Gold Reagents Pty Ltd ABN 93 009 140 121	Kwinana, Western Australia	AGR is a 75 per cent owned joint venture with Coogee Chemicals. It manufactures and sells sodium cyanide to mining companies throughout Australia and internationally, for use in gold extraction.
CSBP Limited ABN 81 008 668 371	Kwinana, Western Australia	CSBP manufactures and supplies ammonia, ammonium nitrate and industrial chemicals to the Western Australian resource and industrial sectors. CSBP also manufactures, imports and distributes phosphate, nitrogen and potassium-based fertilisers in blended, compound and liquid form for the Western Australian agricultural sector.
Wesfarmers Energy (Gas Sales) Limited ABN 27 058 451 997	Murdoch, Western Australia	Wesfarmers Energy (Gas Sales) purchases and transports natural gas for the WesCEF portfolio and sells gas on a wholesale basis to customers in Western Australia.
Wesfarmers Kleenheat Gas Pty Ltd ABN 40 008 679 543	Murdoch, Western Australia	Kleenheat supplies, imports and distributes liquefied petroleum gas in Western Australia and the Northern Territory and retails natural gas to residential and commercial customers in Western Australia.
Wesfarmers LPG Pty Ltd ABN 32 009 214 831	Kwinana, Western Australia	Wesfarmers LPG produces liquefied petroleum gas.

Appendix A – Reporting entities (continued)

Reporting entity	Principal place of business	Description of activity
Wesfarmers Industrial and Safety (WIS) reporting entities		
Wesfarmers Industrial and Safety Pty Ltd 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 to many of Australia and New Zealand's largest corporate and government entities. WIS manages five main businesses: Blackwoods, NZ Safety Blackwoods, Bullivants, Workwear Group and Coregas.
Coregas Pty Ltd ABN 32 001 255 312	Yennora, New South Wales	Coregas is a manufacturer and distributor of industrial and medical gases to customers across Australia and New Zealand in the healthcare, heavy industry, manufacturing and specialty (including food, beverage, laboratory and pharmaceutical) sectors.
J. Blackwood and Son Pty Ltd ABN 43 000 010 300	Macquarie Park, New South Wales	Blackwoods is a retailer of tools, workplace safety and personal protective equipment, work wear, electrical, and industrial supplies to businesses across Australia and New Zealand.
The Workwear Group Pty Ltd ABN 82 004 055 387	Port Melbourne, Victoria	Workwear Group manufactures and retails workwear, including specialised uniforms and safety gear through a range of brands, including Hard Yakka, KingGee and NNT Uniforms.
Bullivants Pty Ltd ABN 47 087 887 072	Eastern Creek, New South Wales	Bullivants is a provider of specialist lifting, rigging, height safety and related services to the industrial sector.
Group reporting entities (holding companies)		
Ucone Pty Ltd ABN 99 002 534 278	Perth, Western Australia	Holding company within the Bunnings division.
Wesfarmers Bunnings Limited ABN 25 008 673 363	Perth, Western Australia	Holding company within the Bunnings division.
Wesfarmers Retail Holdings Pty Ltd ABN 14 126 199 022	Perth, Western Australia	Holding company of various retail businesses, including Kmart, Target, Officeworks and Catch.
Kmart Holdings Pty Ltd ABN 57 627 042 460	Perth, Western Australia	Holding company within the Kmart division.
Target Holdings Pty Ltd ABN 32 627 042 353	Perth, Western Australia	Holding company within the Kmart division.
Wesfarmers Department Stores Holdings Pty Ltd ABN 22 627 042 308	Perth, Western Australia	Holding company within the Kmart division.
Officeworks Holdings Pty Ltd ABN 51 627 042 497	Perth, Western Australia	Holding company within the Officeworks division.
Wesfarmers Online Retail Holdings Pty Ltd ABN 66 633 981 414	Perth, Western Australia	Holding company within the OneDigital division.

Appendix A – Reporting entities (continued)

Reporting entity	Principal place of business	Description of activity
Catch Group Holdings Pty Ltd ABN 89 159 074 003	Bentleigh, Victoria	Holding company within the OneDigital division.
WFM Investments Pty Ltd ABN 75 651 355 501	Perth, Western Australia	Holding company within the Health division.
New Price Retail Pty Ltd ABN 28 082 268 362	Camberwell, Victoria	Holding company within the Health division.
New Price Retail Finance Pty Ltd ABN 25 107 444 315	Camberwell, Victoria	Holding company within the Health division.
Synapse Finance Pty Ltd ABN 95 107 444 299	Camberwell, Victoria	Holding company within the Health division.
Wesfarmers Retail Pty Ltd ABN 94 097 092 085	Perth, Western Australia	Holding company within the WIS division.
Howard Smith Limited ABN 54 004 071 845	Perth, Western Australia	Holding company within the WIS division.
The Workwear Group Holding Pty Ltd ABN 52 154 382 386	Macquarie Park, New South Wales	Holding company within the WIS division.
AVC Holdings Pty Ltd ABN 22 099 222 456	Campbellfield, Victoria	Holding company within the WesCEF division.
Chemical Holdings Kwinana Pty Ltd ABN 34 009 187 375	Kwinana, Western Australia	Holding company within the WesCEF division.
Cuming Smith and Company Ltd ABN 46 004 048 319	Perth, Western Australia	Holding company within the WesCEF division.
Manacol Pty Limited ABN 70 114 552 251	Campbellfield, Victoria	Holding company within the WesCEF division.
Wesfarmers Fertilizers Pty Ltd ABN 73 008 741 160	Perth, Western Australia	Holding company within the WesCEF division.

The registered office address for the reporting entities listed in Annexure A is Level 14, Brookfield Place Tower 2, 123 St Georges Terrace, Perth, Western Australia. 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
Wesfarmers Code of Conduct	Sets out the guiding principles and expectations of everyone who works in the Group. It outlines shared legal and ethical obligations.
Our approach to human rights	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.
Group Ethical Sourcing and Modern Slavery Policy	Sets minimum standards for Wesfarmers businesses, including to identify, prevent, mitigate and manage the risk of modern slavery in their operations and supply chains.
Wesfarmers Anti-bribery Policy	Sets out the responsibilities of Wesfarmers' businesses 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.
Wesfarmers Whistleblower Policy	Outlines the process for making and investigating a disclosure seeking whistleblower protections.
Wesfarmers Diverse, Inclusive and Respectful Workplaces Policy	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.
Risk Appetite Statement*	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 the Wesfarmers primary objective, values and Code of Conduct and outlines how modern slavery risks are expected to be managed across the Group.
Group Procurement Policy*	Seeks to ensure the Group has appropriate capabilities to enable effective sourcing strategies and risk management.
Divisional policies and codes	<p>Address modern slavery governance and management appropriate to divisional businesses and supply chains. These are updated regularly to align with Group Ethical Sourcing and Modern Slavery Policy and international best practice.</p> <p>Key policies and codes include:</p> <ul style="list-style-type: none"> – Bunnings Ethical Sourcing Code of Conduct – Kmart Group Ethical Sourcing Code – Officeworks Ethical Sourcing and Modern Slavery Policy – Blackwoods Ethical Sourcing Policy – NZ Safety Blackwoods Ethical Sourcing Policy – Bullivants Ethical Sourcing Policy – Workwear Group Ethical Sourcing Statement – Coregas Ethical Sourcing Policy – WesCEF Ethical Sourcing and Modern Slavery Policy – Wesfarmers Health Ethical Sourcing and Modern Slavery Policy – OneDigital Catch Ethical Sourcing Code

* Not available on the Wesfarmers or divisional website.

Appendix C – Progress against prior year focus areas










Each year, the divisions report to their divisional boards and the Wesfarmers ARC on their progress in implementing their ethical sourcing programs and reporting on progress.

In the 2022 Modern Slavery Statement, the Group set out improvements and focus areas for FY2023, which are restated below, and with progress against each of the items summarised below.

● Complete
 ● In progress
 ● Not started

Program area	FY2023 Focus area	Status	FY2023 Progress
Governance	Support the new Wesfarmers Health and OneDigital divisions to implement the Wesfarmers Ethical Sourcing and Modern Slavery Policy, including minimum standards.	●	Wesfarmers Health has progressed implementation of an ethical sourcing program, including governance, training and grievance mechanisms. OneDigital includes the Catch business, which is a reporting entity under the MSA. This year, OneDigital adopted a new OneDigital Catch Ethical Sourcing Code that incorporates the Wesfarmers Ethical Sourcing and Modern Slavery Policy minimum standards. OneDigital developed a standard operating procedure (SOP) that defines roles, responsibilities and processes within the Catch Ethical Sourcing Program. A central component of the SOP is the audit requirement applying to factories producing Catch own-brand goods for resale.
		●	OneDigital includes the Catch business, which is a reporting entity under the MSA. This year, OneDigital adopted a new OneDigital Catch Ethical Sourcing Code that incorporates the Wesfarmers Ethical Sourcing and Modern Slavery Policy minimum standards. OneDigital developed a standard operating procedure (SOP) that defines roles, responsibilities and processes within the Catch Ethical Sourcing Program. A central component of the SOP is the audit requirement applying to factories producing Catch own-brand goods for resale.
		●	Beaumont Tiles participated in the human rights forums and will launch an ethical sourcing program in FY2024.
Supplier due diligence and onboarding	Review supplier contract documents and consider revisions to modern slavery clauses to ensure they capture the Group's evolving standards.	●	For Bunnings, ethical sourcing and modern slavery obligations are included in all pro forma contracts with direct suppliers. For Officeworks, standard agreements include modern slavery clauses. Where Officeworks agrees to use another party's standard agreement, Officeworks typically seeks inclusion of modern slavery clauses. During the year, Officeworks updated its ethical sourcing and modern slavery policy to include additional clauses relating to responsible recruitment of migrant workers. WIS commenced a review of its own-brand, national and international suppliers, and service providers to better understand their contractual status. Workwear Group have contracts that include ethical sourcing and modern slavery clauses for GNFR and new service providers. Blackwoods conducted a comprehensive review and re-launched its Ethical Sourcing Policy. Blackwoods continued to onboard high-risk suppliers into its ethical sourcing audit program. Wesfarmers Health reviewed and updated its standard Terms and Conditions of Purchase, detailing ethical sourcing-related requirements and expectation of suppliers and referencing the divisional Ethical Sourcing and Modern Slavery Policy.
		●	Kmart introduced a new modern slavery due diligence process for suppliers of solar panels using polysilicon. Workwear Group updated its Ethical Sourcing Policy and Modern Slavery Risk Framework and reviewed service provider contracts to include modern slavery clauses. A remediation framework based on Walk Free's Modern Slavery Response and Remedy Framework was adopted to inform Officeworks' suppliers of steps that must be taken, when a breach of minimum standards is identified.
Ethical sourcing program	Continue to expand the scale and scope of the ethical sourcing program.	●	At the Group level, the number of supplier sites monitored during the year increased by 399. The divisions continued to expand supply chain mapping beyond tier 1 suppliers and beyond own-brand goods for resale. Some divisions expanded the scope and scale of their monitoring activities. Bunnings expanded the scope of its programs to include goods not for resale, along with Bunnings Marketplace and indirect security subcontractors. Wesfarmers Health established its program and commenced audits this year. Blackwoods and Workwear Group expanded the scope of their programs to include goods not for resale. Blackwoods aligned its raw material traceability and due diligence program. Kmart Group maintained half-yearly disclosure processes for suppliers of Kmart and Target own-brand and licensed product, requiring these suppliers to complete a modern slavery declaration and a survey regarding cotton sourcing, and yarn and fabric manufacturers. Officeworks increased the number of audits reviewed during FY2023. Officeworks also reviewed and reduced acceptable audit formats received through Sedex for sites in countries with a high reliance on foreign migrant workers following internal analysis showing that only two (of eight) formats thoroughly analysed recruitment fees.

Appendix C – Progress against prior year focus areas (continued)

Program area	FY2023 Focus area	Status	FY2023 Progress
Ethical sourcing program (continued)	Review and consider additional accreditations and certifications for product categories, to supplement existing transparency initiatives.		While some divisions reviewed and considered the benefits of accreditations and certifications, no new accreditations or certifications were added this year. This focus area will continue in FY2024.
Supplier monitoring	Provide greater detail on monitoring activities undertaken in relation to modern slavery and other human rights risks.		During the year, monitoring activities included supplier visits, supplier questionnaires, quality audits and ethical sourcing audits undertaken by independent auditors. The divisions worked together on reviewing the Sedex issues titles against the new 2022 Sedex framework. See section 4. In FY2024, the new Sedex framework will be used by the Group to modify the Wesfarmers Reportable breach framework.
Stakeholder engagement	Support further expansion of grievance (or other stakeholder engagement) mechanisms in our supply chains.		The grievance mechanisms continued to be expanded in FY2023. Recognising that trust in a grievance mechanism is key to ensuring people will use them, Officeworks and Bunnings implemented a direct worker engagement survey and confidential call-back service for workers. See the case study at page 31.
Remediation reporting	Consider how to better report on remediation activities and to share learnings with suppliers, industry partners and other external stakeholders.		In FY2023, the divisions provided additional information on remediation processes for reportable breaches that resulted in an exit. Some divisions took steps to enhance their data collection systems to capture and track remediation of reportable breaches. This focus area will continue in FY2024.
Program effectiveness	Using historic ethical sourcing data, develop a methodology to assess the effectiveness of the ethical sourcing program over time.		Progress has been made to implement a new ESG data system, which will support efforts to assess and report on the effectiveness of Group ethical sourcing programs over time.
			Blackwoods developed a supplier audit performance classification protocol taking into consideration the number and type of non-conformances and remediation responses, which Blackwoods intends to use to define supplier performance over time.
			See the case study on page 40, detailing initial findings on work at Officeworks for those sites that had reportable breaches in FY2022 and the effectiveness in remediating them. This focus area will continue in FY2024.
Training, education and engagement	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.		Across the Group, training programs were maintained, as detailed on page 32, above, and in the case study on training implemented by the Workwear Group, on page 33. This focus area will continue in FY2024.
Program reporting	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'.		Where material, this Modern Slavery Statement identifies material differences in divisional ethical sourcing and modern slavery activities. The Wesfarmers 2023 Annual Report includes disclosures for each division, including a summary table showing the number and percentage of sites that were monitored in FY2023 and FY2022. Across the Group, consideration has been given to the UNGC guidance, with additional information included on page 22 of this Modern Slavery Statement. This focus area will continue in FY2024.



Independent Limited Assurance Statement to the Management and Directors of Wesfarmers Limited

Our Conclusion:

Ernst & Young ('EY', 'we') were engaged by Wesfarmers Limited ('Wesfarmers') to undertake a limited assurance engagement as defined by Australian Auditing Standards, hereafter referred to as a 'Review', over the FY23 Modern Slavery Statement ('Statement') for the year ended 30 June 2023. Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe the Subject Matter has not been prepared, in all material respects, in accordance with the Criteria defined below.

What our review covered (subject matter)

We were engaged by Wesfarmers to undertake limited assurance as defined by Australian Auditing Standards, hereafter referred to as the 'Review' over the disclosures in the Statement.

Criteria applied by Wesfarmers

In preparing its sustainability disclosures, Wesfarmers has applied the requirements in the Australian Modern Slavery Act (2018) (the Act), as well as other selected Criteria, as determined by Wesfarmers, and as set out in its Sustainability Reporting.

Key responsibilities

EY's responsibility and independence

Our responsibility is to express a conclusion on the Statement based on our review.

We have complied with the independence and relevant ethical requirements, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies Auditing Standard ASQM 1 Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Wesfarmers' responsibility

Wesfarmers' management is responsible for selecting the Criteria, and for presenting the Statement in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls,

maintaining adequate records and making estimates that are relevant to the preparation of the subject matter, such that it is free from material misstatement, whether due to fraud or error.

Our approach to conducting the review

We conducted our review in accordance with the Australian Auditing and Assurance Standards Board's Standard on Assurance Engagements ASAE 3000 Assurance Engagements Other than Audits or Reviews of Historical Financial Information and the terms of reference for this engagement as agreed with Wesfarmers on 25 January 2023 and amended on 11 August 2023. That standard requires that we plan and perform our engagement to express a conclusion on whether anything has come to our attention that causes us to believe that the Subject Matter is not prepared, in all material respects, in accordance with the Criteria, and to issue a report.

Summary of review procedures performed

A review consists of making enquiries, primarily of persons responsible for preparing the Statement and applying analytical and other review procedures.

The nature, timing, and extent of the procedures selected depend on our judgement, including an assessment of the risk of material misstatement, whether due to fraud or error.

The procedures we performed included, but were not limited to:

- Interviewing selected personnel to understand the processes for collecting, collating and reporting the data in the Statement, to comply with the Act
- Where relevant, gaining an understanding of systems and processes for data aggregation and reporting
- Performing analytical tests and detailed substantive testing on a sample basis to source documentation for material qualitative and quantitative information

- Assessing the accuracy of calculations performed
- Obtaining evidence to support key assumptions in calculations and other data
- Obtaining evidence for selected management information supporting assertions made in the Statement
- Assessing that data and statements had been accurately transcribed from corporate systems and/or supporting evidence
- Checking Wesfarmers media coverage relating to Modern Slavery and Human Rights to identify material events that may require disclosure
- Comparing the Statement with requirements as defined in the Act
- Comparing consistency of disclosures on internal activities and initiatives with prior years' Statements
- Comparing the Statement to current disclosures on Wesfarmers' Sustainability website and Annual Report for the year ended 30 June 2023 for consistency
- Evaluating whether the information disclosed in the Statement is consistent with our understanding and knowledge of supply chain management, governance accountability and other sustainability matters as reviewed in our assurance of the Sustainability disclosures within the Sustainability Website and Annual Report.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our review conclusion.

Inherent Limitations

Procedures performed in a review engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a review engagement is substantially lower than the assurance that would have

been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

While we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls.

Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

Other matters

Our report does not extend to any disclosures or assertions made by Wesfarmers relating to future performance plans and/or strategies disclosed in Wesfarmers' Statement.

Use of our Assurance Report

We disclaim any assumption of responsibility for any reliance on this assurance report to any persons other than management and the Directors of Wesfarmers, or for any purpose other than that for which it was prepared.

Terence Jeyaretnam
FIEAust Partner

Ernst & Young
Melbourne, Australia
26 October 2023

