

Company Name Wesfarmers
Industry Apparel (Supply Chain and Own Operations)
Overall Score (*) 40.1 out of 100

Theme Score	Out of	For Theme
4.8	10	A. Governance and Policies
9.4	25	B. Embedding Respect and Human Rights Due Diligence
2.5	15	C. Remedies and Grievance Mechanisms
10.0	20	D. Performance: Company Human Rights Practices
8.0	20	E. Performance: Responses to Serious Allegations
5.3	10	F. Transparency

(*) Please note that any small differences between the Overall Score and the added total of Measurement Theme scores are due to rounding the numbers at different stages of the score calculation process.

Please note also that the "Not met" labels in the Explanation boxes below do not necessarily mean that the company does not meet the requirements as they are described in the bullet point short text. Rather, it means that the analysts could not find information *in public sources* that met the requirements *as described in full* in the CHRB 2019 Methodology document. For example, a "Not met" under "General HRs Commitment", which is the first bullet point for indicator A.1.1, does not necessarily mean that the company does not have a general commitment to human rights. Rather, it means that the CHRB could not identify a public statement of policy in which the company commits to respecting human rights.

Detailed assessment

A. Governance and Policies (10% of Total)

A.1 Policy Commitments (5% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
A.1.1	Commitment to respect human rights	2	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> Met: General HRs commitment: Wesfarmers acknowledges its 'role and responsibility in seeking to safeguard human rights through ethical and sustainable business practices.' [2018 Modern Slavery Statement for Wesfarmers, 13/9/2018: sustainability.wesfarmers.com.au] Met: UDHR: The Company states that 'we support the following globally recognised declarations, principles and goals: Universal Declaration on Human Rights'. [2018 Modern Slavery Statement for Wesfarmers, 13/9/2018: sustainability.wesfarmers.com.au] <p>Score 2</p> <ul style="list-style-type: none"> Met: UNGPs: Wesfarmers supports globally recognised declarations, principles and goals. These include the United Nations Guiding Principles on Business and Human Rights (UNGP). [2018 Modern Slavery Statement for Wesfarmers, 13/9/2018: sustainability.wesfarmers.com.au] Not met: OECD
A.1.2	Commitment to respect the human rights of workers	0.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> Met: ILO Core: The Company's Modern Slavery statement indicates that 'we support the following globally recognised declarations, principles and goals: [...] United Nations Global Compact; International Labour Organisation Declaration of Fundamental Principles and Rights at Work'. [2018 Modern Slavery Statement for Wesfarmers, 13/9/2018: sustainability.wesfarmers.com.au]

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<ul style="list-style-type: none"> • Met: UNGC principles 3-6: As indicated above the Company explicitly supports the UN Global Compact. [2018 Modern Slavery Statement for Wesfarmers, 13/9/2018: sustainability.wesfarmers.com.au] • Not met: Explicitly list ALL four ILO for AP suppliers: Suppliers must also comply with the Company's minimum standards, which include no forced or bonded labour, no child labour, freedom of association (which includes collective bargaining) and no discrimination and form the ILO's core labour standards. With respect freedom of association and collective bargaining, the Company indicates: 'Suppliers shall respect the rights of workers to lawfully associate or not to associate with groups of their choosing, as long as such groups are legal in the country of operation.' However, CHRB could not find a reference to alternative measures when these rights are restricted by law. [Ethical Sourcing and Modern Slavery Policy, 02/2019: wesfarmers.com.au] <p>Score 2</p> <ul style="list-style-type: none"> • Met: Explicit commitment to All four ILO Core: The Company's Modern Slavery Statement states that Wesfarmers is committed to respecting and supporting the International Labour Organisations declaration of Fundamental Principles and Rights at Work. It also states that 'Consistent with the principles detailed in our Code of Conduct and Ethical Sourcing Policy, Wesfarmers is committed to [...]. We prohibit discrimination and forced, trafficked and child labour and are committed to safe and healthy working conditions, including the right to freedom and collective bargaining'. [2018 Modern Slavery Statement for Wesfarmers, 13/9/2018: sustainability.wesfarmers.com.au] • Met: Respect H&S of workers: The Company has a publicly available statement for safe and hygienic working environments that are without risk to health. 'Workers shall receive adequate regular training to perform their jobs in a safe manner. Personal protective equipment and machinery safeguards shall be supplied and workers trained in their use. Where suppliers provide accommodation it shall be clean, safe and meet the basic needs of workers. Workers will have access to clean toilet facilities, clean drinking water and, where appropriate, sanitary facilities for food storage and preparation. Workers have the right to refuse work that is unsafe.' [Ethical Sourcing and Modern Slavery Policy, 02/2019: wesfarmers.com.au] • Met: H&S applies to AP suppliers: The Company's suppliers are held to the same Health and Safety standards that are listed above. [Ethical Sourcing and Modern Slavery Policy, 02/2019: wesfarmers.com.au] • Met: working hours for workers: As part of the minimum standards, the Company is to comply with the following: 'Working hours must comply with applicable local laws. Workers should not be required to work more than the maximum hours per week as stipulated by local laws or in the absence of such law by the applicable ILO convention. Overtime shall be agreed, shall not be excessive, shall not be requested on a regular basis and shall be compensated as prescribed by applicable local laws.' [Ethical Sourcing and Modern Slavery Policy, 02/2019: wesfarmers.com.au] • Met: Working hours for AP suppliers: The Suppliers are held to the same standards that are listed above. [Ethical Sourcing and Modern Slavery Policy, 02/2019: wesfarmers.com.au]
A.1.3.AP	Commitment to respect human rights particularly relevant to the industry (AP)	0.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Women's Rights: The Company is a signatory of the Women's Empowerment Principles. [Sustainability Report, 2018: sustainability.wesfarmers.com.au] • Not met: Expecting suppliers to respect these rights <p>Score 2</p> <ul style="list-style-type: none"> • Met: CEDAW/Women's Empowerment Principles: As indicated above, the Company is committed to the Women Empowerment Principles. [Sustainability Report, 2018: sustainability.wesfarmers.com.au & 2018 Modern Slavery Statement for Wesfarmers, 13/9/2018: sustainability.wesfarmers.com.au] • Not met: Child Rights Convention/Business principles • Not met: Convention on migrant workers • Not met: Respecting the right to water • Not met: Expecting suppliers to respect these rights: No expectation for supplier to respect these rights found.
A.1.4	Commitment to engage with stakeholders	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Regular stakeholder engagement: The Company engages regularly with stakeholders to understand their expectations. The Company also provides detailed methods of communication for different stakeholder groups including

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>shareholders, customers, employees, suppliers, government and non-government organisations, community and the media. The Company states that they 'regularly engage with our stakeholders to understand their expectations about our performance.' [Sustainability Report, 2018: sustainability.wesfarmers.com.au & Stakeholder Engagement, 2015: 2015.sustainability.wesfarmers.com.au]</p> <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Commits to engage stakeholders in design: The Company names human rights as a priority issue from external stakeholders. However, no evidence found of how this engagement relates to monitoring or developing policy on human rights. [Materiality process, 7/8/2019: sustainability.wesfarmers.com.au] • Not met: Regular stakeholder design engagement
A.1.5	Commitment to remedy	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Commits to remedy: If the Company's Ethical Sourcing and Modern Slavery Policy is breached, it 'will act as quickly as practicable to remedy [its] adverse impacts on workers, individuals or communities and [it] will engage directly with affected stakeholders.' This document contains Company's human rights commitments. [Ethical Sourcing and Modern Slavery Policy, 02/2019: wesfarmers.com.au] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Not obstructing access to other remedies • Not met: Collaborating with other remedy initiatives • Not met: Work with AP suppliers to remedy impacts: The Company states that the policy is to ensure that the group acts 'to prevent, mitigate and where appropriate, remedy modern slavery in their operations and supply chains.' No evidence found, whether the commitment also includes working with business relationships to remedy impacts either through the business relationship's own mechanisms or through collaborating with them on the development of third party non-judicial remedies. [Ethical Sourcing and Modern Slavery Policy, 02/2019: wesfarmers.com.au]
A.1.6	Commitment to respect the rights of human rights defenders	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Zero tolerance attacks on HRs Defenders (HRDs): The Company took part in an endorsement by business and government leaders to eradicate modern slavery in the Asia Pacific region. However, no commitment not to attack, threaten or intimidate human rights defenders could be found. [Business and Government Leaders Endorse AAA Recommendations To End Modern Slavery, 7/8/2018: baliprocessbusiness.org] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Expects AP suppliers to reflect company HRD commitments

A.2 Policy Commitments (5% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
A.2.1	Commitment from the top	2	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: CEO or Board approves policy: The Company's Modern Slavery statement has been signed off by the managing director. The Ethical Sourcing and Modern Slavery policy cannot be amended without approval from the Board. [2018 Modern Slavery Statement for Wesfarmers, 13/9/2018: sustainability.wesfarmers.com.au & Ethical Sourcing and Modern Slavery Policy, 02/2019: wesfarmers.com.au] <p>Score 2</p> <ul style="list-style-type: none"> • Met: Board level responsibility for HRs: Furthermore, the company's ethical sourcing policy and human rights issues are overseen through regular reporting to the Company's Audit and Risk Committee, a committee of the Company's board. 'The Wesfarmers Board is responsible for oversight of the company's ethical sourcing and modern slavery commitments and will review this policy regularly to ensure it continues to evolve and reflect community expectations.' [Sustainability Report, 2018: sustainability.wesfarmers.com.au & Ethical Sourcing and Modern Slavery Policy, 02/2019: wesfarmers.com.au]

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>Score 2</p> <ul style="list-style-type: none"> Met: Speeches/letters by Board members or CEO: In the Bali Process Government & business forum, as showed in press release, Chairman Michael Chaney stated: 'Our participation in important forums like the Bali Process reflects the unfortunate reality that modern slavery is a growing and extremely complex problem, best tackled by a collective commitment and responsibility to bring it to an end. Wesfarmers recognises that safeguarding human rights across our operations and supply chains is an area of growing importance to our employees, shareholders, customers and the communities where we operate. There is both a moral and a business case for the steps we are taking to identify, report, address and ultimately eliminate any exploitation of vulnerable people with which we may be involved, directly or indirectly, overseas or at home'. [Business and Government Leaders Endorse AAA Recommendations To End Modern Slavery, 7/8/2018: baliprocessbusiness.org]
A.2.2	Board discussions	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> Met: Board/Committee review of salient HRs: The Company also discloses that ethical sourcing and human rights issues are overseen through regular reporting to the Wesfarmers Audit and Risk Committee, a committee of the Wesfarmers Board. [Sustainability Report, 2018: sustainability.wesfarmers.com.au & Wesfarmers Human Rights and Modern Slavery Statement, 2017: 2017.sustainability.wesfarmers.com.au] Not met: Examples or trends re HR discussion: The Company does disclose that ethical sourcing and human rights issues are reported to the Wesfarmers Audit and Risk Committee. However, the Company does not disclose specific examples of what the Company board has discussed at past board meetings. [2018 Modern Slavery Statement for Wesfarmers, 13/9/2018: sustainability.wesfarmers.com.au] <p>Score 2</p> <ul style="list-style-type: none"> Not met: Both examples and process
A.2.3	Incentives and performance management	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> Not met: Incentives for at least one board member: No information found regarding incentives for Board relating to human rights in sources provided by the Company. Not met: At least one key AP HR risk, beyond employee H&S <p>Score 2</p> <ul style="list-style-type: none"> Not met: Performance criteria made public

B. Embedding Respect and Human Rights Due Diligence (25% of Total)

B.1 Embedding Respect for Human Rights in Company Culture and Management Systems (10% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
B.1.1	Responsibility and resources for day-to-day human rights functions	1.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> Met: Commits to ILO core conventions Met: Senior responsibility for HR: The Company's Sustainability Report governance section states that senior management in each business are responsible for managing human rights issues with their suppliers. It also states that each business has its own process and triggers for identifying human rights risks and impacts. [Sustainability Report, 2017: sustainability.wesfarmers.com.au] <p>Score 2</p> <ul style="list-style-type: none"> Met: Day-to-day responsibility: The Company discloses 'All sustainability issues at Wesfarmers including human rights are managed at a divisional level by senior management with teams in place to identify and manage sustainability issues relevant for their business including modern slavery and human rights risks. Senior management in our businesses is also responsible for managing human rights issues with their suppliers. Each business has its own process and triggers for identifying human rights risks and impacts' [The UN Guiding Principles on Business and Human Rights, 2017: sustainability.wesfarmers.com.au] Not met: Day-to-day responsibility for AP in supply chain: As stated above, senior management is also responsible for managing human rights issues with their suppliers. Additionally, the Company lists actions taken to mitigate potential modern slavery risks, although it is unclear who is responsible for these actions. No further details found. [The UN Guiding Principles on Business and Human Rights, 2017: sustainability.wesfarmers.com.au & 2018 Modern Slavery Statement for Wesfarmers, 13/9/2018: sustainability.wesfarmers.com.au]

Indicator Code	Indicator name	Score (out of 2)	Explanation
B.1.2	Incentives and performance management	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Not met: Senior manager incentives for human rights • Not met: At least one key AP HR risk, beyond employee H&S Score 2 <ul style="list-style-type: none"> • Not met: Performance criteria made public
B.1.3	Integration with enterprise risk management	1	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Met: HR risks is integrated as part of enterprise risk system: The Company recognises ethical sourcing and human rights as operational risks to their business. To mitigate these risks the Company applies a human rights and ethical sourcing audit program to certain suppliers. [Annual Report, 2018: wesfarmers.com.au & Sustainability Report, 2018: sustainability.wesfarmers.com.au] Score 2 <ul style="list-style-type: none"> • Not met: Audit Ctte or independent risk assessment: The Company has privately disclosed information related to risk assessments, however, no public information found.
B.1.4.a	Communication /dissemination of policy commitment(s) within Company's own operations	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Met: Commits to ILO core conventions • Not met: Communicates its policy to all workers in own operations: The Company plans to update its Code of Conduct to include human rights, but as of the analysis, this document has yet to be released. Score 2 <ul style="list-style-type: none"> • Met: Commits to all 4 ILO core conventions • Not met: Communication of policy commitments to stakeholder: The Company's policy on human rights is communicated to suppliers via the Ethical Sourcing and Modern Slavery Policy. However, business relationship communication is assessed under a different indicator. No evidence of the Company communicating this policy to local communities or potentially affected stakeholders could be found. [Ethical Sourcing and Modern Slavery Policy, 02/2019: wesfarmers.com.au] • Not met: How policy commitments are made accessible to audience
B.1.4.b	Communication /dissemination of policy commitment(s) to business relationships	0.5	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Not met: Commits to all 4 ILO core conventions for suppliers: See indicator A.1.2 • Not met: Communicating policy down the whole AP supply chain: The Company communicates its Ethical Sourcing and human rights policies to suppliers and business relationships via the Ethical Sourcing and Modern Slavery Policy. The Company's Ethical Sourcing and Modern Slavery Policy which includes elements of the Company's human rights policies (for example details on the minimum labour standards) are contractual. This Ethical Sourcing Code 'includes minimum requirements and expectations that all suppliers must meet as a condition of doing business with Kmart and Target. We require our supplier factories to publish this summary of our Code in a location that can be seen by all factory workers.' However, it is unclear how or if this information is passed down the supply chain (2nd tier/indirect suppliers) or whether the Company requires its suppliers to do so.. [Ethical Sourcing and Modern Slavery Policy, 02/2019: wesfarmers.com.au] • Not met: Requiring AP suppliers to communicate policy down the chain Score 2 <ul style="list-style-type: none"> • Met: How HR commitments made binding/contractual: The Company's Ethical Sourcing and Modern Slavery Policy which includes elements of the Company's human rights policies (for example details on the minimum labour standards) are contractual. [Ethical Sourcing and Modern Slavery Policy, 02/2019: wesfarmers.com.au] • Not met: Including on AP suppliers: Although the Company ensures suppliers comply with the ethical sourcing policy, it is not clear whether the company requires the supplier to cascade the contractual or other binding requirements down their supply chain (2nd tier/indirect suppliers).
B.1.5	Training on Human Rights	0.5	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Not met: Scores at least 1 on A.1.2 • Not met: Trains all workers on HR policy commitments: The Company has disclosed that, in the future, employees will be trained on an updated Code of Conduct which has yet to be released. • Met: Trains relevant AP managers including procurement: The Company trains relevant employees (buying and sourcing teams) on how to incorporate respect for human rights into all business decisions and making employees aware of the impact

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			<p>their actions can have on human rights. [2018 Modern Slavery Statement for Wesfarmers, 13/9/2018: sustainability.wesfarmers.com.au]</p> <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Score of 2 on A.1.2 • Not met: Both requirements under score 1 met
B.1.6	Monitoring and corrective actions	0.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Scores at least 1 on A.1.2 • Not met: Monitoring implementation of HR policy commitments: The Company uses the Supplier Ethical Data Exchange (SEDEX) to streamline ethical and human rights compliance and monitoring, however, this does not seem to be used for the subsidiaries in the apparel sector. Additionally, 'Each division/business unit must monitor and review the effectiveness of the policies and procedures referred to in paragraph (a) above, taking into account their suitability, adequacy and effectiveness as per the risk assessment.' However, no description of how this is done within own operations could be found. [2018 Modern Slavery Statement for Wesfarmers, 13/9/2018: sustainability.wesfarmers.com.au & Ethical Sourcing and Modern Slavery Policy, 02/2019: wesfarmers.com.au] • Met: Monitoring AP suppliers: The Company states that 'this year, our audit program covered 4,003 factories or supplier sites in Australia and overseas used to produce products for resale across our retail business'. 'The audits identify a range of non-compliances, from minor non-compliances such as minor gaps in record keeping to critical breaches, such as incidences of forced labour or bribery'. Regarding the process, the Company indicates that 'where a non-compliance is identified, the factory is required to fix the issue, within an appropriate period of time, depending on the nature of the non-compliance'. In addition it describes some process: 'factories are "conditionally approved" if non-critical non-compliances have been identified and notice has been given that they must be fixed [...] If a factory then addresses a non-compliance, it can move to becoming an "approved" factory. If critical breaches are identified, they must be addressed immediately. If they are addressed satisfactorily, a factory can then become approved'. [Target: Ethical sourcing code poster, 01/01/19: https://target.com.au companies list of Disclosure - Easy format.docx# 1,37099,37169,0,,target.com.au & Ethical Sourcing and Human Rights Audit Programs, 14/09/18: sustainability.wesfarmers.com.au] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Score of 2 on A.1.2 • Met: Describes corrective action process: See above. In addition, the Company identified 114 critical breaches across 82 factories in its audit program. Critical breaches involved concerned or suspected human rights issues of excessive overtime, transparency, safety and unpaid wages. 43 of these issues were remedied immediately, 50 were resolved with action plans and the remaining 20 resulted in ceased supply orders. [2018 Modern Slavery Statement for Wesfarmers, 13/9/2018: sustainability.wesfarmers.com.au] • Not met: Example of corrective action: Although the Company discloses types of non-compliances, no evidence found of an example of corrective action plan carried out. • Not met: Discloses % of AP supply chain monitored: The Company discloses that it performed audits on more than 4000 factories or suppliers, but it does not identify what proportion of the supply chain was monitored. [Ethical Sourcing and Human Rights Audit Programs, 14/09/18: sustainability.wesfarmers.com.au]
B.1.7	Engaging business relationships	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: HR affects AP selection of suppliers: The Company indicates that the Ethical Sourcing Code 'forms part of the contract with our suppliers and is supported by a rigorous audit program'. However, it is not clear from the evidence in public sources that audits take place before being on boarded. [Ethical Sourcing and Human Rights Training, 14/09/18: sustainability.wesfarmers.com.au] • Met: HR affects on-going AP supplier relationships: The Company states that if a supplier site is not willing or able to address a critical breach, it will stop buying from that supplier site. [Sustainability Report, 2018: sustainability.wesfarmers.com.au] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Both requirement under score 1 met • Not met: Working with AP suppliers to improve performance: The Company discloses the following: 'This year Target also joined Kmart as a buyer partner in the ILO/IFC Better Work program. This program aims to make sustainable improvements in working conditions within the garment industry and make the

Indicator Code	Indicator name	Score (out of 2)	Explanation
			sector more competitive overall. Target aims to have transitioned all eligible apparel factories in Bangladesh to the program by the end of next year. The focus will then shift to transitioning Target factories in other Better Work countries, including Cambodia, Indonesia and Vietnam.' However, no example could be found. [Target: Ethical sourcing of our products and services, 14/09/18: sustainability.wesfarmers.com.au]
B.1.8	Approach to engagement with potentially affected stakeholders	0.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Stakeholder process or systems: 'Divisions/business units must have an approach to stakeholder engagement in place.' However, no description of how the Company has identified and engaged with affected stakeholders (on human rights) could be found. [Ethical Sourcing and Modern Slavery Policy, 02/2019: wesfarmers.com.au] • Not met: Frequency and triggers for engagement: The Company states that each business has its own processes and triggers for identifying human rights risks and impacts. The frequency and specific issue triggers for engagement are not specified. However, the Company reports the case of engaging workers in supply chain to receive feedback on how policies are being implemented taking opportunity of visits, audits, or grievance mechanism. [Wesfarmers Human Rights and Modern Slavery Statement, 2017: 2017.sustainability.wesfarmers.com.au & Ethical Sourcing and Human Rights Audit Programs, 14/09/18: sustainability.wesfarmers.com.au] • Met: Workers in AP SC engaged: As disclosed above, the Company describes how it includes workers in supply chain in its system to capture feedback. [Ethical Sourcing and Human Rights Audit Programs, 14/09/18: sustainability.wesfarmers.com.au] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Analysis of stakeholder views and company's actions on them

B.2 Human Rights Due Diligence (15% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
B.2.1	Identifying: Processes and triggers for identifying human rights risks and impacts	0.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Identifying risks in own operations: Modern slavery and other human-right related risk are described in the context of the supply chain. No evidence found of the Company carrying out a process of identification and evaluation of human rights risks in its own operations. The Company has provided comments to CHRB. However, no evidences found in public sources. [2018 Modern Slavery Statement for Wesfarmers, 13/9/2018: sustainability.wesfarmers.com.au] • Met: Identifying risks in AP suppliers: The modern slavery statement discloses a table in which indicates how it identified different modern slavery risks. It includes a description on how it identified the following: non-compliance with labour standards in supply chain, non-compliance with broader human rights. [2018 Modern Slavery Statement for Wesfarmers, 13/9/2018: sustainability.wesfarmers.com.au] <p>Score 2</p> <ul style="list-style-type: none"> • Met: Ongoing global risk identification: Process has been described in the latest modern slavery statement. A chart explaining how modern slavery risks are governed include conducting 'regular reviews of emerging risks and lead stakeholder engagement'. [2018 Modern Slavery Statement for Wesfarmers, 13/9/2018: sustainability.wesfarmers.com.au] • Met: In consultation with stakeholders: The Company conducts regular reviews of emerging risks and leads stakeholder engagement. [2018 Modern Slavery Statement for Wesfarmers, 13/9/2018: sustainability.wesfarmers.com.au] • Not met: In consultation with HR experts • Not met: Triggered by new circumstances
B.2.2	Assessing: Assessment of risks and impacts identified (salient risks and key industry risks)	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Salient risk assessment (and context): Although the Company mentions that it carries due diligence and risk identification, not clear the system or process to assess the level of exposure to these risks. The Company has provided comments to CHRB. However, no evidences found in public sources. [2018 Modern Slavery Statement for Wesfarmers, 13/9/2018: sustainability.wesfarmers.com.au] • Met: Public disclosure of salient risks: The Company indicates that 'previously we considered non-compliance with our labour standards to be high-risk in all regions except for Western Europe, Australia and New Zealand, however our due diligence process has revealed unfair working conditions such as the underpayment of sub-contracted workers and poor health and safety standards are potential risks in any

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			<p>region including Australia. Our due diligence process has revealed that there is an increased risk of unfair working conditions for people who are employed by third party labour hire companies'. The Company provides similar descriptions for gender pay gap, and safety. [2018 Modern Slavery Statement for Wesfarmers, 13/9/2018: sustainability.wesfarmers.com.au]</p> <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Both requirements under score 1 met
B.2.3	Integrating and Acting: Integrating assessment findings internally and taking appropriate action	2	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Action Plans to mitigate risks: Although the Company discloses a table with actions to mitigate potential modern slavery-related risks (non-compliance with labour standards and human rights), actions seem to be focused in monitoring compliance of suppliers through audits and policy communication, it also describes preventive and proactive approach including 'building long-term relationships', 'collaborating with other businesses, government and non-government organisations', 'training and capacity building', [2018 Modern Slavery Statement for Wesfarmers, 13/9/2018: sustainability.wesfarmers.com.au] • Met: Including in AP supply chain: The system described by the Company focuses in risks in the supply chain [2018 Modern Slavery Statement for Wesfarmers, 13/9/2018: sustainability.wesfarmers.com.au] • Met: Example of Actions decided: Following the line of action of 'collaborating with other businesses, government and non-government organisations', it indicates that 'Kmart and Target have continued their participation in the Action, Collaboration, Transformation (ACT) living wage collaboration'. The collaboration has the aim to work towards the achievement of living wages in its supply chain. [2018 Modern Slavery Statement for Wesfarmers, 13/9/2018: sustainability.wesfarmers.com.au & Target: Our action on Living Wage, 01/01/19: target.com.au] <p>Score 2</p> <ul style="list-style-type: none"> • Met: Both requirements under score 1 met
B.2.4	Tracking: Monitoring and evaluating the effectiveness of actions to respond to human rights risks and impacts	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: System to check if Actions are effective: Although the Company indicates that it assesses effectiveness of actions through the ethical sourcing program, it is not clear how specifically evaluates the effectiveness of specific actions to tackle specific risks. The Company has provided comments to CHRB. However, no evidences found in public sources. [2018 Modern Slavery Statement for Wesfarmers, 13/9/2018: sustainability.wesfarmers.com.au] • Not met: Lessons learnt from checking effectiveness <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Both requirement under score 1 met
B.2.5	Communicating : Accounting for how human rights impacts are addressed	0.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Comms plan re identifying risks: Although the Company describes how it identifies its risks in the supply chain, no evidence found in relation to own operations (see indicator B.2.1). [2018 Modern Slavery Statement for Wesfarmers, 13/9/2018: sustainability.wesfarmers.com.au] • Not met: Comms plan re assessing risks: Although the company discloses salient risks, it is not clear the system it has to evaluate the level of exposure. [2018 Modern Slavery Statement for Wesfarmers, 13/9/2018: sustainability.wesfarmers.com.au] • Met: Comms plan re action plans for risks: The Company describes the different lines of action to tackle risks identified including supply chain. It also provides examples of actions carried out. [2018 Modern Slavery Statement for Wesfarmers, 13/9/2018: sustainability.wesfarmers.com.au] • Not met: Comms plan re reviewing action plans • Not met: Including AP suppliers <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Responding to affected stakeholders concerns • Not met: Ensuring affected stakeholders can access communications

C. Remedies and Grievance Mechanisms (15% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
C.1	Grievance channel(s)/mechanism(s) to receive complaints or concerns from workers	1.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Channel accessible to all workers: The Company's whistle-blower policy outlines a number of channels in which workers can report issues. Employees can raise matters with their immediate supervisor, manager or other senior supervisor. Employees may also make reports via the Wesfarmers Fair Call service which is a free external hotline service independently monitored by KPMG. The Company's Sustainability Report states that grievance mechanisms are accessible by employee and external community stakeholders. The company has also established grievance mechanisms for workers in its supply chain. [Whistleblower Policy, 08/2018: wesfarmers.com.au] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Number grievances filed, addressed or resolved • Met: Channel is available in all appropriate languages: Workers of Target and Kmart can report violations of the Ethical Sourcing Code via email. The email is available to workers who speak English, Chinese, Bengali, Hindi, Khmer, and Bahasa. [Target: Ethical sourcing code poster, 01/01/19: https://target.com.au companies list of Disclosure - Easy format.docx# 1,37099,37169,0,,target.com.au & Target: Ethical sourcing, 7/8/2019: supplier.target.com.au] • Met: Expect AP supplier to have equivalent grievance systems: Kmart and target Ethical sourcing code states that 'supplier factories must have in place a working communication/grievance system, and workers are aware and educated on how to use the system. The system must allow for anonymity. Issues are reviewed regularly, responded to with a sense of urgency, and properly filed to demonstrate compliance'. The Code also states that 'any contract engaging a sub-contractor must include a contractual provision requiring compliance with the Kmart/Target ESC'. [Ethical Sourcing Code (Department Stores), 1/2017: kmart.com.au] • Met: Opens own system to AP supplier workers: The poster version of the ethical sourcing code, to be published in a location that can be seen by all factory workers, include email addresses to both Target and Kmart teams. [Target: Ethical sourcing code poster, 01/01/19: https://target.com.au companies list of Disclosure - Easy format.docx# 1,37099,37169,0,,target.com.au]
C.2	Grievance channel(s)/mechanism(s) to receive complaints or concerns from external individuals and communities	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Grievance mechanism for community: The Company's Modern Slavery Statement states that 'also promote the provision and implementation of effective grievance mechanisms by our suppliers.' The Company's Sustainability Report states that grievance mechanisms 'are accessible by our employees and external community and stakeholders'. [Sustainability Report, 2018: sustainability.wesfarmers.com.au & 2018 Modern Slavery Statement for Wesfarmers, 13/9/2018: sustainability.wesfarmers.com.au] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Describes accessibility and local languages • Not met: Expects AP supplier to have community grievance systems [2018 Modern Slavery Statement for Wesfarmers, 13/9/2018: sustainability.wesfarmers.com.au] • Not met: AP supplier communities use global system
C.3	Users are involved in the design and performance of the channel(s)/mechanism(s)	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Engages users to create or assess system • Not met: Description of how they do this <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Engages with users on system performance • Not met: Provides user engagement example on performance • Not met: AP suppliers consult users in creation or assessment
C.4	Procedures related to the mechanism(s)/channel(s) are publicly available and explained	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Response timescales: The Company indicates that 'Wesfarmers will investigate all matters reported under this Policy as soon as possible after the matter has been reported'. However, no further information found. [Whistleblower Policy, 08/2018: wesfarmers.com.au] • Not met: How complainants will be informed: The Company will investigate all reported matters. A Protected Disclosure Officer may, with the whistle-blowers consent, appoint a person to assist in the investigation of a matter raised in a report. The Company states 'Where appropriate, the Company will provide feedback to the whistle-blower regarding the investigations progress and the

Indicator Code	Indicator name	Score (out of 2)	Explanation
			outcome'. There is no information to describe how whistle-blower will receive this feedback or whether will receive any feedback. [Whistleblower Policy, 08/2018: wesfarmers.com.au] Score 2 • Not met: Escalation to senior/independent level
C.5	Commitment to non-retaliation over complaints or concerns made	0.5	The individual elements of the assessment are met or not as follows: Score 1 • Not met: Public statement prohibiting retaliation: The Company plans to include this in the upcoming year, but as of the analysis, no statement prohibiting retaliation could be found. • Met: Practical measures to prevent retaliation: The Company whistleblower policy states that a report may be submitted anonymously if the person making the complaint does not wish to disclose their identity to the Protected Disclosure Officer or FairCall hotline. The Company also states 'A Wesfarmers employee or contractor within a Wesfarmers team who is subjected to detrimental treatment as a result of making a report in good faith under this policy should inform a senior supervisor within their division/business unit immediately.' [Whistleblower Policy, 08/2018: wesfarmers.com.au] Score 2 • Not met: Has not retaliated in practice • Not met: Expects AP suppliers to prohibit retaliation
C.6	Company involvement with State-based judicial and non-judicial grievance mechanisms	0	The individual elements of the assessment are met or not as follows: Score 1 • Not met: Won't impede state based mechanisms • Not met: Complainants not asked to waive rights Score 2 • Not met: Will work with state based or non judicial mechanisms • Not met: Example of issue resolved (if applicable)
C.7	Remedying adverse impacts and incorporating lessons learned	0	The individual elements of the assessment are met or not as follows: Score 1 • Not met: Describes how remedy has been provided: The Company states 'During the year, we identified 114 critical breaches across 82 factories in our audit program. The major critical breaches identified included excessive overtime (37 per cent), transparency (16 per cent), safety (12 per cent), unpaid wages (11 per cent) and unauthorised subcontracting (10 per cent). As set out in Table 2, where a non-compliance is identified, the factory is required to fix the issue, within an appropriate period of time, depending on the materiality of the non-compliance. We were able to remedy 43 of these issues immediately, 50 had action plans that were on track at the end of the reporting period, one was exited immediately and no further supply orders were placed at the remaining 20.' The Company details how they deal with supplier non-conformances. However, no evidence found on how the specific affected people have received remedy. [Sustainability Report, 2018: sustainability.wesfarmers.com.au] • Not met: Says how it would remedy key sector risks Score 2 • Not met: Changes introduced to stop repetition • Not met: Approach to learning from incident to prevent future impacts • Not met: Evaluation of the channel/mechanism

D. Performance: Company Human Rights Practices (20% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
D.2.1.a	Living wage (in own production or manufacturing operations)	0	The individual elements of the assessment are met or not as follows: Score 1 • Not met: Living wage target timeframe • Not met: Describes how living wage determined: The collective bargaining agreement stipulates that team members must 'be paid more than the Award at all times'. However, no definition of more than Award (minimum wage) has been provided. The Company is committed to working with 'partners to achieve a living wage for factory workers. A living wage is the minimum income necessary for a person to meet their basic needs as well as that of his/her family, including some discretionary income.' However, it is not clear whether plans include own operations, as evidence seems to refer to suppliers. [Sustainability Report, 2018: sustainability.wesfarmers.com.au] Score 2 • Not met: Achieved payment of living wage • Not met: Regularly review definition of living wage with unions

Indicator Code	Indicator name	Score (out of 2)	Explanation
D.2.1.b	Living wage (in the supply chain)	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Living wage in supplier code or contracts: The Company states that suppliers 'must comply at a minimum with all laws regulating local wages, overtime compensation and legally mandated benefits.' However, this is not enough to be considered a living wage. [Ethical Sourcing and Modern Slavery Policy, 02/2019: wesfarmers.com.au] • Met: Improving living wage practices of suppliers: Target joined "ACT" initiative, which involves brands and retailers, and IndustriALL Global Union, with the aim to achieve a living wage in the garment and textile industry in some countries including Bangladesh, Myanmar, Cambodia, Vietnam, etc. 'through freedom of association and industry-wide collective bargaining'. It indicates that since then 'we have been working alongside its other members and with IndustriALL to assess our purchasing practices, and the industrial relations and competitive context in key sourcing countries'. Finally, it states that 'in consultation with other ACT brand members, our suppliers and IndustriALL, we are currently developing an implementation roadmap, key performance indicators and monitoring and reporting mechanisms'. [Target: Our action on Living Wage, 01/01/19: target.com.au] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Both requirements under score 1 met • Not met: Provide analysis of trends demonstrating progress
D.2.2	Aligning purchasing decisions with human rights	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Avoids business model pressure on HRs: The Company indicates that in 2015 it 'joined 'Action, Collaboration, Transformation' (ACT), a collaboration between international brands and retailers, and IndustriALL Global Union, the international trade union federation. ACT aims to achieve a living wage in the garment and textile industry - in countries such as Bangladesh, Myanmar, Cambodia, Turkey and Vietnam - by establishing industry-wide collective bargaining, supported by world class manufacturing standards and responsible purchasing practices.' Alongside its partners, the Company has assessed its purchasing practices to identify the factors impeding progress towards a living wage for factory workers. ACT has released its Global Purchasing Practices Commitments, which include commitments that purchasing prices include negotiated wages as itemised costs, to fair terms of payments, to better planning and forecasting, to undertake training on responsible sourcing and buying, and to practice responsible exit strategies. [Kmart: Our action on Living Wage, 01/01/19: https://kmart.com.au/companies/list-of-disclosure-easy-format.docx#1,36597,36835,0,,kmart.com.au] • Not met: Positive incentives to respect human rights <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Both requirements under score 1 met
D.2.3	Mapping and disclosing the supply chain	2	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Identifies suppliers back to product source: The Company states the following: 'To manage business and sustainability issues with such a complex supply chain we map our tier-one suppliers. Where possible, we are mapping tier-two and three suppliers (suppliers producing components which go into a final product) for high-risk products.' Particularly Target and Kmart are also 'mapping and engaging with cotton fabric suppliers' [Sustainability Report, 2018: sustainability.wesfarmers.com.au] <p>Score 2</p> <ul style="list-style-type: none"> • Met: Discloses significant parts of supply chain and why: Target and Kmart both disclose a list of factories. For Target, it discloses all factories that produce Target brand products. For Kmart, it discloses all apparel and general merchandise factories in high-risk countries. These represent the apparel companies of the Group. [Target: Factory list, 18/12/18: target.com.au & Kmart: Factory List, 01/01/19: https://kmart.com.au/companies/list-of-disclosure-easy-format.docx#1,36227,36461,0,,kmart.com.au]
D.2.4.a	Prohibition on child labour: Age verification and corrective actions (in own production or manufacturing operations)	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Does not use child labour: The Company's Code of Conduct and Ethical Sourcing Policy detail prohibition of discrimination as well as forced, trafficked and child labour. [Sustainability Report, 2018: sustainability.wesfarmers.com.au]

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<ul style="list-style-type: none"> • Met: Age verification of job applicants and workers: The Company's Ethical Sourcing and Modern Slavery Policy states that suppliers must be able to verify the age of all employees to ensure compliance with the International Labour Organisation Convention 138 as well as the minimum legal working age in the country of operation. Although it refers to suppliers, the 'policy application' section of the document indicates that 'the principles of this policy must be complied with or incorporated into policies within the division, business unit or Corporate office (as applicable). This policy should be read in conjunction with the Wesfarmers Code of Conduct and the Wesfarmers Anti-Bribery policy' [Ethical Sourcing and Modern Slavery Policy, 02/2019: wesfarmers.com.au] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Remediation if children identified: The Company's Ethical Sourcing and Modern Slavery Policy state that suppliers must accept the principles of remediation of child and under age workers and where such labour is discovered establish and implement appropriate remediation and systems to prevent if from occurring again in the future. The Company defines principles of remediation as 'a program enabling children and under age workers to return to quality education and establish and implement effective systems to prevent the use of child labour in the future.' However, no details of how it develops, participates in or contributes to these programmes could be found. [Ethical Sourcing and Modern Slavery Policy, 02/2019: wesfarmers.com.au]
D.2.4.b	Prohibition on child labour: Age verification and corrective actions (in the supply chain)	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Child Labour rules in codes or contracts: The Company's Ethical Sourcing Policy states that 'suppliers must be able to verify the age of all employees to ensure compliance. Suppliers must accept the principles of remediation of child and under age workers, and where such labour is discovered suppliers must establish and implement appropriate remediation for such workers and introduce effective systems to prevent the use of child labour in the future'. The Company also states that it does not work suppliers who do not abide by their Ethical Sourcing Policy and hence policies in regards to child labour. [Ethical Sourcing and Modern Slavery Policy, 02/2019: wesfarmers.com.au] • Not met: How working with suppliers on child labour: Beyond the expectation of acceptance of the principles of remediation, no further details found of how the Company works with suppliers to eliminate child labour or improve working conditions for young workers. [Ethical Sourcing and Modern Slavery Policy, 02/2019: wesfarmers.com.au] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Both requirements under score 1 met • Not met: Provide analysis of trends demonstrating progress
D.2.5.a	Prohibition on forced labour: Debt bondage and other unacceptable financial costs (in own production or manufacturing operations)	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Pays workers in full and on time: No evidence found relating to this indicator in sources provided by the Company • Not met: Payslips show any legitimate deductions <p>Score 2</p> <ul style="list-style-type: none"> • Not met: How these practices are implemented and monitored for agencies, labour brokers or recruiters
D.2.5.b	Prohibition on forced labour: Debt bondage and other unacceptable financial costs (in the supply chain)	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Debt and fees rules in codes or contracts: The Company's Sustainability Report states that forced labour such as debt bondage and withholding wages are considered in the ethical sourcing audit program. The Company also states that it will only engage with suppliers who follow their ethical sourcing policy. Ethical sourcing code of Target and Kmart states that 'supplier factories are not allowed to charge their workers' recruitment or employment fees, or otherwise withhold wages. These fees are to be borne by the factory'. [Sustainability Report, 2017: sustainability.wesfarmers.com.au & Kmart: Ethical Sourcing Code, 01/01/19: https://kmart.com.au/companies/list-of-disclosure-easy-format.docx#1,36502,36551,0,,kmart.com.au]

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<ul style="list-style-type: none"> • Not met: How working with suppliers on debt & fees: The Company states that it 'is committed to working with suppliers that can effectively implement our Ethical Sourcing Code and continuously improve practices in their factories. We do this by providing ongoing training, education and support, along with regular supplier forums at which case studies and best practices are shared.' However, no specific details about eliminating financial burdens are provided. [Kmart: Ethical Sourcing Code, 01/01/19: https://kmart.com.au companies list of Disclosure - Easy format.docx# 1,36502,36551,0,,kmart.com.au] Score 2 <ul style="list-style-type: none"> • Not met: Both requirements under score 1 met • Not met: Provide analysis of trends in progress made
D.2.5.c	Prohibition on forced labour: Restrictions on workers (in own production or manufacturing operations)	1	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Met: Does not retain documents or restrict movement: The Ethical Sourcing and Modern Slavery Policy states, in the context of migrant workers, that 'the employer must not require the worker to surrender identification documents. Workers employed through a third party agent or contractors are the responsibility of the suppliers, and thus are covered by these Minimum Standards. The Ethical Sourcing and Modern slavery policy, in relation to its application, states that 'the principles of this policy must be complied with or incorporated into policies within the division, business unit or Corporate Office (as applicable). This policy should be read in conjunction with Wesfarmers Code of Conduct and the Wesfarmers Anti-Bribery Policy'. [Ethical Sourcing and Modern Slavery Policy, 02/2019: wesfarmers.com.au] Score 2 <ul style="list-style-type: none"> • Not met: How sure about agencies or brokers
D.2.5.d	Prohibition on forced labour: Restrictions on workers (in the supply chain)	1	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Met: Free movement rules in codes or contracts: The Ethical Sourcing code states suppliers 'shall respect the freedom of movement of their workers and not restrict their movement by controlling identity papers, holding money deposits, or taking any other action to prevent workers from terminating their employment.' This issue is covered in Wesfarmers' ethical sourcing and modern slavery policy [Ethical Sourcing and Modern Slavery Policy, 02/2019: wesfarmers.com.au & Ethical Sourcing Code (Department Stores), 1/2017: kmart.com.au] Score 2 <ul style="list-style-type: none"> • Not met: How these practices are implemented and monitored for agencies, labour brokers or recruiters • Not met: Both requirements under score 1 met • Not met: Provide analysis of trends in progress made
D.2.6.a	Freedom of association and collective bargaining (in own production or manufacturing operations)	2	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Met: Commits not to interfere with union rights and collective bargaining and prohibits intimidation and retaliation: The ethical sourcing and modern slavery policy includes commitment to freedom of association and collective bargaining, and states that 'representatives should not be discriminated against and should have regular access to company management or appropriate process in order to address grievances and other issues'. The Ethical Sourcing and Modern slavery policy, in relation to its application, states that 'the principles of this policy must be complied with or incorporated into policies within the division, business unit or Corporate Office (as applicable). This policy should be read in conjunction with Wesfarmers Code of Conduct and the Wesfarmers Anti-Bribery Policy'. Union representation is high enough to be considered a proxy for not intimidating or retaliating in practice. [Ethical Sourcing and Modern Slavery Policy, 02/2019: wesfarmers.com.au & Sustainability Report, 2018: sustainability.wesfarmers.com.au] Score 2 <ul style="list-style-type: none"> • Met: Discloses % covered by collective bargaining: The Company states that more than 89.9 percent of their workforce is covered by collective agreements. [Sustainability Report, 2018: sustainability.wesfarmers.com.au] • Met: Both requirement under score 1 met

Indicator Code	Indicator name	Score (out of 2)	Explanation
D.2.6.b	Freedom of association and collective bargaining (in the supply chain)	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: FoA & CB rules in codes or contracts: The Ethical Sourcing and Modern Slavery Policy indicates: 'Suppliers shall respect the rights of workers to lawfully associate or not to associate with groups of their choosing, as long as such groups are legal in the country of operation', and states that 'representatives should not be discriminated against and should have regular access to company management or appropriate process in order to address grievances and other issues'. The Kmart and Target ethical sourcing code also includes requirement related to not interfering with these rights. However, CHRB could not find a reference to alternative measures when the rights of freedom of association and collective bargaining are restricted by law. [Ethical Sourcing and Modern Slavery Policy, 02/2019: wesfarmers.com.au & Ethical Sourcing Code (Department Stores), 1/2017: kmart.com.au] • Not met: How working with suppliers on FoA and CB <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Both requirements under score 1 met • Not met: Provide analysis of trends in progress made
D.2.7.a	Health and safety: Fatalities, lost days, injury rates (in own production of manufacturing operations)	2	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Injury Rate disclosures: To monitor historical safety performance the Company uses total recordable injury frequency rate (TRIFR) which for Kmart dropped by 9.8 per cent in 2018 and for Target dropped 30.1 per cent. [Sustainability Report, 2018: sustainability.wesfarmers.com.au] • Met: Lost days or near miss disclosure: To monitor historical safety performance the Company uses lost time injury frequency rate (LTIFR) which show injuries per million hours worked by employees and long-term contractors. In 2018, Target's LTIFR was reduced by 2.8 per cent and Kmart's by 22.3 per cent. [Sustainability Report, 2018: sustainability.wesfarmers.com.au] • Met: Fatalities disclosures: The Company recorded one fatality during 2017 where a women was involved in a car accident on her way to work. Under the journey provisions Act this accident resulted in a workers compensation claims because it happened during a journey between the team members home and work. [Sustainability Report, 2017: sustainability.wesfarmers.com.au] <p>Score 2</p> <ul style="list-style-type: none"> • Met: Set targets for H&S performance: The Company states that it delivered excellent outcomes in employee health and safety during the year with all business units achieving target reductions in total recordable injury frequency rate. In 2017-18 the Company targets include reducing Lost time injury frequency rate (LTIFR) less than one, reducing total recordable injury frequency rate (TRIFR) by 10. and reducing high potential incidents by 25 per cent. [Sustainability Report, 2017: sustainability.wesfarmers.com.au & Health and Safety, 2017: sustainability.wesfarmers.com.au] • Met: Met targets or explains why not: The Company's 'total recordable injury frequency rate (TRIFR) improved by 18 per cent in FY18 with hazard/near miss reporting, walk the talks and branch plan completion rates all above target. Further progress has been achieved in mitigating critical risks across the group through targeted key risk projects.' [Health and Safety, 26/3/2019: sustainability.wesfarmers.com.au]
D.2.7.b	Health and safety: Fatalities, lost days, injury rates (in the supply chain)	0.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Sets out clear Health and Safety requirements: The Company's ethical sourcing policy states 'Suppliers shall provide a safe and hygienic working environment that is without risk to health, taking into consideration knowledge of the relevant industry and any specific hazards. Workers shall receive adequate and regular training to perform their jobs in a safe manner. Personal protective equipment and machinery safeguards shall be supplied and workers trained in their use. Where suppliers provide accommodation it shall be clean, safe and meet the basic needs of workers. Workers will have access to clean toilet facilities, clean drinking water and, where appropriate, sanitary facilities for food storage and reparation. Workers have the right to refuse work that is unsafe.' [Ethical Sourcing and Modern Slavery Policy, 02/2019: wesfarmers.com.au] • Not met: Injury rate disclosures • Not met: Lost days or near miss disclosures • Not met: Fatalities disclosures <p>Score 2</p> <ul style="list-style-type: none"> • Not met: How working with suppliers on H&S • Not met: Provide analysis of trends in progress made

Indicator Code	Indicator name	Score (out of 2)	Explanation
D.2.8.a	Women's rights (in own production or manufacturing operations)	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Not met: Process to stop harassment and violence • Not met: Working conditions take account of gender • Not met: Equality of opportunity at all levels: The Company's commitment to diversity extends to all individuals and all perspectives. Particular focus is paid to achieving a balance of men and women in senior management positions across our divisions. However, no evidence found of providing equality of opportunity throughout all levels of employment'. [Corporate Governance Statement, 2018: wesfarmers.com.au] Score 2 <ul style="list-style-type: none"> • Not met: Meets all of the requirements under score 1
D.2.8.b	Women's rights (in the supply chain)	1	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Met: Women's rights in codes or contracts: The Company requires that its suppliers comply with the following: 'Female workers must not be discriminated against. They must receive equal remuneration, including benefits, equal treatment, equal evaluation of the quality of their work, and equal opportunity to fill all positions open to male workers. Female workers must not be questioned about their pregnancy status, and pregnancy tests must not be conducted before hiring or as a pre-condition to employment. Female workers must not be forced or pressured to use contraception. Female workers who take maternity leave (in accordance with the law) shall not face dismissal, loss of seniority or deduction of wages, and will be able to return to their former position at the same rate of pay and benefits.' [Ethical Sourcing Code (Department Stores), 1/2017: kmart.com.au] • Not met: How working with suppliers on women's rights Score 2 <ul style="list-style-type: none"> • Not met: Both requirement under score 1 met • Not met: Provide analysis of trends in progress made
D.2.9.a	Working hours (in own production or manufacturing operations)	1	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Met: Respects max hours, min breaks and rest periods in its own operations: The Ethical Sourcing and Modern Slavery Policy states, that 'working hours must comply with applicable local laws. Workers should not be required to work more than the maximum hours per week as stipulated by local laws in the absence of such law by the applicable ILO convention. Overtime shall be agreed, shall not be excessive, shall not be requested on a regular basis and shall be compensated and prescribed by applicable local laws'. The Ethical Sourcing and Modern slavery policy, in relation to its application, states that 'the principles of this policy must be complied with or incorporated into policies within the division, business unit or Corporate Office (as applicable). This policy should be read in conjunction with Wesfarmers Code of Conduct and the Wesfarmers Anti-Bribery Policy'. The Company also indicates that the majority of its workforce is covered by Enterprise Bargaining Agreements. [Ethical Sourcing and Modern Slavery Policy, 02/2019: wesfarmers.com.au & Sustainability Report, 2018: sustainability.wesfarmers.com.au] Score 2 <ul style="list-style-type: none"> • Not met: How it implements and checks this
D.2.9.b	Working hours (in the supply chain)	1	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Met: Working hours in codes or contracts: The Company states the following: 'Supplier factories must have a written policy for working hours and overtime in accordance with local legal requirements.' 'Where the law permits working hours beyond 60 in a week, workers shall work no more than 60 hours per week on a regularly-scheduled basis and have the option of adequate days off.' 'Workers are given the legally required rest or break time during working hours.' [Ethical Sourcing Code (Department Stores), 1/2017: kmart.com.au] • Not met: How working with suppliers on working hours Score 2 <ul style="list-style-type: none"> • Not met: Both requirements under score 1 met • Not met: Provide analysis of trends in progress made

E. Performance: Responses to Serious Allegations (20% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
E(1).0	Serious allegation No 1		No allegations meeting the CHRB severity threshold were found, and so the score of 32.10 out of 80 points scored in themes A-D & F has been applied to produce a score of 8.02 out of 20 points for theme E.

F. Transparency (10% of Total)

Indicator Code	Indicator name	Score	Explanation
F.1	Company willingness to publish information	2.92 out of 4	Out of a total of 48 indicators assessed under sections A-D of the benchmark, Wesfarmers made data public that met one or more elements of the methodology in 35 cases, leading to a disclosure score of 2.92 out of 4 points.
F.2	Recognised Reporting Initiatives	2 out of 2	The individual elements of the assessment are met or not as follows: Score 2 <ul style="list-style-type: none"> • Met: Company reports on GRI: The Company's 2017 Sustainability Report was prepared in accordance with the Global Reporting Initiatives Standards and assured by Ernst & Young. [Sustainability Report, 2018: sustainability.wesfarmers.com.au & GRI Content Index, 4/7/2019: sustainability.wesfarmers.com.au]
F.3	Key, High Quality Disclosures	0.4 out of 4	Wesfarmers met 1 of the 10 thresholds listed below and therefore gets 0.4 out of 4 points for the high quality disclosure indicator. Specificity and use of concrete examples <ul style="list-style-type: none"> • Not met: Score 2 for A.2.2 : Board discussions • Not met: Score 2 for B.1.6 : Monitoring and corrective actions • Not met: Score 2 for C.1 : Grievance channel(s)/mechanism(s) to receive complaints or concerns from workers • Not met: Score 2 for C.3 : Users are involved in the design and performance of the channel(s)/mechanism(s) Discussing challenges openly <ul style="list-style-type: none"> • Not met: Score 2 for B.2.4 : Tracking: Monitoring and evaluating the effectiveness of actions to respond to human rights risks and impacts • Not met: Score 2 for C.7 : Remedying adverse impacts and incorporating lessons learned Demonstrating a forward focus <ul style="list-style-type: none"> • Not met: Score 2 for A.2.3 : Incentives and performance management • Not met: Score 2 for B.1.2 : Incentives and performance management • Not met: Score 1 for D.2.1.a : Living wage (in own production or manufacturing operations) • Met: Score 2 for D.2.7.a : Health and safety: Fatalities, lost days, injury rates (in own production of manufacturing operations)

Disclaimer

A score of zero for a particular indicator does not mean that bad practices are present. Rather it means that we have been unable to identify the required information in public documentation.

See the 2019 Key Findings report and technical annex for more details of the research process.

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As CHRB Ltd, we want to emphasise that the results will always be a proxy for good human rights management, and not an absolute measure of performance. This is because there are no fundamental units of measurement for human rights. Human rights assessments are therefore necessarily more subjective than objective. The Benchmark also captures only a snap shot in time. We therefore want to encourage companies, investors, civil society and governments to look at the broad performance bands that companies are ranked within rather than their precise score because, as with all measurements, there is a reasonably wide margin of error possible in interpretation. We also want to encourage a greater analytical focus on how scores improve over time rather than upon how a company compares to other companies in the same industry today. The spirit of the exercise is to promote continual improvement via an open assessment process and a common understanding of the importance of the UN Guiding Principles on Business and Human Rights.