

**Corporate Human Rights Benchmark  
2023 Company Scorecard**

**Company name** Wesfarmers (Kmart and Target Australia)  
**Sector** Apparel (supply chain and own operations)  
**Overall score** 49.1 out of 100

| Theme score | Out of | For theme   |
|-------------|--------|---|
| 6.6         | 10     | A. Governance and Policy Commitments                |
| 16.6        | 25     | B. Embedding Respect and Human Rights Due Diligence |
| 6.0         | 20     | C. Remedies and Grievance Mechanisms                |
| 10.1        | 25     | D. Performance: Company Human Rights Practices      |
| 9.8         | 20     | E. Performance: Responses to Serious Allegations    |

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 2022 Methodology document for the sector concerned. 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 Policy Commitments (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                | The individual elements of the assessment are met or not as follows:<br>Score 1<br><ul style="list-style-type: none"> <li>Met: Universal Declaration of Human rights (UDHR): The Company’s document Our Approach to Human Rights, which includes the Company’s commitments, states: ‘Wesfarmers is committed to respecting internationally recognised human rights as set out in the Universal Declaration of Human Rights’. [Our approach to Human Rights (Commitment), N/A: <a href="https://www.wesfarmers.com.au">wesfarmers.com.au</a>]</li> </ul> Score 2<br><ul style="list-style-type: none"> <li>Met: Commitment to UNGPs: The Company’s document Our Approach to Human Rights states: ‘Wesfarmers is also committed to implementing the United Nations Guiding Principles on Business and Human Rights’. [Our approach to Human Rights (Commitment), N/A: <a href="https://www.wesfarmers.com.au">wesfarmers.com.au</a>]</li> </ul> |
| A.1.2.a        | Commitment to respect the human rights of workers: ILO Declaration on Fundamental Principles and Rights at Work | 2                | The individual elements of the assessment are met or not as follows:<br>Score 1<br><ul style="list-style-type: none"> <li>Met: Commitment to ILO core principles: The Company’s document Our Approach to Human Rights states: ‘We respect the fundamental principles and rights at work as outlined in the ILO Declaration on Fundamental Principles and Rights at Work’. [Our approach to Human Rights (Commitment), N/A: <a href="https://www.wesfarmers.com.au">wesfarmers.com.au</a>]</li> <li>Met: Explicitly lists all four ILO core principles: See above. ‘These include freedom of association and the right to collective bargaining, the elimination of forced or compulsory labour, the abolition of child labour and the elimination of discrimination in respect of employment and occupation’. [Our approach to Human Rights (Commitment), N/A: <a href="https://www.wesfarmers.com.au">wesfarmers.com.au</a>]</li> </ul>      |

| Indicator Code | Indicator name   | Score (out of 2) | Explanation  |
|----------------|--|------------------|--|
|                |  |                  | <p>Score 2</p> <ul style="list-style-type: none"> <li>• Met: Expects suppliers to commit to ILO core principles: The Company's Ethical Sourcing Code states: 'Our Ethical Sourcing Code (ESC) includes minimum requirements and expectations that all suppliers must meet as a condition of doing business with any business within the Kmart Group. The ESC is based on our commitment to: respect the core labour standards established by the International Labour Organization (ILO); protect and respect human rights as set out in the United Nations Universal Declaration of Human Rights and Guiding Principles on Business and Human Rights; and promote environmental sustainability.' [Kmart Group: Ethical Sourcing Code, 12/2021: <a href="http://kmart.com.au">kmart.com.au</a>]</li> <li>• Met: Explicitly lists all four ILO core principles for suppliers: The Kmart Group (apparel division) ESC contains commitments against child labour, forced labour, discrimination, and respect of freedom of association and collective bargaining: In relation to these last two it states that 'Suppliers, to the extent permitted by local laws, must respect the right of their workers to freedom of association and collective bargaining. This includes the right to form and join trade unions or other worker associations of their own choosing without harassment, interference or retaliation'. It also adds that 'When operating in countries where trade union activity is unlawful or where free and democratic trade union activity is not allowed, factories shall allow workers to freely elect their own representatives with whom the factory can enter into dialogue about workplace issues'. [Ethical Sourcing and Modern Slavery Policy, 10/2021: <a href="http://wesfarmers.com.au">wesfarmers.com.au</a>] &amp; [Kmart Group: Ethical Sourcing Code, 12/2021: <a href="http://kmart.com.au">kmart.com.au</a>]</li> </ul>   |
| A.1.2.b        | Commitment to respect the human rights of workers: Health and safety and working hours | 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"> <li>• Met: Commitment to respect H&amp;S of workers: The Code of Conduct indicates: 'The safety of team members, customers, suppliers and visitors across all our sites is our highest priority. We are committed to providing a safe working environment and complying fully with all local and national laws and regulations regarding safety in the workplace'. [Code of Conduct, 03/202: <a href="http://wesfarmers.com.au">wesfarmers.com.au</a>]</li> <li>• Met: Commitment to ILO working hours standards or 48 hour regular work week: The Ethical Sourcing and Modern Slavery Policy indicates: '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'. It also states that 'The principles of this policy must be complied with or incorporated into policies within each division/business unit and the Corporate Office (as applicable). This policy should be read in conjunction with the Wesfarmers Code of Conduct and the Wesfarmers Anti-bribery Policy, and the Wesfarmers 'Our Approach to Human Rights' s'. [Ethical Sourcing and Modern Slavery Policy, 10/2021: <a href="http://wesfarmers.com.au">wesfarmers.com.au</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Met: Expects suppliers to commit to H&amp;S of workers: The Ethical Sourcing and Modern Slavery Policy indicates: '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 preparation. Workers have the right to refuse work that is unsafe'. [Ethical Sourcing and Modern Slavery Policy, 10/2021: <a href="http://wesfarmers.com.au">wesfarmers.com.au</a>]</li> <li>• Met: Expects suppliers to commit to ILO working hours standards or 48 hour regular work week: The Ethical Sourcing and Modern Slavery Policy indicates: '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, 10/2021: <a href="http://wesfarmers.com.au">wesfarmers.com.au</a>]</li> </ul> |
| A.1.3.AP       | Commitment to respect human rights particularly relevant to the                        | 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"> <li>• Met: Commitment to women's rights: The 2022 Corporate Governance Statement indicates: 'Wesfarmers is a signatory to the United Nations Women's Empowerment Principles'. A commitment to the Women's Empowerment</li> </ul>   |

| Indicator Code | Indicator name   | Score (out of 2) | Explanation  |
|----------------|--|------------------|--|
|                | sector – vulnerable groups (AP)                            |                  | <p>Principles (WEP) is a proxy for ‘respecting women’s rights, according to CHRB standards. [2022 Corporate Governance Statement, 2022: <a href="https://wesfarmers.com.au">wesfarmers.com.au</a>]</p> <ul style="list-style-type: none"> <li>• Met: Expects suppliers to respect these rights: The Ethical Sourcing and Modern Slavery Policy indicates: ‘Migrant workers shall have the same entitlements as local workers as stipulated by local law. Any commissions and other fees in connection with employment of migrant workers must be covered by the employer’. The Kmart Group Ethical Sourcing Policy also requires that ‘Suppliers must ensure that migrant workers have the same entitlement as local workers stipulated by local law and under this Ethical Sourcing Code’. It adds seven supporting standards in relation to migrant workers. [Ethical Sourcing and Modern Slavery Policy, 10/2021: <a href="https://wesfarmers.com.au">wesfarmers.com.au</a>] &amp; [Kmart Group: Ethical Sourcing Code, 12/2021: <a href="https://kmart.com.au">kmart.com.au</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Met: Commitment refers to CEDAW/Women's Empowerment Principles: The 2022 Corporate Governance Statement indicates: ‘Wesfarmers is a signatory to the United Nations Women’s Empowerment Principles’. [2022 Corporate Governance Statement, 2022: <a href="https://wesfarmers.com.au">wesfarmers.com.au</a>]</li> <li>• Not Met: Expects suppliers to respect these rights: The Company has provided comments to CHRB regarding this subindicator concerning women rights. However, this subindicator requires an explicit and direct commitment to either the WEPs or the CEDAW. [Ethical Sourcing and Modern Slavery Policy, 10/2021: <a href="https://wesfarmers.com.au">wesfarmers.com.au</a>] &amp; [Kmart Group: Ethical Sourcing Code, 12/2021: <a href="https://kmart.com.au">kmart.com.au</a>]</li> </ul>  |
| A.1.4          | Commitment to remedy                                       | 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"> <li>• Met: Commitment to remedy adverse HRs impacts: The Code of Conduct indicates: ‘We are also committed to acting as quickly as practicable to remedy any human rights violations that are reported to or identified by us, including exploitative labour practices’. [Code of Conduct, 03/202: <a href="https://wesfarmers.com.au">wesfarmers.com.au</a>]</li> <li>• Met: Expects suppliers to make this commitment: The Kmart Group Ethic Sourcing Code declares: ‘We expect our Suppliers to be honest and transparent in their dealings with us and to commit to making continual improvements in their operations. In the event of a non-compliance with the ESC, we expect the Supplier to develop an action plan to address and remediate it. We also reserve the right to discontinue business with the Supplier [...] In the event of a non-compliance with this Ethical Sourcing Code, factories must develop an action plan to address and remediate it.’ [Kmart Group: Ethical Sourcing Code, 12/2021: <a href="https://kmart.com.au">kmart.com.au</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not Met: Commitment to collaborate with judicial or non-judicial mechanisms: The Company provided evidence to CHRB regarding this sub-indicator. However, while the evidence highlights the existence of whistleblower policies and mentions collaboration with mechanisms, it does not explicitly state the Company's commitment to collaborate with judicial or non-judicial mechanisms. Commitments are expected to be placed in formal policy documents. [2022 Modern Slavery Statement, 2022: <a href="https://wesfarmers.com.au">wesfarmers.com.au</a>]</li> <li>• Met: Commitment to work with suppliers on remedy: The Ethical Sourcing and Modern Slavery policy states that ‘Divisions/business units must be committed to working with suppliers to remediate any breaches of this policy’. [Ethical Sourcing and Modern Slavery Policy, 10/2021: <a href="https://wesfarmers.com.au">wesfarmers.com.au</a>]</li> </ul> |
| A.1.5          | Commitment to respect the rights of human rights defenders | 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"> <li>• Met: Zero tolerance of threats/attacks on HRDs: The Company’s document Our Approach to Human Rights states: ‘We respect the rights of environmental and human rights defenders to speak freely without fear of retribution, including where they may be criticising our conduct or the conduct of our partners’. [Our approach to Human Rights (Commitment), N/A: <a href="https://wesfarmers.com.au">wesfarmers.com.au</a>]</li> <li>• Not Met: Expects suppliers to make this commitment: The Company provided evidence to CHRB regarding this sub-indicator. However, the evidence was not material.</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not Met: Commitment to working with HRDs to create safe and enabling environment: The Company provided evidence to CHRB regarding this sub-indicator. However, the evidence was not material.</li> </ul>  |

## A.2 Board Level Accountability (5% of Total)

| Indicator Code | Indicator name          | Score (out of 2) | Explanation   |
|----------------|-------------------------|------------------|---|
| A.2.1          | Commitment from the top | 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"> <li>• Met: Board level responsibility for HRs: The 2022 Modern Slavery Statement indicates: 'The Wesfarmers Audit and Risk Committee (ARC) assists the Board in overseeing the Group's ethical sourcing programs including activities undertaken to address modern slavery risks and the Group's ethical sourcing reporting including this Modern Slavery Statement. The ARC receives regular reporting on human rights risks management including modern slavery. Human rights risk in our own operations and supply chains is a standing item in the Wesfarmers Group operational risk framework'. [2022 Modern Slavery Statement, 2022: <a href="https://www.wesfarmers.com.au">wesfarmers.com.au</a>]</li> <li>• Not Met: Describes HRs expertise of Board member: The Company provided evidence to CHRB regarding this sub-indicator. The evidence presents a skills matrix of the Board with 10 members identified as having expertise in Corporate sustainability and community engagement. However, this sub-indicator looks for specific experiences or expertise of specific people of the Supervisory Board in charge of overseeing human rights. [2022 Corporate Governance Statement, 2022: <a href="https://www.wesfarmers.com.au">wesfarmers.com.au</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not Met: Board member/CEO signal importance of HRs in their communications: The CEO Rob Scott has a video on the Company's approach to creating a safe and respectful workplace, focusing especially on discrimination and harassment, as well as the Company's grievance mechanisms. However, no further evidence was found of a speech where the CEO or a Board member discusses why human rights matter to the business or the challenges that the Company has faced in respecting them. The Company provided a video of CEO Rob Scott's Sustainability Message: 'Ethical sourcing and human rights have long been and remain a key focus for our divisions. We are committed to continuous improvement and we regularly assess the effectiveness of our ethical sourcing and human rights policies and actions. One such action is to improve channels for team members and workers in our supply chain to report any issues [...] Finally, we have maintained our commitment to the United Nations Global Compact, which is a collaboration amongst companies to uphold the universal principles of human rights, labour rights, the environment and anti-corruption.' However, the provided evidence lacks a discussion on why human rights are significant to the business or any insights into the challenges the Company may have encountered while striving to uphold these rights. [Respect at work - Message CEO, N/A: <a href="https://www.wesfarmers.com.au">wesfarmers.com.au</a>] &amp; [Managing Director on sustainability, 28/07/2021: <a href="https://www.wesfarmers.com.au">2021sustainability.wesfarmers.com.au</a>]</li> </ul> |
| A.2.2          | Board responsibility    | 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"> <li>• Met: Process to review HRs strategy at board level: The 2022 Modern Slavery Statement indicates: 'The Wesfarmers Audit and Risk Committee (ARC) assists the Board in overseeing the Group's ethical sourcing programs including activities undertaken to address modern slavery risks and the Group's ethical sourcing reporting including this Modern Slavery Statement. The ARC receives regular reporting on human rights risks management including modern slavery. Human rights risk in our own operations and supply chains is a standing item in the Wesfarmers Group operational risk framework'. The Audit and Risk Committee Charter adds that the Committee 'will meet at least four times annually, and will hold additional meetings as it deems necessary'. [2022 Modern Slavery Statement, 2022: <a href="https://www.wesfarmers.com.au">wesfarmers.com.au</a>]</li> <li>• Met: Example of HRs issues/trends discussed in last reporting period: The 2022 Annual Report indicates: 'Key focus areas of the Audit and Risk Committee during the 2022 financial year included: [...] Overseeing the Group's compliance program, supported by approved guidelines and standards, covering safety, [...] compliance with key governance policies, including the Wesfarmers Code of Conduct, whistleblower reporting, information technology, data privacy and human rights'. [2022 Annual Report, 08/2022: <a href="https://www.wesfarmers.com.au">sifinity.wesfarmers.com.au</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Met: Meets both requirements under score 1</li> <li>• Not Met: Describes how affected stakeholders / HRs experts inform board discussions: The Company indicates that '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</li> </ul>  |

| Indicator Code | Indicator name                        | Score (out of 2) | Explanation   |
|----------------|---------------------------------------|------------------|---|
|                |                                       |                  | continue to utilise the findings from this assessment to prioritise actions to mitigate human rights risk'. However, no details found in publicly available sources how this made up to the Board, informing discussions. [2022 Modern Slavery Statement, 2022: <a href="https://wesfarmers.com.au">wesfarmers.com.au</a> ]   |
| A.2.3          | Incentives and performance management | 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"> <li>• Met: At least one board member incentive linked to HRs commitments: The 2022 Annual Report discloses details of the 2022 KEEPP annual scoreboard for executive remuneration, including: 'Safety (10 per cent weighting). Safety performance is measured through the total recordable injury frequency rate (TRIFR) at the Group or divisional level, as relevant to the executive KMP, and was chosen to reflect the Group's relentless focus on providing safe workplaces for all team members, in addition to the priority placed on the health and safety of the Group's customers and the community. TRIFR performance is assessed following completion of the annual sustainability assurance process'. Apart from the incentive on safety, the CEO's 2022 performance highlights included: '[...] The Group's strategy with regard to Aboriginal and Torres Strait Islander employment was updated, with a greater focus on leadership and career development. In addition, the Group reached parity in terms of Indigenous team member numbers and achieved 'Elevate' status for our Reconciliation Action Plan'. The weighting for Sustainability was 10% in total, it included emissions reduction targets. The CEO is a Board member. [2022 Annual Report, 08/2022: <a href="https://sitefinity.wesfarmers.com.au">sitefinity.wesfarmers.com.au</a>]</li> <li>• Met: Incentive scheme linked to key HRs risks beyond employee H&amp;S: Although the CEO has an incentive for safety performance, it is not clear whether it includes the health and safety of local communities and workers of suppliers. The Company also discloses it has incentives related to Indigenous peoples: 'The Group's strategy with regard to Aboriginal and Torres Strait Islander employment was updated, with a greater focus on leadership and career development. In addition, the Group reached parity in terms of Indigenous team member numbers and achieved 'Elevate' status for our Reconciliation Action Plan'. The report further elaborates on determines the progress in relation to this, in the same report: 'This year we were pleased to launch our eighth Reconciliation Action Plan (RAP) and our first Elevate RAP – the highest RAP level. We were pleased to reach our goal of employment parity for Aboriginal and Torres Strait Islander people with at least three per cent of our Australian workforce identifying as Aboriginal or Torres Strait Islander team members, a year earlier than targeted'. [2022 Annual Report, 08/2022: <a href="https://sitefinity.wesfarmers.com.au">sitefinity.wesfarmers.com.au</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Met: Performance criteria linked to HRs made public: The 2022 Annual Report indicates: 'Threshold performance for TRIFR [total recordable injury frequency rate] is generally set based on the previous year's result. No award will be made in respect of the relevant safety measure if there is a fatality or a critical risk failure within a managed entity'. Safety represents 10% of the 2022 KEEPP annual scorecard. [2022 Annual Report, 08/2022: <a href="https://sitefinity.wesfarmers.com.au">sitefinity.wesfarmers.com.au</a>]</li> <li>• Not Met: Review of other board incentives for coherence with HRs policies</li> </ul> |
| A.2.4          | Business model strategy and 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"> <li>• Met: Board process to review business model and strategy for HRs risks: The Company's approach to human rights document discloses that: 'The Wesfarmers Audit and Risk Committee has responsibility for overseeing the Group's response to human rights risks. The Wesfarmers Executive Leadership Team reviews emerging risks and opportunities, leads stakeholder engagement and oversees the sharing of best practice throughout the Group. Each divisional board and divisional management team has responsibility for identifying and managing material risks, including material human rights risks relating to the relevant division in accordance with the Group's Risk Management Framework'. The modern slavery statement notes that 'The Wesfarmers Audit and Risk Committee (ARC) assists the Board in overseeing the Group's ethical sourcing programs including activities undertaken to address modern slavery risks and the Group's ethical sourcing reporting including this Modern Slavery Statement. The ARC receives regular reporting on human rights risks management including modern slavery. Human rights risk in our own operations and supply chains is a standing item in the Wesfarmers Group operational risk framework'. Additionally, the 2022 Corporate Governance Statement declares that 'The Audit and Risk Committee assists the Board in fulfilling its responsibilities in overseeing the company's financial reporting, compliance with legal and regulatory requirements, setting, articulating and reviewing the risk appetite of the Wesfarmers Group, and proactively overseeing the Group's systems of internal control and its financial and non-</li> </ul>  |

| Indicator Code | Indicator name | Score (out of 2) | Explanation  |
|----------------|----------------|------------------|--|
|                |                |                  | <p>financial risk management framework in accordance with the Group's purpose, values and strategic direction'. [Our approach to Human Rights (Commitment), N/A: <a href="https://wesfarmers.com.au">wesfarmers.com.au</a>] &amp; [2022 Corporate Governance Statement, 2022: <a href="https://wesfarmers.com.au">wesfarmers.com.au</a>]</p> <ul style="list-style-type: none"> <li>• Not Met: Describes frequency and triggers for reviewing business model: The Company has provided comments to CHRB regarding this sub-indicator. However, the evidence was not material. The subindicator looks for specific evidence of reviewing business model or approach. Current evidence refers to periodicity of committee meetings.</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not Met: Meets both requirements under score 1</li> <li>• Not Met: Example of actions resulting from reviews: The Company has provided comments to CHRB regarding this sub-indicator. However, the evidence was not material. This subindicator looks for evidence of specific actions that resulted in changes in business model or approach due to human rights risks, and evidencing that these decisions were made following the process required by subindicator above.</li> </ul> |

## 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 | 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"> <li>• Met: Score of 1 on A.1.2.a</li> <li>• Not Met: Senior responsibility for HRs implementation and decision making: See below evidence regarding implementation at the divisional level. No evidence was found in relation to responsibility allocation for human rights decision-making at the senior executive level. The Company provided evidence to CHRB regarding this sub-indicator: 'The Wesfarmers Managing Director and Wesfarmers Leadership Team (composed of Wesfarmers senior executives and divisional managing directors) oversee the implementation of divisional ethical sourcing program [...]. Each division is overseen by a divisional board of directors that includes the Wesfarmers Group Managing Director and Chief Financial Officer and is guided by a Group-wide operating cycle and governance framework.' However, this sub-indicator looks for evidence that the Company has in place a staff position or business function that has responsibility for human rights decision making, including own operations. Current evidence places responsibility at the whole divisional management team, not allocating a specific role function accountable for human rights issues. Also, responsibility seems to refer only to sourcing program. [2022 Modern Slavery Statement, 2022: <a href="https://wesfarmers.com.au">wesfarmers.com.au</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Met: Describes day-to-day responsibility for implementing HRs commitments: The 2022 Modern Slavery Statement indicates: 'Divisional boards and management teams have responsibility for identifying and managing material risks in accordance with the Group's risk management framework, with support from divisional audit, risk and compliance committees which oversee existing and emerging modern slavery and human rights risks'. [2022 Modern Slavery Statement, 2022: <a href="https://wesfarmers.com.au">wesfarmers.com.au</a>]</li> <li>• Not Met: Day-to-day resources and expertise allocation in own operations: The Company has provided comments to CHRB regarding this sub-indicator. However, the evidence was not material. See below further details in relation to resources allocated to supply chain. However, no details found in relation to how the Company allocates sources and expertise including own operations.</li> </ul> |



| Indicator Code | Indicator name                              | Score (out of 2) | Explanation   |
|----------------|---|------------------|---|
|                |   |                  | <ul style="list-style-type: none"> <li>• Met: Resources and expertise allocation in supply chain: The 2022 Modern Slavery Statement indicates: 'Wesfarmers divisions leverage internal (and in some cases Group) expertise to maintain ethical sourcing programs that assess and monitor human rights risks relating to suppliers of products and services'. The webpage section Ethical Sourcing and Human Rights indicates: 'Our divisions also monitor emerging human rights issues and identify opportunities where we can influence the actions of our suppliers to mitigate risks, including through collaborations with other organisations'. 'All divisions have dedicated ethical sourcing teams to manage ethical sourcing and human rights risks. Merchandise and procurement teams are responsible for managing supplier relationships and are central to the management of ethical sourcing and human rights risks. In some divisions, in-country sourcing teams help our businesses to promptly identify and respond to potential risks, and build strong links with suppliers, government and non-government organisations in sourcing countries. Kmart Group has more than 560 team members within its sourcing team, located in Australia, Bangladesh, China, Hong Kong, India and Indonesia'. [2022 Modern Slavery Statement, 2022: <a href="https://www.wesfarmers.com.au">wesfarmers.com.au</a>] &amp; [Ethical sourcing and human rights, N/A: <a href="https://www.wesfarmers.com.au">wesfarmers.com.au</a>]</li> </ul>   |
| B.1.2          | Incentives and performance management       | 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"> <li>• Met: Senior manager incentives linked to HRs commitments: The 2022 Annual Report discloses details of the 2022 KEEPP annual scoreboard for executive remuneration, including: 'Safety (10 per cent weighting). Safety performance is measured through the total recordable injury frequency rate (TRIFR) at the Group or divisional level, as relevant to the executive KMP, and was chosen to reflect the Group's relentless focus on providing safe workplaces for all team members, in addition to the priority placed on the health and safety of the Group's customers and the community. TRIFR performance is assessed following completion of the annual sustainability assurance process'. [2022 Annual Report, 08/2022: <a href="https://www.sitefinity.wesfarmers.com.au">sitefinity.wesfarmers.com.au</a>]</li> <li>• Met: Incentive scheme linked to key HRs risks beyond employee H&amp;S: Although the Senior managers have an incentive for safety performance, it is not clear whether it includes the health and safety of local communities and workers of suppliers. The company also indicates that 'Sustainability objectives provide a focus on the Group's licence to operate and include several interrelated areas, for example [...] Diversity, including gender balance, remains a focus as Wesfarmers recognises the importance and value of diverse teams throughout its businesses. Ian Bailey, in addition, to safety, has the following performance: 'Good progress has continued in relation to Aboriginal and Torres Strait Islander employment and maintaining gender balance. Given the strategic agendas of both Kmart and Target, hiring strong digital talent has been key during the year'. [2022 Annual Report, 08/2022: <a href="https://www.sitefinity.wesfarmers.com.au">sitefinity.wesfarmers.com.au</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Met: Performance criteria linked to HRs made public: The 2022 Annual Report indicates: 'Threshold performance for TRIFR [total recordable injury frequency rate] is generally set based on the previous year's result. No award will be made in respect of the relevant safety measure if there is a fatality or a critical risk failure within a managed entity'. Safety represents 10% of the 2022 KEEPP annual scorecard. [2022 Annual Report, 08/2022: <a href="https://www.sitefinity.wesfarmers.com.au">sitefinity.wesfarmers.com.au</a>]</li> <li>• Not Met: Review of other senior management incentives for coherence with HRs policies</li> </ul> |
| B.1.3          | Integration with enterprise risk management | 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"> <li>• Met: HRs risks integrated as part of enterprise risk system: The 2022 Annual Report indicates: 'Wesfarmers recognises the importance of, and is committed to, the identification, monitoring and optimal management of risks associated with its activities across the Group'. It discloses its risks. Among its operational risks the Company includes: 'Human rights risks, including modern slavery in own operations and supply chain; Risks to the health, safety or wellbeing of team members and customers'. [2022 Annual Report, 08/2022: <a href="https://www.sitefinity.wesfarmers.com.au">sitefinity.wesfarmers.com.au</a>]</li> <li>• Met: Provides an example: The 2022 Annual Report indicates that the Company mitigates its 'Sustainability, ethical sourcing, and human rights' through the two following measures: Ongoing improvements to environmental compliance across all factories and a commitment to upholding ethical sourcing standards, which include protecting and respecting human rights [and] Expansion of the sustainable development program towards a circular economy with a focus on making a positive difference for people and the planet. [2022 Annual Report, 08/2022: <a href="https://www.sitefinity.wesfarmers.com.au">sitefinity.wesfarmers.com.au</a>]</li> </ul>   |

| Indicator Code | Indicator name  | Score (out of 2) | Explanation   |
|----------------|---|------------------|---|
|                |   |                  | <p>Score 2</p> <ul style="list-style-type: none"> <li>Met: Risk assesment by Audit Committee or independent third party: The Modern Slavery statement indicates that 'The Wesfarmers Audit and Risk Committee (ARC) assists the Board in overseeing the Group's ethical sourcing programs including activities undertaken to address modern slavery risks and the Group's ethical sourcing reporting including this Modern Slavery Statement. The ARC receives regular reporting on human rights risks management including modern slavery. Human rights risk in our own operations and supply chains is a standing item in the Wesfarmers Group operational risk framework'. The 2022 Corporate Governance Statement reports that 'The Wesfarmers Risk Management Framework is reviewed on an annual basis by the Board to satisfy itself that it is sound, continues to operate effectively, and that the Group is operating with due regard to the risk appetite set by the Board, or that appropriate action is taken should performance fall outside the risk appetite'. Also, states that the Audit and Risk Committee is tasked with 'Reviewing the Group's risk management framework, overseeing the implementation of strategies to improve the Group's risk management framework and monitoring that the Group is operating with due regard to the risk appetite set by the Board'. [2022 Corporate Governance Statement, 2022: <a href="https://www.wesfarmers.com.au">wesfarmers.com.au</a>]</li> </ul>   |
| B.1.4.a        | Communication /dissemination of policy commitment(s) to workers and external 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"> <li>Met: Score of 1 on A.1.2.a</li> <li>Met: Communicates HRs policies to all workers in own operations: The Kmart Group's website declares: 'The ESC [Ethic Sourcing Code] is based on our commitment to respecting the core labour standards established by the International Labour Organization (ILO), protecting and respecting human rights as set out in the United Nations Universal Declaration of Human Rights and promoting environmental sustainability [...] The commitments outlined in the ESC are communicated to all employees via the Kmart Code of Conduct and form part of mandatory compliance training'. The ESC 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 the Wesfarmers Code of Conduct and the Wesfarmers Anti-bribery Policy'. [Kmart's Website: Sourcing ethically , N/A: <a href="https://www.kmart.com.au">kmart.com.au</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>Not Met: Communicates HRs policies to stakeholders: The Company provided evidence to CHRB regarding this sub-indicator. The provided evidence indicates that the Company's policy documents are accessible through its websites, and also that the Company requires its supplier to display posters where all factory workers can see them. However, it is not clear, how the Company ensures the effective communication of its policy commitments to affected external stakeholders including local communities.</li> <li>Not Met: Example of how HRs policies are accessible for intended audience: The Kmart Group's Ethical Sourcing Supplier Manual discloses: 'A summary of the ESC has been formatted into an A3 Poster. Suppliers are required to display a copy of the Poster in their factories in a location that can be seen by all factory workers. Checks on poster compliance are part of the Kmart Group Audit checklist [...] The poster is available in the following languages: English, Simplified Chinese, Hindi, Khmer, Bengali, Bahasa.' However, no further evidence was found on how the company ensures that the form and frequency of its communication is accessible to the intended audience, including local communities. [Kmart Group Ethical Sourcing Program Supplier Manual, 03/2023: <a href="https://www.kmart.com.au">kmart.com.au</a>]</li> </ul> |
| B.1.4.b        | Communication /dissemination of policy commitment(s) to business relationships            | 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"> <li>Met: Meets ILO requirement for suppliers on A.1.2.a</li> <li>Met: Requires suppliers to communicate HRs policies: The Ethical Sourcing code states that 'The ESC forms part of the contract with our Suppliers. Accordingly, Suppliers must review the ESC and be familiar with its requirements. Suppliers must also ensure their own Suppliers, or any third party providing raw materials, components, labour or services to the Supplier, also comply with the standards of conduct outlined in this ESC. The ESC is supported by a rigorous compliance program, which is outlined in the Kmart Group Supplier Manual. The Manual includes, among other things, details on the processes for factory registration, disclosure, audits and training, as well as a designation process for High Risk activities. We expect our Suppliers to be honest and transparent in their dealings with us and to commit to making continual improvements in their operations. In the event of a noncompliance with the ESC, we expect the Supplier to develop an</li> </ul>   |



| Indicator Code | Indicator name                    | Score (out of 2) | Explanation  |
|----------------|-----------------------------------|------------------|--|
|                |                                   |                  | <p>action plan to address and remediate it. We also reserve the right to discontinue business with the Supplier'. [Kmart Group: Ethical Sourcing Code, 12/2021: <a href="http://kmart.com.au">kmart.com.au</a>]</p> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Met: Describes how HRs policies are contractual/binding for suppliers: The Ethical Sourcing code states that 'The ESC forms part of the contract with our Suppliers. Accordingly, Suppliers must review the ESC and be familiar with its requirements' [Kmart Group Code, 08/2019: <a href="http://kmart.com.au">kmart.com.au</a>]</li> <li>• Met: Requires suppliers to cascade contractual/binding HRs policies to its suppliers: The ESC states that 'Suppliers must also ensure their own Suppliers, or any third party providing raw materials, components, labour or services to the Supplier, also comply with the standards of conduct outlined in this ESC'. IT also states that 'Suppliers must not sub-contract without prior authorisation. Where sub-contracting has been authorised, Suppliers must ensure sub-contractors also comply with this Ethical Sourcing Code'. [Kmart Group Code, 08/2019: <a href="http://kmart.com.au">kmart.com.au</a>]</li> </ul>  |
| B.1.5          | Training on Human Rights          | 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"> <li>• Met: Score of at least 1 on A.1.2.a</li> <li>• Met: Describes how workers are trained on HRs policy commitments: The webpage section Ethical Sourcing and Human Rights indicates: 'Training of our team members is a key strategy to increase alignment with our minimum standards and reduce the risk of non-conformances. This year, more than 5,000 hours of training were delivered on human rights (as established by the Universal Declaration of Human Rights and other international instruments), ethical sourcing risks and mitigation strategies, and ethical buying practices'. The 2022 Modern Slavery Statement adds: 'During the 2022 financial year, more than 9,000 team members [...] received ethical sourcing and modern slavery training'. As indicated, in addition to supply-chain related topics, training included human rights generally. [2022 Modern Slavery Statement, 2022: <a href="http://wesfarmers.com.au">wesfarmers.com.au</a>] &amp; [Ethical sourcing and human rights, N/A: <a href="http://wesfarmers.com.au">wesfarmers.com.au</a>]</li> <li>• Met: Trains relevant managers including procurement on HRs: The 2022 Modern Slavery Statement indicates: 'Ordinarily, training of divisional buying and sourcing teams focuses building awareness and understanding around: Our ethical sourcing and human rights commitments; New and evolving expectations (including under domestic law or international instruments or among stakeholders); How our actions may impact workers' rights; Insight into strategies that deliver impact and; Findings from Group and divisional audit programs and stakeholder engagements. [...] The Group's divisional ethical sourcing teams also deliver training to other relevant team members including merchandising and procurement teams, third party auditors and suppliers (including their factory teams), to ensure a shared understanding of Wesfarmers expectations'. [2022 Modern Slavery Statement, 2022: <a href="http://wesfarmers.com.au">wesfarmers.com.au</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Met: Score of 2 on A.1.2.a</li> <li>• Met: Meets both requirements under score 1</li> <li>• Met: Trains suppliers to meet HRs commitments: The 2022 Modern Slavery Statement indicates: 'We take a range of actions to proactively identify and address modern slavery risks in our operations and supply chains. These actions include: [...] Training our team members and suppliers, to increase awareness of human rights and modern slavery risks'. 'During the 2022 financial year, [...] more than 8,000 suppliers received ethical sourcing and modern slavery training'. [2022 Modern Slavery Statement, 2022: <a href="http://wesfarmers.com.au">wesfarmers.com.au</a>]</li> <li>• Not Met: Discloses % suppliers trained: The 2022 Modern Slavery Statement indicates: 'During the 2022 financial year, [...] more than 8,000 suppliers received ethical sourcing and modern slavery training'. However, it is not clear the proportion of suppliers trained it represents. The Company provided the following evidence to CHRB regarding this sub-indicator: 'Compliance with the Purchasing commitments is now an expectation for all buying and sourcing team members. All team members, as well as apparel suppliers, have been trained in the basic commitments, with further in-depth training and guidance planned on individual topics.' However, the training appears to be centered on the ACT Global Purchasing Practices Commitment, rather than the Company's human rights expectations. [2022 Modern Slavery Statement, 2022: <a href="http://wesfarmers.com.au">wesfarmers.com.au</a>] &amp; [Kmart - Living wage &amp; responsible purchasing, N/A: <a href="http://kmart.com.au">kmart.com.au</a>]</li> </ul> |
| B.1.6          | Monitoring and corrective actions | 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"> <li>• Met: Score of at least 1 on A.1.2.a</li> </ul>   |

| Indicator Code | Indicator name | Score (out of 2) | Explanation   |
|----------------|----------------|------------------|---|
|                |                |                  | <ul style="list-style-type: none"> <li>• Met: Monitors implementation of HRs policy commitments across global ops and supply chain: Regarding its supply chain monitoring, the webpage section Ethical Sourcing and Human Rights indicates: 'Monitoring seeks to ensure compliance with the Wesfarmers Ethical Sourcing and Modern Slavery Policy. Monitoring activities include self-assessment questionnaires, supplier endorsement processes, supplier visits, independent and extensive third-party audits, and reports through grievance mechanisms. The frequency of monitoring varies from three to 24 months, depending on prior audit findings and the level of assessed risk. [...] The reportable breach classification is based on the Wesfarmers Ethical Sourcing and Modern Slavery Policy and the Sedex Members Ethical Trade Audit (SMETA) methodology. It captures any imminent threat to a worker's safety which presents a risk to life, evidence of fraud, coercion, deception or interference, or certain repeat findings which have not been addressed over time'. In addition, the modern slavery statement indicates that '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'. The 'Ethical Sourcing and Modern Slavery Policy' scope of application reads as follows: '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'.<br/>[Ethical sourcing and human rights, N/A: <a href="https://www.wesfarmers.com.au">wesfarmers.com.au</a>] &amp; [2022 Modern Slavery Statement, 2022: <a href="https://www.wesfarmers.com.au">wesfarmers.com.au</a>]</li> <li>• Met: Discloses % of supply chain monitored: The 2022 Annual Report indicates: 'This year, our divisional ethical sourcing programs monitored 2,651 sites and 1,724 suppliers. [...] around 61 per cent of sites and 63 per cent of suppliers in the program were monitored in the 2022 financial year'. [2022 Annual Report, 08/2022: <a href="https://www.sitefinity.wesfarmers.com.au">sitefinity.wesfarmers.com.au</a>]</li> <li>• Met: Describes how workers are involved in monitoring: The Ethical Sourcing Program Supplier Manual discloses that 'Audits generally include an opening meeting with factory management, a factory tour, a review of selected factory records, private and confidential interviews with selected employees...'. 'Kmart Group has more than 560 team members within its sourcing team, located in Australia, Bangladesh, China, Hong Kong, India and Indonesia. This team conducts audits, although it indicates that had restrictions during Covid 'Travel restrictions meant the Kmart Group Ethical Sourcing team was required to conduct virtual factory visits in place of normal face-to-face visits to verify basic labour compliance and COVID safety measures within supplier factories. Despite this, Kmart Group managed to maintain implementation of our normal third-party ethical sourcing audit procedures throughout the year'. [Kmart Group Ethical Sourcing Program Supplier Manual, 03/2023: <a href="https://www.kmart.com.au">kmart.com.au</a>] &amp; [Wesfarmers' website: Kmart Group - Human rights and ethical sourcing, N/A: <a href="https://www.wesfarmers.com.au">wesfarmers.com.au</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Met: Score of 2 on A.1.2.a</li> <li>• Met: Describes corrective actions process: The Company indicates that 'Audits generally include an opening meeting with factory management, a factory tour, a review of selected factory records, private and confidential interviews with selected employees, and finally, a closing meeting with factory management to discuss audit findings and agree on a preliminary corrective action plan. Auditor(s) will sign a "Preliminary Corrective Action Plan" (Preliminary CAP) and then request a factory representative sign as agreement and acknowledgement of the findings and his/her comments, if any. Supplier factory will be provided with copy of signed Preliminary CAP on the audit day. The Final CAP will be issued to the Supplier factory within 5 working days after the audit. The factory will then be required to complete the Final CAP indicating what actions the factory will or already has taken to address the noted audit deficiencies, corrective actions and the planned completion dates. The completed Final CAP must be submitted to Kmart Group within 5 working days of the factory having received the Final CAP. After review of the formal report from the auditor and the completed Final CAP from the factory, Kmart Group will assign a Grade [...] and send an Audit Rating Letter specifying the audit results and follow-up audit schedule to the Supplier factory'. [2022 Annual Report, 08/2022: <a href="https://www.sitefinity.wesfarmers.com.au">sitefinity.wesfarmers.com.au</a>] &amp; [2022 Modern Slavery Statement, 2022: <a href="https://www.wesfarmers.com.au">wesfarmers.com.au</a>]</li> <li>• Not Met: Discloses findings and number of correction action processes: The 2022 Annual Report indicates: 'This year, the main reportable breaches were: Health, safety and hygiene violations (39 per cent of reportable breaches); Excessive</li> </ul> |

| Indicator Code | Indicator name                                    | Score (out of 2) | Explanation   |
|----------------|---|------------------|---|
|                |   |                  | working hours (21 per cent of reportable breaches); Non-compliance with minimum wages (eight per cent of reportable breaches); Inadequate management systems; Employment of children and young workers, and Environmental violations'. However, it is not clear the number findings and corrective action processes as a result of the monitoring. The Company provided evidence to CHRB regarding this sub-indicator. The evidence does report the number of reportable breaches found and the percentage of breaches remediated within its supply chain. However, it is not clear how many corrective action processes have been initiated as a result of the monitoring. [2022 Annual Report, 08/2022: <a href="http://sitefinity.wesfarmers.com.au">sitefinity.wesfarmers.com.au</a> ]  |
| B.1.7          | Engaging and terminating business relationships   | 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"> <li>• Met: HRs performance affects selection suppliers: Regarding its Supplier pre-qualification and on-boarding, the 2022 Modern Slavery Statement indicates: 'Each business performs due diligence to assess ethical sourcing risks attaching to potential new suppliers including whether the supplier maintains controls to manage these risks. The businesses may require high risk potential new suppliers to complete a self-assessment questionnaire. In some instances, high risk potential new suppliers may also be independently audited before they are on-boarded. Our approach to pre-qualification and on-boarding reflects our focus on building long-term supplier relationships. Through pre-qualification and on-boarding, we are able to share our strategic focus on ethical sourcing with potential new suppliers, laying the foundations for stronger, long-term partnerships. This process also helps increase our understanding of potential risks including how we can manage our engagement with suppliers to minimise those risks (such as by maintaining strong order management disciplines) and when we need to be particularly alert to emerging risks (such as when raw materials supply chains are dislocated). [...] we conduct due diligence to assess diverse supplier risks including the risk of modern slavery'. [2022 Modern Slavery Statement, 2022: <a href="http://wesfarmers.com.au">wesfarmers.com.au</a>]</li> <li>• Met: HRs performance affects continuation supplier relationships: The 2022 Modern Slavery Statement indicates: 'In the event a supplier is unwilling to meet the minimum standards or unwilling to implement required improvements within mutually specified timeframes, the contractual arrangements between the division and the supplier may be suspended or terminated'. [2022 Modern Slavery Statement, 2022: <a href="http://wesfarmers.com.au">wesfarmers.com.au</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not Met: Describes positive HRs incentives for business relationships</li> <li>• Met: Works with suppliers to meet HRs requirements: The 2022 Modern Slavery Statement indicates: 'We take a range of actions to proactively identify and address modern slavery risks in our operations and supply chains. These actions include: [...] Training our team members and suppliers, to increase awareness of human rights and modern slavery risks. [...] During the 2022 financial year, [...] more than 8,000 suppliers received ethical sourcing and modern slavery training'. [2022 Modern Slavery Statement, 2022: <a href="http://wesfarmers.com.au">wesfarmers.com.au</a>]</li> </ul> |
| B.1.8          | Approach to engagement with affected 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"> <li>• Met: Discloses stakeholders whose HRs may be affected: The Company discloses its salient human rights issues categorized by potentially affected stakeholders; value chain workers, indigenous people, the Company's employees, customers, and team members. The 2022 Modern Slavery Statement states: 'This risk assessment enabled the Group to prioritise six salient human rights issues: Supporting labour rights in our value chain; Respecting Indigenous peoples' rights; Maintaining fair and safe workplaces for our workers; Preventing adverse impacts on communities; Upholding the privacy and personal dignity of our customers, team members and other stakeholders and; Ensuring product safety for our customers.' [2022 Modern Slavery Statement, 2022: <a href="http://wesfarmers.com.au">wesfarmers.com.au</a>]</li> <li>• Met: Provides two examples of engagement with stakeholders: The Kmart website discloses: ' Through the ACT Living Wage partnership we're in formal partnership with IndustriALL Global Union and work at both a global and national level with IndustriALL and its union affiliates on action plans to promote freedom of association, collective bargaining and responsible purchasing practices [...] As part of the Better Work program, women worker representatives in our factories in Bangladesh, Indonesia, Vietnam and Cambodia are integrated into worker-management committees to ensure that women workers are provided an adequate voice in identifying and addressing human rights challenges'. Also, 'audits generally include [...] private and confidential interviews with selected employees'. [Kmart website: Environmental and Human rights risks, N/A: <a href="http://kmart.com.au">kmart.com.au</a>]</li> </ul>   |

| Indicator Code | Indicator name | Score (out of 2) | Explanation  |
|----------------|----------------|------------------|--|
|                |                |                  | Score 2<br><ul style="list-style-type: none"> <li>• Not Met: Analysis of stakeholder views on company's HRs issues</li> <li>• Not Met: Describes how stakeholders views influenced company's HRs approach</li> </ul> |

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

| Indicator Code | Indicator name                             | Score (out of 2) | Explanation   |
|----------------|--|------------------|---|
| B.2.1          | Identifying human rights risks and impacts | 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"> <li>• Met: Describes process of identifying risks in own operations: The 2022 Modern Slavery Statement indicates: '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'. [2022 Modern Slavery Statement, 2022: <a href="https://www.wesfarmers.com.au">wesfarmers.com.au</a>]</li> <li>• Met: Describes process for identifying risks in business relationships: The 2022 Modern Slavery Statement indicates: 'Consistent with their diverse operations and industries, our divisions use diverse multi-factor risk methodologies to assess the inherent risk in their supply chains and suppliers. Risk is influenced by various factors including the category of product, raw materials used in manufacture, the manufacturing process, whether the product is own-brand or non-own brand, where the products are manufactured or services are procured and the value of spend with the supplier. In assessing inherent risk, our divisions may also consider self-assessment questionnaires completed by suppliers and findings detailed in independent audits. External research is reviewed to assess the risk profile of our divisions and suppliers'. It indicates different sources of research it uses. [2022 Modern Slavery Statement, 2022: <a href="https://www.wesfarmers.com.au">wesfarmers.com.au</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Met: Describes global risk identification system incl. stakeholder consultation: The 2022 Modern Slavery Statement indicates: '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 statement also indicates that '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'. As indicated on its website, this entails that 'risk assessment and due diligence includes [...] Interviews with factory workers as part of the audit and monitoring process. Engagement with Kmart Group team members, factory workers and contractors via the SpeakUp channel – a confidential hotline for reporting incidents of misconduct'. [2022 Modern Slavery Statement, 2022: <a href="https://www.wesfarmers.com.au">wesfarmers.com.au</a>] &amp; [Kmart website: Environmental and Human rights risks, N/A: <a href="https://www.kmart.com.au">kmart.com.au</a>]</li> <li>• Met: Describes how risk identification system is triggered by new circumstances: The Company's 2022 Modern Slavery Statement discloses: 'The Group evaluates a broad range of investment opportunities. In assessing these opportunities, the Group applies a long-term horizon to investment decisions. We also incorporate a detailed due diligence assessment of sustainability considerations focused on our most material sustainability issues (which includes ethical sourcing and human rights). Capital may be deployed in the existing portfolio, adjacent opportunities or value-accretive transactions, with the Group maintaining strong commercial discipline in its approach to evaluating opportunities. In the 2022 financial year, Wesfarmers acquired API, which is the foundation business of our new Health division. As part of the due diligence process, sustainability and ethical sourcing leads assessed API's sustainability and ethical sourcing maturity and risks, conducting a gap assessment of capability and reporting. This due diligence was based upon public disclosures, confidentially disclosed information and meetings with company representatives. It identified risks and opportunities for improvement which were considered as the acquisition progressed.' [2022 Modern Slavery Statement, 2022: <a href="https://www.wesfarmers.com.au">wesfarmers.com.au</a>]</li> </ul> |

| Indicator Code | Indicator name  | Score (out of 2) | Explanation   |
|----------------|---|------------------|---|
|                |   |                  | <ul style="list-style-type: none"> <li>• Not Met: Describes risks identified in relation to new circumstances: The Company indicates that 'As a large user of cotton fibre, we have identified through our traceability activities that we have significant exposure to regions and countries with high risk of forced labour. As a result, improving visibility of the origins of our cotton fibre, and strengthening supplier awareness and compliance with our ethical standards all the way down to raw materials level, is a priority for our business'. However, this subindicator looks for evidence of risks identified following an identification process triggered by new circumstances. [Kmart website: Modern Slavery, N/A: <a href="https://www.kmart.com.au">kmart.com.au</a>]</li> </ul>  |
| B.2.2          | Assessing human rights risks and impacts                            | 2                | <p>The individual elements of the assessment are met or not as follows:<br/>Score 1</p> <ul style="list-style-type: none"> <li>• Met: Describes assessment process and discloses salient HRs risks: The 2022 Modern Slavery Statement indicates: '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'. [2022 Modern Slavery Statement, 2022: <a href="https://www.wesfarmers.com.au">wesfarmers.com.au</a>]</li> <li>• Met: Describes how process applies to supply chain: The 2022 Modern Slavery Statement indicates: 'Consistent with their diverse operations and industries, our divisions use diverse multi-factor risk methodologies to assess the inherent risk in their supply chains and suppliers. Risk is influenced by various factors including the category of product, raw materials used in manufacture, the manufacturing process, whether the product is own-brand or non-own brand, where the products are manufactured or services are procured and the value of spend with the supplier. In assessing inherent risk, our divisions may also consider self assessment questionnaires completed by suppliers and findings detailed in independent audits. External research is reviewed to assess the risk profile of our divisions and suppliers'. [2022 Modern Slavery Statement, 2022: <a href="https://www.wesfarmers.com.au">wesfarmers.com.au</a>]</li> <li>• Met: Public disclosure of results of HRs risk assessment: The 'risk assessment enabled the Group to prioritise six salient human rights issues: Supporting labour rights in our value chain; Respecting Indigenous peoples' rights; Maintaining fair and safe workplaces for our workers; Preventing adverse impacts on communities; Upholding the privacy and personal dignity of our customers, team members and other stakeholders and; Ensuring product safety for our customers'. [2022 Modern Slavery Statement, 2022: <a href="https://www.wesfarmers.com.au">wesfarmers.com.au</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Met: Meets all requirements under score 1</li> <li>• Met: Describes how assessment involved affected stakeholders: The Company indicates that '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 " and as outlined on the Kmart Group websites 'This risk assessment and due diligence includes [...] Interviews with factory workers as part of the audit and monitoring process. Engagement with Kmart Group team members, factory workers and contractors via the SpeakUp channel – a confidential hotline for reporting incidents of misconduct'. [2022 Modern Slavery Statement, 2022: <a href="https://www.wesfarmers.com.au">wesfarmers.com.au</a>] &amp; [Kmart website: Environmental and Human rights risks, N/A: <a href="https://www.kmart.com.au">kmart.com.au</a>]</li> </ul> |
| B.2.3          | Integrating and acting on human rights risks and impact assessments | 1                | <p>The individual elements of the assessment are met or not as follows:<br/>Score 1</p> <ul style="list-style-type: none"> <li>• Met: Describes system to prevent, mitigate and remediate HRs issues: The Company's 2022 Modern Slavery Statement reports: 'We take a range of actions to proactively identify and address modern slavery risks in our operations and supply chains. These actions include: Supporting supply chain traceability by increasing transparency of our suppliers, their activities and their supply chains; Conducting due diligence on suppliers including pre-qualification prior to on-boarding. This may include supplier self-assessments and audits; Ongoing monitoring activities which may include audits, support for grievance mechanisms and whistleblower programs, and investigating and reporting on identified non-conformances and grievances (with public reporting focused on reportable breaches); Supporting the remediation of identified non-conformances; Training our team members and suppliers, to increase awareness of human rights and modern slavery risks; Collaborating with other organisations, industry bodies, governments and non-government organisations.' [2022 Modern Slavery Statement, 2022: <a href="https://www.wesfarmers.com.au">wesfarmers.com.au</a>]</li> </ul>   |



| Indicator Code | Indicator name   | Score (out of 2) | Explanation   |
|----------------|--|------------------|---|
|                |  |                  | <ul style="list-style-type: none"> <li>• Met: Describes how global system applies to supply chain: See above. [2022 Modern Slavery Statement, 2022: <a href="https://www.wesfarmers.com.au">wesfarmers.com.au</a>]</li> <li>• Met: Example of actions decided on at least 1 salient HRs issue: The 2022 Modern Slavery Statement indicates: 'Kmart Group is focused on improving outcomes for women workers in its supply chain committing to provide professional skills, health or education training to 100,000 women. As at June 2022, almost 60,000 female workers were enrolled in HERproject programs across 24 Kmart and Target supplier factories in Bangladesh, India and Vietnam'. Kmart is the Company's apparel division. [Ethical Sourcing and Modern Slavery Policy, 10/2021: <a href="https://www.wesfarmers.com.au">wesfarmers.com.au</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Met: Meets all requirements under score 1</li> <li>• Not Met: Describes how stakeholders involved in decisions about actions taken: The Company's 2022 Modern Slavery Statement reports: 'Our stakeholders – and potential partners for collaboration – include those people or organisations who affect or are affected by our operations including our team members, customers, suppliers and their workers, local communities, investors and lenders, and others including media, government and non-government organisations. Engaging openly and transparently with these stakeholders has long been central to our approach. During the 2022 financial year, the Wesfarmers Group participated in and facilitated many initiatives whereby organisations worked together to solve problems, share knowledge, cultivate best practice and foster innovation including the: Better Cotton Initiative; Cleaning Accountability Framework; Sustainable Apparel Coalition; United Nations Global Compact Network Australia including as a member of the Modern Slavery Community of Practice'. However, it is not clear whether the affected stakeholders are involved in the decision-making process about the actions to take in response to salient human rights issues. [2022 Modern Slavery Statement, 2022: <a href="https://www.wesfarmers.com.au">wesfarmers.com.au</a>]</li> </ul> |
| B.2.4          | Tracking the effectiveness of actions to respond to human rights risks and impacts | 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"> <li>• Met: Describes system for evaluation effectiveness of actions: The Company indicates on its website that Wesfarmers convenes quarterly human rights forums where divisional and business representatives share learnings and leading practices. During the year, these forums have been used to collaborate and share insights on emerging issues, to further align divisional ethical sourcing programs and terminology, and to agree on key metrics used to track modern slavery due diligence and effectiveness. The Modern slavery statement indicates that 'Each year, we assess the effectiveness of our actions to ensure that our ethical sourcing program is advancing the rights of workers and mitigating modern slavery risk in our operations and supply chains. To understand how effectively we are managing the risk of modern slavery in our operations and supply chains, we: Undertake independent reviews of our ethical sourcing programs and reporting; Maintain an internal audit program; Undertake regular risk reviews and implement recommendations from independent reviews; Respond to confirmed grievances received through grievance mechanisms and whistleblower programs, to improve working conditions; Undertake sustainability due diligence prior to capital allocation decisions'. Ethical sourcing program covers human rights issues beyond modern slavery. [Our approach to Human Rights (Commitment), N/A: <a href="https://www.wesfarmers.com.au">wesfarmers.com.au</a>] &amp; [2022 Modern Slavery Statement, 2022: <a href="https://www.wesfarmers.com.au">wesfarmers.com.au</a>]</li> <li>• Not Met: Example of lessons learned from evaluation effectiveness of actions: The Company has provided comments to CHRB regarding this sub-indicator. However, the evidence was not material.</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not Met: Meets all requirements under score 1</li> <li>• Not Met: Involves stakeholders in evaluation effectiveness of actions: The Company has provided comments to CHRB regarding this sub-indicator. However, the evidence was not material.</li> </ul>                   |
| B.2.5          | Communicating on human rights 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"> <li>• Not Met: Provides two examples of comms with stakeholders</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not Met: Describes challenges to effective comms and how it is working to address them</li> </ul>  |

## C. Remedies and Grievance Mechanisms (20% of Total)

| Indicator Code | Indicator name  | Score (out of 2) | Explanation  |
|----------------|---|------------------|--|
| C.1            | Grievance mechanism(s) for workers                              | 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"> <li>Met: Grievance mechanism accessible to all workers: The Code of Conduct indicates: 'Our Whistleblower Service provides an additional avenue for you to confidentially escalate any suspected reportable conduct. There are both internal and independent options to report conduct of concern'. The Code discloses different channels including its FairCall Service. [Code of Conduct, 03/202: <a href="http://wesfarmers.com.au">wesfarmers.com.au</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>Met: Grievance mechanism available in appropriate languages and workers made aware: Kmart Group's website states 'SpeakUp is administered by an independent service provider (NAVEX). The service is available 24 hours a day, seven days a week, and can accommodate calls in all local languages where Kmart Group has operations. Please note that for less widely spoken languages, there may be a delay whilst you wait for an interpreter, or they may have to call you back.' Additional Kmart Group's Whistleblower Policy discloses: 'This Policy is made available to team members on the Kmart websites (intranet and extranet), Kmart Group Speak Up website and such other places or ways as will ensure the policy is available to Kmart team members and other persons wishing to see it.' Workers receive training on Human Rights [see B.1.5] and the document Our Approach to Human Rights [which contains the Company's commitments] has information on the grievance channels. [Kmart Group SpeakUp, N/A: <a href="http://secure.ethicspoint.eu">secure.ethicspoint.eu</a>] &amp; [Kmart Group Whistleblower Policy, 04/2023: <a href="http://kmart.com.au">kmart.com.au</a>]</li> <li>Met: Describes how workers in supply chain access grievance mechanism: The Ethical Sourcing and Modern Slavery Policy indicates: 'Divisions/business units must have an accessible and well-publicised reporting mechanism for concerns or disclosure in relation to modern slavery which allows for confidential and anonymous reporting and provides protection from reprisal. There must be clear processes for investigating and reporting on the issues raised through the reporting mechanism'. [Ethical Sourcing and Modern Slavery Policy, 10/2021: <a href="http://wesfarmers.com.au">wesfarmers.com.au</a>]</li> <li>Met: Expects suppliers to convey expectation to their suppliers: Kmart Group Ethical Sourcing Code states: 'Factories must have in place a worker grievance system to raise concerns or incidents around breaches of labour standards or other issues concerning factory misconduct. Workers must be made aware and educated on how to use the system and be able to report a grievance in their spoken language. The system must allow for anonymity, confidentiality and ensure non-retaliation for workers who use the system in good faith. Grievances that are reported or raised must be followed up, appropriately and promptly investigated, and properly documented (including investigation outcomes) to demonstrate compliance.' Additionally, the ESC declares 'Suppliers must also ensure their own Suppliers, or any third party providing raw materials, components, labour or services to the Supplier, also comply with the standards of conduct outlined in this ESC.' [Kmart Group: Ethical Sourcing Code, 12/2021: <a href="http://kmart.com.au">kmart.com.au</a>]</li> </ul> |
| C.2            | Grievance mechanism(s) for 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"> <li>Met: Grievance mechanism accessible to all external individuals and communities: The Faircall webpage is openly available for anyone to report. [Faircall_web, N/A: <a href="http://wesfarmers.kpmgfaircall.kpmg.com.au">wesfarmers.kpmgfaircall.kpmg.com.au</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>Not Met: Grievance mechanism available in appropriate languages and affected stakeholders made aware: The Kmart Group's Whistleblower Policy declares: 'This Policy applies to all team members and officers of Kmart Group and other eligible whistleblowers including contractors, suppliers and their employees and relatives. This Policy also applies to additional persons who are eligible whistleblowers and have special protections under the Corporations Act and Taxation Administration Act as set out in Appendix A and Appendix B of this Policy. This policy applies to all the countries where Kmart Group have offices or business dealings with the contractors, suppliers, or third-party service providers'. No evidence was found, however, on how the Company's external stakeholders are made actively aware of the mechanism. [Kmart Group Whistleblower Policy, 04/2023: <a href="http://kmart.com.au">kmart.com.au</a>] &amp; [Letter: Kmart whistleblower Policy and the New Cannel- SpeakUp, 08/02/2022: <a href="http://et.supplier.kmart.com.au">et.supplier.kmart.com.au</a>]</li> <li>Not Met: Describes how external individuals/communities access grievance mechanism: The Ethical Sourcing and Modern Slavery Policy indicates: 'Divisions/business units must have an accessible and well-publicised reporting</li> </ul>   |

| Indicator Code | Indicator name   | Score (out of 2) | Explanation   |
|----------------|--|------------------|---|
|                |  |                  | <p>mechanism for concerns or disclosure in relation to modern slavery which allows for confidential and anonymous reporting and provides protection from reprisal. There must be clear processes for investigating and reporting on the issues raised through the reporting mechanism'. However, it is not clear that external individuals and communities have access to it, in order to raise Complaints or concerns about human rights issues at the Company's suppliers. The Company provided evidence to CHRB regarding this sub-indicator. The evidence provided discloses: 'Please note that SpeakUp is accessible to all our suppliers/factory workers, third-party service providers and contractor. The channel is not accessible to the general public.' [Ethical Sourcing and Modern Slavery Policy, 10/2021: <a href="https://www.wesfarmers.com.au">wesfarmers.com.au</a>] &amp; [Letter: Kmart whistleblower Policy and the New Channel- SpeakUp, 08/02/2022: <a href="https://www.kmart.com.au">et.supplier.kmart.com.au</a>]</p> <ul style="list-style-type: none"> <li>• Not Met: Expects supplier to convey expectation to their suppliers: Kmart Group's Ethical Sourcing Code' declares that 'Factories must have in place a worker grievance system to raise concerns or incidents around breaches of labour standards or other issues concerning factory misconduct. Workers must be made aware and educated on how to use the system and be able to report a grievance in their spoken language.' It also states that 'Suppliers must also ensure their own Suppliers, or any third party providing raw materials, components, labour or services to the Supplier, also comply with the standards of conduct outlined in this ESC'. However, as indicated above, the system does not seem to be open to suppliers' external stakeholders. [Kmart Group: Ethical Sourcing Code, 12/2021: <a href="https://www.kmart.com.au">kmart.com.au</a>]</li> </ul>   |
| C.3            | Users are involved in the design and performance of the 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"> <li>• Not Met: Describes how users engaged on design and performance: The Company has provided comments to CHRB regarding this sub-indicator. However, the evidence was not material.</li> <li>• Not Met: Provides user engagement examples (at least two) on design and performance: The Company has provided comments to CHRB regarding this sub-indicator. However, the evidence was not material.</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not Met: Describes how users engaged on improvement of mechanism: The Company has provided comments to CHRB regarding this sub-indicator. However, the evidence was not material.</li> <li>• Not Met: Provides user engagement examples (at least two) on improvement: The Company has provided comments to CHRB regarding this sub-indicator. However, the evidence was not material.</li> </ul>  |
| C.4            | Procedures related to the mechanism(s) are equitable, 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"> <li>• Not Met: Describes procedure and timescales for managing complaints or concerns: The Ethical Sourcing Program Supplier Manual states that 'Each report made using the mechanism is investigated and followed up in accordance with an investigation procedure designed to ensure a speedy and adequate response (objective 30 days), as well as procedural fairness to the parties involved. Where the complainant's identity is disclosed, they will be notified of the investigation outcome. All reports are escalated to at least GM level'. However, no further details found in relation to how complainants would be informed. [Whistleblower Policy, N/A: <a href="https://www.wesfarmers.com.au">wesfarmers.com.au</a>] &amp; [Kmart Group Ethical Sourcing Program Supplier Manual, 03/2023: <a href="https://www.kmart.com.au">kmart.com.au</a>]</li> <li>• Not Met: Describes technical, financial, advisory support to enable equal access</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not Met: Describe types of outcome to complainant through use of mechanism: The Company has provided comments to CHRB regarding this sub-indicator. However, the evidence was not material.</li> <li>• Not Met: Describes escalation to senior levels / independent adjudicators: The Kmart Group Whistleblower Policy states: 'It will usually be appropriate for the Protected Disclosure Officer to refer the complaint to a person that has experience in the area of the alleged Reportable Conduct. The person investigating may need the assistance of experts or other professional advisers to conduct a preliminary investigation'. However, it is not clear if the Company's mechanism allows for the escalation of the complaint to more senior levels or other parties to challenge the outcome of the process, at the complainants' discretion, including complaints of both workers and all external individuals and communities. [Kmart Group Whistleblower Policy, 04/2023: <a href="https://www.kmart.com.au">kmart.com.au</a>]</li> </ul> |

| Indicator Code | Indicator name  | Score (out of 2) | Explanation   |
|----------------|---|------------------|---|
| C.5            | Prohibition of retaliation for raising complaints or concerns                       | 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"> <li>• Met: Public statement prohibiting retaliation against workers/stakeholders: The Modern slavery statement indicates that 'each division is also required to have a whistleblower policy, consistent with the Wesfarmers Policy, to apply to their team members, whistleblowers and suppliers'. The Kmart Group Whistleblower Policy states: Kmart Group is committed to ensuring confidentiality in respect of all matters raised under this policy, and that those who make a report are treated fairly and do not suffer detriment [...] Detrimental treatment includes dismissal, demotion, harassment, discrimination, disciplinary action, bias, threats or other unfavourable treatment connected with making a report.' Additionally, the ESC states: 'Factories must have in place a worker grievance system to raise concerns or incidents around breaches of labour standards or other issues concerning factory misconduct [...] The system must allow for anonymity, confidentiality and ensure non-retaliation for workers who use the system in good faith'. No evidence found, however, of whether the commitment to not retaliate is extensive to Company's external stakeholders and communities. [Kmart Group Whistleblower Policy, 04/2023: <a href="http://kmart.com.au">kmart.com.au</a>] &amp; [Kmart Group: Ethical Sourcing Code, 12/2021: <a href="http://kmart.com.au">kmart.com.au</a>]</li> <li>• Met: Describes practical measures to prevent retaliation: The Whistleblower Policy indicates: 'FairCall reporting options are: [...] by using the online reporting facility (Facility) which provides a secure web platform for a discloser to make an anonymous disclosure if desired'. [Whistleblower Policy, N/A: <a href="http://wesfarmers.com.au">wesfarmers.com.au</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not Met: Specifies no legal action, firing or violence: The Kmart Group Whistleblower Policy states: 'The whistleblower is immune from any civil, criminal or administrative legal action (including disciplinary action) for making the disclosure'. it also states that 'Protection against detrimental conduct includes dismissal, demotion, harassment, discrimination, disciplinary action, bias, threats or other unfavourable treatment connected with making a report'. However, that protection applies only to whistleblower which falls under one of the following categories: officer, employee, supplier, associate, relative, dependent, or dependent of the spouse, in relation to Kmart Group. Not clear if external stakeholders filing reports are covered by the same commitment. [Kmart Group Whistleblower Policy, 04/2023: <a href="http://kmart.com.au">kmart.com.au</a>]</li> <li>• Not Met: Expects suppliers to prohibit retaliation against workers/stakeholders: The Ethical Sourcing and Modern Slavery Policy indicates: 'Divisions/business units must have an accessible and well-publicised reporting mechanism for concerns or disclosure in relation to modern slavery which allows for confidential and anonymous reporting and provides protection from reprisal'. However, it is not clear the Company expects its suppliers to prohibit retaliation against workers and other stakeholders (including those that represent them) for raising human rights-related concerns. The Company provided the following evidence to CHRB: 'Factories must have in place a worker grievance system to raise concerns or incidents around breaches of labour standards or other issues concerning factory misconduct [...]The system must allow for anonymity, confidentiality and ensure non-retaliation for workers who use the system in good faith.' However, no similar statement was found regarding external stakeholders. [Ethical Sourcing and Modern Slavery Policy, 10/2021: <a href="http://wesfarmers.com.au">wesfarmers.com.au</a>] &amp; [Kmart Group: Ethical Sourcing Code, 12/2021: <a href="http://kmart.com.au">kmart.com.au</a>]</li> </ul> |
| C.6            | Company involvement with state-based judicial and non-judicial grievance mechanisms | 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"> <li>• Not Met: Complainants not asked to waive legal rights</li> <li>• Not Met: Does not require confidentiality provisions</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not Met: Cooperates with state based non judicial mechanisms</li> <li>• Not Met: Example of issue resolved (if applicable)</li> </ul>  |
| C.7            | Remedying adverse impacts   | 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"> <li>• Not Met: Describes approach taken to remedy adverse HRs impacts</li> <li>• Met: Describes how remedy would be provided if no adverse impact identified: The Annual report states that 'When a non-conformance is identified, whether through monitoring or grievance mechanisms, our response depends on the severity of harm (or potential harm). It may include immediate rectification or making good any harm experienced by an individual, and work to prevent future harm'. The Company's 2022 Modern Slavery Statement, discloses 'When</li> </ul>   |

| Indicator Code | Indicator name   | Score (out of 2) | Explanation   |
|----------------|--|------------------|---|
|                |  |                  | <p>remediating a non-conformance, the divisions seek to work in partnership with their suppliers. The nature of the response depends on the severity of harm (or potential harm) to the worker, arising from the non-conformance. The divisions may develop a corrective action plan (or remediation plan) with recommended activities which may include immediate rectification of identified issues, targeted capacity building or training, a review of production processes or purchasing practices, or involvement in industry-based initiatives. When seeking remediation, our divisions regularly partner with other customers to the supplier, local non-government organisations and other experts and organisations, to help ensure worker rights and safety are upheld. Management of forced labour risk is an area of particular focus. Where an indicator of forced labour is identified, remediation focuses on priorities which may include: Ensuring the immediate safety and well-being of workers; Supporting the supplier to better understand acceptable and unacceptable work practices and; Developing a corrective action plan which may include measures like ensuring employment contracts are written in the language of the worker, maintaining responsible recruitment practices, implementing grievance mechanisms and ensuring workers retain their identity documents.' [2022 Modern Slavery Statement, 2022: <a href="https://wesfarmers.com.au">wesfarmers.com.au</a>]</p> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not Met: Describes changes to systems, processes and practices to prevent future impacts</li> <li>• Not Met: Describes approach to monitoring/implementing agreed remedy</li> <li>• Not Met: Describes approach to learning from incidents if no adverse impacts identified: The Company has provided comments to CHRB regarding this sub-indicator. However, the evidence was not material.</li> </ul>   |
| C.8            | Communication on the effectiveness of grievance mechanism(s) and incorporating lessons learned | 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"> <li>• Not Met: Discloses number of grievances filed, addressed or resolved and outcomes achieved: The Company notes on its website that 'In FY22, Kmart received five reports through the grievance mechanism. Each report is investigated and followed up in accordance with an investigation procedure designed to ensure a speedy and adequate response (objective 30 days), as well as procedural fairness to the parties involved. Where the complainant's identity is disclosed, they are notified of the investigation outcome.' also that 'In FY22, Target received six reports through the grievance mechanism.'. However, no specific evidence was found on the number of human rights-related grievances filed, addressed or resolved and outcomes achieved for its own workers, and external individuals and communities that may be adversely impacted by the Company. [2022 Annual Report, 08/2022: <a href="https://sitefinity.wesfarmers.com.au">sitefinity.wesfarmers.com.au</a>] &amp; [Kmart's Website: Sourcing ethically , N/A: <a href="https://kmart.com.au">kmart.com.au</a>]</li> <li>• Not Met: Example of how lessons from mechanism improved HRs management system</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not Met: Describes process to evaluate mechanism and changes made as a result: The 2022 Modern Slavery Statement indicates: 'To measure the efficacy of the 'Your Voice, Worker Helpline', Bunnings [one of the Company's divisions] deployed an anti-retaliation call-back service to selected manufacturing sites. The voluntary worker call-back service is an additional measure, with auditors calling workers after the audit to assess impact including any feedback about the Helpline'. However, it is not clear it applies to grievance channels beyond Bunnings. Moreover, the Company is expected to describe changes made to improve it based on the review. [2022 Modern Slavery Statement, 2022: <a href="https://wesfarmers.com.au">wesfarmers.com.au</a>]</li> <li>• Not Met: Describes procedures to address delays of outcomes agreed with stakeholders: The Company states that 'The divisions maintain ethical sourcing programs which include supplier due diligence, contractual protections and monitoring of high risk suppliers. In the event a supplier is unwilling to meet the minimum standards or unwilling to implement required improvements within mutually specified timeframes, the contractual arrangements between the division and the supplier may be suspended or terminated'. It is not clear, however, how this may address delays of outcomes agreed with stakeholders (i.e complainant). [2022 Modern Slavery Statement, 2022: <a href="https://wesfarmers.com.au">wesfarmers.com.au</a>]</li> </ul> |

## D. Performance: Company Human Rights Practices (25% of Total)



| Indicator Code | Indicator name  | Score (out of 2) | Explanation   |
|----------------|---|------------------|---|
| D.2.1.a        | Living wage (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"> <li>• Not Met: Pays living wage or sets time-bound target: The 2022 Annual Report indicates: 'During the year, the Group employed almost 120,000 team members who received \$5.6 billion in salaries, wages, and benefits'. However, it is not clear whether the Company has a time-bound target for paying all workers a living wage or that it pays all workers a living wage. A living wage should include basic needs plus some discretionary for employees and his/her family and/or depends. The Company has provided comments to CHRB regarding this sub-indicator. However, the evidence was not material. [2022 Annual Report, 08/2022: <a href="http://sitefinity.wesfarmers.com.au">sitefinity.wesfarmers.com.au</a>]</li> <li>• Not Met: Describes how living wage determined: The Company has provided comments to CHRB regarding this sub-indicator. However, the evidence was not material.</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not Met: Achieved paying a living wage: The Company has provided comments to CHRB regarding this sub-indicator. However, the evidence was not material.</li> <li>• Not Met: Reviews definition living wage with unions: The Company has provided comments to CHRB regarding this sub-indicator. However, the evidence was not material.</li> </ul>  |
| D.2.1.b        | Living wage (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"> <li>• Not Met: Requirements on living wage in supplier codes and contracts: The Ethical Sourcing and Modern Slavery Policy indicates: 'Suppliers must comply at a minimum with all laws regulating local wages, overtime compensation and legally mandated benefits. [...]. However, it is not clear whether it has a timebound target for requiring its suppliers to pay all workers a living wage or whether the Company includes requirements to pay workers a living wage in its contractual arrangements with its suppliers or its supplier code of conduct. In addition, the ESC states on its website that 'As part of our commitment to respect human rights, we understand the importance of a fair wage to help protect human dignity and enhance quality of life. This is why we have committed to work with our 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. Kmart sources from many countries, such as Bangladesh, China, India and Indonesia, which have low wage levels by world standards, and where many workers do not currently earn a living wage. This is particularly true in the apparel industry in Bangladesh where Kmart sources a significant proportion of our apparel and where wages have been historically lower than most countries in the region. As a result, we understand that contributing to solutions that will sustainably improve wages over the long term is a priority human rights topic for business'. In addition, the websites states that 'Our aim is to achieve a minimum average score of 80% (4 out of 5) from our suppliers across the ACT purchasing practices assessment questionnaire. For further details on the ACT questionnaire'. However, although the Company has a definition of living wage, and works with its suppliers on this matter, no evidence found of a time-bound target for requiring suppliers to pay all workers a living wage, or requiring to pay living wages in suppliers' policies and/or formal requirements (see ESC or Ethical Sourcing and Modern Slavery policy). [Ethical Sourcing and Modern Slavery Policy, 10/2021: <a href="http://wesfarmers.com.au">wesfarmers.com.au</a>] &amp; [Kmart Group: Ethical Sourcing Code, 12/2021: <a href="http://kmart.com.au">kmart.com.au</a>]</li> </ul> |

| Indicator Code | Indicator name                                  | Score (out of 2) | Explanation  |
|----------------|---|------------------|--|
|                |   |                  | <ul style="list-style-type: none"> <li>• Met: Describes work with suppliers on living wage: Kmart [a subsidiary] webpage indicates: 'In 2015, we launched a research project to better understand the challenges and opportunities associated with achieving a living wage for factory workers,; as a first step in developing a long-term strategy. [...] As a result of our research, in 2015 we 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, and Turkey - by establishing industry-wide collective bargaining, supported by responsible purchasing practices. Since joining ACT we have been working alongside its other members and with IndustriALL to assess the industrial relations and competitive context in key sourcing countries. This assessment has helped to identify the main factors impeding progress toward a living wage in each country, such as legal restraints on freedom of association and collective bargaining, and have formed the basis of ongoing country consultations with employer representatives and trade unions (along with government representatives), who are ultimately responsible for negotiating an industry agreement at a national level. Working in partnership, ACT aims to develop a clear roadmap toward industry-wide collective bargaining in each priority country. ACT's vision of industry-wide collective bargaining agreements and a living wage for garment and textile workers is a long-term journey with many challenges to overcome. But we are convinced this is the right path and the only sustainable solution'. [Kmart - Living wage &amp; responsible purchasing, N/A: <a href="http://kmart.com.au">kmart.com.au</a>]</li> <li>Score 2</li> <li>• Not Met: Assessment of scope of payment below living wage in supply chain: The Company conducted a benchmark analysis on wage levels in 12 supplier factories in Bangladesh using various industry benchmarks. The study found that worker wages in these factories were 75% higher than the legal minimum wage but only 56% of a living wage based on the ISEAL Living Wage Benchmark. However, the specific sub-indicator requirement is to present the number of individuals affected by payment below the living wage throughout the Company's supply chain, no such evidence was found. [Kmart - Living wage &amp; responsible purchasing, N/A: <a href="http://kmart.com.au">kmart.com.au</a>]</li> <li>• Not Met: Analysis of trends demonstrating progress</li> </ul>  |
| D.2.2          | Aligning purchasing decisions with human rights | 2                | <p>The individual elements of the assessment are met or not as follows:<br/>Score 1</p> <ul style="list-style-type: none"> <li>• Met: Describes practices to avoid price or short notice requirements that undermine HRs: The 2022 Modern Slavery Statement describes the Company's participation in ACT: 'For Kmart, this has included implementing the ACT Global Purchasing Practices Standard'. The Company indicates on its website that 'In addition to our support for freedom of association and industry-wide collective bargaining agreements, the implementation of the ACT Global Purchasing Practices Commitments is a key part of our role within ACT, working in partnership with other retailers and brand members, and IndustriaALL Global Union. The commitments cover five broad areas: Brands commit that purchasing prices include negotiated wages as itemised costs; Brands commit to fair terms of payments; Brands commit to better planning and forecasting; Brands commit to undertake training on responsible sourcing and buying; Brands commit to practice responsible exit strategies. Compliance with the Purchasing Commitments is now an expectation for all buying and sourcing team members. All team members, as well as apparel suppliers, have been trained in the basic commitments, with further in-depth training and guidance planned on individual topics'. See below further details. [2022 Modern Slavery Statement, 2022: <a href="http://wesfarmers.com.au">wesfarmers.com.au</a>] &amp; [Kmart website - Living wage &amp; responsible purchasing, N/A: <a href="http://kmart.com.au">kmart.com.au</a>]</li> <li>• Met: Describes practices to pay suppliers in line with agreed timeframes: Kmart's website discloses: 'Kmart suppliers are paid in an average of 90 days in-line with our standard payment terms; however, all suppliers are offered access to finance facilities via our partner Prime Revenue, which enables early payment of invoices. Under this system, suppliers can request payment in as little as 5 days after the delivery of goods, and through the Prime facility, they will receive payment in-full for the delivery from their local bank. For this service, the supplier pays a small amount of interest to their bank until the the invoice matures (at 90 days or 7 days in Bangladesh) and the loan from the bank is paid out by Kmart via the Prime facility. The Prime facility has the benefit of allowing suppliers to improve their cash flow if needed (as Kmart provides a letter of credit which guarantees the loan). Individual suppliers may choose whether they are paid, for example, at 5, 10, 20, 50 days; however, they must pay interest for each day they use the facility.' [Kmart website - Living wage &amp; responsible purchasing, N/A: <a href="http://kmart.com.au">kmart.com.au</a>]</li> </ul> |

| Indicator Code | Indicator name                          | Score (out of 2) | Explanation  |
|----------------|---|------------------|--|
|                |   |                  | <ul style="list-style-type: none"> <li>• Met: Reviews own operations to mitigate negative impact of purchasing practices: Kmart's website discloses: 'In the past year, Kmart has continued implementation of changes required to meet our December 2023 commitment on the ACT Global Purchasing Practice commitments, including: The continued implementation of a new open costing sheet with our team and suppliers to itemise and ring-fence labour costs. Approximately 95%* of the apparel orders placed for our own brand clothing products in the past 12 months have complied with this open costing requirement; Continued roll-out of enhanced planning and forecasting mechanisms with strategic and core suppliers to improve accuracy of forecasts and maximise capacity planning in factories; [and] The implementation of our responsible exit strategy and procedures in accordance with the ACT Responsible Exit Policy and Checklist'. [Kmart website - Living wage &amp; responsible purchasing, N/A: <a href="https://www.kmart.com.au">kmart.com.au</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Met: Meets all requirements under score 1</li> <li>• Met: Example of assessing and changing of purchasing practices: As disclosed on its website 'In 2015, we launched a research project to better understand the challenges and opportunities associated with achieving a living wage for factory workers,; as a first step in developing a long-term strategy. This research, including consultations with global brands, trade unions, NGOs, suppliers and employer associations, highlighted a number of factors impeding progress toward a living wage. These included: Competition between brands and between suppliers across countries that creates downward pressure on prices and wages. Inconsistent purchasing practices by brands, such planning and forecasting and costing and negotiation, that creates inefficiencies for suppliers that ultimately impacts (among other factors) the ability to pay higher wages. Restrictions on freedom of association that limits the ability of workers to organise and advocate for wage rises in some countries A lack of minimum wage and collective bargaining laws and mechanisms in some countries impedes the ability of all parties to negotiate fair and sustainable wage increase. Individual brand and factory initiatives had failed to lead to sustainable and scalable change in the industry. [...] To further improve our understanding of our supply chain, in 2018 Kmart Group conducted benchmark analysis on wage levels in 12 supplier factories in Bangladesh drawing on industry benchmarks such as the Anker methodology, Asia Floor Wage and WageIndicator Foundation. This study showed that, on average, the total worker wages (excluding overtime) across these 12 factories were 75% higher than the legal minimum wage in the Bangladesh garment industry. However, the average total wage of workers in the study represented only 56% of a living wage based on the ISEAL Living Wage Benchmark (Anker methodology) at that time, highlighting that a significant gap still remains. [...] Since joining ACT we have been working alongside its other members and with IndustriALL to assess the industrial relations and competitive context in key sourcing countries. These assessment have helped to identify the main factors impeding progress toward a living wage in each country. Following this, the Company adopted the ACT Global Purchasing Practices Commitments following its release and implemented practices as those described above. [Kmart - Living wage &amp; responsible purchasing, N/A: <a href="https://www.kmart.com.au">kmart.com.au</a>]</li> </ul> |
| D.2.3          | Mapping and disclosing the supply chain | 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"> <li>• Met: Identifies direct and indirect suppliers including manufacturing sites: The 2022 Annual Report indicates: 'Each division has mapped its tier one suppliers to determine which suppliers to include in the ethical sourcing program. This process includes consideration of information about the supplier, our spend with the supplier, the type of product being sourced (including assessed risks and whether it is 'own-brand') and country of origin. To expand our level of transparency, some divisional ethical sourcing teams are investigating value chains to tier two and even tier three suppliers and, in some cases, progressing the public disclosure of tier two suppliers in our supply chain'. [2022 Annual Report, 08/2022: <a href="https://www.sitofinity.wesfarmers.com.au">sitofinity.wesfarmers.com.au</a>]</li> </ul>  |

| Indicator Code | Indicator name   | Score (out of 2) | Explanation  |
|----------------|--|------------------|--|
|                |  |                  | <p>Score 2</p> <ul style="list-style-type: none"> <li>• Met: Discloses names and locations of significant parts of supply chain and how significance was defined: The modern slavery statement indicates that 'Kmart and Target - were among the first Australian retailers to publish the identity and location of all tier 1 own brand factories. In financial year 2022, Kmart and Target went one step further and published the location of all tier 2 and tier 3 processing facilities that produce own brand clothing, towel and bedding products. Kmart and Target define processing facilities as spinning mills, fabric mills, laundries, dyeing and printing facilities'. Target's webpage section Supply Chain Traceability &amp; Transparency specifies: 'We publish a list of all tier 1 factories that produce our own brand products, national brand products where Target is the importer of record, as well as tier 2 fabric, trim, packaging, apparel textile mills and wet processing facilities'. The list includes the factory name and specific location. As for Kmart, it discloses a factory list which includes: 'All final factories that produce our own brand apparel and general merchandise finished products; all processing facilities used by our suppliers in the production of our own brand clothing, towel and bedding ranges; cellulose raw material suppliers accounting for approximately 65 per cent of own brand clothing products containing cellulose fibre (viscose, modal and lyocell)'. Kmart's list contains factory names and specific locations, among other data. [Kmart - Factory list_web, N/A: <a href="http://kmart.com.au">kmart.com.au</a>] &amp; [Target_Supply Chain Traceability &amp; Transparency, N/A: <a href="http://corporate.target.com">corporate.target.com</a>]</li> <li>• Not Met: Discloses direct or indirect suppliers involved in higher-risk activities: Kmart's website features a chart illustrating human rights risks categorized by country and product/service type. However, the disclosure lacks information about the specific direct or indirect suppliers engaged in high-risk activities, geographies, and products. Although it discloses the list of suppliers as recognised above, the Company is expected to disclose which of those are involved in higher-risk activities. [Kmart website: Modern Slavery, N/A: <a href="http://kmart.com.au">kmart.com.au</a>]</li> </ul>  |
| D.2.4.a        | Prohibition of child labour: Age verification and corrective actions (in own production or manufacturing operations) | 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"> <li>• Met: Indicates it does not use child labour: The Company's document Our Approach to Human Rights states: 'We respect the fundamental principles and rights at work as outlined in the ILO Declaration on Fundamental Principles and Rights at Work. These include [...]the abolition of child labour'. [Our approach to Human Rights (Commitment), N/A: <a href="http://wesfarmers.com.au">wesfarmers.com.au</a>]</li> <li>• Not Met: Age verification of recruited workers: The Ethical Sourcing and Modern Slavery Policy indicates: 'Suppliers must be able to verify the age of all employees to ensure compliance'. Although the same policy indicates: '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', it seems to apply to the formulation of division-levelled supplier policies, as each division seems to be expected to adopt their own policies. No evidence was found that it verifies the age of workers recruited in its own operations to ensure that they are not engaged in child labour. The Company has provided comments to CHRB regarding this sub-indicator. However, the evidence was not material. [Ethical Sourcing and Modern Slavery Policy, 10/2021: <a href="http://wesfarmers.com.au">wesfarmers.com.au</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not Met: Remediation if child labour found in operations: The Company provided the following evidence to CHRB regarding this sub-indicator: 'In the event child labour is discovered, factories must establish and implement appropriate remediation for such workers (e.g. a program enabling children and under age workers to return to quality education) and introduce effective systems to prevent the use of child labour in the future'. However, this sub-indicator seeks evidence of how the Company develops, in or contributes to programmes for the transition from employment to education, if and when child labour is found in the Company's own operations and how the Company improves the working conditions for young workers. [Kmart Group: Ethical Sourcing Code, 12/2021: <a href="http://kmart.com.au">kmart.com.au</a>]</li> </ul> |

| Indicator Code | Indicator name  | Score (out of 2) | Explanation  |
|----------------|---|------------------|--|
| D.2.4.b        | Prohibition of child labour:<br>Age verification and corrective actions (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"> <li>• Met: Requirements on child labour in supplier codes and contracts: The Ethical Sourcing and Modern Slavery Policy indicates: 'Suppliers shall comply with the minimum legal working age in the country in question or in the absence of such law, by the International Labour Organisation (ILO) Convention 138. 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'. [Ethical Sourcing and Modern Slavery Policy, 10/2021: <a href="http://wesfarmers.com.au">wesfarmers.com.au</a>]</li> <li>• Not Met: Describes work with suppliers on eliminating child labour: The Company provided evidence to CHRB regarding this sub-indicator: 'All businesses within the Kmart Group are committed to working with Suppliers so that they can effectively implement our ESC and continuously improve their practices. We do this by providing ongoing training, education and support, along with regular Supplier forums at which case studies and best practices are shared. Having a local presence is also critical. Kmart Group have office representatives on the ground in most of the countries where our Suppliers operate and third-party representatives in the remaining countries [...] Factories must comply with all laws and regulations applicable to young workers (under the age of 18 but above minimum working age). This includes the number of overtime hours, hazardous and/or night work, annual medical checkups, apprentice or vocational training, and taking all necessary precautions to ensure young workers are protected from working conditions likely to endanger their health, safety or welfare [...] A system must be in place for identifying work stations and operations that are inappropriate for young workers'. However, it is not clear, how the Company collaborates/works with its suppliers to eliminate child labour and to improve working conditions for young workers. The company is expected to provide specific details of proactive work carried out on this topic to help suppliers improve performance. [Kmart Group: Ethical Sourcing Code, 12/2021: <a href="http://kmart.com.au">kmart.com.au</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Met: Assessment of scope of child labour in supply chain: Kmart's website discloses: 'None of the critical breaches identified via our program in FY22 came within the definition of modern slavery as defined under Australia's Modern Slavery Act. This includes child and forced labour.' Also, the Wesfarmers 2022 Modern Slavery Statement reports: 'In the 2022 financial year, we identified a total of 593 reportable breaches at 307 supplier sites [...] Those reportable breaches relative to children and young workers do not include instances of child labour.' [2022 Modern Slavery Statement, 2022: <a href="http://wesfarmers.com.au">wesfarmers.com.au</a>] &amp; [Kmart website: Modern Slavery, N/A: <a href="http://kmart.com.au">kmart.com.au</a>]</li> <li>• Not Met: Analysis of trends demonstrating progress: The Company has provided comments to CHRB regarding this indicator. However, this document or its content has not been found in publicly available sources. The Company is expected to provide data showing trends, rather than describing performance regarding last reporting year. Data is expected to be provided in the same source.</li> </ul> |
| D.2.5.a        | Prohibition of forced labour:<br>Recruitment fees and 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"> <li>• Not Met: Job seekers/workers do not pay recruitment fee: The Company has provided comments to CHRB regarding this sub-indicator. However, the evidence was not material.</li> <li>• Not Met: Commitment to fully reimburse recruitment fees paid: The Company has provided comments to CHRB regarding this sub-indicator. However, the evidence was not material.</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not Met: Describes implementation and monitoring in own operations, incl. service providers: The Company has provided comments to CHRB regarding this sub-indicator. However, the evidence was not material.</li> </ul>   |



| Indicator Code | Indicator name   | Score (out of 2) | Explanation   |
|----------------|--|------------------|---|
| D.2.5.b        | Prohibition of forced labour: Recruitment fees and costs (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"> <li>• Met: Requirements on debt/fees in supplier codes and contracts: The Kmart Group Ethical Sourcing Code states: 'Factories must not charge their workers recruitment or employment fees, or otherwise withhold wages. These fees are to be borne by the factory [...] If recruitment agents or labour brokers are used, factories must ensure only legally registered/licensed recruitment agents or labour brokers are used and their engagement is subject to a written agreement which ensures compliance with applicable law and this Ethical Sourcing Code.' [Kmart Group: Ethical Sourcing Code, 12/2021: <a href="http://kmart.com.au">kmart.com.au</a>]</li> <li>• Not Met: Describes work with suppliers on debt/fees for job seekers/workers: The 2022 Modern Slavery Statement indicates: 'Involvement within Sedex initiatives has supported the evolution of the platform and identified best practice opportunities. Our businesses have been involved in Sedex's ANZ Advisory Group, Data Framework Taskforce, Grievance Mechanism Approach, Audit Framework and API Beta Program. Feedback has been provided to Sedex on excessive recruitment fees, worker surveys, forced labour self-assessment questionnaires. Our feedback on the service provider modern slavery questionnaire has helped to influence SEDEX's strategy to better include emerging risks'. However, it is not clear how it proactively works with suppliers to eliminate recruitment fees and related costs, including by ensuring full reimbursement to workers where relevant. The Company provided evidence to CHRB regarding this sub-indicator: 'All businesses within the Kmart Group are committed to working with Suppliers so that they can effectively implement our ESC and continuously improve their practices. 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, the company is expected to provide specific details of proactive work carried out on this topic to help suppliers improve performance. [2022 Modern Slavery Statement, 2022: <a href="http://wesfarmers.com.au">wesfarmers.com.au</a>] &amp; [Kmart Group: Ethical Sourcing Code, 12/2021: <a href="http://kmart.com.au">kmart.com.au</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Met: Assessment scope of payment of recruitment fees in supply chain: Kmart Group's website discloses: 'A review of our ethical sourcing audit reports found that cross border migrant labour is not currently used in our retail merchandise apparel factories. However, cross-border migrant labour is used in one general merchandise factory located in Thailand [...] Our third-party audit reports have found no instances of workers affected by recruitment fees or costs in the past year'. [Kmart website: Modern Slavery, N/A: <a href="http://kmart.com.au">kmart.com.au</a>]</li> <li>• Not Met: Analysis of trends demonstrating progress: The Company has provided comments to CHRB regarding this indicator. However, this document or its content has not been found in publicly available sources. The Company is expected to provide year-on-year data in the same document showing trends.</li> </ul> |
| D.2.5.c        | Prohibition of forced labour: Wage practices (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"> <li>• Not Met: Pays workers regularly, in full and on time: The Company has provided comments to CHRB regarding this sub-indicator. However, the evidence was not material.</li> <li>• Not Met: Payslip workers shows wages and legitimate deductions: The Company has provided comments to CHRB regarding this sub-indicator. However, the evidence was not material.</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not Met: Describes implementation and monitoring in own operations, incl. service providers: The Company has provided comments to CHRB regarding this sub-indicator. However, the evidence was not material.</li> </ul>   |

| Indicator Code | Indicator name  | Score (out of 2) | Explanation  |
|----------------|---|------------------|--|
| D.2.5.d        | Prohibition of forced labour: Wage practices (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"> <li>• Met: Requirements on paying in full and on time in supplier codes and contracts: Kmart Group Ethical Sourcing Code states: 'Workers must be paid on time, in accordance with the law, and in the form of the local currency. When no time limits are legally stipulated, payment must be made within 30 days [...] Workers must be notified of wages, withholdings and other legal deductions prior to commencement of employment via a labour contract (if required by law) or other means (e.g. a written summary or a company handbook of key terms and conditions of employment) [...] The use of fines/deductions not permitted by law are prohibited. Fines/deductions as a form of disciplinary measure are not permitted [...] Legal deductions for food, housing and other factory provided goods/services must be disclosed to workers in advance and should not exceed the actual cost to the factory. Workers must not be forced to use goods/services provided by the factory, unless required by law'. [Kmart Group: Ethical Sourcing Code, 12/2021: <a href="http://kmart.com.au">kmart.com.au</a>]</li> <li>• Not Met: Describes work with suppliers on paying workers regularly, in full and on time: Kmart Group Ethical Sourcing Code states: 'All businesses within the Kmart Group are committed to working with Suppliers so that they can effectively implement our ESC and continuously improve their practices. 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, the company is expected to provide specific details of proactive work carried out on this topic to help suppliers improve performance. [Kmart Group: Ethical Sourcing Code, 12/2021: <a href="http://kmart.com.au">kmart.com.au</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not Met: Assessment scope of failure to pay workers in full and on time in supply chain: The Company states that 'Currently, 40.2% of the workers in Kmart's own brand apparel factories receive their payments digitally. The remainder receive their payments via cash...Based on audit report findings in the last 12 months, there were 11 findings in Kmart and Target supplier factories indicating non-payment of minimum wage. These are all isolated cases with 23 workers impacted, which represent less than 0.01% of the total workers in all our factories. Remediation through corrective action plans has been completed and confirmed to ensure all workers are now paid at least the minimum wage'. However, this subindicator looks for evidence of payment in full and on time. [Kmart website - Living wage &amp; responsible purchasing, N/A: <a href="http://kmart.com.au">kmart.com.au</a>]</li> <li>• Not Met: Analysis of trends demonstrating progress: The Company has provided comments to CHRB regarding this sub-indicator. However, the evidence was not material. The Company is expected to provide year-on-year data in the same document showing trends.</li> </ul> |
| D.2.5.e        | Prohibition of forced labour: Restrictions on workers (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"> <li>• Not Met: Does not retain documents or restrict movement of workers: The Ethical Sourcing and Modern Slavery Policy indicates: 'Employment shall be freely chosen. 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'. Although the same policy indicates: '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', it seems to apply to the formulation of division-levelled supplier policies, as each division seems to be expected to adopt their own policies. No evidence found that it has a policy to not retain workers' personal documents or restrict workers' freedom of movement or require workers to use company provided accommodation for its own operations. The Company has provided comments to CHRB regarding this sub-indicator. However, the evidence was not material. [Ethical Sourcing and Modern Slavery Policy, 10/2021: <a href="http://wesfarmers.com.au">wesfarmers.com.au</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not Met: Describes implementation and monitoring in own operations, incl. service providers: The Company has provided comments to CHRB regarding this sub-indicator. However, the evidence was not material.</li> </ul>   |

| Indicator Code | Indicator name   | Score (out of 2) | Explanation  |
|----------------|--|------------------|--|
| D.2.5.f        | Prohibition of forced labour: Restrictions on workers (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"> <li>• Met: Requirements on free movement in supplier codes and contracts: The Ethical Sourcing and Modern Slavery Policy indicates: 'Employment shall be freely chosen. 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'. [Ethical Sourcing and Modern Slavery Policy, 10/2021: <a href="https://www.wesfarmers.com.au">wesfarmers.com.au</a>]</li> <li>• Not Met: Describes working with suppliers on free movement of workers: The Kmart Group ESC states: 'All businesses within the Kmart Group are committed to working with Suppliers so that they can effectively implement our ESC and continuously improve their practices. 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, it is not clear how the Company proactively collaborates with suppliers to eliminate the retention of workers' documents or other actions to physically restrict movement. [Kmart Group: Ethical Sourcing Code, 12/2021: <a href="https://www.kmart.com.au">kmart.com.au</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Met: Assessment of scope of restriction of movement in supply chain: Kmart Group website states: 'A review of our ethical sourcing audit reports found that cross border migrant labour is not currently used in our retail merchandise apparel factories. Our third-party audit reports have found no instances of workers affected by recruitment fees or costs in the past year'. [Kmart website: Modern Slavery, N/A: <a href="https://www.kmart.com.au">kmart.com.au</a>]</li> <li>• Not Met: Analysis of trends demonstrating progress: The Company has provided comments to CHRB regarding this indicator. However, this document or its content has not been found in publicly available sources. The Company is expected to provide year-on-year data in the same document showing trends.</li> </ul> |
| D.2.6.a        | Freedom of association and collective bargaining (in own production or 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"> <li>• Met: Commits to measures prohibiting interference with trade unions: The Company's document Our Approach to Human Rights states: 'We respect the fundamental principles and rights at work as outlined in the ILO Declaration on Fundamental Principles and Rights at Work. These include freedom of association and the right to collective bargaining'. High union recognition, in this case almost 89% [see below], is taken as a proxy for not intimidating or retaliating. [Our approach to Human Rights (Commitment), N/A: <a href="https://www.wesfarmers.com.au">wesfarmers.com.au</a>]</li> <li>• Met: Discloses % total workforce covered by CB agreements: The webpage section Workplace Relation indicates: 'Almost 89 per cent of our workforce is covered by collective agreements'. [Workplace relations_web, N/A: <a href="https://www.wesfarmers.com.au">wesfarmers.com.au</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Met: Meets both requirements under score 1</li> </ul>  |
| D.2.6.b        | Freedom of association and collective bargaining (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"> <li>• Not Met: Requirements on FoA/CB in suppliers codes and contracts: The Kmart Group's Ethical Sourcing Code indicates: 'Factories must not interfere with the rights of its workers with respect to freedom of association and collective bargaining. Workers shall have the right not to join worker associations if they so choose [...] When operating in countries where trade union activity is unlawful or where free and democratic trade union activity is not allowed, factories shall allow workers to freely elect their own representatives with whom the factory can enter into dialogue about workplace issues [...] No worker shall be the subject of harassment, intimidation or retaliation in their efforts to freely associate or bargain collectively [...] Factories must not interfere with legal activities of trade unions or their representatives. There must be no discrimination towards workers who are members of trade unions or act as worker representatives [...] Workers must have the ability to approach management on issues of concern, on their own or through worker representatives.' [Kmart Group: Ethical Sourcing Code, 12/2021: <a href="https://www.kmart.com.au">kmart.com.au</a>]</li> </ul>  |

| Indicator Code | Indicator name  | Score (out of 2) | Explanation   |
|----------------|---|------------------|---|
|                |   |                  | <ul style="list-style-type: none"> <li>• Met: Describes work with suppliers on FoA/CB: Kmart's website discloses: 'Since joining ACT we have been working alongside its other members and with IndustriALL to assess the industrial relations and competitive context in key sourcing countries. These assessments have helped to identify the main factors impeding progress toward a living wage in each country, such as legal restraints on freedom of association and collective bargaining, and have formed the basis of ongoing country consultations with employer representatives and trade unions (along with government representatives), who are ultimately responsible for negotiating an industry agreement at a national level. Working in partnership, ACT aims to develop a clear roadmap toward industry-wide collective bargaining in each priority country.' [Kmart website - Living wage &amp; responsible purchasing, N/A: <a href="http://kmart.com.au">kmart.com.au</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not Met: Assessment of scope of restriction of FoA/CB in supply chain</li> <li>• Not Met: Analysis of trends demonstrating progress</li> </ul>  |
| D.2.7.a        | Health and safety:<br>Fatalities, lost days, injury, occupational disease rates (in own production of manufacturing operations) | 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"> <li>• Not Met: Describes process to identify H&amp;S risks and impacts: The webpage section Health, safety and wellbeing indicates: 'In our retail businesses, we invested in resources, team member training and initiatives to understand and mitigate the risk of threatening situations and adverse customer reactions impacting our team members. We continued to focus on supporting the mental health of our team members and implemented enhanced support programs. In addition to existing mental health support initiatives, we partnered with Beyond Blue to implement a resilience and mental health coaching program called New Access across the Group. The program is confidential for team members and provides practical tools for those facing challenges that are negatively impacting their daily lives'. The webpage section Safety Initiatives discloses key initiatives undertaken by different divisions. However, it is not clear those initiatives apply for the Company as a whole. No description found of a describes a process in place to identify its health and safety risks and impacts. The Company provided evidence to CHrb regarding this sub-indicator. However, the evidence was related to health and safety issues as a salient risk from its human rights issues assessments. There is no indication of a comprehensive company-wide process for identifying health and safety risks. [Health, safety and wellbeing_web, N/A: <a href="http://wesfarmers.com.au">wesfarmers.com.au</a>] &amp; [Safety initiatives_web, N/A: <a href="http://wesfarmers.com.au">wesfarmers.com.au</a>]</li> <li>• Met: Discloses injury rate or lost days for own workers in last reporting period: The 2022 Annual Report indicates: 'This year our Group TRIFR [total recordable injury frequency rate] was 9.2 compared to 9.6 last year'. [2022 Annual Report, 08/2022: <a href="http://sitefinity.wesfarmers.com.au">sitefinity.wesfarmers.com.au</a>]</li> <li>• Met: Discloses fatalities for own workers in last reporting period: The 2022 Annual Report indicates: 'There were no fatalities' in the last reporting year. [2022 Annual Report, 08/2022: <a href="http://sitefinity.wesfarmers.com.au">sitefinity.wesfarmers.com.au</a>]</li> <li>• Not Met: Discloses occupational disease rate for own workers in last reporting period</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not Met: Sets targets for H&amp;S performance: The 2022 Annual Report indicates: 'Although the Group TRIFR target was not met, a 3.7% improvement on last year's TRIFR result was achieved throughout the year, reflecting the ongoing efforts to provide a safe environment for our team members including the implementation across the Group of COVID-safe operating practices and provision of additional support to team members through the COVID-19 pandemic'. However, no further evidence found of the actual targets related to injury rates or lost days (or near miss frequency rate) and fatalities and occupational disease rates for the last reporting period. [2022 Annual Report, 08/2022: <a href="http://sitefinity.wesfarmers.com.au">sitefinity.wesfarmers.com.au</a>]</li> </ul> |

| Indicator Code | Indicator name  | Score (out of 2) | Explanation   |
|----------------|---|------------------|---|
|                |   |                  | <ul style="list-style-type: none"> <li>• Met: Met targets or explains why not or how improve H&amp;S management systems: The webpage section Safety Initiatives discloses key initiatives undertaken by different divisions. It includes: 'Catch's implementation of the CatchSAFE Safety Management System (SMS) has ensured a strong focus on continuous improvement and effectiveness of safety standards. The SMS will play a key role in driving the safety strategy into the future'. Additionally, the Wesfarmers' website indicates: 'Kmart has invested resources and time in the development of critical risk management protocols, specifically for the protection of pedestrians from vehicles, objects falling from heights and other threatening situations. This program has been an inclusive one of consultation, training and verification. Kmart has an ongoing commitment to this work as an integrated part of the work health safety management system [...] Kmart strives to ensure all team members participate in hazard awareness training with an open and transparent safety leadership culture.' [Safety initiatives_web, N/A: <a href="http://wesfarmers.com.au">wesfarmers.com.au</a>] &amp; [Wesfarmers website: Kmart Group - Health, safety and wellbeing, N/A: <a href="http://wesfarmers.com.au">wesfarmers.com.au</a>]</li> </ul>  |
| D.2.7.b        | Health and safety:<br>Fatalities, lost days, injury, occupational disease 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"> <li>• Met: Requirements on H&amp;S in supplier codes and contracts: The Ethical Sourcing and Modern Slavery Policy indicates: '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 preparation. Workers have the right to refuse work that is unsafe'. [Ethical Sourcing and Modern Slavery Policy, 10/2021: <a href="http://wesfarmers.com.au">wesfarmers.com.au</a>]</li> <li>• Not Met: Discloses injury rate or lost days in supply chain in last reporting period</li> <li>• Not Met: Discloses fatalities for workers in supply chain in last reporting period</li> <li>• Not Met: Discloses occupational disease rate in supply chain in last reporting period</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not Met: Describes work with suppliers of H&amp;S: The Kmart Group's website discloses that 'Kmart, together with Target, have committed to support health, education or professional skills training to at least 100,000 women in our supply chain by 2025. To achieve this, we've partnered with BSR HER project - a collaborative initiative to empower low-income women working in global supply chains. Bringing together international companies, suppliers and local NGOs, HER Project drives impact for women and businesses via workplace-based interventions on health, financial inclusion and gender equality. We currently support two BSR HER programs in-line with our commitment: HER Health and HER Essentials. HER Health aims to improve health and wellbeing outcomes for female factory workers by: Raising awareness on critical health topics such as healthy eating, personal and menstrual hygiene, and maternal health; Improving health-related behaviours such as disease testing, seeking out preventative care, and conducting breast self-examinations; Addressing common myths and misconceptions around potentially harmful health practices and beliefs; Building confidence and communication skills around discussing important health issues at work and at home. The HER Health program is conducted in-person by experience facilitations and peer-to-peer learning, and is 12-18 months in duration.' Also on its website Kmart Group describes its support to its suppliers during the pandemic of COVID-19: 'In response to further waves of COVID-19 in key sourcing countries, the Kmart Group Ethical Sourcing team provided support to suppliers in those countries, via training webinars and sharing best practices, to assist in their efforts to comply with government COVID-safe workplace safety guidelines ...' [Kmart Group website: Gender equality and women's empowerment, N/A: <a href="http://kmart.com.au">kmart.com.au</a>] &amp; [Wesfarmers website: Kmart Group - Health, safety and wellbeing, N/A: <a href="http://wesfarmers.com.au">wesfarmers.com.au</a>]</li> <li>• Not Met: Assessment of scope of H&amp;S issues in supply chain</li> <li>• Not Met: Analysis of trends demonstrating progress</li> </ul> |

| Indicator Code | Indicator name   | Score (out of 2) | Explanation  |
|----------------|--|------------------|--|
| D.2.8.a        | Women's rights (in own production or manufacturing operations) | 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"> <li>• Met: Describes processes to stop harassment and violence against women: The Code of Conduct adds: 'We do not tolerate unlawful discrimination, bullying, harassment or other unacceptable conduct and we make employment decisions based on merit and performance. [...] You are expected to report any unlawful discrimination, bullying, harassment or other unacceptable conduct you observe. Harassment includes unwelcome behaviour of a sexual nature. If you are concerned about sexual harassment in your workplace, seek advice from your HR department. We remind you that it is also essential in workplaces with many young team members for everyone to be aware of, and comply with, age of consent laws. Our Whistleblower Service provides an additional avenue for you to confidentially report bullying, harassment or other actual or suspected unlawful conduct'. The 2022 Corporate Governance Report states: 'Wesfarmers and its divisions are focused on a range of initiatives aimed at preventing harassment and discrimination in the workplace and promoting a respectful and inclusive workforce, including behavioural education and training and providing a range of reporting mechanisms'. [Code of Conduct, 03/202: <a href="https://www.wesfarmers.com.au">wesfarmers.com.au</a>] &amp; [2022 Corporate Governance Statement, 2022: <a href="https://www.wesfarmers.com.au">wesfarmers.com.au</a>]</li> <li>• Not Met: Working conditions take into account gender issues: The Company has provided comments to CHRB regarding this sub-indicator. However, the evidence was not material.</li> <li>• Not Met: Measures and steps to address gender pay gap at all levels of employment: The Company provided the following evidence to CHRB regarding this sub-indicator: 'A Group review of gender pay equity has been conducted annually since 2010, with results reviewed by divisional Managing Directors and the Wesfarmers Remuneration Committee and Board. Any gaps are analysed to ensure they can be explained by market forces which may include different rates of pay in different industries, location, the relative supply and demand for different qualifications or specialist skills, individual performance and experience. Across all managerial levels a pay gap of no more than five per cent exists. All divisions continue to review their gender pay equity practices, participating in the Workplace Gender Equality Agency (WGEA) reporting, and this result is well below the national pay gap as reported by WGEA in February 2022 of 14.6 per cent. The focus remains on improving gender balance across all levels of seniority in the Group, particularly women's representation in leadership roles, and in technology, digital and data roles, as an important driver of future pay equity outcomes.' However, the evidence provided does not mention any specific actions that the Company has implemented to address the gender pay gap across all levels of employment. [Wesfarmers' website: Diversity and inclusion, N/A: <a href="https://www.wesfarmers.com.au">wesfarmers.com.au</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not Met: Meets all requirements under score 1</li> <li>• Not Met: Analysis of trends demonstrating progress closing gender pay gap: The Company has provided comments to CHRB regarding this sub-indicator. However, the evidence did not provided an analysis of trends and progress about gender pay gap.</li> </ul> |
| D.2.8.b        | Women's rights (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"> <li>• Met: Requirements on women's rights in contracts/codes with suppliers: The Kmart Group Ethical Sourcing Code states: '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 must be able to return to their former position at the same rate of pay and benefits [...] Factories shall respect the right of a worker to refuse work that he or she has reasonable justification to believe is unsafe, without suffering discrimination or loss of pay, including the right to refuse to enter or to remain inside a building that he or she has reasonable justification to believe is unsafe for occupation.' [Kmart Group: Ethical Sourcing Code, 12/2021: <a href="https://www.kmart.com.au">kmart.com.au</a>]</li> </ul>  |



| Indicator Code | Indicator name  | Score (out of 2) | Explanation   |
|----------------|---|------------------|---|
|                |   |                  | <ul style="list-style-type: none"> <li>• Met: Describes work with suppliers on women's rights: The 2022 Modern Slavery Statement indicates: 'Kmart Group is focused on improving outcomes for women workers in its supply chain committing to provide professional skills, health or education training to 100,000 women. As at June 2022, almost 60,000 female workers were enrolled in HERproject programs across 24 Kmart and Target supplier factories in Bangladesh, India and Vietnam'. Kmart is one of the Company's divisions. [2022 Modern Slavery Statement, 2022: <a href="https://www.wesfarmers.com.au">wesfarmers.com.au</a>]</li> <li>Score 2</li> <li>• Not Met: Assessment of scope of unsafe working conditions/discrimination against women in supply chain: The Company provided CHRB with the following evidence regarding this sub-indicator: 'Women represent approximately 60 per cent of workers in Kmart and Target Australia's supplier factory workforce. Yet some female workers don't have access to the basic services they need to ensure health and wellbeing, and the skills training and opportunities to support their professional development. This is particularly true in countries, such as Bangladesh and India, where we source approximately 50% of our apparel, and where female workers often enter the garment industry without completing formal education and where employment in management roles remain dominated by males.' Also, 'In FY22, there was no gender-based labour violation identified in the third-party assessment in our supply chain.'. However, this sub-indicator seeks an assessment of the scope of unsafe working conditions and discrimination against women in the supply chain. The evidence provided does not clarify the scope of affected women workers. [Kmart Group website: Gender equality and women's empowerment, N/A: <a href="https://www.kmart.com.au">kmart.com.au</a>] &amp; [Kmart's Website: Sourcing ethically, N/A: <a href="https://www.kmart.com.au">kmart.com.au</a>]</li> <li>• Not Met: Analysis of trends demonstrating progress: The Company has provided comments to CHRB regarding this sub-indicator. However, the evidence was not material. The Company is expected to provide year-on-year data in the same document showing trends.</li> </ul> |
| D.2.9.a        | Working hours (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"> <li>• Not Met: Respects HRs regarding working hours/breaks/rest: The Ethical Sourcing and Modern Slavery Policy indicates: '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'. Although the same policy indicates: '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', it seems to apply to the formulation of division-levelled supplier policies, as each division seems to be expected to adopt its own policies. The Company has provided comments to CHRB regarding this sub-indicator. However, the evidence refers to the supply chain operations and not the Company's own operations. [Ethical Sourcing and Modern Slavery Policy, 10/2021: <a href="https://www.wesfarmers.com.au">wesfarmers.com.au</a>]</li> <li>• Not Met: Assesses ability of workers to comply with working hours commitments when allocating work: The Company has provided comments to CHRB regarding this sub-indicator. However, the evidence was not material.</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not Met: Describes implementation and monitoring in own operations: The Company has provided comments to CHRB regarding this sub-indicator. However, the evidence was not material.</li> </ul>   |
| D.2.9.b        | Working hours (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"> <li>• Met: Requirements on working hours in codes/contracts with suppliers: The Ethical Sourcing and Modern Slavery Policy indicates: '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, 10/2021: <a href="https://www.wesfarmers.com.au">wesfarmers.com.au</a>]</li> </ul>  |

| Indicator Code | Indicator name | Score (out of 2) | Explanation   |
|----------------|----------------|------------------|---|
|                |                |                  | <ul style="list-style-type: none"> <li>• Not Met: Describes work with suppliers on working hours: The Ethical Sourcing and Modern Slavery Policy discloses a case study that includes work carried out, by Officeworks, with suppliers to improve working hours. However, Officeworks does not seem to belong to the apparel factory supply chain of the Company, which is what this indicator looks for. The Company has provided comments to CHRB regarding this sub-indicator. However, the evidence refers to the commitments of the Company to implement the ACT Global Purchasing Practices Standard. [Ethical Sourcing and Modern Slavery Policy, 10/2021: <a href="https://www.wesfarmers.com.au">wesfarmers.com.au</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not Met: Assessment of scope of excessive working hours in supply chain: The Company has provided comments to CHRB regarding this sub-indicator. However, the evidence offers information about the number and nature of reportable breaches identified within the Wesfarmers supply chain during the 2022 financial year. Approximately 21% of these breaches in the same year were specifically related to working hours. No evidence of the number of affected by excessive working hours in the supply chain was mentioned.</li> </ul> <ul style="list-style-type: none"> <li>• Not Met: Analysis of trends demonstrating progress</li> </ul> |

### 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 39.28 out of 80 points scored in themes A-D has been applied to produce a score of 9.82 out of 20 points for theme E. |

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