



IN FOCUS

Welcome to the second edition of In Focus. There are so many good stories happening every day across the businesses in the Wesfarmers Group and it is great to have another opportunity to share them with you.

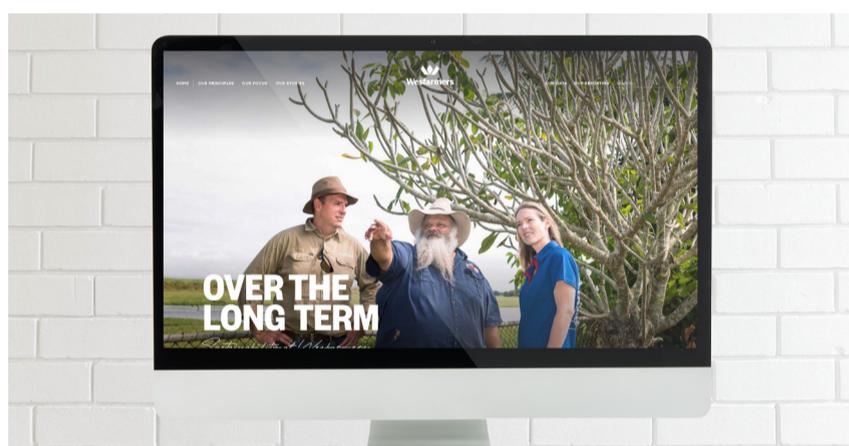
In November in Perth, we celebrated one of the most important days on the Wesfarmers calendar – our Annual General Meeting. For many companies, the AGM is a legal requirement attended by few shareholders. We take a very different view and encourage our shareholders to come along to interact directly with our Board, our Leadership Team and our businesses. Our AGM is now the biggest in Australia. More than 1,400 people attended this year, most of them relatively small shareholders and many of them retirees who regularly let me know how important their Wesfarmers' dividends are to them!

This type of shareholder has been at the heart of Wesfarmers' success since we became a publicly listed company in 1984. They expect good returns via share price growth and dividends, but they usually don't trade their shares based on profit or sales growth over three, six or even 12 months. Like Wesfarmers, they generally take a long-term view and support us to make decisions and investments which may take three, five or 10 years before they cumulatively add to our sustained performance and reputation. These so-called 'mum and dad' shareholders own approximately 50 per cent of the company and, by number, make up the overwhelming majority of our 485,000 shareholders.

Coinciding with our AGM, on the other side of the country, New South Wales and Queensland were battling the early devastating start to the fire season. Many of our businesses operate in the communities most affected and once again our teams are digging deep to support those who experience terrible loss in natural disasters. Bunnings' team members rapidly organised a nationwide sausage sizzle on 22 November, helping to raise and contribute more than \$600,000 for GIVIT to support communities affected by drought and bushfires. The Kmart Wishing Tree Appeal also redirected all cash contributions made at Australian stores until 1 December 2019 to the disaster appeal effort through Kmart's charity partner, The Salvation Army.

As we approach Christmas and the holiday season, I thank all our team members for their continued dedication and commitment. For those in our retail businesses, it is the busiest time of the year, helping customers to find gifts and prepare their homes to celebrate with their families and friends. Most importantly, I wish everyone a safe and enjoyable summer and look forward to all we can achieve together as a community in the new decade.

— **ROB SCOTT**
Managing Director



A WINDOW ON SUSTAINABILITY

Two decades ago, Wesfarmers was one of the first companies in Australia to produce an annual sustainability report. In 2019, we have come full circle, incorporating more information in our annual report on all the areas critical to our sustained success as a business. Those areas include robust governance; the safety, wellbeing and development of our people; an inclusive culture which reflects the diversity of our community; ethical sourcing and respect for human rights throughout our operations and supply chains; reducing our impact on the natural environment; product safety; and contributing to community organisations which strengthen our society.

This shift in reporting reflects how sustainability has become a critical, board level, governance and strategic issue. In recent years, it has soared in importance to our customers, our team members, our shareholders, our regulators and the community.

We also launched a new sustainability portal, sustainability.wesfarmers.com.au. This site replaces our annual sustainability report

and is dedicated to providing enhanced information and more frequent updates on the issues which are critical to the Group's long-term performance.

Some of our sustainability highlights over the past year are:

- introducing a Climate Change Policy and the setting of emissions targets for each of our divisions
- achieving gender balance in our Leadership Team which is now 45 per cent women
- contributing \$72 million to community organisations, including almost \$20 million in direct contributions
- improving transparency in our supply chain and continuing our relentless focus on responsibly sourcing products, with more than 3,700 factories in the Group's supply chain audit program, and
- reducing the Group's total recordable injury frequency rate by 1.5 per cent to 13.5 for continuing operations.



THE FUTURE OF WORK AT BUNNINGS

Bunnings Managing Director Mike Schneider recently experienced what he told his team was an enormous privilege and "one of the nicest moments in his whole time at Bunnings". The occasion was the presentation of a 60-year service award to Bill Cooper, a team member at Bunnings Claremont store in Western Australia and the longest serving of Bunnings' 46,000 team members.

"Since 1959, Bill has been caring for customers and team mates and has made an enormous contribution to our business in WA," Mike said. "Riding his bike to do deliveries on a wage of £4 a week, Bill has

been there when needed for six decades. Bill is a role model for us all on care, commitment and team work."

Mike's visit to Perth for the presentation coincided with his participation in a CEDA (Committee for Economic Development of Australia) panel on The Future of Work, where he said the true intergenerational nature of Bunnings' workforce – from school students to being one of Australia's biggest employers of over-50s – was a real strategic advantage, when coupled with investment in learning and development and a fun, inclusive and caring culture.



RECONCILIATION IN ACTION

Blackwoods' team member Barry Hoare's passionate and energetic advocacy for Indigenous advancement over many years has seen him named this year's Wesfarmers RAP (Reconciliation Action Plan) employment champion.

Barry's commitment goes much deeper than his formal role as Blackwoods Indigenous Engagement Manager. In two and a half years, Blackwoods has achieved a significant increase in Indigenous employment from 13 to 65 full-time team members. Barry, pictured left, has been instrumental in recruiting and retaining these team members. He speaks with each candidate to understand their suitability for the role and supports the talent team and hiring managers to recruit and onboard the individuals and then with development plans and performance reviews. He is then in regular contact, providing support with employment issues and any other challenges in their lives, much of it in his own time. Retention rates of Indigenous team members are above the overall Blackwoods rates.

Barry has also helped facilitate face-to-face cultural awareness training for close to 1,000 Blackwoods team members, and completion of

more than 1,500 'introduction to RAP' online training courses.

For the first time, Wesfarmers also presented a RAP supplier champion award, to recognise the significant impact that Indigenous-owned businesses have on Indigenous communities. The winner was Juan Lorenzo from Coregas, who has been instrumental in Indigenous-owned The Cryogenics Group striking a long-term supply partnership with Coregas. To help it realise the potential opportunity, Juan shared with The Cryogenics Group process knowledge, operational expertise, safety standards and a detailed understanding of how to best capitalise on market opportunities. Since then, The Cryogenics Group has doubled its Western Australian operations and entered the Melbourne market, supporting it to increase its own Indigenous workforce to 58 per cent and growing.

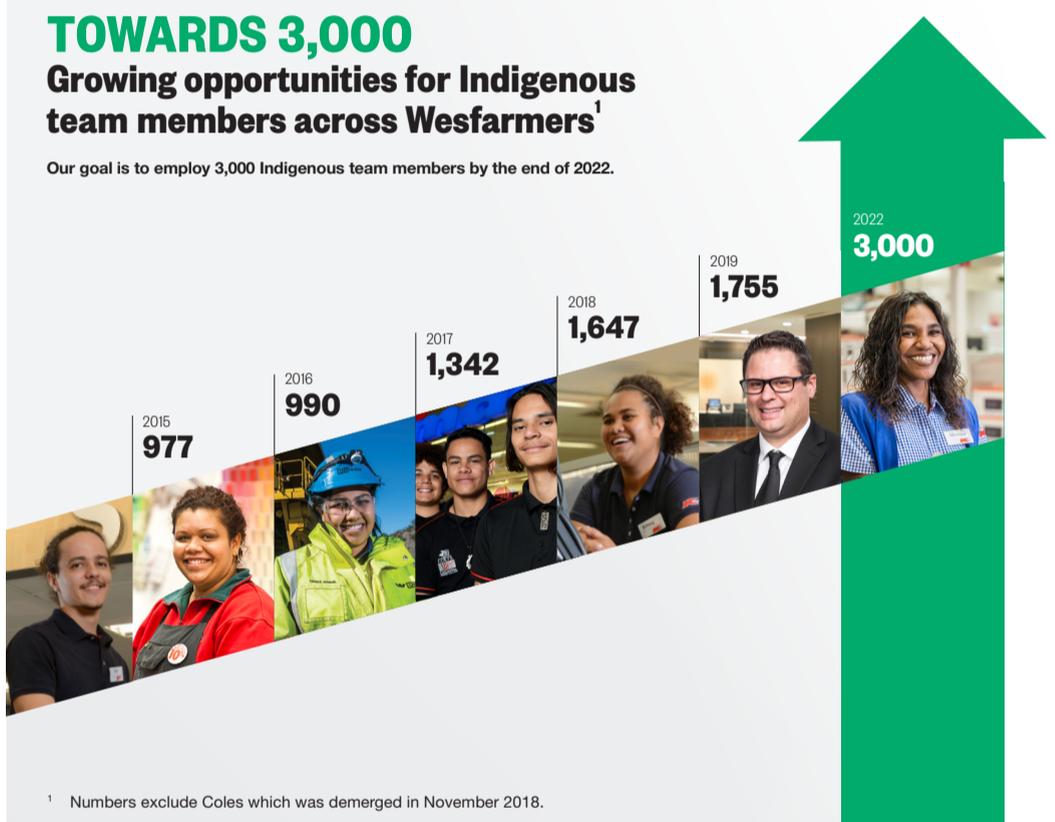


SHINING A RECORD LIGHT ON MENTAL HEALTH

Coinciding with World Mental Health Day on 10 October 2019 Bunnings Fairfield Waters Warehouse lit up Townsville with a sea of high-vis to shine a light on mental health. Thanks to 2,499 attendees, the Guinness World Record was broken for the most people wearing high-vis vests in a single place. Congratulations to the Bunnings team, Mental Health Australia and the Townsville community for an amazing show of solidarity and support.

TOWARDS 3,000 Growing opportunities for Indigenous team members across Wesfarmers¹

Our goal is to employ 3,000 Indigenous team members by the end of 2022.



¹ Numbers exclude Coles which was demerged in November 2018.

OFFICEWORKS EXPANDS RECYCLING TO BATTERIES, PENS AND MARKERS



Officeworks has announced a new and convenient way for customers to dispose of old batteries, pens and markers, as part of upgrades to recycling stations across most of its stores over the next 12 months.

The Federal Assistant Minister for Waste Reduction and Environmental Management, the Hon. Trevor Evans MP, and the Federal Member for Curtin, Celia Hammond MP, pictured above, launched the roll out of the new recycling stations at Officeworks' Osborne Park store in Western Australia in November, coinciding with National Recycling Week.

Existing in-store collection points allow customers to recycle e-waste and ink and toner cartridges. With only three per cent of batteries currently recycled in Australia, the new program provides a significant

opportunity to make recycling batteries accessible for more Australians. Currently batteries are commonly thrown into general household waste bins, meaning they go straight to landfill.

After successful trials in five stores, Officeworks plans to roll out battery recycling to all its stores by the end of 2020, in partnership with Envirostream, an Australian battery recycling company. The pen and marker recycling program will be available in most stores within the next year, delivered in partnership with BIC.

Officeworks General Manager Corporate Affairs, Alexandra Staley, said customers want to dispose of their unwanted items such as batteries responsibly, and appreciate there is value in recovering and reusing the materials.

"To date we've helped our customers recycle more than 4,800 tonnes of e-waste, but we know there's more opportunity in other waste streams," Alex said.

Officeworks established Bring it Back in 2012, which provides customers the opportunity to recycle computers and laptops, monitors, keyboards, printers, mice, hard drives, mobile phones and accessories, cables, chargers, DVDs and CDs. Since 2005, Officeworks has also been involved in Cartridges 4 Planet Ark, which has seen customers drop off more than 10 million ink and toner cartridges at its stores for recycling.

Customers can find out which recycling services are available at their local Officeworks by checking the store locator online at <https://www.officeworks.com.au/shop/officeworks/storelocator>.

THE POWER OF GIVING Kmart Wishing Tree Appeal

The Kmart Wishing Tree Appeal is Australia's largest and longest-running gift collection and is once again in full swing, helping countless children, adults, seniors and families who are facing financial vulnerability at Christmas time and beyond. Kmart and long-standing charity partner The Salvation Army first came together in 1987 and have since raised more than eight million gifts for people doing it tough.

The 2019 appeal launched nationwide in all Kmart stores on Monday 11 November 2019, with gift contributions accepted until Christmas Eve and financial contributions until 31 January 2020.

On 4 December 2019 a Kmart Wishing Tree was installed in the Prime Minister's Office for the seventh consecutive year. The Salvation Army's national leaders Commissioners Robert and Janine Donaldson and Kmart Australia Director of Retail John Gualtieri joined the Prime Minister, The Hon. Scott Morrison MP, and the Deputy Prime Minister, The Hon. Michael McCormack MP, for the event.

