



17 October 2013

The Manager  
Company Announcements Office  
Australian Securities Exchange

Dear Sir,

**Wesfarmers 2013 Sustainability Report**

Please find attached the Wesfarmers 2013 Sustainability Report.

The report is also available on the company's website at [www.wesfarmers.com.au](http://www.wesfarmers.com.au).

Yours faithfully,

A handwritten signature in black ink, appearing to be "L J Kenyon".

L J KENYON  
COMPANY SECRETARY

Enc.



**Delivering today.  
Value tomorrow.**

Wesfarmers | Sustainability Report 2013



**Wesfarmers**

Our businesses interact with millions of people every day, touching the lives of people in Australia, New Zealand and beyond. By considering the best interests of our employees, customers, suppliers and the broader public, we can safeguard our ability to continue creating value into the future.

Delivering today.  
Value tomorrow.

Group structure



Retail operations	
Coles	
Home Improvement and Office Supplies	
Kmart	
Target	
Industrial and other businesses	
Insurance	
Resources	
Chemicals, Energy and Fertilisers	
Industrial and Safety	
Other activities	

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### About Wesfarmers

With origins in 1914 as a Western Australian farmers' cooperative, Wesfarmers Limited (Wesfarmers) has grown into one of Australia's largest listed companies. Our diverse business operations include supermarkets; department stores; home improvement and office supplies; coal production and export; insurance; chemicals, energy and fertilisers; and industrial and safety products. We have more than 200,000 employees and approximately 500,000 direct shareholders and we are headquartered in Perth, Western Australia.

### About this report

This report is written annually for all our stakeholders: our shareholders, customers, employees, suppliers and the broader public in the communities in which we operate. Information in this report is for the financial year ended 30 June 2013. All businesses that are wholly-owned or operationally-managed by Wesfarmers are included. There have been no significant changes to the size, structure or ownership of Wesfarmers during the reporting period.

The report provides information about the six areas of our sustainability approach, which are to:

- look after the health, safety and development of our people;
- protect and enhance our reputation with stakeholders;
- responsibly source products;
- contribute positively to the communities in which we operate;
- minimise our environmental footprint; and
- provide appropriate governance structures to safeguard future value creation.

It also provides an overview of each of our divisions and a Databank on page 46 which sets out trend data over a five year period.

Further information about the topics covered in this report can be found on our website, those of our businesses, and various other electronic sources identified in this report.

### Assurance and auditing

This report has been approved by the Wesfarmers Board. To independently validate the contents of this report, it is externally audited and assured every year.

The data and statements in this report have been externally audited or assured as follows:

- the principal assurance of the report to the AA 1000 Assurance Standard 2008 was conducted by Net Balance Management Group Pty Ltd (Net Balance). Selected Databank metrics were assured to a limited level using the ASAE 3000 *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* standard. A condensed version of the independent assurance statement is available at page 48;
- the Australian Scope 1 and 2 greenhouse emissions and energy use were audited by Ernst & Young to the requirements of the National Greenhouse and Energy Reporting (Measurement) Determination 2008 and we provided a copy of the audit report to the Australian Clean Energy Regulator. The other greenhouse and energy data were assured by Net Balance as described in their assurance statement; and
- the community contributions data were verified by either the London Benchmarking Group (LBG) on page 49 or Net Balance as specified on page 48.

Net Balance relied upon the Ernst & Young and LBG processes for assurance of those parts of this report.

The report has also been assessed against the provisions of the Global Reporting Initiative (GRI) by that organisation and assessed to be at the B+ level. The GRI statement is available at [www.wesfarmers.com.au](http://www.wesfarmers.com.au).

Prior to these external assurance processes, our Group Insurance department conducted a high level analysis of the Databank and supporting evidence to identify specific areas for further investigation by Net Balance.

### Completeness

In compiling this report we have used the best information available at the time and made an assessment of the main sustainability issues that affect the Group as a whole. Most of our businesses include relevant additional information on their websites.

Where data is not available, we have estimated using available data. For example, some divisions estimate a proportion of their water use.

The data included in this report covers all our eight divisions and all their operations, unless otherwise specified. It does not include joint ventures where Wesfarmers does not have operational control, unless otherwise specified.

### Feedback

We welcome your feedback on this report. A form has been provided for you on the inside back cover, or you can email [sustainability@wesfarmers.com.au](mailto:sustainability@wesfarmers.com.au). We will respond to your feedback personally, as well as taking it into account in compiling future reports.

## Managing Director's welcome

**Welcome to the 2013 Wesfarmers Sustainability Report. This is the sixteenth year that we have produced a report to let our stakeholders know what is important to us, how we do business and how we are performing.**

The sustainability of our business is what I spend my time thinking about: what we are doing today to make sure that we are able to continue creating value for our shareholders and other stakeholders five, 10 and 15 years from now.

There are considerable efforts and initiatives throughout the Group to continue to improve stakeholder engagement and, very importantly, to support and contribute to the advancement and development of our customers, suppliers and the communities in which we operate, while caring for the environment.

We set high expectations for ourselves in this area and there is always room to improve. We will continue to focus on improving stakeholder management, consistent with our Group-wide philosophy of best practice management and continuous improvement, to drive the delivery of satisfactory returns to shareholders, and the creation of value for all our stakeholders.

### Our role

The role of companies is changing. Communities increasingly expect businesses like ours to take into account the interests of a wide group of stakeholders and to think broadly about our responsibilities and the impact we have, both by our direct actions, and through our supply chain. By making good long-term decisions, we earn the privilege of playing an important role in the communities of Australia, New Zealand and beyond.

Through our diverse range of businesses, we touch the lives of a large number of people in the communities in which we operate, in many different ways. Our businesses benefit from vibrant, healthy and prosperous communities, which means that we think broadly about our role and our business decisions.

### Our people

Our businesses are all about our people. We continue to work to ensure our people are safe, we nurture their health and development and we celebrate their diversity. Ultimately, it is our workforce that creates value and we want our workforce to be proud to be part of Wesfarmers. We have worked hard this year on the issue of safety, which is reflected in our improved safety performance.



**We continue to work to ensure our people are safe, we nurture their health and development and we celebrate their diversity.**

### Responsible sourcing

This year, relationships with both our Australian and global suppliers have received increased media attention. The sustainability of our supply chain is a very important issue for us, whether it be Australian dairy farmers, or Bangladeshi textile workers.

In Australia, Coles is working to develop longer-term agreements with its suppliers, creating more certainty and better planning

and efficiency. Ultimately, consumers and the economy benefit from a more efficient supply chain through lower prices.

All our businesses aim to provide better value to our customers, but not at the cost of human rights. We continue to improve our processes for implementing our ethical sourcing policies, to do our best to ensure that our suppliers are operating to a standard that we and our customers expect.

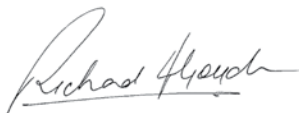
**Climate change**

Climate change presents a very real risk, and some opportunities, to our businesses. We understand that businesses like ours have an important role to play in climate change mitigation, by doing what we can to minimise our impact and maximise our resource efficiency. Regardless of government policy in relation to carbon emissions, we will continue to increase our energy efficiency and reduce the carbon intensity of our businesses where possible.

**Looking forward**

Sustainability will continue to be at the heart of what we do across the Group. As we approach Wesfarmers' centenary in 2014, we are thinking about how we can ensure that Wesfarmers continues to create value into the future. We anticipate that the expectations of our stakeholders will only increase, whether in relation to our impact on climate change, our interactions with our supply chain or how we are contributing to the communities in which we operate. In 2014, at a Group level, we will focus on improving how we prioritise and address sustainability issues, and on supporting each of our divisions to better meet the needs of their own stakeholders.

I hope that the information in this report provides you with a better understanding of how we do business, and how we have performed this year for our broad stakeholder group. Please use the feedback form at the back of the report to let us know what you think and how we could improve our reporting in future years.



**Richard Goyder AO**, Managing Director



**Message from the Chairman**

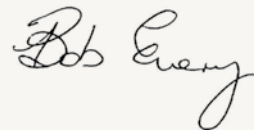
Understanding the environmental and social impact of our businesses is a key part of ensuring that Wesfarmers continues to be able to create value for its stakeholders, including our 500,000 shareholders, 200,000 employees, our customers and suppliers.

As I outlined last year, a key aspect of our sustainable business performance is safety. Last year, we announced a Group-wide review of safety, focused on safety performance, real workplace safety behaviour and improving outcomes.

Our performance still needs improvement but I am pleased that we have already seen some benefits from this review, with an 18 per cent improvement in our lost time injury frequency rate. While we welcome this result, our total recordable injury

frequency rate was three per cent higher this year, so there is still a long way to go and we will continue to seek opportunities to improve safety in our businesses.

I am proud of the Group's efforts in ensuring the sustainability of our businesses this year, and look forward to another year of finding opportunities to enhance the environmental and social impact of our businesses.



**Bob Every AO**, Chairman

## Our sustainability approach

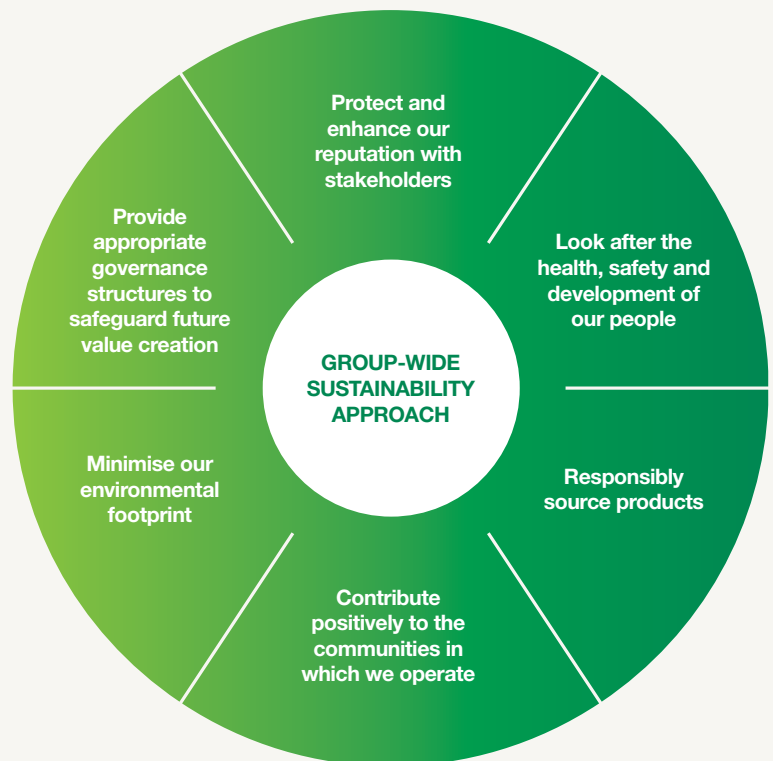
The creation of long-term value is only possible through considering the interests of all our stakeholders: our shareholders, employees, customers, suppliers and the communities in which we operate.

One of the benefits of holding a diverse array of businesses is that we are able to make decisions for the long term, and can avoid some of the short-term pressures experienced by single-sector companies. Our approach to sustainability reflects this broader long-term focus.

Our Group-wide sustainability approach addresses six areas, as indicated in the diagram below.

## Our sustainability approach covers six key areas

Each of our divisions identifies the sustainability issues that are most relevant to its stakeholders, and these are addressed under 'Material issues' in the 'Divisions' section on pages 24 to 41 of this report.



### How we have performed

The following pages outline how we have performed as a Group during the year consistent with our sustainability approach. As well as reporting aggregated data, we also provide data for each business unit in the 'Divisions' section of this report on pages 24 to 41 and in more detail in the Databank on pages 46 and 47.

Given the diversity of our businesses, we generally do not set public targets at a Group level, preferring to be judged on our performance. Each business sets its own internal targets appropriate to its operations.

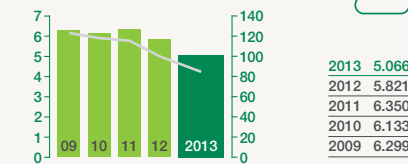
The key metrics we use at a Group level are greenhouse gas emissions, energy use, water consumption, waste, community contributions and safety incidents.

Key highlights this year include a 61 per cent increase in our direct community contributions, a 13 per cent decrease in our greenhouse gas emissions and reducing our waste to landfill by 10 per cent.

## Greenhouse gas emissions

**5.066** Tonnes CO<sub>2</sub>e '000,000

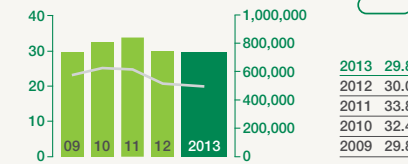
■ Million tonnes CO<sub>2</sub>e (LHS)  
 - Tonnes CO<sub>2</sub>e per \$m of revenue (RHS)



## Energy use

**29.8** Petajoules

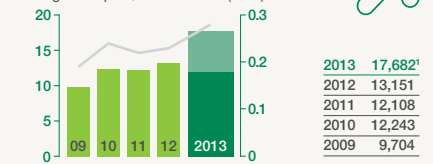
■ Petajoules (LHS)  
 - Megajoules per \$m of revenue (RHS)



## Water use

**17,682** Megalitres

■ Megalitres (LHS)  
 ■ Megalitres newly reported reclaimed water (LHS)  
 - Megalitres per \$m of revenue (RHS)

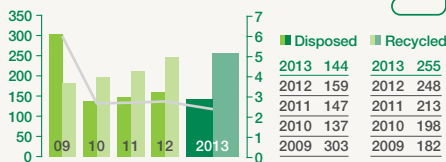


<sup>1</sup> This includes 4,639 megalitres of newly reported reclaimed water.

## Waste

**399** Tonnes '000

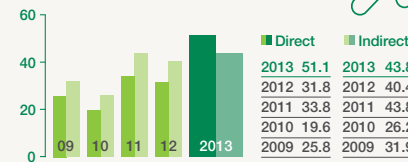
■ Thousand tonnes (LHS)  
 - Tonnes disposed per \$m of revenue (RHS)



## Community contributions

**94.9** \$m

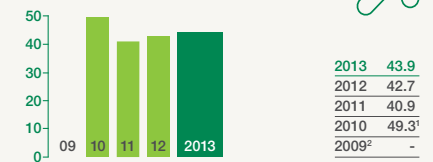
■ Million dollars



## Safety incidents

**43.9** Total recordable injury frequency rate

■ Lost time and medical treatment injuries divided by hours worked multiplied by 1,000,000



<sup>1</sup> The reported data in 2010 is likely to be higher than actual due to the inclusion of some first aid treatment incidences.  
<sup>2</sup> Prior to 2010, we reported lost time injury frequency rate.



# Our reputation

## Wesfarmers touches the lives of millions of people: as employees, customers, suppliers or members of the communities in which we operate.

By understanding and addressing the needs of these groups, we protect our reputation, ensuring we will be able to create value in the years to come.

Our reputation is based on our core values of integrity, openness, accountability and boldness. In order to protect this precious asset, we consult with our stakeholders regularly, and take their views into account in our business decisions. Our Code of Conduct (available on our website at [www.wesfarmers.com.au](http://www.wesfarmers.com.au)) requires all our businesses to take a transparent and honest approach when working with stakeholders.

### Stakeholder engagement

Wesfarmers engaged Net Balance to conduct a stakeholder engagement survey in relation to our sustainability reporting.

The survey collated responses from a range of stakeholders, including shareholders, media and community partners. The survey found that Wesfarmers enjoys positive stakeholder relationships and its sustainability report serves stakeholders well. The issues listed in the table below were identified by a number

of stakeholders as key sustainability issues for Wesfarmers, and are addressed in the corresponding pages of this report.

At a Group level, Wesfarmers considers the interests of a wide cross-section of stakeholders, determined by the actual or potential impact of our business on their interests. The table on the opposite page summarises how we listen to, and what we have heard from, our stakeholders during the year.

### How we address stakeholder-identified issues

Issue identified	Relevant page	Further information
Supplier relationships, especially Coles	12	<a href="http://www.coles.com.au/helping-australia-grow">www.coles.com.au/helping-australia-grow</a>
Greenhouse gas emissions and carbon pricing	16 – 17	<a href="http://www.cleanenergyregulator.gov.au">www.cleanenergyregulator.gov.au</a> <a href="http://www.cdproject.net/en-US/Results/Pages/responses.aspx">www.cdproject.net/en-US/Results/Pages/responses.aspx</a>
Energy and energy efficiency	18	<a href="http://www.energyefficiencyopportunities.gov.au/results-and-participants/participating-companies/">www.energyefficiencyopportunities.gov.au/results-and-participants/participating-companies/</a> <a href="http://www.cdproject.net/en-US/Results/Pages/responses.aspx">www.cdproject.net/en-US/Results/Pages/responses.aspx</a> <a href="http://www.wesfarmers.com.au/community-a-sustainability/sustainability/sustainability-reporting.html">www.wesfarmers.com.au/community-a-sustainability/sustainability/sustainability-reporting.html</a>
Ethical sourcing	12 – 13	<a href="http://www.wesfarmers.com.au/community-a-sustainability/sustainability/sustainability-reporting.html">www.wesfarmers.com.au/community-a-sustainability/sustainability/sustainability-reporting.html</a> <a href="http://www.coles.com.au/helping-australia-grow">www.coles.com.au/helping-australia-grow</a> <a href="http://www.target.com.au/html/aboutus/ethicalsourcing.htm">www.target.com.au/html/aboutus/ethicalsourcing.htm</a> <a href="http://www.kmart.com.au/social-responsibility">www.kmart.com.au/social-responsibility</a> <a href="http://www.bunnings.com.au/about-us/our-actions">www.bunnings.com.au/about-us/our-actions</a> <a href="http://www.officeworks.com.au/retail/content/Ethical-sourcing-policy">www.officeworks.com.au/retail/content/Ethical-sourcing-policy</a>
Coal mining	36 – 37	<a href="http://www.wesresources.com.au/sustainability">www.wesresources.com.au/sustainability</a> <a href="http://www.wesresources.com.au/sustainability/low-emission-coal-technology">www.wesresources.com.au/sustainability/low-emission-coal-technology</a> <a href="http://www.australiancoal.com.au/coal-21">www.australiancoal.com.au/coal-21</a> (The Resources division contributes to this fund)
Safety	10 – 11	<a href="http://www.wesfarmers.com.au/community-a-sustainability/sustainability/sustainability-reporting.html">www.wesfarmers.com.au/community-a-sustainability/sustainability/sustainability-reporting.html</a> (previous Sustainability Reports)
Environmental impact and responsibility	16 – 21	<a href="http://www.energyefficiencyopportunities.gov.au/results-and-participants/participating-companies/">www.energyefficiencyopportunities.gov.au/results-and-participants/participating-companies/</a>
Community programs and partnerships	14 – 15	<a href="http://www.wesfarmers.com.au/community-a-sustainability/community-partnerships.html">www.wesfarmers.com.au/community-a-sustainability/community-partnerships.html</a>
Western Sahara phosphate sourcing	39	<a href="http://www.csbp.com.au/Corporate/News-and-Media/Successful-commissioning-of-new-technology-opens-u.aspx">www.csbp.com.au/Corporate/News-and-Media/Successful-commissioning-of-new-technology-opens-u.aspx</a>

Stakeholder engagement at Wesfarmers

Our stakeholders	How we listen	What they have told us	Our response
Customers	Feedback via letters, emails, personal and telephone contact and our website.	Customers expressed their approval or concern about a wide range of actions and activities of our divisions.	Where appropriate, Wesfarmers responds directly to customers or advises the relevant division of customer feedback.
Employees	Discussions with individual employees, unions, divisional employee surveys, whistleblower process, website, emails.	Individual concerns were raised about specific employment issues.  Where restructuring is necessary, redeployment should be a priority.	Individual concerns addressed and investigated.  We agree that redeployment is a priority and also comply with union consultation requirements in relation to business restructures.  Whistleblower process reported to Audit Committee annually.
Shareholders	Independent assessments of investor perception, annual general meetings, investor road shows and other meetings with institutional investors, investor and operational briefings, results announcements.	To continue focusing on: <ul style="list-style-type: none"> <li>- a consistent strategic framework;</li> <li>- a well managed balance sheet;</li> <li>- effective use of capital; and</li> <li>- focus on portfolio management and capital allocation.</li> </ul>	Our objective remains to deliver a satisfactory return to shareholders, supported by a consistent strategic framework.  We continue to maintain a strong focus on access to, and diversity of debt and equity to enable the Group to invest opportunistically.  We continue to use conservative hurdle rates for project evaluation.  We employ a structured corporate planning and portfolio management process which is assessed regularly.
Suppliers	Meetings with individual suppliers and key industry groups, engagement with regulators, ethical sourcing audit and review systems.	Suppliers and supplier representatives, including farmer representative bodies and trade unions, expressed their approval or concern about particular actions and activities of our divisions.	Where appropriate, Wesfarmers responds directly to suppliers or advises the relevant division of supplier feedback. We are committed to long-term outcomes that are beneficial to shareholders and suppliers.
Government	Meetings with State and Commonwealth government representatives and regulators.	To continue strong business growth, maintain ethical standards, pursue positive relationships with suppliers, keep an open dialogue with government and provide advice and feedback when appropriate.	Wesfarmers has engaged positively and constructively with governments and representatives around Australia, provided advice and responded on numerous issues and provided input into policy debates and development, both directly and through industry bodies.
Non-government organisations (NGOs)	Joint projects, initiatives and meetings.	NGOs engage with us on a range of issues, including human and labour rights, environment and public policy.	We continue to build relationships with accredited and reputable NGOs, such as Oxfam Australia, World Wide Fund Australia and the Grattan Institute, to identify further opportunities to work together.
Media	Media requests and feedback to our corporate affairs unit, media conferences coinciding with major events, individual meetings with relevant media.	Media commentary and inquiries indicate we are expected to uphold high standards of transparency, integrity, corporate governance and financial and operational performance. The media also expect us to contribute to discussion and debate relating to the economy, business confidence and public policy in Australia.	We respond to all media inquiries, guided by what is in the best interests of our shareholders. That response may, at times, include declining to comment. Our Managing Director and Finance Director respond to media questions at the time of half-year and full-year financial results. The Managing Director also makes himself available regularly for other media interviews on request.
Community	Feedback via letters, email and our website, requests for sponsorship or other support and through our community partnerships.	Direct feedback to us from the community indicates they expect us to uphold high standards of integrity, transparency, corporate governance and performance. We received numerous requests for sponsorship and donations.	We attempt to respond individually to all inquiries, concerns and feedback. We cannot always provide satisfactory answers to some feedback, but we endeavour to explain our position. We have a number of partnerships with community organisations and we respond to all requests for sponsorship and donations, guided by our sponsorship policies and priorities.

# Our people

## Employing outstanding people and providing opportunities for them to apply their talents is critical to our sustainability.

While strong assets and strategies are important, it is through the efforts of our people that we deliver results.

### Who we are and where we work

The majority of our workforce is located in Australia and New Zealand (see table below) and our 205,000 employees worked more than 221 million hours this year. As in any year, employee numbers change through restructures and growth. This year, we saw a net increase of more than 4,000 employees.

One restructure that received publicity was in our Target store support office in Geelong (Vic), which reduced the headcount by 260 employees and contractors to better position that business. As with all restructures involving employee reductions, redeployment opportunities were sought, and where unsuccessful, redundancy packages and outplacement services were provided.

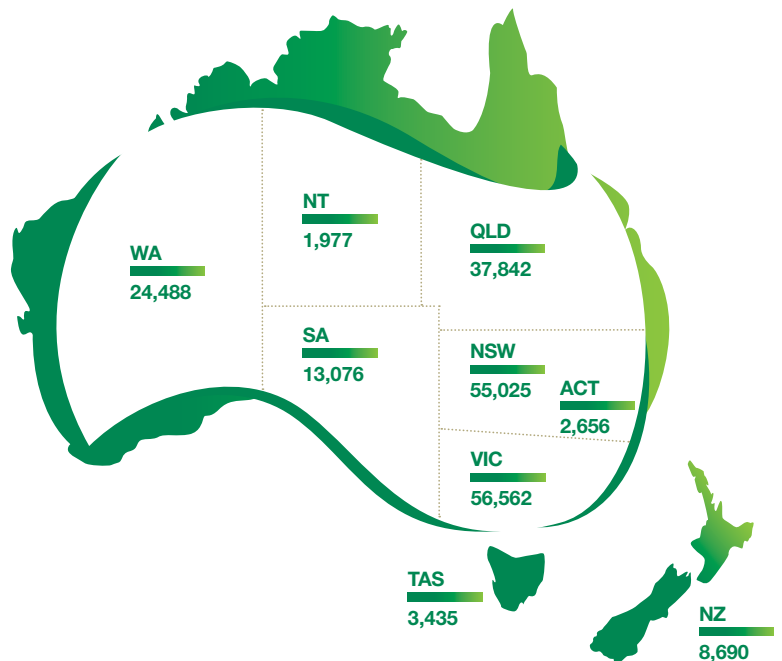
Wesfarmers is committed to continually improving the attraction, development and retention of talented people. We do this by

providing great job opportunities, rewards for good performance, and safe working environments. Wesfarmers recognises the importance of being an inclusive employer, because a diverse workforce delivers significant social and commercial value.

We support an inclusive and non-discriminatory culture through Group-wide policies and processes, including our internal Equal Employment Opportunity Policy, and our Code of Conduct which is available on our website at [www.wesfarmers.com.au](http://www.wesfarmers.com.au).

### Employee numbers by location

WA	24,488
NT	1,977
QLD	37,842
NSW	55,025
ACT	2,656
VIC	56,562
SA	13,076
TAS	3,435
NZ	8,690
China	513
Bangladesh	28
India	22
Indonesia	3
UK	164



Total **204,481** Employees



**Gender diversity**

Overall, the Group has a gender balanced workforce, made up of 57 per cent women and 43 per cent men. The Group’s key challenge is to increase the number of women in leadership positions. The Wesfarmers Diversity Policy outlines four core objectives which are used to measure performance in this area. Specific targets are linked to senior executive key performance objectives under an annual incentive plan. With a diverse portfolio of businesses and industries, Wesfarmers divisions have developed specific gender diversity plans in line with the Group policy which are tailored to take account of the specific circumstances of their division.

This year, our divisions have made significant progress against our four key objectives:

- foster an inclusive culture;
- improve talent management;
- enhance recruitment practices; and
- ensure pay equity.

Details of our progress can be found in the corporate governance statement on page 71 of the 2013 Wesfarmers Annual Report, which is available on our website.

In the coming year, all divisions will continue to work to improve gender diversity in a variety of ways. These include continued improvement of diversity in pipelines to leadership positions, identification of internal talent and retention of senior women.

Details of female representation across the Group are set out below:

Percentage of female employees	30 June 2011	30 June 2012	30 June 2013
Wesfarmers Limited non-executive directors	25	25	30
Senior executive positions (general manager or above)	22	21	25
All management and professional roles	26	28	28
<b>Total workforce</b>	<b>57</b>	<b>57</b>	<b>57</b>

**Insurance puts the spotlight on women in leadership**

In line with Wesfarmers’ commitment to diversity, the Insurance division aims to provide an environment where our people can grow and develop to reach their full potential, regardless of gender or background.

During the year, the female participation rate at general manager level and above in our Insurance division increased from 12 per cent to 19 per cent. This result is encouraging, but there is more work to do.

Since the inaugural event in October 2012, the division runs an annual program of Women in Leadership workshops across Australia and New Zealand. These events feature interactive debate, executive team

participation and a keynote address by a female leader from within the Wesfarmers Group.

Women in Leadership events inspire male and female attendees alike to take personal responsibility for their careers, adopt a diverse and balanced approach when recruiting team members and encourage ongoing local networking.

Evolving people policies, mentoring programs and leadership development initiatives are also continuing to help redress the imbalance of women in leadership positions within the Insurance division.

**Below**  
Attendees at a Wesfarmers Insurance Women in Leadership event.





## Working together to support Aboriginal employment in WA

As Australia's largest private sector employer, Wesfarmers recognises its unique potential to have a significant, positive impact on Aboriginal employment, particularly in regional communities.

In order to foster divisional expertise and collaboration on Aboriginal employment, this year Wesfarmers piloted a multi-retail division Aboriginal employment program. Bunnings, Coles, Kmart, Officeworks and Target joined together to provide 10 permanent part-time career opportunities for Aboriginal people in the Kwinana area near Perth (WA).

## Our retail businesses are working together to provide Aboriginal employment opportunities

With support from the Australian Government Indigenous Employment Program, ten Aboriginal job seekers completed a three-week pre-employment training program. This training included personal development and retail skills, store tours and work experience. Wesfarmers store and complex managers also completed cultural awareness training as part of the program. Ten new team members commenced employment in early June 2013 and will be mentored for their first six months.

In addition to providing sustainable employment opportunities to local Aboriginal community members, the program provided an opportunity for existing Wesfarmers team members to learn about local Aboriginal communities, and make personal local connections.

## Workplace relations

We recognise the right of those we employ to negotiate either individually or collectively, with or without the involvement of third parties. Approximately 90 per cent of our workforce is covered by collective agreements. Wesfarmers also believes in maximising the flexibility of workplace arrangements available to employees and their managers.

## Investing in our people

Given the autonomous nature of our Group operating structure, training and development is a core responsibility of the business units. Our recorded commitment to training and development was nearly 2.5 million hours across the Group. In addition, key human capital development policies and practices, including those focused on senior management remuneration, development and succession planning, are managed at a Group level.

Innovation is also important to the success of our businesses. If our people continually innovate, providing better products, services or solutions for our customers, sustainable growth will be generated.

Wesfarmers seeks to develop a culture that encourages the boldness and creativity necessary to drive innovation. One example of this encouragement is our Innovation Awards program. This Group-wide initiative focuses on five areas: environment, customer, commercial, safety and people. There has been an excellent response from our businesses to these awards, with the entries reflecting a high level of innovation quality.

As part of a long-standing practice to increase alignment throughout the Group, the biennial Wesfarmers Leadership Conference will be once again convened in September 2014. The conference brings together up to 400 senior leaders from across the Group and provides an opportunity to reinforce expectations for our leadership culture, introduce key leadership insights and opportunities for growth, share best practices across the businesses, and recognise the Innovation Award winners.

## Health and safety

We value the health and safety in the workplace of everyone who works for our company, our visitors and customers. To this end, we recently completed a Group-wide review of our health and safety performance, benchmarking our performance, leadership and initiatives against global best performance. In recognising the diversity of our divisions, each division is required to develop its own

targeted improvement plan to continue to embed sustainable healthy and safe behaviours across the Group.

During the year, there were 1,988 lost time injuries (LTIs) across the Group and 9,773 total recordable injuries (TRIs), which include LTIs and medical treatment injuries. The Group total recordable injury frequency rate (TRIFR) increased three per cent from 42.7 to 43.9. This is largely attributable to the use of broader consistent definitions of ‘total recordable injury’ and an improved reporting culture as we move to using TRIFR as our primary lag measure across the Group. The lost time injury frequency rate at year end has decreased to 8.9 compared to 10.9 the previous year, an improvement of 18 per cent. The number of workers’ compensation claims has decreased from 9,380 in 2012 to 8,796 this year.

We continue to believe that greater safety performance is both possible and necessary. From the coming year, there is a stretch target of 20 per cent reduction in TRIFR. We recognise that a stronger focus on lead indicators drives a sustainable healthy and safe culture. With the diversity of the Group, operating businesses are implementing a range of lead measures to promote a more proactive approach and support a culture of safe and healthy work practices which will drive sustainable performance improvement.

To meet the ongoing challenges of creating a safe and healthy environment for all the people in our workplaces, there has been significant investment in programs across the Group which have resulted in positive change. These investments have been in capital expenditure, competency and culture. Some highlights included:

- Addressing one of its highest causes of injury, Bunnings achieved a 20 per cent reduction in hand lacerations through the introduction of new campaigns and initiatives encouraging its team to ‘glove up and BSAFE’.
- Coles Express implemented its National Safety Night Program, with senior managers visiting a significant number of metro and regional sites during night shifts to recognise and show appreciation for safe and healthy workplace behaviour and to hold refresher talks on the management of key risks.
- Coles Logistics, recognising the value of working up the supply chain, is working with two key suppliers on the glues that secure cartons on pallets to reduce the forces required to remove cartons in order to reduce manual handling injuries.
- Our Insurance division is leading the Group in a motor vehicle safety project, encompassing a review of best practice

around work-related road safety and the development of a road safety program that will be made available to other divisions.

- Both Officeworks and the Resources division extended their health and safety campaign for employees to include holiday time. For example, the Officeworks ‘Stay Safe this Summer’ video has been viewed on more than 5,400 occasions.

The safety outcomes of our business units, and the Group data, can be found in the Databank on pages 46 and 47 of this report.

### Reconciliation Action Plan

Wesfarmers has had a Reconciliation Action Plan (RAP) since 2009. Our RAP outlines the measurable actions to which we are committed across the Group to ensure that Aboriginal people feel welcome in our businesses as employees, customers, suppliers and visitors. Our commitments relate to Aboriginal employment and business engagement, staff volunteering and community investment. Our full report against the actions identified in our 2013 RAP and our 2014 RAP can be found under the ‘Community and Sustainability’ section at [www.wesfarmers.com.au](http://www.wesfarmers.com.au).

Wesfarmers has committed to publicly reporting Aboriginal employee numbers annually. In previous years, most divisions

identified Aboriginal employees by way of an anonymous survey. Four divisions are currently transitioning from anonymous surveys to identifying Aboriginal team members at the commencement of employment on their employee databases. This improvement in data collection will allow divisions to better monitor Aboriginal employee retention and development in future. However, this change in reporting methods means that current and previous years’ Aboriginal employee data are not directly comparable.

Current data suggests Aboriginal employees make up nearly 0.7 per cent of our total Australian workforce. Our ultimate objective is to have a workforce that reflects the communities in which we operate, with 2.5 per cent Aboriginal representation based on current numbers.

Wesfarmers continues to support Aboriginal communities by providing skilled secondees, through our partnership with Jawun Indigenous Corporate Partnerships (Jawun). Since 2009, we have seconded 59 team members, totalling 1,423 business days. This year, 11 senior managers attended multi-day community immersions hosted by Jawun, to learn more about the issues Aboriginal communities face. Seven of our Board members have now participated in these community immersion trips.

### Aboriginal employee numbers

Division	Self-identified Aboriginal employees		2013 data collection method	
	2012	2013	Database	Survey
Coles	695	640 <sup>^</sup>	✓	✓
Home Improvement and Office Supplies				
- Bunnings	121	176 <sup>^</sup>	✓	
- Office Supplies	53	54		✓
Kmart	105	270 <sup>^</sup>	✓	✓
Target	103	86 <sup>^</sup>	✓	
Insurance	12	10		✓
Resources	17	22	✓	
Chemicals, Energy and Fertilisers	9	15	✓	
Industrial and Safety	47	37	✓	✓
Corporate	2	2	✓	
<b>Group total</b>	<b>1,164</b>	<b>1,312</b>		

<sup>\*</sup> These figures are estimates based on 2011 anonymous survey data, with turnover rates applied and new starters added.

<sup>^</sup> These divisions are transitioning from an anonymous survey to an employee database collection method.

# Responsible sourcing

## Long term performance depends on Wesfarmers continuing to have access to responsibly-sourced and competitively-priced products to deliver to our customers.

The ongoing sustainability of supply is important for both local and international suppliers.

### Local sourcing

We have more than 17,000 suppliers across the Group and our relationship with them is very important to us. We want to provide better value to our customers but in a way that is sustainable for our suppliers and their employees and helps them to grow with us.

Coles is our largest consumer business and its relationship with food and grocery suppliers in Australia has been the focus of some attention. An essential element of the Coles turnaround since its acquisition by Wesfarmers in 2007 has been increasing the efficiency and cost-competitiveness of its supply chain. This has been challenging for some individual food and grocery suppliers but we believe the supply chain in Australia must be more efficient to ensure its continued competitiveness. Coles is working closely with its suppliers to ensure it gets fresher, better products to consumers in a more efficient way. This includes engaging with our suppliers to find solutions to deliver growth and greater efficiency. The latest survey of suppliers' perceptions of Coles showed significant improvement, with Coles' overall ranking against competitors improving from fourteenth in 2008 to fourth in 2012. The survey ranked Coles against 15 other retailers (14 other retailers in 2008).

Coles has an Australia First sourcing policy which aims to support Australian farmers and manufacturers where possible, when sourcing fresh produce and Coles brand products. This approach has helped Coles source 200,000 tonnes more Australian fresh fruit and vegetables since 2009.

Recent examples of increased local sourcing include Coles brand yoghurt, Coles brand cheese, capsicums, avocados and Coles brand pineapple, all previously imported to a degree, but now 100 per cent Australian.

Over the year, 96 per cent of fresh fruit and vegetables sourced for Coles customers was Australian grown and more than 90 per cent of Coles brand food and drink products are Australian grown or manufactured.

There has continued to be discussion over the past year on the impact of the retail price of Coles private label milk on Australian dairy farmers. Consumers want local, fresh milk and Coles continues to work with processors to ensure this can be offered at an affordable, competitive price over the long-term.

In April 2013, Coles announced it had entered into long-term agreements with Australian-owned farmer cooperatives Murray Goulburn and Norco to supply Coles brand milk in NSW, Victoria and south east Queensland from mid-2014. As a result of these long-term contracts, Murray Goulburn and Norco will invest significantly in existing and new processing facilities. The new contracts benefit the cooperatives' member farmers and remove a layer within the relationship with the farmer and processor now combined, ensuring the price Coles pays is market competitive and will see more profits passed on to farmers. As part of the new agreement with Murray Goulburn, Coles has also added the cooperative's relaunched Devondale brand to its range of fresh milks.

Over the past year, Coles has proactively engaged with the Australian Food and Grocery Council working towards developing a voluntary code of conduct covering the relationships between the major supermarket chains and their suppliers. We hope this will be finalised in the coming year. It has also cooperated with the Australian Competition and Consumer Commission in its investigations into the conduct of major supermarket chains.

### More than 90 per cent of Coles brand food and drink products are Australian grown or manufactured

### International sourcing

Wesfarmers has a responsibility to ensure that the products sourced by its businesses are made in a way that is consistent with the ethical standards expected by our customers and our employees.

Our businesses source from countries including China, Bangladesh, European Union and the United Kingdom, Brazil, New Zealand and Thailand. Each of these countries has its own legal framework and standards, as well as related risks.

To ensure our businesses continue to provide good value to customers but never at the expense of human rights, each business has a detailed policy that governs the ethics of their sourcing activities in other countries. These policies are supported by audit and review systems.

All of these policies include a range of critical breaches, which are not tolerated by the business. During the year, we identified 59 such incidents in total, from 4,087 suppliers. These included issues relating to bribery, underage workers, forced labour and unauthorised subcontracting.

The majority of these incidents occurred in factories supplying to Kmart and Target, which is indicative of the higher risk profile of the garment industry for issues such as child and forced labour and the fact that these businesses are much larger garment importers than our other business units. For all these incidents, our businesses either worked with the relevant suppliers to resolve the issue in a timely manner and prevent future recurrence or removed their approved supplier status. Details of the incidents were shared across the Group through the ethical sourcing forum.

Fires that occurred in factories in Bangladesh in late 2012 alerted our businesses to the increased risk of fire safety in certain locations. Although the factories in question were not supplying to any of our businesses, Kmart and Target are now in the process of exiting factories in Bangladesh that are located above markets and in multi-storey buildings with shared ownership, due to the potential fire risk.

The horrendous loss of life from the collapse of the Rana Plaza factory in Bangladesh in April 2013 drew global attention to additional building safety risks. Wesfarmers did not source any product from the factories involved, but following the event, Kmart and Target became the first Australian retailers to sign the Accord on Fire and Building Safety in Bangladesh.

The Accord is a five-year legally binding agreement between international labour organisations, non-government organisations and retailers engaged in the textile industry to maintain minimum safety standards in the Bangladesh textile industry. Coles did not sign the Accord as it has placed no new orders in Bangladesh.

Kmart also became the first Australian retailer to pledge to publish the addresses of factories used by its suppliers.

Our businesses are committed to not only ensuring the human rights of workers producing goods, but improving standards and living conditions for the communities from which we source products. Further details of the ethical sourcing programs of our divisions can be found on their websites.

**Kmart and Target became the first Australian retailers to sign the Accord on Fire and Building Safety in Bangladesh**



**275** libraries established in Bangladesh by Room to Read since 2008

**Kmart supporting international community organisations**

Room to Read aims to create a world in which all children have access to a quality education, reach their potential and ultimately contribute to their community and the world. Since Room to Read's arrival in 2008, it has established 275 libraries in Bangladesh. Kmart supports Room to Read through donations to programs which strive to improve literacy and remove gender inequality throughout Bangladesh.

This is one of Kmart's three major partnerships with charity organisations where it sources products, the others being Half the Sky Foundation (China) and Salaam Baalak Trust (India).

Half the Sky Foundation cares for orphaned children in China. In 2012, Kmart became the official partner of Half the Sky Foundation's children's centre in Changzhou and it also supports the Foundation through volunteer work and raising funds.

The Salaam Baalak Trust cares for and protects neglected street children in Delhi, India. Its aim is to provide a safe place for children to stay, while working to repatriate them with families where possible. Kmart provides funds to enable the Trust to continue providing residential accommodation, education, health and emergency programs for all children.

As well as supporting these international charity partners, Kmart also support workers through the Kmart Ethical Sourcing Code. The code sets out minimum requirements and expectations governing issues such as child labour, wages, benefits, working hours, harassment and health and safety. It aims to ensure all workers are treated fairly and suppliers must demonstrate continuous improvement in order to do business with Kmart.

The company regularly audits the factories used to produce the goods it sells. This year, Kmart has engaged 100 per cent of its suppliers in its ethical sourcing program and has made strong progress towards approving all factories, either through undertaking independent audits or through our mutual recognition program. The remaining factories will be audited over the next year.



# Our community

**Given the breadth of our businesses, we have an interest in supporting strong and vibrant communities.**

We do this through the products we sell and the jobs we provide, as well as through our direct and indirect contributions to the community.

Wesfarmers makes a significant contribution to the communities in which it operates by providing goods and services that have an impact on the quality of life of all our customers and by providing a large number of jobs and paying taxes.

Wesfarmers and its divisions contribute to the strength and vibrancy of the communities in which they operate by assisting a range of community organisations. Each division finds ways to create value for the community that best fits with its core business and geographic spread. At a Group level, through its community partnerships program, Wesfarmers supports medical research, organisations targeting Indigenous disadvantage, education and community initiatives, in addition to the Wesfarmers Arts program.

This year, our direct and indirect community partnerships and contributions were \$94.9 million. Our direct community contributions of \$51.2 million equated to 1.4 per cent of earnings before interest and tax and 2.3 per cent of net profit after tax. Our total direct community contributions this year increased 61 per cent on last year, largely due to Coles' increased contributions to SecondBite, its new partnership with Redkite and the establishment of the Wesfarmers Chair of Australian History at the University of Western Australia.

Wesfarmers is a member of the London Benchmarking Group (LBG) and uses its methodology to measure and report our community contributions. Community contributions made by our Home Improvement and Office Supplies division are assured by Net Balance as part of its overall assurance of this report (see page 48 and 49 of this report for the relevant statements).

We also report our indirect community contributions, which are donations contributed by our customers through our businesses, for example, money raised through community sausage sizzles at our Bunnings stores. This year we facilitated a total of \$43 million in indirect community contributions, which went to a wide range of community initiatives.

More information on LBG's standard definitions and policies is available at the LBG website [www.lbg-australia.com](http://www.lbg-australia.com) and further detail on our community contributions can be found in the Databank on pages 46 and 47 of this report.

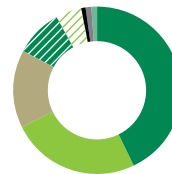
### Wesfarmers Arts

The award-winning Wesfarmers Arts program continues to provide major ongoing support to a number of premier Australian arts companies. With a focus on increasing the opportunities for the community to experience quality art and culture from Australia and the world, Wesfarmers has been working in partnership with both national and Western Australian arts companies since 1985. Our belief is that a vibrant cultural sector makes a positive contribution to the lives of all Australians.

During the year, we took our 15 year partnership with West Australian Symphony Orchestra to a new level, becoming the orchestra's Principal Partner. Wesfarmers is also Principal Partner of West Australian Opera and The Art Gallery of Western Australia, which we have supported since 1989. With major support from Wesfarmers, West Australian Ballet took up residence in the new State Ballet Centre in 2012. The national touring exhibition LUMINOUS WORLD: contemporary art from the Wesfarmers Collection opened at the Art Gallery of Western Australia in October 2012 and will tour Australia until 2015. The exhibition is bringing contemporary art from the Wesfarmers collection to communities around the country for the first time. Other highlights during the year included the Australian Chamber Orchestra's (ACO) Reef tour across the Top End, with support from Wesfarmers Arts enabling the ACO to present a month-long program of concerts and master classes with communities across the Pilbara, Kimberley and Northern Territory in July 2012. Reaching a national audience is the Wesfarmers Arts Indigenous Fellowships and Leadership program with the National Gallery of Australia. Now in its third year, the program sees up to 12 Indigenous arts workers from around the country participate each year in a professional development program with staff and collections of the National Gallery.

### Group-wide direct community contributions by cause (percent)

**Total**  
**\$51.2 million<sup>1</sup>**



	Social Welfare	43
	Health	25
	Education and young people	15
	Other	9
	Arts and Culture	5
	Economic Development	1
	Emergency Relief	1
	Environment	1

<sup>1</sup> Includes \$4 million contribution by Home Improvement and Office Supplies classified as 'other' due to separate assurance process.

**\$94.9 million direct and indirect community contributions**



**Target team members across the country are encouraged to actively participate in Kids Teaching Kids Week**

## Target supports Kids Teaching Kids

This year Target announced its principal sponsorship of the Kids Teaching Kids education program. The program allows students to switch roles with their teachers and focus on learning about environmental issues affecting their school,

their community and their country. Target supports Kids Teaching Kids in a number of ways, including direct financial support of the program, donations of gift vouchers for schools to buy supplies for their projects, and supporting schools to participate with the provision of teaching grants.

Team members across the country are encouraged to actively participate in Kids Teaching Kids Week. Participating stores are invited to attend school presentations during the week, to participate in educational

activities and to share information about the sustainability initiatives that Target undertakes. Some stores have offered to conduct store tours for schools to demonstrate, for example, how Target manages and recycles high volumes of waste.

Through this program Target aims to foster the creativity and enthusiasm of Australian school kids and encourage them to lead the country to an environmentally sustainable future.

# Our environment

## Focusing on resource efficiency is a win-win: making our businesses more resilient and reducing the negative impact of our business on the environment.

We have a responsibility to current and future generations to do what we can to minimise our impact on the environment and tackle climate change. Our material environmental issues include:

- reducing greenhouse gas emissions and energy use;
- limiting waste by increasing recycling and reducing packaging; and
- controlling our water use.

### Greenhouse gas emissions and carbon pricing

Carbon emissions are reported as Scope 1, 2 and 3, depending on the level of control a company has over a particular emission source.

Emissions are reported in tonnes of equivalent carbon dioxide (CO<sub>2</sub>e), which measures the global warming potential of the relevant greenhouse gas.

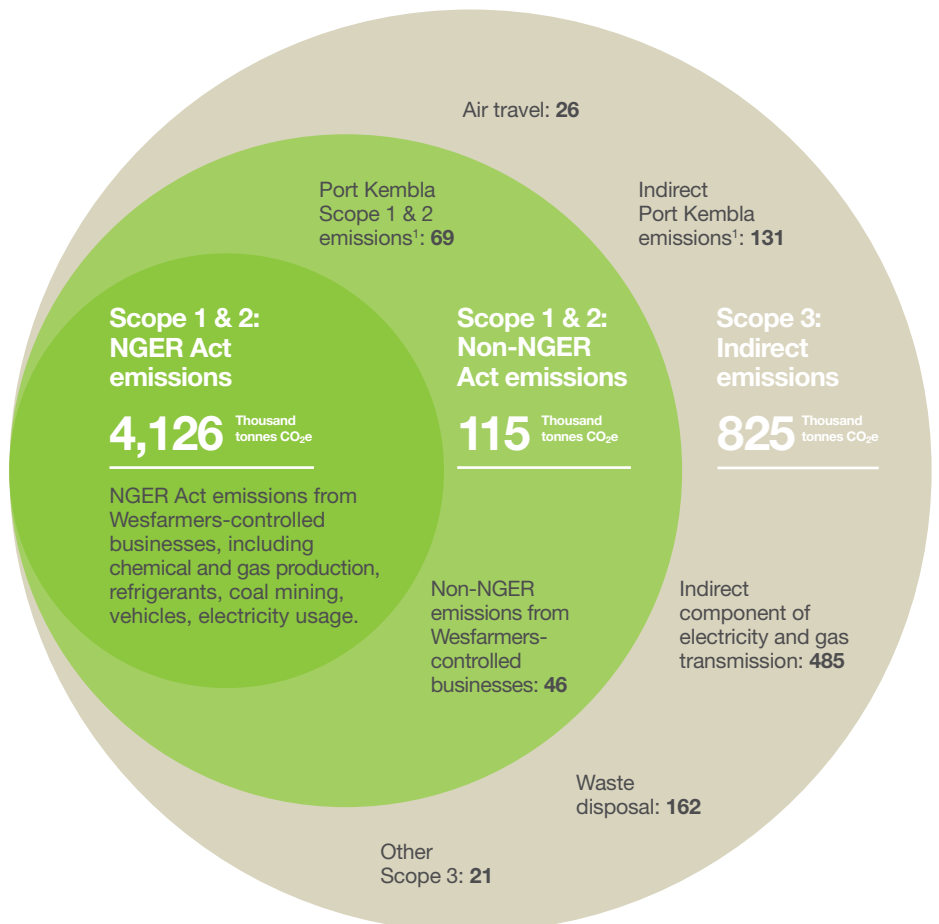
Overall, our Scope 1, 2 and 3 emissions for this year were 5,066 thousand tonnes CO<sub>2</sub>e,

which represents a 13 per cent decrease compared to the same categories last year.

Wesfarmers reports its Scope 1 and 2 emissions under the *National Greenhouse and Energy Reporting Act 2007* (NGER Act). This year, our total reportable Scope 1 and 2 emissions under the NGER Act are 4,126 thousand tonnes CO<sub>2</sub>e, which represents a 12 per cent decrease from last year. This was largely driven by the realisation of further benefits from the nitrous oxide abatement technology in our Chemicals, Energy and Fertilisers division's ammonium nitrate business.

### Carbon emissions from Wesfarmers businesses in thousand tonnes CO<sub>2</sub>e

**Total**  
**5,066** Thousand tonnes CO<sub>2</sub>e



<sup>1</sup> Port Kembla is under the operational control of BlueScope Steel, so its Scope 1 and 2 emissions are reported by BlueScope Steel under the NGER Act.

Some Scope 1 and 2 emissions are not reportable under the NGER Act, such as certain refrigerant gases, emissions from businesses that are owned but not controlled by Wesfarmers (such as our Port Kembla air separation unit) and international facilities. This year, our non-NGER Act emissions were 115 thousand tonnes CO<sub>2</sub>e. This was considerably lower than last year, largely due to our Australian Gold Reagents business now being reportable under the NGER Act and a 19 per cent reduction in the use of the relevant refrigerant gases primarily in the Coles business.

We also report our Scope 3 emissions, to better understand the indirect impact of our operations. This includes 485 thousand tonnes CO<sub>2</sub>e of indirect emissions from the transmission and distribution of the electricity and natural gas we use, 162 thousand tonnes CO<sub>2</sub>e from our waste disposal, 26 thousand tonnes CO<sub>2</sub>e from air travel and 131 thousand tonnes CO<sub>2</sub>e in indirect emissions from our Port Kembla facility. With other emissions of 21 thousand tonnes CO<sub>2</sub>e, this gives Scope 3 emissions of 825 thousand tonnes CO<sub>2</sub>e, compared with 868 thousand tonnes CO<sub>2</sub>e for the same categories of Scope 3 emissions last year.

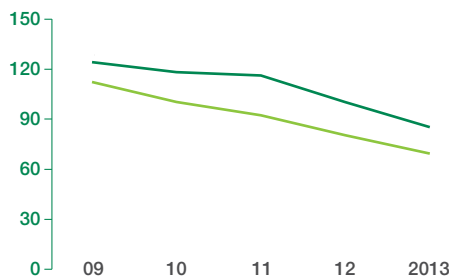
For more divisional details about Scope 1,2 and 3 emissions, see the Databank on pages 46 and 47 of this report.

The data above relates to businesses that are owned by Wesfarmers. We also hold interests

in a number of joint ventures (details of these joint ventures are on page 42 of this report). Wesfarmers' equity share of the emissions from these joint ventures was 269 thousand tonnes CO<sub>2</sub>e this year. This was lower than last year, largely due to nitrous oxide abatement technology introduced at the ammonium nitrate facility operated by our QNP joint venture.

Measuring our greenhouse gas emissions against revenue provides a meaningful comparison of how efficiently we are using energy resources to create revenue. The figure below shows the downward trend in our emissions intensity over the last five years, reducing to a total emissions intensity this year of 85 tonnes of CO<sub>2</sub>e per million dollars revenue.

**Emissions intensity**  
(tonnes CO<sub>2</sub>e/\$m revenue)



Year	Scope 1,2 & 3	NGER Act Scope 1 & 2
2013	85	69
2012	100	80
2011	116	92
2010	118	100
2009	124	112

Our Chemicals, Energy and Fertilisers division and our Resources division both include liable entities under the *Clean Energy Act*, and have been compliant with their obligations under that legislation. Both entities have met their commitments for the first surrender of carbon units. These businesses have undertaken modelling in relation to likely future carbon pricing and have worked with Wesfarmers' treasury department in relation to the future purchase of carbon units.

In light of the recent change to the federal government, our businesses are staying abreast of developments to ensure that they will be ready to comply with any new legislation.



## Coles backs world-first horticulture system

Coles has supported the development of a state-of-the-art glasshouse which recycles fish waste to grow herbs in western Sydney.

Seven years after winning their episode on the ABC's 'The New Inventors' program, Andrew Bodlovich and Hogan Gleeson's landmark aquaculture concept – to simultaneously grow barramundi and organic herbs with zero effluent – has become a commercial reality.

On a seven hectare block at Cobbitty, New South Wales owned by the University of Sydney, Urban Ecological Systems Australia (UESA) has established a glasshouse where beds of herbs are linked by a complex system of pipes to water tanks containing barramundi.

As the barramundi grow, their waste is biologically transformed into safe plant nutrients and then used to feed parsley, basil and coriander. The only way that water leaves the system is through evaporation from the plants.

The unique and patented system, which is the first of its size and scale in the world, is forecast to produce over ten times more organically-certifiable food than traditional field horticulture.

UESA will sell the herbs and barramundi through its marketing partner, Edison, to Coles each week.

**The system is forecast to produce over ten times more organically-certifiable food than traditional field horticulture**

**Reducing energy use**

Energy efficiency initiatives offer an opportunity to reduce a significant business cost while generating positive benefits for the environment. This year, despite our growth, our total energy use for the Group was 29.8 petajoules, a slight decrease since last year. This shows a four per cent improvement in our energy efficiency, with petajoules used per million dollars revenue improving from 0.52 last year to 0.50 this year.

This year, Wesfarmers submitted its Energy Efficiency Opportunities Assessment Plan for the next five year cycle, as a registered entity under the *Energy Efficiency Opportunities Act 2006*. Last year's annual public Energy Efficiency Opportunities report is available on

our website and this year's will be available from December 2013.

More information on divisional energy use can be found in the Databank on page 46.

**Recycling, waste and packaging**

This year, we decreased our waste to landfill by 10 per cent to 143,515 tonnes. We also increased our recycling to 255,409 tonnes.

These waste improvements were largely driven by the rolling out of an organics recycling program to approximately one third of Coles supermarkets. Coles also expanded the SecondBite program, which now operates in approximately 420 stores. Coles' Community Food with SecondBite program redistributes

surplus fresh food to community food programs around Australia. There was also an increase in cardboard recycling at Coles in line with store growth.

As CSBP had removed contaminated soil and concrete waste from demolition in the previous year in preparation for its ammonium nitrate expansion, this year saw a significant decrease in the waste to landfill from our Chemicals, Energy and Fertilisers division.

More information on divisional waste and recycling can be found in the Databank on pages 46 and 47 of this report.

Wesfarmers is a signatory to the Australian Packaging Covenant (APC), which is a voluntary packaging waste reduction and recycling



**85** per cent lower emissions than a standard warehouse

**Blackwoods sets a new benchmark in sustainable building**

In March 2013, the Industrial and Safety division's Blackwoods business opened a new warehouse, office and showroom, in Karratha (WA), which was built based on the Green Building Council of Australia's Green Star Rating tool. As the owner of the land, Blackwoods was able to build the facility to the highest environmental specifications, to reduce its environmental impact and reduce operating costs. Some features of the facility include:

**Energy efficiency**

In the warehouse, efficient high bay lighting is linked to light sensors to turn off the

lights when there is enough daylight, and motion sensors to turn lighting on and off in areas that are used less frequently. The warehouse office also has efficient lighting and air conditioning with motion sensors in enclosed rooms.

**Solar power**

The building has a 40 kilowatt solar system which provides 60 per cent of the electricity required when operating at capacity. The combination of the energy efficient fit-out and the solar panels means the building is expected to have 85 per cent lower emissions than a standard warehouse.

**Air quality**

The warehouse office has improved indoor air quality as the air conditioning system provides 150 per cent more outside air than a standard building and the carpets, paints

and fittings were selected based on their low emission properties.

**Wastewater treatment**

The on-site wastewater treatment plant enables water to be reused in bathrooms and for irrigation in outdoor landscaped areas.

**Other features**

In addition, the timber used in the building is from a sustainable source. Bicycle parking spaces are available and sub-meters for electricity and water usage enable detailed consumption monitoring.

This facility sets a new benchmark for sustainable buildings in the Industrial and Safety property portfolio and elements of it will be used in future buildings where possible.

initiative between governments, the packaging industry, retailers and consumer brand owners. Wesfarmers' five year action plan and annual report are available via the APC website at [www.packagingcovenant.org.au](http://www.packagingcovenant.org.au). This covers packaging improvements from most of our divisions, including:

- a Bunnings review of packaging for more than 60 suppliers;
- improvements in fresh produce packaging at Coles;
- the Officeworks BringITBack program (see below for more detail); and
- a review of packaging at Kmart for garden products, audio visual accessories and linen.

Officeworks, Kmart and Target are all covered by the Product Stewardship (Televisions and Computers) Regulations, which require companies that manufacture or import television and computer equipment in Australia to fund the recovery and recycling of discarded equipment. Under their Product Stewardship Agreement with DHL Supply Chain, our businesses have funded the recovery and recycling of 54 tonnes of television and computer equipment this year.



### Officeworks provides end of life solutions for its products

Officeworks understands that its environmental responsibility for the products it sells extends beyond when a product leaves its stores.

In 2008, Officeworks Ballarat and Dandenong were the first retail destinations in Australia to trial the receipt of computer equipment for recycling. Building on the trial's success, it created the BringITBack program that was rolled out to more than 100 stores nationally in the 2013 financial year.

BringITBack is a free service exclusive to Officeworks that aims to keep old computers and computing accessories out of landfill. With the growth in electronics, this program will help find ways to recover valuable metals and materials previously sent to landfill. Up to 98 per cent of the equipment collected from this program will be recycled. During the year, 51 tonnes of waste, the equivalent to 5,100 computers, was collected across the participating Officeworks stores nationally.

The program is similar to the Cartridges for Planet Ark, MobileMuster, and Batteryback programs that provide our communities with a place to recycle their e-waste for free. This year, Officeworks collected more than 850,000 printer cartridges, 4,500 mobile phones and the equivalent of 72,000 AA batteries for recycling.



### Bunnings pursues packaging best practice

In January 2013, Bunnings commenced a three-month trial on four separate products to determine whether changes to secondary and tertiary packaging could provide environmental benefits as well as financial savings.

The trial demonstrated that reducing product packaging also reduced associated transport and labour costs, equating to operational cost savings on these four products alone of more than \$600,000 per annum, and a total saving of more than 276 tonnes CO<sub>2</sub>e per annum. As one example, a shift from individually wrapped plastic packaging to shrink wrapped cardboard cartons resulted in greater stacking efficiencies and handling properties.

As a direct result of the trial, Bunnings is currently revising packaging guidelines to all suppliers to demonstrate how similar efficiencies can be achieved. Over time, it is Bunnings' intent to mandate these guidelines.

Above  
Lyndhurst Distribution Centre, Victoria.

### Reducing water use

This year, the Group used 17,682 megalitres of water.

The biggest change in our water use this year relates to how water use data is captured at our Resources division's Curragh coal mine in Queensland. Located on 12,600 hectares, Curragh holds significant quantities of water in fifteen dams, including reclaimed water from the tailings dam, rainfall and groundwater removed from pits. This water is reclaimed for dust suppression, in the Coal Handling Preparation Plants (CHPP) and for other mining processes. Water that is used in the CHPPs is then returned to the tailings dam, and cycles through the process again.

With the commissioning of the new CHPP in 2012 Curragh has improved its on-site monitoring and measuring capabilities to capture the quantity of water that is reclaimed in this way. Additionally, Curragh can now measure the quantity of reclaimed water used for dust suppression purposes on-site from one of four water points. As a result Curragh has reported an additional 4,639 megalitres of reclaimed water was used on-site. For further detail on water recycling at our Curragh operation, see the case study on this page.

Excluding the additional reclaimed water data reported by the Resources division, our water use remains in line with last year's, despite our growth.

This year, Coles reduced its water consumption by 713 megalitres, or 18 per cent, through better identification of leaks and other water issues, after the introduction of smart meters into 174 supermarkets. This improvement was counteracted by the increases in water use due to the commissioning of the new CHPP at Curragh. Further information about divisional water use can be found in the Databank on pages 46 and 47 of this report.






### Water use by source

-  Scheme
-  Reclaimed
-  Surface
-  Recycled (external)
-  Ground

2013

17,682 Megalitres



	megalitres
	6,355
	4,801
	3,232
	1,814
	1,480



### Resources – increasing recycled water use

Above average rainfall throughout central Queensland over a number of wet seasons resulted in excess water being stored on-site in dams and pits. While our Curragh mine is allowed to release water into surrounding watercourses under certain conditions, the opportunities to do so are limited. As a result, Curragh investigated ways to reduce the need to purchase raw water (untreated water from local water sources) by increasing mine water re-use. With the commissioning of an additional Coal Handling Preparation Plant (CHPP) in the 2012 financial year, demand for raw water increased.

We identified an opportunity to recycle up to 80 per cent of the water returned from the two CHPPs to the tailings dam for future use in the CHPPs. This will reduce the reliance on water sourced from the Mackenzie River and increase the remaining life of the tailings dam.

The \$0.8 million project allowed for installation of a stand-alone pump, four kilometres of polyethylene pipeline and a solar electrical plant to be installed at the tailings dam to allow water to be pumped to the CHPP. The initial results, from April to the end of June 2013, indicate that the project has potential to reduce purchased water for this purpose by 15 to 20 per cent. The project also developed a water use tracking tool and metrics for measuring total site raw water use per tonne of coal produced. This is an exciting development as it will allow the site to determine water intensity values and set targets for raw water use.

Since the implementation of this project, we identified further possible improvements to increase recycled water volumes relating to the capacity of retention dams, drainage into these dams and the need to improve metering capabilities. Data collected over a 12 month period will be used to validate initial results and track cost savings.

**Above**  
The tailings dam at Curragh (Qld).

### Non-compliance/prosecutions

There have been no environmental prosecutions in any of our divisions during the year but we have engaged with regulators on a number of material environmental matters.

A small number of inspections at our Coles Express sites have resulted in notices being issued, which require upgrades or clean up works to be undertaken on stormwater management systems. Our alliance partner, The Shell Company of Australia (Shell), is responsible for any works involving the underground petroleum storage system, which includes stormwater management. Shell and Coles Express have worked closely to resolve these matters to the satisfaction of all parties.

During the year, a product imported by Bunnings had weight inserts which contained a plastic sleeve of untreated imported sand material. The Department of Agriculture and Food required the sand to be tested. No harmful material was identified but a product recall was undertaken as a precaution.

All the following environmental matters, which occurred in our Chemicals, Energy and Fertilisers division, were self-reported and none resulted in any material environmental harm.

In December 2012, CSBP Albany (WA) was issued with an environmental licence to operate. The licence included new surface water discharge criteria for nutrients, which CSBP initially found difficult to meet. CSBP exceeded the discharge limit for phosphorous on seven occasions, however two of these incidents occurred between the licence being issued and CSBP receiving it. On one of these occasions, the discharge limit for zinc was also exceeded. There was also a single incident where routine water samples were not taken and an incident investigation report did not include all the necessary information required by the licence. Improvements to equipment and processes on site have been implemented to address these issues. An internal review identified that the collection, handling and preservation of water samples collected at the Albany and Esperance depots vary from the mandated Australian standard. CSBP is undertaking a detailed review of sampling practices at site and seeking to revise the standards applicable to sampling. At Esperance groundwater monitoring identified that spillage of fertiliser was potentially washing into drains and finally into unlined soaks. Fertiliser handling practices are currently under review.

CSBP Kwinana (WA) exceeded the licence limit for manganese in wastewater discharged. The monthly average daily load limit for manganese in waste water for April was 0.268kg/day compared to our licence limit of 0.240kg/day. The licence limit has since been increased to 1.0kg/day after CSBP demonstrated that there is no ecological risk associated with the revised limit.

Water sampling and testing was not carried out in accordance with the groundwater abstraction licence operating strategy for the Wellard Road site (WA). An amendment to the operating strategy is being progressed, which will resolve the situation.

A lined stormwater dam overflowed at CSBP Bunbury (WA) after heavy rainfall, with no discernible impact identified.

During the year, groundwater extraction volumes at the Kleenheat Gas operation in Kwinana (WA) were in excess of the groundwater licence allocation. The groundwater is used for testing the on-site deluge system in accordance with the fire safety requirements for a Major Hazard Facility. An increase in the groundwater allocation has since been approved.

Australian Vinyls was issued with a Pollution Abatement Notice (PAN) following the emission of approximately 169 litres of ethyl chloroformate vapour in Laverton (Vic) over an extended period of time, due to a faulty pressure relief valve. No people were affected and the actions specified in the PAN are being implemented to schedule.

### Site remediation

Some of our businesses are actively managing contaminated sites.

Wesfarmers is involved in the remediation of several contaminated sites that were owned or leased by former Wesfarmers businesses that have ceased operations from the sites. Wesfarmers continues to undertake ongoing monitoring and reporting obligations on the sites, and in most cases active remediation activities have been completed.

The Chemicals, Energy and Fertilisers business CSBP continues to monitor groundwater and comply with the statutory audit process in relation to a former fertiliser site at Bayswater (WA).

### National Pollutant Inventory

Two of our divisions, Chemicals, Energy and Fertilisers, and Resources, are required to report under the National Pollutant Inventory (NPI). Full details are available on the NPI website [www.npi.gov.au](http://www.npi.gov.au), with 2012/13 data expected to be available in April 2014.

For three of our Chemicals, Energy and Fertilisers sites, NPI reports were submitted past the required date, as data showing the sites met the NPI reporting thresholds was not available until after this time.

### Other voluntary environmental reporting

As in previous years, Wesfarmers participated in the Carbon Disclosure Project (CDP) Carbon Survey this year and its submission is available at [www.cdproject.net](http://www.cdproject.net). Wesfarmers also participated in the CDP Water Survey and the CDP Forests Survey (which was previously the Forest Footprint Disclosure Project).

This year Wesfarmers is not reporting environmental expenditure as a separate item as it is increasingly incorporated into business-as-usual expenses.



## CSBP meeting environmental and production challenges

Following five years of research and development, CSBP achieved a win-win for both farmers' productivity and the environment with the launch of its new low water soluble phosphate pasture fertiliser Super SR in March 2013.

In 2007, the Western Australian State Government announced it was restricting the use of phosphate fertilisers in the Peel Harvey catchment to support minimisation of algal growth. CSBP took up the challenge to develop a fertiliser that was as effective as its mainstay pasture fertiliser Super Phos, but with a low water soluble phosphate component that allowed the sustained release of phosphate, thus reducing the risk of phosphate leaching into sensitive waterways.

CSBP continued research and development and launched Super SR in 2013.

Super SR has already been recognised by the industry, winning a 2012 Platypus Award from the Fertilizer Industry Federation of Australia and a 2012 Wesfarmers Innovation Gold Award.



# Governance for creating value

## Our 500,000 shareholders and more than 200,000 employees have an interest in the ongoing financial resilience of Wesfarmers.

Approximately 95 per cent of our revenue comes from Australia and more than 75 per cent of shares on issue are held in Australia. This means we have a significant economic impact on the Australian economy, as well as contributing to the economies of New Zealand and the countries from which we source products.

This year, we contributed \$1,591 million to governments in the form of taxes, levies and royalties and paid \$7,556 million in salaries, wages and other benefits to our employees. We paid \$2,083 million in dividends to our shareholders.

### Financial performance

A summary of our financial performance for the year is below and further detail can be found in our annual report, available on our website.

#### Economic contribution (\$ million)

Our stakeholders	FY2010	FY2011	FY2012	FY2013
Sales and operating revenue	51,827	54,875	58,080	59,832
Cost of goods, services etc	41,028	43,426	45,800	46,922
Value added by Wesfarmers <sup>1</sup>	10,799	11,449	12,280	12,910
Wages and salaries and other benefits	6,533	6,790	7,156	7,556
Dividends paid to shareholders	1,446	1,735	1,909	2,083
Interest paid on borrowings	616	472	445	402
Income tax and other government payments	1,130	1,287	1,499	1,591
Reinvested in the business <sup>2</sup>	1,036	1,111	1,212	1,249
Capital expenditure <sup>3</sup>	1,656	2,062	2,626	2,331
Depreciation and amortisation expense	917	923	995	1,071

<sup>1</sup> In addition to the value added shown above, Wesfarmers made direct community contributions of \$51.2 million (included in cost of goods and services) and facilitated indirect contributions to community organisations and charities of a further \$43.7 million. Source: Wesfarmers Limited Annual Reports 2010, 2011, 2012, 2013 (audited).

<sup>2</sup> Calculated as value added by Wesfarmers less payments made, including wages and salaries and other benefits, dividends paid to shareholders, interest paid on borrowings and income tax and other government payments.

<sup>3</sup> Cash paid for purchases of property, plant and equipment and intangibles.

Wesfarmers prides itself on its strong corporate governance. The Wesfarmers Board has established a robust corporate governance framework, which is underpinned by the following policies, available on our website:

- Code of Conduct;
- Group Whistleblower Policy; and
- Anti-bribery Policy.

The Board reviews this report and the Board's Audit Committee (which is comprised of non-executive directors) oversees the appointment of external auditors and assurers to ensure the accuracy of our external reporting.

A more detailed account of the governance structure and responsibilities of Wesfarmers, including the role and responsibilities of the Board, can be found in the corporate governance statement in our 2013 Annual Report on pages 60 to 73.

## Group-wide Anti-bribery Policy

The Wesfarmers Anti-bribery Policy sets out the responsibilities of our businesses and team members in observing and upholding the prohibition on bribery and related improper conduct and provides guidance on how to recognise and deal with instances of bribery and corruption. The policy applies across the Group and prohibits bribery and other forms of related improper conduct such as facilitation payments, secret commissions and money laundering.

The Group has developed a comprehensive compliance program to support the policy. The policy and the compliance program were developed after a risk analysis of each of the divisions was completed in 2012 to understand their risks of bribery and corruption. Each division must prepare an annual report on compliance with the policy at divisional level, and an annual report on compliance with the policy across the Group is presented to the Group Audit Committee each year.

Since the policy was adopted in April 2012 more than 6,500 employees from all of the divisions have received training in the policy. Participants in the training program comprise the vast majority of managers, members of the finance and audit teams, and other employees working in areas deemed to be at high risk of exposure to bribery and corruption, and will be repeated regularly. The policy and compliance program also implement a number of other controls, including in relation to the communication of the requirements of the policy to relevant stakeholders and in connection with the engagement of third parties.

Leading Tiwi Islander artist Pedro Wonaeamirri and senior artists from Melville Island (NT) officially danced at the Darwin opening of the touring exhibition *LUMINOUS WORLD: Contemporary art from the Wesfarmers collection*

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# Coles

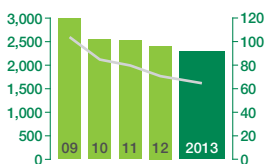


Coles has provided assistance and support for the launch of Australia's first Indigenous premium bottled water – Yaru Water, now in 160 stores in New South Wales.

## Greenhouse gas emissions

**2,289** Tonnes CO<sub>2</sub>e '000

■ Thousand tonnes CO<sub>2</sub>e (LHS)  
 — Tonnes CO<sub>2</sub>e per \$m of revenue (RHS)

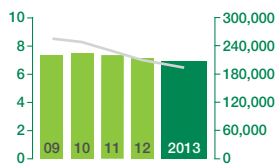


2013	2,289
2012	2,402
2011	2,524
2010	2,531
2009	2,979

## Energy use

**6.9** Petajoules

■ Petajoules (LHS)  
 — Megajoules per \$m of revenue (RHS)

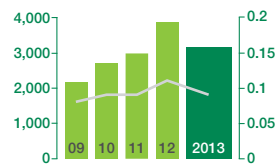


2013	6.9
2012	7.1
2011	7.3
2010	7.4
2009	7.3

## Water use

**3,145** Megalitres

■ Megalitres (LHS)  
 — Megalitres per \$m of revenue (RHS)



2013	3,145
2012	3,858
2011	2,983
2010	2,709
2009	2,170

**Coles is a leading food, liquor and convenience retailer in Australia, with brands including Coles and Bi-Lo supermarkets, First Choice Liquor, Liquorland, Vintage Cellars, Spirit Hotels and Coles Express.**

**We employ more than 99,000 team members and operate more than 2,290 outlets nationally that handle more than 19 million customer transactions a week. Our revenue this year was \$35.8 billion.**

### Highlights

#### Our community

This year, our community investment totalled \$38.5 million from Coles and its customers. Redkite was announced as our charity of the year with a goal of raising \$5 million by January 2014. Our food donations to Foodbank and SecondBite totalled over four million kilograms. More than 420 stores are now donating food via SecondBite to more than 900 community groups. We proudly received the Patron's Award from the Governor General for our donations to Foodbank over the past 10 years.

#### Australian sourcing

More than 90 per cent of Coles brand food and drink products are Australian grown or manufactured. As part of our Australian First Sourcing Policy, we held 'Meet the Buyer' events in five states to attract new local producers, resulting in more than 110 new products stocked. We also returned to sourcing our Coles Brand canned pineapple from Australia, with 4,000 tonnes of pineapple now sourced from growers in Queensland. In addition, all Coles brand frozen vegetables are now sourced from Tasmania and more than 80 per cent of Coles tinned fruit is sourced from the Goulburn Valley in Victoria. For more information on Coles' Australian sourcing, see page 12 of this report.

#### Health and wellbeing

During the year, we continued to make healthy food options available for our customers with the launch of 'Coles Simply Less' and no artificial additives and preservatives in all Coles bakery bread. We also met sodium reduction targets for Coles brand bread and breakfast cereals and made progress with processed meats and savoury pies.

#### Responsible liquor retailing and gambling

We continued to train our team on the responsible service of liquor and responsible gambling and work with government and regulators to support harm minimisation measures where required. Liquor promotions are developed in line with our Responsible Advertising and Promotion Guidelines. Our gambling operations and promotions are conducted in accordance with our Gambling Compliance Manual and our Responsible Gambling Initiatives.

#### Ethical sourcing

We undertake risk assessments in our supply chain and assess our suppliers against internationally recognised standards for ethical sourcing. This year we identified and resolved three critical non-conformances in Thailand and Malaysia. Despite media attention on Coles in relation to factory and working conditions in Bangladesh, we had a very limited presence in Bangladesh and now only source from other partner countries.

#### Responsible sourcing

This year, we delivered on our commitment to improve animal welfare standards in egg and pork farming. We received the RSPCA Good Egg Award and our phase out of sow-stall produced pork was achieved earlier than forecast. We sourced certified sustainable palm oil (CSPO) for Coles Simply Gluten Free Corn Chips, Ancient Grain Chips and Mixed Root Vegetable Chips and all palm oil used in mudcakes sold in New South Wales and Victoria is now CSPO.

#### Environment

We continued to reduce our store energy consumption via voltage optimisation technology to reduce electricity usage and LED lighting technologies to replace older less efficient lights. In May 2013, we opened our first store (Hallam, Vic) designed using the Green Building Council of Australia Green Star Rating tool. We expanded our soft plastic packaging recycling program to 480 supermarkets nationally and recycled 162,880 tonnes of solid waste, improving our recycling rate from 60 per cent last year to 63 per cent this year.

#### Safety

Capital works and new strategies to improve safety performance were implemented this year focusing on behavioural safety, manual handling injury prevention and site safety and security. Our safety performance, as measured by lost time injury frequency rate (LTIFR), improved by 27 per cent, with a LTIFR of 9.5 compared to 13.0 last year. This year our total recordable injury frequency rate was 56.3, based on a broader definition than that used in previous years, to ensure consistency across the Group.

### Material issues

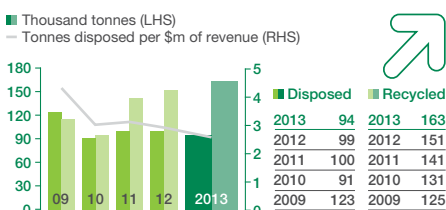
**Our business focuses on six key areas to improve our sustainability:**

- Training and development of our team.
- Customer trust in our produce range, value and quality.
- Water savings and energy efficiency of our stores.
- Workplace safety.
- Supporting the local communities in which we operate.
- Working with our suppliers to further develop strong sustainable relationships.

**Q More information on sustainability at Coles is available at [www.coles.com.au](http://www.coles.com.au)**

### Waste

**257** Tonnes '000



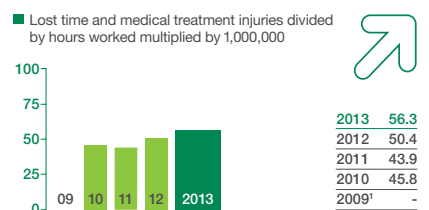
### Community contributions

**38.5** \$m



### Safety incidents

**56.3** Total recordable injury frequency rate



<sup>1</sup> Prior to 2010 we reported lost time injury frequency rate.

# Home Improvement and Office Supplies

## Bunnings

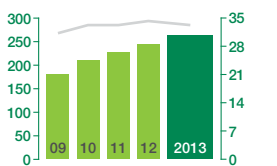


Kids workshops at a community family event at Bunnings Warehouse, Maribyrnong (Vic).

### Greenhouse gas emissions

**255** Tonnes CO<sub>2</sub>e\*000

■ Thousand tonnes CO<sub>2</sub>e (LHS)  
 — Tonnes CO<sub>2</sub>e per \$m of revenue (RHS)



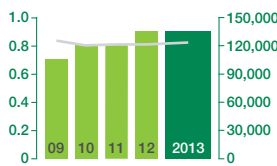
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2013	255
2012	243
2011	226
2010	211
2009	179

### Energy use

**0.9** Petajoules

■ Petajoules (LHS)  
 — Megajoules per \$m of revenue (RHS)



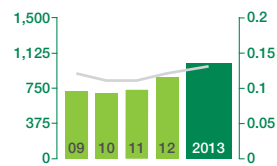
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2013	0.9
2012	0.9
2011	0.8
2010	0.8
2009	0.7

### Water use

**1,016** Megalitres

■ Megalitres (LHS)  
 — Megalitres per \$m of revenue (RHS)



↗

2013	1,016
2012	869
2011	732
2010	691
2009	717

**Bunnings is the leading retailer of home improvement and outdoor living products in Australia and New Zealand and a major supplier to project builders, commercial tradespeople and the housing industry.**

**Sales revenue during the year was \$7.7 billion. At year-end Bunnings employed more than 33,000 team members and operated a network of 210 warehouses, 67 smaller format stores, 37 trade centres and four frame and truss centres.**

**Highlights**

**Community support**

We continued to increase our community involvement in a localised, sincere and meaningful manner, with our teams supporting more than 49,000 local activities throughout the year. Actions included support for national and local community organisations through a wide variety of activities including fundraising sausage sizzles, hands on DIY projects, local fundraising activities, community workshops and product contributions. Work with local schools on sustainability activities included more than 1,600 school visits and projects across Australia and New Zealand.

**Stakeholder engagement**

We continued to provide free sustainability initiatives in many states, in partnership with accredited organisations. This included water saving showerhead exchanges with City West Water (Vic) and Water Corporation (WA);

the expansion of Battery Back, a household battery recycling program with Sustainability Victoria; and the provision of Smarter Choice information for customers in all New South Wales and Victorian warehouses.

**Safety**

This year there was an 18 per cent reduction in the number of injuries recorded and a 20 per cent reduction in the total recordable injury frequency rate, which was a pleasing result given the continued growth of our business. A business-wide focus on safety included increased awareness campaigns and a confidential 'safety at work' survey completed by more than 8,400 Australian and New Zealand team members.

**Ethical sourcing**

We continued to strengthen our sourcing practices with more suppliers becoming members of the Supplier Ethical Data Exchange program which aims to improve transparency in our supply chains in key areas of sensitivity. We continue to work collaboratively with Greenpeace and WWF on our timber procurement, and we are an active member of the federal government's Illegal Logging Stakeholder Working Group. We are confident that more than 99 per cent<sup>1</sup> of business-wide timber products are confirmed as from low risk plantation, verified legal, or certified responsibly sourced forests. Within that, more than 84 per cent of our total timber products are sourced from independently certified forest sources.

**Packaging and waste reduction**

Notwithstanding the growth in both the volumes transacted and the size of our store network, there was no increase in our total tonnes of waste to landfill. We achieved

a waste diversion rate of 67 per cent by volume, up three per cent from last year, via various recycling and packaging initiatives. We continue to work towards our goal of 85 per cent waste diversion. Our focus on reducing packaging waste also included a review of more than 60 suppliers to identify new opportunities for improvements in product packaging and freight efficiencies. Examples of best practice will be communicated to suppliers in the next year to further drive results in this area.

<sup>1</sup> By value purchased.

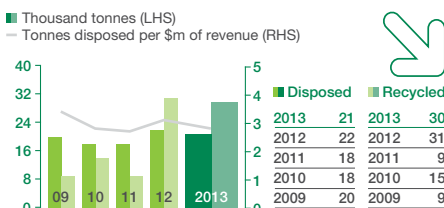
**Material issues**

- Ensuring that we have the support of all stakeholders in growing our community involvement in a localised, sincere and meaningful manner.
- Maintaining strong processes to ensure product sourcing continues to meet or exceed the needs of stakeholders.
- Maintaining or increasing our current levels of water conservation, waste reduction and recycling (on a like-for-like site basis) and finding new ways to reduce our reliance on grid-sourced energy, with a view to achieving further reductions in our overall carbon footprint.
- Maintaining a positive safety performance trend as we continue to grow our business, increase our store network and employ more team members.

**Q More information on sustainability at Bunnings available at [www.bunnings.com.au](http://www.bunnings.com.au)**

**Waste**

**51** Tonnes '000



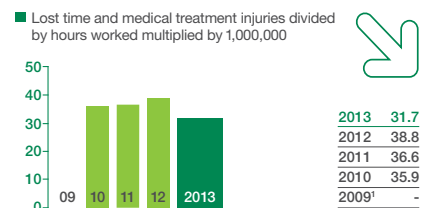
**Community contributions**

**30.9** \$m



**Safety incidents**

**31.7** Total recordable injury frequency rate



<sup>1</sup> Prior to 2010 we reported lost time injury frequency rate.

# Home Improvement and Office Supplies Officeworks

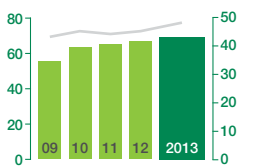


Our 150th store in Bayswater (Vic) uses LED lighting, which uses 56 per cent less energy than traditional metal halide lighting used in our older stores.

## Greenhouse gas emissions

**72** Tonnes CO<sub>2</sub>e\*1000

■ Thousand tonnes CO<sub>2</sub>e (LHS)  
— Tonnes CO<sub>2</sub>e per \$m of revenue (RHS)



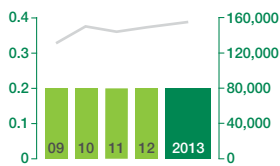
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2013	72
2012	67
2011	65
2010	63
2009	56

## Energy use

**0.2** Petajoules

■ Petajoules (LHS)  
— Megajoules per \$m of revenue (RHS)



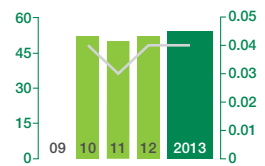
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2013	0.2
2012	0.2
2011	0.2
2010	0.2
2009	0.2

## Water use

**54** Megalitres

■ Megalitres (LHS)  
— Megalitres per \$m of revenue (RHS)



↗

2013	54
2012	52
2011	50
2010	50
2009 <sup>1</sup>	-

<sup>1</sup> Not recorded.

**Officeworks is Australia's leading retailer and supplier of office products and solutions for home, business and education. With more than 6,000 team members and 150 sites across the country, we cater for a broad range of customers that include businesses of all sizes, students and teachers, health care services, private, public and government organisations, as well as personal shoppers.**

**We provide our customers with three convenient ways to shop: a national network of retail stores; online at [officeworks.com.au](http://officeworks.com.au), or by telephone/fax. Our revenue this year was \$1.5 billion.**

### Highlights

#### Operating sustainably

This year, we assessed our stores' environmental footprint to help us develop and implement projects to reduce our environmental impact. The results indicate that the energy intensity of our new stores is on average 40 per cent more efficient than stores built before 2006. For example, LED lighting used in new stores is 56 per cent more energy efficient than the conventional lights used previously and is now included in the standard fit-out for new stores.

Trials of a waste reduction program saw landfill waste fall by 15 per cent and recycling increase by 19 per cent in one of our regions. Due to its success, we will be rolling this program out to all stores in the coming year.

Our safety team has introduced a requirement for all our stores to use non-hazardous and environmentally sound products for day-to-day in-store cleaning.

#### Sourcing responsibly

Our commitment to sustainable and ethical sourcing continues to be a priority. During the year, we released a position statement regarding Australian Grown and Manufactured Paper Products.

Consistent with this position statement, we have been engaged in an ongoing dialogue with Australian Paper, Australia's largest paper manufacturer, to encourage the increased use of post-consumer recycled fibre and plantation material in paper production. We were encouraged by Australian Paper's announcement during the year that it will invest in further capacity to use post-consumer recycled fibre in its paper production, which will increase the availability of locally produced recycled paper in our stores.

#### Offering sustainable services

We offer the Cartridges for Planet Ark, MobileMuster, Batteryback, and BringITBack programs throughout our store network to provide our communities with a convenient place to recycle their e-waste for free.

#### Community

At Officeworks we encourage all stores to support their local communities by engaging with local schools and kindergartens, not-for-profit organisations, amateur sporting clubs and other local groups. Over the last financial year Officeworks contributed more than \$1.1 million to Australian communities, directly and indirectly.

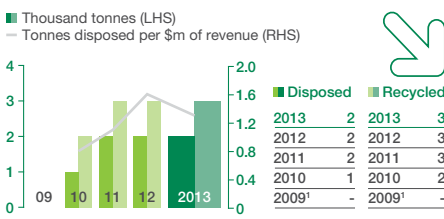
### Material issues

- Reducing our stores' environmental footprint and improving our environmental reporting.
- Continued focus on our ethical sourcing program, in particular the transparency of our forest products supply chain and ethical business practices.
- Providing our customers with information about products and services which lower their environmental impact and help them to make environmentally sensitive purchasing decisions.
- Contributing to the health and wellbeing of the communities in which we operate, including partnerships with organisations that support the education of young Australians.
- Looking after our team members and making Officeworks a great place to work.

**Q More information on sustainability at Officeworks is available at [www.officeworks.com.au/environment](http://www.officeworks.com.au/environment)**

## Waste

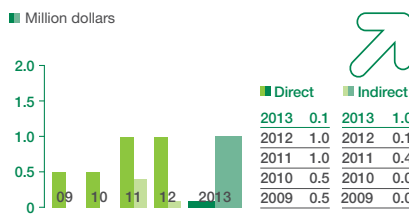
**5** Tonnes '000



<sup>1</sup> Not recorded.

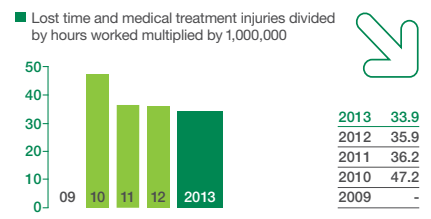
## Community contributions

**1.1** \$m



## Safety incidents

**33.9** Total recordable injury frequency rate



<sup>1</sup> Prior to 2010 we reported lost time injury frequency rate.



# Kmart

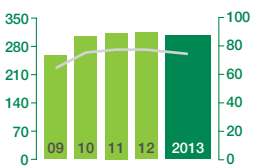


The Kmart Wishing Tree Appeal continues to provide support to those in need at Christmas, collecting more than 440,000 gifts and raising almost \$240,000 during the year.

## Greenhouse gas emissions

**309** Tonnes CO<sub>2</sub>e\*000

■ Thousand tonnes CO<sub>2</sub>e (LHS)  
 — Tonnes CO<sub>2</sub>e per \$m of revenue (RHS)

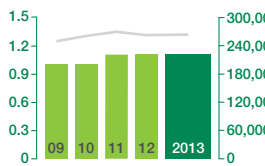


2013	309
2012	314
2011	312
2010	303
2009	257

## Energy use

**1.1** Petajoules

■ Petajoules (LHS)  
 — Megajoules per \$m of revenue (RHS)

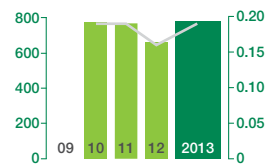


2013	1.1
2012	1.1
2011	1.1
2010	1.0
2009	1.0

## Water use

**777** Megalitres

■ Megalitres (LHS)  
 — Megalitres per \$m of revenue (RHS)



2013	777
2012	658
2011	767
2010	775
2009	-

**Kmart is one of Australia's largest retailers, with 190 stores throughout Australia and New Zealand, product sourcing offices in Hong Kong, China, Bangladesh and India, and more than 31,000 team members. Kmart carries a range of general merchandise and apparel products and is focused on ensuring families come first for the lowest prices on everyday items.**

**Kmart Tyre & Auto Service is one of Australia's largest retail automotive service, repair and tyre businesses, with a network of more than 260 stores.**

**Our total divisional revenue this year was \$4.2 billion.**

### Highlights

#### Energy efficiency at Kmart

We continue to trial initiatives to reduce the amount of energy used to heat and cool our stores. Results continue to be positive with the business expanding a trial to two more stores to assess this initiative further. Over the coming months, we plan to review the results of these trials to inform the scaling up of this initiative. In addition, we have undertaken a review on a range of energy efficiency initiatives and selected those that show potential suitability for stores. The business is now working through these initiatives in further detail and aims to trial them over the coming year.

#### Training our team

Buyers and planners are key roles in our business. This year, we have formalised a merchandise development program for trainee buyers and planners, aiming to increase our internal recruitment of buyer and planner roles from 20 per cent to 80 per cent by 2015. The program utilises facilitated learning, online training and coaching to ensure participants in these programs receive everything they need to be successfully promoted to buyer and planner roles.

#### Ethical sourcing

We have continued to strengthen our commitment to ethical sourcing throughout the year, with strong progress achieved on ensuring overseas factories that directly supply the business have been audited to Kmart standards. We plan to ensure all factories have been audited to our standards by the end of the 2013 calendar year.

In addition, we are committed to improving safety in all factories. In January this year, we conducted fire safety audits in all of our supplier factories in Bangladesh. These audits revealed some factories in high-risk environments, such as those located above market places or in multi-storey buildings. We have decided to exit these factories with no new orders being placed. For factories with lower-risk issues, we issued corrective action plans with a second round of audits conducted in May to check compliance with these plans. We have signed the Accord on Fire and Building Safety in Bangladesh and we continue to work closely with all stakeholders to ensure compliance with local requirements.

### Material issues

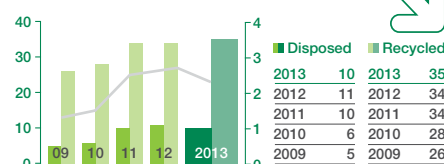
- Continuing to focus on energy use and introducing initiatives to reduce the amount of energy consumed.
- Reviewing packaging to ensure it is cost effective and meets the requirements of the Australian Packaging Covenant, while being easy to use for our customers and team members.
- Growing and developing the capabilities of our line managers and national office team members.
- Reducing the number of lost time injuries.
- Expanding our community program to ensure we support the communities in which we operate, throughout the world.
- Continuing to focus on the ethical sourcing of our products, aiming to exceed the needs of all our stakeholders.

More information on sustainability at Kmart is available at [www.kmart.com.au/social-responsibility](http://www.kmart.com.au/social-responsibility)

### Waste

**45** Tonnes '000

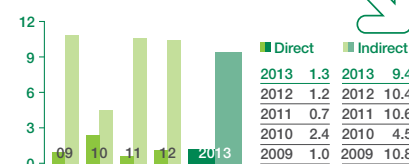
■ Thousand tonnes (LHS)  
— Tonnes disposed per \$m of revenue (RHS)



### Community contributions

**10.8** \$m

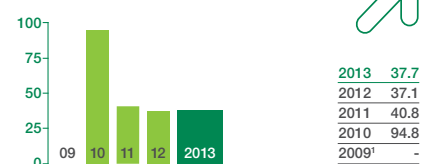
■ Million dollars



### Safety incidents

**37.7** Total recordable injury frequency rate

■ Lost time and medical treatment injuries divided by hours worked multiplied by 1,000,000



<sup>1</sup> Prior to 2010 we reported lost time injury frequency rate.

# Target

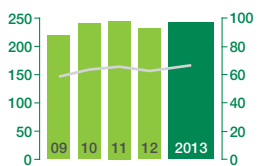


Women hold 45 per cent of all managerial positions at Target.

## Greenhouse gas emissions

**242** Tonnes CO<sub>2</sub>e\*000

■ Thousand tonnes CO<sub>2</sub>e (LHS)  
 — Tonnes CO<sub>2</sub>e per \$m of revenue (RHS)

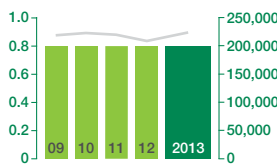


2013	242
2012	231
2011	245
2010	240
2009	220

## Energy use

**0.8** Petajoules

■ Petajoules (LHS)  
 — Megajoules per \$m of revenue (RHS)

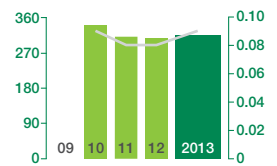


2013	0.8
2012	0.8
2011	0.8
2010	0.8
2009	0.8

## Water use

**315** Megalitres

■ Megalitres (LHS)  
 — Megalitres per \$m of revenue (RHS)



2013	315
2012	306
2011	311
2010	339
2009 <sup>1</sup>	-

<sup>1</sup> Not recorded.

**Target is a leading department store, with 308 Target, Target Country and Urban stores across Australia. Our range includes women's, men's and children's clothing, footwear, accessories, as well as nursery items, homewares, electrical, toys and other general merchandise.**

**We have more than 24,000 team members serving our customers and a growing online store with 58,000 products available, up from 36,000 last year. Our revenue this year was \$3.7 billion.**

### Highlights

#### Strengthening our ethical sourcing approach

On 7 June 2013, Target was one of the first Australian retailers to sign the Accord on Fire and Safety in Bangladesh, taking an active role in improving conditions for garment workers in Bangladesh. While not involving any of our suppliers, the tragic fire in the Rana Plaza factory in May 2013 emphasised the need for retailers to play an active part in this area. During the year, we also introduced a stricter policy prohibiting our suppliers from using unauthorised subcontracting to further promote visibility of our supply chain.

#### Increased focus women in leadership

Women hold 45 per cent of all managerial positions at Target. Eighty team members attended a summit on Women in Leadership to gain insights into the challenges and successes of women at Target and to build clear action plans to support further success.

#### Increasing training

We achieved a significant increase in training hours, due to a growing suite of online training programs, greater focus on compliance training across all roles, an increase in professional development training and more visibility of training course enrolments. Across the business we undertook 727,072 hours of training. This included courses on financial and commercial capability, product knowledge awareness and strategic planning and management skills.

#### Reducing silica gel packs

Target replaced silica gel packs with a recyclable alternative across all our footwear, removing 21.57 metric tonnes of silica waste during the year. We are currently trialling a similar replacement program for silica in handbags.

#### Improving our energy efficiency

We continue to improve the sustainable design of stores by using energy efficient LED accent lighting in all new stores that have a long life and also eliminate the use of heavy metals in lamps. A national trial to improve air-conditioning controls with variable temperature levels based on both external temperature and operating mode of stores is underway and has led to a five per cent reduction in energy use for the trial stores.

#### Improved safety performance

We achieved a 21 per cent overall reduction in total recordable injury frequency rate this year. Part of this improved performance was due to a coaching program delivered internally by the Target health and safety team, and further supported by regular follow up. The program was undertaken at sites with a higher than average injury frequency rate.

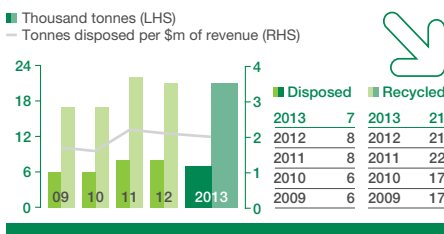
### Material issues

- Ensuring our product range meets the expectations of our customers, including that our product range has been sourced in a socially and environmentally responsible fashion.
- Safeguarding the sustainability of the Target business by building the right team to turnaround the business.
- Looking after the safety, diversity and development of our people.
- Minimising our environmental footprint.

More information on sustainability at Target is available at [www.target.com.au/html/aboutus/aboutus.htm](http://www.target.com.au/html/aboutus/aboutus.htm)

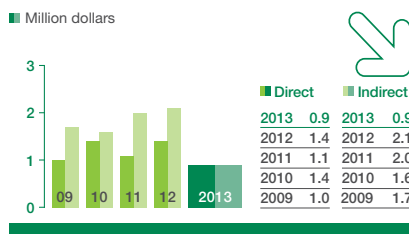
### Waste

**28** Tonnes '000



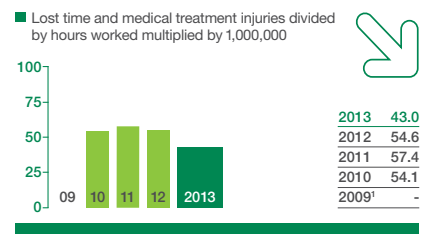
### Community contributions

**1.8** \$m



### Safety incidents

**43.0** Total recordable injury frequency rate



<sup>1</sup> Prior to 2010 we reported lost time injury frequency rate.

# Insurance

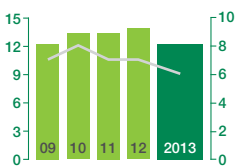


Insurance division leaders participated in the provision of free meals to the Sydney homeless as part of the '2WILD' leadership development program.

## Greenhouse gas emissions

**12** Tonnes CO<sub>2</sub>e '000

■ Thousand tonnes CO<sub>2</sub>e (LHS)  
 — Tonnes CO<sub>2</sub>e per \$m of revenue (RHS)



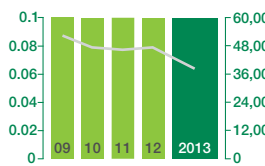
↙

2013	12
2012	14
2011	13
2010	13
2009	12

## Energy use

**0.1** Petajoules

■ Petajoules (LHS)  
 — Megajoules per \$m of revenue (RHS)



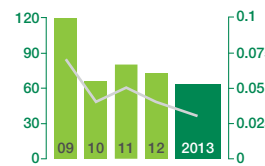
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2013	0.1
2012	0.1
2011	0.1
2010	0.1
2009	0.1

## Water use

**63** Megalitres

■ Megalitres (LHS)  
 — Megalitres per \$m of revenue (RHS)



↙

2013	63
2012	73
2011	80
2010	66
2009	119

**Wesfarmers Insurance operates in the general insurance and financial services sector. We provide underwriting and broking solutions to corporates, small-to-medium sized businesses, not-for-profit organisations and individuals across Australia, New Zealand and the United Kingdom. We operate in 128 locations in Australia, 36 in New Zealand and five in the United Kingdom with more than 3,600 people. Our revenue this year was \$2.1 billion.**

**Highlights**

**New health and safety program**

Our total recordable injury frequency rate has reduced from 7.1 in the previous year to 5.1 this year, which was a greater improvement than our target of 6.4. We are aiming to reduce this further in the coming year through an enhanced health and safety program, including improved risk management activities and training. Specific focus areas include motor vehicle travel, mental stress, ergonomics and building management. We also promoted health and wellbeing to our employees with more than 970 people participating in the Global Corporate Challenge.

**Making a difference to communities**

A key part of making Wesfarmers Insurance a great place to work is providing our people with a range of opportunities to contribute to communities in which they live and work. In the past year, our people in Crombie Lockwood built more than 25 eco-playhouses and

donated these to Kohanga Reo Community Centres. OAMPS Australia has made more than \$100,000 in contributions since 2012 to the Make-a-Wish Foundation from staff and customer donations, community events, raffles and trivia nights. Australian Underwriting donated to the Royal Flying Doctor Service, local communities and rural associations, and also participated in City to Surf, Jeans for Genes Day and Cancer Council's Australia's Biggest Morning Tea and, for the third year in a row, with OAMPS, Moverover.

**Developing our people**

We further embedded our Employee Value Proposition launched in 2011 through a range of new and enhanced initiatives including a new performance framework that measures behaviours as well as competencies, improving training to support a high performance culture, launching a new system to enhance visibility of job vacancies across the division, increasing our investment in technical training and re-aligning our incentive programs to provide the opportunity for greater rewards based on individual contribution to business results.

**Contributing to the development of the insurance industry**

We continued close engagement with the Insurance Council of Australia and the Insurance Council of New Zealand. Through these industry bodies, we have provided input into discussion about: the introduction of new Australian Prudential Regulation Authority capital requirements, changes to the Victorian Fire Services Levy, the independent review of the General Insurance Code of Practice, the introduction of new Reserve Bank of New Zealand capital requirements, appetite by global reinsurers to invest in the New Zealand market and the shift from square metre to sum-insured cover for domestic property insurance in New Zealand.

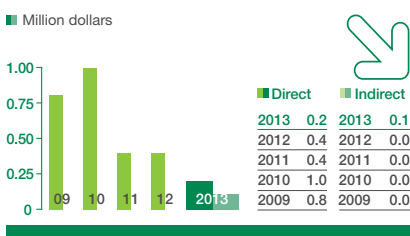
**Material issues**

- Effectively responding to catastrophe events, including the impacts on customers, suppliers and the re-insurance market.
- Continuing to provide ongoing training and development for our people to increase retention.
- Continuing to improve our work environment to create a safe and diverse workplace.
- Ensuring our businesses have a positive impact on the communities where we operate to create strong and enduring relationships.
- Continuing to provide input into the development of effective regulatory systems for the insurance industry and contributing to policy development and regulatory programs.

More information about sustainability at Wesfarmers Insurance is available at [www.wesfarmersinsurance.com.au/community](http://www.wesfarmersinsurance.com.au/community)

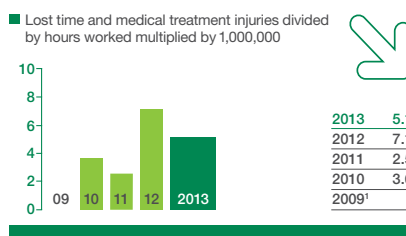
**Community contributions**

**0.3 \$m**



**Safety incidents**

**5.1 Total recordable injury frequency rate**



<sup>1</sup> Prior to 2010 we reported lost time injury frequency rate.

# Resources



**Traditional owners at a 'scar tree' on the Curragh site, where, historically, bark was removed by local Aboriginal people to produce everyday items such as containers, canoes and medicines.**

## Greenhouse gas emissions

**668** Tonnes CO<sub>2</sub>e '000

■ Thousand tonnes CO<sub>2</sub>e (LHS)  
 — Tonnes CO<sub>2</sub>e per \$m of revenue (RHS)



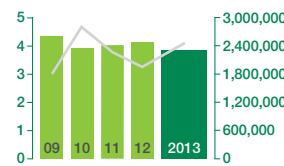
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2013	668
2012	690
2011	694
2010	715
2009	708

## Energy use

**3.8** Petajoules

■ Petajoules (LHS)  
 — Megajoules per \$m of revenue (RHS)



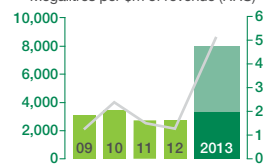
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2013	3.8
2012	4.1
2011	4.0
2010	3.9
2009	4.3

## Water use

**7,920** Megalitres

■ Megalitres surface/municipal water (LHS)  
 ■ Megalitres reclaimed water (newly reported) (LHS)  
 — Megalitres per \$m of revenue (RHS)



↗

2013	7,920
2012	2,742
2011	2,707
2010	3,402
2009	3,045

**Wesfarmers Resources is a significant Australian open-cut miner and a leading metallurgical coal producer and exporter and supplier of thermal coal for domestic power generation. We operate the Curragh open cut coal mine near Blackwater in Queensland's Bowen Basin and have a 40 per cent interest in the Bengalla mine in the Hunter Valley of New South Wales. We employ 659 people and our revenue this year was \$1.5 billion.**

**Highlights**

**Improved safety performance through safety interactions**

This year the total recordable injury frequency rate was reduced from 18.8 to 14.8, a decrease of 21 per cent. A new initiative at Curragh based on safety interactions between employees has empowered the workforce to take ownership for site safety performance. This process has been recognised as a valuable concept to enable Curragh to reach its ultimate goal of an injury free workplace.

**A new Cultural Heritage Management Plan for Curragh**

In June 2011, Curragh commenced a consultation process with the traditional owners of the land. In November 2012, we signed a Queensland government-approved Cultural Heritage Management Plan which provides management measures and defines responsibilities to protect Aboriginal cultural heritage, for sites such as the scar tree pictured.

**Improved biodiversity management**

Conserving the biodiversity within the mining lease involves protecting natural habitats and addressing threats such as invasive species. Through greater fire management and weed control programs Curragh has been able to better protect five Endangered Regional Ecosystems through a Consolidated Environmental Management Plan.

**Energy efficiency – solar energy**

Solar energy has been adopted in two projects at Curragh as part of an ongoing drive to make the site more energy efficient. The new waste transfer facility uses solar generated electricity to power lighting and all electrical components of the facility. The water recycling project for the new Coal Handling Preparation Plant also uses solar energy to provide lighting and maintain starting capacity for a diesel powered pump.

**Supporting local communities in time of adversity**

Following the flooding in central Queensland caused by Cyclone Oswald, we established the Curragh Flood Recovery Fund to support community and not-for-profit organisations in the Rockhampton region. Twelve organisations affected by the flood received grants of up to \$2,500 each.

**Support for Indigenous education**

During the year, the Resources division established a new partnership with the Australian Indigenous Mentoring Experience (AIME). The partnership will see the AIME program, which improves the chances of Indigenous children finishing high school, delivered to around 100 Indigenous high school students at Central Queensland University.

**Better water use data**

Improved monitoring means we are now able to capture data about the use of reclaimed water at our Curragh site (4,639 megalitres this year). For more information, see page 20 of this report.

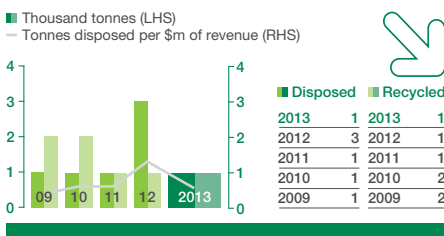
**Material issues**

- Reducing the number of people injured on-site.
- Complying with our environmental approvals to maintain our licence to operate.
- Monitoring of airborne dust.
- Improving our progressive rehabilitation.
- Reducing the amount of waste to landfill and increasing recycling.
- Reducing use of raw water and increasing use of reclaimed water.
- Improving the efficiency of energy use on-site.
- Maintaining the integrity of cultural heritage on-site.

**More information sustainability at Wesfarmers Resources is available at [www.wesresources.com.au/sustainability](http://www.wesresources.com.au/sustainability)**

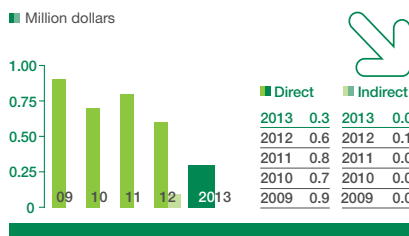
**Waste**

**2** Tonnes '000



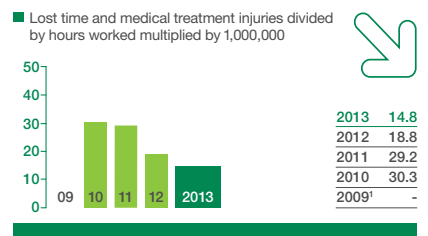
**Community contributions**

**0.3** \$m



**Safety incidents**

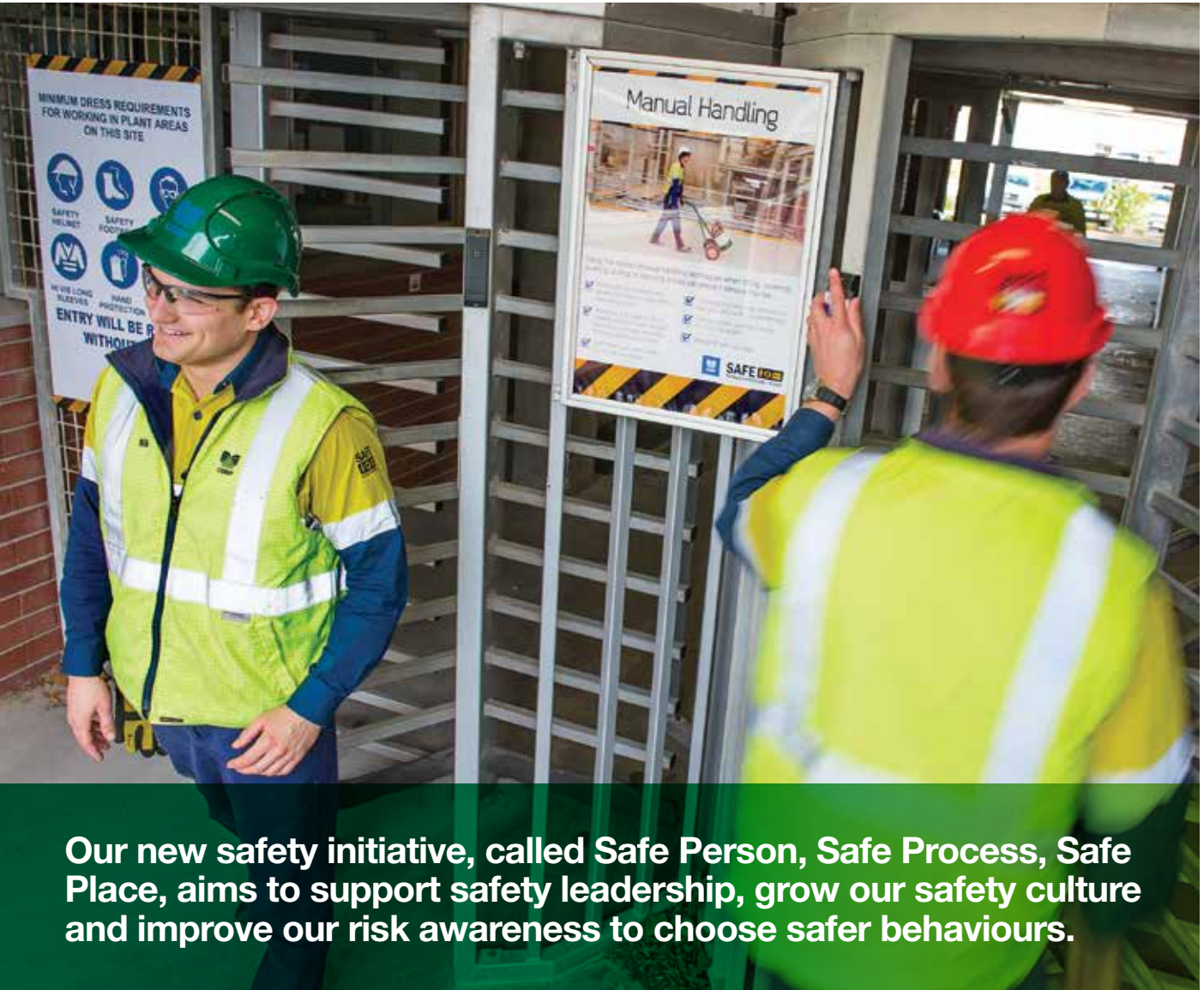
**14.8** Total recordable injury frequency rate



<sup>1</sup> Prior to 2010 we reported lost time injury frequency rate.



# Chemicals, Energy and Fertilisers

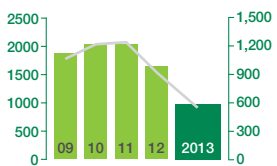


**Our new safety initiative, called Safe Person, Safe Process, Safe Place, aims to support safety leadership, grow our safety culture and improve our risk awareness to choose safer behaviours.**

## Greenhouse gas emissions

**979** Tonnes CO<sub>2</sub>e\*000

■ Thousand tonnes CO<sub>2</sub>e (LHS)  
 — Tonnes CO<sub>2</sub>e per \$m of revenue (RHS)

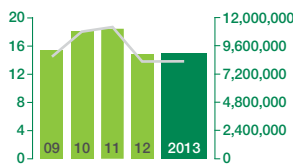


2013	979
2012	1,626
2011	2,023
2010	2,025
2009	1,863

## Energy use

**14.8** Petajoules

■ Petajoules (LHS)  
 — Megajoules per \$m of revenue (RHS)

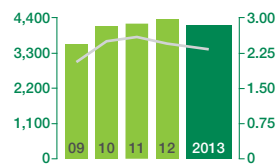


2013	14.8
2012	14.7
2011	18.3
2010	17.9
2009	15.2

## Water use

**4,178** Megalitres

■ Megalitres (LHS)  
 — Megalitres per \$m of revenue (RHS)



2013	4,178
2012	4,347
2011	4,220
2010	4,143
2009	3,591

Data for 2009 and 2010 is an aggregation of data previously reported for the (then) Energy and Chemicals and Fertilisers divisions and includes Coregas.

**Wesfarmers Chemicals, Energy and Fertilisers (WesCEF) operates chemicals, gas and fertiliser businesses that service sectors in both Australian and overseas markets. We also have a 50 per cent interest in an ammonium nitrate facility in Queensland (QNP), but we do not operate that business and it is not included in this report. We have operations around Australia, employ more than 1,500 people, and our revenue this year was \$1.8 billion.**

**Highlights**

**Improved safety performance – Safe Person, Safe Process, Safe Place**

During the year, we implemented a broad range of safety initiatives under the banner ‘Safe Person, Safe Process, Safe Place’ to create engagement and momentum to support safety leadership, grow our safety culture and improve our risk awareness to choose safer behaviours across all businesses. We also introduced a safety behaviour program in our fertilisers business. During the year, there was a 24 per cent reduction in total recordable injury frequency rate compared with last year.

**Water recycling**

Following a successful trial that started in May 2013, all MDEA (MethylDiEthanolAmine) contaminated water from CSBP’s ammonia plant is now re-used in the fertiliser granulating plant. As well as the environmental benefits of increased recycling and reduced waste, the cost of water disposal is kept in-house, which is a big saving to the ammonia business.

**Reducing greenhouse gas emissions**

CSBP achieved a further significant reduction in greenhouse gas emissions during the year. Following trials last year, secondary nitrous oxide abatement catalyst was installed across the two nitric acid plants. The plants have achieved an average 85 per cent total nitrous oxide abatement.

**Diversifying phosphate rock supply**

CSBP’s regenerative thermal oxidiser (RTO), which was commissioned in April 2012, has been in operation for a full superphosphate production season. Although operational issues continue to be addressed, the RTO has successfully diversified our phosphate raw material supply options. The RTO has enabled us to use a wider range of phosphate rock supply options and, since the commissioning of the RTO, we have not imported phosphate rock from the Western Sahara. We will continue to monitor the RTO’s performance and review our phosphate rock supply options as we head into each production season.

**Cultural awareness training and Indigenous engagement**

In line with our Aboriginal and Torres Strait Islander Engagement and Employment Strategy, 53 senior managers completed a two-day cultural awareness training course and 57 team members completed a half-day cultural awareness training course during the year and the number of Aboriginal and Torres Strait Islander employees increased from nine to 15. We continued to build relationships, particularly with the Clontarf Foundation and the Kwinana Aboriginal community.

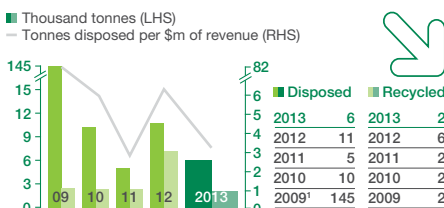
**Material issues**

- Continuing to improve workplace safety using Safe Person, Safe Process, Safe Place.
- Continuing to improve energy efficiency to reduce greenhouse gas emissions.
- Increasing consumption of recycled water to reduce scheme water use.
- Continuing to develop, engage and retain our employees.
- Continuing to contribute to and engage with the communities in which we operate.

**Q More information on sustainability at WesCEF is available at [www.wescef.com.au](http://www.wescef.com.au)**

**Waste**

**8 Tonnes**  
‘000



<sup>1</sup> The soil disposal element of a contaminated site remediation was concluded in 2009.

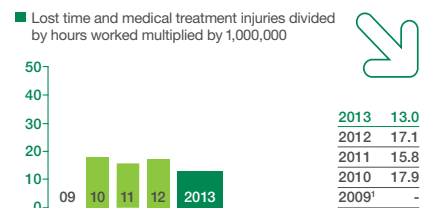
**Community contributions**

**0.5** \$m



**Safety incidents**

**13.0** Total recordable injury frequency rate



<sup>1</sup> Prior to 2010 we reported lost time injury frequency rate.

# Industrial and Safety

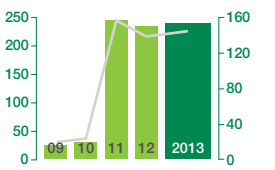


Receiving ethically sourced product at Blackwoods, Karratha (WA).

## Greenhouse gas emissions

**238** Tonnes CO<sub>2</sub>e\*000

■ Thousand tonnes CO<sub>2</sub>e (LHS)  
 — Tonnes CO<sub>2</sub>e per \$m of revenue (RHS)

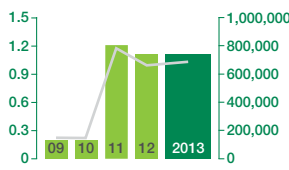


2013	238
2012	233
2011	243
2010	30
2009	25

## Energy use

**1.1** Petajoules

■ Petajoules (LHS)  
 — Megajoules per \$m of revenue (RHS)

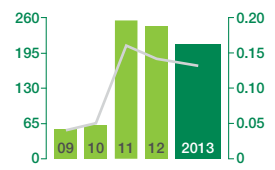


2013	1.1
2012	1.1
2011	1.2
2010	0.2
2009	0.2

## Water use

**211** Megalitres

■ Megalitres (LHS)  
 — Megalitres per \$m of revenue (RHS)



2013	211
2012	242
2011	254
2010	63
2009	55

Data for 2009 and 2010 does not include Coregas, which was part of the (then) Energy division.

**Wesfarmers Industrial and Safety (WIS) is Australia and New Zealand's leading supplier of industrial and safety consumables.**

**With 222 outlets and 145 gas distribution points, we trade in Australia as Blackwoods, Protector Alsafe, Bullivants, Total Fasteners and Coregas. In New Zealand, we trade as Blackwoods Protector, Packaging House, NZ Safety and Safety Source and in Indonesia, we trade as PT Blackwoods. As at 30 June 2013 we employed more than 3,500 people and our revenue this year was \$1.6 billion.**

**Highlights**

**Supply chain sustainability**

During the year, we updated our supplier engagement process and worked with a third of our top 300 Australian and New Zealand suppliers to reduce risk in ethical sourcing, dangerous goods, safety, competition and consumer legislation and chain of responsibility requirements. We also promoted sustainability with our suppliers through our annual Supplier of the Year awards.

Our global sourcing team continued to audit existing suppliers and screen new suppliers against our ethical sourcing standard operating procedures.

**Our people**

We improved our safety performance with our total recordable injury frequency rate reducing to 18.0 from 24.7 in the previous year. This was achieved through continued implementation of safety projects, such as improvements in the processes for goods stored at height.

This year we launched 40 new online courses and team members completed nearly 16,000 courses, including inductions, team member development, operational processes and product knowledge.

We established localised Regional Steering Committees to support the implementation of our Aboriginal and Torres Strait Islander Strategy. We conducted our third diversity survey, the results of which will improve our ability to attract and retain women in our workforce. We worked with CRS Australia, a federal government organisation which provides opportunities for disabled individuals seeking to re-enter the workforce.

**Environmental impact**

We continued to invest in energy efficiency with lighting retrofits at four facilities in Australia and the installation of a variable speed drive at Coregas in Port Kembla, to match energy supply to energy demand. We added 47 hybrid vehicles to replace less efficient vehicles, bringing the total number of hybrids in our fleet to 217.

During the year, we opened a new Blackwoods warehouse, office and showroom in Karratha, which leads the way for facilities of its type in terms of sustainable buildings. For further details, see the case study on page 18 of this report.

**Delivering safe and sustainable products and services**

We continue to promote safety products and our range of sustainable products through regular marketing publications and catalogues. We also commenced a review of packaging for both our own brands and for key suppliers' products to assess packaging for material reduction, freight optimisation, safety, sustainable materials, sustainable disposal and labelling.

**Community support**

We provided direct contributions of more than \$200,000 to nationally supported initiatives and local community organisations.

Blackwoods sponsored the Indigenous Academy at North Melbourne Football Club to assist Indigenous youth to become leaders in their communities. We facilitated donations to The Fred Hollows Foundation of more than \$34,000. We also supported five team members to visit the Northern Territory for the See Australia program to witness the work of The Fred Hollows Foundation in Indigenous communities.

We sponsored two team members to visit the Kimberley region of Western Australia as part of the Group-wide Jawun secondment program.

Our New Zealand businesses continued to support St John Ambulance, the Cancer Council and the Hihi bird breeding program.

**Material issues**

**As a supplier of industrial safety products and services, our material issues are:**

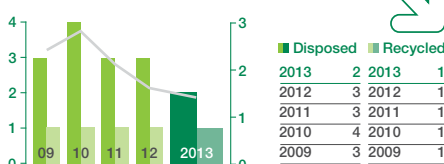
- The sustainability of our supply chain, including ethical labour standards and the environmental impact of manufacturing products.
- The safety and diversity of our people and our own operational environment impact.
- Delivering safe and sustainable products and services to customers on time to help them meet their business objectives.

**Q More information on sustainability of our Industrial and Safety businesses is available at their websites**

**Waste**

**3** Tonnes '000

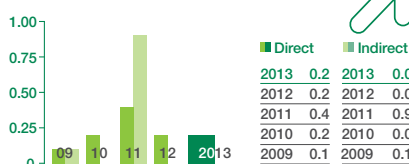
■ Thousand tonnes (LHS)  
— Tonnes disposed per \$m of revenue (RHS)



**Community contributions**

**0.2** \$m

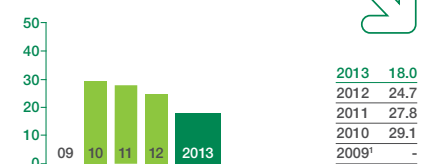
■ Million dollars



**Safety incidents**

**18.0** Total recordable injury frequency rate

■ Lost time and medical treatment injuries divided by hours worked multiplied by 1,000,000



<sup>1</sup> Prior to 2010 we reported lost time injury frequency rate.

## Other businesses

**In addition to the businesses included in this report, Wesfarmers also holds major investments in the following companies.**

### Queensland Nitrates Pty Ltd (QNP)

Through WesCEF, Wesfarmers owns a 50 per cent interest in QNP, located at Moura in central Queensland. QNP is an ammonium nitrate producer and services the mining sector in the Bowen Basin.

For further information, please visit [www.dawsonvalley.net/QNP](http://www.dawsonvalley.net/QNP)

### Bengalla coal operation

Through our Resources division, Wesfarmers owns a 40 per cent interest in the Bengalla coal operation in the Hunter Valley in New South Wales, through a joint venture with Coal and Allied, a member of the Rio Tinto group of companies. The Bengalla operation produces steaming coal for domestic and export markets.

For further information, please visit [www.coalandallied.com.au](http://www.coalandallied.com.au)

### Gresham Partners Group Limited

Wesfarmers owns a 50 per cent interest in Gresham Partners Group Limited, the holding company for the Gresham Partners investment banking operations. In addition, we are a participant in the Gresham Private Equity wholesale investment funds with underlying investments in mining services, logistics and other specialist sectors.

For further information, please visit [www.gresham.com.au](http://www.gresham.com.au)

### BWP Trust

Wesfarmers owned 24.3 per cent of BWP Trust as at 30 June 2013, which develops and owns properties for our Bunnings business and other retail/commercial companies.

For further information, please visit [www.bwptrust.com.au](http://www.bwptrust.com.au)

### Wespine Industries

Wesfarmers owns 50 per cent of Wespine, which operates a plantation softwood sawmill at Dardanup in Western Australia.

Wespine purchases the majority of its raw material through its plantation log supply agreement with the Western Australian Forest Products Commission, which is in place until 2033, thus providing long-term resource security for the business.

For further information, please visit [www.wespine.com.au](http://www.wespine.com.au)

# Global Reporting Initiative

The Global Reporting Initiative (GRI) has assessed this report to a **B+** application level. This table shows where you can find GRI disclosures either in this report, or in documents that are available at [www.wesfarmers.com.au](http://www.wesfarmers.com.au) (in bold). For further information about GRI reporting, go to [www.globalreporting.org](http://www.globalreporting.org) and for our full GRI Content Index for 2013, go to [www.wesfarmers.com.au/sustainability-reporting](http://www.wesfarmers.com.au/sustainability-reporting).

## Standard Disclosures Part II: Disclosures On Management Approach (DMAs)

Indicator	Disclosure	Level of reporting	Location of Disclosure
<b>DMA EC</b>	Economic performance	Fully	Governance for creating value
	Market presence	Fully	<b>Annual Report 2013, Section: Review of Operations</b>
	Indirect economic impacts	Fully	Our community
<b>DMA EN</b>	Materials	Fully	Our environment: Recycling, waste and packaging <b>GRI Content Index on website</b>
	Energy	Fully	Our environment: Reducing energy use
	Water	Fully	Our environment: Reducing water use
	Biodiversity	Fully	Resources: Improved biodiversity management <b>GRI Content Index on website</b>
	Emissions, effluents and waste	Fully	Our environment: Greenhouse gas emissions and carbon pricing
	Products and services	Fully	<b>GRI Content Index on website</b>
	Compliance	Fully	Our environment: Non-compliance/prosecutions
	Transport	Fully	<b>GRI Content Index on website</b>
	Overall	Fully	Our environment
<b>DMA LA</b>	Employment	Fully	Our people: Who we are and where we work
	Labor/management relations	Fully	Our people: Who we are and where we work
	Occupational health and safety	Fully	Our people: Health and safety
	Training and education	Fully	Our people: Investing in our people
	Diversity and equal opportunity	Fully	Our people: Gender diversity Our people: Reconciliation Action Plan Our people: Insurance puts the spotlight on women in leadership
<b>DMA HR</b>	Investment and procurement practices	Fully	Responsible sourcing
	Non-discrimination		Our people: Who we are and where we work
	Freedom of association and collective bargaining	Fully	Our people
	Child labor	Fully	Responsible sourcing: International sourcing
	Forced and compulsory labor	Fully	Responsible sourcing: International sourcing
	Security practices	Fully	<b>GRI Content Index on website</b> Our people: Reconciliation Action Plan
	Indigenous rights	Fully	Resources: A new Cultural Heritage Management Plan for Curragh
<b>DMA SO</b>	Community	Fully	Our community
	Corruption	Fully	Governance for creating value: Group-wide Anti-bribery policy
	Public policy	Fully	<b>GRI Content Index on website</b>
	Anti-competitive behavior	Fully	<b>GRI Content Index on website</b>
	Compliance	Fully	<b>GRI Content Index on website</b>
<b>DMA PR</b>	Customer health and safety	Fully	<b>Code of Conduct</b> <b>GRI Content Index on website</b>
	Product and service labelling	Fully	<b>Code of Conduct</b> <b>GRI Content Index on website</b>
	Marketing communications		<b>GRI Content Index on website</b>
	Customer privacy	Fully	<b>GRI Content Index on website</b>
	Compliance	Fully	<b>GRI Content Index on website</b>

## Standard Disclosures Part III: Performance Indicators

Indicator	Disclosure	Level of reporting	Location of Disclosure
<b>Economic</b>			
<b>Economic performance</b>			
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	Fully	Governance for creating value: Financial performance
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	Fully	<b>GRI Content Index on website</b>
EC3	Coverage of the organization's defined benefit plan obligations.	Fully	<b>2013 Wesfarmers Annual Report, p172 and 110</b>
EC4	Significant financial assistance received from government.	Fully	<b>GRI Content Index on website</b>
<b>Indirect economic impacts</b>			
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	Fully	Our community
<b>Environment</b>			
<b>Energy</b>			
EN3	Direct energy consumption by primary energy source.	Partially	Databank
EN4	Indirect energy consumption by primary source.	Fully	Databank, <b>GRI Content Index on website</b>
EN5	Energy saved due to conservation and efficiency improvements.	Fully	<b>2011/12 Wesfarmers Energy Efficiency Opportunities Public Report on website</b>
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	Fully	Our environment: CSBP meeting environmental and production challenges (case study) Industrial and Safety: Delivering safe and sustainable products and services
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	Fully	Our environment: Blackwoods sets a new benchmark in sustainable building (case study) Our environment: Bunnings pursues packaging best practice (case study)
<b>Water</b>			
EN8	Total water withdrawal by source.	Fully	Our environment: Reducing water use Databank
EN9	Water sources significantly affected by withdrawal of water.	Fully	Our environment: Reducing water use
EN10	Percentage and total volume of water recycled and reused.	Fully	Our environment: Reducing water use
<b>Biodiversity</b>			
EN13	Habitats protected or restored.	Fully	<b>GRI Content Index on website</b>
<b>Emissions, effluents and waste</b>			
EN16	Total direct and indirect greenhouse gas emissions by weight.	Fully	Databank
EN17	Other relevant indirect greenhouse gas emissions by weight.	Fully	Databank
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	Fully	Our environment: Blackwoods sets a new benchmark in sustainable building (case study) Our environment: Bunnings pursues packaging best practice (case study) <b>2011/12 Wesfarmers Energy Efficiency Opportunities Public Report on website</b>
EN20	NOx, SOx, and other significant air emissions by type and weight.	Fully	Our environment: National Pollutant Inventory <b>www.npi.gov.au</b>
EN22	Total weight of waste by type and disposal method.	Fully	Databank <b>GRI Content Index on website</b>
<b>Products and services</b>			
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	Fully	Our environment: CSBP meeting environmental and production challenges (case study)
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	Partially	Our environment: Recycling, waste and packaging Our environment: Officeworks provides end of life solutions for its products (case study)
<b>Compliance</b>			
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	Fully	Our environment: Non-compliance/prosecutions

Standard Disclosures Part III: Performance Indicators

Indicator	Disclosure	Level of reporting	Location of Disclosure
<b>Social: Labor Practices and Decent Work</b>			
<b>Employment</b>			
LA1	Total workforce by employment type, employment contract, and region.	Partially	Our people: Who we are and where we work
<b>Labor/management relations</b>			
LA4	Percentage of employees covered by collective bargaining agreements.	Fully	Our people: Workplace relations
<b>Occupational health and safety</b>			
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region.	Partially	Databank
<b>Training and education</b>			
LA10	Average hours of training per year per employee by employee category.	Partially	Our people: Investing in our people
<b>Diversity and equal opportunity</b>			
LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.	Partially	Our people: Gender diversity
<b>Social: Human Rights</b>			
<b>Investment and procurement practices</b>			
HR2	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.	Fully	Responsible sourcing: International sourcing
<b>Child labor</b>			
HR6	Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor.	Fully	Responsible sourcing: International sourcing
<b>Forced and compulsory labor</b>			
HR7	Operations identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of forced or compulsory labor.	Fully	Responsible sourcing: International sourcing
<b>Social: Society</b>			
<b>Community</b>			
SO1	Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting.	Partially	Our community Coles: Our community Bunnings: Community support Insurance: Making a difference to communities Resources: Supporting local communities in time of adversity
<b>Corruption</b>			
SO2	Percentage and total number of business units analyzed for risks related to corruption.	Fully	Governance for creating value: Group-wide Anti-bribery policy
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures.	Fully	Governance for creating value: Group-wide Anti-bribery policy
SO4	Actions taken in response to incidents of corruption.	Fully	Responsible sourcing: International sourcing
<b>Public policy</b>			
SO5	Public policy positions and participation in public policy development and lobbying.	Fully	Our reputation: Stakeholder engagement at Wesfarmers <b>GRI Content Index on website</b>
<b>Customer health and safety</b>			
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	Partially	Coles: Health and wellbeing <b>GRI Content Index on website</b>
<b>Product and service labelling</b>			
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information and labelling, by type of outcome.	Partially	<b>GRI Content Index on website</b>
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	Partially	<b>GRI Content Index on website</b>
<b>Marketing communications</b>			
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	Fully	Our community Coles: Responsible liquor retailing <b>GRI Content Index on website</b>



# Databank

## Greenhouse gas emissions (tonnes CO<sub>2</sub>e)

Business unit <sup>1</sup>	2009			2010			2011			2012			2013		
	Total	Scope 1&2 <sup>2</sup>	Scope 3 <sup>3</sup>	Total	Scope 1&2	Scope 3	Total	Scope 1&2	Scope 3	Total	Scope 1&2	Scope 3	Total		
Coles	2,978,518	2,183,867	346,989	2,530,856	2,148,630	375,178	2,523,808	2,011,400	390,209	2,401,609	1,919,731	369,743	2,289,474		
Bunnings	179,046	169,828	40,792	210,620	177,473	48,711	226,184	185,659	57,241	242,900	198,855	56,287	255,142		
Office Supplies	55,522	54,544	8,818	63,362	55,938	9,062	65,000	57,339	9,528	66,867	59,814	12,183	71,997		
Kmart	257,087	262,472	40,925	303,397	252,685	58,983	311,668	259,484	54,218	313,702	257,794	51,598	309,392		
Target	219,858	205,568	34,259	239,827	205,302	39,693	244,995	191,630	39,460	231,090	201,153	40,859	242,012		
Insurance	12,236	12,417	988	13,405	9,452	3,337	12,789	9,891	4,026	13,917	8,831	2,674	11,505		
Resources	707,725	672,426	42,962	715,388	649,374	44,652	694,026	644,384	45,549	689,933	621,205	46,451	667,656		
WesCEF <sup>4</sup>	1,862,605	1,929,684	94,903	2,024,587	1,875,740	147,001	2,022,741	1,493,883	131,621	1,625,504	874,369	104,732	979,101		
Industrial & Safety <sup>5</sup>	25,231	23,342	6,672	30,014	197,755	45,316	243,071	97,740	134,993	232,733	98,336	139,308	237,644		
Corporate	716	1,251	102	1,353	1,301	3,993	5,294	1,000	1,370	2,370	674	1,076	1,750		
<b>Group total</b>	<b>6,298,544</b>	<b>5,515,399</b>	<b>617,410</b>	<b>6,132,809</b>	<b>5,573,650</b>	<b>775,926</b>	<b>6,349,576</b>	<b>4,952,410</b>	<b>868,215</b>	<b>5,820,625</b>	<b>4,240,761</b>	<b>824,912</b>	<b>5,065,673</b>		

This data excludes our equity share of joint venture emissions, which was 269 thousand tonnes CO<sub>2</sub>e.

<sup>1</sup> Business unit data includes emissions in all countries of operation.

<sup>2</sup> Scope 1 and 2 data includes emissions for businesses where we have operational control under the NGER Act plus our emissions in New Zealand, the United Kingdom, several Asian countries and businesses we manage in Australia for which we do not exercise 'operational control' as defined by the NGER Act.

<sup>3</sup> Scope 3 data includes the indirect component of our Scope 1 and 2 emissions (such as transmitting the electricity we use), emissions from waste disposal and air travel.

<sup>4</sup> WesCEF data prior to 2011 is an aggregation of data from predecessor divisions, and includes Coregas.

<sup>5</sup> Industrial & Safety data from 2011 includes Coregas. Emissions data for that division changed in 2012 due to reclassification of Coregas emissions from Scope 2 to Scope 3.

## Energy use (petajoules)

Business unit	2009	2010	2011	2012	2013
Coles	7.29	7.39	7.27	7.08	6.88
Bunnings	0.73	0.77	0.82	0.87	0.94
Office Supplies	0.17	0.21	0.21	0.22	0.23
Kmart	0.99	1.04	1.08	1.06	1.09
Target	0.82	0.84	0.82	0.77	0.81
Insurance	0.09	0.08	0.08	0.09	0.08
Resources	4.31	3.94	4.00	4.13	3.76
WesCEF <sup>1</sup>	15.16	17.93	18.25	14.66	14.84
Industrial & Safety	0.19	0.19	1.21	1.11	1.12
Corporate	0.01	0.01	0.01	0.01	0.00
<b>Group total</b>	<b>29.76</b>	<b>32.40</b>	<b>33.75</b>	<b>30.00</b>	<b>29.75</b>

This data excludes joint ventures not operated by Westfarmers and energy use from air travel.

<sup>1</sup> WesCEF data prior to 2011 is an aggregation of data from predecessor divisions, and includes Coregas.

## Water use (megalitres)

Business unit	2009	2010	2011	2012	2013
Coles	2,170	2,709	2,983	3,858	3,145
Bunnings	717	691	732	869	1,016
Office Supplies	NR	52	50	52	54
Kmart	NR	775	767	658	777
Target	NR	339	311	306	315
Insurance	119	66	80	73	63
Resources	3,045	3,402	2,707	2,742	7,920 <sup>2</sup>
WesCEF <sup>1</sup>	3,591	4,143	4,220	4,347	4,178
Industrial & Safety	55	63	254	242	211
Corporate	7	3	4	4	3
<b>Group total</b>	<b>9,704</b>	<b>12,243</b>	<b>12,108</b>	<b>13,151</b>	<b>17,682</b>

NR means data was not collected or recorded.

<sup>1</sup> WesCEF data prior to 2011 is an aggregation of data from predecessor divisions and includes Coregas.

<sup>2</sup> This includes 4,639 megalitres reclaimed water not previously captured.

## Waste (tonnes)

Business unit	2009		2010		2011		2012		2013	
	Disposed	Recycled	Disposed	Recycled	Disposed	Recycled	Disposed	Recycled	Disposed	Recycled
Coles	122,570	125,363	90,961	131,242	100,107	141,022	98,902	151,300	94,365	162,880
Bunnings	19,898	9,150	17,936	14,488	17,991	9,419	22,061	30,715	20,970	29,642
Office Supplies	NR	NR	1,073	2,257	1,581	2,588	2,314	2,939	2,009	3,041
Kmart	5,235	26,362	6,126	28,387	10,062	34,134	11,038	34,359	9,649	35,052
Target	6,381	16,955	6,068	17,201	8,342	22,161	7,983	21,359	7,270	21,020
Insurance	NR	NR	NR	NR	NR	NR	168	504	NR	NR
Resources	960	2,162	869	2,251	1,083	459	2,801	825	922	617
WesCEF <sup>1</sup>	144,944	1,721	9,954	1,500	4,659	2,245	11,042	5,604	5,927	2,091
Industrial & Safety	3,103	659	3,645	543	3,252	591	2,788 <sup>2</sup>	546	2,399	1,055
Corporate	NR	NR	NR	13	63	20	9	19	4	11
<b>Group total</b>	<b>303,091</b>	<b>182,372</b>	<b>136,632</b>	<b>197,882</b>	<b>147,140</b>	<b>212,639</b>	<b>159,106</b>	<b>248,170</b>	<b>143,515</b>	<b>255,409</b>

NR means data was not collected or recorded.

<sup>1</sup> WesCEF data prior to 2011 is an aggregation of data from predecessor divisions, and includes Coregas. Waste disposal decreased significantly in 2010 due to the conclusion of the soil disposal element of a contaminated site remediation in 2009.

<sup>2</sup> Amended from previously reported figure of 2,007.

Community contributions (\$ million)

Business Unit	2009			2010			2011			2012			2013 <sup>2</sup>		
	Direct	Indirect	Total	Direct	Indirect	Total	Direct	Indirect	Total	Direct	Indirect	Total	Direct	Indirect	Total
Coles	12.36	7.36	<b>19.72</b>	7.32	1.85	<b>9.17</b>	15.61	6.70	<b>22.31</b>	19.04	2.88	<b>21.92</b>	33.21	5.24	<b>38.45</b>
Bunnings	3.61	11.92	<b>15.53</b>	2.03	18.06	<b>20.09</b>	3.28	23.09	<b>26.37</b>	2.82	24.97	<b>27.79</b>	3.91	27.04	<b>30.95</b>
Office Supplies	0.49	NR	<b>0.49</b>	0.51	0.00	<b>0.51</b>	0.97	0.38	<b>1.35</b>	1.01	0.05	<b>1.06</b>	0.10	1.01	<b>1.11</b>
Kmart	1.02	10.83	<b>11.85</b>	2.35	4.53	<b>6.88</b>	0.74	10.57	<b>11.31</b>	1.15	10.41	<b>11.56</b>	1.34	9.42	<b>10.76</b>
Target	0.99	1.68	<b>2.67</b>	1.44	1.64	<b>3.08</b>	1.10	2.02	<b>3.12</b>	1.38	2.05	<b>3.43</b>	0.88	0.93	<b>1.81</b>
Insurance	0.84	NR	<b>0.84</b>	0.96	0.00	<b>0.96</b>	0.41	0.03	<b>0.44</b>	0.38	0.00	<b>0.38</b>	0.24	0.06	<b>0.30</b>
Resources	0.86	NR	<b>0.86</b>	0.68	0.03	<b>0.71</b>	0.83	0.04	<b>0.87</b>	0.55	0.05	<b>0.60</b>	0.31	0.00	<b>0.31</b>
WesCEF <sup>1</sup>	0.69	0.00	<b>0.69</b>	0.44	0.01	<b>0.45</b>	0.29	0.00	<b>0.29</b>	0.49	0.00	<b>0.49</b>	0.51	0.03	<b>0.54</b>
Industrial & Safety	0.13	0.05	<b>0.18</b>	0.17	0.04	<b>0.21</b>	0.38	0.93	<b>1.31</b>	0.22	0.00	<b>0.22</b>	0.21	0.04	<b>0.25</b>
Corporate	4.78	0.01	<b>4.79</b>	3.70	0.02	<b>3.72</b>	10.19	0.01	<b>10.20</b>	4.78	0.01	<b>4.79</b>	10.44	0.02	<b>10.46</b>
<b>Group total</b>	<b>25.77</b>	<b>31.85</b>	<b>57.62</b>	<b>19.60</b>	<b>26.18</b>	<b>45.78</b>	<b>33.80</b>	<b>43.77</b>	<b>77.57</b>	<b>31.82</b>	<b>40.42</b>	<b>72.24</b>	<b>51.15</b>	<b>43.79</b>	<b>94.94</b>

NR means data was not collected or recorded.

Direct contributions include cash, product at cost and in-kind contributions at cost. Indirect contributions are those made by others where a Wesfarmers business facilitated and supported the contribution, such as customer donations to an appeal at point of sale.

<sup>1</sup> WesCEF data prior to 2011 is an aggregation of data from predecessor divisions and includes Coregas.

<sup>2</sup> The data in this table does not include 'management costs' as defined by LBG. In 2013 these were approximately \$4.10 million for our LBG-verified businesses.

Safety Incidents

Lost time injury frequency rate (LTIFR)<sup>1</sup>

Business Unit	2009	2010	2011	2012	2013
Coles <sup>2,6</sup>	15.6	12.9	17.0	13.0	<b>9.5</b>
Bunnings	14.6	12.5	13.4	13.3	<b>10.8</b>
Office Supplies	12.3	11.9	12.2	10.8	<b>9.8</b>
Kmart	11.2	9.0	6.8	9.3	<b>9.2</b>
Target	9.2	8.0	8.1 <sup>3</sup>	8.0	<b>7.8</b>
Insurance	2.2	0.9	0.8	2.7	<b>2.0</b>
Resources	2.5	2.1	1.3 <sup>3</sup>	1.7 <sup>5</sup>	<b>1.9</b>
WesCEF <sup>4</sup>	2.4 <sup>3</sup>	3.9 <sup>3</sup>	4.6	6.7 <sup>3</sup>	<b>5.2</b>
Industrial & Safety	2.4	1.6	2.3	2.4	<b>2.3</b>
Corporate	4.9	-	-	-	<b>2.6</b>
<b>Group total</b>	<b>13.1</b>	<b>10.9</b>	<b>12.9</b>	<b>10.9</b>	<b>8.9</b>

<sup>1</sup> LTIFR is the number of lost time injuries, divided by the total hours worked multiplied by one million. Contractor hours are excluded for retail businesses in accordance with industry standards.

<sup>2</sup> Coles data increased in 2011 in part due to a technical change in reporting methodology to ensure consistency across the Group.

<sup>3</sup> Figures restated due to a reclassification of incidents.

<sup>4</sup> WesCEF data prior to 2011 is an aggregation of data from predecessor divisions and includes Coregas.

<sup>5</sup> This includes six months of data from Premier Coal, which was sold during that year.

<sup>6</sup> Excludes Coles store support injuries and hours.

Total recordable injury frequency rate (TRIFR)<sup>1</sup>

Business Unit	2009	2010	2011	2012	2013
Coles <sup>5</sup>	NR	45.8	43.9	50.4	<b>56.3<sup>6</sup></b>
Bunnings	NR	35.9	36.6	38.8	<b>31.7</b>
Office Supplies	NR	47.2	36.2	35.9	<b>33.9</b>
Kmart	NR	94.8	40.8	37.1	<b>37.7</b>
Target	NR	54.1 <sup>2</sup>	57.4	54.6 <sup>2</sup>	<b>43.0</b>
Insurance	NR	3.6	2.5	7.1	<b>5.1</b>
Resources	NR	30.3	29.2	18.8	<b>14.8</b>
WesCEF <sup>3</sup>	NR	17.9 <sup>2</sup>	15.8 <sup>2</sup>	17.1 <sup>2</sup>	<b>13.0</b>
Industrial & Safety	NR	29.1	27.8	24.7	<b>18.0</b>
Corporate	NR	0.0	0.0	0.0	<b>10.3</b>
<b>Group total</b>	<b>NR</b>	<b>49.3<sup>4</sup></b>	<b>40.9</b>	<b>42.7</b>	<b>43.9</b>

<sup>1</sup> TRIFR is the number of lost time injuries and medical treatment injuries, divided by the total hours worked multiplied by one million. Contractor hours are excluded for retail businesses in accordance with industry standards.

<sup>2</sup> Figures restated due to a reclassification of incidents.

<sup>3</sup> WesCEF data prior to 2011 is an aggregation of data from predecessor divisions, and includes Coregas.

<sup>4</sup> The reported data in 2010 is likely to be higher than actual due to the inclusion of some first aid treatment incidents.

<sup>5</sup> Excludes Coles store support injuries and hours.

<sup>6</sup> This figure is based on a broader definition of 'total recordable injuries' than that used previously.

Number of hours worked by employees

Business Unit	2009	2010	2011	2012	2013
Coles	111,464,731	110,744,686	109,973,384	108,708,374	<b>112,366,433</b>
Bunnings	33,916,817	35,749,310	36,921,064	38,920,964	<b>39,227,800</b>
Office Supplies	6,257,964	6,613,388	6,984,777	7,028,507	<b>7,056,829</b>
Kmart	24,499,000	25,680,268	24,284,994	23,968,612	<b>24,431,019</b>
Target	20,664,453	20,204,521	21,110,499	19,524,502	<b>20,440,448</b>
Insurance	5,415,648	5,616,469	5,467,197	6,644,424	<b>7,079,796</b>
Resources	3,550,808	3,263,519	3,875,831	4,388,518	<b>1,250,127</b>
WesCEF <sup>1</sup>	4,253,030	3,841,739	3,488,097	3,536,418	<b>2,641,660</b>
Industrial & Safety	5,829,832	5,600,947	6,407,312	6,690,396	<b>6,327,043</b>
Corporate	412,513	400,975	329,970	373,347	<b>386,579</b>
<b>Group total</b>	<b>216,264,796</b>	<b>217,715,822</b>	<b>218,843,125</b>	<b>219,784,062</b>	<b>221,207,734</b>

<sup>1</sup> WesCEF data prior to 2011 is an aggregation of data from predecessor divisions, and includes Coregas.

Workers' compensation claims

Business Unit	2009	2010	2011	2012	2013
Coles	5,482	5,474	6,112	5,905	<b>5,812</b>
Bunnings	1,304	1,258	1,080	1,442	<b>1,155</b>
Office Supplies	240	209	215	187	<b>191</b>
Kmart	1,223	1,077	907	893	<b>796</b>
Target	834	757	765	716	<b>618</b>
Insurance	33	30	15	25	<b>40</b>
Resources	63	57	47	27	<b>21</b>
WesCEF <sup>1</sup>	62	61	58	51	<b>42</b>
Industrial & Safety	134	117	132	133	<b>121</b>
Corporate	3	0	3	1	<b>0</b>
<b>Group total</b>	<b>9,378</b>	<b>9,040</b>	<b>9,334</b>	<b>9,380</b>	<b>8,796</b>

<sup>1</sup> WesCEF data prior to 2011 is an aggregation of data from predecessor divisions, and includes Coregas.

# Independent Assurance Statement



To the Directors of Wesfarmers Limited:

Wesfarmers Limited (Wesfarmers) commissioned Net Balance Management Group Pty Ltd (Net Balance) to provide independent assurance of its 2013 Sustainability Report (the Report). This statement provides a brief summary of the assurance outcomes. A full copy of the assurance statement is provided at [www.wesfarmers.com.au/sustainability-reporting](http://www.wesfarmers.com.au/sustainability-reporting)

## Assurance standards, objectives and scope

1. Net Balance provided Type 2 assurance in accordance with AccountAbility's AA1000 (2008) Assurance Standard (AA1000AS). This involved assessing the organisation's adherence to the AA1000 AccountAbility Principles (2008) of Inclusivity, Materiality and Responsiveness and assessing the reliability and quality of the sustainability information contained within the Report.
2. Net Balance also assured selected performance data in accordance with Australian Standards on Assurance Engagements ASAE 3000 Assurance Engagements other than Audits or Review of Historical Financial Information ("ASAE 3000"). The selected performance data included the performance data detailed in the Databank on pages 46 and 47, subject to the limitations below, as well as disclosures on Aboriginal employee numbers and responsible sourcing. The relevant criteria are the GRI indicator protocols and Wesfarmers' reported criteria for the relevant Databank metrics detailed in footnotes on pages 46 and 47.

## Assurance level and limitations

The level of assurance provided under the AA1000AS was moderate, as defined by the scope and methodology described in this assurance statement.

The assurance covered the whole of the Report and focused on systems and activities of Wesfarmers during the reporting period, with the following exceptions:

- The scope of work did not involve verification of financial data, other than those relating to environmental, social or broader economic performance.
- Assurance of Scope 1 and 2 greenhouse gas emissions reportable under the *National Greenhouse and Energy Reporting Act 2007* (NGER legislation) in Australia was undertaken by another external auditor. This work was not replicated and Net Balance's opinion in the area of greenhouse gas emissions relies in part on the assurance opinion issued by the external auditor. Net Balance's assurance of greenhouse gas emissions covered all other data not reported under the NGER Legislation (Scope 3 emissions, non-Australian operations, and operations outside of Wesfarmers' operational control for the purposes of the Legislation).
- Assurance of Bunnings' waste and water data collection system and estimation methodology was undertaken by another external auditor. This work was not replicated and Net Balance's opinion in relation to the waste and water data relies in part on the assurance opinion issued by the external auditor.
- Assurance of detailed community contributions data for all divisions was undertaken by the London Benchmarking Group, with the exception of community contributions data for Home Improvement and Office Supplies, which was reviewed as part of Net Balance's assurance process.

In addition, the assurance of selected performance data in accordance with ASAE 3000 was limited.

## Our independence

In conducting this assurance engagement, Net Balance has met the requirements of our Independence Policy ([www.netbalance.com/services/assurance](http://www.netbalance.com/services/assurance)). Net Balance confirms that we are not aware of any issue that could impair our objectivity in relation to this assurance engagement. Net Balance has not had any part in collecting and calculating data, or in preparing report content covered by the scope of the engagement.

During the reporting period, Net Balance staff not involved in the assurance engagement undertook work for some of Wesfarmers' divisions. Net Balance assisted Bunnings with a waste and water data collection system. Where this occurred, the relevant processes have been excluded from the scope of this engagement and assured separately by a third party, Clear Environment, whose assurance statement is on the Wesfarmers website. Based on a review of the other unrelated work conducted for Wesfarmers' divisions against the requirements of our Independence Policy, Net Balance and Wesfarmers do not believe that our independence has been impaired.

## Our competency

The Wesfarmers assurance engagement was carried out by an experienced team of professionals led by a Lead Sustainability Assurance Practitioner. The project included personnel with expertise in environmental, social and economic performance measurement across a range of industry sectors. Net Balance is a global leader in the use of the AA1000AS, having undertaken more than 180 assurance engagements in Australia over the past seven years.

## Findings and conclusions

### Adherence to AA1000 Principles

#### Inclusivity

Wesfarmers is to be commended for taking important steps this year to engage more proactively with stakeholders. For example, Coles held 'Meet the Buyer' events in a number of states as part of its Australia First Sourcing Policy and signed several longer term contracts that have resulted in greater certainty for suppliers and fuelled new investment. At Target, information around the business restructure and resulting redundancies was communicated sensitively to employees.

We commend Kmart for its pledge to publish the addresses of all its clothing supplier factories in all countries. This response to the Rana Plaza factory collapse in Bangladesh demonstrates a strong commitment to improving transparency in the supply chain. Further, Kmart and Target, through the signing of the Accord on Fire and Safety in Bangladesh, are setting a benchmark for the Group and working to improve conditions for suppliers. This has contributed to addressing media attention received by Wesfarmers businesses during the year. We recommend that other divisions continue to strengthen their own approaches to ethical sourcing in a way that is relevant to their respective sectors and supply chains.

Finally, at a Group level, key stakeholder groups have been identified within this report. Key issues raised by each group have also been reported. This is an important first step and, in the future, we recommend that Wesfarmers provides more granular stakeholder detail on the issues raised by each key stakeholder group.

#### Materiality

The Report was found to have appropriately addressed Wesfarmers' key environmental, social and economic material issues in a balanced way. Wesfarmers has made significant progress this year through the development of its new Group-wide sustainability approach. This approach, outlined on page 4 of the Report, has helped Wesfarmers to shape its report into a more concise document which still covers the business' material issues. Each division has also been given the freedom to nominate its most material issues, which are presented in the 'Divisions' section of the Report. In the future, it is recommended that Wesfarmers also align the decisions relating to the Report content to the corporate strategic planning process.

The move this year to a leaner sustainability report has enabled Wesfarmers to provide more focused reporting on sustainability

performance, and the divisions an opportunity to respond to key stakeholder concerns and material issues through their own detailed narratives. Net Balance noted that some divisions have published their own detailed sustainability reports and we recommend that other divisions look to Target, Resources and Bunnings as effective examples. On the important issue of ethical sourcing, we note that a number of retail divisions have implemented systems to collect data on the number and value of international suppliers that have been directly engaged in ethical sourcing programs. We recommend that Wesfarmers disclose these metrics in future reports.

**Responsiveness**

In general, Wesfarmers appears to address the needs, concerns and expectations of its stakeholders in a timely way. This was demonstrated through a range of formal and informal communication mechanisms across the business, as well as using this Report to respond to issues raised by key stakeholder groups. Responsibility for developing responses was found to be spread across the Group and business divisions.

The business should also use stakeholder feedback to better inform strategic planning and decision-making processes at both the Group and business division levels. With some aspects of retail operations increasingly being portrayed negatively in the media, clear communication of stakeholder engagement outcomes is particularly important. For example, how Coles deals with its suppliers, and the retail divisions' approach to ethical sourcing, have been areas receiving significant internal focus partially in response to stakeholder concern. There are a number of examples in the Report where divisions have engaged directly with stakeholders on issues of concern.

**Reliability of performance information**

Based on the scope of the assurance process, the following was observed with regard to performance information:

- The findings of the assurance engagement provide confidence in the underlying systems and processes used for managing and reporting sustainability performance information.

- The level of accuracy of sustainability performance information was found to be acceptable.
- Data trails selected were identifiable and traceable, and the personnel responsible were able to reliably demonstrate the origin(s) and interpretation of data.
- The sustainability performance disclosures presented within the Report appropriately reflect environmental, social and economic performance achieved during the period.
- The GRI application level check classified the Report as Level B+.

**Opinion**

Overall, it is Net Balance's opinion that the information presented within the Report is fair in all material respects, and the Report was found to present a reliable account of Wesfarmers' sustainability performance during the reporting period.

Based on the ASAE 3000 procedures performed, nothing has come to our attention that would cause us to believe, that the selected performance data contained within the Report (and detailed in Assurance Standards, Objectives and Scope, above) are not prepared and presented in all material respects in accordance with relevant criteria.

**The way forward**

To ensure continued improvement of Wesfarmers' sustainability performance reporting, Net Balance has provided suggestions for reporting improvement in the Assurance Report presented to Wesfarmers' management.

On behalf of the Assurance Team  
27 September 2013  
Melbourne, Australia



**Kim Farrant**  
Associate Director, Net Balance  
Lead Certified Sustainability Assurance Provider



**Verification Statement from LBG Australia & New Zealand – 2013**

The LBG model helps businesses improve the measurement, management and reporting of their corporate community investment programs. It covers the full range of contributions (cash, time and in-kind donations) made to community causes.

As managers of LBG Australia & New Zealand, we can confirm that we have worked with Wesfarmers Ltd\* to verify its understanding and application of the LBG model with regard to the wide range of community programs supported.

Our aim has been to ensure that the evaluation principles have been correctly and consistently applied and we are satisfied that this has been achieved. It is important to note that our work has not extended to an independent audit of the data.

We can confirm that Wesfarmers Ltd\* has invested \$47,142,615\* (exclusive of management costs) in the community in this 2013 reporting year as defined by LBG methodology.

\*LBG verification did not include verification of data from the Home Improvement and Office Supplies division

**Verified by Simon J. Robinson & Jessica Pattison**

On behalf of LBG Australia & New Zealand  
October 2013

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# Wesfarmers

## How can we improve this report?

If you have any ideas how we can improve this report, please email us at sustainability@wesfarmers.com.au or give us your feedback on the form below. After completing the reply-paid form below, tear along the perforations and place in the mail.

# Feedback

## 2013 Sustainability Report

	YES	GENERALLY	NO
Did this report meet your information needs?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Did you find this report to be transparent and open?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Did you find the information easy to understand?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Did you find the information useful?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	POOR	GOOD	EXCELLENT
How would you rate our environmental performance?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
How would you rate our health and safety performance?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
How would you rate our community involvement?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	LESS FAVOURABLE	SAME	MORE FAVOURABLE
How has this report changed your opinion:			
– of our environmental practices?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
– of our health and safety practices?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
– of our community involvement?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

General comments you would like to make about this report.

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What is your interest in this report?

<input type="checkbox"/> Shareholder	<input type="checkbox"/> Employee
<input type="checkbox"/> Wesfarmers contractor/supplier	<input type="checkbox"/> Educator or student
<input type="checkbox"/> Industry advocate	<input type="checkbox"/> Public interest group
<input type="checkbox"/> Other (please specify) _____	

In what form would you prefer to receive this report?

<input type="checkbox"/> Paper	<input type="checkbox"/> Web-based
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Would you like us to respond to your comments?

If so, please provide your contact details below:

Name \_\_\_\_\_

Address \_\_\_\_\_

\_\_\_\_\_

Email \_\_\_\_\_

[www.wesfarmers.com.au](http://www.wesfarmers.com.au)



**Wesfarmers**