

IN FOCUS

A quarterly newsletter of stories from across the Wesfarmers Group



A MESSAGE FROM ROB

As we draw to the end of 2021, it's timely to reflect on the year that was. It was another year dominated by COVID-19 as the Delta variant swept across many parts of the world and Australia and now we are seeing rising waves again in parts of Europe.

This is a virus that cannot be eliminated - we must learn to live with it. What's important is how we plan for these next stages, particularly in Australia as many parts of the nation open for business and welcome back the world. Personally - I'm looking forward to borders reopening to allow us all to see family and friends and to run our businesses in the best way we can.

Vaccination is the clear path forward and we expect our workforce to be fully vaccinated by early in the new year. We are also requiring new team members joining our businesses to be vaccinated. We continue to offer our permanent team members paid vaccination leave as well as supporting pop-up COVID clinics at some of our Australian Bunnings stores. We have also invested an average of \$3 million a week supporting our team members during the lockdowns in recent months.

As restrictions ease in most states around the nation, we have seen evidence of pent-up consumer demand and I remain optimistic about the reopening of economy.

Despite the pandemic, we continue to focus on growth, opening a new Bunnings Warehouse and three new Kmart stores in recent months. In an exciting development, we also opened the first Tool Kit Depot store, focusing on professional tools for tradies. Tool Kit Depot is the new trading name for Adelaide Tools which Wesfarmers acquired in April 2020, to deepen its relationships with trade customers.

We recently announced we had entered into a Scheme Implementation Deed with Australian Pharmaceutical Industries, confirming our September 2021 takeover offer. We support the community pharmacy model, including the pharmacy ownership and location rules. This acquisition would mark Wesfarmers' entry into the growing health, wellbeing and beauty sector and I hope we have the opportunity to work closely with API's pharmacy partners, suppliers and other industry stakeholders.

During the year, we also grew our online sales, accelerated the pace of continuous improvement and focused on investing in platforms for long-term growth.

Finally, I'd like to thank our more than 114,000 team members across Australia – our success comes from everyone's hard work, dedication and commitment. From the Wesfarmers family to yours, I wish you a safe and enjoyable festive season and hope for a healthy and happy new year.



ROB SCOTT
Managing Director

BUNNINGS AND OFFICEWORKS JOIN THE FLYBUYS FAMILY

Retail divisions Bunnings and Officeworks have joined Flybuys, Australia's favourite reward program, boosting the value of the loyalty program for its more than eight million members across Australia.

Flybuys is 50 per cent owned by Wesfarmers and points are now able to be collected by members across the Wesfarmers and Coles Group retail businesses. The introduction of Bunnings and Officeworks adds to the extensive list of 23 Flybuys' partners where members can earn and redeem points including at major retailers like Coles, Liquorland, Kmart, Target and Catch.

Allowing members to start boosting their points at Bunnings and Officeworks is great timing for summer and Christmas seasons when more Australians will be purchasing gifts for Christmas, tackling DIY projects, or getting the kids ready to head back to school.

With the introduction of these new partners, Flybuys points will soon be eligible to be collected on over \$5.5 billion of purchases across more than 120 million transactions each month.

"Bunnings and Officeworks joining Flybuys will expand the value of the Flybuys program for members and provide exciting new opportunities to support customers. This partnership will complement the development of Wesfarmers' data and digital ecosystem, providing insights that enable our businesses to offer more relevant, personalised customer experiences," Rob Scott said.



CELEBRATING OUR RECONCILIATION AWARD WINNERS

Wesfarmers has announced the winners of its annual Reconciliation Action Plan (RAP) Awards. These awards celebrate our team members who make exceptional contributions to advancing reconciliation in their businesses and in the community.

Previously, Wesfarmers celebrated the achievements of team members in two categories, Aboriginal and Torres Strait Islander Employment Champion and Supplier Diversity Champion. In addition to these two categories, a third category for Community and Culture Champion was added in 2021 to recognise a team member who embodies the essence of reconciliation in their business by celebrating Aboriginal and Torres Strait Islander culture and building stronger communities.

Wesfarmers strives for Aboriginal and Torres Strait Islander people to feel welcome in our businesses as team members, suppliers, customers, and community members.

"Our vision for reconciliation is an Australia that affords equal and equitable opportunities to all," Rob Scott said. "Our award winners have shown dedication, enthusiasm and a commitment to reconciliation at Wesfarmers and in Australia. I'm proud to work alongside all the winners and the teams they work with and applaud their commitment to advancing reconciliation in Australia."

Alice Burney from Bunnings was awarded the Supplier Diversity Champion for her role in implementing a new range of Indigenous pots (pictured). Bayley Mifsud and Angie Lie from Officeworks were awarded the Employment Champion and Donna Yates from Bunnings was awarded the RAP Community and Culture Champion.



From left to right: Alice Burney, Bayley Mifsud, Angie Lie, Donna Yates.

KMART AND OFFICEWORKS SUPPORTING RACE TO ZERO ON CLIMATE CHANGE

Officeworks and Kmart Group have joined forces with other leading retailers to support a United Nations-backed global climate change initiative, Race To Zero Breakthroughs: Retail Campaign. The retailers have pledged their support to accelerate a movement in the retail industry in Australia to drive climate action and encourage other retailers to set out their plans to achieve 1.5 degree aligned carbon reduction targets.

As Australia's second-largest employer group, the retail sector is a critical player in determining consumer choices and affecting suppliers, producers and manufacturers across various sectors. Together with other retailers, Officeworks and Kmart Group have pledged to explain what actions their businesses will take, including to commit to reporting publicly against targets.

Officeworks has a commitment to use 100 per cent renewable electricity from 2025 and has already reduced emissions by 32 per cent since 2015, even as the number of stores has increased. This year onsite solar energy has been rolled out with data from initial installations showing electricity consumption from the grid has reduced by over 50 per cent.

"Collectively, the retail sector serves millions of Australians every day, so the choices that we make can have an enormous impact beyond what we can directly control," said Officeworks Managing Director

Sarah Hunter. "From powering our operations with 100 per cent renewable energy, to reducing emissions associated with how we source, design, manufacture and transport products, to helping our customers make more sustainable choices. By working together as an industry, we can demonstrate the leadership and action needed to limit the worst impacts of climate change."

Kmart Group also has a target of sourcing all of its electricity needs from renewable sources by 2025 and to achieving net zero Scope 1 and 2 emissions by 2030.

"Climate change and the resulting impacts are among the greatest challenge we'll face in our lifetime," said Kmart Group Managing Director Ian Bailey.

"I know we don't have all the answers right now, however what I do know is that if we join forces, together we can work our way through this very complicated challenge."

As a group, Wesfarmers reduced its Scope 1 and 2 emissions by 9 per cent in the last financial year and is focused on making disciplined investments to ensure appropriate climate change resilience at each of its businesses.



Daniel Walbidi (Mangala/Yulparitja peoples) Winnpa 2011, synthetic polymer paint on linen, The Wesfarmers Collection, Perth

Wesfarmers Arts

NEW ART EXHIBITION SHOWCASES AUSTRALIAN INDIGENOUS ARTISTS

Wesfarmers Arts has joined with The Art Gallery of Western Australia and the National Gallery of Australia to bring the Ever Present: First Peoples Art of Australia exhibition to Perth.

The exhibition features more than 100 works by 80 artists as it considers seven overarching and interlinked themes: Ancestors + Creators; Country + Constellations; Community + Family; Culture + Ceremony; Trade + Influence; Resistance + Colonisation; and Innovation + Identity. Together the works underline the ever-present existence of the First Peoples of Australia.

From Albert Namatjira's Ormiston Gorge, Timothy Cook's Kulama, and Mabel Juli's Wardel and Garnkiny to Julie Dowling's Self-portrait: in our country, Michael Cook's Broken Dreams #2 and Richard Bell's Omega (Bell's Theorem), the works in the exhibition traverse themes of identity, connection, Australia's contested historical narratives, and the contemporary experience of Aboriginal and Torres Strait Islander artists practising today, each piece revealing the determination of Aboriginal and Torres Strait Islander artists to tell their stories in their own way. Although a celebration of Aboriginal and Torres Strait Islander art, Ever Present does not shy away from Australia's complex histories. The artists

contest populist views of Australian history, using art as a tool of resistance and replacing physical weaponry with wit, satire and juxtaposition to confront viewers and encourage conversations that are essential to dispute outdated myths and ideologies.

Wesfarmers has long-held partnerships with The Art Gallery of Western Australia and the National Gallery of Australia. The Wesfarmers Collection of Australian Art ranks as one of the pre-eminent corporate collections of Australian art.

"This significant exhibition results from our long-term and highly valued partnerships with both the galleries," Rob Scott said.

"Ever Present represents some of the most important historical and contemporary art produced in Australia and celebrates the central place that Indigenous art occupies in defining the contemporary face of Australia, both at home and to the world. We're delighted to have the exhibition open here in Western Australia, before travelling overseas."

After its Australian showing at The Art Gallery of Western Australia through to April 2022, the exhibition will tour overseas galleries including the National Gallery of Singapore.

WesCEF ANNOUNCES LOW CARBON AMMONIA STUDY

Wesfarmers Chemicals, Energy & Fertilisers (WesCEF) has begun a study to consider the viability of building a low carbon ammonia production plant in Western Australia, in joint venture with Japan's Mitsui. The plant would supply ammonia to emerging export markets as a low carbon energy source for electricity generation and transport applications.

The proposal would leverage WesCEF's extensive experience as a safe and reliable local producer of ammonia together with Mitsui's access to natural gas and relationships with potential cornerstone customers.

The study will consider the use of carbon capture and storage technology which would see carbon dioxide from the production process stored permanently in Mitsui's depleted gas fields in the Perth Basin or in alternative locations.

"The joint study with such a well-known and credible business is an exciting initiative that may open growth opportunities for WesCEF in the emergence of ammonia as a sustainable energy source," said WesCEF Managing Director Ian Hansen.

"Learnings from the study will also be valuable as part of our aspirational goal of achieving net zero emissions by 2050."

The collaboration has the potential to deliver significant benefits to the Australian economy through investment and job growth.

WesCEF is working on a range of initiatives to achieve its aspirational goal of net zero emissions by 2050. The division's emissions are 40 per cent lower than they would have been had it not been for the decision to start investing in nitrous oxide abatement catalysts 11 years ago at its three nitric acid plants. The

abatement catalyst (pictured) converts nitrous oxide to non-harmful gases before they are emitted into the atmosphere.



FIRST EVER TOOL KIT DEPOT STORE OPENS IN WA

Our retail divisions have been busy opening new stores across the country as we continue to grow and invest in our businesses for the long term.

Bunnings Group opened the first Tool Kit Depot store in Belmont, Western Australia, focusing on professional tools for tradies and creating 40 new jobs in the local community. The Belmont store carries over 10,000 products across power tools, outdoor power equipment, hand tools, storage, workwear, welding equipment, construction and safety equipment.

It is the first of several Tool Kit Depot stores set to open in Western Australia with sites planned at Rockingham, Malaga and Mandurah. Tool Kit Depot is the new trading name for Adelaide Tools which

Wesfarmers acquired in April 2020, to deepen its relationships with trade customers.

Bunnings has also opened the doors to its new warehouse in Campbelltown, New South Wales, creating more than 100 new jobs for locals. The warehouse spans more than 17,000 square metres and features new concepts for locals such as bathroom displays and a kitchen design centre.

Kmart has opened 90 new stores across the country since the COVID-19 pandemic began in March 2020, adding 15,000 new Kmart team members into the Kmart family. This includes new stores opened in the last month at Tuggerah in New South Wales, Caroline Springs in Victoria and Highpoint, also in Victoria.