

IN FOCUS

A newsletter of stories from across the Wesfarmers Group



Wesfarmers had another busy and constructive year in 2023. We emerged stronger from the disruptions of the COVID-19 period and delivered solid returns to our shareholders while making significant progress with our community and sustainability programs.

During the year, we demonstrated our capacity to grow, across all our divisions, while still maintaining market-leading value credentials at a time when many households and businesses were closely managing budgets. It is our commitment to lowest prices which helps our businesses be successful – delivering a win for both our customers and our shareholders.

We continued to make great progress on our platforms for future growth, reaching significant milestones in our lithium and health businesses. At Covalent Lithium, our lithium joint venture business, production of spodumene is now underway and ramping up. Development of the refinery continues in line with expectations. The Health Division has marked its first anniversary with Wesfarmers and its transformation plan is well underway.

We're working hard to create further value for our businesses and customers and you'll see the recent developments that highlight these in our retail businesses, including the expansion of Bunnings' cleaning products range and the new fulfilment centre at Officeworks.

We continue to invest in productivity and efficiency initiatives, including projects to modernise our supply chain, digitise our operating processes and increase the use of artificial intelligence and predictive analytics. This is critical if we are to remain competitive against strong international and domestic competition.

As we look to the year ahead, we remain focused on long-term value creation. This means investing for the future with a disciplined approach to capital allocation.

In Australia, costs of doing business pressures remain elevated, driven by inflation, labour market constraints and wage costs, higher energy prices and a lower Australian dollar. To manage these pressures, our bigger businesses are continuing to leverage their scale and sourcing capabilities to help keep our prices as low as possible.

While overall economic conditions will continue to present both opportunities and challenges, I'm confident that Wesfarmers is well positioned for the current environment and for the long term. It has also been pleasing to finish the year with tangible and positive outcomes with our Reconciliation Action Plan.

I would like to thank the fantastic team members across the group, now 120,000 strong, that are so instrumental in delivering the value that our shareholders and other stakeholders expect of Wesfarmers.



ROB SCOTT
Managing Director

NEW OFFICEWORKS FULFILMENT CENTRE DELIVERS PRODUCTIVITY BENEFITS

Officeworks launched its most advanced customer fulfilment centre (CFC) yet in Perth in October (pictured above), making another major upgrade to its supply chain, supporting future growth, increasing market share and highlighting ongoing innovation.

The 15,000sqm CFC – which is the equivalent size of 12 Olympic swimming pools – will continue to transform and modernise Officeworks' supply chain. It will increase the speed of stock delivery to customers and stores, as well as improving availability and inventory management of tens of thousands of products.

The CFC features a warehouse management system integrated with 91 autonomous, solar-powered autonomous mobile robots. The centre has the flexibility to scale up to 150 robots to meet demand during peak periods.

Warehouse team members have been trained in supply chain of the future and the new facility has a one-to-one team member to robot ratio. The pairing is set to improve team member health, wellbeing and safety measures, eliminating an estimated 10 to 12 kilometres of walking per shift.

Showcasing the retailer's commitment to people and the planet, both the facility and its robots are solar powered; another step towards Officeworks' goal to use 100 per cent renewable energy by 2025.

The WA CFC is the third significant advancement in Officeworks' supply chain. Recently, Officeworks opened a new distribution centre and the Briggs Drive CFC in Victoria. Together, these three new facilities will ensure stores and customers across the country are benefiting from fast delivery times and high stock levels, especially in the lead up to anticipated retail events including Black Friday, Christmas, and Back to School, the retailer's busiest time of the year.

“Our business, our team and our customers are already enjoying the benefits from our recent supply chain investments. The ongoing modernisation and innovation in our supply chain operations allows us to deliver even more value to our customers and the fast, reliable and trustworthy service and choice they have come to expect from Officeworks. With 150 per cent more bulk storage than the previous CFC, our WA CFC will maximise delivery times across our growing customer base in Western Australia and the Northern Territory.”

Sarah Hunter, Officeworks Managing Director

BUNNINGS BOOSTS PRODUCT OFFERING WITH NEW CLEANING RANGE

Bunnings announced a significant expansion of its cleaning range category, introducing over 200 new products in bigger quantities and at better prices, helping Australians with their household and business budgets.

Customers can now access products across a range of categories including laundry, dishwashing, handwashing and ironing with products such as detergent, dishwashing tablets, paper towels and irons from market-leading brands.

Value for money is more important than ever for Australian consumers right now and customers at Bunnings enjoy the convenience of low prices and a wide range all under the one roof. Demand for cleaning products increased during the COVID-19 pandemic and that demand has continued.

Bunnings has evolved into a retailer that sells everything from the front gate to the back fence and last year announced a significant expansion in its pet offer, leveraging space for optimal performance.



KMART WISHING TREE SUPPORTING COMMUNITIES IN NEED

The Kmart Wishing Tree Appeal is Australia's largest and longest-running gift collection, assisting Australians in need at Christmas and beyond, in partnership with The Salvation Army.

The gift collection appeal is in its 36th year and during that time, has raised over \$5.6 million and 10 million gifts. Australian Prime Minister Anthony Albanese said the Wishing Tree at Parliament House was a chance for parliamentarians from across the political spectrum to unite and share in the spirit of giving.

The appeal supports children, adults, seniors and families who are unable to afford gifts at Christmas and beyond the festive period.

Kmart Group Managing Director Ian Bailey said he has seen the impact the appeal and the commitment of Kmart team members has on people's lives. Kmart matches monetary donations made in store and online during the appeal.



From left: Salvation Army Commissioner Miriam Gluyas, Kmart MD Ian Bailey, Prime Minister Anthony Albanese, Hon. Amanda Rishworth MP, Hon. Milton Dick MP, Adam Bandt MP

COREGAS OPENS AUSTRALIA'S FIRST HYDROGEN REFUELING STATION FOR TRUCKS

Coregas, the largest Australian-owned industrial gases company and part of Wesfarmers Industrial and Safety division, has launched Australia's first hydrogen refueling station for heavy vehicles, the Coregas H2Station.

The H2Station will facilitate the introduction of zero emissions hydrogen fuel cell trucks to the Illawarra-Shoalhaven region, which can rapidly refuel up to 10 vehicles daily. The H2Station is a low-cost commercial solution capitalising on existing infrastructure and supporting a future network of hydrogen-fuelled transport.

"Locating the H2Station alongside Coregas' existing hydrogen production plant in Port Kembla created operational and cost efficiencies," said Alan Watkins,

Executive General Manager at Coregas. "The H2Station will allow hydrogen trucks to operate in the majority of the Illawarra-Shoalhaven region and reach metropolitan Sydney."

Transitioning Coregas' diesel truck fleet to Fuel Cell Electrical Vehicles is a cornerstone of the business's decarbonisation roadmap.

"Coregas' diesel truck fleet travels almost six million kilometres every year," said Mr Watkins. "That's equivalent to driving 150 times around the world, which contributes to 54 per cent of Coregas' carbon emissions."



HY2024 HIGHLIGHTS



Wesfarmers reported a pleasing first half financial performance, reflecting the high quality of the portfolio and strong execution from across the divisions.

The retail brands are in good shape and have done a great job of meeting the needs of customers, cutting thousands of prices during the half, helping households manage costs of living pressures.

The balance sheet is in a strong position, supported by good cash realisation and management and is well positioned to support the Group's growth plans.

Kmart Group reported record earnings with customers liking the Anko products and price, and Bunnings had solid sales and earnings growth.

As a group, Wesfarmers remains focused on productivity, efficiency and driving continuous improvement.

HEART HEALTH AT CRICKET MATCH

Wesfarmers Health supported the Shane Warne Legacy Heart Test with its partner SiSU providing free heart checks at health stations at the Boxing Day cricket test.

The campaign seeks to reduce the risk of cardiovascular disease in Australia over the next ten years and save lives through increased heart health awareness.

Australian cricketer, Shane Warne, died suddenly from a suspected heart attack in March 2022, aged 52.

Cricket fans were able to take a free, four-minute medical grade health check at one of 23 health stations at the match, testing blood pressure, resting heart rate and an estimate of heart age and diabetes risk.



Summer, Brooke and Jackson Warne with SiSU Health CEO, Noel Duncan, at the SiSU health check on Boxing Day.



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