

Sustainability overview

Long-term value creation is only possible if we play a positive role in the communities we serve. At Wesfarmers, sustainability is about understanding and managing our impact on the community and the environment, to ensure that we will still be creating value in the future.



Brigalow rehabilitation at Curragh.

We aim to operate our businesses in accordance with our 10 community and environmental impact principles relating to five areas of people, sourcing, community, environment and governance. Each year, we engage with our shareholders, customers, employees, suppliers, government, non-government organisations and the community to understand which issues are important to them. We aim to address these issues and report our progress against them in our online sustainability report.

This year, we have updated our 10 principles to include principles on the development of our people and product safety. These changes reflect the outcome of our materiality process.

Sustainability issues are managed at a divisional level and overseen by the Wesfarmers Board through regular reporting.

Our full sustainability report will be available in October 2015 at sustainability.wesfarmers.com.au

Safety



We maintain a relentless focus on providing safe workplaces.

Safety remains our highest priority. We are pleased that we are seeing the benefits of this relentless focus on making our workplaces safer.

Workplace safety performance

Across the Group, we measure our total recordable injury frequency rate (TRIFR) and our lost time injury frequency rate (LTIFR) to monitor our historical safety performance. Our LTIFR decreased by 5.2 per cent this year from 7.7 (excluding the Insurance division) to 7.3, driven by improvements across most businesses, most notably Officeworks, Target, WesCEF and Bunnings.

Coles recently discovered an inaccuracy in how incident reporting systems were being used at a supermarket store level. This year's TRIFR uses a more accurate approach and last year's TRIFR

has been restated using the same methodology. Using the improved approach, our TRIFR this year was 39.5, a 7.5 per cent improvement compared to last year's restated results, which was driven by improvements across all divisions.

Our safety initiatives

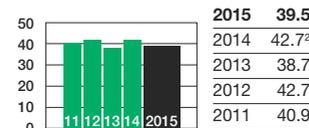
Each of our divisions has undertaken safety initiatives this year that target their particular safety risks. For example, Coles has introduced a national 'nurse on call' injury care service for team members and commenced working with transport providers to jointly address safety issues linked with stock deliveries.



Safety at Coregas Port Kembla – no lost time injuries in 10 years.

Bunnings has developed a hazard spotter app for in-store iPods and introduced a simplified injury management process.

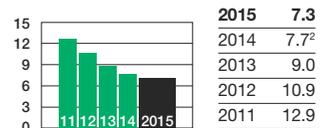
TRIFR¹
39.5



¹ TRIFR is the number of Lost Time Injuries and medical treatment injuries, per million hours worked.

² Last year's Group TRIFR result has been restated from 31.9 to 42.7.

LTIFR¹
7.3



¹ LTIFR is the number of Lost Time Injuries, per million hours worked.

² Restated due to the maturation of data.

People development



We provide opportunities for our people to enhance their job performance and develop their careers.

Wesfarmers businesses provide employment to approximately one in 59 working Australians. We distribute 59 per cent of our revenue in salaries, wages and benefits to our employees. The quality of our people is our greatest competitive advantage and providing them with opportunities to improve their performance and their careers is key to our success.

As at June 2015, we employed approximately 205,000 people, which makes Wesfarmers Australia's largest private-sector employer. Of these, approximately 130,000 are permanent and 75,000 are casual.

In addition to our employees, our divisions engage contractors in a range of roles. There are also seasonal variations in employment numbers, with a peak throughout the Christmas/summer period in line with the broader retail industry.

This year, we employed 52,179 new people across the Group, in a range of permanent, part-time and casual roles. Our voluntary turnover rate across the Group was 17 per cent.

Since last year, we have had a net decrease in our employee numbers of approximately 2,300 people. This decrease is due to the sale of our Insurance business and structural redundancies, partially offset by the acquisition of the Workwear Group and growth in our businesses.

Each division provides a wide range of training and development in job-specific technical aspects as well as generic skills such as customer service, teamwork and leadership.

Wesfarmers provides executive development and orientation to ensure leaders understand and are engaged in the key elements of the Wesfarmers culture. For example, Wesfarmers runs a New Executive Orientation program for new general managers and an Executive Development Program for future potential executives across the Group. Participants benefit from development opportunities including stretch assignments, action learning projects, coaching, mentoring and 360 degree feedback.

At least annually, the Group Managing Director meets with each division to review senior leader performance and development, succession plans for critical roles and the pipeline of high-potential leaders. Particular focus is placed on ensuring that this pipeline reflects the diversity of our workforce.

Diversity



We strive to create an inclusive work environment, with particular attention to gender diversity and the inclusion of Aboriginal and Torres Strait Islander peoples.

Wesfarmers strives to create a work environment which is inclusive of all people regardless of gender, age, race, disability, sexual orientation, cultural background, religion, family responsibilities or other areas of potential difference. Our Diversity Policy is available on our website.

Gender diversity

While Wesfarmers' workforce is made up of 55 per cent women and 45 per cent men as at 30 June 2015,

a key opportunity for the Group is to increase the percentage of leadership positions held by women. Women hold 45 per cent of salaried roles and 57 per cent of award or Enterprise Bargaining Agreement roles. Further details of female representation across the Group over time are set out in the table on the following page.

We track progress in relation to the following four core objectives under our Diversity Policy.

Foster an inclusive culture:

Inclusion begins with practices designed to increase retention of leaders with significant responsibilities outside of work. All Wesfarmers divisions have embraced this opportunity in a variety of ways, including flexible work arrangements, paid parental leave, keep-in-touch programs and on-site vacation childcare.

Improve talent management: A focus on increasing representation of women in leadership is embedded throughout the Group and divisional

talent management practices including talent reviews, formal leader development (i.e., 360 assessment, programs, coaching, mentoring) and development of talent through stretch assignments. In the 2015 financial year, 80 per cent of our women leaders were retained, with women comprising 21 per cent of the divisional leadership team succession pipeline population.

Enhance recruitment practices:

This year, 40 per cent of externally recruited positions and 31 per cent of internal promotions (all manager level and above roles) were filled by women. Across all roles, women and men were recruited evenly (49.7 per cent women, and 50.3 per cent males).

Ensure pay equity: Each year we undertake a gender pay review for all salaried employees by examining remuneration over 17 job levels. The 2015 review indicated that in the majority of pay levels no gap existed.

Diversity

Indigenous representation in our workforce

Wesfarmers has maintained a Reconciliation Action Plan (RAP) since 2009. A RAP is a public Aboriginal and Torres Strait Islander engagement strategy, registered with Reconciliation Australia. Our RAP is the overarching document for divisional Indigenous engagement strategies and is available on our website.

Across the Group, we have made commitments to increasing our Indigenous cultural awareness; supporting Indigenous organisations through employee secondments; investing in Indigenous education; increasing purchasing from Indigenous-owned businesses; and growing our Indigenous workforce.

This year, we made progress across all areas of our RAP, with the following highlights.

Indigenous employment: Indigenous employment remains the primary focus of our RAP. This year, we improved internal reporting mechanisms to allow us to better track Indigenous employment and retention. At 30 June 2015, Wesfarmers had 2,762 Indigenous employees, representing 1.4 per cent of Wesfarmers' Australian workforce. This was more than a 60 per cent increase on the previous year. This year, Coles hired more than 500 Indigenous team members through targeted programs.

Indigenous community partnerships: We continued community partnerships with the Australian Indigenous Mentoring Experience (AIME), Graham 'Polly' Farmer Foundation, The Kaiela Institute and Jawun Indigenous Corporate Partnerships. We also increased our sponsorship of The Clontarf Foundation, with a new



Officeworks provides Indigenous employment opportunities.

three-year partnership agreement. Many divisions also continued or commenced partnerships with organisations that support Indigenous communities, such as The Fred Hollows Foundation, Red Dust Role Models and The Australian Literacy & Numeracy Foundation.

Indigenous procurement activities:

To support our RAP objective of increasing purchasing from Indigenous suppliers, Wesfarmers continues its membership of Supply Nation. Indigenous-sourced products, including Yaru Water and Outback Spirit products, are ranged in Coles outlets nationally, contributing to a cumulative spend across the Group of more than \$20 million with Supply Nation-certified suppliers.

Our full RAP report and 2015-2016 RAP commitments can be found on our website.

Age diversity

Our workforce broadly reflects the Australian working population, with a high representation of young people. We employ one in 14 working Australians under 20. By providing these first jobs, our businesses enable young people to acquire skills and experience early, which is useful to them in a career with us, or in other employment.

Percentage of female employees	30 June 2011	30 June 2012	30 June 2013	30 June 2014	30 June 2015
Wesfarmers Limited non-executive directors	25	25	30	30	33
Senior executive positions* (general manager and above)	22	21	25	25	25
All management and professional roles*	26	28	28	29	29
Total workforce	57	57	57	56	55

* These positions are defined through job evaluation methodology.

Suppliers



We commit to strong and respectful relationships with our suppliers.

Our relationship with our 15,000 suppliers across the Group is very important to us. We want to provide better value to our customers and sustainable growth for our suppliers and their employees. Striving for better efficiency in our consumer supply chains ensures their continued competitiveness.

Coles is our largest consumer business and its relationship with food and grocery suppliers in Australia continues to be the focus of attention. To achieve everyday lower prices for customers, Coles has been increasing the efficiency and cost-competitiveness of its supply chain. This has enabled the purchase of significantly greater volumes of fresh food from Australian suppliers. Strengthening its relationship with its suppliers is a key focus for the Coles team.

Fewer suppliers, deeper relationships for Coles

Coles is aiming to develop deeper and longer-term relationships, with fewer suppliers. This gives greater certainty to suppliers to invest in their businesses and more opportunity for collaboration on efficiencies and product development.

Australia First at Coles

Coles has an Australian First Policy which means it always seeks to buy Australian produce in the first instance, where it is available in sufficient quantities and appropriate quality at a fair and reasonable price. Today, 96 per cent of fresh fruit and vegetables sourced for Coles customers are Australian grown, along with 100 per cent of fresh milk and 100 per cent of fresh meat from the meat department.

Suppliers

Coles and dairy farmers

There has been continued discussion about the effect 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. Coles continues to stock a range of other brands from large and small processors.

These now include brands developed by Coles with the South Australian Dairyfarmers' Association (SADA Fresh) and the WA Farmers Federation (WA Farmers First) which see 40 cents from every two litre container of milk directed to industry-benefiting projects.

Food and Grocery Code of Conduct

Since 2013, Coles has been a leading voice in the development of

a voluntary Food and Grocery Code of Conduct with the Australian Food and Grocery Council. The code came into effect in June 2015 and Coles adopted it with effect from 1 July 2015. The voluntary code governs certain conduct between grocery retailers and wholesalers in their dealings with suppliers including supply agreements, payments, termination of agreements and dispute resolution.

Coles and the ACCC

In December 2014, the Federal Court of Australia approved settlement of two proceedings between the ACCC and Coles alleging that Coles engaged in unconscionable conduct in dealings with suppliers. Coles admitted eight allegations of conduct in 2011 regarding its Active Retail Collaboration (ARC) program and five allegations regarding negotiations with suppliers over various matters such as profit gaps in 2010 and 2011. Coles

unconditionally apologised, paid a \$10 million fine and gave an enforceable undertaking to appoint an independent arbiter (the Honourable Jeff Kennett AC) to engage with suppliers over eligibility for refunds of payments to the ARC program and other disputed payments.

On 30 June 2015, Mr Kennett reported Coles agreed to repay more than \$12 million to the ARC suppliers and \$324,000 to other suppliers.

Coles has taken many steps to improve its relationships with suppliers including implementing a best practice compliance framework and the establishment of a Supplier Charter, which formally commits Coles to deal in good faith with suppliers. It provides a strong, independent and confidential dispute resolution process underpinned by Mr Kennett, as an independent arbiter (in addition to his role under the enforceable undertaking).

Ethical sourcing



We strive to source products in a responsible manner while working with suppliers to improve their social and environmental practices.

We directly source products for resale from a large range of locations outside Australia, including China, Bangladesh, Thailand, India and Indonesia. Buying products from these countries creates economic benefits for them as well as allowing our businesses to provide affordable products to consumers.

As some of these countries have a lower level of regulation, our businesses need to be aware of risks such as inappropriate labour practices, child labour, forced labour and lack of freedom of association.

We have an ethical sourcing policy, which sets the minimum standards expected of our divisions. Each retail division has its own ethical sourcing policy appropriate to its business, most of which exceed the minimum expectations set. Our cross-divisional ethical sourcing forum meets quarterly to share best practice and audit program outcomes; ethical sourcing practices are reported regularly to the Audit and Risk Committee.

Increasing supply chain transparency

Our divisions are leading the way for Australian retailers in relation to supply chain transparency. This year, Kmart, Target and Coles continued rolling out disclosure of their factories' names and addresses on their respective websites. Increased transparency in relation to our supplier factory locations helps to ensure accountability and that decent conditions and workers' rights are being upheld.



Target work with Benefit for Business and Workers in Bangladesh.

Proactively addressing ethical sourcing issues

Our businesses proactively address ethical sourcing issues through a range of actions, including by providing supplier and factory education through seminars, training and workshops. They also undertake research, engage with non-government organisations (NGOs) and support broader industry initiatives to address these issues.

Ethical sourcing (continued)

Australian suppliers

Coles has led the way on responsible sourcing in Australia in recent years, including the introduction of RSPCA approved chicken, sow-stall free pork, cage free eggs and Fairtrade coffee, tea and chocolate.

In May 2015, the ABC's *Four Corners* program aired an episode reporting unfair labour conditions in Australia's fresh produce and meat industries related to the use of labour hire contractors and workers on temporary visas. Coles does not condone the abuse of workers' rights. We have responded by writing to all our fresh produce and meat suppliers reminding them of their obligations under Australian workplace laws and have commenced inquiries into a number of suppliers identified on the *Four Corners* program.

Coles is working collaboratively with the National Farmers Federation and PMA Australia-New Zealand Ltd to develop an industry-accepted best practice guideline for the management of contracted labour within the Australian fresh food supply chain.

Ethical sourcing audit programs

To mitigate the risk of unethical practices occurring in our supply chains, we apply an ethical sourcing audit program to higher risk suppliers. Suppliers are considered lower risk if they operate in more regulated countries, or if they are supplying recognised brands.

This year, our audit program covered 3,888 factories used to manufacture house-brand products for resale, in a number of countries with lower regulation than Australia, including China, Bangladesh, Thailand, India and Cambodia.

Factories in the audit program must have a current audit certificate, which means they have been audited by us or another party whose audits we accept. Those audits identify a range of non-compliances, from minor non-compliances such as minor gaps in record-keeping to critical breaches, such as incidents of bribery or forced labour.

Where a non-compliance is identified, the factory is required to fix the issue, within an appropriate period of time, depending on the nature of the non-compliance. Factories are 'conditionally approved' if non-critical non-compliances have been identified and notice has been given that they must be fixed. If a factory then addresses a non-compliance, it can move to becoming an 'approved' factory.

If critical breaches are identified, they must be addressed immediately. If they are addressed satisfactorily, a factory can then become approved. In this way, our audit process is contributing to improving conditions for workers by working with factory owners to address any issues. If a factory is not willing or able to address a critical breach, our business will not continue to buy from that factory.

At the end of this reporting period, there were 2,139 approved factories in our audit program. A further 1,500 factories were conditionally approved and 210 factories were due for re-audit. During the year, we identified 39 critical breaches across the factories in our audit program. These mainly concerned issues (or allegations) of bribery, unauthorised subcontracting and forced labour. Twenty-one of these issues were immediately resolved and no further orders were placed at the factories where the remaining 18 breaches occurred.

Ethical sourcing audit program findings



Approved	2,139
Conditionally approved	1,500
Expired audits	210
Critical breaches	39

Product safety



We are committed to providing consumers with safe products.

All consumer products we supply must be safe and meet consumer guarantees under the Australian Consumer Law. We do not sell banned products and ensure that all our products comply with relevant mandatory standards before they are offered for sale. As well as safety testing and compliance with required standards, our divisions implement product recalls where possible safety issues arise.

As part of Coles' commitment to delivering great Coles quality affordable products, Coles regularly reviews its own brand products and makes changes where required. Nearly 100 improvements were undertaken with Coles Brand suppliers, including relaunching Coles Little Explorer nappies with a stronger outer material. During the year, only one Coles Brand product was recalled and 163 products received industry accolades. This year Patties Foods initiated a recall following a concern that the Nanna's mixed berry product stocked by Coles and other retailers had been linked to potential Hepatitis A contamination.

This year Kmart had six voluntary product recalls for Kmart brand products compared to four last year. The six recalls related to mugs, a hammock, a lamp, car seat covers, power boards and an apple cutter. All recalls were undertaken as a precautionary measure, with no major product-related injuries reported, although minor injuries such as bruising, cuts and burns were reported in relation to the hammock, apple cutter and mugs.

Throughout this year Target has adopted best practice principles to comply with both international and Australian standards. For instance, there are currently no specific legislative requirements in Australia governing the restrictive use of

Product safety
(continued)

chemicals in the production of apparel or home textiles. Target has made the decision to adopt a number of apparel/textile standards from the European Community Regulation.

Safety manuals have been reformatted and made available to our supplier base outlining Target's ongoing commitment to providing safer products. A safety focused culture is being promoted throughout product development with a particular emphasis on early identification and mitigation of risk.

Bunnings continues to proactively engage with suppliers to ensure adherence to product safety standards. Bunnings conducts regular product audits to ensure conformance with relevant mandatory standards, and in addition undertakes independent safety tests on selected product to confirm compliance to safety standards and customer expectations.

This year Officeworks had two voluntary product recalls for Officeworks-branded items. The two recalls related to a USB wall charger and a children's table and chair set. The recalls were undertaken as a precautionary measure, with no product-related injuries reported. Officeworks undertook a review and update of its packaging safety marking manual which is being implemented for private label products.

Wesfarmers Industrial and Safety provides safety products to industry, so it is vital that products adhere to rigorous safety standards. Bullivants is a specialist provider of lifting, rigging, safety and related services to the industrial sector. As a corporate member of five Australian and International standards organisations, Bullivants maintains ongoing safety best practice to provide a comprehensive solution to help customers operate safely and efficiently.

Community contributions



We make a positive contribution to the communities in which we operate.

We have an impact on our communities in a variety of ways: meeting the basic needs of the community such as food, clothing and tools; providing employment for nearly one in every 59 working Australians; paying taxes to governments; and providing support to not-for-profit organisations. With 98 per cent of our revenue earned in Australia and 80 per cent of our shares on issue held in Australia, we have a significant positive impact on the Australian economy, as well as contributing to other economies.

Wesfarmers has always believed that a strong business environment is underpinned by a cohesive and inclusive community environment. Accordingly, Wesfarmers has had a long-term commitment to investing in community initiatives linked to long-term social and economic outcomes.

Our community partnerships program reflects the divisional autonomy of the Group. The Wesfarmers Board has approved a number of long-term partnerships focused on four areas: medical research and health; Indigenous programs, particularly targeting education and employment outcomes; community and education initiatives; and the Wesfarmers Arts program. In addition, our divisions create value for the community in ways that best fit with their core business and geographic spread, from the well-recognised Bunnings community barbecues to other fundraising support for a wide range of activities such as women and children in crisis, education programs and environmental projects.

Collectively across the Wesfarmers Group we directly contributed \$50 million to community organisations this year, which equates to 1.5 per cent of profit before income tax.



A team from Bunnings in Sydney worked on Marina Abramovic in Residence.

As well as our direct contributions, the Group facilitated donations from customers and employees totalling \$53 million this year, which went to a wide range of community initiatives.

Major initiatives this year

This year, in recognition of the importance of the Anzac centenary, Wesfarmers was a significant supporter of the Australian War Memorial's touring exhibition 'The Lost Diggers of Vignacourt', which assisted in bringing the exhibition to Western Australia. Wesfarmers also renewed its support for Mission Australia's Drug and Alcohol Youth Respite Service, based in Western Australia. In addition, we have significant partnerships with the Telethon Kids Institute, Surf Life Saving WA, Curtin Business School, the Juvenile Diabetes Family Centre, and the Harry Perkins Institute of Medical Research.

As a Group, our collective efforts with some of our Indigenous community partners are beginning to gain traction. Wesfarmers committed to increase funding for one of its long-term partners, Clontarf Foundation, which runs programs aimed at engaging and retaining Indigenous students at school. Clontarf is also supported at a local level by a number of our divisions, including WesCEF, Bunnings and Officeworks.

Wesfarmers also supports the Australian Indigenous Mentoring Experience (AIME) through a national sponsorship. Target also supports AIME by helping with the manufacture, distribution and promotion of AIME's signature 'hoodies'.

Community contributions (continued)

Wesfarmers Arts

The Wesfarmers Arts program provides major ongoing support to a number of premier Australian arts companies. The company's sponsorship of the arts focuses on increasing community access to premier quality arts from Australia and the world in the belief that a vibrant cultural sector makes a positive contribution to the lives of all Australians.

A highlight in our Centenary year was the BOAB100 creative partnership with Waringarri Aboriginal Arts in which 15 Kimberley artists were commissioned to produce Wesfarmers' official centenary gifts. Inspired by the iconic boab tree and the traditional art form of boab nut engraving unique to the Kimberley, BOAB100 is a collection of 15 superbly engraved boab nuts cast in white aluminium, produced as a limited edition of 100 sets. Complete sets of all fifteen sculptures were gifted during the year to the National Gallery of Australia, The Art Gallery of Western Australia, the National Library of Australia and Western Australian Parliament where they are now on public display.

A number of our arts partners participated in events to mark our centenary during the year, including Bell Shakespeare Company, West Australian Symphony Orchestra, West Australian Opera and Western Australian Ballet, which we supported during the year to establish two Wesfarmers Young Artist positions.

The year also saw the exhibition 'LUMINOUS WORLD: contemporary art from the Wesfarmers Collection' travel to the Samstag Museum of Art in Adelaide, the National Library of Australia in Canberra, the Academy Gallery in Launceston and the Ian Potter Museum of Art in Melbourne.

Climate change resilience



We strive to reduce the emissions intensity of our businesses and improve their resilience to climate change.

As the likelihood of significant climate change increases, our businesses need to respond in two ways. Firstly, we need to actively monitor and manage our own greenhouse gas emissions and reduce them where possible. Secondly, we need to understand the specific risks created by climate change for our businesses and address those risks.

Position on climate change

We recognise that the climate is changing due to human actions and we acknowledge that we and Australia have a part to play in mitigating this climate change. Wesfarmers supports the Commonwealth Government's commitment to work towards a global agreement to limit global warming to less than 2°C above pre-industrial levels. Long-term policy certainty is a pre-requisite for decarbonisation to occur efficiently and affordably. We will continue to improve the greenhouse gas efficiency of our operations, which reduces our own business costs and risk, as well as contributing to climate change mitigation.

Managing our emissions

We emit greenhouse gases both directly and indirectly. Our direct (scope one) emissions primarily come from our industrial businesses, including the use of natural gas, refrigerants, diesel and fugitive emissions from coal mining. Our main source of indirect (scope two) emissions is electricity used by our operations.

We are able to manage our emissions intensity through technology improvements in our industrial processes and through energy efficiency initiatives in all our businesses.

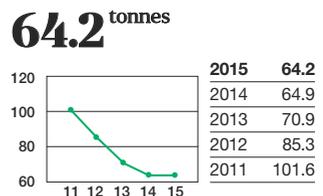
This year, our total scope one and two emissions were 4,009,504 tonnes CO₂e. Despite an increase in emissions from our Resources business, this represented a total decrease of one per cent from last year, driven by energy efficiency projects at Coles and Target. Over the past five years, we have seen an improvement in emissions intensity of 37 per cent.

Adapting for climate change

Forecasting climate changes is complex but ensuring our businesses are robust under potential scenarios reduces financial, operational, regulatory and reputational risk. Increased weather volatility, increased extreme weather events, higher average temperatures and drier climates all have the potential to impact our operations and supply chains, in a range of ways. This year, we have increased our focus on testing the robustness of our businesses against climate change and have developed a climate change scenario to use in the next cycle of our annual risk process.

This year, some stakeholders have raised concerns about Wesfarmers' investment in coal assets. Most coal from our wholly-owned Curragh coal mine is metallurgical coal, which is a necessary component in the steel-making process. We do produce thermal coal at Curragh and in our joint venture Bengalla mine. While we expect that the energy mix will change over time, all feasible scenarios show that it is highly likely that there will be a role for thermal coal as a source of energy for many years. Wesfarmers continues to consider its Resources business to be a valuable addition to its portfolio.

Scope 1 and 2 greenhouse gas emissions intensity (tonnes CO₂e / \$ million revenue)



Waste and water use



We strive to reduce our waste to landfill and water use where possible.

Reducing waste creates environmental and business benefits for our divisions. We work to divert waste to recycling throughout the product life cycle. Water use is significant for our industrial businesses and they work to reduce its use or find more sustainable water sources where possible.

Recycling and waste

Despite our efforts to reduce our waste, this year our waste to landfill has increased slightly to 136,093 tonnes and our recycled waste has increased by eight per cent to 303,387 tonnes.

This increase in waste disposed was largely driven by the growth of Bunnings' operations during the year and improved data collection at Kmart.

We continued to undertake waste reduction initiatives throughout the Group. Bunnings continued its

timber pallet reuse and recycling program using the backload capacity of vehicles and conducted a trial to backhaul plastic strapping.

Coles' food donations via Foodbank and SecondBite increased by 14 per cent during the year, to more than 5.2 million kilograms. Coles also expanded donations to SecondBite to include frozen meat at more than 200 stores. Approximately 278 tonnes of plastic (including plastic bags and product packaging) was returned to Coles supermarkets by customers for recycling via the REDcycle program.

Changes to how products are packaged can reduce the downstream waste associated with our businesses. Wesfarmers is a signatory to the Australian Packaging Covenant (APC), which is a voluntary packaging waste reduction

and recycling initiative between governments, the packaging industry, retailers and consumer brand owners.

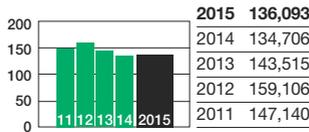
Wesfarmers reports annually on its packaging initiatives and progress to the APC. Our 2015 report is available on the APC website.

Managing water use

This year, our recorded water use was 15,450 megalitres. To better focus sustainability efforts on each division's material issues, Kmart, Industrial and Safety, Target and Officeworks are no longer required to record water use, as it is not a material issue for them. Across the remaining divisions, this year's figure represents a six per cent reduction on last year's water use.

Resources, our largest water user, achieved a 13 per cent reduction in water use this year. This was achieved through a number of measures, including awareness campaigns about water use in the plant, more regular reporting to increase the visibility of water management and more accurate municipal water metering at Curragh.

Disposed waste
136,093 tonnes



Corporate governance



We maintain robust corporate governance policies in all our businesses.

Corporate governance is the system of rules, practices and processes by which a company is directed and controlled. We are very proud of our approach to corporate governance and believe it is vital to ongoing value creation for our shareholders and other stakeholders.

The corporate governance framework has been established by the Wesfarmers Board. A summary of the corporate governance framework can be found on pages 41 to 44 of this review, with more information available on our website at www.wesfarmers.com.au/cg

Our full sustainability report contains numerous case studies and is prepared in accordance with Global Reporting Initiative's G4 standard and assured by Ernst & Young. It will be available in October 2015 at sustainability.wesfarmers.com.au