

# KAS Group Asia Overview



# About KAS Group Asia

KAS Group Asia (KGA) is the exclusive direct sourcing arm of Kmart Group that operates the iconic retail brands Kmart Australia, Target Australia and Catch. KGA's operations span the largest sourcing markets across Asia including China, India, Bangladesh, Pakistan, Cambodia, Indonesia and Vietnam, supporting an annual sourcing capability of US \$ 2.5 billion.



# Arjun Puri – Director, KAS Group Asia (KGA)



Arjun leads the KGA team and is responsible for driving the sourcing strategy for the Kmart Group and managing the operations of the KGA Group in Asia. He also oversees the group's GCC in Bangalore, KAS Services, an innovation and technology services hub that operates as an extension of the Kmart Group.

Arjun is a widely recognized and seasoned retail industry leader with rich experience of over 20 years in the industry. Over these years, his contributions have been instrumental in successfully shaping and executing the merchandising and sourcing strategies of leading retail organizations both on the demand and supply side. Prior, he was associated with Li & Fung, Direct Sourcing Group, Busana Apparel Group and Arvind Mills.

Arjun is based in Gurgaon, India.



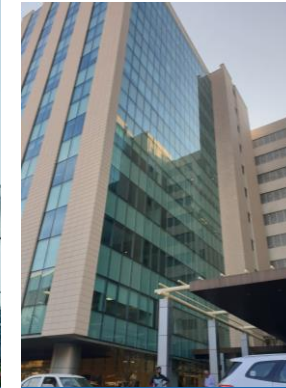
# KGA Leadership Team



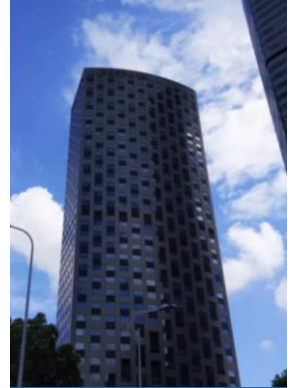
HONG KONG



GURGAON, IN



BANGALORE, IN



SHANGHAI, CN



**Asker Laubjerg**  
General Manager  
Operations, KGA



**Lavina Mehta**  
Head of People &  
Capability &  
Facilities  
Management, KGA



**Albert Yeung**  
Head-Ethical  
Sourcing, KAS



**Mridul Dasgupta**  
General Manager,  
Sourcing and  
Quality, TAS



**Virender Sharma**  
General Manager,  
Apparel Sourcing &  
Quality for KAS



**Susheel Tanwar**  
Head of Finance,  
KGA



**John Kenny**  
Director, KAS  
Services, Bangalore



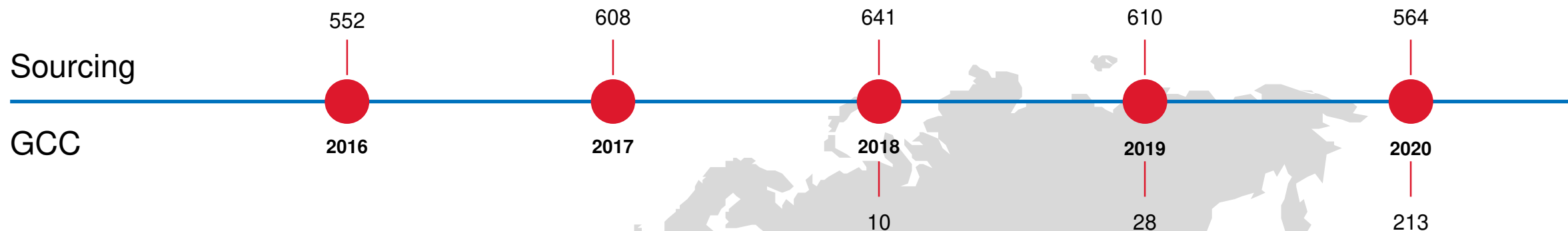
**Mandy Ma**  
General Manager,  
General  
Merchandise, KAS

# KGA Strategy

Through a culture of change  
and self-disruption we will be  
famous for...



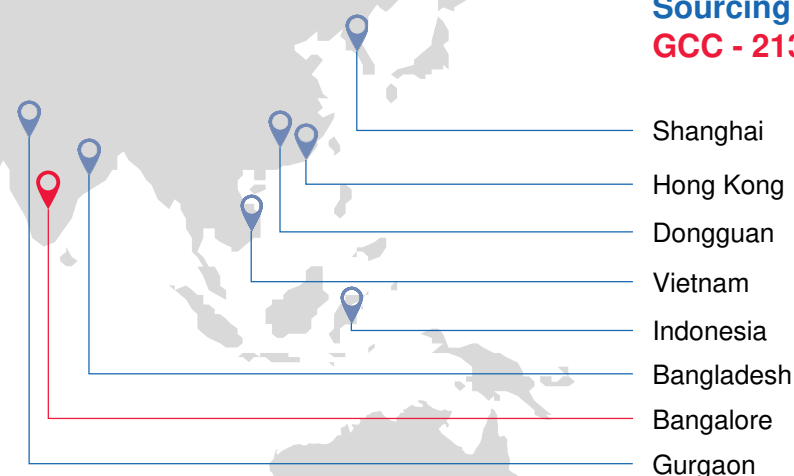
# People & Capabilities



## Our Teams

Apparel & General Merchandise Sourcing	Business Improvement & Projects
Apparel & General Merchandise - Quality	Ethical Sourcing and Sustainability
Anko Global - Sourcing & Product Compliance	International Supply Chain
Design	IT
Finance	Corporate Affairs
People & Capability	Facility Management

**Sourcing - 564**  
**GCC - 213**





# About KAS Services



**KAS Services is the innovation and technology services hub of the Kmart Group.**

Based in Bengaluru, KAS Services India operates as an extension of our Australian parent company providing specialist IT, Inventory and Analytics capabilities with planned growth in other areas.



# Mission & Capabilities



## Objective

Drive sustainable growth, higher efficiencies and increased value by building innovative capabilities and the use of advanced technologies

### Value Creating Strategies

**GCC Retail Functional Adoption**

**Strengthen existing businesses through operating excellence**

**Driving automation across all business functions**

**Building new capabilities that drives sustainable growth**

### Capabilities

**Information Technology**  
(Mobile, Security, Service Desk, Merch, Dev Ops)

**Inventory Management**

**Advanced Analytics**

**Data Platform**

**Global Finance**

**Enabling Functions**  
(HR, Finance, Facilities)

### Growth Enablers

**Exceptional People**

**Culture & Values**

**Technology & Innovation**

**Employer Value Proposition**



# Anko Wholesale Business

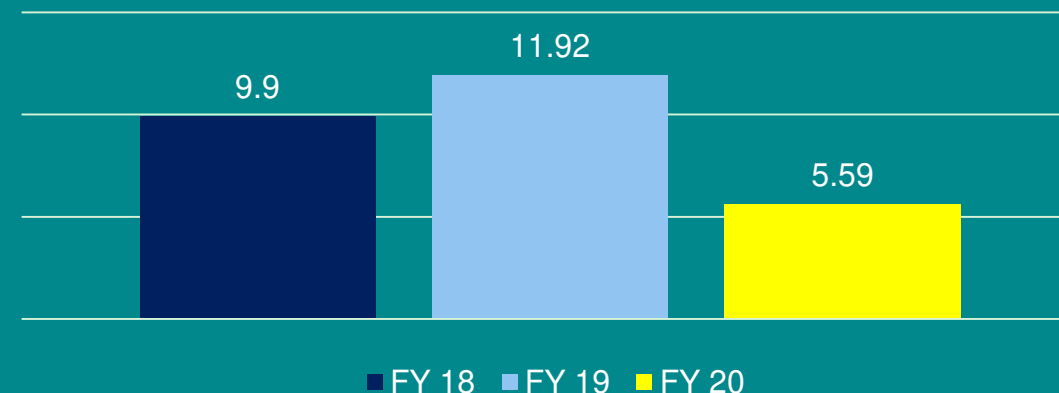
- Launched in 2016
- Markets: Thailand, Papua New Guinea
- Partner in Thailand: Robinsons Department Stores (42 stores)
- Partner in Papua New Guinea: Brian Bell Group (5 Stores)
- **Products:** Home & Living, Active General Merchandise and Clothing



## Operating model

- Curate a wholesale catalogue
- Offer wholesale catalogues to Partner department stores
- Tag wholesale orders to Kmart orders
- Consolidate wholesale orders and supply to Partner department stores

## Revenue (AUD in Mn)



## FY20 slowdown factors

- Closure of Partner department store Matahari Indonesia
- Strategic focus of Kmart Group business to support US Anko stores
- Low demand attributed Covid-19 related restrictions

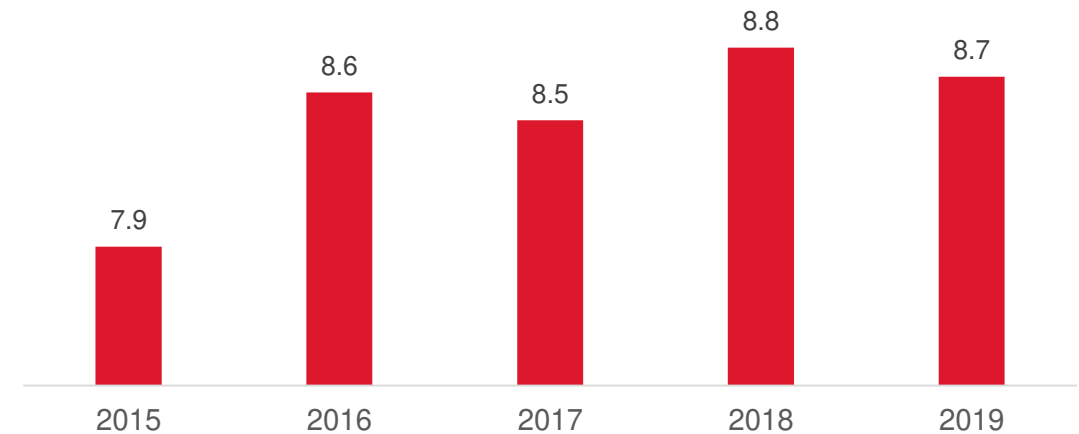
# About The Kmart Group



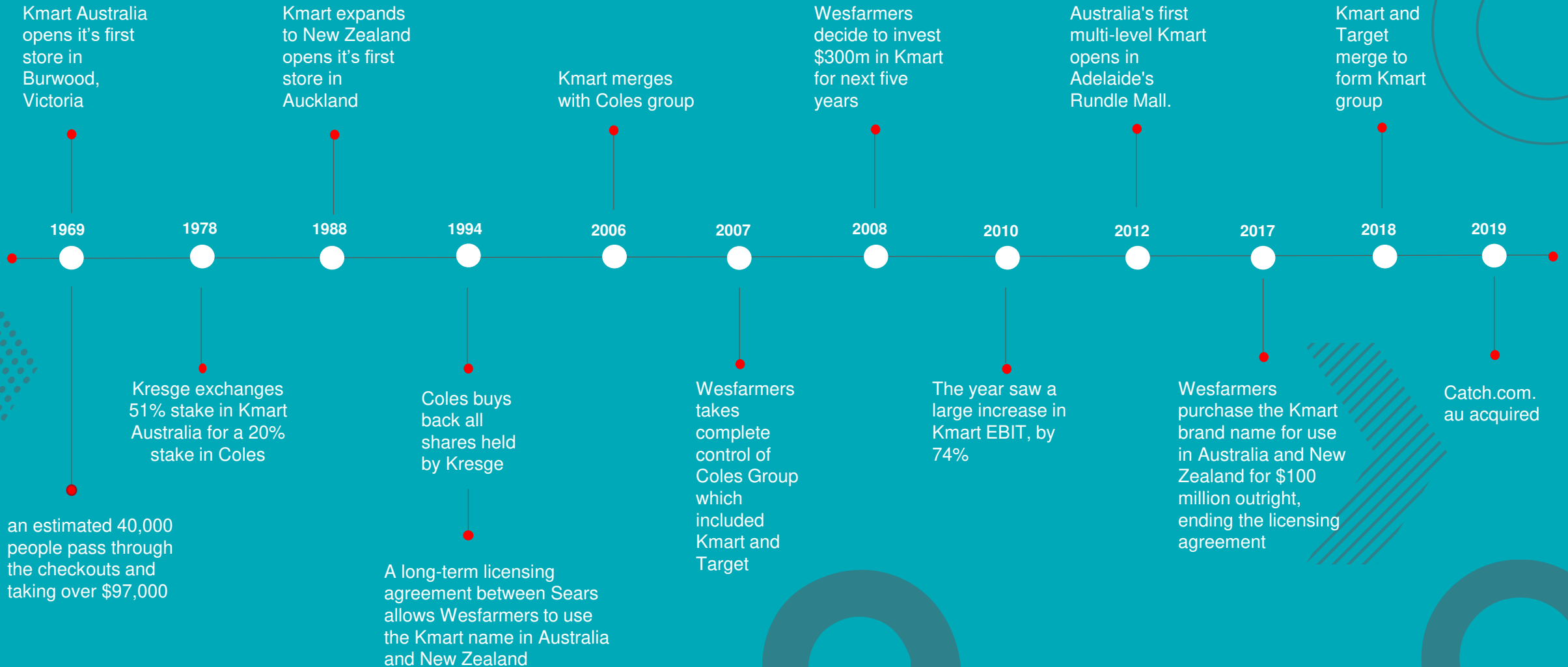
The Kmart Group, comprising Kmart and Target, was formed as the Department Stores division in February 2016 and rebranded to the Kmart Group in November 2018. The division operates 520 stores across Australia and New Zealand and employs more than 46,000 team members. We are one of Australia's largest and fastest growing retailers who provide great value and on trend-products across apparel and general merchandise.

Revenue\*

**\$8.7 billion**



# History



# Brands - Kmart Group



Established in 1969, Kmart operates 231 stores throughout Australia and New Zealand, offering customers a wide range of apparel and general merchandise products at low prices, every day.



Target began as a drapery store in 1926 and has since grown to become a national apparel and general merchandise retailer with 289 stores across Australia. Its objective is to provide quality and style at affordable prices.



An online business model offering branded products on a first-party basis and a third-party online marketplace. Today Catch.com.au is one of Australia's largest online retailer with close to 400 staff, over 45 thousand square metres of warehouse space shipping over 10,000 orders per day.





Kmart's vision is to provide families with everyday products at the lowest prices.  
We strive for this vision through high-volume sales, efficient operations, adaptable stores and a great culture.

# Our Values



## Think Customer

We put the customer at the heart of everything we do.



## Take care

We look after ourselves and those around us.



## Live Integrity

We always do the right thing.



## Grow Together

We achieve the best results working together.


















## Reach higher

We are relentless in our pursuit to be better.

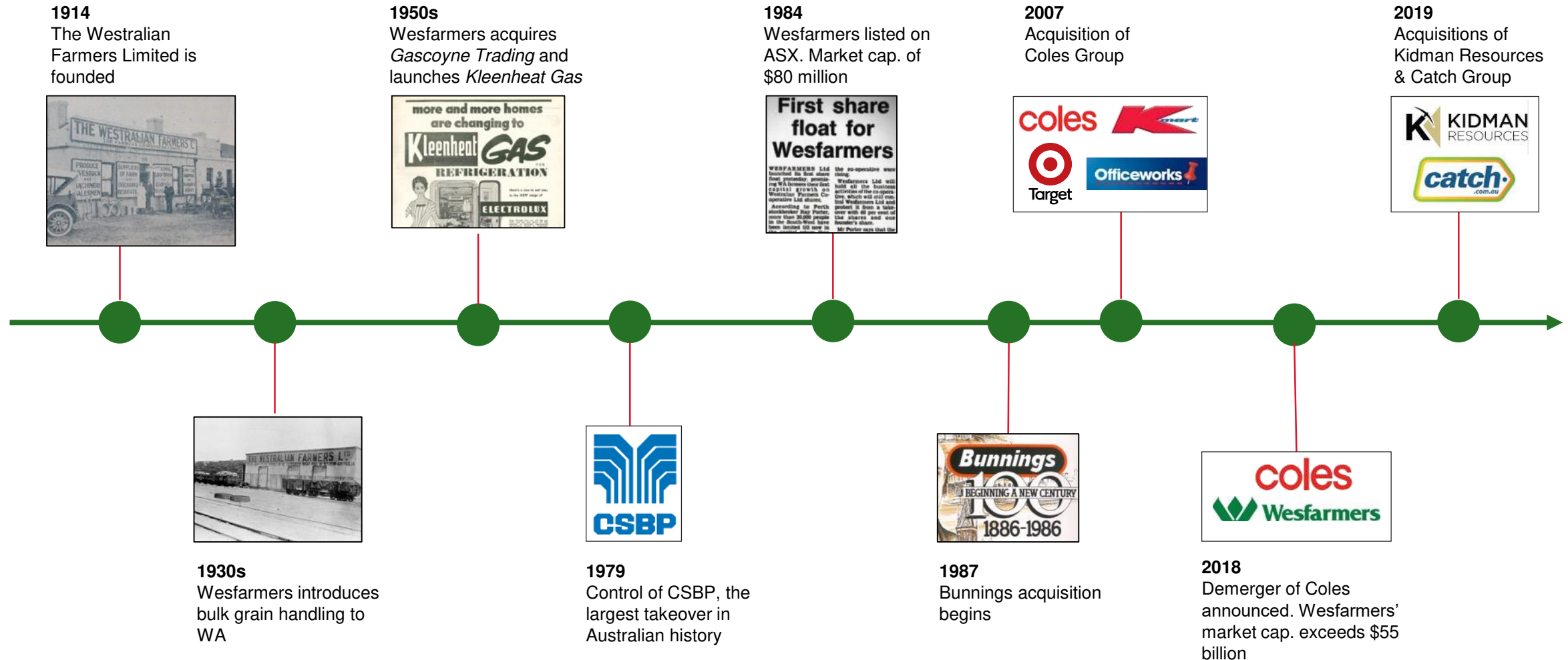
# About Wesfarmers

- Wesfarmers, our parent company, was founded in 1914 as a Western Australian farmers' cooperative
- Today, Wesfarmers is one of Australia's largest listed companies headquartered in Perth
- Diverse business interests include home improvement, apparel, general merchandise and office supplies; an Industrials division with businesses in chemicals, energy and fertilizers and industrial safety products.
- One of Australia's largest private sector employers with approximately 105,000 team members and is owned by approximately 484,000 shareholders.

		
Bunnings	  	<ul style="list-style-type: none"> <li>• Leading retailer of home improvement &amp; outdoor living products in Australia and New Zealand</li> </ul>
Kmart Group	  	<ul style="list-style-type: none"> <li>• <b>Kmart</b> is a leading product development &amp; deep discount retailer in apparel &amp; general merchandise</li> <li>• <b>Target</b> offers quality &amp; fashion across apparel, homewares &amp; general merchandise</li> <li>• <b>Catch</b> is a leading Australian online marketplace</li> </ul>
WesCEF	       	<ul style="list-style-type: none"> <li>• Strong operational expertise in industrial chemicals, energy solutions and fertilizer manufacture &amp; import</li> <li>• 50% owned joint venture (Covalent Lithium) to develop &amp; operate Mt Holland Lithium project</li> </ul>
Industrial & Safety	    	<ul style="list-style-type: none"> <li>• Leading supplier of industrial and safety products</li> <li>• Australia's largest provider of industrial &amp; corporate workwear</li> <li>• Supplier of industrial specialty &amp; medical gases</li> </ul>
Officeworks	 	<ul style="list-style-type: none"> <li>• Leading retailer &amp; supplier of office products &amp; solutions</li> <li>• World-class omni-channel offer</li> <li>• Well recognized &amp; trusted brand</li> </ul>
Other	    	<p>Other associates &amp; joint ventures including:</p> <ul style="list-style-type: none"> <li>• 10.1% ownership interest in Coles</li> <li>• 50% interest in flybuys, a popular Australian loyalty program</li> </ul>



# Wesfarmers Corporate History





# About Wesfarmers

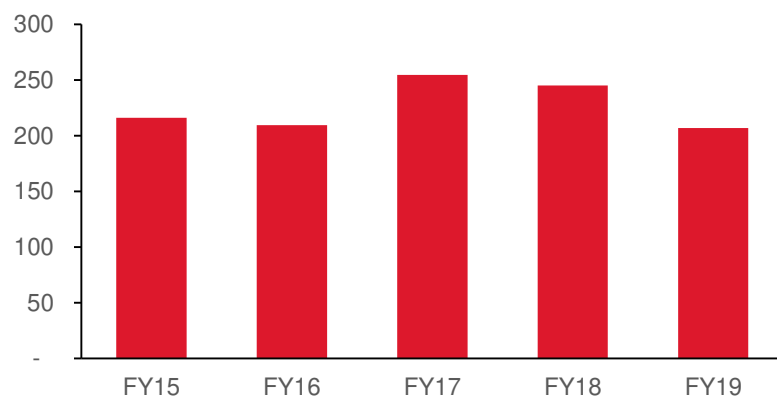
## 5-Year Financial Summary

Group Financial Performance (reported, includes discontinued operations and significant items)<sup>1</sup>

Year ended 30 June (A\$m)	FY15	FY16	FY17	FY18	FY19
Revenue	62,447	65,981	68,444	69,878	44,684
EBITDA	4,978	2,642	5,668	4,079	7,627
EBIT	3,759	1,346	4,402	2,796	6,818
NPAT	2,440	407	2,873	1,197	5,510

Earnings per share<sup>2</sup> (excluding significant items)

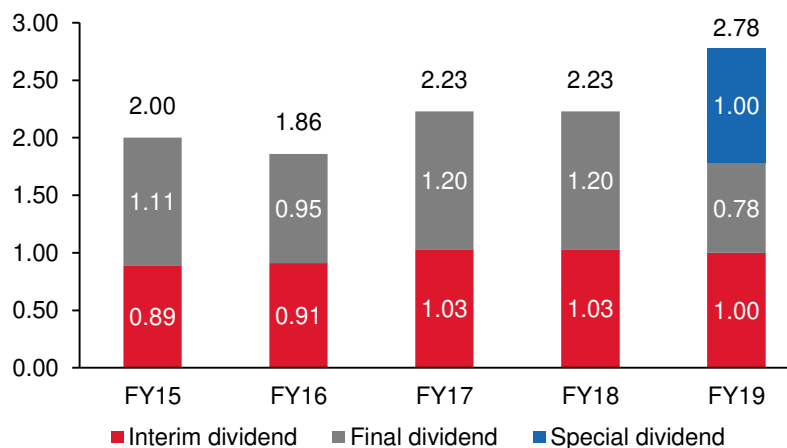
A\$ per share



Source: Wesfarmers 2019 Annual Report

Shareholder distributions declared

A\$ per share



- All figures are presented as last reported and includes discontinued operations including Coles, Kmart Tyre & Auto, Quadrant Energy and Bengalla which were disposed of during the FY19 financial year, and significant items. All figures are presented pre AASB 16 Leases.
- Excludes significant items but includes discontinued operations including Coles, Kmart Tyre & Auto, Quadrant Energy and Bengalla which were disposed of during the FY19 financial year. All figures are presented pre AASB 16 Leases.

Better Together is Kmart Group's integrated sustainability plan and a core element of our business strategy.



## Our Commitment



### People

#### Living wage & responsible purchasing

By December 2023, we will improve purchasing practices with our suppliers of our own brand apparel and footwear by implementing the ACT Global Purchasing Practices Standard.

#### Women's empowerment

By December 2025, Kmart in partnership with Target Australia will provide professional skills, health and or education training to at least 100,000 women in our supply chain.

#### Traceability & transparency

By July 2022, we will identify and publish the location of 100 per cent of our second-tier processing\* facilities that produce our own brand clothing, towel and bedding products. Our facilities list will be updated every six months on our website.



### Planet

#### Sustainable Materials

We are committed to using natural resources responsibly.

#### Waste Management

We are committed to reducing our use of plastic and the volume of waste we send to landfill.

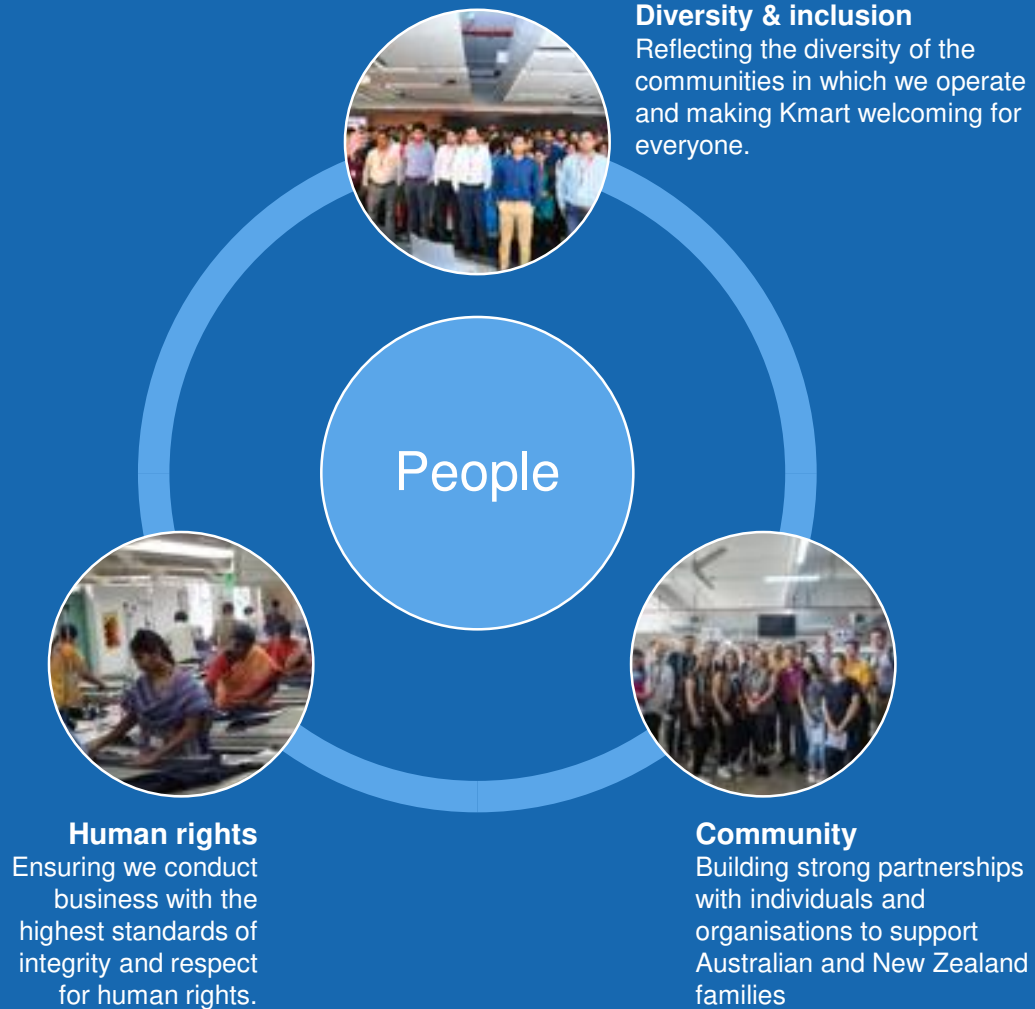
#### Energy & climate

We are committed to energy efficiency and managing climate risk.

#### Circular economy

We are transitioning to be part of a circular economy.

# Sustainability



## Kmart Group global commitments and partnerships



### Action Collaboration Transformation (ACT)

In 2015 we joined ACT, a joint initiative of international brands and IndustriALL Global Union, the international trade union federation, with the aim to achieve a living wage in the garment and textile industry through freedom of association and industry-wide collective bargaining, supported by world class manufacturing standards and responsible purchasing practices. By December 2023, Kmart Group will improve purchasing practices with our suppliers of our own brand apparel and footwear by implementing the ACT Global Purchasing Practices Standard.



### Better Work

Kmart Group was one of the first retailers globally to join the ILO and IFC's Better Work program which aims to improve working conditions and respect of labour rights for factory workers. As part of this partnership, 30 of our supplier factories in Bangladesh have participated in the 'Mothers@Work' initiative which helps to protect the wellbeing of mothers and ensure that their children receive early nutrition they need, and six of our supplier factories have joined the Gender Equality and Returns (GEAR) program, which promotes equal opportunities in supervisory roles for female sewing operators. Over the next 12 months we intend to further expand our involvement in partnerships that support our commitment to supporting health, education or professional skills training to at least 100,000 women in our supply chain by 2025.



### Better Cotton Initiative (BCI)

Kmart Group is a member of BCI, an initiative that aims to transform cotton production globally by developing Better Cotton as a sustainable mainstream commodity. Through sourcing cotton as Better Cotton as part of our commitment to source 100% of cotton more sustainably by July 2021, we're supporting farmers around the globe and their continuous improvement in farming practices – such as water and land management.



## Kmart Group global commitments and partnerships



### Textile Exchange

Kmart Group is a member of the Textile Exchange, a global non-profit that works to drive cross-sector industry transformation in responsible fibres, integrity and standards. As a member, we're working towards greater support of Textile Exchange standards such as the Global Recycled Standard, Responsible Wool Standard and Organic Content Standard as part of our commitment to sourcing materials more responsibly.



### Zero Discharge of Hazardous Chemicals (ZDHC)

ZDHC is a coalition of fashion retailers and brands, value chain affiliates and associates working to ensure safe and responsible management of chemicals in the global textile, leather, apparel and footwear value chain. As part of this alliance, we are working to implement the ZDHC manufacturing restricted substance list (MRSL) with all wet processing facilities used in the production of our own brand clothing, towel and bedding products by January 2025. In support of meeting this commitment and reducing environmental impact within the supply chain, Kmart Group is also a member of the Sustainable Apparel Coalition and supportive of the Higg Index, a tool for measuring environmental impacts across the value chain.



United Nations  
Climate Change

### Fashion Industry Charter for Climate Change

Kmart Group has joined other global retailers and brands in signing the Fashion Industry Charter for Climate Action. Under the auspices of United Nations Climate Change and aligned with the goals of the Paris Agreement, signatories are partnering to build a carbon reduction roadmap for the industry.



### New Plastics Economy Global Commitment

As part of our commitment to change the way we use plastics, we've signed the Ellen MacArthur New Plastics Economy Global Commitment and will phase out all problematic plastics in our merchandise by 2025.

# Thank you!

**KAS**   
Group Asia





# KAS Group Asia

