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# Animal Welfare Policy

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## Our Commitment

Kmart Group<sup>1</sup> is committed to working with our suppliers to ensure the humane treatment of animals within our supply chain. We recognise the significant role animal-based agriculture plays in the economies of rural and regional communities. However, this should never come at the expense of animal welfare. We believe that all animals deserve to live a life free from cruelty and suffering.

Kmart Group is therefore committed to ensuring animals within our supply chain are treated in a manner that is consistent with the *Five Freedoms* of Animal Welfare:<sup>2</sup>

1. **Freedom from hunger and thirst:** by ready access to fresh water and a diet to maintain full health and vigour.
2. **Freedom from discomfort:** by providing an appropriate environment including shelter and a comfortable resting area.
3. **Freedom from pain, injury or disease:** by prevention through rapid diagnosis and treatment.
4. **Freedom to express normal behaviour:** by providing sufficient space, proper facilities and company of the animal's own kind.
5. **Freedom from fear and distress:** by ensuring conditions and treatment which avoid mental suffering.

We acknowledge we cannot drive the responsible sourcing of animal-based fibres and materials on our own. Through our membership of the global non-profit organisation, Textile Exchange<sup>3</sup>, we have joined with other members, including textile suppliers, service providers, manufacturers, brands and retailers, farmers, and animal protection interest groups to promote responsible sourcing of virgin animal-based materials. In addition, we support the use of recycled animal fibres, as well as the use of innovative and more sustainable alternatives to animal-based fibres.

Some of our animal welfare commitments will require time for our sourcing teams and suppliers to adjust to, particularly to provide adequate levels of assurance around traceability and chain of custody. For this reason, we have set forward looking targets for the transition to verifiable responsible sourcing practices in the key areas of wool and leather. It is important that our suppliers be aware of these commitments and begin preparations to alter their sourcing practices accordingly.

## Application

This Policy applies to suppliers of Kmart Australia and Target Australia own brand<sup>4</sup> products. Our strong recommendation is that suppliers of licensed, international and other branded products adopt the principles outlined in this Policy when developing or updating their own Animal Welfare Policies.

## Compliance Controls

Compliance with this Policy is a mandatory requirement under the Kmart Group Ethical Sourcing Code, which all suppliers must adhere to pursuant to their supplier terms and conditions.

This Policy is supported by compliance controls within Kmart Group, including assurance and auditing processes. Should Kmart Group become aware that a supplier has breached this Policy, an investigation will be undertaken and appropriate disciplinary action taken, which may include termination of the supplier relationship.

Suppliers of Kmart Group own brand products should ensure compliance with this Policy within their own operations and supply chain. This includes the collection and submission of documentation required by Kmart Group to verify chain of custody and adherence to higher animal welfare standards.

Progress against the commitments outlined in this Policy will be regularly monitored by the Kmart Group Sustainability Steering Committee and reported publicly as part of the annual Wesfarmers Sustainability Report.

## Legal Compliance

This Policy does not replace the local laws of the countries in which our suppliers operate. Suppliers should always be familiar with and comply with all relevant local and national laws relating to animal welfare. In the event of a conflict between this Policy and local legislation, the stricter requirement should be followed, to the extent permitted by law.

## Animal Testing

Consistent with Australian law, suppliers of Kmart Group own brand products must ensure that after 1 July 2020 there is no animal testing with respect to any cosmetic or household products either on the ingredients of these products or on the finished products.

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<sup>1</sup> For the purposes of this Policy, the Kmart Group refers collectively to the businesses trading as Kmart Australia, Target Australia, Anko and KAS.

<sup>2</sup> The *Five Freedoms* capture the key aspects of animal welfare and have been recognised by animal welfare protection interest groups globally as a framework for assessing animal welfare. Kmart Group also recognises and supports the *Five Provisions* framework, developed as an evolution of the original *Five Freedoms*.

<sup>3</sup> [Textiles Exchange](#) is a global non-profit that works closely with members to drive industry transformation in preferred fibres, integrity and standards and responsible supply networks.

<sup>4</sup> When we use the term 'own brand', we are referring to the brands owned by Kmart Group, which excludes brands owned by other companies, such as licensed and international brands.



## Prohibited Materials

The following materials do not comply with Kmart Group's animal welfare principles and must not be used in own brand products:

- Fur (wild or farmed) including, but not limited to, rabbits, mink, foxes, racoon dogs, coyotes and karakul lambs. This excludes shearing and hair on leather, which are by-products of other industries and must align with the Kmart Group leather commitment.
- Leather obtained by live skinning or from aborted animals.
- Exotic skins and leather, or any derivative (including hair, feathers, bones or teeth) from all wildlife including, but not limited to, snake, alligator, crocodile, ostrich, emu and lizard.
- Vulnerable or endangered species which appear either on the *Convention on International Trade in Endangered Species (CITES)* or the *International Union for Conservation of Nature Red List of Threatened Species (IUCN)* lists.
- Angora rabbit hair.

## Wool

Kmart Group is committed to moving towards wool based products which can be verified as non-mulesed or from farms that have ceased the practice of mulesing.

By July 2023, 100% of wool used in Kmart and Target own brand clothing<sup>5</sup> and bedding<sup>6</sup> products will be sourced from: farms certified under the Responsible Wool Standard or an equivalent standard<sup>7</sup>; verified non-mulesed or ceased-mulesed farms<sup>8</sup>; or recycled wool.

## Leather

Kmart Group will be working with suppliers to ensure that any leather originates from cow, buffalo, sheep, goat or pig, and that it is sourced as a by-product of the meat industry, with the ultimate goal of ensuring that the leather is sourced from producers with good animal husbandry.

By July 2024, 100% of all leather used in our own brand products will be either: fully traceable to the country of origin where the animal was slaughtered and as a by-product of the meat industry, or from sources that are certified to a recognised responsible leather standard.<sup>9</sup>

As a member of the Textile Exchange, we are supportive of the multi-stakeholder engagement currently underway to identify and drive best practices across both the leather and beef industry and are also committed to sourcing recycled leather and responsible leather alternatives for selected ranges, as this innovation becomes more widely available.

## Down and Feathers

We do not permit down and feather obtained by live plucking or force-feeding. Down and feathers used in our own brand products must be Preferred Down as defined by the Textile Exchange. Preferred Down is currently defined as down that comes from supply chains that have strong animal welfare principles in place and have a chain of custody certified to the Responsible Down Standard, Global Traceable Down Standard, Downpass, as well as the use of recycled down.

## Mohair

We support the collaborative efforts of the Textile Exchange and the mohair industry in developing a Responsible Mohair Standard as a tool to recognise best practice and to ensure that mohair comes from farms which have a progressive approach to managing land and treating goats responsibly.

From 2020 onwards, and as mohair certified against the Responsible Mohair Standard becomes available, we will work with our suppliers to ensure that any mohair sourced is independently verified as being traceable back to farms with strict animal welfare standards in place.

## Cashmere

We support global efforts to transition towards a more responsible cashmere supply chain. In particular, we support the work of the Textile Exchange Responsible Cashmere Round Table in its development of market-based solutions to promote responsible cashmere production. Until the outcomes of this Working Group are determined, we will work with our suppliers to source cashmere traceable back to farms with strict animal welfare standards in place, or use recycled cashmere, where possible.

## Labelling

Kmart Group requires suppliers to provide information on the species of animal used in a product, the country of origin where the animal was reared, and details of animal welfare standard certifications, where applicable.

All products supplied to Kmart Group must be labelled correctly with accurate composition. Where synthetic materials made to look like animal products are used, words like "faux" should be used in the product description to avoid confusion.

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<sup>5</sup> Excluding all functional trims (e.g. zips) and decorative details (e.g. lace or ribbons).

<sup>6</sup> Bedding includes all sheets, quilts, quilt covers, blankets, throws, pillows, pillow cases, cushions, and mattress protectors.

<sup>7</sup> This will include standards approved by Kmart Group that consider issues relating to animal welfare and sustainable land management.

<sup>8</sup> Wool originating from Australia must be declared as 'non-mulesed' (NM) or 'ceased-mulesed' (CM) in a National Wool Declaration (NWD) certificate.

<sup>9</sup> This will include standards approved by Kmart Group that consider issues relating to animal welfare, worker wellbeing and the environment throughout the leather supply chain.