

# 2024 Corporate Governance Statement



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2024 Wesfarmers  
Annual Report is available at  
[wesfarmers.com.au](https://www.wesfarmers.com.au)

# The Board of Wesfarmers Limited



**Michael Chaney AO**  
CHAIRMAN



**Rob Scott**  
MANAGING DIRECTOR



**Vanessa Wallace**  
DIRECTOR



**Jennifer Westacott AO**  
DIRECTOR



**Bill English KNZM**  
DIRECTOR



**Mike Roche**  
DIRECTOR



**Sharon Warburton**  
DIRECTOR



**Anil Sabharwal**  
DIRECTOR



**Alison Watkins AM**  
DIRECTOR



**Alan Cransberg**  
DIRECTOR



**Kate Munnings**  
DIRECTOR (APPOINTED 1 AUGUST 2024)

The Board of Wesfarmers Limited is committed to providing a satisfactory return to its shareholders and fulfilling its corporate governance obligations and responsibilities in the best interests of the company and taking into account the interests of its stakeholders. This corporate governance statement details the key aspects of the governance framework and practices of Wesfarmers. Wesfarmers regularly reviews its governance framework and practices so as to ensure they consistently reflect market practice and stakeholder expectations.

The Board believes that the governance policies and practices adopted by Wesfarmers during the reporting period for the year ended 30 June 2024 follow the recommendations contained in the fourth edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (ASX Principles).

In this corporate governance statement, references to 'Wesfarmers', 'the company', 'the Group', 'we', 'us' and 'our' refer to Wesfarmers Limited (ABN 28 008 984 049) unless otherwise stated.

This corporate governance statement is for the year ended 30 June 2024 and details in it are as of that date, unless otherwise stated.



# 1. Roles and responsibilities of the Board and management

The role of the Board is to:

- approve the purpose, values and strategic direction of the Group
- guide and monitor the management of Wesfarmers and its businesses in achieving its strategic plans
- oversee good governance practice
- set the Group's risk appetite and review, approve and monitor the Group's financial and non-financial risk management systems
- appoint the Group Managing Director and approve remuneration of, and review the performance of, the Group Managing Director and executive key management personnel

The Board aims to protect and enhance the interests of its shareholders, while taking into account the interests of other stakeholders, including team members, customers, suppliers, government, regulators and the communities in which the Group's businesses operate.

A key area of responsibility of the Board is monitoring and guiding the culture of the Group - with its unique focus on delivering satisfactory returns to shareholders - and the reputation of the Group. The Board maintains ultimate responsibility for strategy and control of Wesfarmers and its businesses.

In performing its role, the Board is committed to a high standard of corporate governance practice and to fostering a culture of compliance which values ethical behaviour, personal and corporate integrity, accountability, transparency and respect for others.

The Board has a charter which clearly sets out its roles and responsibilities and describes those matters expressly reserved for the Board's determination and those matters delegated to senior management. Senior management, amongst other matters, takes primary ownership of, and is responsible for:

- instilling and reinforcing the Group's values
- implementing sound risk management and controls which accord with the risk appetite set by the Board
- ensuring the Board receives timely and accurate information about the Group to enable it to fulfil its responsibilities

The Board holds management accountable for the performance of its delegated functions. In doing so the Board constructively challenges management's proposals and decisions and seeks to instil a culture of accountability throughout the Group.

The Group Managing Director has responsibility for the day-to-day management of Wesfarmers and its businesses, and is supported in this function by the Wesfarmers Leadership Team.

Details of the members of the Wesfarmers Leadership Team are set out on pages 14 and 15 of the company's 2024 annual report and in the corporate governance section of the company's website.

Further information on the roles and responsibilities of the Board and of senior management can be found in the Board Charter, which is available in the corporate governance section of the company's website at [wesfarmers.com.au/cg](https://www.wesfarmers.com.au/cg)

In fulfilling its roles and responsibilities, the key focus areas of the Board during the 2024 financial year are set out below.

## Key focus areas of the Board during the 2024 financial year included:

- Overseeing the continuing development of the Covalent lithium project through commissioning of the Mt Holland mine and concentrator and construction and operational readiness preparations at the Kwinana lithium hydroxide refinery
- Overseeing the continuing development of OnePass (the Group's retail subscription program), shared data asset, online marketplace offerings and omnichannel retail proposition
- Monitoring the Group's safety performance, evaluating areas of underperformance and overseeing implementation of strategies to improve safety and enhance workplace safety awareness
- Reviewing and providing input into the business operations and strategic plans of each division to drive long-term shareholder value creation
- Monitoring changes in the domestic and global external environment, including inflationary and supply chain pressures, and overseeing management's strategies in relation to these areas
- Overseeing management's performance in strategy implementation
- Overseeing the implementation of strategy to address areas of underperformance and reposition the portfolio to deliver growth in shareholder returns
- Monitoring and evaluating growth opportunities that leverage Wesfarmers' capabilities and complement the existing portfolio
- Monitoring the Group's operating and cash flow performance, financial position and key metrics, including financial covenants and credit ratings
- Reviewing the Group's risk management framework, overseeing the implementation of strategies to improve the Group's risk management framework and monitoring that the Group is operating with due regard to the risk appetite set by the Board
- Reviewing and updating the Group's risk appetite statement to reflect new and emerging risks and changing circumstances
- Overseeing sustainability risks, including by monitoring the Group's performance on key ESG metrics and overseeing implementation of strategies to improve ESG performance and enhance ESG awareness
- Evaluating cyber security and data privacy risks across the Group and overseeing the implementation of measures to manage those risks
- Overseeing the Group's remuneration framework and remuneration outcomes for senior management
- Reviewing the processes in place to attract, develop, motivate and retain talent and overseeing succession planning
- Reviewing and updating policies, reporting and processes to make improvements to the Group's system of corporate governance and compliance

## 2. Structure and composition of the Board

Wesfarmers is committed to ensuring that the composition of the Board continues to include directors who collectively bring an appropriate mix of skills, commitment, experience, expertise and diversity (including gender diversity) to Board decision-making.

As at 30 June 2024, the Board comprised 10 directors, including nine non-executive and independent directors. Details of the directors, including their qualifications and dates of appointment are set out below. Detailed biographies of all current directors are set out on pages 86 and 87 of the company's 2024 annual report.

The Board is of the view that the current directors possess an appropriate mix of skills, commitment, experience, expertise (including knowledge of the Group and the relevant industries in which the Group operates) and diversity to enable the Board to discharge its responsibilities effectively and deliver the company's strategic priorities as a diversified corporation with current businesses operating in home improvement, outdoor living products and supply of building materials; general merchandise and apparel; office and technology products; health, beauty and wellbeing products and services; management of a retail subscription program, shared data asset and online marketplace; wholesale distribution of pharmaceutical goods; manufacturing and distribution of chemicals and fertilisers; participation in a joint venture for an integrated lithium project, including operation of a mine and concentrator and development of a refinery; industrial and safety product distribution; gas processing and distribution; and management of the Group's investments.



**44%**

Female non-executive directors of Wesfarmers Limited



**46 - 74 years**

Age range of directors



**2 - 14 years**

Range of tenure of Wesfarmers' non-executive directors



**6 years 7 months**

Average tenure of Wesfarmers' non-executive directors

### Board Tenure and Qualifications (as at 30 June 2024)

Name of director	Term in office	Qualifications
Michael Chaney AO	Director since June 2015 and Chairman since November 2015	BSc, MBA, Hon. LLD W.Aust, FAICD
Rob Scott	Director since November 2017	B.Comm, MAppFin, CA, GradDipAppFin, OLY
Alan Cransberg	Director since October 2021	BEng(Civil Eng) (Hons)
Bill English KNZM	Director since April 2018	BA(Hons), BCom (Otago)
Mike Roche	Director since February 2019	BSc, GAICD, FIA (London), FIAA (Australia)
Anil Sabharwal	Director since February 2021	BMath, BCompSc, Executive MBA (Google)
Vanessa Wallace	Director since July 2010	B.Comm (UNSW), MBA (IMD Switzerland), MAICD
Sharon Warburton	Director since August 2019	BBus (Accounting & Business Law), FCA, FAICD
Alison Watkins AM	Director since September 2021	BCom, FCA, FAICD, F FIN
Jennifer Westacott AO	Director since April 2013	BA (Honours), FAICD, FIPAA, FANZSOG

## 2. Structure and composition of the Board *cont.*

The Board, through the Nomination Committee, is responsible for evaluating the composition, skills and experience of the Board to ensure that the Board has the attributes required to fulfil its roles and responsibilities. One aspect of this is an annual assessment of the combined skills, experience and expertise of the Board against a skills matrix which sets out the competencies relevant to the Wesfarmers Board.

The process for completing the Board skills matrix requires each director to complete an online self-assessment against the different capability areas in the matrix, in which directors assess themselves in each capability area on an ascending scale of competency - 'competent', 'experienced' and 'expert'. While the description of what is required to meet a particular level of competency varies by capability area, the requirements generally move from:

- at 'competent' level, a working understanding of the subject matter; to
- at 'experienced' level, a sound knowledge of the subject matter through time spent in the area as a director, executive or advisor, or through formal study; to
- at 'expert' level, demonstrated and recognised expertise through extensive tenure in the area as a director, executive or advisor.

Each director's self-assessment has been adjusted to account for feedback from the other directors through the online platform's peer review process. Directors have also been asked to provide evidence in support of any capability areas in which they self-assessed as 'expert'.

The adjusted Board skills matrix for the 2024 financial year is set out below.<sup>1</sup>

Wesfarmers Board skills and experience	
<b>Leadership</b> Experience in a senior management position in a listed company, large or complex organisation or government body.	
<b>Corporate governance</b> Experience in and commitment to the highest standards of corporate governance and includes experience as a director or senior executive in a listed company, large organisation or government body.	
<b>Financial acumen</b> Understanding of financial statements and reporting, key drivers of financial performance, corporate finance and internal financial controls.	
<b>Risk management</b> Experience in identification, monitoring and management of material financial and non-financial risks and understanding, implementation and oversight of risk management frameworks and controls.	
<b>Digital, data and technology</b> Experience and expertise in identifying, assessing, implementing and leveraging digital technologies and other innovations, understanding the use of data and analytics and responding to digital disruption.	
<b>People and culture</b> Experience in overseeing workplace culture, people management, development and succession planning, setting remuneration frameworks and promoting inclusion and diversity.	
<b>Strategy</b> Experience in corporate planning, including identifying and analysing strategic opportunities and threats, developing, implementing and delivering strategic objectives and monitoring performance against strategic objectives.	
<b>Corporate transactions</b> Experience in assessing and completing complex business transactions, including mergers, acquisitions, divestments, capital management, major projects and business integration.	
<b>Retail markets</b> Knowledge and experience in the retail and consumer goods industry, including merchandising, brand development, customer relationships and supply chain.	
<b>Industrial, resources and infrastructure</b> Senior executive or non-executive director experience and expertise in the industrial, resources or infrastructure sectors, including project construction.	
<b>Regulatory and public policy</b> Experience in the management and oversight of compliance with legal and regulatory requirements and/or experience in the development, implementation and review of regulatory and public policy.	
<b>Government and regulatory engagement</b> Professional experience working or interacting with government and regulators.	
<b>Climate and decarbonisation</b> Understanding and experience in managing climate change risks and decarbonisation strategies.	
<b>Human rights and ethical sourcing</b> Understanding and experience in best practice in human rights and ethical sourcing.	
<b>Community engagement and social responsibility</b> Understanding and experience in community and stakeholder relations and corporate social responsibility.	
<b>International experience</b> Experience in international business, trade and/or investment at a senior executive level and exposure to global markets and a range of different political, regulatory and business environments.	

■ Competent   
 ■ Experienced   
 ■ Expert

The Board also augments its skills, experience and expertise through management and external advisors. The Board benefits from the experience of David Cheesewright who has extensive experience in international retailing and manufacturing, including 19 years with Walmart. He was appointed as an advisor to the Wesfarmers Board in August 2018.

<sup>1</sup> Kate Munnings was appointed to the Wesfarmers Board on 1 August 2024 and did not participate in the Board skills matrix process in the 2024 financial year.

## 2. Structure and composition of the Board *cont.*

### 2.1 Independence of the Chairman

The Chairman is elected from the independent non-executive directors. The responsibilities of the Chairman are set out in the Board Charter on the company's website at [wesfarmers.com.au/cg](https://wesfarmers.com.au/cg)

Michael Chaney is the present serving Chairman. Further information on Mr Chaney is set out on page 86 of the company's 2024 annual report.

### 2.2 Director independence

Directors are expected to bring views and judgement to Board deliberations that are independent of management and free of any interest, position, association, business or other relationship or circumstance that could materially interfere with the exercise of objective, unfettered or independent judgement, having regard to the best interests of the company as a whole.

Each non-executive director is required to notify the Chairman prior to accepting an invitation to become a director of any other company. In considering the new appointment, the Chairman is to consider:

- the terms of Wesfarmers' Director Conflicts of Interest Policy
- the time commitment required of the director to properly exercise their powers and discharge their duties as a director of Wesfarmers and member of any Board committees

An independent director is a non-executive director who is not a member of management and who is free of any interest, position, association, business or other relationship that could influence, or could reasonably be perceived to influence, the independent exercise of their judgement.

The Board regularly assesses the independence of each non-executive director in light of the information which each director is required to disclose in relation to any material contract or other relationship with Wesfarmers in accordance with the director's terms of appointment, the *Corporations Act 2001*, the Board Charter and Wesfarmers' Director Conflicts of Interest Policy. Each non-executive director may be involved with other companies or professional firms which may from time to time have dealings with Wesfarmers. Details of some of the offices held by directors with other organisations are set out on pages 86 and 87 of the company's 2024 annual report and on the company's website at [wesfarmers.com.au/cg](https://wesfarmers.com.au/cg)

The Board considers any changes to each non-executive director's interests, positions, associations or relationships that could bear upon their independence. The Board's assessment of independence and the criteria against which it determines the materiality of any facts, information or circumstances is formed having regard to the ASX Principles. In particular, the Board focuses on the factors relevant to assessing the independence of a director set out in recommendation 2.3 of the ASX Principles and the materiality guidelines applied in accordance with Australian Accounting Standards.

The Board considers that a relationship could influence, or could reasonably be perceived to influence, a director's independent judgement where it is of such substance and consequence that there is a real and sensible possibility that it would affect the director's judgement.

The Board has reviewed the position and relationships of all directors in office as at 30 June 2024 and considers that all nine non-executive directors holding office at the time are independent.

### Non-executive directors (as at 30 June 2024)

#### Independent

Michael Chaney AO (Chairman)

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Alan Cransberg

---

Bill English KNZM

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Mike Roche

---

Anil Sabharwal

---

Vanessa Wallace

---

Sharon Warburton

---

Alison Watkins AM

---

Jennifer Westacott AO

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## 2. Structure and composition of the Board *cont.*



### 2.3 Directors' rights and obligations

The key rights and obligations of the directors are set out below:

#### Retirement and re-election

One-third of directors (other than the Managing Director and directors filling casual or additional vacancies) must retire at each annual general meeting

Directors filling casual or additional vacancies must have their appointment confirmed at the next annual general meeting

The Nomination Committee makes recommendations on the appointment, election and re-election of directors

The Chairman must retire from this position at the expiration of 10 years unless the Board decides otherwise

The Chairman's appointment is formally reviewed every three years

#### Conflicts of interest

Directors have a duty not to place themselves in a position which gives rise to a real or substantial possibility of a conflict of interest or duty, in relation to any matter which is or is likely to be brought before the Board

Directors have an ongoing obligation to disclose to the Board immediately any real or substantial possibility of a conflict of interest or duty

Directors are required to declare material personal interests or other conflicts requiring disclosure by formal standing notices

The Director Conflicts of Interest Policy sets out disclosure obligations and procedures to be followed by directors in the event of a conflict or potential conflict of interest or duty

#### Access to information and independent advice

Directors are entitled to:

- Directly contact and discuss matters with team members and the Company Secretary, and unrestricted access to records, subject to law
- Independent professional advice at Wesfarmers' expense, where reasonable and necessary to fulfil their duties, and subject to prior consultation with the Chairman (and in relation to the Chairman, subject to prior consultation with the Chairman of the Audit and Risk Committee)

#### Related party transactions

Related party transactions are disclosable in accordance with the relevant Accounting Standards and the *Corporations Act 2001*. These are presently reported in note 24 of the 2024 financial statements



## 2. Structure and composition of the Board *cont.*

### 2.4 Committees of the Board

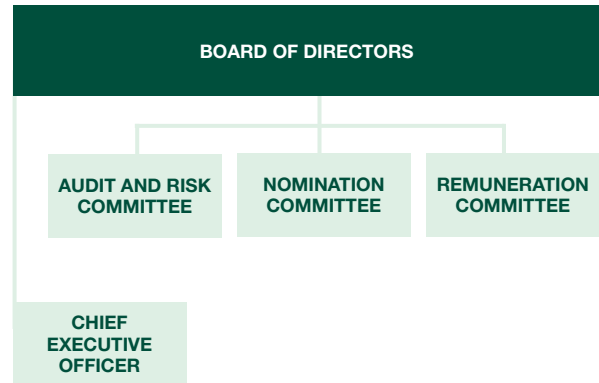
The Board has established an Audit and Risk Committee, a Nomination Committee and a Remuneration Committee as standing committees to assist with the discharge of its responsibilities.

All directors have a standing invitation to attend committee meetings where there is no conflict of interest. These committees review matters on behalf of the Board and (subject to the terms of the relevant committee's charter):

- refer matters to the Board for decision, with a recommendation from the committee (where the committee acts in an advisory capacity)
- determine matters (where the committee acts with delegated authority), which it then reports to the Board

Details of the current membership and composition of each committee are set out below. Details of meeting attendance for members of each committee during the 2024 financial year are set out in the directors' report on page 94 of the company's 2024 annual report. The roles and responsibilities of each committee are set out in the respective committee charters which are available in the corporate governance section of the company's website at [wesfarmers.com.au/cg](https://wesfarmers.com.au/cg)

### Governance Framework



Committee	Members	Composition
<b>Audit and Risk Committee</b>	Sharon Warburton (Chairman) Bill English Anil Sabharwal Jennifer Westacott	<ul style="list-style-type: none"> <li>– Three or more non-executive directors</li> <li>– Members who between them have accounting and financial expertise and a sufficient understanding of the industries in which the Group operates, to be able to discharge the Committee's mandate effectively</li> <li>– A majority of independent non-executive directors</li> <li>– Chaired by an independent director who is not the chair of the Board</li> <li>– Chaired by a Fellow of Chartered Accountants Australia and New Zealand with extensive board and executive experience in finance, accounting and risk management</li> </ul>
<b>Nomination Committee</b>	Michael Chaney (Chairman) All other non-executive directors	<ul style="list-style-type: none"> <li>– All non-executive directors</li> <li>– A majority of independent non-executive directors.</li> <li>– Chaired by an independent director</li> </ul>
<b>Remuneration Committee</b>	Mike Roche (Chairman) Michael Chaney Alan Cransberg Kate Munnings Vanessa Wallace Alison Watkins	<ul style="list-style-type: none"> <li>– Three or more non-executive directors</li> <li>– A majority of independent non-executive directors</li> <li>– Chaired by an independent director</li> </ul>

### 2.5 The role of the Company Secretary

Vicki Robinson was appointed as the Company Secretary on 2 March 2020 and retired from the role effective 30 October 2023. Ms Robinson was succeeded by Sheldon Renkema from 30 October 2023. Mr Renkema is a member of the Wesfarmers Leadership Team and his qualifications and experience are set out in the directors' report on page 95 of the company's 2024 annual report.

The Company Secretary is appointed by the Board and is accountable to the Board, through the Chairman, on all matters to do with the proper functioning of the Board. The Company Secretary works closely with the Chairman to manage the flow of information between the Board, its committees and senior executives across the Group. Further details on the role of the Company Secretary are set out in Wesfarmers' Board Charter which is available on the company's website at [wesfarmers.com.au/cg](https://wesfarmers.com.au/cg)

# 3. Board succession planning

## 3.1 Appointment of new directors and executives

The Nomination Committee oversees Board succession planning. As part of this role, the Nomination Committee is responsible for identifying suitable candidates to fill Board vacancies as and when they arise, or to identify candidates to complement the existing Board and to make recommendations to the Board on their appointment. Where appropriate, external consultants are engaged to assist in searching for candidates.

The Board assesses candidates recommended by the Nomination Committee against a range of criteria including background, experience, professional qualifications, personal qualities, the potential for the candidate's skills to augment the existing Board, taking into consideration the Board skills matrix (the 2024 financial year version of which is set out on page 5 of this corporate governance statement), and the candidate's availability to commit to the Board's activities. Wesfarmers also undertakes appropriate checks before a new director or senior executive is appointed. These checks include criminal record and bankruptcy checks, and checks of the candidate's employment history and educational qualifications. If these criteria are met and the Board appoints the candidate, the director or executive (in their personal capacity) will enter into a written contract with the company, setting out the terms of their appointment consistent with the ASX Principles. Any person appointed by the Board as a non-executive director must seek to have their appointment approved by shareholders at the next annual general meeting.

Candidates for appointment, election or re-election as a director are requested to provide details of their other commitments (and an indication of time involved in relation to those commitments), and to confirm their other commitments will not affect their ability to perform and discharge their responsibilities as a director of Wesfarmers.

The Board aims, through the notices of meeting for annual general meetings, to provide shareholders with all material information known to the Board and relevant to a decision on whether or not to elect or re-elect a director.

The Board Charter requires a director to hold, directly or indirectly, a minimum of 1,000 ordinary shares in Wesfarmers within two months of their appointment and at all times during the director's period of office, and must, within five years of appointment, increase that shareholding to an amount equivalent in approximate value to the gross annual base fee paid to each non-executive director at the relevant time.

As at 30 June 2024, all directors were in compliance with the minimum shareholding requirements.

## 3.2 Induction of new non-executive directors and ongoing director development

As part of a comprehensive induction program covering Wesfarmers' financial, strategic, operational and risk management position, a new director meets with the Chairman, the Audit and Risk Committee Chairman, the Remuneration Committee Chairman, the Group Managing Director, divisional managing directors and other key executives, to gain an insight into the values and culture of Wesfarmers, the Group's structure, business operations, history, key risks and regulatory and legal framework. The program also includes site visits to some of the Group's key operational sites. The induction program is tailored to the director's existing skills, knowledge and experience.

All directors are expected to maintain the skills required to discharge their obligations to the company. The Board, through the Nomination Committee, periodically reviews the professional development needs of the directors.

On an ongoing basis, directors are provided with papers, presentations and briefings on matters which may affect the business

or operations of Wesfarmers to assist the directors in fulfilling their role and discharging their duties. Directors are also encouraged to undertake continuing education and training relevant to the discharge of their obligations as directors of the company, typically arranged by the Nomination Committee. Subject to consultation with the Company Secretary, the reasonable cost of continuing education and training is met by Wesfarmers.

To assist the directors in maintaining an appropriate level of knowledge of the operations of the company, directors undertake site visits each year to some of Wesfarmers' businesses.

## 3.3 Evaluation of the Board, committees and directors

The Nomination Committee is responsible for ensuring that there is a robust and effective process for evaluating the performance of the Board, its committees and individual non-executive directors. In relation to the re-appointment of a non-executive director, the Nomination Committee reviews the performance of the relevant non-executive director during their term of office and makes recommendations to the Board.

The form of the Board, committee and individual non-executive director performance reviews are considered and determined each year. The outcomes of each Board and committee performance review are discussed by the Board and each respective committee. The outcomes of the performance review for each non-executive director are discussed between the non-executive director and the Chairman (and in the case of the performance review of the Chairman, between the Chairman and the longest-serving non-executive director).

Periodically a full evaluation process is facilitated by an external consultant. This last occurred in 2023. In 2024, as in other recent years when a full external evaluation has not been conducted, each director participated in a review of the effectiveness and performance of the Board and its committees using an online board evaluation platform. The findings of this review were discussed by the Board and opportunities for improvement agreed on and implemented.

The Chairman also engages in regular discussions with the other directors and management with a focus on optimising the effectiveness of the Board and committee interactions, processes and decision-making.

### Key focus areas of the Nomination Committee during the 2024 financial year included:

- Consideration of feedback from major shareholders during the Chairman's Roadshow conducted in late 2023
- Recommending to the Board the process for the Board, committee and individual non-executive director performance reviews, considering and discussing the outcomes and recommendations from these review processes and agreeing actions to be implemented
- Considering potential non-executive director candidates as part of succession planning
- Considering and making recommendations to the Board regarding director independence and tenure

# 4. Remuneration and evaluation of executive key management

## 4.1 Remuneration

Full details of the remuneration paid to non-executive directors and executive key management personnel (KMP), along with details of Wesfarmers' policy on the remuneration of the executive KMP are set out in the Remuneration Report on pages 98 to 127 of the company's 2024 annual report.

## 4.2 Evaluation of the performance of executive KMP

The executive KMP, comprising the Group Managing Director, the Group Chief Financial Officer and those executives who have authority and responsibility for planning, directing and controlling the activities of a major profit generating division of Wesfarmers, have a remuneration package that includes fixed cash remuneration and a variable or 'at risk' component via participation in the Key Executive Equity Performance Plan (KEEPP).

The Remuneration Committee and the Board conduct an annual review of the fixed component of each executive KMP's remuneration package in which this is assessed against market remuneration benchmarks for roles with comparable responsibilities in comparable organisations.

The mix of remuneration components and the performance measures used in the KEEPP have been chosen to ensure there is a strong link between remuneration earned and the achievement of the Group's strategic and business objectives, alignment with the Group's values, management of risk in accordance with the Group's risk appetite and, ultimately, generating satisfactory returns for shareholders.

The KEEPP allocations are based on performance against annual scorecards that are set each financial year and, for the 2024 financial year, consisted of financial and safety performance measures, measures relating to the Group's data and digital initiatives and individual performance objectives relevant to the role of each participant. The individual performance objectives have been split into business enhancing objectives and sustainability objectives, including reputation, risk management, people and culture, and climate change-related initiatives. Following the end of the financial year, awards are determined after the preparation of the financial statements, the assessment of the safety results, and the evaluation of the executive's performance against the applicable Group and individual performance objectives have been carried out by the Group Managing Director, the Remuneration Committee and the Board. In the case of the Group Managing Director, this review is conducted by the Chairman and the results are reported to the Remuneration Committee and the Board. In determining the KEEPP awards, the Remuneration Committee and the Board consider the scorecard result and the personal performance and conduct of each participant to ensure that the outcomes are aligned with the long-term interests of the company and that conduct contrary to the Group's values or risk appetite is not rewarded.

Where the scorecard results in an allocation of Performance Shares lower than the baseline level, additional Performance Shares will be allocated to achieve that level. The baseline level is 100 per cent of fixed annual remuneration (FAR) for each of the Group Managing Director and Group Chief Financial Officer, and 85 per cent of FAR for relevant divisional managing directors.

The Board has discretion to adjust the performance conditions, where considered appropriate.

The Board confirms final awards in August each year. No individual director or executive KMP is involved in deciding their own remuneration.

The Performance Shares allocated under the KEEPP in the 2024 financial year will vest subject to a four-year performance period. For the Group Managing Director and Group Chief Financial Officer, the performance conditions are based on relative total shareholder return and portfolio management and investment outcomes. For the remaining KEEPP participants, the performance conditions are based on the relevant divisional financial performance and relative total shareholder return. Further information regarding the KEEPP is set

out in the remuneration report on pages 98 to 127 of the company's 2024 annual report.

The Board will test the KEEPP Performance Share performance conditions following finalisation of the annual financial statements at the end of the relevant four-year performance period and has broad discretion to determine the vesting outcomes based on all relevant factors, including ensuring conduct contrary to the Group's values or risk appetite is not rewarded.

The Board has the authority to reduce or cancel unvested variable remuneration and clawback vested variable remuneration, should it consider it appropriate. No remuneration that vested in previous financial years has been clawed back by the Board in the 2024 financial year.

The Securities Trading Policy reflects the *Corporations Act 2001* prohibition on KMP and their closely related parties entering into any arrangement that would have the effect of limiting the KMP's exposure to risk relating to an element of their remuneration that remains subject to restrictions on disposal. Wesfarmers' directors, the Wesfarmers Leadership Team, and certain members of their immediate family and controlled entities are prohibited from dealing in Wesfarmers securities and engaging in short-term trading, security interests, margin loans and hedging relating to Wesfarmers securities unless approval has been sought and clearance obtained from the Company Secretary.

As part of the annual performance and development review process, the potential future development of an executive is discussed, along with any further development and training required to enhance the prospects of both the development objectives being achieved and overall progression within the Wesfarmers Group. Annual performance reviews of each member of the Wesfarmers Leadership Team, including the Group Managing Director, for the 2024 financial year have been undertaken in accordance with the process described above.

### Key focus areas of the Remuneration Committee during the 2024 financial year included:

- Reviewing and making recommendations to the Board in relation to the fixed and variable remuneration of the Group Managing Director and the other executive KMP
- Reviewing and, where appropriate, approving management's recommendations in relation to the fixed and variable remuneration of the other members of the Wesfarmers Leadership Team, in accordance with the Board-approved delegated authority for remuneration-related approvals
- Reviewing and making recommendations to the Board in relation to the Wesfarmers variable remuneration plans, including consideration of any new plans
- Reviewing and making recommendations to the Board for the vesting outcomes of the 2019 KEEPP Performance Shares based on the assessment of performance against the performance targets
- Reviewing the succession and transition plans for the Wesfarmers Leadership Team
- Reviewing and making a recommendation to the Board on non-executive director fees
- Reviewing and monitoring of diversity and inclusion matters, including gender pay equity and reporting to the Workplace Gender Equality Agency

## 5. Governance policies

The Board believes that the governance policies and practices adopted by Wesfarmers during the reporting period for the year ended 30 June 2024 follow the recommendations contained in the ASX Principles. This corporate governance statement is current as at the date of the company's 2024 annual report, and has been approved by the Board. Wesfarmers' compliance with the recommendations contained in the ASX Principles is set out in the company's Appendix 4G which is available in the corporate governance section of the company's website at [wesfarmers.com.au/cg](https://wesfarmers.com.au/cg)

Wesfarmers also acknowledges that the ASX Corporate Governance Council (Council) has released an exposure draft of the fifth edition of the ASX Principles (the Fifth Edition). While the final amendments remain subject to the Council's consultation process, Wesfarmers has taken some initial preparatory steps, for example by updating its Board Charter in May 2024, in anticipation of amendments that are considered likely to be included in the Fifth Edition when it is released.

Details of Wesfarmers' corporate governance policies are summarised below. The corporate governance section of the company's website contains access to all relevant corporate governance information, including Board and committee charters, and Group policies referred to below.

### **Director Conflicts of Interest Policy** (revised May 2021)

Sets out the obligations of each director to disclose conflicts of interest to the Board and the procedures to be followed where a director has disclosed a conflict of interest in accordance with the policy; or the Board has identified a matter which is, or is likely to be, brought before the Board which may place a particular director in a position of conflict.

Complements the Board's ongoing use of formal standing notice registers to notify the Board of the nature and extent of any material personal interests or other potential conflicts of interest.

### **Code of Conduct** (revised June 2024)

References Wesfarmers' policies, procedures and guidelines aimed at ensuring anyone who is employed by or works in or for the Group complies with a set of guiding principles, consistent with Wesfarmers' values.

The Board is provided with details of any material breaches of the Code of Conduct in accordance with Wesfarmers' reporting processes and procedures and such matters are escalated to the Board's immediate attention if and as required.

### **Whistleblower Policy** (revised June 2024)

Promotes and supports a culture of honest and ethical behaviour. The policy encourages reporting of suspected unethical, illegal, fraudulent or undesirable conduct, either with management within the division or with a Protected Disclosure Officer in accordance with applicable whistleblower laws.

Details of any material incidents reported under the Whistleblower Policy are reported initially to the Audit and Risk Committee and then to the Board in accordance with Wesfarmers' reporting processes and procedures. Matters that require the Board's immediate attention are escalated as appropriate.

### **Risk Management Policy** (revised March 2024)

Communicates the risk management principles upon which the Group's risk management framework is designed and confirms the Group's commitment to maintaining a risk aware culture and embedding risk management practices within operations.

Sets out roles and responsibilities relating to the identification and management of risk throughout the Group and articulates the Group's minimum requirements in relation to risk management.

### **Anti-bribery Policy** (revised June 2024)

Prohibits anyone who works for the Wesfarmers Group from engaging in improper conduct including activity that constitutes bribery or corruption, and provides guidelines as to what constitutes bribery or corruption.

The Board is provided with details of any material breaches of the Anti-bribery Policy in accordance with Wesfarmers' reporting processes and procedures and such matters are escalated to the Board's immediate attention as appropriate.

### **Securities Trading Policy** (revised March 2024)

Designed to ensure compliance with insider trading laws and protect Wesfarmers' reputation in relation to trading in securities by its directors and team members. It also prohibits, without consent, specific types of transactions by Wesfarmers directors, the Wesfarmers Leadership Team and certain of their immediate family members and controlled entities which may not be in accordance with market expectations or may otherwise give rise to reputational risk.

### **Market Disclosure Policy** (revised March 2024)

Requires immediate internal reporting of potentially market sensitive information, and includes processes to manage confidentiality and engagements with the media and investment community. A disclosure officer is appointed to administer the policy, and a disclosure committee liaises with the disclosure officer and make determinations with respect to the Group's continuous disclosure obligations.

### **Investor Engagement Policy** (revised March 2024)

Establishes Wesfarmers' program for engaging and communicating with shareholders, investors, the media and the broader investment community, including at the company's annual general meeting, investment briefings and strategy day, and the annual report lodged with the ASX.

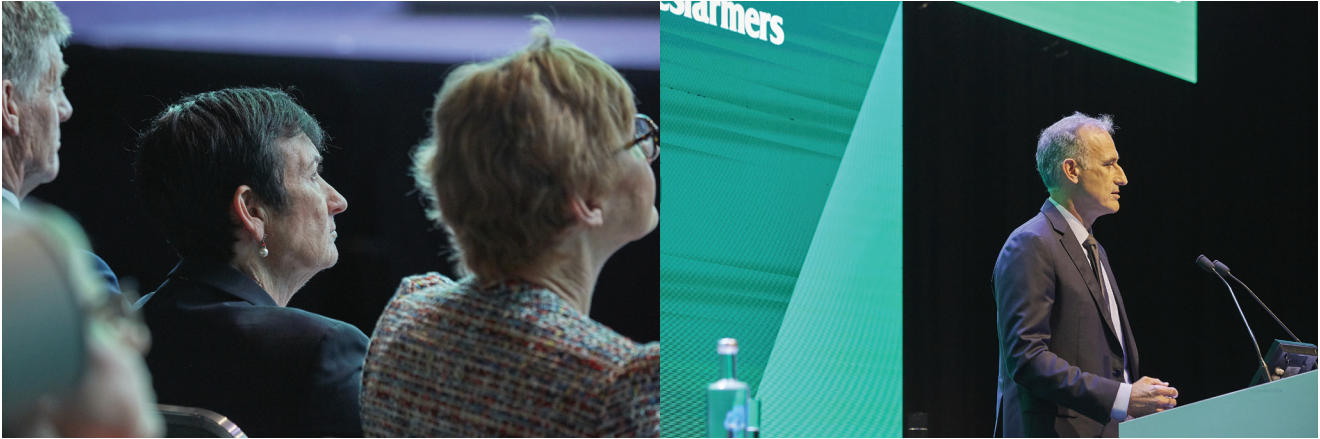
### **Diverse, Inclusive and Respectful Workplaces Policy** (revised June 2024)

Aims to encourage an inclusive work environment where everyone feels safe and respected and is designed to foster many facets of diversity in addition to gender, including different ages and ethnicities at all levels in the Group.

See pages 21 to 24 of this corporate governance statement on diversity disclosures.



## 5. Governance policies *cont.*



### **Environment Policy** **(revised May 2023)**

Sets out the minimum level of controls and standards required across the Group to ensure compliance with environmental laws and regulatory requirements, including assessment and approval requirements and environmental permit and licence conditions, and demonstrates a commitment to operate the business sustainably.

### **Compliance Management Policy** **(revised March 2024)**

Articulates Wesfarmers' commitment to, and expectations of the Wesfarmers Group businesses to adopt appropriate compliance management practices, sets out Wesfarmers' compliance management principles and provides guidance regarding the effective management of compliance risk.

### **Climate Policy** **(revised March 2024)**

Sets out the minimum standards required across the Group to support the global goal of reducing greenhouse gas emissions, including setting net zero emissions targets and ambitions, reporting progress against these targets and ambitions, and related governance systems and disclosures.

Wesfarmers' climate-related financial disclosures, in line with the recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD), are set out on pages 70 to 84 of the company's 2024 annual report.

### **Ethical Sourcing and Modern Slavery Policy** **(revised March 2024)**

Aims to ensure the Group engages fairly with suppliers, sourcing goods and services ethically and sustainably. In line with a responsibility to respect human rights, the purpose of the policy is to ensure compliance with local, national and other applicable laws and regulations and to meet stakeholder expectations; act to prevent, mitigate and, where appropriate, remedy modern slavery and other adverse human rights impacts in their operations; and take all reasonable steps to meet minimum employment standards.

The Wesfarmers 2024 Modern Slavery Statement will be available later in the year on the company's website at [wesfarmers.com.au/sustainability](https://www.wesfarmers.com.au/sustainability)

## 6. Ethical and responsible behaviour

Wesfarmers' primary objective is to deliver satisfactory returns to shareholders through financial discipline and exceptional management of a diversified portfolio of businesses. The Wesfarmers Way is the framework for the company's business model and comprises its values of integrity, openness, accountability and entrepreneurial spirit, details of which are published on the company's website at [wesfarmers.com.au](https://www.wesfarmers.com.au)

Wesfarmers believes it is only possible to achieve this objective over the long term by:

- anticipating the needs of customers and delivering competitive goods and services
- looking after team members and providing a safe, fulfilling work environment
- engaging fairly with suppliers and sourcing ethically and sustainably
- supporting the communities in which the Group operates
- taking care of the environment
- acting with integrity and honesty in all of the Group's dealings

The Wesfarmers Way, together with the Code of Conduct and other policies, guide the behaviour of everyone who works at or for Wesfarmers as the company strives to achieve its primary objective.

The Board and senior executives of the Group strive to ensure their own actions and decisions reference and reinforce Wesfarmers' values and they instill and reinforce a culture of acting lawfully, ethically and responsibly.

The Board carries out its duties having regard to these values, the Board Charter and the Group's Code of Conduct and other policies which are available in the corporate governance section of the company's website at [wesfarmers.com.au/cg](https://www.wesfarmers.com.au/cg)

The Board regularly reviews these policies to ensure that they continue to reflect Wesfarmers' values and the standard of behaviour expected of its people. Ensuring that directors, senior executives, divisional managers, team members and other personnel of Wesfarmers behave consistently with Wesfarmers' values also involves calling out and reporting conduct which is inconsistent with those values. The Audit and Risk Committee oversees the policies and frameworks for the reporting of incidents and issues to the appropriate members of the senior management team, Corporate Office and/or the Board.

Wesfarmers believes sustainability is about understanding and managing the ways it impacts the communities and environments in which it operates to ensure Wesfarmers continues to create value into the future. For details on Wesfarmers' approach to sustainability principles refer to [wesfarmers.com.au/sustainability](https://www.wesfarmers.com.au/sustainability)

### The Wesfarmers Way

#### OUR PRIMARY OBJECTIVE

To deliver a satisfactory return to shareholders



#### VALUE-CREATING STRATEGIES

Strengthen existing businesses through operating excellence and satisfying customer needs

Secure growth opportunities through entrepreneurial initiative

Renew the portfolio through value-adding transactions

Ensure sustainability through responsible long-term management



#### CORE VALUES

Integrity

Openness

Accountability

Entrepreneurial spirit

## 7. Investor engagement



Wesfarmers recognises the importance of providing its shareholders and the broader investment community with facilities to access up-to-date, high-quality information, participate in shareholder decisions of the company and provide avenues for two-way communication between the company, the Board and shareholders.

Wesfarmers has developed an investor engagement program for engaging with shareholders, debt investors, the media and the broader investment community.

The company's share registry, Computershare, provides shareholders with the option to receive communications from and send communications to the registry electronically. Contact information for Computershare and other information relating to shareholder communications is available on the company's website at [wesfarmers.com.au/investor-centre/your-shareholding/shareholder-communications](https://wesfarmers.com.au/investor-centre/your-shareholding/shareholder-communications)

For sustainability reasons, shareholders are encouraged to elect to receive documents relating to their shareholding electronically.

Shareholders can contact the company via the contact details listed on the company's website at [wesfarmers.com.au/util/contact](https://wesfarmers.com.au/util/contact). In addition, shareholders can be notified by email of all material announcements by subscribing to the Company's mailing list (which can be done via [wesfarmers.com.au/investor-centre/company-performance-news/subscribe](https://wesfarmers.com.au/investor-centre/company-performance-news/subscribe))

Shareholders and proxyholders may participate in the Wesfarmers Annual General Meeting either in person or online via a webcast of the meeting. The online access includes the ability to ask questions and vote during the meeting. A poll is conducted on all substantive resolutions.

Wesfarmers takes its continuous disclosure responsibilities seriously and has a detailed Market Disclosure Policy in place, a copy of which is available on the company's website at [wesfarmers.com.au/cg](https://wesfarmers.com.au/cg). The company also has processes in place to ensure that the Board receives copies of all material market announcements made pursuant to its continuous disclosure obligations promptly after those have been made.

When Wesfarmers makes a new and substantive investor or analyst presentation, it releases a copy of the presentation materials to the ASX platform ahead of the presentation.

### Key activities in Wesfarmers' investor engagement program include:

- Wesfarmers' Annual General Meeting<sup>1</sup>
- The release of Wesfarmers' annual report concurrently with the annual results
- Regular releases of financial information, including half-year and full-year financial results, and trading updates as required
- Media and analyst calls with Wesfarmers' management following the release of key financial information
- Investor briefing days which are typically held once a year
- Operational briefings and site tours as required
- Maintenance of the company's website at [wesfarmers.com.au](https://wesfarmers.com.au) which contains up-to-date information on the operations of the Wesfarmers Group, its Board, management and corporate governance structure, ASX announcements, the share price, dividend distribution, debt investment, information on the Group's material sustainability initiatives and other information
- Briefings with members of the domestic and international investment community
- Responding to shareholder and debt investor queries
- Engaging with investor groups and proxy advisors

### Investor relations program

More information on investor engagement is available at [wesfarmers.com.au/cg](https://wesfarmers.com.au/cg)

### Website

Visit the Investor Centre at [wesfarmers.com.au](https://wesfarmers.com.au)

### AGM

Provides shareholders with an opportunity to hear about the Group's performance and ask questions of the Board and senior management

<sup>1</sup> As part of Wesfarmers' investor engagement program, the way the company facilitates and encourages shareholder participation at meetings is set out in the Investor Engagement Policy on the company's website at [wesfarmers.com.au/cg](https://wesfarmers.com.au/cg)

# 8. Integrity in financial reporting

## 8.1 Role of the Wesfarmers Audit and Risk Committee

The Wesfarmers Audit and Risk Committee assists the Board in fulfilling its responsibilities in overseeing the company's financial reporting, compliance with its requirements (legal and regulatory) and other commitments. This includes setting, articulating and monitoring the risk appetite of the Wesfarmers Group, and proactively overseeing the Group's systems of internal control and its financial and non-financial risk management framework in accordance with the Group's purpose, values and strategic direction. Full details are set out in the Wesfarmers Audit and Risk Committee Charter which is available in the corporate governance section of the company's website at [wesfarmers.com.au/cg](https://www.wesfarmers.com.au/cg)

The membership and composition of the Wesfarmers Audit and Risk Committee are set out on page 8 of this corporate governance statement.

The Wesfarmers Audit and Risk Committee maintains direct, unfettered access to the company's external auditor, Group Assurance (internal audit), Group Risk and other management.

The Group Chief Financial Officer; Group General Counsel; Executive General Manager Group Accounting, Risk and Assurance; General Manager Group Assurance; General Manager Risk and Compliance; Executive General Manager Company Secretariat; external auditor (Ernst & Young); and any other persons considered appropriate attend meetings of the Wesfarmers Audit and Risk Committee by invitation.

The Wesfarmers Audit and Risk Committee is supported by divisional audit and risk committees for each of Wesfarmers' operating divisions. These divisional audit and risk committees are attended by divisional leadership, the Group General Counsel, the General Manager Risk and Compliance and the General Manager Group Assurance.

The key focus areas of the Wesfarmers Audit and Risk Committee for the 2024 financial year are summarised on page 16 of this corporate governance statement.

## 8.2 Role of the Disclosure Committee

Wesfarmers recognises the importance of having processes in place to ensure the integrity of its regular corporate reporting. The Board has delegated to a Disclosure Committee, comprised of the Group Managing Director, Group Chief Financial Officer and Group General Counsel, responsibility for overseeing the process for verification and sign-off of Wesfarmers' corporate reporting not audited or reviewed by an external auditor, including the annual and half-year reports (excluding the financial statements that have been audited by, and the sustainability disclosures that have been assured by, the independent auditor), the Strategy Briefing Day Presentation and the Tax Contribution Report. The verification process involves the review and sign-off by relevant divisions and functions of Wesfarmers, including Corporate Affairs, Group Accounting, Company Secretariat, Corporate Solicitors Office, Group Assurance and Group Risk, prior to corporate reports receiving the approval by the Disclosure Committee.

## 8.3 Role of the external auditor

The company's external auditor is Ernst & Young. The lead audit partner is required to rotate after a maximum of five years. Mr Trevor Hammond is the lead audit partner and was appointed on 1 July 2019. Ms Fiona Campbell will replace Mr Hammond as lead audit partner for the year ending 30 June 2025 in line with the auditor rotation requirements under the *Corporations Act 2001*.

If a decision is made to replace the external auditor, the Wesfarmers Audit and Risk Committee will formalise a procedure and policy for the selection and appointment of a new auditor.

### External auditor quality review assessment

Wesfarmers conducts an external auditor quality review process annually following the completion of the audit of the Group's financial statements and remuneration report. The quality review process considers a range of external and internal information sources to assess the:

- external auditor's independence, objectivity and professional scepticism
- quality of the audit engagement team
- quality of the communications with the external auditor

The findings of the annual review are considered by the Audit and Risk Committee as part of its consideration of the external auditor's appointment and the feedback provided is used to improve the external audit process.

The review following the completion of the audit of the financial statements and remuneration report for the year ended 30 June 2023 reaffirmed the Group's position that, while there are some opportunities for improvement, the quality of Ernst & Young's service in their performance of the external audit is sound.

The Audit and Risk Committee will also perform a periodic comprehensive review of the external auditor at least every five years, with the first periodic comprehensive review to be completed in relation to the year ended 30 June 2024. The comprehensive review will have regard to the annual auditor quality review assessment but is expanded to include additional qualitative and quantitative data. Commentary on the results of the comprehensive review will be included in the 2025 annual report.

### Independence declaration

Ernst & Young has provided the required independence declaration to the Board for the year ended 30 June 2024.

The independence declaration forms part of the directors' report and is provided on page 97 of the company's 2024 annual report.

### Performance of non-audit and assurance-related services

The Board has considered the nature of the non-audit and assurance-related services provided by the external auditor during the year and has determined that the services provided, and the amount paid for those services are compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. Details of fees paid (or payable) to Ernst & Young for non-audit and assurance-related services provided to the Group in the year ended 30 June 2024 are set out in the directors' report on page 96 of the company's 2024 annual report.

### Attendance of the external auditor at the annual general meetings

The lead audit partner of Ernst & Young attends the company's annual general meeting and is available to answer shareholder questions about the conduct of the audit and the preparation and content of the auditor's report.



## 8. Integrity in financial reporting *cont.*

### Key focus areas of the Wesfarmers Audit and Risk Committee during the 2024 financial year included:

- Reviewing and assessing the Group's processes to ensure the integrity of financial statements and reporting, and associated compliance with accounting, taxation, legal and regulatory requirements
- Reviewing and recommending to the Board amendments to the Group's data governance framework, including setting out the requirements for data collection, classification, integrity, access, security, use, retention and disposal
- Overseeing the Group's technology and cyber security governance framework, including the evolution of the Group's maturity assessment processes
- Reviewing and recommending to the Board for approval public disclosures regarding climate and other sustainability-related matters, including disclosures in the annual report and on the company's sustainability website, the company's annual modern slavery statement, and other climate change reporting
- Reviewing, assessing and monitoring:
  - the effectiveness of the Group's relevant frameworks for emissions reduction
  - engagement with the company's key stakeholders on material sustainability topics
  - the progress made towards achievement of the Group's sustainability-related targets and commitments
- Preparing for the Group's compliance with new sustainability reporting and governance requirements
- Monitoring the ethical sourcing of products and services throughout the Group to ensure there are appropriate processes and controls in place to manage the risk of modern slavery
- Reviewing the Group's risk management framework and systems of internal control, overseeing the implementation of strategies to improve the Group's risk management framework and monitoring that the Group is operating with due regard to the risk appetite set by the Board
- A review of the effectiveness of divisional risk management frameworks
- Reviewing and recommending to the Board amendments to the Group's risk appetite statement to reflect existing, new and emerging sources of financial and non-financial risks and changing circumstances
- Reviewing and evaluating the adequacy of the Group's insurance arrangements to ensure appropriate cover for identified operational and business risks
- Monitoring the Group's tax compliance program both in Australia and overseas, including cross-border intra-Group transactions, to ensure its obligations are met in the jurisdictions in which the Group operates
- Overseeing the Group's compliance program, supported by approved guidelines and standards, covering safety, sustainability, the environment, legal liability, compliance with key governance policies, including the Wesfarmers Code of Conduct, whistleblower reporting, information technology, cyber security, data privacy and the Group's approach to human rights
- Overseeing the Group's internal audit program, including approving the annual internal audit plan
- Overseeing the payroll assurance and remediation activities of the relevant Group businesses
- Developing the framework for the review of the external auditor
- Reviewing and assessing the performance of the Group's external auditor, including their independence, objectivity and professional scepticism, quality of the engagement team and quality of communications

# 9. Risk management

Wesfarmers believes that good risk management practice is crucial for informed decision-making, effective management of operations to drive commercial outcomes and ultimately underpins the objective of delivering shareholder value over the long term.

Robust, integrated and effective risk management is central to Wesfarmers' broader governance framework and is fully supported by the Board and the Wesfarmers Leadership Team. This commitment is outlined in the Wesfarmers Board-approved Risk Management Policy, which is available in the corporate governance section of the company's website at [wesfarmers.com.au/cg](https://wesfarmers.com.au/cg)

The Board recognises that a values-based culture is fundamental to an effective risk management framework. Wesfarmers, through the Board, instils and promotes a culture that is underpinned by the Wesfarmers Way, including Wesfarmers' core values.

Wesfarmers' approach to risk management is aligned with the principles and requirements of International Standard ISO 31000:2018 – Risk Management Guidelines and is depicted diagrammatically below. These elements are necessary to maintain a risk-aware culture and inform professional judgements about risk-taking within the parameters and risk appetite set by the Board.



Wesfarmers has adopted a three-lines approach to risk management whereby all team members have an important role in the operation of the risk framework. The three-lines approach:

- promotes accountable decision-making
- reinforces the responsibility of divisional management and Group management in:
  - identifying, understanding and managing the risks within their respective realms of responsibility
  - seeking to ensure that business operations and risk-taking remains within the risk appetite
  - implementing appropriate action if risk exposure is deemed to be either too conservative or outside risk appetite

Further information regarding roles and responsibilities is set out below in section 9.4.

## 9.1 Risk Management Framework

The Wesfarmers Risk Management Framework is reviewed by the Board on an annual basis to satisfy itself that it is sound, continues to operate effectively and that the Group is operating with due regard to the risk appetite set by the Board, or that appropriate action is taken should performance fall outside the risk appetite.

The framework was last comprehensively reviewed in May 2024.

The framework is comprised of the following elements:

- **Group Risk Management Policy (Policy)** - the Policy outlines Wesfarmers' approach to risk management, confirms the Group's commitment to maintaining a risk-aware culture and embedding risk management practice within operations and outlines risk management roles and responsibilities. The Policy was reviewed and updated in March 2024
- **Group Risk Appetite Statement (RAS)** - the RAS outlines the Board's appetite for risk within various categories, as well as the behaviours and mindsets it expects to be embedded in decision-making and operational practice. The RAS was reviewed and updated in May 2024 to reflect new and emerging risks and changing circumstances
- An **independent Board**, consisting of directors possessing the required values and bringing a suitable mix of skills, experience and diversity to Board oversight and decision-making
- **Board committees**, comprising the Wesfarmers Audit and Risk Committee, Nomination Committee and Remuneration Committee, established by the Board as standing committees, each with its own charter, to assist with the discharge of the Board's responsibilities
- **Divisional audit and risk committees** at Bunnings, Catch, Health, Industrial and Safety, Kmart Group, Officeworks, OneDigital and WesCEF to strengthen the divisional risk management processes
- The **Group Code of Conduct** which sets out the standard of conduct expected by the Board of all persons employed by or working for the Wesfarmers Group built on the principles of honesty, integrity, fairness, respect and ethical behaviour
- **Dedicated, suitably qualified and experienced team members** in the second and third lines who support the design of the risk management framework and are directly responsible for risk management activities
- **Group and divisional structures**, reporting lines, immediate reporting requirements and appropriate authorities built upon Group policies which focus on three pillars of governance, operations and oversight (review and approvals) detailing specific processes and responsibilities and setting out guidelines for conduct to mitigate and manage risk
- Group-wide **risk assessment criteria** designed to consistently guide materiality assessment, reporting and risk acceptance delegations, aligned with Wesfarmers' values and consistent with risk appetite
- A formal **corporate planning** process as part of setting strategy, which requires each division to assess the external environment for trends that are likely to affect and shape relevant industries and perform scenario planning
- A Group-wide **risk review process**, aligned with the corporate planning process, that identifies, assesses and prioritises risks as well as mitigation actions to be implemented and monitored
- The Wesfarmers **governance framework** which sets out the Board, Board committees, divisional board and divisional audit and risk committee activities and reports, including the process of reporting risks that are outside of risk appetite through the divisional and Group audit and risk committees

## 9. Risk management *cont.*

- The Group **treasury function**, which sources and manages the Group's funding, is overseen by the Board and the Wesfarmers Audit and Risk Committee and governed by comprehensive policies and procedures
- **Talent management and succession planning** processes aligned to Wesfarmers' objective to be an employer of choice and attract outstanding people with the right values to utilise their individual talents to achieve sustainable success
- A Group **compliance program**, (aligned with ISO 37301:2021 Compliance Management Systems), supported by approved guidelines and standards covering all material compliance programs including corporate governance, health, safety and wellbeing, workplace conduct, the environment, legal liability, information technology, data privacy, cyber security, sustainability and human rights
- A comprehensive Group **insurance program**, including a risk financing and transfer strategy across multiple risk classes
- **Annual budgeting and monthly reporting systems** for all businesses, which enable the monitoring of progress against performance targets and the evaluation of trends
- Appropriate **due diligence** for acquisitions and divestments
- Appropriate **business continuity management** frameworks, inclusive of comprehensive and tested crisis management response plans
- **External and internal audit** programs by independent providers

### 9.2 Certification of risk management and controls

#### Financial risk

The Group Managing Director and the Group Chief Financial Officer provide written statements to the Board in accordance with section 295A of the *Corporations Act 2001*, and recommendation 4.2 of the ASX Principles, in respect of the half-year and full-year reporting periods.

With regard to the maintenance of financial records, compliance of financial statements with accounting standards and systems of risk management and internal compliance in these written statements, the Board receives assurance from the Group Managing Director and the Group Chief Financial Officer that the declarations are founded on a sound system of risk management and internal control and that the system operated effectively in all material aspects in relation to financial reporting risks, in respect of the half-year and full-year reporting periods.

A written statement in respect of the half-year and full-year reporting periods is also provided by the Executive General Manager Group Accounting, Risk and Assurance.

#### Non-financial risk

Management within each division is required to have in place effective risk management policies, programs and internal control systems to manage the material business risks of the division in accordance with Wesfarmers' Risk Management Framework.

#### Overall certification

Divisional management is ultimately responsible to the Wesfarmers Board for the relevant division's internal control and risk management systems on an end-to-end basis. Management reports to the Wesfarmers Audit and Risk Committee on the effectiveness of the internal control and risk management systems throughout the year, and management of its material business risks. The Wesfarmers Audit and Risk Committee, following the receipt of reports from management, in accordance with its annual review process, has reviewed and satisfied itself for the 2024 financial year that the Wesfarmers Risk Management Framework continues to operate as intended. In the 2024 financial year, the Group Internal Audit function also completed an independent assessment of the group risk management framework which included a review of two divisions and their operationalisation of the framework.

### 9.3 Sustainability risks

Wesfarmers recognises that sustainability is core to its business model, driving long term value creation and supporting our commitment to deliver satisfactory returns to shareholders. The company is committed to best practice sustainability disclosure, with all sustainability disclosures prepared in accordance with the Global Reporting Initiative and linked to the United Nations Sustainable Development Goals.

Each year Wesfarmers determines its most material sustainability issues, which include environmental, social and governance risks. The material sustainability issues for this year, and our approach to those issues, are explained extensively in pages 59 to 84 of the company's 2024 annual report. Further information is provided on the company's website at [wesfarmers.com.au/sustainability](https://wesfarmers.com.au/sustainability)

As with other material risks, sustainability risks are managed in accordance with the Group Risk Management Policy and with due consideration to the Group Risk Appetite Statement.

Some material sustainability issues are the also subject of Group policies covering environmental, social and governance matters which are available on the company's website at [wesfarmers.com.au/cg](https://wesfarmers.com.au/cg)



## 9. Risk management *cont.*

### 9.4 Risk management oversight and responsibility

The division of the key risk management functions is set out below.

Key risk management oversight	Function
<p><b>Board</b></p>	<p>Is responsible for approving the purpose, values, and strategic direction of the Group. The Board sets the risk appetite and approves the risk profile for the Wesfarmers Group and guides and monitors the management of the Group in achieving its strategic objectives through reviewing, approving and monitoring the effectiveness of the Group's risk management, internal control and compliance systems across its businesses.</p> <p>The Board also reviews the Group's risk management framework at least annually to satisfy itself that it continues to operate as intended and that the Group is operating with due regard to the risk appetite set by the Board.</p> <p>The Board approves and monitors the systems and policies to ensure integrity of budgets, financial statements and other reporting.</p>
<p><b>Group Managing Director and Group Chief Financial Officer</b></p>	<p>Provides a declaration to the Board regarding the half-year and full-year financial statements.</p> <p>Assesses and provides assurance to the Board that the Group's financial and non-financial risk management and internal control systems are operating effectively in all material respects.</p>
<p><b>Wesfarmers Audit and Risk Committee</b></p>	<p>Established to assist with discharging the Board's responsibilities in overseeing financial reporting integrity, compliance with legal and regulatory requirements, endorsing the risk appetite of the Group, and overseeing the Group's systems of internal control and its risk management framework. The Wesfarmers Audit and Risk Committee is appropriately independent, chaired by an independent director and operates in accordance with its charter.</p> <p>Receives an overview of the key areas of focus of the divisional audit and risk committees.</p> <p>Reviews the qualifications, independence, performance and remuneration of, and relationship with, the Group's external auditors and internal auditors.</p> <p>Oversees the effectiveness of the internal controls, assurance, policies and procedures which the Group uses to identify and manage material risks.</p> <p>Reports any material risk issues to the Board.</p> <p>Approves the internal audit policy and annual internal audit plan and ensures that planned audit activities are aligned to material risks.</p> <p>Reviews internal audit reports issued by the General Manager Group Assurance and monitors progress with recommendations made in those reports to ensure the adequacy of the internal control environment.</p> <p>The roles and responsibilities of the Wesfarmers Audit and Risk Committee are further set out in the Wesfarmers Audit and Risk Committee Charter which is available in the corporate governance section of the company's website at <a href="https://www.wesfarmers.com.au/cg">wesfarmers.com.au/cg</a></p>
<p><b>Divisional audit and risk committees</b></p>	<p>Divisional audit and risk committees meet five times a year. These committees ensure that management has access to timely information about existing and emerging risks for each division and provides management with a dedicated forum to facilitate constructive debate and challenge regarding operational and financial risk management.</p> <p>The committees are responsible for endorsing divisional risk profiles and monitoring the effectiveness of the division's risk management practices and continued maturity.</p> <p>The committees further strengthen operational risk management and support the divisional boards and management and have become an increasingly important component of the Wesfarmers Board's assurance framework on risk and governance.</p>



## 9. Risk management *cont.*

Key risk management oversight	Function
<p><b>Group risk and compliance</b></p>	<p>The General Manager Risk and Compliance has carriage of the Group's risk management framework. While the General Manager Risk and Compliance actively engages with the Group's businesses, the General Manager Risk and Compliance's reporting line is independent of the Group's operating divisions and businesses. Specifically, the General Manager Risk and Compliance is responsible for:</p> <ul style="list-style-type: none"> <li>– supporting the Wesfarmers Board, via the Wesfarmers Audit and Risk Committee, in the development and articulation of the Group's risk appetite, operationalising the appetite and monitoring performance against appetite</li> <li>– supporting divisional audit and risk committees in relation to maturing the approach to risk management and risk reporting</li> <li>– facilitating the development, and monitoring, of the Group's risk performance compared to risk appetite</li> <li>– promoting and facilitating an integrated approach to risk management that is suitable to the Group's size, complexity and operating model</li> <li>– reviewing, and ongoing maturing, of the Group's approach to risk management</li> <li>– supporting divisional management with the division's approach to risk management</li> <li>– reporting to the Wesfarmers Audit and Risk Committee on the Group's risk profile, emerging risks and other relevant material matters that may arise from time to time</li> </ul>
<p><b>Management</b></p>	<p>Senior management across the Group are responsible for reinforcing and modelling the key behaviours required to maintain a strong risk culture, including encouraging constructive challenge and transparency.</p> <p>They are responsible for identifying, assessing and mitigating financial and non-financial risks in accordance with the Group's risk management framework. Management monitors the effectiveness of risk management mechanisms and controls at a divisional level.</p> <p>They implement and maintain risk management and internal control systems on an end-to-end basis and report any material risk issues to the Wesfarmers Audit and Risk Committee.</p> <p>Senior management prepare divisional risk review reports (approved by each divisional board) to provide the Wesfarmers Board with clear, concise and balanced reporting with reference to the risk appetite set by the Wesfarmers Board.</p> <p>They prepare a consolidated Group Risk Profile setting out key risks and the controls and processes implemented to mitigate these risks, the status of steps to address any risk issues and early indicators, trends and emerging risks.</p> <p>Senior management report to the Wesfarmers Audit and Risk Committee on the adequacy of the risk management systems and processes on a consolidated basis across the Group and report any material issues to the Board.</p> <p>Divisional managing directors are accountable for risk management outcomes, and day-to-day compliance, in their respective divisions.</p>
<p><b>Internal Audit</b></p>	<p>Group Assurance is the internal audit function of the Group, which is separate and independent from the external auditor. Group Assurance operates in accordance with its own charter, set out in a Group policy which is approved by the Wesfarmers Audit and Risk Committee, and monitors the effectiveness of risk management systems predominately through internally managed, outsourced internal audit providers.</p> <p>The General Manager, Group Assurance is authorised to undertake a broad program of internal audits across the Group based on an annual plan approved by the Wesfarmers Audit and Risk Committee. The General Manager, Group Assurance maintains direct and unfettered access to the Wesfarmers Audit and Risk Committee.</p> <p>Group Assurance responsibilities include:</p> <ul style="list-style-type: none"> <li>– preparing internal audit policy and developing and delivering a risk based annual internal audit plan for approval by the Wesfarmers Audit and Risk Committee</li> <li>– preparing internal audit reports and reporting to the Wesfarmers Audit and Risk Committee on the adequacy of risk management and the internal control environment, including the adequacy and effectiveness of the Group risk function</li> </ul>

# 10. Diversity and inclusion



Wesfarmers considers building a diverse and inclusive workforce a key enabler for delivering its objective of satisfactory returns to shareholders. Wesfarmers' customers and stakeholders are diverse and to gain the best insight into their needs and expectations, and how to meet them, diverse and inclusive teams are essential.

A diversity of perspectives and backgrounds also strengthens creativity in teams. Moreover, creating an environment that attracts, retains, and develops team members with a wide range of strengths and experiences ensures Wesfarmers is best equipped for future growth.

Wesfarmers' commitment to inclusion extends to all people and perspectives including but not limited to; gender, gender identity, sexual orientation, ethnicity, indigeneity, religious beliefs, political opinion, age, ability and family or carer's responsibilities.

Each business within the Wesfarmers Group takes a bespoke approach to diversity and inclusion, dependent on strategic priorities, workforce demographics, industry and other variables. Wesfarmers continues to focus on achieving gender balance at all levels of the organisation, including senior management positions across its divisions, increasing the number of Aboriginal and Torres Strait Islander people in its workforce and supporting the careers of Aboriginal and Torres Strait Islander team members. At Wesfarmers, gender balance means the workforce is made up of 40 per cent women, 40 per cent men, and 20 per cent any gender.

Wesfarmers is committed to workplaces that treat all team members with respect and fairness. Each of the Group's divisions must adopt the Wesfarmers Code of Conduct and the Wesfarmers Diverse, Inclusive and Respectful Workplaces Policy or establish their own policies and procedures which are consistent with the principles and requirements in the Wesfarmers policies and procedures. These policies and procedures set out clear expectations in relation to ensuring inclusion and equality and make it clear that conduct that constitutes bullying, discrimination or harassment, including sexual harassment, will not be tolerated. Wesfarmers and its divisions are focused on a range of initiatives aimed at preventing harassment and discrimination in the workplace and promoting a respectful and inclusive workforce, including behavioural education and training and providing a range of reporting mechanisms.

## 10.1 Wesfarmers' vision for reconciliation

Wesfarmers' vision for reconciliation is an Australia that affords equal and equitable opportunities to all. Wesfarmers is focused on having a workforce and supplier base that reflects the communities in which it operates, and so is committed to increasing the number of Aboriginal and Torres Strait Islander people in its workforce and the number of Aboriginal and Torres Strait Islander businesses in its supply chains.

Aboriginal and Torres Strait Islander employment remains a focus for Wesfarmers, including maintaining population parity<sup>2</sup> within the Group's workforce. As a result Wesfarmers has increased Aboriginal and Torres Strait Islander representation in its workforce to 4,172 team members in June 2024 from 3,689 team members in June 2023. This represents a total of 3.8 per cent of the Group's Australian-based workforce.

Wesfarmers understands that, in the long term, these outcomes will also add strength and resilience to its businesses, helping deliver long-term benefits. To achieve this, Wesfarmers will continue to build cultural competency and confidence in its organisation, and as advocates in the community at large.

In 2019, Wesfarmers was one of the first companies to adopt a Reconciliation Action Plan (RAP). Wesfarmers launched the first 'Elevate' RAP (the highest level) in June 2022, joining a small but dedicated group of Australian companies and organisations deeply committed to reconciliation. Wesfarmers' Elevate RAP further strengthens the Group's public commitment to specific, measurable and timebound actions, to drive the Group towards its vision for reconciliation.

Wesfarmers' Reconciliation Action Plan and information about how Wesfarmers is helping to build a more reconciled Australia is available on the company's website at [wesfarmers.com.au/sustainability](https://www.wesfarmers.com.au/sustainability)

<sup>2</sup> The term population parity is referenced as proportional representation reflecting that of the Indigenous population in Australia.

# 10. Diversity and inclusion *cont.*

## 10.2 Gender balance and inclusion

Wesfarmers strives to provide an inclusive work environment, where everyone feels respected and safe. Wesfarmers believes everyone has a part to play in actively and intentionally behaving with inclusion in mind, and that means encouraging, recognising and including the many facets and combinations of diversity that characterise the teams across the Group.

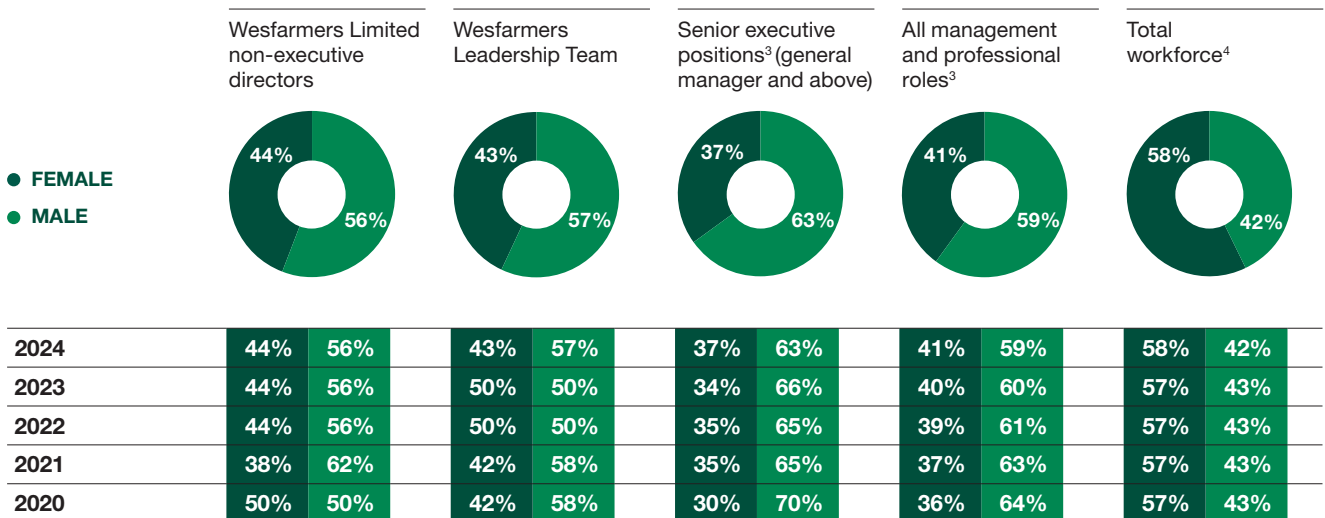
Wesfarmers believes that gender-balanced businesses, which cater to the different strengths, preferences and needs of different team members and customers, enable Wesfarmers to deliver on its objective of providing satisfactory returns to shareholders.

Wesfarmers acknowledges and is supportive of team members who self-identify as gender diverse. Currently less than one per cent of the Group's total workforce self-identify as gender diverse. The below gender representation diagrams reflecting percentages rounded to the nearest whole percentage.

The Wesfarmers Leadership Team meets our gender balance objective with 43 per cent women, as does the total Wesfarmers workforce (119,805, as at 30 June 2024), made up of 58 per cent women and 42 per cent men.

Nevertheless, strengthening the balance of gender in senior executive, management and professional roles, as well as focusing on gender balance in key strategic areas such as data, digital and technology roles across the Group remains a priority for Wesfarmers. Details of gender representation across the Group are set out below.

## Gender representation



<sup>3</sup> Senior executive positions and all management and professional roles are defined through job evaluation methodology

<sup>4</sup> Currently less than one per cent of the Group's total workforce self-identify as gender diverse, meaning a diversity of expression beyond the binary framework

# 10. Diversity and inclusion *cont.*

Each division has a gender balance and inclusion plan in line with the Group's objectives. Wesfarmers' divisional managing directors have gender representation as part of their sustainability objectives including talent, climate and reputation. Progress on gender balance is reported monthly via human resource metrics reporting and more formally to the Group and divisional boards through diversity and inclusion reports.

Wesfarmers also supports its divisions to build a gender-balanced workforce in other ways. Wesfarmers invests in memberships with external research organisations, including the Diversity Council of Australia, who are experts in diversity and inclusion in the workplace. Wesfarmers shares internal practices as well as external thought-leadership, best practices and world-class research from these organisations across the broader Wesfarmers Group through monthly cross-divisional inclusion forums.

Wesfarmers is a signatory to the United Nations Women's Empowerment Principles. Wesfarmers' support of the principles is consistent with its ongoing commitment to gender balance and aligns to the work currently underway across the Group.

Every year, Wesfarmers' businesses compile data for annual compliance reporting with the Workplace Gender Equality Agency (WGEA). Data and insights may be obtained via the WGEA website.

Wesfarmers' Diverse, Inclusive and Respectful Workplaces Policy aims to encourage an inclusive work environment where everybody feels respected and safe at work, fostering diversity in all its facets at all levels across the Group. A copy of this policy is available on the company's website at [wesfarmers.com.au/cg](https://www.wesfarmers.com.au/cg)

The Wesfarmers Diverse, Inclusive and Respectful Workplaces Policy specifies that measurable objectives be set and reviewed by the Board, and that Wesfarmers' progress in achieving these objectives be reported. Wesfarmers' current objectives and indications of progress achieved are outlined below. Further information is available on the company's website at [wesfarmers.com.au/sustainability](https://www.wesfarmers.com.au/sustainability)

Area of focus	Progress
<p><b>Measurable objective: To increase or sustain women's representation to achieve gender balance in teams</b></p> <p>The Group has an objective to a gender balanced Board comprising of at least 40 per cent women and up to 20 per cent of any gender.</p>	<p>The Wesfarmers Board maintains female representation above 40 per cent, this year:</p> <ul style="list-style-type: none"> <li>- Non-executive directors comprise 44 per cent women</li> <li>- The Wesfarmers Leadership Team, which includes Group Managing Director Rob Scott, maintains balance, consistent with the gender balance principle 40:40:20, with 43 per cent women</li> </ul> <p>Gender balance metrics are collected from all divisions monthly and reviewed at divisional board meetings periodically over the year. This year:</p> <ul style="list-style-type: none"> <li>- at the general manager level, typically representing the leadership teams from across the Group, the representation of women has increased to 37 per cent</li> <li>- women's representation maintains balance across all managers (manager and professional level), consistent with the gender balance principle 40:40:20, with 41 per cent women (a slight increase on 2023)</li> </ul> <p>The Group Managing Director meets twice a year with the leadership of each division to discuss succession plans and talent pipelines, including how divisions are successfully attracting, retaining, and developing current and future female leaders. In addition, managing directors and human resources directors meet collectively to support talent identification, calibration and mobility across the Group. The Group continues to review the evolving requirements, capabilities and experiences of future leaders, including applying a diversity lens. In the most recent Divisional Talent Reviews in April/May 2024, 47 women (46 per cent of all potential successors) were nominated as potential successors to divisional leadership team roles.<sup>5</sup></p> <p>For senior appointments, both internal and external, Wesfarmers continues to apply psychometric assessment insights to add to a fact-based and non-biased approach to selection.</p>

<sup>5</sup> Divisional leadership team roles consist of roles which are direct reports of the divisional managing director as well as other critical roles (director and/or general manager roles). Does not include the division's managing director role. Successors only counted once, regardless of the number of nominations received.



# 10. Diversity and inclusion *cont.*

Area of focus	Progress
<p><b>Priority area: To be and to offer an inclusive and diverse workplace</b></p> <p>This area encourages initiatives that recognise and bring together the diverse populations and perspectives.</p>	<p>Each business within the Wesfarmers Group takes a bespoke approach to diversity and inclusion. While diversity incorporates gender, each of the Group's businesses actively focuses on other dimensions of diversity for the benefit of team members and the diverse communities the business serves.</p> <p>Wesfarmers focuses on initiatives to increase Aboriginal and Torres Strait Islander employment at all levels across the Group. Wesfarmers has a senior group of Aboriginal team members, employed as Aboriginal and Torres Strait Islander Employment Advisors, who assist the businesses to form close relationships with Aboriginal and Torres Strait Islander communities, and leverage Wesfarmers' partnerships with organisations which support Aboriginal and Torres Strait Islander people. Wesfarmers has also increased face-to-face cultural competency training and created cultural awareness e-modules for use across the Group.</p> <p>Wesfarmers also supports Indigenous team members with career progression pathways through dedicated leadership initiatives to ensure that Indigenous people are also represented in management and leadership roles across the Group.</p> <p>Driving gender balance across all roles, STEM<sup>6</sup> and pathways to management continued as a focus for divisions in the year to 30 June 2024. Initiatives include proactively sourcing gender balanced shortlists when identifying talent, a 'women in technology' network, external partnerships to drive early careers in technology, and summer vacation programs and cadetships with strong female representation.</p> <p>Building capability in inclusive leadership practices continues to be a focus area for the businesses, as well as building disability awareness and inclusion with leaders and team members, accessibility audits of stores, improved processes for workplace adjustments, LGBTQIA+ inclusion through training, partnerships with key organisations and 'listen and learns', embedding respectful workplace practices through effective policy, training and engagement, celebrating diversity and inclusion significant events, and parental support.</p>
Area of focus	Progress
<p><b>To ensure equitable and transparent people processes and practices</b></p> <p>This area recognises good practices across the human resource domain, fundamental in supporting diversity and inclusion in the workplace.</p>	<p>Wesfarmers Group businesses have implemented actions to ensure that their practices identify, support, and encourage a diversity of strengths, styles, and working arrangements for all team members. These practices differ by business.</p> <p><b>Parental leave:</b> Leave that is available irrespective of gender is regarded as a key enabler of performance, engagement and retention. All divisions provide appropriate paid parental leave allowances that are reviewed periodically and enhanced as appropriate.</p> <p><b>Flexible working:</b> Flexibility in all its forms is encouraged across Wesfarmers and is regarded as a key enabler of an inclusive work environment and team member empowerment. The businesses continue to evolve ways of working to achieve high performance, engagement and well-being.</p> <p><b>Recruitment practices:</b> Ensuring equitable recruitment practices for all. Businesses continue to find ways of sourcing diverse candidates, improving process and creating opportunities through internships, cadetships and pathways with education partners.</p> <p><b>Gender pay equity:</b> A Group review of our salaried workforce's gender pay equity has been conducted annually since 2010. Each divisional Managing Director reviews the results for their division, with the Group Managing Director and the Wesfarmers Board reviewing the results at Group Level. This review focuses specifically on salaried team members as our other team members are remunerated according to the applicable enterprise agreements or award rates, which do not differ by gender. Any areas of concern are subject to further scrutiny, discussion with the Board and, where warranted, action.</p> <p>In addition, Wesfarmers also participates in the WGEA annual reporting process. Further details can be found in our Wesfarmers Gender Pay Statement and Wesfarmers' WGEA reports.</p>

<sup>6</sup> Science, Technology, Engineering and Mathematics.



# Appendix 4G

## Key to Disclosures

### Corporate Governance Council Principles and Recommendations

Name of entity

Wesfarmers Limited

ABN/ARBN

28 008 984 049

Financial year ended:

30 June 2024

Our corporate governance statement<sup>1</sup> for the period above can be found at:<sup>2</sup>

- This URL on our website: [wesfarmers.com.au/cg](https://wesfarmers.com.au/cg)

The Corporate Governance Statement is accurate and up to date as at 28 August 2024 and has been approved by the Board.

The annexure includes a key to where our corporate governance disclosures can be located.<sup>3</sup>

Date: 28 August 2024

Name of authorised officer authorising lodgement: Sheldon Renkema

<sup>1</sup> "Corporate governance statement" is defined in Listing Rule 19.12 to mean the statement referred to in Listing Rule 4.10.3 which discloses the extent to which an entity has followed the recommendations set by the ASX Corporate Governance Council during a particular reporting period.

Listing Rule 4.10.3 requires an entity that is included in the official list as an ASX Listing to include in its annual report either a corporate governance statement that meets the requirements of that rule or the URL of the page on its website where such a statement is located. The corporate governance statement must disclose the extent to which the entity has followed the recommendations set by the ASX Corporate Governance Council during the reporting period. If the entity has not followed a recommendation for any part of the reporting period, its corporate governance statement must separately identify that recommendation and the period during which it was not followed and state its reasons for not following the recommendation and what (if any) alternative governance practices it adopted in lieu of the recommendation during that period.

Under Listing Rule 4.7.4, if an entity chooses to include its corporate governance statement on its website rather than in its annual report, it must lodge a copy of the corporate governance statement with ASX at the same time as it lodges its annual report with ASX. The corporate governance statement must be current as at the effective date specified in that statement for the purposes of Listing Rule 4.10.3.

Under Listing Rule 4.7.3, an entity must also lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX. The Appendix 4G serves a dual purpose. It acts as a key designed to assist readers to locate the governance disclosures made by a listed entity under Listing Rule 4.10.3 and under the ASX Corporate Governance Council's recommendations. It also acts as a verification tool for listed entities to confirm that they have met the disclosure requirements of Listing Rule 4.10.3.

The Appendix 4G is not a substitute for, and is not to be confused with, the entity's corporate governance statement. They serve different purposes and an entity must produce each of them separately.

<sup>2</sup> Tick whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where your corporate governance statement can be found. You can, if you wish, delete the option which is not applicable.

<sup>3</sup> Throughout this form, where you are given two or more options to select, you can, if you wish, delete any option which is not applicable and just retain the option that is applicable. If you select an option that includes "OR" at the end of the selection and you delete the other options, you can also, if you wish, delete the "OR" at the end of the selection.

See notes 4 and 5 below for further instructions on how to complete this form.

## ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

Corporate Governance Council recommendation		Where a box below is ticked, <sup>4</sup> we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:
<b>PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT</b>		
1.1	A listed entity should have and disclose a board charter setting out: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	<input checked="" type="checkbox"/> on page 3 and we have disclosed a copy of our Board charter at <a href="http://wesfarmers.com.au/cg">wesfarmers.com.au/cg</a> (see Board Charter).
1.2	A listed entity should: (a) undertake appropriate checks before appointing a director or senior executive or putting someone forward for election as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	<input checked="" type="checkbox"/> on page 9 under 'Appointment of new directors and executives'.
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	<input checked="" type="checkbox"/> on page 9 under 'Appointment of new directors and executives'.
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	<input checked="" type="checkbox"/> on page 8 under 'The role of the Company Secretary'.

<sup>4</sup> Tick the box in this column only if you have followed the relevant recommendation in full for the whole of the period above. Where the recommendation has a disclosure obligation attached, you must insert the location where that disclosure has been made, where indicated by the line with "*insert location*" underneath. If the disclosure in question has been made in your corporate governance statement, you need only insert "our corporate governance statement". If the disclosure has been made in your annual report, you should insert the page number(s) of your annual report (eg "pages 10-12 of our annual report"). If the disclosure has been made on your website, you should insert the URL of the web page where the disclosure has been made or can be accessed (eg "www.entityname.com.au/corporate-governance/charters/").



## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation	Where a box below is ticked, <sup>4</sup> we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:
<p>1.5 A listed entity should:</p> <p>(a) have and disclose a diversity policy;</p> <p>(b) through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and</p> <p>(c) disclose in relation to each reporting period:</p> <p>(1) the measurable objectives set for that period to achieve gender diversity;</p> <p>(2) the entity's progress towards achieving those objectives; and</p> <p>(3) either:</p> <p>(A) the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes); or</p> <p>(B) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</p> <p>If the entity was in the S&amp;P / ASX 300 Index at the commencement of the reporting period, the measurable objective for achieving gender diversity in the composition of its board should be to have not less than 30% of its directors of each gender within a specified period.</p>	<p><input checked="" type="checkbox"/> on pages 21 to 24 (inclusive) and we have disclosed a copy of our diversity policy at <a href="https://wesfarmers.com.au/cg">wesfarmers.com.au/cg</a> (see the Diverse, Inclusive and Respectful Workplaces Policy).</p> <p>We have disclosed the information referred to in paragraph (c) in our Corporate Governance Statement on pages 22 and 23.</p> <p>We were included in the S&amp;P / ASX 300 Index at the commencement of the reporting period and our measurable objective for achieving gender diversity in the composition of the board is a gender balanced board comprising at least 40 per cent women, at least 40 per cent men and up to 20 per cent of any gender, as stated on page 23 of our Corporate Governance Statement and clause 3.3 of our Board Charter at <a href="https://wesfarmers.com.au/cg">wesfarmers.com.au/cg</a></p>
<p>1.6 A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p>	<p><input checked="" type="checkbox"/> on page 9 under 'Evaluation of the Board, committees and directors'.</p>
<p>1.7 A listed entity should:</p> <p>(a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and</p> <p>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p>	<p><input checked="" type="checkbox"/> on page 10 under 'Evaluation of the performance of executive KMP' and we have also disclosed the evaluation process referred to in paragraph (a) in the Remuneration Report on pages 98 to 127 of our 2024 Annual Report at <a href="https://wesfarmers.com.au/cg">wesfarmers.com.au/cg</a></p>

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation	Where a box below is ticked, <sup>4</sup> we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:
<b>PRINCIPLE 2 - STRUCTURE THE BOARD TO BE EFFECTIVE AND ADD VALUE</b>	
<p>2.1 The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	<p><input checked="" type="checkbox"/> on page 8 under 'Committees of the Board' and we have disclosed a copy of the charter of the committee at <a href="https://wesfarmers.com.au/cg">wesfarmers.com.au/cg</a> (see the Nomination Committee Charter), the information referred to in paragraph (4) in our Corporate Governance Statement on page 8 and the information referred to in paragraphs (4) and (5) in the Directors' Report on page 94 of our 2024 Annual Report at <a href="https://wesfarmers.com.au/cg">wesfarmers.com.au/cg</a></p>
<p>2.2 A listed entity should have and disclose a board skills matrix setting out the mix of skills that the board currently has or is looking to achieve in its membership.</p>	<p><input checked="" type="checkbox"/> on page 5 and we have also disclosed our board skills matrix on page 89 of our 2024 Annual Report at <a href="https://wesfarmers.com.au/cg">wesfarmers.com.au/cg</a></p>
<p>2.3 A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(b) if a director has an interest, position, affiliation or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position or relationship in question and an explanation of why the board is of that opinion; and</p> <p>(c) the length of service of each director.</p>	<p><input checked="" type="checkbox"/> on pages 4 and 6. As at 30 June 2024, all non-executive directors holding office at the time were considered by the board to be independent, as disclosed on page 6 under 'Director independence' and the term in office of each director is shown on page 4.</p>
<p>2.4 A majority of the board of a listed entity should be independent directors.</p>	<p><input checked="" type="checkbox"/> on page 4 and on page 6 under 'Director Independence'.</p>
<p>2.5 The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.</p>	<p><input checked="" type="checkbox"/> on page 6 under 'Independence of the Chairman'.</p>
<p>2.6 A listed entity should have a program for inducting new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively.</p>	<p><input checked="" type="checkbox"/> on page 9 under 'Induction of new non-executive directors and ongoing director development'.</p>

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, <sup>4</sup> we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:
<b>PRINCIPLE 3 – INSTIL A CULTURE OF ACTING LAWFULLY, ETHICALLY AND RESPONSIBLY</b>		
3.1	A listed entity should articulate and disclose its values.	<input checked="" type="checkbox"/> on page 13 and we have disclosed our core values at <a href="https://wesfarmers.com.au/who-we-are/the-wesfarmers-way">wesfarmers.com.au/who-we-are/the-wesfarmers-way</a>
3.2	A listed entity should: (a) have and disclose a code of conduct for its directors, senior executives and employees; and (b) ensure that the board or a committee of the board is informed of any material breaches of that code.	<input checked="" type="checkbox"/> on pages 11 and 13 and we have disclosed our Code of Conduct at <a href="https://wesfarmers.com.au/cg">wesfarmers.com.au/cg</a> (see the Code of Conduct).
3.3	A listed entity should: (a) have and disclose a whistleblower policy; and (b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.	<input checked="" type="checkbox"/> on page 11 and we have disclosed our Whistleblower Policy at <a href="https://wesfarmers.com.au/cg">wesfarmers.com.au/cg</a> (see the Whistleblower Policy).
3.4	A listed entity should: (a) have and disclose an anti-bribery and corruption policy; and (b) ensure that the board or committee of the board is informed of any material breaches of that policy.	<input checked="" type="checkbox"/> on page 11 and we have disclosed our Anti-bribery Policy at <a href="https://wesfarmers.com.au/cg">wesfarmers.com.au/cg</a> (see the Anti-bribery Policy).

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation	Where a box below is ticked, <sup>4</sup> we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:
<b>PRINCIPLE 4 – SAFEGUARD THE INTEGRITY OF CORPORATE REPORTS</b>	
<p>4.1 The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	<input checked="" type="checkbox"/> on page 8 under 'Committees of the Board' and we have disclosed a copy of the charter of the committee at <a href="http://wesfarmers.com.au/cg">wesfarmers.com.au/cg</a> (see the Audit and Risk Committee Charter) and the information referred to in paragraphs (4) and (5) on pages 86, 87 and 94 of our 2024 Annual Report at <a href="http://wesfarmers.com.au/cg">wesfarmers.com.au/cg</a>
<p>4.2 The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>	<input checked="" type="checkbox"/> on page 18 under 'Certification of risk management and controls'.
<p>4.3 A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.</p>	<input checked="" type="checkbox"/> on page 15 under 'Role of the Disclosure Committee'.
<b>PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE</b>	
<p>5.1 A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.</p>	<input checked="" type="checkbox"/> on pages 11 and 14 and we have disclosed our Market Disclosure Policy at <a href="http://wesfarmers.com.au/cg">wesfarmers.com.au/cg</a>
<p>5.2 A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.</p>	<input checked="" type="checkbox"/> on page 14.
<p>5.3 A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.</p>	<input checked="" type="checkbox"/> on page 14.



## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, <sup>4</sup> we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:
<b>PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS</b>		
6.1	A listed entity should provide information about itself and its governance to investors via its website.	<input checked="" type="checkbox"/> on pages 11 and 12 and we have disclosed information about us and our governance on our website, including at <a href="https://wesfarmers.com.au/who-we-are/who-we-are">wesfarmers.com.au/who-we-are/who-we-are</a> and <a href="https://wesfarmers.com.au/cg">wesfarmers.com.au/cg</a> and <a href="https://wesfarmers.com.au/investor-centre">wesfarmers.com.au/investor-centre</a>
6.2	A listed entity should have an investor relations program that facilitates effective two-way communication with investors.	<input checked="" type="checkbox"/> on page 14.
6.3	A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.	<input checked="" type="checkbox"/> on page 14 and we have disclosed how we facilitate and encourage participation at meetings of security holders at <a href="https://wesfarmers.com.au/cg">wesfarmers.com.au/cg</a> (see the Investor Engagement Policy) and in our Notice of Meeting.
6.4	A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.	<input checked="" type="checkbox"/> on page 14 and we have disclosed how voting is conducted at <a href="https://wesfarmers.com.au/cg">wesfarmers.com.au/cg</a> (see the Investor Engagement Policy).
6.5	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	<input checked="" type="checkbox"/> on page 14 and we have disclosed information about shareholder communications on our website at <a href="https://wesfarmers.com.au/investor-centre/your-shareholding/shareholder-communications">wesfarmers.com.au/investor-centre/your-shareholding/shareholder-communications</a> and <a href="https://wesfarmers.com.au/util/contact">wesfarmers.com.au/util/contact</a>
<b>PRINCIPLE 7 – RECOGNISE AND MANAGE RISK</b>		
7.1	<p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <ol style="list-style-type: none"> <li>(1) has at least three members, a majority of whom are independent directors; and</li> <li>(2) is chaired by an independent director,</li> </ol> <p>and disclose:</p> <ol style="list-style-type: none"> <li>(3) the charter of the committee;</li> <li>(4) the members of the committee; and</li> <li>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</li> </ol> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>	<input checked="" type="checkbox"/> on page 8 under 'Committees of the Board' and we have disclosed a copy of the charter of the committee at <a href="https://wesfarmers.com.au/cg">wesfarmers.com.au/cg</a> (see the Audit and Risk Committee Charter), the information referred to in paragraph (4) in our Corporate Governance Statement on page 8 and the information referred to in paragraphs (4) and (5) in the Directors' Report on page 94 of our 2024 Annual Report at <a href="https://wesfarmers.com.au/cg">wesfarmers.com.au/cg</a>

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, <sup>4</sup> we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:
7.2	<p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the board; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	<input checked="" type="checkbox"/> on page 17 under 'Risk Management Framework'.
7.3	<p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its governance, risk management and internal control processes.</p>	<input checked="" type="checkbox"/> on page 20 under 'Internal Audit'.
7.4	A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.	<input checked="" type="checkbox"/> on page 18 under 'Sustainability risks'. We have disclosed more information about the Group's material environmental and social risks on pages 59-84 of our 2024 Annual Report at <a href="https://www.wesfarmers.com.au/cg">wesfarmers.com.au/cg</a>

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation	Where a box below is ticked, <sup>4</sup> we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:
<b>PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY</b>	
<p>8.1 The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	<p><input checked="" type="checkbox"/> on page 8 under 'Committees of the Board' and we have disclosed a copy of the charter of the committee at <a href="http://wesfarmers.com.au/cg">wesfarmers.com.au/cg</a> (see the Remuneration Committee Charter), the information referred to in paragraph (4) in our Corporate Governance Statement on page 8 and the information referred to in paragraphs (4) and (5) in the Directors' Report on page 94 of our 2024 Annual Report at <a href="http://wesfarmers.com.au/cg">wesfarmers.com.au/cg</a></p>
<p>8.2 A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</p>	<p><input checked="" type="checkbox"/> on page 10 and we have disclosed separately our policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives in the Remuneration Report on pages 98 to 127 of our 2024 Annual Report at <a href="http://wesfarmers.com.au/cg">wesfarmers.com.au/cg</a></p>
<p>8.3 A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	<p><input checked="" type="checkbox"/> on page 11 and we have disclosed our policy on this issue at <a href="http://wesfarmers.com.au/cg">wesfarmers.com.au/cg</a> (see the Securities Trading Policy).</p>

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are:
<b>ADDITIONAL RECOMMENDATIONS THAT APPLY ONLY IN CERTAIN CASES</b>		
9.1	A listed entity with a director who does not speak the language in which board or security holder meetings are held or key corporate documents are written should disclose the processes it has in place to ensure the director understands and can contribute to the discussions at those meetings and understands and can discharge their obligations in relation to those documents.	<input checked="" type="checkbox"/> we do not have a director in this position and this recommendation is therefore not applicable
9.2	A listed entity established outside Australia should ensure that meetings of security holders are held at a reasonable place and time.	<input checked="" type="checkbox"/> we are established in Australia and this recommendation is therefore not applicable
9.3	A listed entity established outside Australia, and an externally managed listed entity that has an AGM, should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	<input checked="" type="checkbox"/> we are established in Australia and not an externally managed listed entity and this recommendation is therefore not applicable