



8 Exhibition Street  
Melbourne VIC 3000 Australia  
GPO Box 67 Melbourne VIC 3001

Tel: +61 3 9288 8000  
Fax: +61 3 8650 7777  
ey.com/au

Building a better  
working world

## Independent Limited Assurance Conclusion to the Management and Directors of Wesfarmers Limited

### Assurance Conclusion

Ernst & Young was engaged by Wesfarmers Limited ('Wesfarmers') to undertake limited assurance, as defined by Australian Auditing Standards and hereafter referred to as a 'review', over selected sustainability information included in its Sustainability Performance Targets (SPT) Progress Report in relation to its sustainability-linked bond for the calendar year ended 31 December 2022 ('Progress Report'). Based on our review, nothing came to our attention that causes us to believe that the subject matter for our review has not been prepared and presented fairly, in all material respects, in accordance with the criteria defined below.

### What our review covered:

Wesfarmers issued three bonds (ISIN AU3CB0281046, ISIN AU3CB0281053 and ISIN XS2399154181) with the interest margin linked to specific Sustainability Performance Targets (SPT).

Ernst & Young ('EY' or 'we') reviewed Wesfarmers' performance against the SPTs, limited to the following metrics:

- ▶ The proportional renewable energy use for the year ended on 31 December 2022 at Bunnings, Kmart Group and Officeworks divisions, **reported at 59%, 19%, and 23% respectively.**
- ▶ The emissions intensity of ammonium nitrate equivalent produced (tonnes CO<sub>2</sub>-e per tonne of ammonium nitrate equivalent) for the 24 months ending 31 December 2022, reported at **0.14 tonnes CO<sub>2</sub>-e per tonne ammonium nitrate equivalent.**

### Criteria

In preparing its Progress Report, Wesfarmers applied Wesfarmers' Sustainable Finance Framework in addition to the following criteria for the two metrics, respectively:

- ▶ Proportional renewable energy use for the noted divisions based on:
  - ▶ National Greenhouse and Energy Reporting Measurement Determination 2008 definition of renewable resource or renewable source equivalent
- ▶ The Scope 2 Protocol Greenhouse Gas Reporting Standard and the Climate Active Electricity Standard.
- ▶ The emissions intensity of ammonium nitrate equivalent produced by WesCEF (tonnes CO<sub>2</sub>-e per tonne of ammonium nitrate equivalent) based on:
  - ▶ Scope 1 greenhouse gas emissions resulting from the production of nitric acid using the criteria as set out by the National Greenhouse and Energy Reporting Act 2007
  - ▶ Production of 100% equivalent ammonium nitrate (NH<sub>4</sub>NO<sub>3</sub>).

### Key responsibilities

#### EY's responsibility and independence

Our responsibility was to express a conclusion on the Progress Report based on our review. We were also responsible for maintaining our independence and confirm that we have met the requirements of the *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)*, and have the required competencies and experience to conduct this assurance engagement.

#### Wesfarmers' responsibility

Wesfarmers' management ('management') was responsible for selecting the Criteria and preparing and fairly presenting the Progress Report in accordance with that Criteria. This responsibility includes establishing and maintaining internal controls, adequate records, and making estimates that are reasonable in the circumstances.

### Our approach to conducting the review

We conducted our review in accordance with the Australian Auditing and Assurance Standards Board's *Australian Standard on Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* ('ASAE 3000'), *Assurance Engagements on Greenhouse Gas Statements* ('ASAE 3410'), and the terms of reference for this engagement as agreed with Wesfarmers on 25 January 2023.

### Summary of review procedures performed

A review consists of making enquiries, primarily of persons responsible for preparing the Progress Report and related information and applying analytical and other review procedures. Our procedures included:

- ▶ Interviewing selected personnel, to understand the key issues related to the subject matter and processes for collecting, collating and reporting the data associated with the SPT during the reporting period
- ▶ Where relevant, gaining an understanding of systems and processes for data aggregation and reporting



## Building a better working world

- ▶ Performing analytical tests and detailed substantive testing to source documentation for a sample of quantitative information
- ▶ Checking the accuracy of calculations performed
- ▶ Obtaining and reviewing evidence to support key assumptions in calculations
- ▶ Reviewing selected management information and documentation supporting assertions made in the subject matter
- ▶ Checking that data and statements had been accurately transcribed from corporate systems and/or supporting evidence.

We believe that the evidence obtained was sufficient and appropriate to provide a basis for our limited assurance conclusion.

### Limitations on scope

Procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than, for a reasonable assurance engagement.

Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that

would be required to provide a reasonable level of assurance.

While we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

### Use of Report

We disclaim any assumption of responsibility for any reliance on this assurance report to any persons other than management and the Directors of Wesfarmers, or for any purpose other than that for which it was prepared.

A handwritten signature in black ink that reads 'Ernst &amp; Young'.

Ernst & Young

A handwritten signature in black ink that reads 'Terence Jeyaretnam'.

Terence Jeyaretnam, FIEAust EngExec  
Partner  
Melbourne, Australia  
17 March 2023