

Wesfarmers Gender Pay Statement

2022-23 WGEA Reporting



About this statement

This Wesfarmers Gender Pay Statement is prepared in reference to the 2022-23 Workforce Gender Equality Agency (WGEA) reporting submission. This statement should be read in conjunction with the broader Wesfarmers reporting suite (including the **2023 Annual Report**), the 2022-23 WGEA reports, available on the **Wesfarmers website**, and the WGEA gender pay gap reporting available on the **WGEA website**.

It details initiatives in place across the Group aimed at reducing gender pay gaps, the results of the 2022-23 WGEA submission and the WGEA calculated gender pay gaps.

This Wesfarmers Gender Pay Statement is a joint statement, made on behalf of all reporting entities in the Group.

Acknowledgement of Country

Wesfarmers proudly acknowledges the Traditional Owners of Country throughout Australia and their continuing connection to lands and waterways upon which we depend and where our businesses operate. We pay our respects to their Elders, past and present, and actively support progress towards Aboriginal and Torres Strait Islander cultural, social and economic equity.

Reporting entities

Wesfarmers is an Australian public company listed on the Australian Securities Exchange (ASX:WES).

Wesfarmers is registered at Level 14, Brookfield Place Tower 2, 123 St Georges Terrace, Perth Western Australia 6000.

In this Wesfarmers Gender Pay Statement, a reference to:

- ‘Wesfarmers’ is to Wesfarmers Limited ABN 28 008 984 049
- ‘Wesfarmers Group’, ‘the Group’, ‘we’, ‘us’ or ‘our’ is a reference to Wesfarmers and its divisions and businesses
- A division includes each reporting entity listed as part of that division, and other businesses within the division.

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About Wesfarmers

From its origins in 1914 as a Western Australian farmers' cooperative, Wesfarmers has grown into one of Australia's largest listed companies. With headquarters in Perth, Wesfarmers' diverse businesses today span: 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 and shared data asset; wholesale distribution of pharmaceutical goods; manufacturing and distribution of chemicals and fertilisers; development of an integrated lithium project, including mine, concentrator and refinery; industrial and safety product distribution; gas processing and distribution; and management of the Group's investments. Wesfarmers is one of Australia's largest private sector employers with approximately 120,000 team members and is owned by more than 510,000 shareholders.

Bunnings Group



Bunnings Group is the leading retailer of home improvement and outdoor living and building products in Australia and New Zealand. Bunnings' network of 513 locations includes warehouses, trade centres, Tool Kit Depot stores and Beaumont Tile stores. Bunnings Group employs more than 52,000 team members.



Industrial and Safety



Industrial and Safety operates three main businesses spanning safety products, industrial and corporate workwear, and industrial and medical gases. Industrial and Safety employs approximately 3,600 team members.



Kmart Group



Kmart Group comprises Kmart and Target and operates 449 stores across Australia and New Zealand, employing around 50,000 team members in Australia, New Zealand and key sourcing markets.



Health



The Health division was formed in March 2022, with the acquisition of API, one of Australia's leading health and beauty companies. The Health division includes 76 company-owned Priceline stores, 390 Priceline pharmacy franchise stores and 92 Clear Skincare clinics and is also a wholesale distributor of pharmaceutical goods. The division employs more than 3,000 team members.



Chemicals, Energy and Fertilisers



Chemicals, Energy and Fertilisers manages nine businesses in Australia and employs almost 1,500 team members across its production and distribution facilities and support offices.



OneDigital



Established in 2022, OneDigital brings together the Group's digitally native businesses, including the OnePass membership program, the Catch marketplace, and the Group data asset. OneDigital powers the Group's data and digital growth ambitions and provides customers with a more seamless, rewarding and valuable omnichannel experience across the Group's retail businesses. The division employs about 600 team members.



Officeworks



Officeworks is Australia's leading retailer and supplier of office products and solutions for small and medium-size businesses, students and households, operating through a nationwide network of 166 stores. Officeworks employs more than 9,000 team members.



As at 30 June 2023



A message from our Managing Director

I am pleased to present you with additional information regarding Wesfarmers' approach to considering and addressing gender pay gaps.

Team members are at the heart of everything we do and are key to the long-term success of Wesfarmers. We recognise that we cannot achieve our primary objective of delivering a satisfactory return to shareholders unless we look after our team members, by providing a safe and fulfilling work environment, while also taking into account the interests of our suppliers, customers, communities and the environment. We are committed to ensuring there is equal pay for equal roles, and to eliminate any discrimination.

Gender balance and gender pay equity are key components of our approach to diversity at Wesfarmers. At Wesfarmers, we promote gender balance, with all team members offered equal access to employment, remuneration and benefits, development and career opportunities. To achieve gender balance we strive for a minimum 40 per cent female and 40 per cent male representation. To ensure that we are meeting our commitments, the Wesfarmers Board

sets measurable objectives that are reported in the **Corporate Governance Statement** each year and included in our annual report. The objectives, which are used to measure progress and are reviewed annually by the Board, are:

- to be, and to offer, an inclusive workplace;
- to ensure equitable and transparent people processes and practices; and
- to increase or sustain gender representation to achieve gender balance in teams.

While this is our first year of publicly sharing additional detail regarding gender pay, a Group-wide review for our Australian salaried workforce has been conducted and presented to the Board annually since 2010. This review focuses on the identification and proposed actions to address any gender pay inequity. In addition, we have participated in the annual WGEA reporting process since it commenced.

WGEA has calculated the pay gap as the difference between the median earnings of women and men at an organisation-wide level. At Wesfarmers, we recognise the outcome of this calculation is impacted by factors such as workforce composition. The impact of workforce composition on gender pay equity at Wesfarmers reflects factors that are present in the Australian workforce at large. For example, there is a higher representation of men within science, technology, engineering and mathematics (STEM) roles. These roles typically attract a pay premium versus roles of a similar scope in other disciplines. Further, we recognise that, in general, there is lower representation of women in senior roles in Australia.

Wesfarmers is committed to improving gender representation at senior levels. Currently, 44 per cent of our non-executive directors are women, and 43 per cent of both the Wesfarmers Leadership Team and our divisional Managing Directors are women. We understand that achieving and maintaining gender balanced teams requires constant vigilance and there remain opportunities to strengthen the representation of women in senior executive positions.

Workforce composition can also impact other data published by WGEA, including the average remuneration paid per quartile. Wesfarmers has a varied workforce, including a significant number of casual, part-time and full-time team members employed under enterprise agreements or paid pursuant to award rates. As is common in the retail sector, we employ a majority of women, many of whom choose to work on a part time or casual basis.

Our retail businesses also employ many team members under 20 years of age, where award rates differ from older workers, and where casual and part time work is sought after. The role of our retail divisions in providing valuable work experience and development for young people should not be underestimated, often providing their first work opportunity. Our team members range from 13 years of age to over 80 years of age, with more than 30 per cent under 20 years of age. The calculation of the average remuneration is impacted by the significant proportion of our team members receiving junior rates of pay.

Given our commitment to equality and creating an inclusive environment, we are focused on ensuring that we have gender pay equity across all businesses and as such our internal review of annualised fixed pay for our Australian salaried workforce focuses on equal pay for equal roles. This is an important process for us to ensure we have and maintain gender pay equity across the Group.

Our Chief Human Resources Officer, Jenny Bryant provides details on the initiatives we are undertaking to address gender representation and the causes of our gender pay gaps (see page 8).

The Board and the Wesfarmers Leadership Team, are working together to continue to enhance our gender equity and make Wesfarmers and its divisions a great place for all team members.

Rob Scott
Managing Director

19 February 2024

Understanding gender pay

What are gender pay gaps?

WGEA calculates the gender pay gap (GPG) as the difference between the earnings of women and men at an organisation-wide level, recognising that this is not the same as ensuring there is equal pay for equal roles.

This method of calculation can be impacted by workforce composition and whether there is an equitable distribution of women and men in all types of roles and pay levels.

The 2022-23 GPG published by WGEA are calculated based on the difference between the median (midpoint) earnings for men and women, expressed as a percentage of men's median earnings. There are two gaps calculated, one on **base salary** and the other on **total remuneration**.

Base salary is a team member's gross base salary before tax. This includes wages or salary payments, annual and sick leave, penalties and shift loading.

Base Salary GPG:

$$\frac{\text{Median male base salary} - \text{Median female base salary}}{\text{Median male base salary}} \times 100$$

Total remuneration is a team member's base salary before tax plus, superannuation, bonuses, allowances, incentives, overtime and vested shares.

Total Remuneration GPG:

$$\frac{\text{Median male total remuneration} - \text{Median female total remuneration}}{\text{Median male total remuneration}} \times 100$$

The following examples demonstrate how WGEA calculates the GPG.

In scenario 1, the **GPG at the median is zero per cent**, as the median male base salary (\$70,000) is the same as the female median base salary (\$70,000):

SCENARIO 1	ROLE 1	ROLE 2	ROLE 3	ROLE 4	ROLE 5	TOTAL
Base salary	\$50,000	\$60,000	\$70,000	\$80,000	\$90,000	
Number of men in each role	3	3	3	3	3	15
Number of women in each role	3	3	3	3	3	15
Median male base salary	\$70,000					GPG 0%
Median female base salary	\$70,000					

This method of calculation is impacted by workforce composition. If the workforce composition in scenario 1 changes to that shown in scenario 2, then the calculated GPG changes. This is despite there being no change in base salary by role and there continuing to be no GPG at the role level.

In scenario 2 there is a **GPG at the median of 14.3 per cent**:

SCENARIO 2	ROLE 1	ROLE 2	ROLE 3	ROLE 4	ROLE 5	TOTAL
Base salary	\$50,000	\$60,000	\$70,000	\$80,000	\$90,000	
Number of men in each role	3	3	3	3	3	15
Number of women in each role	3	5	1	3	3	15
Median male base salary	\$70,000					GPG 14.3%
Median female base salary	\$60,000					

The GPG calculated in scenario 2 does not reflect gender pay inequity but rather highlights that there are more men than women employed in more senior, higher paying roles. This is a gender representation issue.

Note, from the 2023-24 reporting period, WGEA will also publish GPG calculated on average (mean) for both base salary and total remuneration.

What is gender pay equity?

Gender pay equity or **equal pay** ensures that women and men are paid the same for performing the same or similar roles or work that is considered of equal value. A pay equity review identifies the existence (or otherwise) of gender bias in remuneration practices.

Each year, Wesfarmers undertakes a detailed gender pay equity review for all Australian salaried team members. This review focuses specifically on salaried team members as our other team members are remunerated based on enterprise agreements or award rates, which do not differ by gender.

The Wesfarmers pay equity review focuses on whether men and women are paid equally for the same or similar roles rather than focusing on the difference between average pay for men and women regardless of the type of roles being performed. This methodology allows us to identify any gender bias in our remuneration practices across our diverse roles and is not influenced by differences in the overall workforce composition.

For example, the review compares the average annualised salaries for male and female managers of a similar sized Bunnings or Kmart store, and separately compares the average annualised salaries for male and female engineers within our Wesfarmers Chemicals Fertilisers and Energy (WesCEF) division. At an aggregated Wesfarmers Group level, we also compare roles based on job size.

Further, each of our divisions reviews gender pay equity by job family and industry. By completing the gender pay equity review in this way we are able to identify, analyse and, where necessary, address any specific gender pay equity concerns.

Wesfarmers importantly, recognises that tenure, specific skills and other factors will at times create differences in remuneration and therefore the Board aims for no gap to be greater than five per cent.

The next Group gender equity review will be presented to the Wesfarmers Board in March 2024.

Wesfarmers 2022-23 WGEA Report

WGEA has calculated that as at 30 June 2022, Wesfarmers had a total remuneration GPG of 3.5 per cent at the median and a base salary GPG of 7.0 per cent at the median. This was based on the data of 121,439 team members.

The factors influencing these gaps are further explained below.

Gender Pay Gaps	Median - total remuneration	3.5%
	Median - base salary	7.0%

Average total remuneration and workforce composition

	Average total remuneration (\$)	Male (%)	Female (%)
Total workforce	65,000	42	58
Upper quartile	107,000	52	48
Upper middle quartile	65,000	43	57
Lower middle quartile	54,000	35	65
Lower quartile	36,000	39	61

Note: Data was reported to WGEA effective 30 June 2022. There may be differences in the workforce percentages reported elsewhere by Wesfarmers to those reported by WGEA due to differences in reporting methodology.

Wesfarmers is a diversified conglomerate.

Across the Group, diverse divisions have differing workforce compositions. The nature of roles varies significantly across our businesses and our GPG are impacted by gender balance. Additionally, as a conglomerate, we undertake acquisitions and divestments which changes the mix of businesses. Acquisitions may have an initial impact on gaps, depending on workforce composition and as we transition new businesses into the Wesfarmers model.

There are more men in senior roles.

At Wesfarmers, we strive for gender balance which we define as a minimum of 40 per cent women and 40 per cent men, with the remaining 20 per cent being any gender or gender diverse. We look to achieve gender balance in every employee cohort.

As of December 2023, women made up 57 per cent of the total workforce. Wesfarmers is in gender balance for all management and professional roles with 40 per cent of roles held by women. We are not in gender balance, with work to do, among senior executive positions. Importantly, across senior executive and management and professional positions we have made good progress in the last five years.

	Female representation across the Group December 2023	Improvement from June 2019
Senior executive positions	35.4%	8.1 percentage points
All management and professional roles	40.2%	4.2 percentage points

Representation at senior roles is important because, typically, more senior roles attract higher remuneration. Wesfarmers' workforce composition is a key driver of our GPG as we currently have more men in senior leadership roles and more women in lower level roles.

There are more men employed in STEM roles.

Due to the increasing importance of technology within our businesses, we are increasing the number of team members across science, technology, engineering and mathematics (STEM) roles. When recruiting for these roles, the proportion of male candidates is generally high, reflecting the current high proportion of men with these skill sets in the Australian labour force. To address this, we have programs to attract female

candidates and we seek ways to develop these skill sets in our team members. Our recruitment practice is to attract and hire the best candidates in the market, regardless of gender. As many STEM roles require highly specialised skills they attract higher remuneration and this is another key factor influencing our GPG.

Total remuneration varies with business performance.

Our remuneration policy is to pay for performance and within our business model it is not unusual for total remuneration to vary between divisions year on year depending on business results. This can have an impact on total remuneration GPG at an organisation-wide level, potentially reducing or exacerbating the gap where an individual business' workforce composition differs from the Group, even if there may be no gender bias in paying higher total remuneration for all team members within a higher performing division.

Average total remuneration by quartile.

WGEA has reported our average remuneration by quartile. These reported averages are significantly influenced by the age demographic of Wesfarmers team members. Almost one third of our workforce is under 20 years of age. In line with our enterprise agreements and the relevant industry awards, the majority of these team members are paid junior wages. This high proportion of junior team members lowers our average remuneration both by quartile and for the total workforce.



A message from our Chief Human Resources Officer

Across the Wesfarmers Group, we strive to create an inclusive and welcoming environment for our team members as well as our customers. We have a fundamental commitment to increasing female representation across our teams and an overall objective of achieving gender balance.

We understand that to achieve this we need to take positive action. While we welcome focus on gender pay, we acknowledge this is only one facet that we need to consider.

Wesfarmers has reported our gender pay gap for the overall Group. While there are sector-specific differences between our divisions, Group and business-level reporting helps us understand and measure our progress and assists in a consistent, best-practice experience for all team members, regardless of which division they work for.

While we currently have a gender pay gap, our additional analysis into gender pay equity gives us

confidence that this is driven, to a significant extent, by lower female representation in our leadership and STEM roles rather than gender bias in our remuneration practices. As such, we are focused on continuing to increase female representation in these areas, which will continue to address and narrow the gender pay gaps as reported by WGEA.

We continue to steadily improve female representation and, as shown on the previous page, female representation in senior executive positions has improved over the last five years, although we acknowledge that we still have further to go.

Across the Group all divisions have a range of initiatives in place to support progress towards their gender representation goals.

This includes offerings such as 'Grow My Career', a leadership development program at Bunnings which is designed to support aspirational and emerging female leaders. This program was designed by the Bunnings team in 2015 to help build their talent pipeline and to date, over 700 women have completed the program.

All divisions have flexible working policies and paid parental leave options, designed to enable all team members to balance work and their individual family and caring responsibilities.

Within our divisions, talent reviews and people planning sessions are conducted every six months. Gender balance is considered during these discussions, as well as reviewing initiatives to sustain or move towards balance.

Externally we are engaged in a number of initiatives aimed at increasing female representation in STEM fields. For example, in 2023 CSBP, part of the WesCEF division, funded a series of primary school workshops to inspire female students to participate in STEM studies. Topics such as the laws of motion, science of light, chemistry, the ecology of coral reefs,

hydraulics, and palaeontology were packaged together in a fun, hands-on approach to encourage the girls to become 'little science geniuses'. Volunteer CSBP team members, who have built successful careers in differing fields, shared their knowledge of working in science. This initiative is aimed at encouraging young students to think about their future career options.

Additionally, while WGEA currently focuses on identifying and reporting gender pay gaps between women and men, our diversity approaches and practices are cognisant of team members of all genders, including those who identify beyond the binary framework. Our annual gender pay equity review analyses the remuneration of men, women and gender diverse team members. Currently less than one per cent of our overall workforce identifies as gender diverse and comparing the gender pay equity of this cohort is statistically not viable at this point in time. We do however monitor this carefully within divisions.

While I am comfortable that we are currently rigorously reviewing gender pay we need to constantly challenge ourselves on how we do this and as a result we are broadening our internal gender pay equity review to focus on other jurisdictions, for example, within our New Zealand businesses, and additional elements of remuneration.

We remain committed to improving our gender equity across the Group and through this, reducing the gender pay gap.

A handwritten signature in black ink that reads "Jenny Bryant".

Jenny Bryant
Chief Human Resources Officer

19 February 2024



Wesfarmers

www.wesfarmers.com.au