



23 September 2020

The Manager  
Market Announcements Office  
Australian Securities Exchange

Dear Manager,

**2020 CORPORATE GOVERNANCE STATEMENT AND APPENDIX 4G**

In accordance with ASX Listing Rules 4.7.3, 4.7.4 and 4.10.3, attached is the Wesfarmers Limited 2020 Corporate Governance Statement and Appendix 4G.

Yours faithfully,

A handwritten signature in blue ink that reads "V. Robinson".

**Vicki Robinson**  
Executive General Manager  
Company Secretariat

This announcement was authorised to be given to the ASX by the Wesfarmers Limited Board.



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2020 Wesfarmers Annual Report  
is available at  
[www.wesfarmers.com.au](http://www.wesfarmers.com.au)

## The Board of Wesfarmers Limited

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 its stakeholders. This corporate governance statement details the key aspects of the governance framework and practices of Wesfarmers. It 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 2020 follow the recommendations contained in the third edition of the ASX Corporate Governance Council's

Corporate Governance Principles and Recommendations (ASX Principles). It is noted that the fourth edition of the ASX Principles was released on 27 February 2019 and takes effect for a listed entity's first full financial year commencing on or after 1 January 2020 – for Wesfarmers, this is the year ending 30 June 2021.

Many of Wesfarmers' corporate governance policies and practices set out in this corporate governance statement also comply with the fourth edition of the ASX Principles.



**Michael Chaney AO**

CHAIRMAN



**Rob Scott**

MANAGING DIRECTOR



**Diane Smith-Gander AO**

DIRECTOR



**Vanessa Wallace**

DIRECTOR



**Wayne Osborn**

DIRECTOR



**Sharon Warburton**

DIRECTOR



**Jennifer Westacott AO**

DIRECTOR



**The Right Honourable  
Bill English KNZM**

DIRECTOR



**Mike Roche**

DIRECTOR

# 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 accordance with the purpose, values and strategic plans;
- oversee good governance practice; and
- setting the Group's risk appetite and monitoring and reviewing the Group's financial and non-financial risk management systems.

The Board aims to protect and enhance the interests of its shareholders, while taking into account the interests of other stakeholders, including employees, customers, suppliers and the wider community.

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 role 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; and
- ensuring the Board receives timely and accurate information about the Group to enable it to fulfil its responsibilities.

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 [www.wesfarmers.com.au/cg](http://www.wesfarmers.com.au/cg)

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 instill 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 2020 annual report and in the corporate governance section of the company's website. The Board maintains ultimate responsibility for strategy and control of Wesfarmers and its businesses.

In fulfilling its roles and responsibilities, the key focus areas of the Board during the 2020 financial year are set out below.

## Key focus areas of the Board during the 2020 financial year included:

Guiding and supporting management in relation to the Group's response to the COVID-19 outbreak, with a key focus on the health and safety of the Group's team members and customers

Approving a \$1.95 billion extension of the Group's available committed bank facilities and asset sales to further enhance the company's strong balance sheet position

Reviewing and providing input into the business operations and the strategic plans of each division likely to impact long-term shareholder value creation

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 including changes to the Target and Kmart store networks

Approving changes to the leadership structure of its industrial businesses

Approving the partial sale of Wesfarmers' 15 per cent shareholding in Coles Group Limited in two separate transactions:

- sale of 4.9 per cent shareholding in February 2020 for pre-tax proceeds of \$1,047 million, net of transaction costs; and
  - sale of 5.2 per cent shareholding in March 2020 for pre-tax proceeds of \$1,062 million, net of transaction costs
- for total pre-tax profit on sale of approximately \$290 million

Monitoring and evaluating growth opportunities to complement the existing portfolio

Overseeing completion of the acquisition of Australian online retailer Catch Group Holdings Limited for cash consideration of \$230 million

Overseeing completion of the acquisition of 100 per cent of the shares in Kidman Resources Limited at \$1.90 per share by way of a Scheme of Arrangement

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

Monitoring the Group's safety performance and overseeing implementation of strategies to improve safety performance and enhance workplace safety awareness

With the support of the Remuneration Committee, overseeing the Group's remuneration framework and remuneration outcomes for senior management

Reviewing the processes in place to attract, develop, motivate and retain talent

Reviewing policies, reporting and processes to improve the Group's system of corporate governance

Appointing the Company Secretary

## 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.

The Board currently comprises nine directors, including eight non-executive and independent directors. Details of the directors, including their qualifications and date of appointment are set out below. Detailed biographies of the directors as at 30 June 2020 are set out on pages 80 and 81 of the company's 2020 annual report.

Tony Howarth retired as a non-executive director at the end of the 2019 Annual General Meeting on 14 November 2019 after serving as a director for 12 years.

The Board is of the view that the tenure profile, represented by the length of service of each of its directors, is appropriately balanced such that Board succession and renewal planning is managed over the medium to longer term. 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; apparel; general merchandise and office supplies; and businesses in chemicals, energy and fertilisers, and industrial and safety products.

### GOVERNANCE FRAMEWORK



### Board Tenure & Qualifications

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
Bill English KNZM	Director since April 2018	BA (Hons), BCom
Wayne Osborn	Director since March 2010	Dip Elect Eng, MBA, FAICD, FTSE
Mike Roche	Director since February 2019	BSc, GAICD, FIA (London), FIAA (Australia)
Diane Smith-Gander AO	Director since August 2009	B.Ec, MBA, Hon.DEc W.Aust (UWA), FAICD, FGIA
Vanessa Wallace	Director since July 2010	B.Comm, MBA, MAICD
Sharon Warburton	Director since August 2019	BBus, FCA, FAICD, FAIB
Jennifer Westacott AO	Director since April 2013	BA (Honours), FAICD, FIPAA, FANZSOG

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

The Board skills matrix set out below, describes the combined skills, experience and expertise presently represented on the Board. To the extent that any skills are not directly represented on the Board, they are augmented through management and external advisors.

David Cheesewright who has extensive experience in international retailing and manufacturing, including 19 years with Walmart, was appointed as an advisor to the Wesfarmers Board in August 2018.

SKILLS AND EXPERIENCE	BOARD
<p><b>Leadership</b> Experience in a senior management position in a listed company, large or complex organisation or government body.</p>	 9
<p><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.</p>	 9
<p><b>Financial acumen</b> Understanding of financial statements and reporting, key drivers of financial performance, corporate finance and internal financial controls.</p>	 8
<p><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.</p>	 8
<p><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.</p>	 3
<p><b>People and culture</b> Experience in overseeing workplace culture, people management, development and succession planning, setting remuneration frameworks and promoting inclusion and diversity.</p>	 8
<p><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.</p>	 9
<p><b>Corporate transactions</b> Experience in assessing and completing complex business transactions, including mergers, acquisitions, divestments, capital management, major projects and business integration.</p>	 7
<p><b>Retail markets</b> Knowledge and experience in the retail and consumer goods industry, including merchandising, brand development, customer relationships and supply chain.</p>	 5
<p><b>Industrial, resources and infrastructure</b> Senior executive or non-executive director experience and expertise in the industrial, resources or infrastructure sectors.</p>	 7
<p><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, including professional experience working or interacting with government and regulators.</p>	 7
<p><b>Corporate sustainability and community engagement</b> Understanding and experience in sustainability best practices to manage the impact of business operations on the environment and community and the potential impact of climate change on business operations, and expertise in community and stakeholder relations.</p>	 7
<p><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.</p>	 8

## 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 [www.wesfarmers.com.au/cg](http://www.wesfarmers.com.au/cg)

Michael Chaney is the present serving Chairman. Further information on Mr Chaney is set out on page 80 of the company's 2020 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' Conflicts of Interest Policy; and
- the time commitment required of the director to properly exercise his or her powers and discharge his or her 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' 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 80 and 81 of the company's 2020 annual report and on the company's website at [www.wesfarmers.com.au/cg](http://www.wesfarmers.com.au/cg)

The Board considers any changes to each non-executive director's interests, positions, associations or relationships that could bear upon his or her 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 the date of the company's 2020 annual report and considers that all eight non-executive directors are independent.

### Non-executive directors

#### Independent

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Michael Chaney (Chairman)

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Bill English

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Wayne Osborn

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Mike Roche

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Diane Smith-Gander

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Vanessa Wallace

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Sharon Warburton

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Jennifer Westacott

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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 at the end of each three-year period

##### Conflicts of interest

Directors have a duty not to place themselves in a position which gives rise to a real or substantial possibility of 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 conflict of interest or duty

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

The 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 the following:

- Ability to directly contact and discuss matters with employees 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 26 of the 2020 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 Remuneration Committee and a Nomination 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); or
- 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 are set out in the directors' report on page 88 of the company's 2020 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 [www.wesfarmers.com.au/cg](http://www.wesfarmers.com.au/cg)

Committee	Members	Composition
<b>Audit and Risk Committee</b>	Sharon Warburton (Chairman since November 2019, member since August 2019) Bill English Tony Howarth (until November 2019) Diane Smith-Gander 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> </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 Wayne Osborn Vanessa Wallace	<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

Aleks Spaseska was appointed as the Company Secretary of Wesfarmers on 1 July 2019 and resigned from this role on 2 March 2020 to take up another senior leadership appointment within the Group as Chief Financial Officer of Kmart Group. Ms Spaseska was succeeded by Vicki Robinson from 2 March 2020. Ms Robinson was formerly Wesfarmers General Manager, Legal (Corporate) where she led the team responsible for providing legal advice on the Group's merger and acquisition activity and general corporate, commercial and operational matters. Ms Robinson is a member of the Wesfarmers Leadership Team and her qualifications and experience are set out in the directors' report on page 89 of the company's 2020 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.

## 3. Board succession planning

### 3.1 Appointment of new non-executive directors

As part of the Nomination Committee's oversight of Board succession planning, it is also 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.

Where a candidate is recommended by the Nomination Committee, the Board will assess that candidate 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 skills matrix 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 candidate is recommended to the Board. If these criteria are met and the Board appoints the candidate as a director, the director (in their personal capacity) will enter into a written contract with the company, setting out the terms of his or her appointment consistent with the ASX Principles, and that 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 to increase that shareholding to an amount equivalent in approximate value to the gross annual base fee paid to each non-executive director within five years of appointment.

### 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 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 a number of Wesfarmers' key operations. 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 is 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 a nominated senior director).

From time to time, the evaluation process may be facilitated by an external consultant. An externally facilitated performance review process was undertaken in respect of the 2018 financial year.

The 2020 Board performance review process was undertaken with the assistance of an external service provider, with a detailed questionnaire completed by all directors and also by members of senior management. The results and recommended areas for further consideration and discussion were reviewed and discussed by the Board.

A similar process in respect of each committee will be carried out later in the year.

A performance review process was also undertaken during 2020 in respect of each non-executive director, with each director completing a review of the performance of each non-executive director (including the Chairman) and each non-executive director also completing a self-assessment.

#### Key focus areas of the Nomination Committee during the 2020 financial year included:

Consideration of feedback from major shareholders during the Chairman's Roadshow conducted prior to the 2019 Annual General Meeting

Identifying and considering potential candidates to fill Board vacancies

## 4. Remuneration and evaluation of senior executives

### 4.1 Remuneration

Full details of the remuneration paid to non-executive and executive directors, and senior executives, along with details of Wesfarmers' policy on the remuneration of senior executives are set out in the remuneration report on pages 92 to 116 of the company's 2020 annual report.

### 4.2 Evaluation of the performance of senior executives

Senior executives comprising some members of the Wesfarmers Leadership Team have a variable or 'at risk' component as part of their total remuneration package via participation in the Key Executive Equity Performance Plan (KEEPP).

The mix of remuneration components and the performance measures used in the KEEPP have been chosen to ensure that there is a strong link between remuneration earned and the achievement of the Group's strategy 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 that consist of financial measures, safety measures and individual performance objectives relevant to the role of each participant. 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 reviews of performance against the 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. The final step in determining the KEEPP allocations is consideration by the Remuneration Committee and the Board of 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. 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 senior executive is involved in deciding his or her own remuneration. The Performance Shares allocated under the KEEPP in the 2020 financial year will vest subject to a four-year performance period. For the Group Managing Director and Group Chief Financial Officer, the performance hurdles are based on relative total shareholder return, portfolio management and investment outcomes and strategic targets. For the remaining KEEPP participants, the performance hurdles are based on the relevant divisional corporate plan objectives and relative total shareholder return. Further information regarding the KEEPP is set out in the remuneration report on pages 92 to 116 of the company's 2020 annual report.

The Board will test the KEEPP 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.

Each senior executive (in their personal capacity) has a written contract with the company, setting out the terms of his or her appointment, including remuneration entitlements and performance requirements. Wesfarmers also undertakes appropriate checks before a senior executive is appointed.

The Securities Trading Policy reflects the *Corporations Act 2001* prohibition on key management personnel and their closely related parties entering into any arrangement that would have the effect of limiting the key management personnel'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 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 2020 financial year have been undertaken in accordance with the process described above.

#### Key focus areas of the Remuneration Committee during the 2020 financial year included:

Reviewing and making recommendations to the Board in relation to the fixed and variable remuneration of the Group Managing Director and his direct reports

Reviewing and making recommendations to the Board in relation to the Wesfarmers variable remuneration plans, including undertaking a review of the KEEPP to ensure it remains an effective plan, meeting its original objectives and is fit for purpose

Reviewing and making a recommendation to the Board for the vesting outcomes of the 2016 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 gender pay equity

## 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 2020 follow the recommendations contained in the ASX Principles. This corporate governance statement is current as at the date of the company's 2020 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 [www.wesfarmers.com.au/cg](http://www.wesfarmers.com.au/cg)

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

### ***Conflicts of Interest Policy*** ***(revised August 2018)***

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 March 2020)***

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 March 2020)***

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.

The Board is provided with details of any material incidents reported under the Whistleblower Policy in accordance with Wesfarmers' reporting processes and procedures and escalated to the Board's immediate attention as appropriate.

This policy was updated following significant changes to the Australian whistleblower laws in February 2019.

### ***Anti-bribery Policy*** ***(revised August 2020)***

Prohibits directors and employees of the Group from engaging in 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 if and as required.

### ***Securities Trading Policy*** ***(revised July 2020)***

Sets out a policy designed to ensure compliance with insider trading laws and protect Wesfarmers' reputation in relation to trading in securities by its directors and employees. It also reflects the *Corporations Act 2001* prohibition on hedging and 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.

Following the partial sale of Wesfarmers' 15 per cent shareholding in Coles Group Limited, this policy was updated to remove the restrictions on Wesfarmers directors and the Wesfarmers Leadership Team from trading in Coles shares without obtaining prior clearance.

### ***Market Disclosure Policy*** ***(revised August 2019)***

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

## 5. Governance policies cont.

### ***Investor Engagement*** ***(revised September 2020)***

Establishes Wesfarmers' program for engaging and communicating with shareholders, including at the company's annual general meetings, regular investment briefings and strategy days, and the annual report lodged with the ASX.

### ***Inclusion Policy*** ***(introduced September 2019)***

Designed to foster many facets of diversity in addition to gender, including different ages, ethnicities and backgrounds at all levels within the Group.

See pages 19 to 22 of this corporate governance statement on diversity disclosures.

### ***Environment Policy*** ***(revised July 2019)***

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

### ***Climate Change Policy*** ***(introduced September 2019)***

Sets out the minimal level of standards required across the Group including climate change strategies, governance systems and disclosures to support the global goal of reducing greenhouse gas emissions.

Wesfarmers' climate-related financial disclosures, in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), are set out on pages 68 to 78 of the company's 2020 annual report.

### ***Ethical Sourcing and Modern Slavery Policy*** ***(revised February 2019)***

To ensure the Group sources products in a responsible and consistent manner while working with suppliers to improve their social and environmental practices. Each business must adopt policies and procedures to ensure that suppliers engaged to supply goods for resale through its retail networks comply with all applicable laws and regulations in the areas in which they operate and take all reasonable steps to meet minimum employment standards.

This policy was updated following the passing of the Australian Modern Slavery Act in December 2018. The Wesfarmers 2020 Modern Slavery Statement is available on the company's website at [www.wesfarmers.com.au/sustainability](http://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 [www.wesfarmers.com.au](http://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; and
- 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 that their own actions and decisions reference and reinforce Wesfarmers' values and that 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 [www.wesfarmers.com.au/cg](http://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, employees 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.

### The Wesfarmers Way



## 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. In addition, the company's shareholders have the ability to elect to receive communications and other shareholding information electronically.

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 [www.wesfarmers.com.au/cg](http://www.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 holds a new and substantive investor or analyst presentation, it releases a copy of the presentation materials to the ASX ahead of the presentation.

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

Wesfarmers' Annual General Meeting usually held in November

The release of Wesfarmers' annual report

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

Maintenance of the company's website at [www.wesfarmers.com.au](http://www.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 issues, and other information

One-on-one briefings with members of the domestic and international investment community

Responding to shareholder and debt investor queries

Engaging with the Australian Shareholders Association and retail stockbrokers

### INVESTOR RELATIONS PROGRAM

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

### WEBSITE

Visit the Investor Centre at [www.wesfarmers.com.au](http://www.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



## 8. Integrity in financial reporting

### 8.1 Role of the Audit and Risk Committee

The Audit and Risk Committee assists the Board in fulfilling its responsibilities in overseeing the company's financial reporting, compliance with legal and regulatory requirements, setting, articulating and reviewing the risk appetite of the Wesfarmers Group, and proactively managing 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 Audit and Risk Committee Charter which is available in the corporate governance section of the company's website at [www.wesfarmers.com.au/cg](http://www.wesfarmers.com.au/cg)

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

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

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

### 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 a Disclosure Committee comprised of Wesfarmers' Managing Director, Chief Financial Officer and Group General Counsel to which it has delegated responsibility for overseeing the process for verification and sign-off of Wesfarmers' corporate reporting not audited or reviewed by an external auditor, including the Strategy Briefing Day Presentation and 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 and Group Assurance and 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 effectiveness, performance and independence of the external auditor is reviewed annually by the Audit and Risk Committee. 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.

If it becomes necessary to replace the external auditor for performance or independence reasons, the Audit and Risk Committee will formalise a procedure and policy for the selection and appointment of a new auditor.

#### Independence declaration

Ernst & Young has provided the required independence declaration to the Board for the financial year ended 30 June 2020. The independence declaration forms part of the directors' report and is provided on page 91 of the company's 2020 annual report.

#### Key focus areas of the Audit and Risk Committee during the 2020 financial year included:

Monitoring the crisis management responses across the Group resulting from COVID-19 and the identification of emerging risks and associated mitigation strategies

Reviewing and assessing the Group's processes which ensure the integrity of financial statements and reporting, and associated compliance with accounting, legal and regulatory requirements

Monitoring the Group's information security framework, including data protection management, third party data risk management and the reporting structure and escalation process on information security risks

Overseeing the payroll assurance and remediation activities of the relevant Group businesses

Monitoring the ethical sourcing of products and services throughout the Group to ensure that there are appropriate safeguards and processes in place

Monitoring the retail shrinkage control measures and reporting procedures in the Group's divisions

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 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

A Group compliance program, supported by approved guidelines and standards, covering safety, the environment, legal liability, compliance with key governance policies, whistleblower reporting, information technology, data privacy and human rights

Overseeing the Group's adoption of the new lease accounting standard, AASB 16 Leases, including reviewing the associated disclosures

Monitoring compliance with Group policies including the Code of Conduct and reporting processes

#### 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 2020 are set out in the directors' report on page 90 of the company's 2020 annual report.

#### Attendance of external auditor at 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.

## 9. Risk management

Wesfarmers is committed to the identification, monitoring and management of material financial and non-financial risks associated with its business activities across the Group.

The Board recognises that a positive culture is fundamental to an effective risk management framework. Wesfarmers, through the Board, instills and promotes a culture which values the principles of honesty, transparency, integrity, fairness, constructive challenge and accountability, and these values are reflected in the Group's Code of Conduct.

These elements are necessary to support effective risk management and awareness, and to support appropriate behaviours and judgements about risk-taking within the parameters and risk appetite set by the Board.

Management is responsible for the Group's day-to-day compliance with risk management systems. Management monitors compliance with, and the effectiveness of, the risk management systems and controls at a divisional level. Senior management across the Group is responsible for reinforcing and modelling the key behaviours required to maintain a strong risk culture, including encouraging constructive challenge and transparency. Wesfarmers' senior management reports to the Board on the adequacy of the risk management systems and processes on a consolidated basis across the Group and reports any material issues to the Board. Divisional managing directors are accountable for risk management outcomes, and day-to-day compliance, in their respective divisions. Divisional audit and risk committees have operated throughout the 2020 financial year. These committees ensure that management has access to timely information about emerging and existing risks for each division and provides management with a dedicated forum to facilitate constructive debate and challenge regarding operational risk management. The committees further strengthen operational risk management and support the divisional boards and management and have become an increasingly important component of the Board's assurance framework on risk and governance.

This framework assists the Board in identifying areas to further strengthen the Group's culture and approach to risk management. Separately, Group Assurance and Risk review and report to the Audit and Risk Committee on the adequacy of the Group's risk management systems and internal control environment.

### 9.1 Risk Management Framework

The Wesfarmers Risk Management Framework is reviewed on an annual basis by the Board to satisfy itself that it continues to operate effectively and as intended, and that the Group is operating with due regard to the risk appetite set by the Board. The Board reviewed the operation of the risk management framework in June 2020 and approved the Group risk appetite statement for the 2021 financial year.

This framework details the overarching principles and risk management controls that are embedded in the Group's risk management processes, procedures and reporting systems and the division of the key risk management functions between the Board, Group Managing Director and Chief Financial Officer, Audit and Risk Committee, divisional management, divisional audit and risk committees and Group Assurance and Risk.

Wesfarmers recognises that risk is part of doing business and the Group is committed to the identification, monitoring and management of material risks associated with its business activities. The Wesfarmers Risk Management Framework consists of the following elements:

- 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.
- An Audit and Risk Committee, a Nomination Committee and a Remuneration Committee, established by the Board as standing committees, each with its own charter, to assist with the discharge of the Board's responsibilities.
- 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.
- Divisional audit and risk committees at Bunnings, Kmart Group, Officeworks, WesCEF, and Industrial and Safety to strengthen the divisional risk management processes.
- 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.
- Wesfarmers' Operating Framework that clearly 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.
- 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.
- A formal corporate planning process as part of setting strategy, which requires each division to assess the environment for trends that are likely to affect and shape relevant industries, perform scenario planning and prepare a SWOT analysis.
- A Group risk review process that identifies, assesses and prioritises risks and, as part of this process, identifies risk mitigation actions to be implemented and monitored.
- A Group compliance program, supported by approved guidelines and standards covering safety, the environment, legal liability, information technology, data privacy and human rights.
- A comprehensive Group insurance program, including risk transfer to external insurers and reinsurers.
- 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 procedures for acquisitions and divestments.
- Crisis management systems and business continuity processes for all key businesses in the Group.
- External and internal audit programs.

## 9. Risk management cont.

### 9.2 Risk management oversight and responsibility

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

Key Risk Management Oversight	Function
<b>Board</b>	<p>Sets the risk appetite for the Wesfarmers Group. In June 2020, the Board approved the Group's risk appetite statement for the 2021 financial year</p> <p>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>Reviews, approves and monitors the Group's risk management systems, including internal compliance and control mechanisms</p> <p>Approves and monitors the systems and policies to ensure integrity of budgets, financial statements and other reporting</p>
<b>Group Managing Director and Chief Financial Officer</b>	<p>Provide a declaration to the Board regarding the half-year and full-year financial statements</p> <p>Assess and provide 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>
<b>Audit and Risk Committee</b>	<p>Reviews and assesses the Group's processes which ensure the integrity of financial statements and reporting, and associated compliance with legal and regulatory requirements, including Accounting Standards</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 internal controls, assurance, policies and procedures which the Group uses to identify and manage business risks</p> <p>Reports any material risk issues to the Board</p>
<b>Management</b>	<p>Implements and maintains risk management and internal control systems on an end-to-end basis and reports any material risk issues to the Audit and Risk Committee</p> <p>Prepares divisional Risk Review Compliance Reports (approved by each divisional board) to provide the Board with clear, concise and balanced reporting with reference to the risk appetite set by the Board</p> <p>Prepares a consolidated Group Risk Review Compliance Report 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 (approved by the Wesfarmers Leadership Team)</p> <p>Reports to the Board on the adequacy of the systems and processes in place to manage material business risks</p> <p>Participate in divisional audit and risk committees with a focus on risk awareness and management relevant to each division</p>
<b>Group Assurance and Risk</b>	<p>Monitors the effectiveness of risk management systems through a single outsourced internal audit provider</p> <p>Prepares internal audit reports and reporting to the Audit and Risk Committee on the adequacy of risk management and the internal control environment</p> <p>Maintains direct and unfettered access to the Audit and Risk Committee for the General Manager Group Assurance &amp; Risk</p> <p>Facilitates the annual risk compliance reporting and preparing the Group Risk Compliance Report for review by the Audit and Risk Committee</p>

## 9. Risk management cont.

### 9.3 Internal audit function

The Wesfarmers Risk Management Framework also sets out the role of the Audit and Risk Committee in implementing the internal audit function through a compliance reporting program developed to encompass the areas identified as most sensitive to risk.

The General Manager Group Assurance & Risk monitors the internal control framework of the Group and provides reports to the Audit and Risk Committee, and subsequently the Board, and receives timely information, including early indicators of emerging risks. The Audit and Risk Committee then approves the internal audit policy and annual internal audit plan to ensure that planned audit activities are aligned to material business risks. The Audit and Risk Committee also reviews internal audit reports issued by the General Manager Group Assurance & Risk and monitors progress with recommendations made in those reports to ensure the adequacy of the internal control environment. The internal audit function and external audit are separate and independent of each other.

The roles and responsibilities of the Audit and Risk Committee are further set out in the Audit and Risk Committee Charter which is available in the corporate governance section of the company's website at [www.wesfarmers.com.au/cg](http://www.wesfarmers.com.au/cg)

### 9.4 Risk certification

#### Financial risk

The Group Managing Director and the 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 Wesfarmers Managing Director and the 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.

This statement was also signed by the Executive General Manager Group Accounting & 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 Board for the relevant division's internal control and risk management systems on an end-to-end basis. Management has reported to the 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 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 2020 financial year that the Wesfarmers Risk Management Framework continues to operate as intended.

## 10. Inclusion and diversity



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 required. 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 that Wesfarmers is best equipped for future growth.

Wesfarmers' commitment to inclusion extends to all people and perspectives. Wesfarmers continues to focus on achieving a gender balance in senior management positions across its divisions and continuing to boost employment of Indigenous people.

### 10.1 Wesfarmers' vision for reconciliation

Wesfarmers' vision for reconciliation is an Australia that affords equal opportunities to all. Wesfarmers will ensure that Indigenous people feel welcome in its businesses as employees, customers, suppliers and visitors. Wesfarmers will know that it has succeeded when the workplace reflects the diversity of the communities Wesfarmers serves.

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 [www.wesfarmers.com.au/sustainability](http://www.wesfarmers.com.au/sustainability)

## 10. Inclusion and diversity 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.

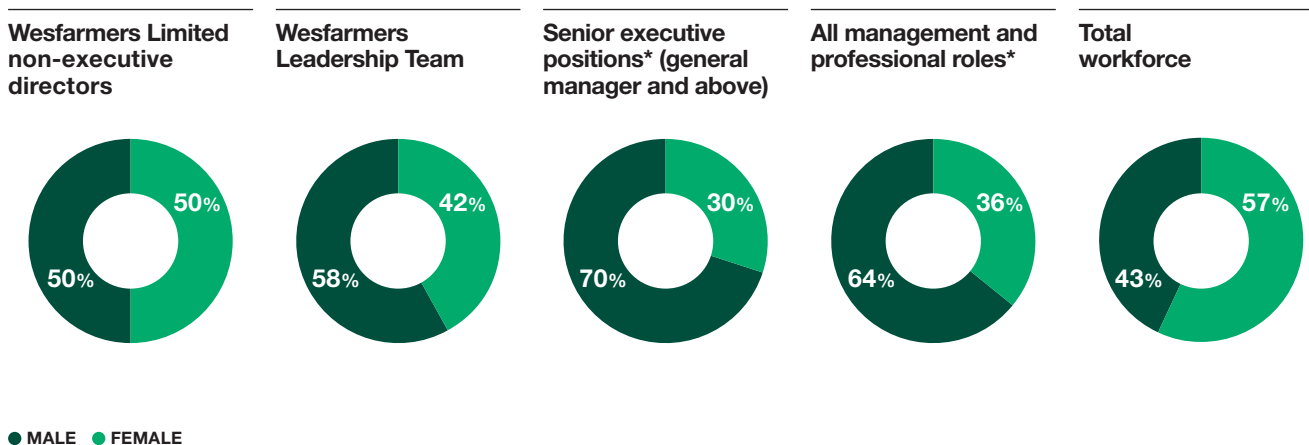
Wesfarmers believes that gender-balanced businesses, which cater to the different strengths, preferences and needs of different team members and customers, enables Wesfarmers to deliver on its objective of providing satisfactory returns to shareholders.

At Wesfarmers, gender balance means its workforce is made up of 40 per cent women, 40 per cent men, and 20 per cent any gender (which may vary depending on industry, talent pool, or include gender diversity).

The Wesfarmers Leadership Team is balanced with 42 per cent women, as is the total Wesfarmers workforce (107,765 as at 30 June 2020), made up of 57 per cent women and 43 per cent men.

Nevertheless, strengthening the balance of gender in senior executive, management and professional roles across the Group remains a priority for Wesfarmers. Details of gender representation across the Group is set out below.

### Gender representation



	Wesfarmers Limited non-executive directors		Wesfarmers Leadership Team		Senior executive positions* (general manager and above)		All management and professional roles*		Total workforce	
2020	50%	50%	58%	42%	70%	30%	64%	36%	43%	57%
2019	62%	38%	55%	45%	73%	27%	64%	36%	42%	58%
2018	67%	33%	69%	31%	72%	28%	66%	34%	46%	54%
2017	62%	38%	75%	25%	76%	24%	68%	32%	46%	54%
2016	62%	38%	73%	27%	77%	23%	70%	30%	45%	55%

\* Senior executive positions and all management and professional roles are defined through job evaluation methodology.

## 10. Inclusion and diversity cont.

Each of the Wesfarmers divisional managing directors has gender balance objectives incorporated into their performance objectives and each division has its own gender balance and inclusion plan in line with the Group objectives.

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 and Catalyst 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 cross-divisional inclusion forums. Over the past year topics have included algorithmic bias and age discrimination.

Group Managing Director, Rob Scott, continues to be part of the Male Champions of Change (MCC), an institute that works with influential leaders to redefine men's role in taking action and supporting them to step up beside women. It also provides leading expertise and practice to membership organisations.

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

Every year, Wesfarmers' businesses lodge separate annual compliance reports with the Workplace Gender Equality Agency (WGEA). A copy of these reports may be obtained via the WGEA website. In line with the fourth edition of the ASX Principles, Wesfarmers developed a new policy, the Wesfarmers Inclusion Policy, to replace the Gender Diversity Policy which had been in place since 2010. This new policy aims to encourage an inclusive work environment where everybody feels respected at work and includes 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 [www.wesfarmers.com.au/cg](http://www.wesfarmers.com.au/cg)

The Wesfarmers Inclusion Policy outlines that measurable objectives be set and reviewed annually by the Board, and that Wesfarmers' progress in achieving these objectives be disclosed. Wesfarmers' current objectives and indications of progress achieved are outlined below. Further information is available on the company's website at [www.wesfarmers.com.au/sustainability](http://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> <ul style="list-style-type: none"> <li>The Wesfarmers Board will maintain a composition of not less than 30 per cent women.</li> <li>All teams in all Group businesses seek to attain, or maintain, gender balance (defined according to the 40:40:20 principle).</li> </ul>	<p>The Wesfarmers Board maintains female representation above 30 per cent, this year:</p> <ul style="list-style-type: none"> <li>Non-executive directors reached composition of <b>50 per cent</b> women and men with the appointment of Sharon Warburton and the retirement of Tony Howarth (up from 38 per cent female representation in 2019).</li> <li>The Wesfarmers Leadership Team is also balanced with <b>42 per cent</b> women (45 per cent female representation in 2019) which includes Managing Director Rob Scott.</li> </ul> <p>Gender balance metrics are collected from all divisions on a monthly basis 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 increased by three per cent to <b>30 per cent</b>.</li> <li>At the All Manager (management and professional) level, women's representation remained stable at <b>36 per cent</b>.</li> </ul> <p>The Group Managing Director meets twice a year with each division to discuss succession plans and talent pipelines, including how divisions are successfully attracting, retaining, and developing current and future female leaders. In the most recent Divisional Talent Reviews:</p> <ul style="list-style-type: none"> <li>28 women (<b>33 per cent</b> of all nominees) were nominated as potential successors to divisional leadership team roles<sup>1</sup> and</li> <li>5 women (<b>29 per cent</b>) were nominated as potential successors to divisional managing director roles<sup>2</sup>.</li> </ul> <p>Within the divisions, talent reviews and development planning sessions are conducted every six months where actions to maintain or move towards gender balance is a standing item for discussion.</p> <p>For senior appointments, both internal and external, Wesfarmers is increasingly applying psychometric assessment insights to add to a fact-based and non-biased approach to selection.</p>

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

2. Nominees only counted once, regardless of the number of nominations to a divisional managing director role received.

## 10. Inclusion and diversity 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, dependent on strategic priorities, workforce demographics, industry and other variables. While diversity incorporates gender, each of the Group's businesses actively focus on other dimensions of diversity for the benefit of team members and the diverse communities the business serves.</p> <p>Building capability in inclusive leadership practices has continued to be a focus area for some of the businesses, to ensure managers and leaders are equipped with the skills to foster a sense of belonging amongst increasingly diverse teams. Some areas of focus over the past year include inclusion training, LGBTQI inclusion, parental support and disability access and support.</p>
<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 depending on team member needs, industry, and business priorities.</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 competitive paid parental leave allowances that are reviewed periodically and updated 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, team member empowerment and productivity. Wesfarmers commitment to flexibility has been further demonstrated during the disruption associated with the COVID-19 crisis where large numbers of team members have been enabled to work from home. Teams across the Group were supported with equipment and technology, as well as health and wellbeing support.</p> <p><b>Gender pay equity:</b> A Group review of gender pay equity has been conducted annually since 2010, with results reviewed by divisional managing directors and the Wesfarmers Remuneration Committee and Board. Any gaps are analysed to ensure they can be explained by market forces which may include different rates of pay in different industries, location, the relative supply and demand for different qualifications or specialist skills, individual performance and experience. Across all managerial levels a pay gap of no more than five per cent exists, with the pay gap at General Manager level having significantly narrowed from 7.1 per cent in 2019 to 2.7 per cent in 2020.</p> <p>Wesfarmers' businesses also conduct their own initiatives supporting the financial health of their team members in innovative ways.</p>





## 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 2020

Our corporate governance statement<sup>2</sup> for the above period above can be found at:<sup>3</sup>

- These pages of our annual report:
- This URL on our website: [www.wesfarmers.com.au/who-we-are/corporate-governance](http://www.wesfarmers.com.au/who-we-are/corporate-governance)

The Corporate Governance Statement is accurate and up to date as at 23 September 2020 and has been approved by the board.

The annexure includes a key to where our corporate governance disclosures can be located.

Date: 23 September 2020

Name of Director or Secretary authorising lodgement: Vicki Robinson

<sup>1</sup> Under Listing Rule 4.7.3, an entity must lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX.

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 rule 4.10.3.

<sup>2</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.

<sup>3</sup> Mark whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where the entity's corporate governance statement can be found. You can, if you wish, delete the option which is not applicable.

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.

## ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...
PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT		
1.1	A listed entity should disclose: (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.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement on page 3 ... and information about the respective roles and responsibilities of our board and management (including those matters expressly reserved to the board and those delegated to management): <input checked="" type="checkbox"/> in our Corporate Governance Statement on page 3 and in our Board Charter at <a href="http://www.wesfarmers.com.au/who-we-are/corporate-governance">www.wesfarmers.com.au/who-we-are/corporate-governance</a>
1.2	A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate 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.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement on page 9
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement on pages 9 and 10
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.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement on page 8

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...
1.5	<p>A listed entity should:</p> <p>(a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;</p> <p>(b) disclose that policy or a summary of it; and</p> <p>(c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them and either:</p> <p>(1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or</p> <p>(2) 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>... the fact that we have a diversity policy that complies with paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement on page 21</p> <p>... and a copy of our diversity policy or a summary of it:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement on pages 21 and 22, and at <a href="http://www.wesfarmers.com.au/who-we-are/corporate-governance">www.wesfarmers.com.au/who-we-are/corporate-governance</a> (see the Inclusion Policy)</p> <p>... and the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with our diversity policy and our progress towards achieving them:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement on pages 21 and 22</p> <p>... and the information referred to in paragraphs (c)(1) or (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement on page 20</p>
1.6	<p>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, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>... the evaluation process referred to in paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement on page 9</p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement on page 9</p>
1.7	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>... the evaluation process referred to in paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement on page 10</p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement on page 10 and in our Remuneration Report on pages 100 to 105 of our 2020 Annual Report</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...
<b>PRINCIPLE 2 - STRUCTURE THE BOARD TO ADD VALUE</b>		
2.1	<p>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,</p> <p>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>If the entity complies with paragraph (a):</p> <p>... the fact that we have a nomination committee that complies with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement on page 8</p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at <a href="http://www.wesfarmers.com.au/who-we-are/corporate-governance">www.wesfarmers.com.au/who-we-are/corporate-governance</a> (see the Nomination Committee Charter)</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> on page 8 of our Corporate Governance Statement and page 88 of our 2020 Annual Report.</p>
2.2	<p>A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.</p>	<p>... our board skills matrix:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement on page 5</p>
2.3	<p>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, association 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, association 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>... the names of the directors considered by the board to be independent directors:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement on page 6</p> <p>... and the length of service of each director:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement on page 4</p>
2.4	<p>A majority of the board of a listed entity should be independent directors.</p>	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement on pages 4 and 6</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...
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.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement on page 6
2.6	A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement on page 9
<b>PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY</b>		
3.1	A listed entity should: (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it.	... our code of conduct or a summary of it: <input checked="" type="checkbox"/> at <a href="http://www.wesfarmers.com.au/who-we-are/corporate-governance">www.wesfarmers.com.au/who-we-are/corporate-governance</a> (see the Code of Conduct)

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...
<b>PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING</b>		
4.1	<p>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>	<p>If the entity complies with paragraph (a):</p> <p>... the fact that we have an audit committee that complies with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement on page 8</p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at <a href="http://www.wesfarmers.com.au/who-we-are/corporate-governance">www.wesfarmers.com.au/who-we-are/corporate-governance</a> (see the Audit and Risk Committee Charter)</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> at pages 80, 81 and 88 of our 2020 Annual Report</p>
4.2	<p>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>	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement on page 17</p>
4.3	<p>A 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.</p>	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement on page 15</p>
<b>PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE</b>		
5.1	<p>A listed entity should:</p> <p>(a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and</p> <p>(b) disclose that policy or a summary of it.</p>	<p>... our continuous disclosure compliance policy or a summary of it:</p> <p><input checked="" type="checkbox"/> at <a href="http://www.wesfarmers.com.au/who-we-are/corporate-governance">www.wesfarmers.com.au/who-we-are/corporate-governance</a> (see the Market Disclosure Policy)</p>

<b>Corporate Governance Council recommendation</b>		<b>We have followed the recommendation in full for the whole of the period above. We have disclosed ...</b>
<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.	... information about us and our governance on our website: <input checked="" type="checkbox"/> at <a href="http://www.wesfarmers.com.au/who-we-are/corporate-governance">www.wesfarmers.com.au/who-we-are/corporate-governance</a>
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement on page 14
6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	... our policies and processes for facilitating and encouraging participation at meetings of security holders: <input checked="" type="checkbox"/> at <a href="http://www.wesfarmers.com.au/who-we-are/corporate-governance">www.wesfarmers.com.au/who-we-are/corporate-governance</a> (see the Investor Engagement policy) and in our Notice of Meeting
6.4	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement on page 14
<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> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director,</p> <p>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 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>	<p>If the entity complies with paragraph (a):</p> <p>... the fact that we have a committee or committees to oversee risk that comply with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement on page 8</p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at <a href="http://www.wesfarmers.com.au/who-we-are/corporate-governance">www.wesfarmers.com.au/who-we-are/corporate-governance</a> (see the Audit and Risk Committee Charter)</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> at page 8 of our Corporate Governance Statement and page 88 of our 2020 Annual Report</p>



Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...
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</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	<p>... the fact that board or a committee of the board reviews the entity's risk management framework at least annually to satisfy itself that it continues to be sound:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement on pages 16 and 18</p> <p>... and that such a review has taken place in the reporting period covered by this Appendix 4G:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement on pages 16 and 18</p>
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 risk management and internal control processes.</p>	<p>If the entity complies with paragraph (a):</p> <p>... how our internal audit function is structured and what role it performs:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement on page 18</p>
7.4	<p>A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.</p>	<p>... whether we have any material exposure to economic, environmental and social sustainability risks and, if we do, how we manage or intend to manage those risks:</p> <p><input checked="" type="checkbox"/> at pages 31 to 32, 38 to 39, 45 to 46, 51 to 52, 57 to 58 and 61 to 78 of our 2020 Annual Report</p>

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...
<b>PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY</b>	
8.1	<p>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,</p> <p>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>If the entity complies with paragraph (a):</p> <p>... the fact that we have a remuneration committee that complies with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement on page 8</p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at <a href="http://www.wesfarmers.com.au/who-we-are/corporate-governance">www.wesfarmers.com.au/who-we-are/corporate-governance</a> (see the Remuneration Committee Charter)</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> at page 8 of our Corporate Governance Statement and page 88 of our 2020 Annual Report</p>	
8.2	<p>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>... separately our remuneration 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"/> at pages 92 to 116 of our 2020 Annual Report (Remuneration Report)</p>	
8.3	<p>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>... our policy on this issue or a summary of it:</p> <p><input checked="" type="checkbox"/> at <a href="http://www.wesfarmers.com.au/who-we-are/corporate-governance">www.wesfarmers.com.au/who-we-are/corporate-governance</a> (see the Securities Trading Policy)</p>	