

16 June 2021

WESFARMERS ISSUES INAUGURAL SUSTAINABILITY-LINKED BONDS

Wesfarmers Limited will issue the first sustainability-linked bonds in the Australian market, with the interest rates on the bonds linked to progress against specific renewable energy and emissions performance targets.

Wesfarmers is to raise AUD1 billion following the successful pricing this week of:

- AUD650 million of seven year unsecured fixed rate Sustainability-Linked Bonds maturing in June 2028, with an interest rate of 1.94 per cent
- AUD350 million of ten year unsecured fixed rate Sustainability-Linked Bonds maturing in June 2031, with an interest rate of 2.55 per cent

Settlement of the transaction is expected to occur on 23 June 2021.

Chief Financial Officer Anthony Gianotti said that Wesfarmers was pleased with the strong investor support for the first such bond issue in the Australian market, which was oversubscribed by approximately 2.5 times.

“It is pleasing that in pricing this issue the market has recognised both the strength of the Wesfarmers businesses and the significance of the Group’s sustainability priorities in supporting long-term value creation,” Mr Gianotti said.

“The bond issue supports the Group’s strategy to pre-fund upcoming bond maturities, ensure appropriate balance sheet flexibility and maintain a presence in key credit markets.”

The interest rates on the Sustainability-Linked Bonds are linked to Wesfarmers’ progress against two sustainability performance targets. The performance targets relate to increasing the use of renewable energy in the Group’s retail divisions and reducing the CO₂e emissions intensity of ammonium nitrate production in the Wesfarmers Chemicals, Energy and Fertilisers division.

The proceeds will be applied to general corporate purposes, including the refinancing of upcoming bond maturities in October 2021 and August 2022.

The joint lead managers for the issue were Australia and New Zealand Banking Group, BNP Paribas, Commonwealth Bank of Australia, National Australia Bank and Westpac Banking Corporation.

The joint sustainability coordinators were Australia and New Zealand Banking Group, BNP Paribas and Westpac Banking Corporation.

Wesfarmers is rated A3/Stable/P2 by Moody’s and A-/Stable/A-2 by Standard & Poor’s.

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This announcement was authorised to be given to the ASX by the Wesfarmers Disclosure Committee