

2025 Corporate Governance Statement



Contents

1	Roles and responsibilities of the Board and management	3
2	Structure and composition of the Board	4
2.1	Independence of the Chairman	6
2.2	Director independence	6
2.3	Directors' rights and obligations	7
2.4	Committees of the Board	8
2.5	The role of the Company Secretary	8
3	Board succession planning	9
3.1	Appointment of new directors and executives	9
3.2	Induction of new non-executive directors and ongoing director development	9
3.3	Evaluation of the Board, committees and directors	9
4	Remuneration and evaluation of executive key management	10
4.1	Remuneration	10
4.2	Evaluation of the performance of executive KMP	10
5	Governance policies	11
6	Ethical and responsible behaviour	13
7	Investor engagement	14
8	Integrity in financial reporting	15
8.1	Role of the Wesfarmers Audit and Risk Committee	15
8.2	Role of the Disclosure Committee	15
8.3	Role of the external auditor	15
9	Risk management	17
9.1	Risk Management Framework	17
9.2	Certification of risk management and controls	18
9.3	Sustainability risks	18
9.4	Risk management oversight and responsibility	19
10	Diversity and inclusion	21
10.1	Wesfarmers' vision for reconciliation	21
10.2	Gender balance and inclusion	22



2025 Wesfarmers
Annual Report is available at
wesfarmers.com.au

The Board of Wesfarmers Limited



Back row (L-R) Julie Coates, Alan Cransberg, Kate Munnings, Michael Chaney AO, Rob Scott, Sharon Warburton, Tom von Oertzen **Front row (L-R)** Bill English KNZM, Jennifer Westacott AC, Alison Watkins AM, Mike Roche

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

The Board believes that the governance policies and practices adopted by Wesfarmers during the reporting period for the year ended 30 June 2025 follow the recommendations contained in the fourth edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (**ASX Principles**).

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

This corporate governance statement is for the year ended 30 June 2025 and details in it are as of that date, unless otherwise stated.

1. Roles and responsibilities of the Board and management

The role of the Board is to:

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

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

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

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

The Board has a charter which clearly sets out its roles and responsibilities and describes those matters expressly reserved for the Board's determination and those matters delegated to senior management.

Senior management, amongst other matters, takes primary ownership of, and is responsible for:

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

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

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

Details of the members of the Wesfarmers Leadership Team are set out on pages 14 and 15 of the company's 2025 Annual Report and in the corporate governance section of the company's website.

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

In fulfilling its roles and responsibilities, the key focus areas of the Board during the 2025 financial year are set out below.

Key focus areas of the Board during the 2025 financial year included:

- | | |
|--|--|
| <ul style="list-style-type: none"> – Overseeing the implementation of the Group's strategy in response to a dynamic competitive environment for the Group's businesses | <ul style="list-style-type: none"> – Overseeing the Group's remuneration framework and remuneration outcomes for senior management |
| <ul style="list-style-type: none"> – Reviewing and providing input into the business operations and strategic plans of each division to drive long-term shareholder value creation | <ul style="list-style-type: none"> – Overseeing succession of the Managing Directors in Wesfarmers Chemicals, Energy & Fertilisers, Kmart Group and Officeworks |
| <ul style="list-style-type: none"> – Monitoring the Group's safety performance, evaluating areas of underperformance and overseeing implementation of strategies to improve safety and enhance workplace safety awareness | <ul style="list-style-type: none"> – Overseeing the development of strategies to improve the omnichannel customer experience for the Group's retail and health divisions |
| <ul style="list-style-type: none"> – Monitoring the Group's operating and cash flow performance, financial position and key metrics, including financial covenants and credit ratings | <ul style="list-style-type: none"> – Overseeing portfolio changes that included: the wind down of the Catch retail business, transfer of its customer fulfilment centres to Kmart Group and transfer of select digital capabilities developed in Catch to Wesfarmers' retail divisions; the divestment of Coregas; the wind up of the BPI No 1 Pty Ltd structure and the internalisation of BWP's management and reset of Bunnings' leases with BWP |
| <ul style="list-style-type: none"> – Monitoring and evaluating growth opportunities that leverage Wesfarmers' capabilities and complement the existing portfolio | <ul style="list-style-type: none"> – Overseeing the continuing development of the Covalent lithium project through the ramp up of the Mt Holland mine and concentrator and completion of construction and progress of commissioning at the Kwinana lithium hydroxide refinery |
| <ul style="list-style-type: none"> – Reviewing the processes in place to attract, develop, motivate and retain talent and overseeing succession planning | <ul style="list-style-type: none"> – Overseeing the continuing development of OnePass, the shared data asset and development of a Group-wide retail media network |
| <ul style="list-style-type: none"> – Monitoring changes and volatility in the domestic and global external environment and overseeing management's strategies in relation to these areas | <ul style="list-style-type: none"> – Overseeing the company's preparedness for climate reporting reforms and monitoring sustainability risks, including the Group's performance on key climate metrics |
| <ul style="list-style-type: none"> – Overseeing the management of cyber security, data governance and privacy risks across the Group, including participating in a cyber incident simulation. The Board also considered developments in cyber security regulation and completed training on the role of directors in respect of cyber risks | <ul style="list-style-type: none"> – Overseeing the development of use cases for generative artificial intelligence across the Group |
| <ul style="list-style-type: none"> – Reviewing and updating the Group's risk appetite statement to reflect new and emerging risks and changing circumstances | <ul style="list-style-type: none"> – Reviewing and updating policies, reporting and processes to make improvements to the Group's system of corporate governance and compliance |
| <ul style="list-style-type: none"> – 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 | |

2. Structure and composition of the Board

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

As at 30 June 2025, the Board comprised 11 directors, including 10 non-executive and independent directors. Details of the directors, including their qualifications and dates of appointment are set out below. Detailed biographies of all current directors are set out on pages 84 and 85 of the company's 2025 Annual Report.

The Board is of the view that the current directors possess an appropriate mix of skills, commitment, experience, expertise (including knowledge of the Group and the relevant industries in which the Group operates) and diversity to enable the Board to discharge its responsibilities effectively and deliver the company's strategic priorities as a diversified corporation.



50%

Female non-executive directors of Wesfarmers Limited



55 – 75 years

Age range of directors



2 months – 12 years

Range of tenure of Wesfarmers' non-executive directors



5 years 1 month

Average tenure of Wesfarmers' non-executive directors

BOARD TENURE AND QUALIFICATIONS (AS AT 30 JUNE 2025)

NAME OF DIRECTOR	TERM IN OFFICE	QUALIFICATIONS
Michael Chaney AO	Director since June 2015 and Chairman since November 2015	BSc MBA Hon. LLD W.Aust FAICD
Rob Scott	Director since November 2017	B.Comm MAppFin CA GradDipAppFin OLY
Julie Coates	Director since May 2025	GradDipEd BA AMP
Alan Cransberg	Director since October 2021	BEng(Civil Eng) (Hons)
Bill English KNZM	Director since April 2018	BA(Hons) BCom (Otago)
Kate Munnings	Director since August 2024	LLB (UNSW) BHSc (Nursing) (UTS) AMP INSEAD
Mike Roche	Director since February 2019	BSc GAICD FIA (London) FIAA (Australia)
Friedrich (Tom) von Oertzen	Director since October 2024	BBA MBA GAICD
Sharon Warburton	Director since August 2019	BBus (Accounting & Business Law) FCA FAICD
Alison Watkins AM	Director since September 2021	BCom FCA FAICDLife F FIN
Jennifer Westacott AC	Director since April 2013	BA (Honours) FAICD FIPAA FANZSOG

2. Structure and composition of the Board cont.

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

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

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

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

The adjusted Board skills matrix for the 2025 financial year is set out below¹.

Wesfarmers Board ¹ skills and experience			
LEADERSHIP AND STRATEGY			
	Leadership: Experience in a senior management position in a listed company, large or complex organisation or government body.	6	3 1
	Strategy: Experience in corporate planning, including identifying and analysing strategic opportunities and threats, developing, implementing and delivering strategic objectives and monitoring performance against strategic objectives.	5	4 1
INDUSTRY AND MARKETS			
	Retail markets: Knowledge and experience in the retail and consumer goods industry, including merchandising, brand development, customer relationships and supply chain.	2	3 5
	Industrial, resources and infrastructure: Senior executive or non-executive director experience and expertise in the industrial, resources or infrastructure sectors, including project construction.	4	5 1
	Digital, data and technology: 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.	2	4 4
	International experience: 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.	5	5
FINANCE AND GROWTH			
	Financial acumen: Understanding of financial statements and reporting, key drivers of financial performance, corporate finance and internal financial controls.	6	4
	Corporate transactions: Experience in assessing and completing complex business transactions, including mergers, acquisitions, divestments, capital management, major projects and business integration.	3	7
LEGAL, RISK AND COMPLIANCE			
	Corporate governance: 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.	7	3
	Risk management: Experience in identification, monitoring and management of material financial and non-financial risks and understanding, implementation and oversight of risk management frameworks and controls.	4	6
	Legal, regulatory and public policy: 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.	4	2 4
SUSTAINABILITY AND SOCIAL			
	Climate and decarbonisation: Understanding and experience in managing climate change risks and decarbonisation strategies.	1	3 6
	Human rights and ethical sourcing: Understanding and experience in best practice in human rights and ethical sourcing.	1	3 6
	Community engagement and social responsibility: Understanding and experience in community and stakeholder relations and corporate social responsibility.	5	3 2
PEOPLE AND STAKEHOLDER ENGAGEMENT			
	People and culture: Experience in overseeing workplace culture, people management, development and succession planning, setting remuneration frameworks and promoting inclusion and diversity.	5	4 1
	Government and regulator engagement: Professional experience working or interacting with government and regulators.	4	3 3

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

This advice has assisted Wesfarmers to prepare for the reporting reforms effective from the 2026 financial year.

¹ Julie Coates was appointed to the Wesfarmers Board on 1 May 2025 and did not participate in the Board skills matrix process in the 2025 financial year. Ms Coates' skills and experience include expertise as a chief executive in the retail, consumer goods, industrial sectors, and in people and culture.

-  **Expert:** Demonstrated and recognised expertise through extensive tenure in the area as a director, executive or advisor
-  **Experienced:** A sound knowledge of the subject matter through time spent in the area as a director, executive or advisor, or through formal study
-  **Competent:** A working understanding of the subject matter

2. Structure and composition of the Board cont.

2.1 Independence of the Chairman

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

Michael Chaney is the present serving Chairman. Further information about Mr Chaney is set out on page 84 of the company's 2025 Annual Report.

2.2 Director independence

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

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

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

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

The Board regularly assesses the independence of each non-executive director in light of the information which each director is required to disclose in relation to any material contract or other relationship with Wesfarmers in accordance with the director's terms of appointment, the *Corporations Act 2001*, the Board Charter and Wesfarmers' Director Conflicts of Interest Policy. Each non-executive director may be involved with other companies or professional firms which may from time to time have dealings with Wesfarmers. Details of some of the offices held by directors with other organisations are set out on pages 84 and 85 of the company's 2025 Annual Report and on the company's website at wesfarmers.com.au/cg

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

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

The Board has reviewed the position and relationships of all directors in office as at 30 June 2025 and considers that all 10 non-executive directors holding office at the time are independent.

Non-executive directors (as at 30 June 2025)

Independent

Michael Chaney AO (Chairman)

Julie Coates

Alan Cransberg

Bill English KNZM

Kate Munnings

Mike Roche

Tom von Oertzen

Sharon Warburton

Alison Watkins AM

Jennifer Westacott AC

2. Structure and composition of the Board cont.



2.3 Directors' rights and obligations

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

Retirement and re-election

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

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

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

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

The Chairman's appointment is formally reviewed every three years

Conflicts of interest

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

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

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

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

Access to information and independent advice

Directors are entitled to:

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

Related party transactions

Related party transactions are disclosable in accordance with the relevant Accounting Standards and the *Corporations Act 2001*. These are presently reported in note 24 of the 2025 financial statements

2. Structure and composition of the Board cont.

2.4 Committees of the Board

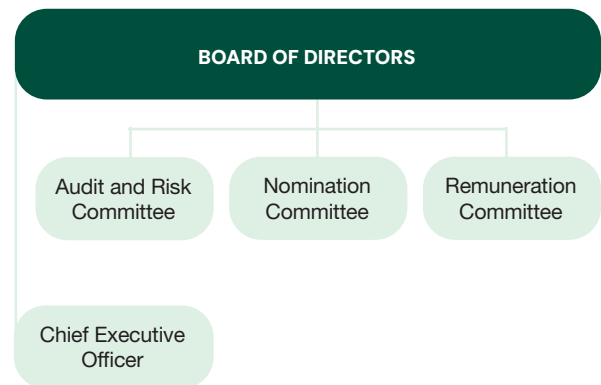
The Board has established an Audit and Risk Committee, a Nomination Committee and a Remuneration Committee as standing committees to assist with the discharge of its responsibilities.

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

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

Details of the current membership and composition of each committee are set out below. Details of meeting attendance for members of each committee during the 2025 financial year are set out in the Directors' Report on page 92 of the company's 2025 Annual Report. The roles and responsibilities of each committee are set out in the respective committee charters which are available in the corporate governance section of the company's website at wesfarmers.com.au/cg

Governance Framework



COMMITTEE	MEMBERS	COMPOSITION
AUDIT AND RISK COMMITTEE	Sharon Warburton (Chairman) Bill English Kate Munnings Tom von Oertzen	– Three or more non-executive directors – 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 – A majority of independent non-executive directors – Chaired by an independent director who is not the chair of the Board – Chaired by a Fellow of Chartered Accountants Australia and New Zealand with extensive board and executive experience in finance, accounting and risk management
NOMINATION COMMITTEE	Michael Chaney (Chairman) All other non-executive directors	– All non-executive directors – A majority of independent non-executive directors. – Chaired by an independent director
REMUNERATION COMMITTEE	Mike Roche (Chairman) Michael Chaney Julie Coates Alan Cransberg Alison Watkins Jennifer Westacott	– Three or more non-executive directors – A majority of independent non-executive directors – Chaired by an independent director

2.5 The role of the Company Secretary

Sheldon Renkema was appointed as the Company Secretary on 30 October 2023. Mr Renkema is a member of the Wesfarmers Leadership Team and his qualifications and experience are set out in the Directors' Report on page 93 of the company's 2025 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 about the role of the Company Secretary are set out in Wesfarmers' Board Charter which is available on the company's website at wesfarmers.com.au/cg

3. Board succession planning

3.1 Appointment of new directors and executives

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

The Board assesses candidates recommended by the Nomination Committee against a range of criteria including background, experience, professional qualifications, personal qualities, the potential for the candidate's skills to augment the existing Board, taking into consideration the Board skills matrix (the 2025 financial year version of which is set out on page 5 of this corporate governance statement), and the candidate's availability to commit to the Board's activities. Wesfarmers also undertakes appropriate checks before a new director or senior executive is appointed. These checks include criminal record and bankruptcy checks, and checks of the candidate's employment history and educational qualifications. If these criteria are met and the Board appoints the candidate, the director or executive (in their personal capacity) will enter into a written contract with the company, setting out the terms of their appointment consistent with the ASX Principles. Any person appointed by the Board as a non-executive director must seek to have their appointment approved by shareholders at the next annual general meeting.

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

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

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

As at 30 June 2025, all directors were in compliance with the minimum shareholding requirements.

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

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

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

On an ongoing basis, directors are provided with papers, presentations and briefings on matters which may affect the business or operations of Wesfarmers to assist the directors in fulfilling their role and discharging their duties. This includes a program of training for directors on regulatory obligations that apply to the company and them as directors. Directors are also encouraged to undertake other education and training relevant to the discharge of their obligations as directors of the company. Subject to consultation with the Company Secretary, the reasonable cost of continuing education and training is met by Wesfarmers.

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

3.3 Evaluation of the Board, committees and directors

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

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

Periodically a full evaluation process is facilitated by an external consultant. This last occurred in 2023. In 2025, as in other recent years when a full external evaluation has not been conducted, each director participated in a review of the effectiveness and performance of the Board and its committees using an online board evaluation platform. The findings of this review were discussed by the Board and opportunities for improvement agreed on and implemented.

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

Key focus areas of the Nomination Committee during the 2025 financial year included:

- Evaluating and recommending for appointment non-executive director candidates as part of a Board succession program that has seen three new non-executive directors appointed during the 2025 financial year and two non-executive directors retire
- Recommending to the Board the process for the Board, committee and individual non-executive director performance reviews, considering and discussing the outcomes and recommendations from these review processes and agreeing actions to be implemented
- Considering and making recommendations to the Board regarding director independence and tenure
- Considering succession plans for the retirement of the Chairman. Evaluation of potential candidates resulted in an August 2025 recommendation to the Board to appoint a candidate for the position at the conclusion of the 2026 AGM, subject to being elected a director at that meeting

4. Remuneration and evaluation of executive key management

4.1 Remuneration

Full details of the remuneration paid to non-executive directors and executive key management personnel (**KMP**), along with details of Wesfarmers' policy on the remuneration of the executive KMP are set out in the Remuneration Report on pages 96 to 125 of the company's 2025 Annual Report.

4.2 Evaluation of the performance of executive KMP

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

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

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

The KEEPP allocations are based on performance against annual scorecards that are set each financial year and, for the 2025 financial year, consisted of financial and safety performance measures and individual performance objectives relevant to the role of each participant. The individual performance objectives have been split into business enhancing objectives and sustainability objectives, including reputation, risk management, people and culture, and climate change-related initiatives. Following the end of the financial year, awards are determined after the preparation of the financial statements, the assessment of the safety results, and the evaluation of the executive's performance against the applicable Group and individual performance objectives have been carried out by the Group Managing Director, the Remuneration Committee and the Board. In the case of the Group Managing Director, this review is conducted by the Chairman and the results are reported to the Remuneration Committee and the Board. In determining the KEEPP awards, the Remuneration Committee and the Board consider the scorecard result and the personal performance and conduct of each participant to ensure that the outcomes are aligned with the long-term interests of the company and that conduct contrary to the Group's values or risk appetite is not rewarded.

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

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

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

The Performance Shares allocated under the KEEPP in the 2025 financial year will vest subject to a four-year performance period. For the Group Managing Director and Group Chief Financial Officer, the performance conditions are based on relative total shareholder return and portfolio management and investment outcomes. For the remaining KEEPP participants, the performance conditions are based on the relevant divisional financial performance and relative total shareholder return.

Further information regarding the KEEPP is set out in the Remuneration Report on pages 96 to 125 of the company's 2025 Annual Report. The Board will test the KEEPP Performance Share performance conditions following finalisation of the annual financial statements at the end of the relevant four-year performance period and has broad discretion to determine the vesting outcomes based on all relevant factors, including ensuring conduct contrary to the Group's values or risk appetite is not rewarded.

The Board has the authority to reduce or cancel unvested variable remuneration and clawback vested variable remuneration, should it consider it appropriate. No remuneration that vested in previous financial years has been clawed back by the Board in the 2025 financial year.

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

As part of the annual performance and development review process, the potential future development of an executive is discussed, along with any further development and training required to enhance the prospects of both the development objectives being achieved and overall progression within the Wesfarmers Group. Annual performance reviews of each member of the Wesfarmers Leadership Team, including the Group Managing Director, for the 2025 financial year have been undertaken in accordance with the process described above.

Key focus areas of the Remuneration Committee during the 2025 financial year included:

- Reviewing and making recommendations to the Board in relation to the fixed and variable remuneration of the Group Managing Director and the other executive KMP
- Reviewing and, where appropriate, approving management's recommendations in relation to the fixed and variable remuneration of the other members of the Wesfarmers Leadership Team, in accordance with the Board-approved delegated authority for remuneration-related approvals
- Reviewing and making recommendations to the Board in relation to the Wesfarmers variable remuneration plans, including consideration of any new plans
- Reviewing and making recommendations to the Board for the vesting outcomes of the 2020 KEEPP Performance Shares based on the assessment of performance against the performance targets
- Reviewing the minimum shareholding expectations for the Board and the executive KMP
- Reviewing and making a recommendation to the Board on non-executive director fees and considering and recommending to the Board the introduction of an equity plan for non-executive directors
- Reviewing and monitoring of diversity and inclusion matters, including gender pay equity and reporting to the Workplace Gender Equality Agency

5. Governance policies

The Board believes that the governance policies and practices adopted by Wesfarmers during the reporting period for the year ended 30 June 2025 follow the recommendations contained in the ASX Principles. This corporate governance statement is current as at the date of the company's 2025 Annual Report, and has been approved by the Board. Wesfarmers' compliance with the recommendations contained in the ASX Principles is set out in the company's Appendix 4G which is available in the corporate governance section of the company's website at wesfarmers.com.au/cg

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

CODE OF CONDUCT

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

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

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

ANTI-BRIBERY POLICY

Confirms the responsibilities of Group companies and team members in observing and upholding the legal prohibitions on bribery and other improper conduct and provides guidelines as to what constitutes bribery or improper conduct.

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

SECURITIES TRADING POLICY

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

MARKET DISCLOSURE POLICY

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

INVESTOR ENGAGEMENT POLICY

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

DIVERSE, INCLUSIVE AND RESPECTFUL WORKPLACES POLICY

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

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

5. Governance policies cont.

ETHICAL SOURCING AND MODERN SLAVERY POLICY

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

The Wesfarmers 2025 Modern Slavery Statement will be available later in the year on the company's website at wesfarmers.com.au/sustainability

CLIMATE POLICY

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

Wesfarmers' climate-related financial disclosures, in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), are set out on pages 59 to 74 of the company's 2025 Annual Report.

ENVIRONMENT POLICY

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

DIRECTOR CONFLICTS OF INTEREST POLICY

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.

RISK MANAGEMENT POLICY

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

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

COMPLIANCE MANAGEMENT POLICY

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

6. Ethical and responsible behaviour

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

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

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

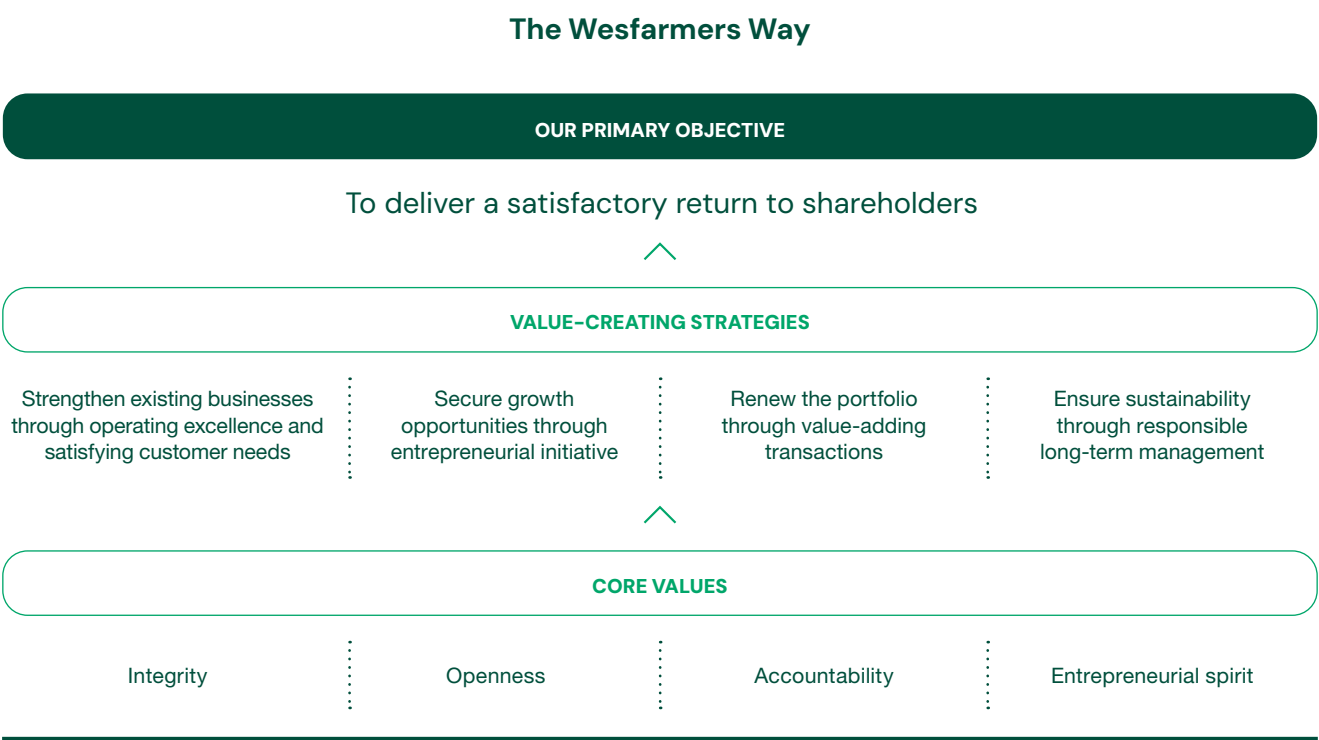
The Wesfarmers Way, together with the Code of Conduct and other policies, guide the behaviour of everyone who works at or for Wesfarmers.

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

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

The Board regularly reviews these policies to ensure that they continue to reflect Wesfarmers' values and the behaviours expected.

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



7. Investor engagement



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

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

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

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

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

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

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

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

Key activities in Wesfarmers' investor engagement program include:

- Wesfarmers' Annual General Meeting¹
- The release of Wesfarmers' Annual Report concurrently with the annual results
- Regular releases of financial information, including half-year and full-year financial results, and trading updates as required
- Media and analyst calls with Wesfarmers' management following the release of key financial information
- Investor briefing days which are typically held once a year
- Operational briefings and site tours as required
- Maintenance of the company's website at **wesfarmers.com.au** which contains up-to-date information on the operations of the Wesfarmers Group, its Board, management and corporate governance structure, ASX announcements, share price, dividend distribution, debt investment, information on the Group's material sustainability initiatives and other information
- Briefings with members of the domestic and international investment community
- Responding to shareholder and debt investor queries
- Engaging with investor groups and proxy advisors

Investor relations program

More information on investor engagement is available at **wesfarmers.com.au/cg**

Website

Visit the Investor Centre at **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

¹ As part of Wesfarmers' investor engagement program, the way the company facilitates and encourages shareholder participation at meetings is set out in the Investor Engagement Policy on the company's website at **wesfarmers.com.au/cg**

8. Integrity in financial reporting

8.1 Role of the Wesfarmers Audit and Risk Committee

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

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

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

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

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

The key focus areas of the Wesfarmers Audit and Risk Committee for the 2025 financial year are summarised on page 16 of this corporate governance statement.

During the 12 months to 30 June 2025, the Wesfarmers Audit and Risk Committee also received regular updates on the Group's preparations to comply with the incoming Australian Sustainability Reporting Standards (**ASRS**).

8.2 Role of the Disclosure Committee

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

8.3 Role of the external auditor

The company's external auditor is Ernst & Young. The lead audit partner is required to rotate after a maximum of five years in line with the auditor rotation requirements under the *Corporations Act 2001*. Ms Fiona Campbell is the lead audit partner and was appointed on 1 July 2024.

External auditor quality review assessment

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

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

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

The Audit and Risk Committee also performs a periodic comprehensive review of the external auditor at least every five years, with a periodic comprehensive review completed for the financial year ended 30 June 2024. The comprehensive review has regard to the annual auditor quality review assessment but is expanded to include additional qualitative and quantitative data.

The 30 June 2024 periodic comprehensive review reaffirmed the Group's position that the quality of Ernst & Young's service in their performance of the external audit is sound, but recommended that the external audit is put to tender given Ernst & Young's long-standing tenure as the external auditor. The Audit and Risk Committee initiated an external audit tender process during the year ended 30 June 2025, with a decision to appoint or reappoint the external auditor for the year ending 30 June 2027 to be made and communicated post completion of the 30 June 2025 financial statements. Should a new external auditor be appointed, it will be subject to approval at the annual general meeting in October 2026.

Independence declaration

Ernst & Young has provided the required independence declaration to the Board for the year ended 30 June 2025.

The independence declaration forms part of the Directors' Report and is provided on page 95 of the company's 2025 Annual Report.

Performance of non-audit and assurance-related services

The Board has considered the nature of the non-audit and assurance-related services provided by the external auditor during the year and has determined that the services provided, and the amount paid for those services are compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. Details of fees paid (or payable) to Ernst & Young for non-audit and assurance-related services provided to the Group in the year ended 30 June 2025 are set out in the Directors' Report on page 94 of the company's 2025 Annual Report.

To evaluate Wesfarmers' readiness to comply with the new ASRS reporting regime, Wesfarmers engaged Ernst & Young to perform a pre-assessment of the governance processes, controls and procedures it uses to monitor, manage and oversee climate-related risks and opportunities in accordance with the applicable reporting standards.

Attendance of the external auditor at the annual general meetings

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

8. Integrity in financial reporting cont.

Key focus areas of the Wesfarmers Audit and Risk Committee during the 2025 financial year included:

- Reviewing and assessing the Group's processes to ensure the integrity of financial statements and reporting, and associated compliance with accounting, taxation, legal and regulatory requirements
- Overseeing the Group's compliance program, supported by approved guidelines and standards, including safety, clinical governance, payroll governance, sustainability, environmental regulation, legal liability, compliance with key governance policies, including the Wesfarmers Code of Conduct, whistleblower reporting, information technology, cyber security, data privacy and the Group's approach to human rights
- Reviewing and recommending to the Board amendments to the Group's risk appetite statement to reflect existing, new and emerging sources of financial and non-financial risks and changing circumstances
- Reviewing the Group's risk management framework and systems of internal control, overseeing the implementation of strategies to improve the Group's risk management framework and monitoring that the Group is operating with due regard to the risk appetite set by the Board
- Overseeing the management of cyber security risks across the Group, supported by periodic reporting on the Group's cyber risk profile, divisional risks and trends, significant cyber incidents and insights about emerging cyber threats
- Overseeing the Group's technology and cyber security governance framework, including artificial intelligence systems
- Reviewing and assessing the performance of the Group's external auditor, including their independence, objectivity and professional scepticism, quality of the engagement team and quality of communications
- Overseeing the Group's internal audit program, including approving the annual internal audit plan
- Developing the framework for a tender of external and internal audit services and overseeing the conduct of the tender
- Overseeing the Group's data governance framework, including the evolution and uplift of the Group's data governance arrangements
- Reviewing, assessing and monitoring the effectiveness of the Group's relevant frameworks for emissions reduction, engagement with the company's key stakeholders on material sustainability topics and the progress made towards achievement of the Group's sustainability-related targets and commitments
- Monitoring the ethical sourcing of products and services throughout the Group to ensure there are appropriate processes and controls in place to manage the risk of modern slavery
- Reviewing and recommending to the Board for approval public disclosures regarding climate and other sustainability-related matters, including disclosures in the Annual Report and the company's annual Modern Slavery Statement
- Overseeing preparations for the Group's compliance with new sustainability reporting and governance requirements
- 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
- Monitoring loss control measures, including fraud and shrinkage control
- Reviewing key privacy risks in the Group and assessing management of privacy risks in the context of evolving customer and regulator expectations and the risk appetite set by the Board
- Overseeing the payroll assurance and remediation activities of the relevant Group businesses
- Review of risks associated with franchise operations in the Group and how those risks are managed
- Reviewing the formulation and implementation of a clinical governance strategy for Wesfarmers Health, including the establishment of clinical governance committees in the division's business units and development of supporting clinical governance systems and reporting

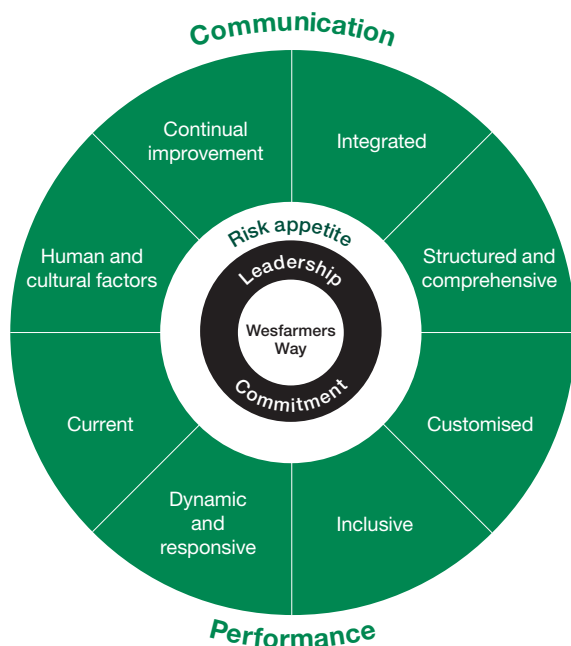
9. Risk management

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

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

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

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



Wesfarmers has adopted an approach to risk management whereby team members at all levels have an important role to play in the operation of the risk management framework. This approach:

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

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

9.1 Risk Management Framework

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

The framework was last comprehensively reviewed internally in May 2025 and independently reviewed in November 2023. The Wesfarmers Risk Management Framework has the following elements:

- **Group Risk Management Policy (Policy)** - the Policy outlines Wesfarmers' approach to risk management, confirms the Group's commitment to maintaining a risk-aware culture and embedding risk management practice within operations and outlines risk management roles and responsibilities. The Policy was reviewed and updated in March 2025
- **Group Risk Appetite Statement (RAS)** - the RAS outlines the Board's appetite for risk within various categories, as well as the behaviours and mindsets it expects to be embedded in decision-making and operational practice. The RAS was reviewed and updated in May 2025 to reflect new and emerging risks and changing circumstances
- An **independent Board**, consisting of directors possessing the required values and bringing a suitable mix of skills, experience and diversity to Board oversight and decision-making
- **Board committees**, comprising the Wesfarmers Audit and Risk Committee, Nomination Committee and Remuneration Committee, established by the Board as standing committees, each with its own charter, to assist with the discharge of the Board's responsibilities
- **Divisional audit and risk committees** at Bunnings, Health, Industrial and Safety, Kmart Group, Officeworks and WesCEF to strengthen the divisional risk management processes
- The Group **Code of Conduct** which sets out the standard of conduct expected by the Board of all persons employed by or working for the Wesfarmers Group built on the principles of honesty, integrity, fairness, respect and ethical behaviour.
- **Dedicated, suitably qualified and experienced Group and divisional team members** who support the design of the risk management framework and are directly responsible for risk management activities
- **Group and divisional structures**, reporting lines, immediate reporting requirements and appropriate authorities built upon Group policies which focus on three pillars of governance, operations and oversight (review and approvals) detailing specific processes and responsibilities and setting out guidelines for conduct to mitigate and manage risk
- Group-wide **risk assessment criteria** designed to consistently guide materiality assessment, reporting and risk acceptance delegations, aligned with Wesfarmers' values and consistent with risk appetite
- A formal **corporate planning** process as part of setting strategy, which requires each division to assess the external environment for trends that are likely to affect and shape relevant industries and perform scenario planning
- A Group-wide **risk review process**, aligned with the corporate planning process, that identifies, assesses and prioritises risks as well as mitigation actions to be implemented and monitored
- The Wesfarmers **governance framework** which sets out the Board, Board committees, divisional board and divisional audit and risk committee activities and reports, including the process of reporting risks that are outside of risk appetite through the divisional and Group audit and risk committees

9. Risk management cont.

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

9.2 Certification of risk management and controls

Financial risk

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

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

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

Non-financial risk

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

Overall certification

Divisional management is ultimately responsible to the Wesfarmers Board for the relevant division's internal control and risk management systems on an end-to-end basis. Management reports to the Wesfarmers Audit and Risk Committee on the effectiveness of the internal control and risk management systems throughout the year, and management of its material business risks. The Wesfarmers Audit and Risk Committee, following the receipt of reports from management, in accordance with its annual review process, has reviewed and satisfied itself for the 2025 financial year that the Wesfarmers Risk Management Framework continues to operate as intended.

9.3 Sustainability risks

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

Each year Wesfarmers determines its most material sustainability issues, which include environmental, social and governance risks. The material sustainability issues for this year, and our approach to those issues, are explained extensively in pages 57 to 82 of the company's 2025 Annual Report. Further information is provided on the company's website at wesfarmers.com.au/sustainability

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

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

Material sustainability topics are reported at a divisional and Group level through reporting to divisional and Group boards and audit and risk committees to ensure the identified impacts, risks and opportunities are being managed and mitigated effectively.



9. Risk management cont.

9.4 Risk management oversight and responsibility

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

KEY RISK MANAGEMENT OVERSIGHT	FUNCTION
WESFARMERS BOARD	Is responsible for approving the purpose, values, and strategic direction of the Group. The Board sets the risk appetite and approves the risk profile for the Wesfarmers Group and guides and monitors the management of the Group in achieving its strategic objectives through reviewing, approving and monitoring the effectiveness of the Group's risk management, internal control and compliance systems across its businesses. The Board also reviews the Group's risk management framework at least annually to satisfy itself that it continues to operate as intended and that the Group is operating with due regard to the risk appetite set by the Board. The Board approves and monitors the systems and policies to ensure integrity of budgets, financial statements and other reporting.
GROUP MANAGING DIRECTOR AND GROUP CHIEF FINANCIAL OFFICER	Provides a declaration to the Board regarding the half-year and full-year financial statements, with the Executive General Manager, Group Accounting, Risk and Assurance. Assesses and provides assurance to the Board that the Group's financial and non-financial risk management and internal control systems are operating effectively in all material respects.
WESFARMERS AUDIT AND RISK COMMITTEE	Established to assist with discharging the Board's responsibilities in overseeing financial reporting integrity, compliance with legal and regulatory requirements, endorsing the risk appetite of the Group, and overseeing the Group's systems of internal control and its risk management framework. The Wesfarmers Audit and Risk Committee is appropriately independent, chaired by an independent director and operates in accordance with its charter. Receives an overview of the key areas of focus of the divisional audit and risk committees. Reviews the qualifications, independence, performance and remuneration of, and relationship with, the Group's external auditors and internal auditors. Oversees the effectiveness of the internal controls, assurance, policies and procedures which the Group uses to identify and manage material risks. Reports any material risk issues to the Board. Approves the internal audit policy and annual internal audit plan and ensures that planned audit activities are aligned to material risks. Reviews internal audit reports issued by the General Manager Group Assurance and monitors progress with recommendations made in those reports to ensure the adequacy of the internal control environment. The roles and responsibilities of the Wesfarmers Audit and Risk Committee are further set out in the Wesfarmers Audit and Risk Committee Charter which is available in the corporate governance section of the company's website at wesfarmers.com.au/cg
DIVISIONAL BOARDS	Each divisional board comprises the Wesfarmers Managing Director and Chief Financial Officer, the divisional Managing Director and senior divisional executives. Divisional boards are responsible for setting the strategic direction of the division and guiding and monitoring all aspects of the management of the division. As part of this, each divisional board oversees governance and risk management practices in the division, including reviewing and approving divisional risk review reports endorsed by the divisional audit and risk committee before these reports are provided to the Wesfarmers Board.
DIVISIONAL AUDIT AND RISK COMMITTEES	Divisional audit and risk committees ensure that management has access to timely information about existing and emerging risks for each division and provides management with a dedicated forum to facilitate constructive debate and challenge regarding operational and financial risk management. The committees are responsible for endorsing divisional risk profiles and monitoring the effectiveness of the division's risk management practices and continued maturity. The committees further strengthen operational risk management, support divisional boards and management and have become an increasingly important component of the Wesfarmers governance framework in relation to risk.

9. Risk management cont.

KEY RISK MANAGEMENT OVERSIGHT	FUNCTION
GROUP RISK AND COMPLIANCE	The General Manager Risk and Compliance has carriage of the Group's risk management framework and is custodian of the Group's risk system. While the General Manager Risk and Compliance actively engages with the Group's businesses, the General Manager Risk and Compliance's reporting line is independent of the Group's operating divisions and businesses. Specifically, the General Manager Risk and Compliance is responsible for: – supporting the Wesfarmers Board, via the Wesfarmers Audit and Risk Committee, in the development and articulation of the Group's risk appetite, operationalising the appetite and monitoring performance against appetite – supporting divisional audit and risk committees in relation to maturing the approach to risk management and risk reporting – facilitating the development, and monitoring, of the Group's risk performance compared to risk appetite – promoting and facilitating an integrated approach to risk management that is suitable to the Group's size, complexity and operating model – reviewing, and ongoing maturing, of the Group's approach to risk management – supporting divisional management with the division's approach to risk management – reporting to the Wesfarmers Audit and Risk Committee on the Group's risk profile, emerging risks and other relevant material matters that may arise from time to time
MANAGEMENT	Senior management across the Group are responsible for reinforcing and modelling the key behaviours required to maintain a strong risk culture, including encouraging constructive challenge and transparency. They are responsible for identifying, assessing and mitigating financial and non-financial risks in accordance with the Group's risk management framework. Management monitors the effectiveness of risk management mechanisms and controls at a divisional level. They implement and maintain risk management and internal control systems on an end-to-end basis and report any material risk issues to the Wesfarmers Audit and Risk Committee. Senior management prepare divisional risk review reports which are then consolidated into a report to the Wesfarmers Audit and Risk Committee and Board which provides clear, concise and balanced reporting by reference to the risk appetite set by the Wesfarmers Board. They prepare a consolidated Group Risk Profile and Framework Review Report for approval by the Wesfarmers Board, 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. Senior management report to the Wesfarmers Audit and Risk Committee on the adequacy of the risk management systems and processes on a consolidated basis across the Group and report any material issues to the Board. Divisional managing directors are accountable for risk management outcomes, and day-to-day compliance, in their respective divisions.
INTERNAL AUDIT	Group Assurance is the internal audit function of the Group, which is separate and independent from the external auditor. Group Assurance operates in accordance with its own charter, set out in a Group policy which is approved by the Wesfarmers Audit and Risk Committee, and monitors the effectiveness of risk management systems predominately through internally managed, outsourced internal audit providers. The General Manager, Group Assurance is authorised to undertake a broad program of internal audits across the Group based on an annual plan approved by the Wesfarmers Audit and Risk Committee. The General Manager, Group Assurance maintains direct and unfettered access to the Wesfarmers Audit and Risk Committee. Group Assurance responsibilities include: – preparing internal audit policy and developing and delivering a risk based annual internal audit plan for approval by the Wesfarmers Audit and Risk Committee – preparing internal audit reports and reporting to the Wesfarmers Audit and Risk Committee on the adequacy of risk management and the internal control environment, including the adequacy and effectiveness of the Group risk function

10. Diversity and inclusion



Wesfarmers seeks to attract, retain and develop outstanding people, where everyone has access to opportunities based on merit. Wesfarmers considers building a diverse and inclusive workforce a key enabler for delivering its objective of satisfactory returns to shareholders. Through diverse teams, we gain access to the best available talent, harness creativity and problem solving, and reflect the communities in which we operate. Wesfarmers' focus is on gender balance, where the workforce and management roles are made up of 40 per cent women, 40 per cent men and 20 per cent any gender. In addition, we seek representation of Aboriginal and Torres Strait Islander people.

Each business within the Wesfarmers Group takes a bespoke approach to diversity and inclusion, dependent on strategic priorities, workforce demographics, industry and other variables.

Wesfarmers strives to provide an inclusive workplace where everyone feels respected and safe. We do not tolerate inappropriate behaviour (including discrimination, harassment, bullying, victimisation and vilification).

Wesfarmers and its divisions are focused on a range of initiatives aimed at preventing harassment and discrimination in the workplace and promoting a respectful and inclusive workforce, including behavioural education and training and providing a range of reporting mechanisms.

Each of the Group's divisions must adopt the Wesfarmers Code of Conduct and the Wesfarmers Diverse, Inclusive and Respectful Workplaces Policy or establish their own policies and procedures which are consistent with the Wesfarmers principles.

10.1 Wesfarmers' vision for reconciliation

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

Aboriginal and Torres Strait Islander employment remains a focus for Wesfarmers, including maintaining population parity² within the Group's workforce. At 30 June 2025, Wesfarmers' Aboriginal and Torres Strait Islander team members represented a total of 3.8 per cent (4,163 Indigenous team members) of the Group's Australian-based workforce.

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

Wesfarmers has a longstanding commitment to reconciliation, having been one of the first companies to adopt a Reconciliation Action Plan (RAP) in 2009. In June 2022, the Group advanced this commitment by launching its first Elevate RAP, the highest level of RAP, joining a select group of organisations leading the way in reconciliation. Wesfarmers' continues its dedication to delivering specific, measurable, and time-bound actions that support long-term, meaningful outcomes for Aboriginal and Torres Strait Islander peoples and moves the Group closer to achieving its vision for reconciliation.

Wesfarmers' RAP and information about how Wesfarmers is helping to build a more reconciled Australia is available on the company's website at wesfarmers.com.au/sustainability

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

10. Diversity and inclusion cont.

10.2 Gender balance and inclusion

At Wesfarmers we are committed to outstanding people, diverse teams and inclusive, safe and respectful workplaces because we believe this is essential to achieving our objective of providing a satisfactory return to shareholders.

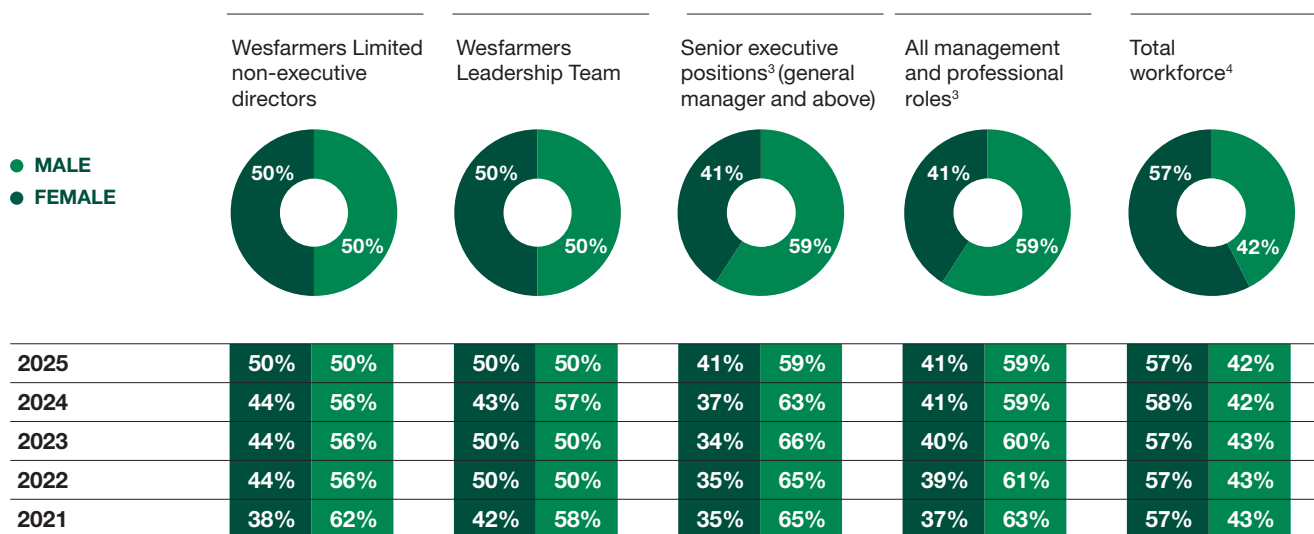
Our approach to talent management is based on merit because we believe this gives us access to the capabilities we need to enhance our performance and enable future growth, while also giving our team members opportunities to perform and grow. Through diverse teams, we gain access to the best available talent, harness creativity and problem solving, and reflect the communities in which we operate.

The Wesfarmers Leadership Team meets our gender balance objective with 50 per cent women, as does the total Wesfarmers workforce (118,682, as at 30 June 2025), made up of 57 per cent women and 42 per cent men.

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



Gender representation



³ Senior executive positions and all management and professional roles are defined through job evaluation methodology.

⁴ Wesfarmers acknowledges and is supportive of team members who self-identify as gender diverse. Currently, less than one per cent of the Group's total workforce do not identify as male or female, or self-identify as gender diverse (diversity of expression beyond the binary framework).

10. Diversity and inclusion cont.

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

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

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

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

Wesfarmers' Diverse, Inclusive and Respectful Workplaces Policy aims to encourage an inclusive work environment where everybody feels respected and safe at work, and specifies the measurable objectives set and reviewed by the Board. A copy of this policy is available on the company's website at wesfarmers.com.au/cg

Wesfarmers' current objectives and indications of progress achieved are outlined below. Further information is available on the company's website at wesfarmers.com.au/sustainability

AREA OF FOCUS	PROGRESS
MEASURABLE OBJECTIVE: TO INCREASE OR SUSTAIN WOMEN'S REPRESENTATION TO ACHIEVE GENDER BALANCE IN TEAMS The Group has an objective to a gender balanced Board comprising of at least 40 per cent women and up to 20 per cent of any gender.	The Wesfarmers Board maintains female representation above 40 per cent, this year: – Non-executive directors comprise 50 per cent women – The Wesfarmers Leadership Team, which includes Group Managing Director Rob Scott, maintains balance, consistent with the gender balance principle 40:40:20, with 50 per cent women Gender balance metrics are collected from all divisions monthly and reviewed at divisional board meetings periodically over the year. Details of representation at various levels and trend are displayed on page 22 above. The Group Managing Director meets twice a year with the leadership of each division to discuss succession plans and talent pipelines, including how divisions are successfully attracting, retaining, and developing current and future female leaders. In addition, managing directors and human resources directors meet collectively to support talent identification, calibration and mobility across the Group. The Group continues to review the evolving requirements, capabilities and experiences of future leaders, including applying a diversity lens. For senior appointments, both internal and external, Wesfarmers continues to leverage psychometric assessment insights as one part of a fact-based and non-biased approach to selection.

10. Diversity and inclusion cont.

AREA OF FOCUS	PROGRESS
PRIORITY AREA: TO BE AND TO OFFER AN INCLUSIVE AND DIVERSE WORKPLACE This area encourages initiatives that recognise and bring together diverse populations and perspectives.	Each of the Group's businesses actively focus on a range of diversity facets for the benefit of team members and the communities they serve. Building capability in inclusive leadership practices continues to be a focus area for the businesses, including accessibility audits of stores and programs to support disability careers and awareness, support of cultural/ethnicity inclusion, LGBTQIA+ inclusion, and parental/retirement transition support. Wesfarmers is committed to strengthening Aboriginal and Torres Strait Islander employment outcomes across all levels of the Group. A dedicated team of senior Aboriginal and Torres Strait Islander Employment Advisors play a key role in supporting business units to build meaningful relationships with Indigenous communities and to leverage partnerships with organisations that advance opportunities for Aboriginal and Torres Strait Islander peoples. In addition, Wesfarmers has enhanced its cultural competency framework by increasing face-to-face training and developing cultural awareness e-learning modules for use across the Group. Wesfarmers also supports Indigenous team members with career progression pathways through dedicated leadership initiatives to ensure that Indigenous people are also represented in management and leadership roles across the Group.
TO ENSURE EQUITABLE AND TRANSPARENT PEOPLE PROCESSES AND PRACTICES This area recognises good practices across the human resource domain, fundamental in supporting diversity and inclusion in the workplace.	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. Parental leave: Leave that is available irrespective of gender is regarded as a key enabler of performance, engagement and retention. All divisions provide appropriate paid parental leave allowances that are reviewed periodically and enhanced as appropriate. Flexible working: Flexibility is regarded as a key enabler of an inclusive work environment and team member empowerment. The businesses continue to evolve ways of working to achieve high performance, engagement and well-being. Recruitment practices: Ensuring equitable recruitment practices for all. Businesses continue to find ways of sourcing diverse candidates, improving process and creating opportunities through graduate programs, internships, cadetships and pathways with education partners. Gender pay equity: A Group review of our salaried workforce's gender pay equity has been conducted annually since 2010. Each divisional Managing Director reviews the results for their division, with the Group Managing Director and the Wesfarmers Board reviewing the results at Group Level. This review focuses specifically on salaried team members as our other team members are remunerated according to the applicable enterprise agreements or award rates, which do not differ by gender. Any areas of concern are subject to further scrutiny, discussion with the Board and, where warranted, action. In addition, Wesfarmers also participates in the WGEA annual reporting process. Further details can be found in our Wesfarmers Gender Pay Statement and Wesfarmers' WGEA reports.

