

## EXECUTIVE SUMMARY

This policy outlines the Group's commitment to effective compliance management aligned with ISO 37301:2021 – Compliance Management Systems. It establishes the principles, governance arrangements and minimum requirements that support a strong compliance culture and effective management of compliance risks across the Group.

This policy operates within, and is integrated with, the Group's Risk Management Framework (**Framework**), ensuring compliance risks are identified, assessed, managed and reported in line with the Board-approved risk appetite.

## PURPOSE

To:

- (a) articulate the principles and minimum requirements that underpin the Group's Compliance Management System (**CMS**);
- (b) embed a strong compliance culture and clear accountability for managing compliance obligations across the Group;
- (c) support informed strategic and operational decision-making through consideration of material compliance risks in line with the Board's risk appetite; and
- (d) promote continual improvement in the identification, management and oversight of compliance obligations.

## POLICY APPLICATION

This policy applies to all directors and team members of the Group.

The principles of this policy must be complied with or incorporated into divisional or Corporate Office policies or procedures, as applicable. In the event of any inconsistency, this policy will apply.

This policy is supported by a detailed *Compliance Management Standard* and should be read with the Wesfarmers Code of Conduct, Risk Management Policy and other Group governance policies.

## POLICY

### 1 Wesfarmers' risk-based approach to compliance management

The Group's CMS describes how compliance obligations are identified, assessed, managed, monitored and reported across the Group. It integrates with the Framework to ensure a coherent and risk-based approach to managing compliance risks.

Compliance management at Wesfarmers encompasses compliance with legal and regulatory obligations, voluntary commitments, standards and internal policy requirements adopted by the Group.

### 2 Compliance management principles

Wesfarmers' approach to compliance management is guided by the following principles:

1. **Integrated:** Compliance management is to be embedded in strategy, operations and decision-making and aligned with the Group's objectives and risk appetite.
2. **Risk-based and proportionate:** Compliance obligations and associated risks are to be identified, assessed and managed in a structured and disciplined manner, proportionate to their materiality, complexity and potential impact.
3. **Clear ownership and accountability:** Material compliance obligations and risks are to be assigned to clearly identified management-level owners with appropriate authority and accountability.

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4. **Early escalation and transparency:** Material breaches, incidents, control weaknesses and emerging compliance risks are to be escalated promptly through defined governance pathways, particularly where matters may exceed risk appetite or have reputational, financial or regulatory consequences.
  5. **Speak-up culture:** Wesfarmers promotes a strong compliance culture characterised by integrity, transparency and constructive challenge. Team members are encouraged to raise concerns without fear of retaliation.
  6. **Continuous improvement:** Compliance management arrangements are regularly reviewed, monitored and enhanced to respond to changes in the operating environment, regulatory landscape and business strategy.

### 3 Operating model

In line with the Group's federated operating model, divisions are accountable for identifying and managing compliance obligations within their operations.

Where compliance obligations are enterprise-wide, cross-divisional or relate to Group-level functions, accountability resides with the relevant Group functional executive. In all cases, compliance ownership must be clearly defined.

### 4 Roles and responsibilities

All **team members** are responsible for identifying and managing compliance risks in their day-to-day activities, including by escalating suspected breaches, incidents or concerns through established processes. Team members are also required to complete required compliance training.

In addition:

**Wesfarmers Board** is responsible for overseeing the Group's governance and compliance management systems.

**Wesfarmers Audit and Risk Committee (ARC)** assists the Board by overseeing the CMS within the broader Framework. The ARC also oversees material compliance risks and receives reports of significant incidents or breaches.

**Divisional Managing Directors and Group functional executives** are accountable for compliance outcomes within their respective areas of responsibility. This includes ensuring:

- material compliance obligations are identified, documented and assigned to appropriate owners;
- compliance risks are assessed and managed in line with the Framework and risk appetite;
- appropriate governance arrangements promote constructive challenge, transparency and effective reporting;
- compliance controls are implemented and monitored for effectiveness;
- material breaches and compliance risks operating outside appetite are escalated promptly; and
- proportionate assurance arrangements are in place to assess the design and operating effectiveness of controls for material compliance obligations.

**Divisional functional executives** are accountable for supporting divisional compliance outcomes within their functional areas. They are expected to demonstrate visible leadership, reinforce a culture of integrity and constructive challenge, ensure risks and controls within their remit are managed in line with the Framework and risk appetite, and escalate material issues appropriately.

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**Divisional risk and compliance** teams support divisional management by coordinating compliance risk identification, assessment and reporting; providing specialist advice, oversight and constructive challenge; promoting consistent application of the CMS; and facilitating inputs to Group-level compliance reporting.

**Group risk and compliance** is responsible for enterprise compliance governance and oversight, including stewardship and continual improvement of the CMS; supporting the Board and ARC in setting and monitoring compliance risk appetite; aggregating and analysing divisional compliance information to inform Group-level oversight; reviewing and constructively challenging of divisional compliance management; and reporting to the ARC on material compliance risks, significant incidents and emerging regulatory themes.

## 5 Minimum compliance management requirements

Wesfarmers' commitment to robust compliance management under the CMS is reflected in the following minimum requirements:

- (a) Material compliance obligations must be identified, documented and subject to formal oversight arrangements proportionate to their materiality.
- (b) Compliance risks must be identified, assessed and managed in accordance with the Framework and relevant process standards.
- (c) Where a compliance risk is assessed as operating outside the approved risk appetite, it must be escalated in accordance with the Framework.
- (d) Divisional governance forums (including Divisional Risk Committees or equivalent) must review material compliance risks and incidents on a regular basis and escalate material matters to Group Risk and Compliance and the ARC.
- (e) Divisions must implement proportionate monitoring and assurance activities to assess whether compliance risks are effectively managed and to identify control weaknesses or emerging issues.
- (f) Divisions should establish oversight roles separate from risk owners and vested with the requisite authority to provide complementary expertise, support, monitoring, and challenge to the management of material compliance risks.
- (g) Divisions must ensure that compliance incidents, breaches and control deficiencies are addressed in a timely manner and that lessons learned inform ongoing improvement of compliance practices.
- (h) Compliance matters must be reported in a timely way, clearly and transparently.
- (i) Significant compliance incidents, breaches and regulatory investigations must be managed in accordance with established escalation and incident management processes.
- (j) Divisions must ensure team members receive appropriate, role-relevant compliance education and awareness to support understanding of applicable obligations and reinforce the Group's compliance culture.
- (k) Compliance training completion and effectiveness must be monitored and reported through appropriate governance channels.
- (l) The CMS and supporting standards are to be reviewed at least annually and subject to periodic independent review.

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### POLICY AMENDMENT

This policy cannot be amended without approval of the Wesfarmers Board.

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LAST REVIEWED March 2026

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LAST AMENDED March 2026

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