

## PURPOSE

To set out Wesfarmers' principles to reduce the Group's environmental impact and protect the natural environment, consistent with Wesfarmers' corporate objective and focus on long-term value creation.

Within this, a key focus of the policy is to ensure that the Group is managed with carbon awareness, supporting the goal of reducing greenhouse gas emissions (emissions), and meeting applicable reporting and disclosure obligations.

## POLICY APPLICATION

The principles of this policy apply across the Wesfarmers Group and must be complied with, or incorporated into, applicable divisional policies and procedures.

This policy should be read in conjunction with the **Wesfarmers Code of Conduct**, the **Wesfarmers Project Expenditures and Disposals Policy** and the **Wesfarmers Carbon Market Risk Management Policy**.

## POLICY

(a) Each division must implement policies or procedures and controls that incorporate the following principles either expressly, or through specific operational requirements:

(i) as minimum standards:

- compliance with environmental laws and regulatory requirements, including assessment and approval requirements and environmental permit and licence conditions; and
- compliance with the Minimum Standards on climate-related matters set out in **Annexure A**;

(ii) a commitment to operate the division's businesses sustainably by:

- identifying, mitigating, managing and reporting to the divisional audit, risk and compliance committee and board on material environmental risks and impacts associated with the division's activities;
- planning and implementing strategies to effectively manage and reduce material environmental risks and impacts including from greenhouse gas emissions, resource (including raw material) use and waste;
- where relevant, and the protection of natural systems, air and water, to the extent these may be material;
- where practical, supporting the use of materials that are recycled or reused, have low embodied energy and carbon, and have a reduced impact on resource depletion;
- where relevant, considering circular economy strategies including sustainable packaging;
- requiring suppliers to comply with environmental laws and regulatory requirements and considering requiring the environmental compliance and performance of potential suppliers as a factor in sourcing decisions; and
- encouraging environmentally responsible actions and behaviours among the division's customers.

(b) All climate-related public targets, commitments, claims or ambitions must be approved by the Wesfarmers Board. Divisions must set near term and long term emissions reduction targets (based on a representative baseline year) and a net zero target.

(c) Each division must:

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- (i) ensure that any other publicly adopted targets, commitments, claims and ambitions regarding environmental, social and governance (**ESG**) matters (**ESG Commitments**), including claims regarding the types of materials used, material sources and sustainability strategies have a reasonable basis and are clearly and accurately communicated without omission of material information;
  - (ii) implement an appropriate process for monitoring the continuing reasonableness and accuracy of its ESG Commitments; and
  - (iii) update its ESG Commitments as required, with any updates to be advised to the Wesfarmers Executive General Manager, Corporate Affairs.
- (d) Each division is accountable for the accuracy of its reporting, including to the Corporate Office and externally. As required by the Corporate Office and in the format required by the Corporate Office, including in Sphera, each division must report:
- (i) periodic climate-related data (including emissions and energy use) and against its emissions targets;
  - (ii) all other substantial matters of environmental significance, including any environmental event or issue which is, or is likely to be, required by law to be notified to a regulator (or which the failure to notify would constitute an offence or a breach of licence) in which a division is involved in accordance with the Wesfarmers Limited Reporting Policy for reporting to the Wesfarmers Board as soon as possible following the relevant event; and
  - (iii) other environmental data and metrics annually or as otherwise required.
- (e) Wesfarmers (through the Corporate Office) must ensure Group environmental reporting and disclosure accurately reflects the reporting from each division and is clearly communicated and balanced (and without omission of material information).
- (f) This policy provides flexibility to accommodate significant changes to the scale of an existing business. It recognises the evolving nature of the Group and changes to the portfolio. Where Wesfarmers acquires a business or operation, that business or operation must, within a reasonable timeframe (which is generally 24 months), comply with this policy.

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**POLICY AMENDMENT**

This policy will be reviewed annually. This policy cannot be amended without the 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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## Annexure A – Minimum standards on climate-related issues

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### GOVERNANCE

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Board	The Wesfarmers Board has ultimate responsibility for overseeing the Group's approach to managing climate-related issues.
Senior executives	Senior executives must ensure that they and the Wesfarmers Board are provided with appropriate, accurate information to consider the potential impact of climate change on the business, including risks and opportunities, and strategies to respond to those risks and opportunities. Senior executives must ensure relevant impact metrics and targets are set, and performance against those targets is monitored.
Accountability and risk owner	Each division is accountable for addressing climate change issues in its business and operations and must nominate a role or roles to be responsible for coordinating the management of climate change issues, and appropriately resource that role or roles.
Reporting and review	<p>Each division must report its Scope 1 and 2 emissions and the progress against its emissions reduction targets in a format stipulated by Wesfarmers.</p> <p>Each division must annually review and report all applicable Scope 3 emissions in line with the methodologies in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting Reporting Standard.</p> <p>Each division must annually review its performance against this policy and emissions reduction and net zero targets, and the management of climate change risks and opportunities.</p> <p>External climate-related disclosures must be balanced, credible and able to be substantiated. Wesfarmers (through the Corporate Office) must ensure Group climate reporting and disclosure (including climate-related financial disclosures in the Wesfarmers Annual Report) accurately reflects the reporting from each division and is clearly communicated and balanced (and without omission of material information).</p>

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### TARGETS, COMMITMENTS, RISKS, CLAIMS AND AMBITIONS

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Targets, commitments, risks, claims and ambitions	<p>Each division must report its climate change risks and opportunities, based on climate scenarios set down by the Corporate Office.</p> <p>Each division may adopt renewable electricity targets. Renewable energy certificates such as Large-scale Generation Certificates (LGCs) or equivalent may be used to meet these targets. Where LGCs or equivalent are used to meet those targets, they need to be surrendered. Where renewable energy certificates are used, they must be recognised in the jurisdiction in which the relevant division operates.</p> <p>Each division must develop strategies to address Scope 3 emissions, which may include absolute, intensity or supplier engagement targets.</p> <p>Each division may also choose to publicly adopt other environmental, social and governance (<b>ESG</b>) targets, commitments, claims or ambitions appropriate to its operations and activities.</p> <p>Each division must ensure that there is a reasonable basis for all emissions, renewable electricity and other ESG targets, commitments, claims and ambitions which are made public (collectively ESG Commitments), are time-based and ensure these are accurately and clearly communicated without omission of material information.</p>
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Reporting and review	<p>Each division must:</p> <ul style="list-style-type: none"> <li>• accurately disclose all material assumptions and qualifications regarding its ESG Commitments whenever these are publicly referenced;</li> <li>• implement and maintain a process to monitor: <ul style="list-style-type: none"> <li>➤ progress towards its ESG Commitments; and</li> <li>➤ whether there remains a reasonable basis for its ESG Commitments, including whether an adjustment to assumptions and qualifications is required; and</li> </ul> </li> <li>• immediately update any ESG Commitment if there is no longer a reasonable basis for it or where an adjustment to assumptions and qualifications is required, with any updates to be advised to the Wesfarmers Executive General Manager, Corporate Affairs.</li> </ul> <p>Any public statement of performance undertaken by the division must be reviewed by the Corporate Solicitors Office.</p>
Baseline and target changes	<p>Where divisions undertake significant growth opportunities or portfolio changes, such as material changes to production volumes, mergers and acquisitions, that will result in a material increase in emissions, an increase to the emissions baseline or targets will be considered.</p> <p>Where divisions exit certain operations (whether through a closure or asset sale or in any other way) that results in a material decrease in emissions, a decrease to the emissions baseline or targets will be considered.</p> <p>Baselines will be updated to reflect any changes in emissions reporting protocols and global warming potential values. Changes to baselines may also be considered in other circumstances.</p> <p>Any change to baselines requires the approval of the Wesfarmers Board and may be made public by Wesfarmers.</p>
Abatement opportunities	<p>Each division must seek out abatement opportunities to meet its emissions targets prior to relying on offsets (such as carbon credits). The use of offsets is generally only permitted where other strategies that are commercially and technically feasible have been reasonably exhausted.</p> <p>Any offsets used must also be recognised in the jurisdiction in which the relevant division operates.</p>

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## RISKS AND OPPORTUNITIES

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Risk assessment	Each division must assess the risks associated with climate-related issues across its business and operations as part of the annual risk review process. The risk assessment must address the risks in its own operations and businesses and within its supply chains, as appropriate. Divisional corporate plans should take account of the risk assessment.
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Opportunity assessment	Each division must assess the opportunities associated with climate-related issues across its business and operations as part of the annual corporate plan process. The opportunity assessment must address the opportunities in its own operations and businesses and within its supply chains, as appropriate. Divisional corporate plans should take account of the opportunity assessment.
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## BUSINESS DEVELOPMENT

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Planning	Each division must forecast future Scope 1 and Scope 2 emissions as part of the annual corporate planning process and assess its potential exposure using the Wesfarmers internal carbon price model.
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Mergers and acquisitions	Mergers and acquisitions must consider climate-related risks and opportunities associated with the business or operation.  Where Wesfarmers acquires a business or operation, that business or operation must, within a reasonable timeframe (which is generally 24 months), comply with this policy.
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## TEAM MEMBERS

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Resourcing	Each division must ensure that their business has adequate resourcing to meet reporting and disclosure requirements under this policy.
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Training	Each division must ensure that team members with responsibilities in relation to this policy receive adequate training and other support.
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Performance goals	Wesfarmers' senior executive performance goals will include the requirement to demonstrate progress performance against this policy and towards the relevant emissions targets and climate impact risk and opportunity management.
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