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Independent Limited Assurance Conclusion to the Management and Directors of Wesfarmers Limited

Assurance Conclusion

Based on our limited assurance procedures described below and evidence obtained, nothing has come to our attention that causes us to believe that Wesfarmers' Sustainable Finance Framework, attached at Annex A, ('the Subject Matter') is inconsistent with the International Capital Market Association's (ICMA) *Sustainability-Linked Bond Principles Voluntary Process Guidelines (June 2020)*, *Green Bond Principles Voluntary Process Guidelines for Issuing Green Bonds (June 2018)* and *Social Bond Principles Voluntary Process Guidelines for Issuing Social Bonds (June 2020)* ('the Criteria').

Background

Wesfarmers Limited ("Wesfarmers") has developed its Sustainable Finance Framework (the "Framework") to further its focus on sustainability and to support its sustainability initiatives and outcomes. The Framework sets out how Wesfarmers intends to issue and manage Sustainable Finance Instruments on an ongoing basis.

The International Capital Market Association ("ICMA") provides the market standards which set out voluntary process guidelines that outline best practices for financial instruments to incorporate forward-looking environmental, social and governance outcomes and promote integrity in the development of the sustainable finance instruments market by clarifying the approach for issuance, hereafter referred to as the "Principles":

- ▶ Sustainability-Linked Bond Principles Voluntary Process Guidelines (June 2020)
- ▶ Green Bond Principles Voluntary Process Guidelines for Issuing Green Bonds (June 2018)
- ▶ Social Bond Principles Voluntary Process Guidelines for Issuing Social Bonds (June 2020)

Scope

Wesfarmers has engaged Ernst & Young ("EY", "we" or "us") to review the Framework and provide a limited assurance conclusion on the consistency of the Framework with the Principles. We performed a limited assurance engagement in order to conclude whether anything came to our attention to cause us to believe that the Framework is inconsistent with the Principles.

Limitations on scope

The intent of the Framework is to guide the process by which Wesfarmers intends to issue and manage Sustainable Finance Instruments on an ongoing basis. This assurance statement does not provide assurance over the consistency of any Sustainable Finance Instruments to the Principles. Our assurance is limited to the Framework, as at 25 May 2021.

There are inherent limitations in performing assurance engagements - for example, assurance engagements are based on selective testing of the information being examined - and it is possible that fraud, error, or non-compliance may occur and not be detected. Finally, adherence to ASAE 3000, the Sustainability-Linked Bond Principles (June 2020), Green Bond Principles Voluntary Process Guidelines for Issuing Green Bonds (June 2018) and Social Bond Principles Voluntary Process Guidelines for Issuing Social Bonds (June 2020) is subjective and will be interpreted differently by different stakeholder groups.

Subject Matter

The subject matter for this limited assurance engagement is the 'Wesfarmers Limited Sustainable Finance Framework' dated 25 May 2021, limited to the following sections:

- ▶ 3.1 Selection of Key Performance Indicators (KPIs)
- ▶ 3.2 Calibration of Sustainability Performance Targets (SPTs)

- ▶ 3.3 Sustainability-Linked Bond characteristics
- ▶ 3.4 Reporting
- ▶ 3.5 External review
- ▶ 4.1 Use of Proceeds
- ▶ 4.2 Process for project evaluation and selection
- ▶ 4.3 Management of proceeds
- ▶ 4.4 Reporting
- ▶ 4.5 Assurance
- ▶ 5 External Review

Criteria

The criteria applied was the:

- ▶ ICMA's Sustainability-Linked Bond Principles Voluntary Process Guidelines (June 2020)
- ▶ ICMA's Green Bond Principles Voluntary Process Guidelines for Issuing Green Bonds (June 2018)
- ▶ ICMA's Social Bond Principles Voluntary Process Guidelines for Issuing Social Bonds (June 2020).

Management Responsibility

The management of Wesfarmers Limited is responsible for the development and presentation of the Subject Matter in accordance with the criteria and for maintaining adequate records and internal controls that are designed to support assertions made in the Framework.

Assurance Practitioner's Responsibility

EY's responsibility is to express a limited assurance conclusion on the noted subject matter as defined above. We are also responsible for maintaining our independence and confirm that we have met the requirements of the APES 110 *Code of Ethics for Professional Accountants* including independence and have the required competencies and experience to conduct this assurance engagement.

Assurance approach

We conducted our procedures in accordance with the Australian Standard on *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* ('ASAE 3000') and the terms of reference for this engagement as agreed with Wesfarmers Limited on 19 May 2021.

The procedures we performed were based on our professional judgement and included, but were not limited to, the following:

- ▶ Requesting documentation supporting assertions made in the Subject Matter
- ▶ Seeking management representation on key assertions
- ▶ Performing a review of the consistency of the Subject Matter to the Criteria
- ▶ Raising any identified gaps or inconsistencies between the Subject Matter and the Criteria with management.

Quality Control

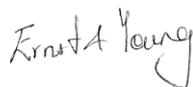
In accordance with Auditing Standard ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information and Other Assurance Engagements*, we maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Independence

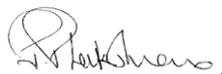
We confirm that EY has complied with all professional regulations relating to Independence in relation to this engagement. EY has stringent policies and procedures in place to ensure independence requirements are addressed and monitored on a timely basis.

Use of Report

Our responsibility in performing our assurance activities is to the directors and management of Wesfarmers Limited only, and in accordance with the terms of reference for this engagement, as agreed with Wesfarmers Limited. We do not therefore accept or assume any responsibility for any other purpose or to any other person or organisation. Any reliance any such third party may place on the Framework is entirely at its own risk. No statement is made as to whether the Criteria are appropriate for any third-party purpose.



Ernst & Young



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Melbourne, Australia
26 May 2021