

WOOLWORTHS HOLDINGS LIMITED

GOOD BUSINESS JOURNEY REPORT

2022

START

OUR GOOD BUSINESS JOURNEY REPORT

Woolworths Holdings Limited is pleased to present its 2022 annual sustainability report, the Good Business Journey (GBJ) Report. The report covers the 52 weeks ended 26 June 2022, and provides an overview of our GBJ.

SCOPE AND BOUNDARY OF THIS REPORT

The companies covered by this report are Woolworths, Country Road Group, and David Jones. The report aims to provide an overview of our sustainability strategy and progress to date, as well as future plans. It is intended to be read in conjunction with the 2022 Integrated Annual Report and the 2022 Annual Financial Statements, as a compendium of our strategy and performance. The principles that underlie the precautionary approach inform our governance and enterprise risk framework, as well as our strategy.

REPORTING FRAMEWORK

As with our 2022 Integrated Annual Report, we have considered the application of the six capitals (as recommended by the IFRS Foundation's Integrated Reporting <IR> Framework) in our thinking about sustainability. Where this report predominantly covers the aspects related to human, social and relationship, and natural capitals, the Integrated Annual Report offers details about financial, manufactured, and intellectual capitals. This report references the GRI Standards and the Task Force on Climate-related Financial Disclosures (TCFD). Mapping of our disclosures against these can be found [here](#). This report also references the UN Sustainable Development Goals (SDGs). The Group is a signatory to the UN Global Compact, and this report serves as our Communication on Progress (COP). The reporting suite also applies the King IV Report on Corporate Governance for South Africa, 2016 (King IV™) ¹ principles. We welcome any feedback on our programme and reporting. Contact details for this purpose can be found at the end of the report.

THE SCOPE AND BOUNDARY OF THIS 2022 GBJ REPORT ARE BROADLY SIMILAR TO THOSE OF THE 2021 GBJ REPORT.

OUR SUITE OF REPORTS

<p>Integrated Annual Report</p>	<p>Annual Financial Statements (AFS)</p>	<p>Good Business Journey Report</p>
<p>Governance and Social and Ethics Report</p>	<p>Remuneration Report</p>	<p>Annual General Meeting (AGM) Notice</p>

Various appendices to this report, including a glossary, other supporting documents, and compliance information not included in this suite of reports, can also be accessed on our corporate website.

FORWARD-LOOKING STATEMENTS

Certain statements in this report may constitute forward-looking statements which, by their nature, involve risk and uncertainty because they relate to future events and circumstances that may be beyond the Group's control. The directors, therefore, advise readers to use caution in interpreting this type of statement in the report.

APPROVAL AND ASSURANCE

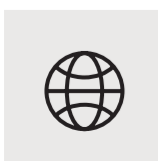
The Group has always looked at obtaining independent opinion on our progress as a crucial part of gaining and maintaining credibility with our stakeholders. Environmental Resources Management Southern Africa (ERM) was engaged to perform a 'Moderate' Type II level assurance engagement in accordance with the AccountAbility AA1000 Assurance Standard (AA1000AS v3) for selected information contained in this report:

- AccountAbility AA1000 Principles of Inclusivity, Materiality, Responsiveness, and Impact
- Assertions of the management approach disclosures on Ethical Sourcing, Packaging and Waste, Water, and Energy and Climate Change
- Selected key performance indicators (KPIs). The basis of measurement of these KPIs can be found [here](#)

The scope of information assured by ERM is set out in their [Independent Assurance Statement](#), and is also denoted with the following symbol in this report: ^{1A}

Various other verifications and assurances by a range of internal and external audit, technical, and scientific experts are obtained over different aspects of our GBJ. These are documented in an assurance summary in an [appendix](#) to this report. We feel that the combination of internal management controls, risk and compliance programmes, and verification and assurance processes in place provide appropriate combined assurance coverage for all our material focus areas.

THE SUSTAINABILITY COMMITTEE REVIEWED AND RECOMMENDED THE GBJ REPORT, WHICH WAS THEN APPROVED BY THE BOARD.



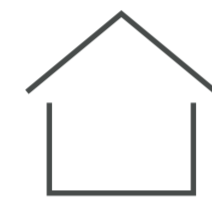
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NAVIGATING OUR REPORT

ICONS USED THROUGHOUT THIS REPORT

NAVIGATING OUR REPORT

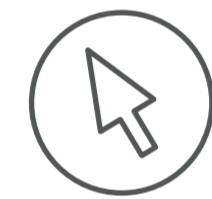
In commitment to our Good Business Journey, this report is only available digitally. It is interactive and can be navigated using the tools depicted below:



Back to contents page



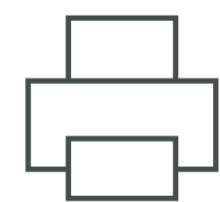
Useful links for more detail



Rollover for more detailed content



More information on the web



Print document*

* Rollovers marked with  are not printable.

CLICK TO DOWNLOAD OR UPDATE

OUR STAKEHOLDERS

We have numerous stakeholder groupings which impact us or we either directly or indirectly impact throughout our Group and our related business activities. We believe that strong, sustainable stakeholder relationships form the foundation of our ability to create shared value in the short, medium, and long term and that these relationships are key to a more sustainable and successful business and future. Our stakeholders are denoted with the icons below:



Customers



Employees



Suppliers



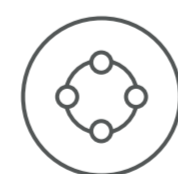
The Media



Shareholders



Debt Funders



Communities and Other



Industry Organisations



Academic Institutions



Government and Regulators

OUR GOOD BUSINESS JOURNEY FOCUS AREAS

Our Good Business Journey enables a consistent approach to managing sustainability issues across the Group. The programme has eight key focus areas, which are denoted with the icons below:



CONTENTS

SUSTAINABILITY COMMITTEE CHAIRMAN & GROUP CEO'S REPORT

WHL is, and always has been, deeply committed to our vision of being one of the world's most responsible retailers.

Sustainability is rooted in everything we do and is embedded in how we decide to show up as an active corporate citizen. Our Good Business Journey (GBJ) is fundamental to this – it is a critical component of who we are, what we do, and what we stand for.

More than ever, in a post Covid-world, business is no longer only about profit, but about creating shared value and meeting responsibilities to contribute to economic development and give back to our people and our planet. As a foods and clothing retailer, we form part of a complex and globalised supply chain. The potential to influence our value chain in order to drive positive and sustainable change presents both an opportunity and a challenge. We are clear that profound and sustainable impact requires deliberate collaboration among all stakeholders.

During the year, we focused on increasing stakeholder engagement on the GBJ, including through an inaugural GBJ investor summit in October 2021 and an internal employee GBJ week in March 2022. We also increased the extent of Woolworths debt that is ESG-linked to more than 80%.

While still in the early stages of our Vision 2025+ journey, good progress has been made this year:

INCLUSIVE JUSTICE

The Inclusive Justice Initiative (IJI) was rolled out across the Group, with regional nuances taken into account to ensure relevance in each of our countries of operation. The Group was the first major South African retailer to become signatory to the UN Women's Empowerment Principles, a set of guidelines for companies for the promotion of gender equality and the empowerment of

women in the workplace and in communities. Woolworths launched WPride, a voice platform that aims to foster an environment in which everyone is accepted, protected, and respected regardless of sexual orientation, gender identity or gender expression.

We have made substantial investments in a broad range of worthy causes, including towards food security, education and job creation. As important as it is to create jobs, it is equally important to pay people fairly for the work they do. And so, as part of our Woolworths Just Wage initiative, we have moved significantly beyond the legislative requirement of a minimum wage, or even what some define as a living wage, to paying what we define as a just wage – or what we call a 'Woolies' wage. Our wage rates are already more than 57% above the minimum rate, and more than 20% above the retail sector minimum.

ETHICAL & FAIR

In a South African retail first, Woolworths published the list of suppliers that manufacture its private label fashion, beauty and home products. Country Road also published a traceability rating for selected products, which measures how well a product can be traced through the supply chain, from fibre to factory floor. This is not only a vital step towards a fashion industry becoming more sustainable and accountable, but also serves to empower our customers to make informed decisions and therefore better choices. Woolworths achieved three major responsible sourcing milestones during the year – 100% of cotton, palm oil (food only) and cocoa in private label products are now responsibly sourced. David Jones continued to embrace circular fashion by partnering with Blue Spinach, to resell a capsule collection of pre-loved luxury brands on the David Jones website.

THRIVING & RESILIENT

We continue to track well towards our net zero goal, with the Group's 2021 Scope 1 and 2 carbon emissions

decreasing by 12% against our 2019 baseline. We have also made some good progress on sourcing more renewable energy. Almost 70% of Country Road's electricity is now sourced from renewables. Woolworths is also participating in a pilot renewable energy tariff programme with Eskom, enabling us to source wind energy for six of our sites.

UN SUSTAINABLE DEVELOPMENT GOALS (UN SDGs)

The Group continues to support the intent of the UN SDGs as a universal call to action for a better and more sustainable future for people and the planet by 2030. While our GBJ focus areas are aligned to most of the 17 UN SDGs, the seven priority goals that we believe we have the ability to make the greatest impact on through our GBJ Vision 2025+ strategy are:



NINE DECADES OF MILESTONES

In October 2021 we celebrated Woolworths' 90th birthday – nine decades of making a difference. Many of the key milestones we have achieved to date are GBJ-related, including the launch of the MySchool MyVillage MyPlanet loyalty programme, and the establishment of our enterprise development and farming and fishing for the future programmes. This clearly emphasises how the ethos behind GBJ goes back to the very beginning of our business. We have always been driven by a strong set of values and the recognition that we can only be successful if we address the sustainability of our business across the entire value chain.

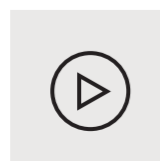
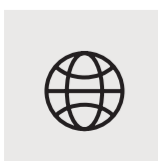
LOOKING AHEAD

Our focus is to continue to do business in the most transparent and ethical way possible, and make an ongoing impact to alleviate critical social and environmental issues in our supply chain through focused efforts on improving working conditions, food security and nutrition, animal welfare, sustainable employment creation, and support for local and ethical businesses.

GBJ remains central to our Group strategy and we will continue to drive progress towards achievement of our Vision 2025+ goals and targets.

BELINDA EARL, Sustainability Committee Chairman

ROY BAGATTINI, Group Chief Executive Officer



EXTERNAL RECOGNITION



WOOLWORTHS ZERO HUNGER FOOD SECURITY CAMPAIGN WAS VOTED 2ND RUNNER-UP AT THE 2022 INTERCONTINENTAL GROUP OF DEPARTMENT STORES AWARDS, IN THE CATEGORY OF WORLD'S BEST SUSTAINABILITY/CSR CAMPAIGN BY A DEPARTMENT STORE

WHL WAS INCLUDED IN THE FTSE4GOOD EMERGING INDEX SERIES FOR 2021/2022, WITH AN ESG RATING OF 4.2, WELL ABOVE THE INDUSTRY AVERAGE OF 2.3

Woolworths was selected as the South African Graduate Employers Association 2022 employer of choice (retail sector) and was also recognised as one of the top 20 aspirational employers in South Africa

The sustainability-linked loan Woolworths entered into with Standard Bank last year, the first of its kind in South Africa, was awarded the Best Sustainability Linked Loan at the 2021 EMEA Finance Awards

Country Road Group achieved an 'A', while David Jones achieved a 'B' in the Baptist World Aid Ethical Fashion Report assessment, Australia's most prominent and high-profile report detailing ethical performance among the country's largest fashion brands



WHL CDP SCORES FOR 2021 ARE ABOVE OR IN LINE WITH GLOBAL AND SECTOR AVERAGES

Climate	B
Water	B
Forests – Timber	C
Forests – Palm oil	C
Forests – Cattle products	C
Forests – Soya	C



WHL IS ONE OF THREE JSE-LISTED RETAILERS ON THE FTSE/JSE RESPONSIBLE INVESTMENT TOP 30 INDEX

In the 2022 Fashion Transparency Index (FTI), Woolworths scored above the overall average and was also the highest-scoring South African retailer. FTI ranks 250 brands according to how much information they disclose about suppliers, supply chain policies, and practices, as well as their social and environmental impacts



A YEAR IN REVIEW

INCLUSIVE JUSTICE

The WHL Group was the first major South African retailer to become a signatory to the UN Women's Empowerment Principles



393 new jobs were created through the Woolworths supplier development programme and we contributed R5.9 billion in revenues of black- and black women-owned suppliers in our supplier base

ETHICAL & FAIR

1ST Woolworths, in a South African retailer first, published the list of suppliers that manufacture its private label fashion, beauty, and homeware products, in line with our commitment to supply chain transparency

David Jones launched a number of fashion resale platforms in partnership with GlamCorner, Blue Spinach, and Reloop



Country Road launched the 'Towards Circularity' capsule collection, featuring fabric made from 30% recycled cotton fibres sourced from our own production runs

ALMOST 90% OF WOOLWORTHS FOOD AND MORE THAN 30% OF WOOLWORTHS FASHION, BEAUTY AND HOME PRIVATE LABEL PRODUCTS ARE LOCALLY SOURCED

THRIVING & RESILIENT



All Country Road Group and 313 Woolworths stores are now plastic shopping bag free.

The WHL Group was one of two South African companies invited to participate in the UN Global Compact Just Transition Think Lab, and Roy Bagattini, WHL Group CEO, participated in a UN Global Compact Leaders' Summit panel on Just Transition

Almost 12 000 units of beauty packaging were collected from selected David Jones stores and sent for recycling in partnership with TerraCycle



In a South African retailer first, Woolworths announced the rollout of electric vehicles for Foods Online home deliveries

R786M

worth of surplus food was donated by Woolworths to needy communities and charities



COVID-19 VACCINATION CAMPAIGNS WERE RUN ACROSS THE WHL GROUP

Woolworths Holdings Limited is listed on the Johannesburg Stock Exchange

WHL is uniquely diversified in both geography and category. Our businesses provide trusted, high-quality, and predominantly private-label brands that leverage our significant intellectual property and innovation capabilities which have been built over decades.

GROUP OVERVIEW



R87.0BN

Turnover and concession sales

R5.1BN

Adjusted profit before tax

ADJUSTED EBIT CONTRIBUTION BY CATEGORY

56.3%

Apparel, Beauty and Homeware

2.4%

Financial Services

41.3%

Food

OUR VISION IS TO BE ONE OF THE WORLD'S MOST RESPONSIBLE RETAILERS.

ADJUSTED EBIT CONTRIBUTION BY GEOGRAPHY



66.7%



1 386

Store locations in 14 countries



33.3%



44 129

Total employees

WHL

WOOLWORTHS SA

DAVID JONES

COUNTRY ROAD GROUP

WOOLWORTHSFASHION, BEAUTY AND HOME

WOOLWORTHSFOOD

WOOLWORTHSFINANCIAL SERVICES

COUNTRY ROAD

T R E N E R Y

MIMCO

WITCHERY

POLITIX



OUR GOOD BUSINESS JOURNEY IS EMBEDDED IN EVERYTHING WE DO AND IS A KEY DIFFERENTIATOR FOR OUR GROUP.

OUR GROUP

Our Group consists of three omni-channel trading divisions, all targeting mid- to upper-income customers who appreciate quality, innovation, value, and sustainability.

***Woolworths South Africa (WSA)**
comprising Fashion, Beauty and Home (FBH) and Food businesses*

***David Jones (DJ)**
an iconic Australian department store*

***Country Road Group (CRG)**
an Australian house of brands, including
Country Road, Trenery, Mimco, Witchery, and Politix*

Each company provides customers with compelling loyalty benefits and offers through dedicated loyalty programmes, which are key to building customer engagement and loyalty and driving personalisation, customer acquisition, frequency, and spend. Financial services are offered for WSA customers through WFS, a joint venture with Absa Group Limited, and in partnership with Amex in David Jones.

WOOLWORTHS

FASHION, BEAUTY AND HOME



OFFERING:

Trusted, quality wardrobe essentials, edited and relevant fashion, beauty and homeware, and carefully selected third-party brands complementing customers' shopping experience

BASED IN:

South Africa and trading in South Africa and a further 10 countries in sub-Saharan Africa

433 000 m² trading space across 257 store locations



15.6%

Group turnover and concession sales

23.0%

Group aEBIT

4.4%

Online SA sales contribution



3.1M

Active loyalty members, tracking 88% of revenue

32 019

Total employees

86.9%

Targets achieved on sustainability scorecard

FOOD



46.6%

Group turnover and concession sales

41.3%

Group aEBIT



OFFERING:

Largely private label range of quality, innovative, and sustainable food products, and customers' most wanted brands, allowing them to complete their shop with us

BASED IN:

South Africa and trading in South Africa and a further 10 countries in southern Africa



269 000 m² trading space across 463 store locations

3.2%

Online SA sales contribution



DAVID JONES

OFFERING:

Premium and luxury products and experiences from leading international and local apparel, accessories, footwear, beauty, and homeware brands

22.8%

Online sales contribution

1.6M

Active loyalty members, tracking 47.3% of sales

BASED IN:

Australia and trading in Australia and New Zealand

430 000 m² trading space across 44 store locations



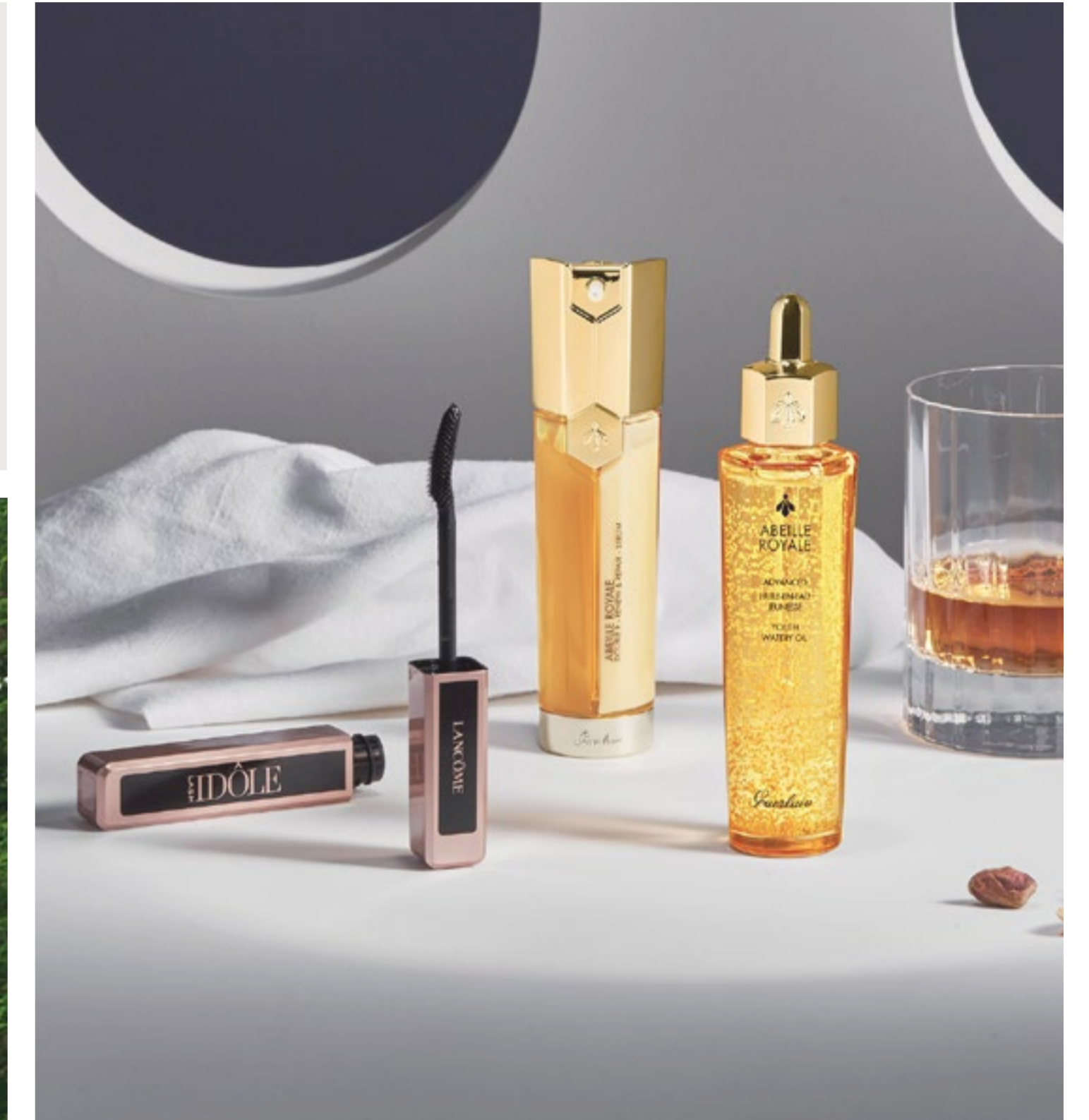
24.0%

Group turnover and concession sales



14.0%

Group aEBIT



6 383

Total employees

65.8%

Targets achieved on sustainability scorecard



COUNTRY ROAD GROUP

OFFERING:

Private label, stylish, high-quality apparel, accessories, footwear, and homeware

BASED IN:

Australia and trading in Australia, New Zealand and South Africa

102 000 m² trading space across 622 store locations



13.8%

Group turnover and concession sales



19.3%

Group aEBIT



2.5M

Active loyalty members, tracking 78% of sales



31.6%

Online sales contribution

5 727

Total employees

80.1%

Targets achieved on sustainability scorecard

THE GOOD BUSINESS JOURNEY STRATEGY

The Good Business Journey (GBJ) is central to the Group's strategy and supports our vision to be one of the world's most responsible retailers. More information on the Group's strategic framework is available in the [Integrated Annual Report](#).

The GBJ strategy to 2025 and beyond is known as Vision 2025+. It is intended to enable the Group to be a leading, purpose-driven, truly connected retailer by aiming to address the complex and interconnected sustainability challenges and opportunities we face now and into the future.

Vision 2025+ has three main pillars, which are addressed through eight focus areas. Each pillar and focus area has ambitious goals delivering to the overall strategic intent of Vision 2025+, as well as clearly defined strategy and management approaches. Vision 2025+ and its underlying goals were approved by the WHL Board in 2021.

GBJ IS OUR COMMITMENT TO CARE FOR OUR ENVIRONMENT, PEOPLE, AND COMMUNITIES.

PURPOSE: ADDING QUALITY TO LIFE

VISION: TO BE ONE OF THE WORLD'S MOST RESPONSIBLE RETAILERS

STRATEGIC ENABLER: GOOD BUSINESS JOURNEY

VISION 2025+ PILLARS

INCLUSIVE JUSTICE

We care for our people and are committed to being a diverse and inclusive business, enhancing the wellbeing of our employees, customers, and communities.

ETHICAL AND FAIR

We care how our products are made and are committed to a fully transparent, traceable, and ethical supply chain.

THRIVING AND RESILIENT

We care for the environment and are committed to working towards net zero impact and a just transition to a low carbon economy.

FOCUS AREAS



PEOPLE



SOCIAL DEVELOPMENT



HEALTH AND WELLNESS



SUSTAINABLE FARMING



ETHICAL SOURCING



PACKAGING AND WASTE



WATER



ENERGY AND CLIMATE CHANGE

UNDERLYING PRINCIPLES: TRANSPARENCY, CIRCULARITY, INNOVATION, COLLABORATION



MEASURING OUR PROGRESS AGAINST VISION 2025+

Our ambitious Vision 2025+ goals will result in us having a real impact on various critical social, environmental, and supply chain issues, thereby making a meaningful difference to the world around us, while making our business more resilient and future-fit.

Progress against our Vision 2025+ goals will be reflective of the fact that we are still in the early stages of our Vision 2025+ journey. Performance against these targets will improve and accelerate over the coming years. For some of the bold or very long-term targets, there is currently uncertainty with regards to the pathway to achieve them. We are conducting groundwork to identify relevant certifications, programmes, technologies, and emerging innovations; putting in place new or improved measurement and reporting processes and systems; setting aside additional budget to support the business in implementation; and identifying peers, NGOs, and other organisations with whom we can collaborate.

For more information on each goal, including the definition, why we set it, how we plan to achieve it, challenges we face, key performance indicators (KPIs) used to measure and report our performance, and baseline data, refer to the Our Goals section on the website.

THE GROUP SUPPORTS THE UN SUSTAINABLE DEVELOPMENT GOALS (SDGs) AND, ACCORDINGLY, OUR VISION 2025+ GOALS ARE ALIGNED TO SPECIFIC UN SDG GLOBAL GOALS AND TARGETS.

VISION 2025+ PILLARS



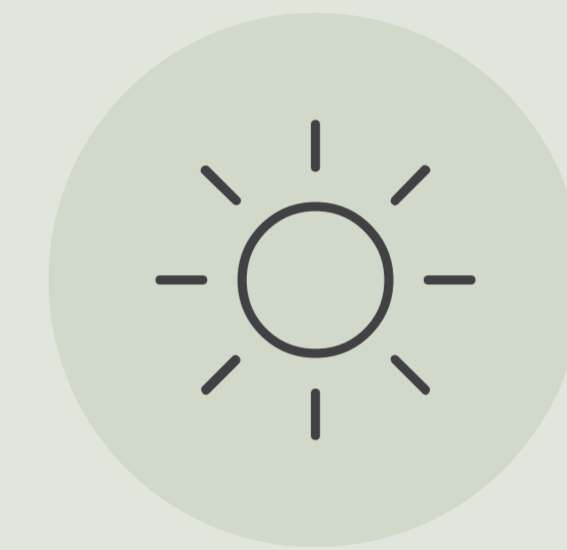
INCLUSIVE JUSTICE

We care for our people and are committed to being a diverse and inclusive business, enhancing the wellbeing of our employees, customers, and communities.



ETHICAL AND FAIR

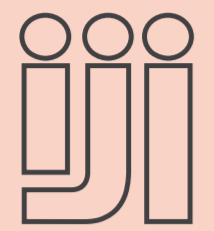
We care how our products are made and are committed to a fully transparent, traceable, and ethical supply chain.



THRIVING AND RESILIENT

We care for the environment and are committed to working towards net zero impact and a just transition to a low carbon economy.





INCLUSIVE JUSTICE

Specific goals and targets for the Inclusive Justice pillar are still in development



RELATED UN SDG AND TARGET

PROGRESS

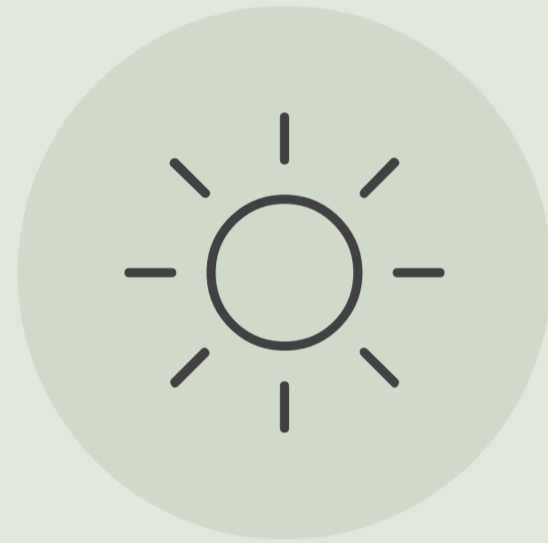
READ MORE









ETHICAL AND FAIR

<p>Have a fully transparent, traceable, and ethical supply chain by 2025</p>	<p>N/A</p>	<p>TARGET N/A</p>	<p>AHEAD ON TRACK BEHIND NOT YET STARTED</p>
<p>Develop a roadmap by 2022 for achieving a living wage for all workers across our supply chain</p>		<p>TARGETS 1.1, 1.2</p>	<p>AHEAD ON TRACK BEHIND NOT YET STARTED</p>
<p>Responsibly source all key commodities from traceable sources by 2025</p>		<p>TARGETS 15.1, 15.2, 15.3</p>	<p>RESPONSIBLY SOURCED: ON TRACK TRACEABLE: BEHIND</p>
<p>All private label products can be reused, repaired, resold or recycled by 2025</p>		<p>TARGET 12.2, 12.5</p>	<p>AHEAD ON TRACK BEHIND NOT YET STARTED</p>
<p>All private label clothing, beauty, and home products to contain at least one renewed, reused or recycled product material input by 2030</p>		<p>TARGET 12.2, 12.5</p>	<p>AHEAD ON TRACK BEHIND NOT YET STARTED</p>

	RELATED UN SDG AND TARGET	PROGRESS	 READ MORE
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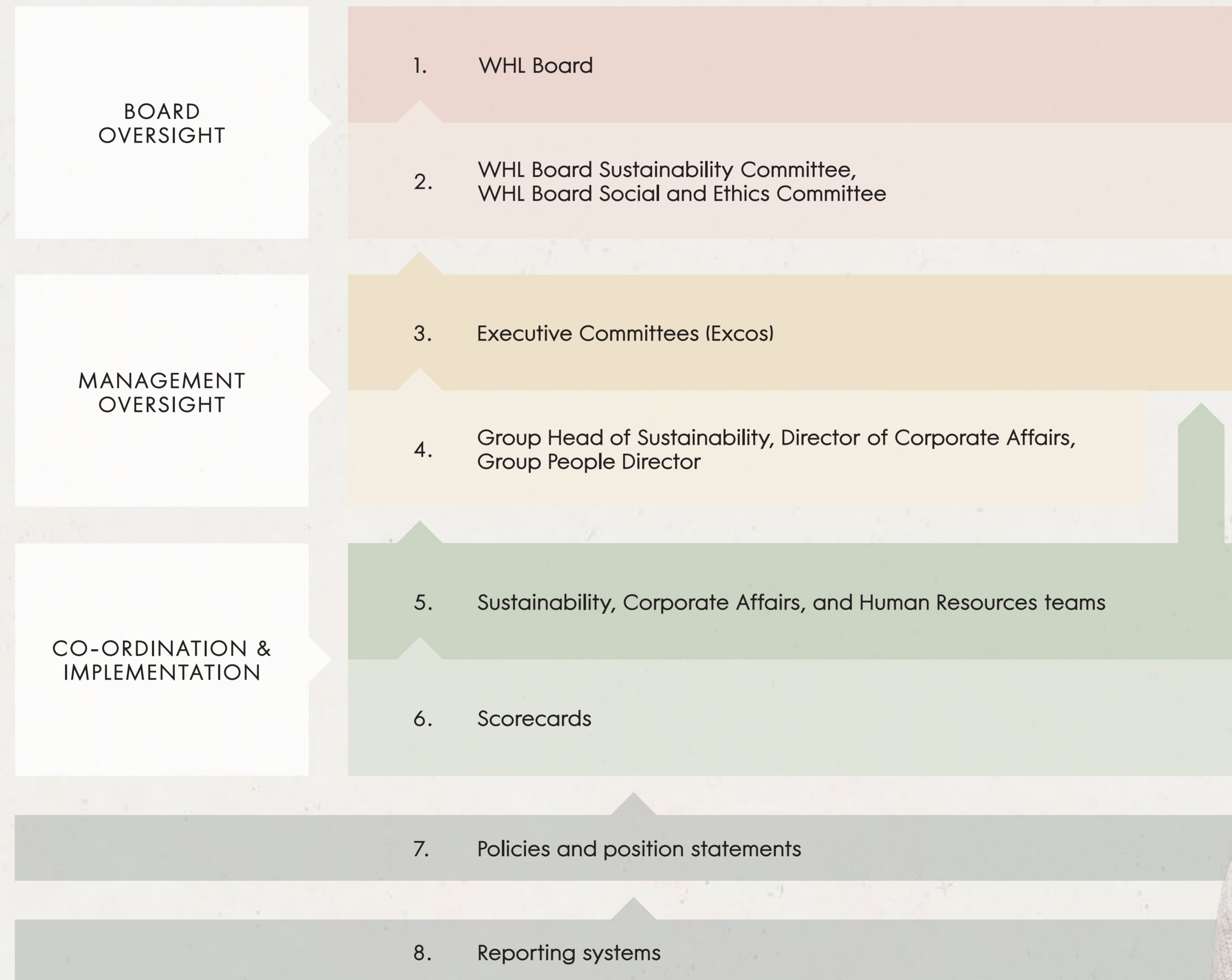
THRIVING AND RESILIENT

Achieve net zero carbon impact by 2040	13 CLIMATE ACTION 	TARGET 13.1	AHEAD ON TRACK NOT YET STARTED BEHIND
Source 100% of our energy from renewable sources by 2030	7 AFFORDABLE AND CLEAN ENERGY 	TARGET 7.2	AHEAD ON TRACK BEHIND NOT YET STARTED
Work with our suppliers and partners to create net positive water impact in water-stressed basins in our value chain by 2050	6 CLEAN WATER AND SANITATION 	TARGETS 6.4, 6.5	AHEAD ON TRACK BEHIND NOT YET STARTED
All our packaging will be reusable or recyclable by 2022	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 	TARGET 12.5	AHEAD ON TRACK BEHIND NOT YET STARTED
Halve food loss and waste in our own operations and across our top 30 suppliers by 2030	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 	TARGET 12.3	AHEAD ON TRACK BEHIND NOT YET STARTED
All private label products to support regenerative farming practices by 2030	2 ZERO HUNGER 	TARGET 2.4	AHEAD ON TRACK BEHIND NOT YET STARTED

GOVERNANCE AND MANAGEMENT OF OUR GOOD BUSINESS JOURNEY

The WHL Board remains resolute in its high standards of governance, ethics, and integrity. By setting an ethical tone at the top and leading effectively with integrity, the WHL Board ensures that good corporate governance is channelled into all levels of the organisation in order to enhance our reputation, build trust and, ultimately, result in value creation for the business and stakeholders. The WHL Board is ultimately responsible for the oversight of strategy, risk, and performance, while operational responsibility resides with management.

STRATEGY, RISK, PERFORMANCE, COMPLIANCE, AND SUSTAINABILITY ARE INTEGRATED THROUGHOUT THE BUSINESS.



1 WHL BOARD

AT THE HIGHEST GOVERNANCE LEVEL, THE WHL BOARD HAS ULTIMATE RESPONSIBILITY FOR MONITORING THAT THE GROUP IS OPERATING AS A RESPONSIBLE CORPORATE CITIZEN, AND THAT THE GROUP'S STRATEGY, RISK, AND OPPORTUNITY ASSESSMENT TAKE SUSTAINABILITY INTO ACCOUNT.

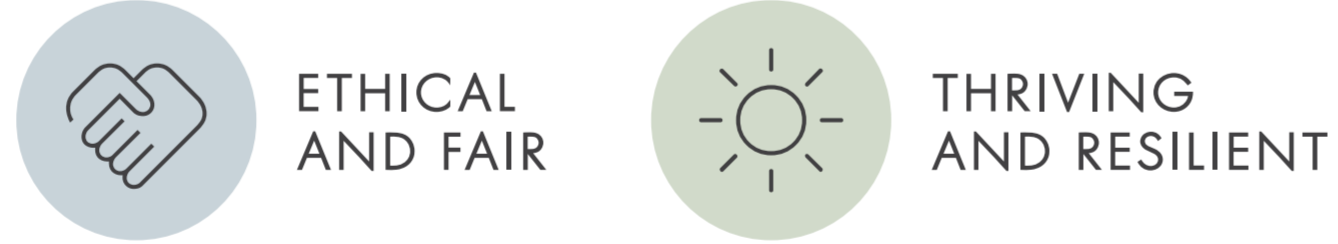
- The Board is supported in this regard by the WHL Board Sustainability Committee and the WHL Board Social and Ethics Committee.
- During the year, we invited both internal and external subject matter experts to provide the Board with insights on key sustainability issues affecting the Group.

2 WHL BOARD SUSTAINABILITY AND WHL BOARD SOCIAL AND ETHICS COMMITTEES

WHL BOARD SUSTAINABILITY COMMITTEE

- Ensures that the sustainability strategy positions the Group as a leader in responsible retailing in the countries in which it trades
- Oversees that sustainability initiatives and objectives are effectively integrated into the business, and that the Group operates in an environmentally responsible manner
- Together with the Risk and Compliance Committee*, oversees sustainability and climate-related risks and opportunities
- Approves the annual GBJ Report external assurance provider and reviews GBJ-related internal audit reports
- Oversees the materiality determination and refresh process informing Vision 2025+ and the annual GBJ Report
- Reviews and recommends the annual GBJ Report for approval to the Board
- Meets twice per annum

VISION 2025+ PILLARS COVERED:



WHL BOARD SOCIAL AND ETHICS COMMITTEE

- Oversees and reports on organisational ethics, the Group's responsible corporate citizenship, sustainable development (excluding those matters within the remit of the Board Sustainability Committee), and stakeholder relationships, including the approval of a stakeholder management strategy
- Assists the Board to discharge its responsibility with respect to the approval, implementation, and monitoring of policies and practices that facilitate the Group's responsible corporate citizen credentials, thereby ensuring that the Group is operating in a sound and ethical manner
- Reviews and signs off new policies developed to govern and guide the business on some socio-economic aspects, including stakeholder management
- Ensures WHL meets its JSE listing requirements and progressive expectations in the context of BBBEE credentials.
- Meets three times per annum

VISION 2025+ PILLARS COVERED:



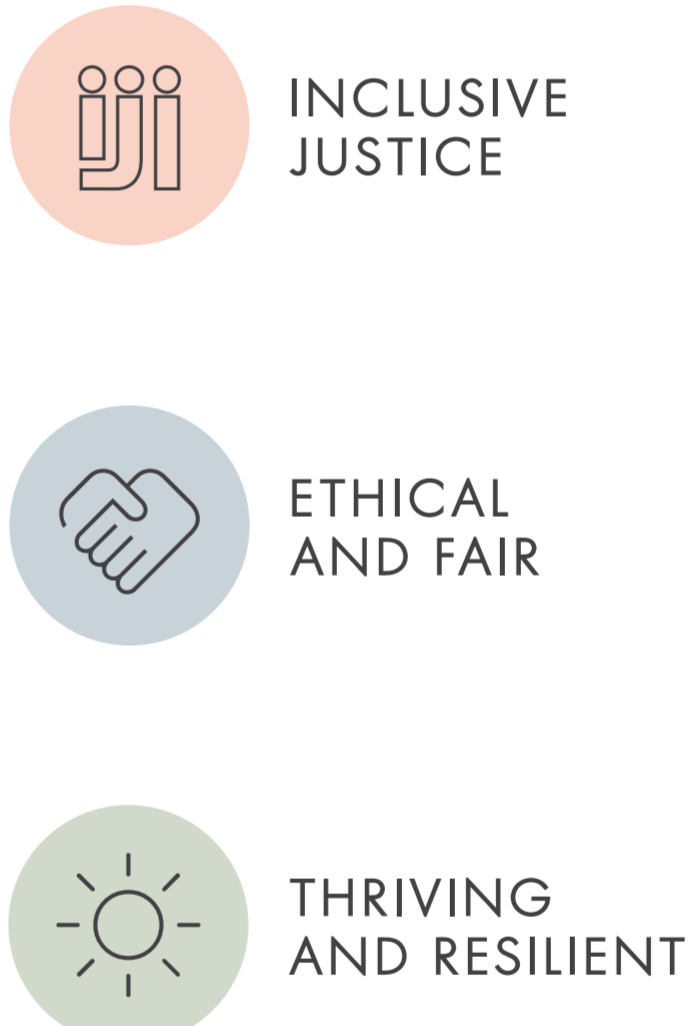
For more information on the Board and its committees, including key topics discussed during the year and their 2023 focus areas, refer to the Board charter, committees' Terms of Reference, as well as the Governance section of the Integrated Annual Report.

3 EXECUTIVE COMMITTEES (EXCOS)

WHL, WSA, CRG, AND DJ

- Review GBJ strategy and performance on a regular basis

VISION 2025+ PILLARS COVERED:



* After year end, this committee's name was changed to the Risk, Information and Technology Committee

4 GROUP HEAD OF SUSTAINABILITY, DIRECTOR OF CORPORATE AFFAIRS, AND GROUP PEOPLE DIRECTOR

- Responsible, with Exco teams, for the Group’s GBJ-related strategy implementation and performance

GROUP HEAD OF SUSTAINABILITY

- Reports into an Exco member
- Reports twice yearly to the WHL Board Sustainability Committee on Sustainability Scorecard scores, sustainability and climate change strategy, and performance against approved targets
- Reviews Sustainability Scorecard scores, performance, challenges, opportunities, and learnings with sustainability champions twice yearly
- Works with the sustainability teams and sustainability champions across the Group to implement the sustainability and climate change strategy
- Supports the Risk team in identifying environmental and climate-related risks for inclusion in the integrated risk management process

VISION 2025+ PILLARS COVERED:

 ETHICAL AND FAIR
  THRIVING AND RESILIENT

DIRECTOR OF CORPORATE AFFAIRS AND GROUP PEOPLE DIRECTOR

- Are Exco members
- Report three times per year to the WHL Board Social and Ethics Committee on people, social development, health and wellness, and stakeholder management, including performance against approved targets
- Review related performance, challenges, opportunities, and learnings with the business on a regular basis, and work with teams across the business to implement the relevant strategies and programmes
- Support the Risk team in identifying people and socio-economic risks for inclusion in the integrated risk management process

VISION 2025+ PILLARS COVERED:

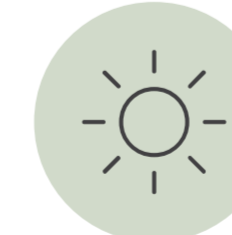
 INCLUSIVE JUSTICE

5 SUSTAINABILITY, CORPORATE AFFAIRS, AND HUMAN RESOURCES TEAMS

SUSTAINABILITY, CORPORATE AFFAIRS AND HUMAN RESOURCES TEAMS, IN CONJUNCTION WITH SUSTAINABILITY AND INCLUSIVE JUSTICE INITIATIVE CHAMPIONS ACROSS THE GROUP

- Co-ordinate, lead, and report on GBJ programmes
- Work to strategically embed GBJ into the business, and integrate it into the day-to-day operations and supply chain
- Measure, monitor, and report GBJ-related information, including for scorecard and annual reporting

VISION 2025+ PILLARS COVERED:

 INCLUSIVE JUSTICE
 ETHICAL AND FAIR
 THRIVING AND RESILIENT





6 SCORECARDS

SUSTAINABILITY

- WSA business units, CRG, and DJ each have a Sustainability Scorecard against which their sustainability performance is measured twice yearly. These scorecards include a set of relevant sustainability key performance indicators (KPIs) and associated targets aligned to environmental and supply chain aspects of the GBJ. A sustainability score is determined for each WSA business unit, WSA overall, CRG, and DJ by calculating the weighted average of each KPI's performance against its associated target

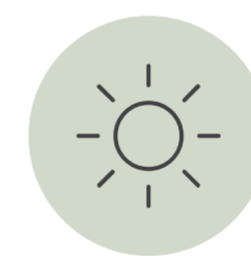
CORPORATE

- WSA business units, CRG, and DJ also have corporate scorecards that contain KPIs and targets aligned to the people and community aspects of the GBJ

VISION 2025+ PILLARS COVERED:



ETHICAL AND FAIR



THRIVING AND RESILIENT

VISION 2025+ PILLARS COVERED:



INCLUSIVE JUSTICE

- Relevant KPIs and targets from these scorecards are included in employees' and management's personal performance scorecards across the Group as part of our Integrated Performance Management system. Relevant KPIs would, for example, include BBBEE, social development, local sourcing, carbon emissions, electricity, waste, packaging, water, and responsibly sourced commodities
- The Sustainability Scorecard scores for WSA as a whole, CRG, and DJ are specifically included as one of the indicators used to measure performance of the Group strategy. The scores also thereby influence the calculation of the Group CEO and executive directors' variable pay. For more information, refer to the Remuneration Report

7 POLICIES AND POSITIONS STATEMENTS

- Supporting the GBJ programme across the Group are various policies and position statements. These policies and position statements cover our own operations, our business partners and suppliers, as well as our materials or products

8 REPORTING SYSTEMS

- Reporting of GBJ performance against targets and against sustainability and corporate scorecards to management, Exco and the WHL Board and committees, which ultimately inform decision-making, strategy, and business plans, is informed by data gathered and maintained in internal reporting systems and portals across the Group



MATERIALITY DETERMINATION

Vision 2025+ and the material issues we report on are informed and refreshed annually based on the results of our sustainability risk assessment and materiality determination process.

SUSTAINABILITY RISKS

The Group is faced with a multitude of sustainability-related risks in our value chain. The identification and management of these risks, including climate change, are incorporated into the Group's overall integrated risk assessment and management approach.

MATERIALITY DETERMINATION

A wide range of current and emerging economic, social, environmental, and ethical issues impact the Group, either directly or indirectly, and vice versa. Consequently, through our GBJ, we have to manage and report on a continually evolving set of issues.

IDENTIFICATION AND REFRESH

Material sustainability issues are identified and assessed annually across the Group through internal stakeholder engagement, the risk assessment process, and a desktop review of peer sustainability reports, media and news articles, global collective commitments, and global sustainability and reporting tools and indices. This is supplemented by a formal external stakeholder engagement process every three to five years.

During the year, a materiality refresh exercise was performed in which internal stakeholder engagement, selected external engagement with key stakeholders, and a desktop review were conducted.

MATERIAL ISSUES IDENTIFIED

Compared to the material issues reported last year and used to inform Vision 2025+, no new issues were identified. However, the following have been further emphasised or elevated during the year:

- Climate change – the need for a just transition and reporting on the financial impacts of climate change
- Biodiversity loss – its linkage to climate change, and the fashion and food system impacts on climate, biodiversity, and deforestation
- Packaging, single-use plastic, and designing for circularity
- Food loss and waste
- Responsible sourcing – support of local suppliers, protection of indigenous people, transparency and traceability, protection of human rights

VISION 2025+ STRATEGY REFRESH AND GBJ REPORT

Our risk assessment and materiality refresh exercise determined that the material issues that informed Vision 2025+ remain relevant and complete, are covered by the current focus areas, and have appropriate goals and targets in place. These same material issues were also used to inform the content of this report.

THE MATERIAL DETERMINATION PROCESS WAS REVIEWED AND APPROVED BY THE WHL BOARD SUSTAINABILITY COMMITTEE.



SUSTAINABILITY RISKS

We are faced with a multitude of sustainability risks that may impact our business, both in our direct operations and in our value chain, over the short, medium, and long term. We follow a robust risk assessment approach to determine our sustainability risks across all focus areas and key stakeholder groupings, aligned to the Group's integrated risk assessment and management approach. Risk registers are developed for key business areas to ensure that all identified risks are documented, weighted, and prioritised according to the agreed risk assessment method, and action plans are identified to mitigate the risk. Each risk below has been considered and incorporated into Vision 2025. For more information on the Group's integrated risk assessment and management approach, in which the risks below are incorporated, refer to the Enterprise Risk Management section of the Integrated Annual Report.*

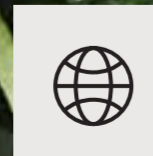
1 CLIMATE CHANGE AND ENERGY
















2 WATER QUALITY AND SCARCITY

3 BIODIVERSITY LOSS

4 WASTE TO LANDFILL

5 ETHICAL SOURCING







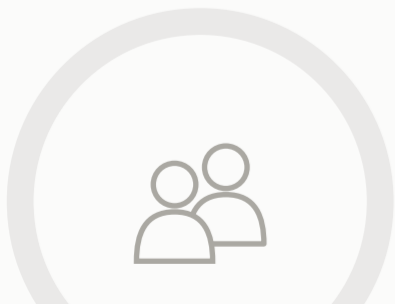




1 CLIMATE CHANGE AND ENERGY	2 WATER QUALITY AND SCARCITY	3 BIODIVERSITY LOSS	4 WASTE TO LANDFILL	5 ETHICAL SOURCING
<p>RISK CONTEXT</p> <ul style="list-style-type: none"> • Failure to reduce carbon emissions, and adapt to and mitigate against physical climate change impacts • Threat to supply, quality, and availability of raw materials • Supply chain and logistics disruptions • Food security and food price inflation • Availability and cost of electricity and/or low-emission technology • Failing governmental and municipal infrastructure • Business disruption due to energy interruptions and/or extreme weather events • Reduced customer demand for unsustainable products <hr/> <p>RELATED GBJ FOCUS AREAS  </p> <hr/> <p>MITIGATIONS</p> <ul style="list-style-type: none"> • Renewable energy installations 	<p>RISK CONTEXT</p> <ul style="list-style-type: none"> • Food security and food price inflation • Contamination of available water resources through pollution • Changing weather patterns resulting in regional droughts • Threat to supply, quality, and availability of raw materials • Failing governmental and municipal infrastructure <hr/> <p>RELATED GBJ FOCUS AREAS  </p> <hr/> <p>MITIGATIONS</p> <ul style="list-style-type: none"> • Installation of water tanks and handwashing stations at various schools 	<p>RISK CONTEXT</p> <ul style="list-style-type: none"> • Threat to supply, quality, and availability of raw materials • Food security and food price inflation • Reduced customer demand for unsustainable products <hr/> <p>RELATED GBJ FOCUS AREAS    </p> <hr/> <p>MITIGATIONS</p> <ul style="list-style-type: none"> • Use of alternative fibres 	<p>RISK CONTEXT</p> <ul style="list-style-type: none"> • Lack of widely available recycling infrastructure and technology • Availability of cost-effective and recyclable substrate and fibre alternatives • Balancing the need for packaging to minimise spoilage and for product safety against increasing expectations for packaging reduction • Increased customer demand for packaging reduction and customer take-back options • Increased regulations and cost of compliance with applicable laws and regulations • Threat to supply of non-renewable raw materials <hr/> <p>RELATED GBJ FOCUS AREAS    </p> <hr/> <p>MITIGATIONS</p> <ul style="list-style-type: none"> • Phase-out of single-use plastic shopping bags • Provision of customer take-back facilities at stores • Donation of surplus food and clothing to charities • Inclusion of clear on-pack recycling labelling 	<p>RISK CONTEXT</p> <ul style="list-style-type: none"> • Increased expectations for transparency and traceability, and improved working conditions in the supply chain • Increased expectations regarding the protection of human rights, enablement of living wages, and abolition of modern slavery in the supply chain • Increased requirements to manage third-party social and environmental risk and animal welfare in the supply chain • Balancing increased expectations for supply chain localisation with the quality, cost, and availability of goods <hr/> <p>RELATED GBJ FOCUS AREAS   </p> <hr/> <p>MITIGATIONS</p> <ul style="list-style-type: none"> • Publication of finished goods supplier lists • Woolworths Enterprise and Supplier Development programme • Living wage commitments and modern slavery reporting

CROSS-CUTTING MITIGATIONS				
<ul style="list-style-type: none"> • Implementation of energy- and water-efficiency and waste reduction and recycling initiatives in our direct operations • Implementation of sustainable and/or regenerative farming and fishing programmes • Implementation of the factories of the future programme with Woolworths suppliers 	<ul style="list-style-type: none"> • Working to ensure each private label product has a sustainability attribute • Implementation of a detox strategy to remove harmful chemicals from clothing manufacture • Involvement in water stewardship projects in key Woolworths sourcing regions 	<ul style="list-style-type: none"> • Use of recycled or renewed content in packaging, apparel, and homeware • Implementation of circular fashion models, such as rental and resale • Sourcing commodities through recognised international responsible sourcing programmes and certification schemes 	<ul style="list-style-type: none"> • Mandatory compliance by suppliers with our Codes of Conduct and sustainability-related position statement, monitored through regular audits • Ongoing training of staff and suppliers on sustainability-related topics • Use of sustainable or recyclable packaging 	<ul style="list-style-type: none"> • Proactive stakeholder engagement with governments, regulators, and industry • Membership of sustainability-related global organisations • Increased range of plant-based meal options

VALUE CHAIN

As a retailer in food, fashion, beauty, and home products with a multinational footprint and a multi-tiered and geographically dispersed supply chain, our impacts cut across the entire value chain, from raw material production to customers and the end-users of our products. Through Vision 2025 and our eight GBJ focus areas, we adopt a systems thinking-based approach to managing our impacts.*

VALUE CHAIN	IMPACT MAGNITUDE	IMPACT AND MANAGEMENT	RELATED GBJ FOCUS AREAS*
 <p>RAW MATERIALS, PROCESSING, AND MANUFACTURING More than 1 050 direct suppliers</p>	<p>HIGH</p> 	<p>Through our supply chain, we are able to support employment, including for local and small and medium businesses. However, at the same time, we need to aim to ensure that the conditions under which workers are employed and remunerated are ethical and fair, and respect human rights.</p> <p>We also need to work with our suppliers to try to minimise and mitigate against potential negative environmental impacts arising from raw material production and processing and producing our products, including water quality and availability, biodiversity loss, deforestation, climate change, pollution, waste, and animal welfare.</p> <p>We do this through our sustainable farming and fishing, ethical sourcing, and enterprise and supplier development programmes.</p>	<p>RELATED GBJ FOCUS AREAS*</p> 
 <p>DIRECT OPERATIONS 44 129 employees More than 965 000 m² of trading space</p>	<p>MODERATE</p> 	<p>In our direct operations, we create jobs, contribute to skills development, and endeavour to promote inclusivity and diversity in our workforce. The Group's culture and working environment aim to positively impact the health, safety, and wellbeing of our employees.</p> <p>It is our responsibility to manage and mitigate potential negative impacts from our direct operations, including those related to water quality and availability, carbon emissions, pollution, and waste.</p> <p>We do this through our water, energy efficiency, and waste reduction initiatives at head offices, distribution centres, and stores.</p>	<p>RELATED GBJ FOCUS AREAS*</p> 
 <p>CUSTOMERS AND COMMUNITIES Over 3 million active loyalty customers More than R995 million contributed to charities and local communities this year</p>	<p>LOW</p> 	<p>Through our store experience, product safety procedures, and wide product offering, we aim to positively impact the health and wellbeing of our customers. Driving packaging innovation and providing recycling facilities in-store for our customers is key to mitigating the impacts of our product and packaging waste, including on local communities.</p> <p>Through our social development programmes and cause-related products, we give back to our local communities, and also empower our customers to do the same.</p> <p>We are also able to positively contribute to local communities through donations (including food and surplus clothing) to aid organisations and charities.</p>	<p>RELATED GBJ FOCUS AREAS*</p> 

* Read more about our impacts and how we manage them in the individual focus area chapters in this report.

OUR STAKEHOLDERS

We are committed to developing and maintaining quality relationships with our stakeholders to create shared value for all in the short, medium, and long term.

Our philosophy is to engage authentically, openly, and inclusively with our stakeholders, enabling us to better understand them, benefit from their insights, focus on their priorities, and address their concerns. It also allows us to seek areas of potential partnership, mitigate risks to the business, and create mutual trust and respect. This is integral to the ongoing daily management of the Group, and key to identifying the material issues that could significantly impact our performance and sustainability.

Our stakeholders, their interests, and their level of influence in our operations vary according to geographical location, business area, and the nature of their interest. The manner, level, and extent of our engagements are driven by their influence, interests, expectations, and concerns. These relationships are depicted in the accompanying graph.

THE ROLE OF STAKEHOLDER ENGAGEMENT

Our stakeholder engagement programme helps the Group better navigate the complex regulatory, legislative, and political landscape, and provides ongoing insights, develops goodwill ambassadors, holds us accountable to our promises, and ultimately ensures our sustainability. This is particularly true when we need to adapt and react quickly to rapidly evolving social, technological, and environmental events, which we can identify through regular and constructive stakeholder engagement.

The Board is committed to strong, ethical, and transparent stakeholder engagement. Our management teams are empowered by the Board to ensure that we remain accessible to our stakeholders, and that we identify, monitor, and address their needs and concerns as well as the related material issues, risks, and opportunities. The Board receives regular reports from these stakeholder engagements, with the Social and Ethics Committee conducting annual stakeholder engagement self-assessment reviews.

CUSTOMERS
Our customers are at the heart of everything we do and provide us with our main source of revenue. We embed our customer insights into all our business decisions to best meet their wants and needs.

SHAREHOLDERS AND DEBT FUNDERS
Our shareholders and debt funders provide us with the sources of capital we require to continue operating and servicing our communities. They comprise 54 745 shareholders, R11.8 billion in shareholders' funds, and R18.7 billion net gearing (including lease liabilities) but R229 million net cash (excluding lease liabilities), which enables business continuity and growth.

EMPLOYEES
The passion, commitment, talent, and knowledge of our 44 129 employees are key enablers of our strategy, and are fundamental in allowing us to meet our customers' wants and needs. Our people are also deeply invested in the success of the business, and are some of our most influential brand ambassadors.

SUPPLIERS
The relationships we have with our suppliers are a key competitive advantage for us, and integral to our business. Their exceptional and often exclusive products help us to meet the wants and needs of our customers.

GOVERNMENT AND REGULATORS
We are passionate about building a thriving society, and engage with government and regulators to honour national priorities and contribute towards global sustainable development goals.

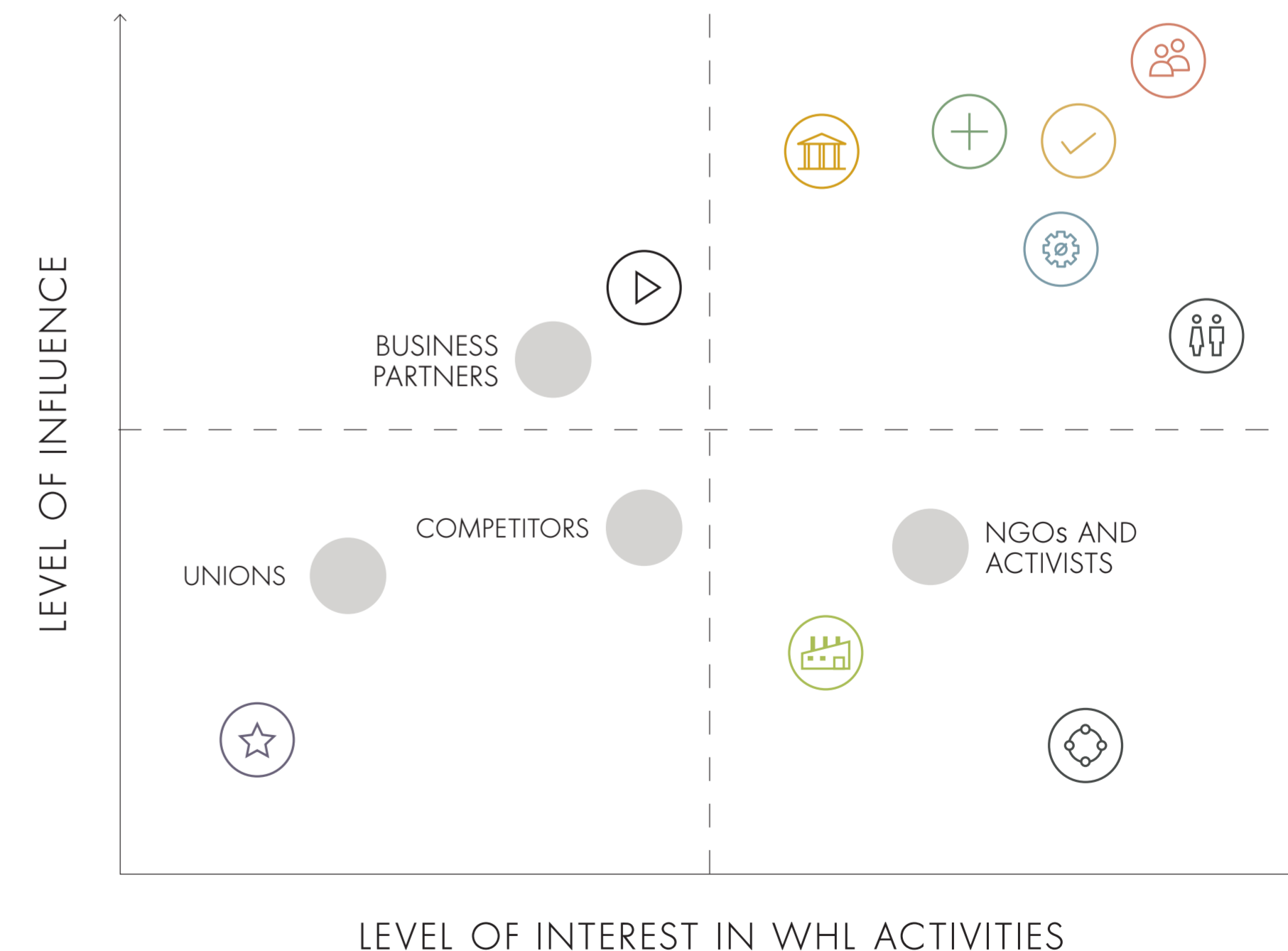
COMMUNITIES
The relationships we have with and within our communities are critical – they create an enabling business environment, and provide the pipeline for future customers and employees.

THE MEDIA
Our media interactions provide us with the opportunity to positively influence stakeholders' perceptions and to highlight our difference, including our differentiating GBJ.

INDUSTRY ORGANISATIONS
Where relevant, we provide commentary and advice to industry organisations on emerging issues, and address topics of mutual concern. In turn, this optimises the opportunities for the Group.

ACADEMIC INSTITUTIONS
We are committed to facilitating interactions between business and academia.

OUR GBJ PLAYS AN IMPORTANT ROLE IN STAKEHOLDER ENGAGEMENT. WE ENDEAVOUR TO MEET THE DEMANDS OF OUR CURRENT STAKEHOLDERS WITHOUT COMPROMISING THE ABILITY OF FUTURE GENERATIONS TO ALSO FULFIL THEIR WANTS AND NEEDS.



More information on the needs, expectations, and concerns of our material stakeholders and how we have created value for them in the current year is contained in our Integrated Report.



CASE STUDY

ENGAGING OUR EMPLOYEES

From 28 to 30 March 2022, we invited employees across the Group to STEP INSIDE OUR GOOD BUSINESS JOURNEY.

THIS INTERNAL EMPLOYEE ENGAGEMENT PROGRAMME, WHICH WE WILL HOLD ANNUALLY GOING FORWARD, OFFERED US THE OPPORTUNITY TO:

- Share more of our Vision 2025+ strategy, highlights, and progress with employees
- Position IJ as a key pillar within our GBJ strategy
- Keep employees up to date on the key sustainability issues relevant to our Group and the retail industry

Over three days, we held virtual live panel discussions with various members of the Group Exco team and subject matter experts, both from across our business and from influential external organisations. Almost 3 000 employees joined these virtual sessions. Recordings thereof and additional

supporting information were made available on our internal platforms to facilitate access for those unable to attend the live sessions and those who were interested in learning more. We also offered Woolworths employees a chance to participate at home by sharing their sustainable living moments on the MyWoolies app or by nominating a women-empowerment non-profit organisation for charitable support.

**STEP
INSIDE
OUR** | **GOOD
BUSINESS
JOURNEY.**

“I ABSOLUTELY LOVE THIS, IT’S WHY I’M HERE. THANK YOU FOR ALLOWING US TO SHARE IN THIS AMAZING JOURNEY ♥.”

– Comment received from one of the attendees

CASE STUDY

ENGAGING OUR SHAREHOLDERS

On 19 October 2021, we held our first annual investor summit dedicated to GBJ to provide deeper insights to our shareholders into the Group’s sustainability strategy and performance.

Presentations were conducted by Roy Bagattini (Group CEO) on Vision 2025+ and our targets, Simon Susman (Group Honorary President) on the vision and history of the GBJ, and Belinda Earl (WHL Board Sustainability Committee Chair) and Thembisa Skweyiya (WHL Board Social and Ethics Committee Chair) on the role of the respective committees

and their focus areas. These presentations were followed by a Q&A session, in which the following topics were raised by and discussed with investors: renewable energy sourcing, support of local suppliers, plastic and packaging reduction, circular fashion initiatives, traceability, supplier engagement, and our sustainability-linked loan conditions.



The image features three women of diverse backgrounds standing against a solid orange background. They are dressed in white clothing: the woman on the left wears a long-sleeved, button-down shirt with intricate laser-cut patterns; the woman in the center wears a white spaghetti-strap top with a matching skirt, also featuring laser-cut patterns; and the woman on the right wears a simple white t-shirt and white pants. The word "PEOPLE" is written in large, bold, black, serif capital letters across the center of the image, partially overlapping the women. The overall aesthetic is clean and modern, emphasizing diversity and human-centric values.

PEOPLE

Why is this focus area important?

Our people strive to deliver excellence and bring out the best in themselves and each other, and are fundamentally an increasingly valued source of competitive advantage for our sustainable business performance. The ongoing review of our Employee Value Proposition in order to remain relevant remains critical. By prioritising our people's health and wellbeing, with a continued focus on leadership in addition to supporting a hybrid working model, we will continue to attract, inspire, retain, develop, reward, and engage our people appropriately, resulting in inclusivity, greater innovation, creativity, and productivity.

OVERVIEW



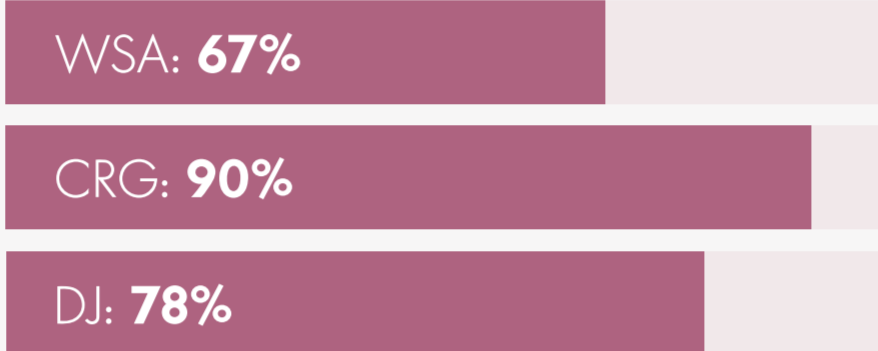
WSA: 32 019 (73%)
2021: 32 913 2020: 32 371

CRG: 5 727 (13%)
2021: 5 463 2020: 5 480

DJ: 6 383 (14%)
2021: 6 332 2020: 7 012

WHL: 44 129
2021: 44 708 2020: 44 863

FEMALE REPRESENTATION



WSA 2021: 66%, 2020: 66% **CRG** 2021: 89%, 2020: 89%
DJ 2021: 78%, 2020: 76%

47% of WHL top and senior management are women

TRAINING SPEND

WSA: R144.5M
2021: R67.5M 2020: R119.9M

CRG: R18.1M
2021: R14.2M 2020: R18.7M

DJ: R6.5M
2021: R1.2M 2020: R8.4M

WHL: R169.1M
2021: R82.9M 2020: R147.0M

HIGHLIGHTS

- On International Women’s Day, WHL became the first major South African retailer to become a signatory to the United Nations Women’s Empowerment Principles
- After emerging from working under the Covid-19 pandemic lockdown conditions for more than two years, we are making a fresh start by transitioning to a new normal of living with Covid-19 with an official return to office, spending more time in the office and participating in face-to-face engagements
- The new Group operating model brought several changes to the leadership structure, one of which is the appointment of Melanie Naidu as the Group People Director reporting to Roy Bagattini. Melanie’s appointment to WHL Exco enables the establishment of a Group People function, which signifies the strategic importance we are placing on our greatest resource – our people
- Woolworths was selected as the South African Graduate Employers Association 2022 employer of choice (retail sector) and was also recognised as one the top 20 aspirational employers in South Africa
- Implementation of the Group Inclusive Justice Initiative (IJI) strategy has enabled each region (and the specific countries within that region) to embark on their own respective IJI journeys, where we hope to accelerate positive transformation throughout our organisation, taking into account that our initial primary focus will be on inclusive justice for women

LOOKING AHEAD

- Coming out of the Covid-19 pandemic, the wellbeing of our people is a top priority and is directly linked to the organisation’s wellbeing. This continues to be a key focus for us across both regions, and is supported by a number of key wellbeing initiatives
- Commencement of work to understand the opportunities to embed the Group leadership competency framework (now called ‘Our Leadership Way’) across the people life cycle

LOWLIGHTS AND CHALLENGES

- Trading conditions have had an impact on some of our initiatives across the Group, especially skills and talent development
- We have experienced a high voluntary labour turnover rate in Country Road Group and David Jones because of the ‘great resignation’ as the impacts of the Covid-19 pandemic ease. In Woolworths, the voluntary labour turnover is higher than normal; however, it is still within acceptable levels, and is being monitored closely
- A review of our Employee Value Proposition (EVP) is underway to reset and embed the Group EVP for a post-pandemic workforce

OUR PEOPLE MANAGEMENT

The Group has focused very heavily on integrating our people regional strategies across Australia, New Zealand, and South Africa. We have also been planning for a way of work post the Covid-19 pandemic, acknowledging that, after the pandemic, life will never be the same. The pandemic has accelerated the implementation of remote working and a focus on overall employee wellbeing.

All core functions are performed by Group employees and include our retail, buying, planning, human resources, finance, and management functions. Where these services are provided by third parties, these parties are bound by strict Service Level Agreements, Codes of Practice and contracts, which require the service provider to abide by minimum standards as applicable in the relevant wage regulating legislation. Inspections and reviews occur to ascertain adherence. In Woolworths Food, we currently partner with Engen to extend our convenience footprint and with Tribeca in our coffee business, and depending on the future growth of our food services business, there is the potential for additional partnerships.

In Woolworths, the logistics and warehouse divisions also make use of outsourced labour to assist with supply chain operations. At this stage, we employ 3 200 outsourced employees in our Supply Chain division, which constitutes approximately 10% of our total workforce.

David Jones has approximately 3 313 concession team members in stores and in Regional Shared Services (RSS). The IT business model uses contract labour for capital programmes.

COMPLIANCE WITH LABOUR STANDARDS

We investigate any compliance matters fully and resolve them with the departments of labour in the countries where we operate. Currently, we have no outstanding cases against the Group.



CHILD AND FORCED LABOUR

Legislation provides for rules in relation to child employment, including the minimum age, maximum hours of work per week, and when a school-aged child may work. We do not employ anyone below 18 years of age on a permanent basis. During peak trade (December/January) in South Africa, students are offered employment at ages 16 and higher but only with parental consent. While there is no specific policy to address this, this approach is enforced indirectly through our recruitment practices, which include rigid screening processes.

PERFORMANCE MANAGEMENT FRAMEWORK

To ensure continuous improvement, our performance management framework follows an easy process that includes goal setting, reviewing, and rewarding. In planning, each full-time employee, after discussion with their line manager, sets an individual performance framework with goals that are aligned to the overall strategic business goals. Feedback is a continuous process that occurs throughout the year to foster a culture of communication between teams and enable achievement of strategic goals. Career discussions are also held at least once a year.

Leveraging from foundations set in the previous year, there has been a focus on embedding the My Performance and My Growth activity in Country Road Group and David Jones. This included developing leaders in better goal setting, including introducing some tools such as goal setting help guides.

Linked to performance management is our employee development pillar, which aims to optimise talent management processes, develop future-fit leadership skills, and provide effective coaching and support for our leaders.

TALENT DEVELOPMENT AND RETENTION

A central part of our EVP is improving leadership retention and using available talent data to inform, refine, and review our integrated talent experience. There has been an increased focus on establishing robust and integrated talent discussions across the Group. In partnership with Accenture, the Group project team has undertaken research, interviews, focus groups, and a survey resulting in the development and sign-off of the Leadership Competency Framework. We will be rolling out the Group Leadership Competency Framework (named 'Our Leadership Way') across the business.

Our various training and development programmes are designed to foster talent and equip our employees with vital skills and experience. Skills development is built into the individual performance plan of each employee. The Group offers a range of internal and external accredited training and tertiary studies designed to help employees deliver on our business strategies and equip them with the skills required in the retail environment.

Numerous learning interventions took place across the Group (reskilling and upskilling) as a direct consequence of our people having experienced so much uncertainty over the year due to the Covid-19 pandemic. Our delivery channels were also adjusted to accommodate more virtual interventions.

IN LINE WITH OUR STRATEGY OF DEVELOPING OUR INTERNAL TALENT AND GROWING LEADERS FROM WITHIN, THE PERCENTAGE OF INTERNAL APPOINTMENTS WAS 87% (2021: 88%) FOR WOOLWORTHS, 64% (2021: 60%) FOR COUNTRY ROAD GROUP, AND 64% (2021: 68%) FOR DAVID JONES, WITH GROUP LABOUR TURNOVER FOR THE SAME CATEGORY AT 18.2% (2021: 16.4%).

DEVELOPING WOOLWORTHS' INTERNAL TALENT PIPELINE

Woolworths remains committed to its skills development strategy. Considering the recent changes in how we work because of the Covid-19 pandemic, we have adjusted the delivery channels for learning. More workshops are now facilitated virtually and/or delivered via internal communication platforms such as SharePoint, the MyWoolies app and, in certain cases, WhatsApp.

Woolworths training spend in 2022 was more than double that of 2021 and is a 19% increase on the 2020 training spend.

R144.5M

Woolworths training spend in 2022

2021: **R67.5M** 2020: **R121.6M**

The Woolworths pipeline programme is aimed at preparing our top talent for future career progression and enabling them to operate at the next level of work. It is aligned to individual performance planning, the national transformation agenda, and skills requirements to fast-track the career progression of internal staff while also ensuring that there is an external recruitment pool for the business and broader industry to fill vacancies from. Unemployed graduates and students who require exposure in their chosen field as part of the graduation requirements (interns), with a focus on developing core or scarce skills, are placed at various departments for workplace experience and internships within our business. The graduates receive 12 months' work experience at Woolworths, earning an income and contributing to the economy.

WOOLWORTHS-FUNDED LEARNERSHIPS AND BURSARIES

Woolworths has launched a 'reinvent yourself' campaign for employees who are interested in completing a learnership in one of the future skills that we've identified. This is an opportunity for employees to learn, grow and reinvent themselves through Woolworths-funded learnerships. It is focused on developing future-fit skills for the business and providing employees with an opportunity for personal growth. The learnerships offer structured learning and a chance to gain practical workplace experience, culminating in obtaining a formal qualification.



2 339 WOOLWORTHS-FUNDED LEARNERSHIPS GRANTED IN 2022

580

Woolworths-funded unemployed black South Africans completed a 12-month learnership qualification

BURSARIES

At Woolworths, we offer funding for tertiary education to our top talent across all levels. We also offer employees at certain job levels bursary funding for any of their dependants who wish to complete a retail-related qualification. In the past year, we offered 76 dependant bursaries for the 2022 academic year, amounting to an investment of approximately R2.4 million.

226 WOOLWORTHS TOP TALENT EMPLOYEES RECEIVED MORE THAN R5.3 MILLION IN BURSARY FUNDING.



SAICA TOPP PROGRAMME

Woolworths has been accredited by the South African Institute of Chartered Accountants (SAICA) as a Training Outside of Public Practice (TOPP) training office for prospective chartered accountants (CAs). The programme has been running for three years. Woolworths employees who are also aspiring CAs can complete their articles within the finance teams without having to leave the business.

We are now in our third cycle of the TOPP Programme. Of the four candidates recruited to date, three successfully qualified as CAs and were accommodated in the business, and one candidate's targeted completion date is February 2023. We have also recruited our new intake of two candidates for the next cycle of the programme. Five of the six candidates recruited to date are African.

THE FIRST TIME MANAGER SERIES

The First Time Manager Series is a modular development series that offers internally appointed new managers and new managers who come into Woolworths an opportunity to learn in a structured way. The series aims to build manager competence as a Values-Based Leader to deliver on Woolworths business priorities and customer intent.

Sixty-five first-time managers have received this training since inception of the programme.

LEADERSHIP AND LEARNING

Over the past two years, as our business has navigated through the difficult pandemic environment, we have focused on business-critical or resilience capability for our teams. We continued to deliver leader live sessions in a virtual way to ensure that we continued to build capability in our leaders. We have, however, recognised our need to invest in the capability of our leaders and teams going forward. As such, we have recently completed a leadership and learning diagnostic that has helped us identify our priorities with frontline and mid-level managers identified as our primary focus for the next year.

Due to changes in the human resources team, our ability to deliver Values-Based Leadership (VBL) was not possible in the first half of the year. However, we have recently accredited a few team members in the function so that we can respond to a business desire to continue to utilise VBL.



INFINITY CULINARY TRAINING

Woolworths continues to support the Infinity Culinary Training (ICT) centre, which provides disadvantaged South African women and men with basic cooking and life skills necessary to find immediate employment in a professional kitchen. This centre also provides a pipeline for candidates to join our business. There are currently 53 graduates from ICT working at Woolworths.

DIGITAL ENABLEMENT OF LEARNING

In a fast-changing world that is becoming more digitally enabled, we need to be able to train our people more efficiently and effectively to deliver our strategy; however, in Woolworths, our learning and development ecosystem doesn't enable this aspiration, and approximately 90% of our training is delivered in physical training rooms. This not only limits scalability and access to learning but creates a costly learning delivery channel that is not agile and cannot respond at the pace of strategic business changes. An initiative is underway in Woolworths to implement an appropriate digital learning solution that will help us to deliver a high-impact learning solution.

DEVELOPING COUNTRY ROAD GROUP AND DAVID JONES INTERNAL PIPELINE

In Australia and New Zealand, we continued our focus on optimising people processes through aligning the different brands in response to the regional people strategy. The region participates in the Group's talent process, resulting in a deeper understanding of the talent that exists in the regional ExcOs, and identifies successors for their roles. In January 2022, a project was established to agree to a regional talent approach that would see local talent activity aligned to business needs. The project has delivered some key concepts, frameworks, and tools to be used regionally to ensure that we are thinking deeper into the region about talent.



NATIONAL INDIGENOUS FASHION AWARDS MENTORSHIP

Country Road partnered with the Darwin Aboriginal Art Fair Foundation (DAAFF) in support of the National Indigenous Fashion Awards (NIFA) and Country to Couture. Through this, we offer a 12-month mentorship to the winner of the National Indigenous Fashion Awards (Fashion Design category). The NIFA mentorship is a tailored mentorship to the winner of the NIFA Fashion Design category. In 12 months, the mentee has access to key departments across Country Road, supporting them in acquiring knowledge and skills with a view to building their business. Country to Couture is an annual celebration of First Nations art and design talent, which we support by sharing and amplifying Indigenous voices and work across our platforms.

REMUNERATION

The Group's remuneration philosophy is to ensure that employees are incentivised and rewarded appropriately for their contribution to the execution of the strategy of the Group. As an integral component of the EVP, the Remuneration Policy has been designed so that it will continue to attract, engage, retain, and motivate the right, diverse talent required to deliver sustainable profit growth.

The remuneration policies are designed to achieve alignment between the Group's business strategy and the behaviours of all employees against the values of the Group. The policies recognise and reward individual responsibility, performance, and behaviour in the achievement of business goals. These policies are applicable to all Group employees, and participation in short- and long-term incentive schemes is dependent on an individual's role and level within the Group.

The Remuneration Policy is focused on achieving a fair and sustainable balance between guaranteed pay, short-term incentives, long-term incentives, and retention schemes for these employees. The application of the Remuneration Policy (on a Group-wide basis) is guided by the King IV™ principles relating to fair and responsible remuneration that have been adopted by the Group.

OUR JOURNEY TO A JUST WAGE

Over the past three years, a significant amount of work has been done by Woolworths on our journey towards paying all our people a just wage. The business conversation around a living wage started in 2017 within the context of a broader national conversation related to the minimum wage, living wage, and the South African GINI coefficient.

Woolworths pays South African store employees above the sectoral and minimum wage levels present in the country. This applies to both 40-hour and 28-hour contracts.

Wage regulatory measures do not discriminate against women. Assessments of company minimum rates compared to the Minimum Wage Act and the sectoral determination are conducted annually when new rates are published.

PHASE 2 OF THE JUST WAGE INCREASE WAS IMPLEMENTED IN APRIL 2022, OUR HOURLY RATE IS NOW 21% ABOVE THE RETAIL SECTOR MINIMUM WAGE AND 57.6% ABOVE THE SOUTH AFRICAN MINIMUM WAGE. A FURTHER ADJUSTMENT AS PER OUR NORMAL SALARY REVIEW CYCLE WILL BE EFFECTIVE IN OCTOBER 2022.

The fair and reasonable pay strategy in Country Road Group and David Jones, linked to ensuring a compelling EVP for our employees, has commenced and is on track to deliver its objectives in the next year.

While we appreciate that the shift to a just wage would ultimately reduce staff turnover and its associated costs, including recruitment, induction, training, staff uniform costs, as well as the cost of absenteeism, we have also remained conscious of the timing thereof, given the continued pressure on expenses, and have therefore agreed that this would be an ongoing journey.

DIVERSITY AND INCLUSION

INCLUSIVE JUSTICE INITIATIVE

THROUGH THE INCLUSIVE JUSTICE INITIATIVE (IJI), LAUNCHED ACROSS THE GROUP THIS YEAR, WE AIM TO INSTIL PRACTICES AND FOSTER A CULTURE THAT ADVANCES DIGNITY, FREEDOM, AND EQUALITY FOR EVERYONE. INCLUSIVE JUSTICE MEANS TAKING ACTION TO ADDRESS SYSTEMIC INEQUALITY IN PRACTICAL AND LOCALLY RELEVANT WAYS.

It goes beyond the work involved in creating diverse and inclusive environments, and includes making real changes across the regions in which we operate. As a Group, we are committed to non-discrimination, non-sexism, and non-racism across all our policies, practices, and daily operations. IJI focuses on matters relating to racism, gender equity, gender-based violence, LGBTQIA+ rights, diversity and inclusion, reconciliation, social and community development, fair and responsible pay, the development of small to medium businesses, ethical and local sourcing, as well as continually driving activism with employees. We value diversity and inclusion as key components of our EVP, and believe that a strong, diverse, and inclusive strategy that is unique to each of the regions in which we operate should be a key part of our employee attraction and retention framework.

We understand that what it means to be an inclusive business is a moving target, and now is the time for us to evolve and accelerate our actions, taking the natural next step in our journey. The IJI is this next step, aimed at realising inclusive growth for all our people – a natural evolution of the people and socio-economic aspects of our Good Business Journey.

We also know that each of our regions across the Group is at a different stage in its IJI journey, and we expect that, in a group with a diverse global footprint, this will always be the case. The IJI acknowledges this and paves the way for each region and specific country to take action to address systemic inequality in tangible and locally relevant ways. It will speed up our commitment to building an organisation that not only embraces diversity, equity, and inclusion but uses its influence and reach to help build a society where more people feel they can embrace their individuality, be accepted, and belong.

In support of the IJI's initial primary focus of advancing inclusive justice for women, Woolworths has hosted several panel discussions to unpack issues of gender-based violence, racism, sexual harassment, LBTIQIA+, women empowerment, broader marginalisation, and inclusion and belonging in the workplace. To further empower our people, a sexual harassment policy and comprehensive training programme (compulsory for all employees) was launched.

Country Road Group and David Jones continue to focus on delivering their inclusion goals that are aligned to IJI.

Woolworths participated in an NBI Thought Leadership Dialogue in which we shared our journey to inclusive justice and our approach to building a social justice ethos.

CASE STUDY



WHL SIGNS UP TO UNITED NATIONS WOMEN'S EMPOWERMENT PRINCIPLES

On International Women's Day, WHL became the first major South African retailer to become a signatory to the United Nations Women's Empowerment Principles (WEPs). Developed in partnership with the United Nations Women's and the UN Global Compact Office, the WEPs are a set of seven guidelines that offer direction to companies on how to promote gender equality and the empowerment of women in the workplace, our value chains, and communities. By signing and committing to these principles, and in line with IJI, we acknowledge that gender equality is not a women's issue; it is a business priority in which we all have a stake and for which we are all responsible.

THE WEPs COMMIT US TO THE FOLLOWING:

- Conducting a thorough gap analysis on our commitment, strategies, implementation, measurement, and reporting on women empowerment and gender equality
- Developing, implementing, measuring, and reporting progressive strategies and plans to address the identified gaps

This partnership is aligned to our IJI vision of inspiring inclusive growth for all our people. Our undertaking to the WEPs further demonstrates our commitment to ensuring an equal and inclusive environment within and beyond our organisation.

EMPLOYMENT EQUITY

In South Africa, Woolworths has adopted the nationally legislated Employment Equity (EE) prescripts and, as part of this, integrates greater participation of historically disadvantaged groups across all spheres and levels of the organisation. Year one of our five-year EE targets has been a significant stretch amplified by the ongoing vacancy freezes and cost containment pressures in the second half of the year. We have subsequently completed a replanning exercise to implement a three-year plan going forward. The focus of the plan is twofold: to transform the existing workforce through targeted talent development plans; and to ensure that incoming recruits better reflect local demographics, with a particular weighting towards historically disadvantaged groups. Leadership has specific performance goals in relation to this plan, which they are measured against internally. To ensure that it remains a focus, we have various management and staff diversity committees who are consulted regularly on the effective execution of this plan.

While the plan is focused on an organisational level, we have various anti-discrimination policies aimed at creating a culture in which all our employees feel welcome, where they believe and know they are treated fairly, and where they are not discriminated against.

Broad-based Black Economic Empowerment (BBBEE) is also used as one of the frameworks to ensure that Woolworths continues to contribute meaningfully towards national priorities to transform the workplace, the industries in its value chain, and communities in which we operate, in order to make the economy more inclusive and realise our commitment to inclusive justice.

Currently, historically disadvantaged South Africans (HDSA) represent 96% (2021: 96%) of total Woolworths permanent employees, of which 66.4% (2021: 64.4%) are in middle- to top-management positions. Women represent 64.6% (2021: 64.2%) of HDSA permanent employees.

PEOPLE LIVING WITH DISABILITIES

The Department of Trade, Industry and Competition has set a BBBEE target that states that 2% of the company workforce should be black people with disabilities. In South Africa, our strategic approach to people with disabilities is aligned with our people and transformation strategies and the national skills development strategy. The implementation of this strategy is being carried out in partnership with the Wholesale and Retail SETA. We currently have 532 people (of which 497 are black people) with disabilities (2021: 563 of which 527 were black) working for Woolworths.

DISCRIMINATION

In the regions where we operate, there are codes of ethics and conduct that guide the business on what is expected to prevent discrimination in the workplace.

Woolworths has taken a blended approach to managing discrimination in the workplace. Our primary measure is the adoption of a broad corrective strategy known as the EE Plan, which aims to ensure greater participation of previously disadvantaged groups across all spheres and levels of our organisation. All members of our leadership team have specific performance goals in relation to this plan against which they are measured. To ensure that it remains a focus, we have set up various management and staff diversity committees who meet regularly to discuss the implementation and execution of this plan. While the plan is focused on an organisational level, we have various policies aimed at eradicating discrimination at an individual level. Our staff also have access to online learning material aimed at distilling topics related to discrimination, diversity, and inclusion.

In addition, measures are being developed to provide for an alternative reporting mechanism for employees to report discrimination and harassment. These external independent reporting opportunities will supplement current internal processes.

CASE STUDY

WPRIDE

The WPrize group is a Woolworths voice platform that enables our vision of inclusive growth in which everyone is accepted, protected, and respected regardless of sexual orientation, gender identity or gender expression. This is aligned with our Inclusive Justice Initiative (IJI) ethos expressed in the context of diversity, equity, inclusion, and belonging. It was established as an offshoot of the voice platforms, which were recently launched to provide a space for marginalised groups and sectors to have a voice that is heard and respected within Woolworths. Setting up these voice platforms has continued to be one of the key focus areas of the IJI, with the LGBTQIA+ platform serving as the prototype.

WOOLWORTHS HEIGHTENED ITS FOCUS ON ISSUES AFFECTING LGBTQIA+ COMMUNITY WORK THROUGH A WPRIDE CAMPAIGN DURING JUNE ('STAND UP FOR PRIDE MONTH'). THE SCOPE OF THIS CAMPAIGN WAS INTERNAL AND EXTERNAL, AND WAS SUPPORTED BY VISUAL EXECUTION IN OUR STORES.

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CELEBRATING PRIDE 2022

BULLYING AND SEXUAL HARASSMENT

Woolworths launched the new Sexual Harassment Policy in South Africa, and training for staff and management is planned for the next year. Retail and store management are all required to attend a training programme for employee relations. While the scope of this training is broad employee relations, this includes handling and investigating of sexual harassment complaints. The WHL Group has a structured mechanism for dealing with grievances, and the training programme covers the reporting lines, limits of the mechanism, and the handling of grievances. In addition, specific training on managing sexual harassment, as well as broader harassment in the workplace, has been developed for implementation across management, together with a further programme aimed at all employees to increase awareness, enable employees to understand their rights, and inform them of reporting channels. Education for staff has rolled out, and training for managers will start in the new financial year.

Woolworths has also moderated various panels on gender-based violence in a bid to raise awareness of the new Sexual Harassment Policy and other issues related to gender-based violence. On average, more than 200 employees participated in the discussions. Continued communication and awareness initiatives of the Sexual Harassment Policy, reporting and support services are planned.

In April and May 2022, a bullying and harassment training session was completed with Country Road Group and David Jones Excos, which was conducted by an external legal firm. This was an opportunity to reinforce our obligations when it comes to bullying and harassment. Over the coming months, it will be rolled out through online learning to our support centre and David Jones retail teams.

DIVERSITY AND INCLUSION IN AUSTRALIA AND NEW ZEALAND

In Australia and New Zealand, we are committed to equal opportunity in the workplace for all, regardless of age, career status, disability, industrial activity, physical features, political belief or activity, pregnancy, race, religion, gender, or sexual preference. Compulsory Equal Employment Opportunity (EEO) training is completed by all new employees to increase awareness of these issues.

To meet all Australian legislative requirements in respect of the Workplace Gender Equality Agency (WGEA), EEO, and other related laws, Country Road Group and David Jones submit their annual WGEA reports detailing female representation in the workplace.

This year, the proportion of women for Country Road Group was 90% (2021: 89%), and for David Jones 78% (2021: 78%); combined, this equates to 83% female representation for the region. The diversity and inclusion approach for the region comprises three key streams of work.

DIVERSITY AND INCLUSION FRAMEWORK

Acting on an analysis conducted in partnership with an external consulting firm, Country Road Group and David Jones identified a need to understand our inclusion and belonging aspirations, including the areas we want to focus on. In January 2022, we had a strategy endorsed by the Exco in the region and have since commenced implementation of activity as part of this plan. We also introduced a free text question asking our team members, "How can we be more inclusive?" in our August 2021 employee opinion survey, which provided valuable input.

DIVERSITY AND INCLUSION ALLYSHIP

A Diversity and Inclusion Allyship (Allyship) has been established, with its own terms of reference, governance, and cadence of information. This group champions and leads the charge to promote, drive awareness of, and lead initiatives for diversity and inclusion for David Jones and Country Road Group.

THE GROUP IS SPLIT INTO THREE WORK STREAMS:

- Training and awareness
- Communication and programmatic initiatives
- Community and engagement

During the year, the Allyship reflected on what had worked so far and what the opportunities could be moving forward. The conversation centred around the new inclusion and belonging strategy that was endorsed by Exco and feedback through the employee opinion survey from our team members on what we could do to improve inclusion in the workplace. As a result, they have regrouped around how they will work, how regularly they will meet, and how they will come together to achieve awareness and celebration of inclusion in our workplace.

THIS INCLUDES:

- A new cadence of meetings
- Some structure with regards to how activity is driven (e.g. templates, communications approach)
- A shared space on our intranet site, Workplace, for the Allyship to share information
- A calendar of events for the next 12 months identifying 10 key events to celebrate

During the year, the Allyship cohort rolled out an LGBTQIA+ awareness and education campaign among David Jones and Country Road Group employees.

Going forward, the focus will be on ways to maintain momentum and continue to raise awareness with teams about inclusion.

DAVID JONES AND COUNTRY ROAD GROUP RECONCILIATION ACTION PLAN

In Australia, we have implemented a Reconciliation Action Plan (RAP). The RAP forms the strategic and operational management framework on how to approach the bridge between actual and perceptual gaps between Aboriginal and Torres Strait Islander and non-indigenous employees, customers, and communities in the areas of health, education, and social inclusion.

THE PLAN HAS VARIOUS ELEMENTS, INCLUDING:

- Nurturing mutually beneficial relationships with Aboriginal and Torres Strait Islander communities
- Promoting and celebrating their rich culture, values, and history
- Providing them access to the same opportunities as non-indigenous people
- Tracking progress and reporting against commitments

We have aimed to demonstrate our respect for First Nations people through our commitments to environmentally sustainable business practices and to working collaboratively and ethically to increase First Nations inclusion in our business and the Australian fashion and lifestyle industry. This year, we continued telling the stories of First Nations people and talent across our media channels. We also featured their talent in Country Road campaigns.

In collaboration with the Darwin Aboriginal Art Fair Foundation (DAAFF), a partnership that Country Road has held since 2020, we welcomed a group of young people from the remote Wadeye community in the Northern Territory into our Chadstone store for an educational tour about retail careers and the fashion industry. Through this partnership, we continue to support reconciliatory initiatives in Australia.



TRENERY CELEBRATES DIVERSITY

Trenerly has celebrated a wide range of talent across age and ethnicity to highlight the importance of diversity. A positive mention of Trenerly was highlighted in the media to acknowledge the use of mature talent in its campaigns. Positive feedback has also been received via Trenerly's social media platforms from the Trenerly customer. A recent survey of Trenerly members also highlighted that Trenerly customers choose classic styles that are pared back and not driven by latest trends. The customer's perception of Trenerly is that the clothes will deliver longevity and can be worn for many years. Diverse talent will continue to be engaged for the brand with a specific focus on marketing activities aligned to the 50+ age bracket, targeting culture, the arts, and travel. Trenerly's use of more mature talent in campaigns is a key differentiator from other retailers, highlighting women of a certain age to celebrate diversity.

WOOLWORTHS CELEBRATES TURNING 90

With Woolworths turning 90, our employees managed to celebrate together even though we were apart, and our people united across the country to sing our Happy Birthday song with the Ndlovu Youth Choir.

EMPLOYEE ENGAGEMENT

The Group regularly conducts company-wide employee opinion surveys to inform our understanding of how our people experience working for us, how we measure against their expectations, and where we can improve. The surveys are confidential and are used as one of the ways for us to understand how we can create a modern employee experience from an employee perspective. The surveys also help the organisation respond to trends and issues faster.

We also engage with our employees through regular communication media that are sent company-wide. Woolworths also hosts Exco Chats, where our staff engage with an Exco member via the intranet. It is our way of keeping the communication lines open and transparent. Employees can ask questions, which are responded to in real time. In Australia, regular Town Hall sessions are hosted by the CEOs of our respective businesses, and are an important and regular touchpoint with our people. For stores, there are regular roadshows in place to ensure an ongoing connection with our store employees.

CASE STUDY

TOGETHER, WE DIAL UP DIGITAL

The Woolworths MyWoolies app was introduced in 2019 and was originally designed as a supplementary communication platform to give our people, particularly in stores, easier access to information like payslips, business updates, and other engaging people-related information. Using this platform, we can reach more than 34 000 of our staff. Our internal communication structures, particularly in stores, relied mostly on print and face-to-face channels. We have a great intranet, but colleagues in stores and distribution centres have limited access to computers as they are on the floor or at till points. The MyWoolies app has bridged this gap, with us having learnt lessons and refined it during the heavy lockdown period. It has moved from just being an innovative supporting communication channel to being a central and essential communication tool for the business.

We now use the app as a library of all content that we share with employees. Several campaigns and activities have also been shared to encourage employee participation and to make everyone feel connected, even when working from home. At the start of the pandemic in 2020, the adoption rate on the MyWoolies app was around 56% (20 129 employees). Currently, 87% (30 724) of our employees are registered (93% of whom are store employees). The MyWoolies app is now an acknowledged and often first-choice digital internal communication platform at Woolworths. It is the only digital platform that can reach all our employees at the same time.

We also moved some of our printed communication, such as posters and our staff magazine, Shop Talk, onto the app. The platform is now also extensively used for communication on vaccinations and return-to-office arrangements. We also introduced a home screening functionality for the Covid-19 pandemic, micro-learning modules, knowledge to share, and employee wellness modules.

“I think the app is very convenient, especially with payslip checking, as it reduces the traffic in workstations... Also, with the Covid-19 home screening, it can be very easy for everyone and we can maintain social distancing perfectly at our screening stations... I just love the app because you get all the relevant information, even on your off day.”

PULSE SURVEYS AND STAKEHOLDER PERCEPTION SURVEY

Throughout the pandemic, Country Road Group and David Jones continued to run Pulse Surveys to check the temperature of our teams and the impact of the Covid-19 pandemic. This informed the way we adjusted as a business. When it was expected that the states and territories would be open for trade in August 2021, a full Engagement Survey was planned; however, due to lockdowns, a decision was taken to revert to another Pulse Survey. Three Pulse Surveys were administered across the business, running from 30 August to 8 September 2021. In revising the Pulse Surveys, we were able to ask questions consistently across all entities while also adding some questions that were specific to current business priorities or other programmes of work.

57% OF COUNTRY ROAD GROUP AND 58% OF DAVID JONES STAFF PARTICIPATED IN THE PULSE SURVEY.

The Group has developed a three-year continuous listening strategy, going beyond just the engagement surveys and moving towards other opportunities to engage in listening to our people. We aim to integrate this into other activities, such as leadership non-negotiables like regular one-on-ones.

THE STRATEGY HAS INFORMED OUR PLAN, WHICH NOW INCLUDES:

- Conducting full Engagement Surveys and Pulse Surveys
- Formalising listening moments that focus on team member induction or onboarding and departing (exit survey) to start to build insights on why people join, the experience they have getting to know our business, and why they choose to leave
- Conducting regular one-on-ones with management as a business non-negotiable to create opportunities to share information with teams, and hold career and development discussions

A biennial Stakeholder Perception Survey was conducted this year for Woolworths. It provided an opportunity to track stakeholder perceptions and monitor levels of trust in the company across different stakeholder categories. The purpose of the survey was to ascertain what issues matter to our stakeholders and what their perceptions are about how Woolworths is performing on these issues. In addition, the survey assists in determining how much our people trust us, and whether we are experienced as a responsible corporate citizen and a purpose-led and values-based organisation.

Both these surveys measure, among other things, employees' opinions, experiences, and input on a variety of organisational effectiveness indicators, and include views on employee engagement, leadership, our corporate culture, and how employees generally rate and experience the Group as an employer.

WHISTLE-BLOWING

The Group is committed to conducting business with integrity and honesty, and encourages a culture of intolerance to wrongdoing and speaking up when any wrongdoing is encountered so that appropriate action can be taken.

Woolworths has a confidential reporting channel known as the tipoff line, which is managed by Deloitte, an independent accounting partnership. The scope of the tipoff line is largely aimed at fraud, theft, and corruption reporting, but employees can use it for confidential bullying or harassment complaints, which are identified and resolved. In addition to this, an independent reporting service is being set up specifically to address sexual harassment but will also be open to other forms of harassment, including bullying.

Not restricted to bullying or harassment, Country Road Group and David Jones' hotline is open for all matters that a team member may wish to report confidentially.

COLLECTIVE BARGAINING

Collective bargaining agreements exist only in some of the African countries in which we operate. As a signatory to the United Nations Global Compact, we subscribe to freedom of association and the effective recognition of the right to collective bargaining. In 2022, Woolworths union membership was 2.75% (2021: 2.70%).

In South Africa, SACCAWU numbers have increased again in our Supply Chain division to 48% currently, and while we are not yet into a collective bargaining space, SACCAWU is engaging us with regards to a recognition agreement.

In 2022, David Jones and Country Road Group union memberships were 19.47% (2021: 22.54%) and 0.49% (2021: 0.25%), respectively. Consultation in relation to major change is a mandatory provision for Australian collective agreements.

During the year, there was industrial action at the Country Road Group Omni-channel Fulfilment Centre. Through extended bargaining and the introduction of a proactive union representing the staff, the bargaining dynamic became adversarial. Picketing, and the impact of labour shortages and the Covid-19 pandemic, resulted in disruptions across operations and distribution, and impacted the broader store network.

CIVIL UNREST

The civil unrest that took place in KwaZulu-Natal (KZN) and Gauteng (GA) in the week of 11 July 2021 had a significant impact on our people, all of our stores in KZN and some in GA, as well as our distribution centre in KZN, which were not operational for a week.

INCLUSION IN THE SUPPLY CHAIN

As a contribution to the broader country vision of inclusive economic growth and a Woolworths commercial imperative of building a diverse supplier base, Woolworths has an Enterprise and Supplier Development (ESD) programme. The programme's intent is to remove barriers for emerging black- and black women-owned businesses to enter our supplier base. At the heart of it is the unlocking of market opportunities for small and medium black- and black women-owned enterprises, and further providing capital and relevant capacity building to deliver to supplier expectations. Woolworths is on a purpose-led journey to transform entrepreneurial passion and energy into sustainable local black businesses absorbed in our supply chain. In the financial year under review:

- We contributed over R2.9 billion (2021: R2.4 billion) towards revenues of small and medium enterprises participating in our supplier base

WE CONTRIBUTED R5.9 BILLION (2021: R3.4 BILLION) IN REVENUES OF BLACK- AND BLACK WOMEN-OWNED SUPPLIERS IN OUR SUPPLIER BASE

- The 34 (2021: 36) beneficiaries of our ESD programme accessed procurement opportunities to the value of R453.4 million (2021: R398.3 million) because of tailor-made support provided by Woolworths and its partners
- 393 new jobs were created through the market and development support we provided to small and medium black- and black women-owned businesses

After more than 12 years on this journey, Woolworths prides itself in ongoing learnings from the successes and failures of small businesses in different sectors of the economy.

All these learnings are being consolidated into a future programme that will step up our contribution to inclusive and sustainable economic growth through SMME development in the new year.

CASE STUDY

ISIBAGS

Isikhwama Manufacturing (trading as Isibag) is an exclusive supplier to Woolworths, and first started producing and supplying reusable bags more than 15 years ago. Isibag is a black-owned enterprise creating employment for unskilled and semi-skilled workers, who are mainly women. Their vision is to create sustainable jobs for South Africans. Their business with Woolworths has grown significantly over the past few years. This exponential growth was due to the announcement by Woolworths to remove all single-use plastic shopping bags from their stores, with the alternative being the reusable low-cost shopping bag.

The business has grown from making approximately 20 000 bags per week 10 years ago to more than 750 000 bags per week, driven by the Woolworths reusable low-cost shopping bag (LCB). Importantly, this growth has led to the employment of 154 more people over the last two years.

In order to accommodate this expansion, Isibag moved to a bigger factory closer to the Woolworths Distribution Centre, and thanks to the support from the Woolworths Enterprise and Supplier Development programme, they purchased equipment, including four machines to manufacture the reusable LCB.

The past two years have been incredibly challenging; however, due to the hard work and partnership between Isibag and Woolworths, the shopper bag department has grown across the fabric, design, and shopping bag categories. Over 300 single-use plastic-shopping-bag-free stores have now been rolled out, with plans on track for the conversion of all stores to single-use plastic-shopping-bag-free in future.



SOCIAL DEVELOPMENT

Why is this focus area important?

As a responsible corporate citizen, we have a responsibility to play a meaningful role in addressing the economic and societal needs and expectations of the communities where we operate. We can only grow and sustain long-term profit in a socially inclusive and equitable economy that has a sufficiently skilled, educated, thriving, and healthy community.

Chantal Braaf, principal of Happy Valley Daycare Centre in Strandfontein, Western Cape.

OVERVIEW

R995M

Total Group corporate social investment contribution

2021: **R918M** 2020: **R854M**

Comprised of:

R970M

from Woolworths (South Africa and rest of Africa)

2021: **R893M** 2020: **R801M**



R25M

from Country Road Group and David Jones (Australia and New Zealand)

2021: **R25M** 2020: **R53M**

A\$0.5M donated by Witchery to the Ovarian Cancer Research Foundation from the annual White Shirt Campaign

2021: **A\$0.3M** 2020: **A\$1.4M**

R786M

worth of surplus food donated by Woolworths

2021: **R731M** 2020: **R643M**



R64M to MySchool

2021: **R66M** 2020: **R64M**

R10M to MyVillage

2021: **R9M** 2020: **R9M**

R12M to MyPlanet

2021: **R13M** 2020: **R12M**

HIGHLIGHTS

- The Politix Mo-Hair suit, created for Movember to spark conversation around men's health issues, was awarded a Guinness World Record for the world's first suit made from moustache hair
- Woolworths Trust donated R400 000 in total to more than 80 employee-nominated organisations
- David Jones donated A\$200 000 to fund the staffing costs of six Rose Clinics, which provide complimentary breast screening services for women over 40
- Woolworths Making the Difference Programmes launched their digital platform

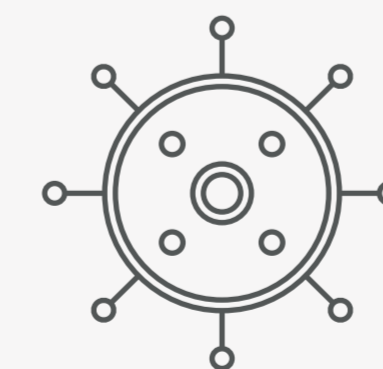
WOOLWORTHS WAS THE 2ND RUNNER-UP IN THE INTERCONTINENTAL GROUP OF DEPARTMENT STORES AWARDS FOR THE WORLD'S BEST SUSTAINABILITY/CSR CAMPAIGN BY A DEPARTMENT STORE FOR OUR ZERO HUNGER FOOD SECURITY CAMPAIGN.

LOOKING AHEAD

We will continue to support our existing programmes and partnerships, and seek out and drive collaboration with other like-minded stakeholders to create deeper, meaningful impact.

MORE SPECIFICALLY, WE WILL:

- Continue to incorporate the Inclusive Justice Initiative ethos into our strategy and management approach, ensuring a deeper sense of inclusivity in participation and impact
- Focus on supporting causes that drive sustainable change



LOWLIGHTS AND CHALLENGES

Covid-19 continued to be a major disruptor to our programmes. In certain instances, we needed to simplify campaigns, or transition to new, online or hybrid models of engagement and support.

EDUCATION

We aim to support the improvement of schools' educational outcomes through three focus areas:

- 1. Fundraising to support schools*
- 2. Positively impacting the education ecosystem*
- 3. Improving the health and wellbeing of learners at school*

1. FUNDRAISING TO SUPPORT SCHOOLS

MYSCHOOL MYVILLAGE MYPLANET

 **PARTNERS**
Other retailer partner stores, our customers, charities

 **SUPPORT**
R86 million donated (2021: R88 million)

MySchool MyVillage MyPlanet (MySchool) is a long-standing, multi-partner loyalty programme aimed primarily at fundraising for education, but also for charities that support local communities, animals, and the environment. MySchool leverages the national footprint of Woolworths and its other retail partners, enabling customers to use their shopping and loyalty cards to support schools and other charities. Currently, 8 481 causes (2021: 8 445) are being supported by 1.3 million customers (2021: 1.2 million) and 566 partner stores (2021: 467) through the programme. The causes supported include 7 133 schools (2021: 7 167), 1 068 charities that support people and their communities (2021: 1 012), and 280 charities that support animal and environment-related causes (2021: 266).

KEY ACTIVITIES DURING THE YEAR

- Donated R450 000 to the Woolworths Christmas Give campaign in aid of food security
- Through the Dream2Teach Fund, increased the number of teacher bursaries and internships from 20 to 50
- Contributed towards a new clinic for the Domestic Animal Rescue Group that will provide medical care and sterilisation for animals in Hout Bay's lower-income areas
- Contributed towards the Pug Rescue Gloves On project, which provides sterilisation and vaccinations to dogs and cats in five South African provinces
- In conjunction with Biblionef, a non-profit book donation organisation, provided 80 teachers across 10 primary schools in the Hammarsdale area of KwaZulu-Natal with reading books in English and African languages so that they can foster a love for books and reading among their 2 000 students. Training was also provided to these teachers on the incorporation of these books into their daily lesson plans

CASE STUDY

SUPPORTING EARLY CHILDHOOD DEVELOPMENT CENTRES (ECD CENTRES)

GROW Educare provides high-quality, accessible and affordable learning opportunities to Early Childhood Development (ECD) centres in under-served communities. GROW believes that all ECD centres should be able to provide children with the quality learning they need to set them up for success while also providing sustainable jobs for educators. During the year, MySchool subsidised grants for 40 low-income ECD centres to purchase the GROW programme and equipment. GROW is a non-profit social organisation. Through its 5-Steps to 5-Star ECD programme, it equips local women to run professional ECD centres that are also financially sustainable.

GROW provides an all-in-one solution ranging from a mobile app to manage admin, to policies, procedures and equipment, and ongoing training, mentoring and peer-to-peer network support.

GROW currently works with 45 ECD centres, with a total of 94 classrooms, in which 2 136 children are educated and 180 jobs are supported across Johannesburg, Cape Town, Durban, and Pietermaritzburg.



Teacher Tamryn van Noie from Annie's Ark Preschool in Lansdowne

LITERACY IS FREEDOM

 **PARTNER**
Australian Literacy and Numeracy Foundation

 **SUPPORT**
A\$32 631 donated (2021: A\$71 092)

David Jones raises funds annually for literacy programmes run by the Australian Literacy and Numeracy Foundation (ALNF) for Aboriginal and Torres Strait Islander communities. During this year's ALNF's Literacy is Freedom campaign in August, David Jones donated 10% of book sales for the month to ALNF and raised funds through the sale of limited-edition kids', women's and men's tees created by designer partners.

Annually, David Jones donates

A\$31 500

to the GO Foundation, a charity that provides school and university scholarships to indigenous students



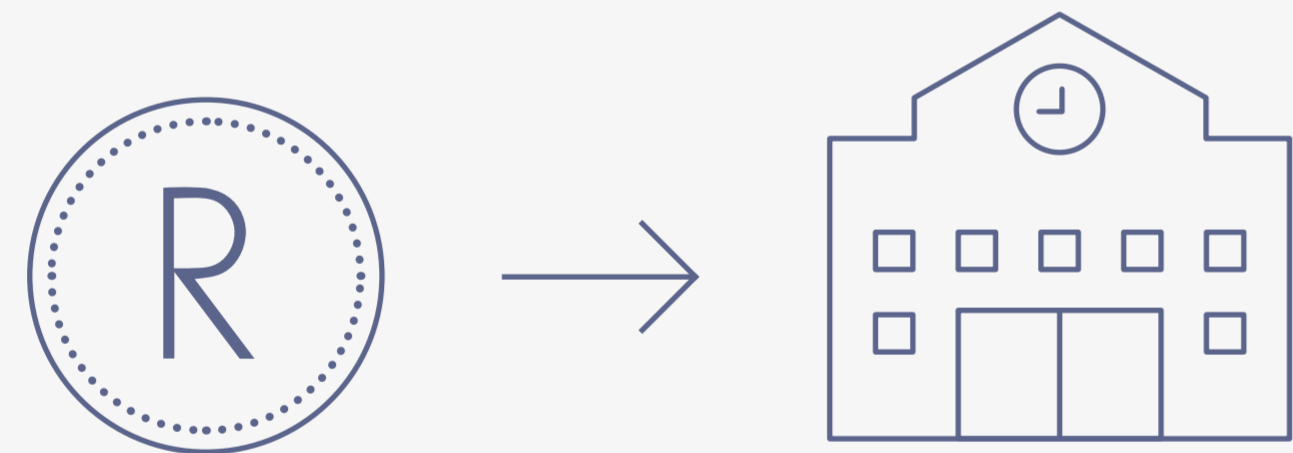
2. POSITIVELY IMPACTING THE EDUCATION ECOSYSTEM

NATIONAL EDUCATION COLLABORATION TRUST (NECT)

PARTNERS
Government, business, labour, civil society

SUPPORT
R2 million donated annually (R18 million to date); 4 000 schools supported annually

Woolworths' partnership with the NECT is a long-established one. For a number of years, we have been one of the top 10 corporate contributors to the NECT. The NECT aims to improve learning outcomes, with a particular focus on ensuring that, by 2030, 90% of learners will pass mathematics, science, and languages with a mark of at least 50%. During the year, the NECT supported learning and teaching at home with extensive online materials developed for teachers, parents, and learners. In addition, the NECT supported government in ensuring that learners without access to online resources were provided with other tools. The NECT is also co-ordinating relief efforts for 630 schools damaged in the KwaZulu-Natal floods.



R18M

donated to date (4 000 schools supported annually)

3. IMPROVING THE HEALTH AND WELLBEING OF LEARNERS AT SCHOOL

WOOLWORTHS MAKING THE DIFFERENCE PROGRAMMES

PARTNERS
Department of Basic Education, various subject matter experts

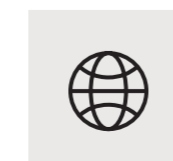
SUPPORT
R1.4 million (2021: R2.9 million); 121 433 learners reached (2020: 70 378)

This programme is one of the ways in which Woolworths uses its expertise in good food, healthy living, wellness, and sustainability to support the upliftment of education and the health and wellbeing of children, schools, educators, parents, and households in South Africa. The programme provides teachers with a suite of educational content in social sciences, life skills and natural sciences and technology, as well as curriculum-aligned educational components aimed at cementing key theoretical principles learnt in the classroom. In addition, the programme aims to support the overall wellbeing of our schools by providing dietician-led healthy living content to assist them, teachers, and parents

with promoting healthier eating choices. In 2020, due to Covid-19, all face-to-face engagements with schools had to cease, and the programme transitioned to offering support remotely. The decision to offer schools remote support culminated in the digitalisation of the programme with both desktop and mobile functionality. This migration enabled the programme to increase reach, visibility, flexibility, and accessibility.

The digital platform includes online offerings ranging from downloadable and printable work packs that include educator and learner booklets, posters, and engaging videos and tutorials; to virtual video experiences featuring lessons, games, music, and quizzes; and healthy living content, including quick and easy meals and tips to lead a balanced lifestyle. Approximately 4 000 registrations on this digital platform were received within the first five months of launch.

The programme seeks to expand its offering to offer foundation phase content and provide virtual store, supplier, and distribution centre tours in future.



FOOD SECURITY

We aim to improve access to food and healthy nutrition through two focus areas:

- 1. Alleviation of hunger and connecting surplus food to need*
- 2. Community-based solutions to address food insecurity*

1. ALLEVIATION OF HUNGER AND CONNECTING SURPLUS FOOD TO NEED

SURPLUS FOOD DONATIONS



PARTNERS
FoodForward SA



SUPPORT
R786 million in surplus food donated
by Woolworths (2021: R731 million)

To contribute towards the alleviation of hunger in local communities, as well as to reduce food waste to landfill from our operations, Woolworths has for many years donated surplus food from stores to needy communities via structured charity organisations. One of the key organisations we partner with in this regard is FoodForward SA. This non-profit organisation recovers edible surplus food at various stages of the food value chain and redistributes it to communities in need across the country, currently reaching more than 875 725 beneficiaries per day (2021: 475 000). We continue to encourage our food suppliers to redirect their surplus to FoodForward SA. During the year, we continued to roll out the FoodShare digital technology platform developed by FoodForward SA – now used by 287 stores. The platform virtually connects beneficiary organisations to retail stores and food outlets for the regular collection and reporting of surplus food donated. We will roll this out to additional Woolworths stores in the new year.

CASE STUDY

ADDRESSING YOUTH UNEMPLOYMENT AND LOWERING BARRIERS TO ENTRY INTO THE FOOD SUPPLY CHAIN INDUSTRY

Launched in 2019, FoodForward SA's Supply Chain Youth internship, which is accredited by the Sector Education and Training Authority, provides theoretical and practical training in warehousing, supply chain, and logistics. The programme is funded by partners such as Woolworths. A total of 31 unemployed youth have been trained on the programme since the launch; of these, 13 have been absorbed into permanent employment at FoodForward SA.

Amanda Mchunu completed a tertiary qualification, and after several unsuccessful job applications, she feared she would be adding to the staggering statistics of unemployed South African graduates. She saw an advert for the FoodForward SA internship and decided to apply. After being accepted and completing her internship, she was permanently employed as a receiving and dispatching clerk at FoodForward SA's Durban branch.



“This internship gave me a platform to grow, develop my skills, enhance my capabilities and also realise my full potential – both career-wise and on a personal level. It broadened my knowledge in the supply chain field (as I initially had little to zero knowledge of what the field of supply entailed) and the issues around food security in the country. What I appreciated most was the support structures that I had, from the facilitators of the programme to my manager and my colleagues. With the support I had, I was able to navigate through what was a foreign world to me and face all the challenges that came my way, more particularly due to the fact that I was a young female in a man's world. This internship programme also opened up opportunities for me.”

– Amanda Mchunu

2. COMMUNITY-BASED SOLUTIONS TO ADDRESS FOOD INSECURITY

LIVING SOILS COMMUNITY LEARNING FARM

PARTNERS
Spier Wine Farm, the Sustainability Institute

SUPPORT
10 internships created (2021: 4), 6 462 kg of produce harvested (2021: 8 421 kg)

In 2019, Woolworths partnered with Spier Wine Farm and the Sustainability Institute to launch a community learning farm near Stellenbosch. The objective is to create a self-sustaining community learning farm that showcases the production of nutritious food using sustainable farming methods. Incorporating training and development for young and emerging farmers and the broader community, the two aims of the farm are the development of long-term food security in the local community and reducing youth unemployment.

KEY ACTIVITIES DURING THE YEAR

- While Covid-19 continued to impact possible market sources, produce from the farm continued to be sold, with some of the produce supporting 200 learners at the Sustainability Institute, Stellenbosch University students, and households in the local community
- Nine Elsenburg Agricultural Training Institute farm manager diploma students are being hosted on the farm to facilitate their required 10 months of practical experience
- Interns visited the Woolworths Montague Gardens Distribution Centre as part of their experiential training to gain exposure to producing, distributing, and selling produce



REFLECTIONS AND IMPACTS: MARCH 2019 TO MARCH 2022



15 906 KG

of produce harvested

1.2

hectares planted on



Living Soils Community Learning Farm staff and interns



R148 768

worth of produce sold

30

varieties of vegetables grown

YEAR	2019	2020	2021	2022
INTERNS	12	11	5	10

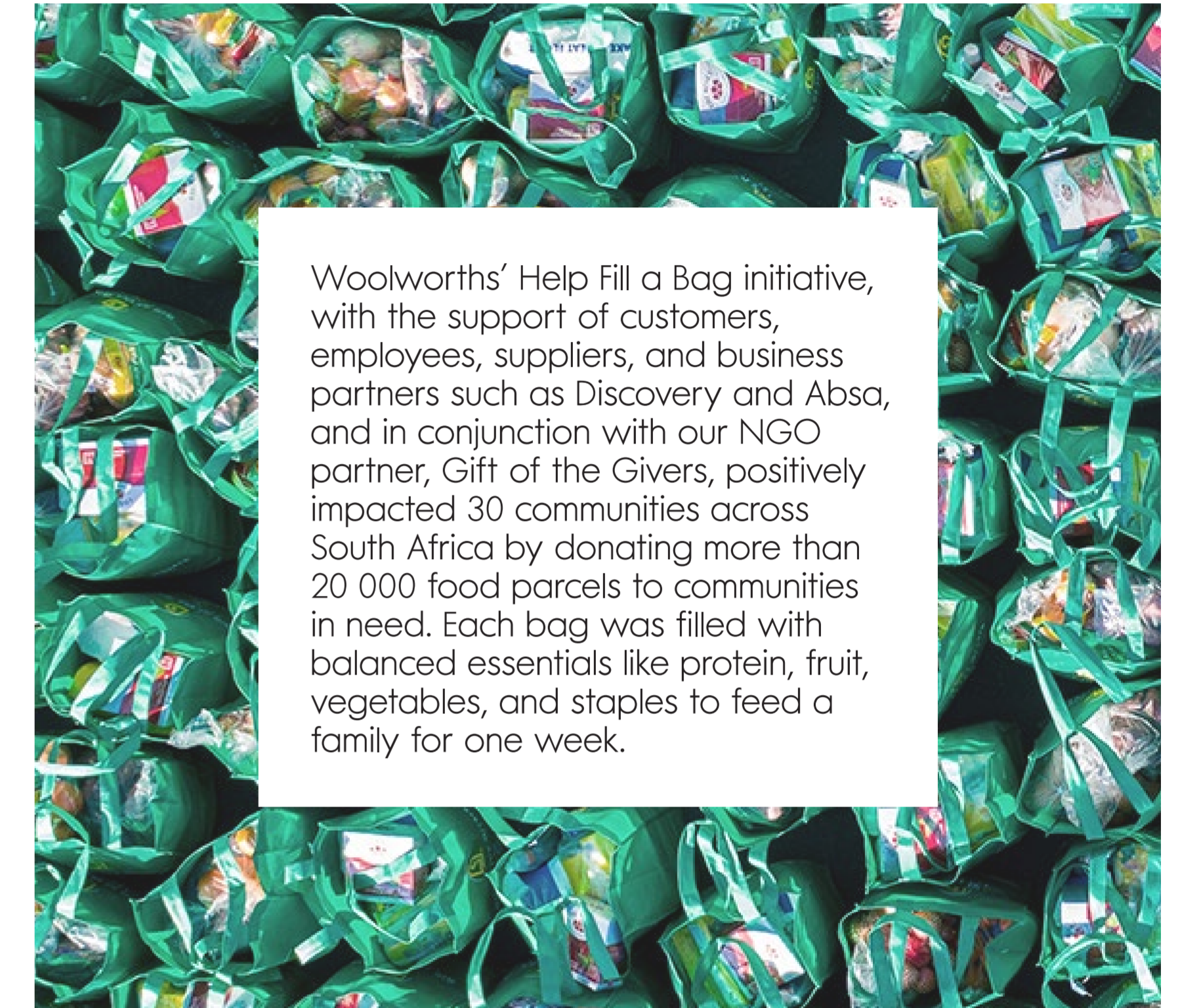
CASE STUDY

CHRISTMAS GIVE CAMPAIGN #ZEROHUNGER

Every year, for the Woolworths Christmas Give campaign, customers and employees are invited to donate funds, purchase cause-related products, and swipe their MySchool cards in support of the campaign. This year, the funds raised were donated to seven organisations that support either female small-scale farmers, youth involved in farming, people with disabilities or community-based gardens, or provide food to Early Childhood Development centres. Each organisation received R375 000.

READ MORE ABOUT EACH OF THESE ORGANISATIONS:

COVID-19 RELIEF EFFORTS



Woolworths' Help Fill a Bag initiative, with the support of customers, employees, suppliers, and business partners such as Discovery and Absa, and in conjunction with our NGO partner, Gift of the Givers, positively impacted 30 communities across South Africa by donating more than 20 000 food parcels to communities in need. Each bag was filled with balanced essentials like protein, fruit, vegetables, and staples to feed a family for one week.

THE WOOLWORTHS FOOD TEAM, IN PARTNERSHIP WITH THE INFINITY CULINARY TRAINING SCHOOL, CONTINUES TO MAKE AND DISTRIBUTE MORE THAN 3 500 MEALS PER DAY TO FEED FAMILIES IN NEED. OVER 1 MILLION MEALS HAVE BEEN DONATED SINCE THE START OF THE COVID-19 PANDEMIC.


Other initiatives we are involved in with the aim of improving food security are the Woolworths Making the Difference Programmes and Farming for the Future.



COMMUNITY RESILIENCE


We aim to contribute to the improvement of the physical and mental health of communities.

DISASTER RELIEF



KWAZULU-NATAL AND GAUTENG CIVIL UNREST AND LOOTING

Woolworths donated R800 000 and surplus food to the disaster relief organisation Gift of the Givers, and R165 000 directly to charities that were impacted on the ground as a result of civil unrest and looting in July 2021.





KWAZULU-NATAL FLOODS

Woolworths, along with MySchool, donated R350 000 in cash, 6 500 units of 5-litre water bottles and more than R500 000 worth of clothing to Gift of the Givers. Store colleagues affected by the floods in May 2021 were also assisted through our E4E Fund.

A\$200 000

was donated by David Jones to fund the staffing costs of six Rose Clinics, which provide complimentary breast screening services for women over 40

SUPPORTING THE NATIONAL BREAST CANCER FOUNDATION

-  **PARTNER**
National Breast Cancer Foundation (NBCF)
-  **SUPPORT**
A\$33 529 donated (2021: A\$119 729)

David Jones has raised more than A\$5 million for the NBCF over the last 27 years. In October, in aid of breast cancer awareness month, David Jones donated A\$1 from the sale of selected bras to the NBCF.

MIMCO OUR WATCH

-  **PARTNER**
Our Watch
-  **SUPPORT**
A\$145 426 donated (2021: A\$255 157)

Our Watch is a non-profit organisation dedicated to driving nationwide change in the structures, norms, and practices that lead to violence against women and children. Mimco donated funds to Our Watch on International Women’s Day in March, and throughout the year from the sale of Mimco x Our Watch face masks.

A\$50 000 donated by David Jones to the Starlight Children’s Foundation to assist them in granting wishes for thousands of hospitalised and seriously ill children in Australia

WITCHERY WHITE SHIRT CAMPAIGN

-  **PARTNER**
Ovarian Cancer Research Foundation
-  **SUPPORT**
A\$537 772 donated (2021: A\$335 600)

Witchery runs an annual White Shirt Campaign to raise awareness and vital funds for the Ovarian Cancer Research Foundation (OCRF) in support of the development of an early detection test for ovarian cancer. For every selected white shirt sold, 100% of the sale price is donated to the OCRF. For the first time in the 13-year history of the annual White Shirt Campaign, Witchery collaborated with an Australian fashion designer, Toni Maticevski, on the 2021 Witchery White Shirt style. Due to reduced trade as a result of Covid-19, this was the only white shirt selected for the campaign.

Witchery also supported the OCRF’s annual Frocktober campaign by donating gift vouchers for use in fundraising events.



Australian comedian Celeste Barber, the 2021 Witchery White Shirt campaign ambassador



COUNTRY ROAD AND REDKITE



PARTNER
Redkite



SUPPORT
Donated 860 (2021: 1 084) Redkite Red Bags and A\$159 897 (2021: A\$80 000)

Redkite is an Australian charity that provides essential support to children and young people who have been diagnosed with cancer, and their families. This year, Country Road donated Redkite Red Bags to give to families when their child is diagnosed. These bags are full of practical items such as toiletries, reusable coffee cups, and vital information about support services, and include a teddy bear to cuddle. In addition, during the year, A\$2 was donated to Redkite for every personalisation order in Australia. Funds were also raised through the sale of Redkite face masks.

A\$1.3M

raised by Country Road for Redkite through customer, employee, and corporate fundraising since the partnership began



November Politix illustrated statement jackets. The statements are focused on men's health and issues around anxiety and depression. Worn by Politix ambassadors Sam Macinista, Anthony Field, Lyndon Watts

POLITIX MOVEMBER



PARTNER
Movember



SUPPORT
A\$100 000 (2021: A\$100 000)

Politix partnered with Movember for the fourth time, this year in a 'Worn to be Heard' campaign. A\$10 from the sale of every pair of chinos during November was donated to Movember. Customers were also offered the option of donating to Movember at the till, and employees were also encouraged to donate to the Movember campaign.

TWO KEY ELEMENTS OF THE WORN TO BE HEARD CAMPAIGN:

- Employees dressed in special-edition illustrated statement jackets designed to spark meaningful men's health conversations
- A Mo-Hair suit was created from a blend of contrasting shades of donated moustache hair in collaboration with visual artist Pamela Kleemann-Passi and Bullfrog Creative Agency. The suit was designed to be a conversation starter on men's health issues and was awarded a Guinness World Record for the 'First ever suit made from moustache hair', as well as a Spikes Asia Gold Award for Health. It also had its own official event at Melbourne Fashion Festival.

"My husband passed away from prostate and colorectal cancer in 2016. He loved a snappy suit, and often grew an impressive moustache. The fabric of this suit was made from the moustaches of many men but, for me, this is for him. I want this suit to challenge, intrigue, amuse, and start difficult conversations."

– Pamela Kleemann-Passi



EMPLOYEE COMMUNITY INVOLVEMENT

We encourage our employees to give back to their communities in order to increase local community impact.

In-person community involvement continued to be limited due to Covid-19; however, employees were encouraged to contribute through financial donations.

SOME OF THE KEY ACTIVITIES DURING THE YEAR

- Ten Politix team members re-ticketed and re-branded one tonne of women’s leggings at a Red Cross warehouse to prepare them for sale in a Red Cross store
- The Politix visual merchandising team shared their insight and knowledge of store display with the Red Cross Chapel Street store
- Country Road Group and David Jones employees contributed A\$1 294 and A\$12 591 respectively to various charities through the Good2Give workplace giving programme
- Employee involvement in meaningful and sustainable community programmes across our Woolworths stores in Africa was expanded, including:
 - Mauritius participated in a synchronised cleaning campaign across the island. Employees spent the day cleaning rivers, schools, and beaches located near them
 - Eswatini provided school uniforms, hygiene products, and food to centres for orphans and vulnerable children that support more than 400 children
 - Namibia employees painted an Early Childhood Development centre, donated blankets to an old age home, and donated a freezer and TV to an SOS Children’s Village

WOOLWORTHS TRUST DONATIONS TO EMPLOYEE-NOMINATED ORGANISATIONS

67
PROJECTS

CAUSE
Mandela Day

BENEFICIARIES
67 registered non-profit organisations or schools who are giving back by building and supporting communities during Covid-19

DONATION
R5 000 each

#zero
hunger
2030

CAUSE
Christmas Give
#zerohunger

BENEFICIARIES
20 schools or organisations that help communities grow food using environmentally friendly methods

DONATION
R5 000 each

CASE STUDY

MAKING A DIFFERENCE IN THE COMMUNITY IS IMPORTANT TO WOOLWORTHS KENYA

Woolworths Kenya donated merchandise to the value of R3.1 million to the Kenya Red Cross to be distributed to various organisations in need. Baby and children’s clothes worth R33 200 were also donated to the New Life Home Trust, which cares for abandoned and other extremely vulnerable babies, mainly those who are infected with or affected by HIV/Aids. In response to the adverse effects of Covid-19, employees came together to identify needy families in their communities and contributed towards the purchase of food for more than 200 of these families.



Representatives of Woolworths donating clothing to the Kenya Red Cross

CAUSE-RELATED MARKETING

Our cause-related marketing initiatives create awareness and raise funds for important conservation- and sustainability-related issues. Through the sale of certain products, funds are collected and donated to nominated organisations.

R6.5M

raised by Woolworths for charities and NGOs through the sale of cause-related bags, bracelets, and donation cards

2021: **R6.8M** 2020: **R6.4M**

A\$12 437

raised by David Jones – A\$1 from every lipstick and lip gloss sold during Look Good Feel Better Month

2021: **A\$28 039** 2020: **A\$46 132**



HEALTH AND WELLNESS

Why is this focus area important?

We need to create a safe and healthy working environment that enables employees to thrive. As a food retailer, we should also inspire our customers to make healthy choices, by providing a wide range of healthy food options.

OVERVIEW

IN ORDER TO PROVIDE EMPLOYEES AND THEIR FAMILIES WITH SUPPORT IN DEALING WITH TRAUMA RESULTING FROM GENDER-BASED VIOLENCE AND FEMICIDE, WOOLWORTHS HAS INTRODUCED ACCESS TO CONFIDENTIAL COUNSELLING AND MEDICAL SUPPORT BY REGISTERED SPECIALISTS

HIGHLIGHTS

- Partnered with the Resilience Project in Australia to support leaders and teams on building resilience in times of change and hardship. More than 6 000 team members participated in the programme
- Commenced a project to support staff on engaging with difficult customers in Australia
- Introduced a vaccination campaign and service at the Woolworths head office, and also ran a campaign for staff at the Botanicca head office

2 919

HealthyFood™ items linked to Vitality Rewards



18

health and wellness practitioners for WHL staff to access

2021: 23 2020: 23

100%

of all Woolworths private label food (including pet food) has been GMO-free since 30 June 2019

2 660

employees across the Group applied successfully to the E4E Fund for support

LOOKING AHEAD

HEALTH AND WELLNESS WILL CONTINUE TO BE A PRIORITY FOCUS FOR US FOR OUR EMPLOYEES AND CUSTOMERS.

LOWLIGHTS AND CHALLENGES

The Department of Health in South Africa confirmed that front-of-pack warning labels on packaged foods high in sugar, salt, and/or saturated fat will be implemented. We are unable to update our packaging until the implementation date and further details are shared.

WOOLWORTHS EMPLOYEE ASSISTANCE PROGRAMME IS NOW VIRTUALLY ENABLED, MAKING IT MORE ACCESSIBLE. IT NOW ALSO OFFERS A WIDER RANGE OF SERVICES IN MORE SOUTH AFRICAN LANGUAGES

OUR GOOD FOOD JOURNEY

The Good Food Journey is the name we've given to Woolworths' ongoing commitment to offering our customers food that's better for them, better for the environment, and better for the people who produce it.

We aim to equip our customers with the right information so that it is easier for them to access healthy food options. We want to inspire a healthy lifestyle by making healthy eating satisfying, delicious, and convenient across our product ranges, while also innovating and improving nutritional quality via reformulation. We assist customers in making informed dietary choices through transparent ingredient and nutritional labelling on our products. We have also introduced portion control on-pack guides.

The Good Food Journey encompasses everything from avoiding additives such as tartrazine and all other azo dyes, MSG, aspartame, saccharin, and cyclamate in our food, to switching to non-artificial colourants and flavourants, offering more organic and free-range choices, caring for the welfare of animals, and promoting healthy eating as part of a healthy lifestyle.

WOOLWORTHS WORLD OF WELLBEING STAFF TRAINING ON NUTRITION

Woolworths Food continues to conduct compulsory nutrition training as part of its induction, skills development, and refresher training programme for all Food employees.

The training includes coverage of the concept of sustainable nutrition, the Health Manifesto, legal requirements and appropriateness of marketing claims, and healthy product development.

WCAFÉS GREEN PROGRAMME

The WCafés green programme was designed as a grading tool to set out key goals and drive year-on-year continuous improvement in terms of the following principles: responsible sourcing, healthy food options, packaging and food waste, ethics and people, and the impact on the environment. This programme is up for review, and it will be updated and expanded to all our Food stores.

SALT AND SUGAR REDUCTION

During the year, we removed 0.9 tonnes of sugar (2021: 12.8 tonnes) from Woolworths private label food products.

While reformulation will continue as part of our ongoing commitment to offering better food choices, we will no longer report on the tonnage of salt and sugar reduction, given the extensive strides already made.

PLANT-FORWARD DIETS

Woolworths has integrated plant-forward diets into our brand values and nutrition guidelines. We want to continue to develop plant-based options as part of our goal to encourage sustainable nutrition. Our plant-based innovation continues to grow across all categories (bakery, deli, protein, prepared, frozen, Christmas, dairy alternatives), with the introduction of non-Woolworths brands such as Beyond Meat and Loma. Woolworths plant-based food ranges cover all kinds of lifestyle choices, and include options such as dairy alternatives, drinks, snacks, and desserts; dairy-free cheeses; vegan mayonnaise; and vegan and vegetarian ready-made meals and meal accompaniments. We are also inspiring our customers through recipe solutions that include plant-based kitchen staples such as whole grains, legumes, nuts and seeds, and everyday vegetables. In partnership with the Humane Society International/Africa, we have also developed a plant-based eating guide for customers.



VITALITY HEALTHYFOOD™

Woolworths’ ongoing partnership with the Discovery Vitality HealthyFood™ programme incentivises and rewards customers for making healthy food-purchasing decisions, and avoiding food that is linked to dietary practices that cause non-communicable diseases such as diabetes, high cholesterol, and high blood pressure. Customers who have linked their Woolworths loyalty cards to Vitality can receive up to 25% cashback when they purchase Vitality HealthyFood™ linked products.

WE CURRENTLY HAVE 393 189 CUSTOMERS (2021: 397 904) WHO HAVE LINKED THEIR WOOLWORTHS LOYALTY CARDS TO VITALITY.

HEALTHY NUTRITION AT SCHOOLS

Through the Woolworths Making the Difference (MTD) Programmes, we promote healthy nutrition and exercise at schools, starting as early as possible. The intermediate phases of basic education provide a crucial window of opportunity to establish healthy behaviours at a young age. Through the MTD digital learning platform we provide schools with engaging virtual lessons, online work packs, and interactive worksheets that are centred on the theme of healthy living and the environment, which forms part of the life skills, social sciences, and natural sciences and technology curriculum. We continue to support the enhancement of knowledge in good nutrition and healthy lifestyles among learners, educators, school administrators, parents, food handlers, school vendors, and tuck-shop operators.

MOVEMBER PARTNERSHIP

As Australia’s leading menswear brand, Politix has taken a stand for men’s health. It has partnered with the Movember Foundation to support men’s health in Australia. The Movember Foundation operates by openly addressing some of the biggest health issues faced by men, such as prostate and testicular cancer, mental health, and suicide risk. The campaign encourages employees to sign up and grow a ‘mo’ (moustache) or join the MOVE campaign to walk or jog for 60 km in November (at 2 km per day, for the entire month). This year we participated in the Team Politix Movember donation page. Team members could donate to the Team Politix page, and share a link or QR code with their network of friends and family to help raise funds. We also had donations from the sale of chinos, a point-of-sale initiative in which we donated A\$10 for every pair of chinos sold. We sold 6 550 pairs of chinos, and raised A\$65 000 from this initiative.



RESPONSIBLE MARKETING AND ADVERTISING

Although not a member, Woolworths adheres to the prescripts of the Advertising Regulatory Board (ARB) Code of Advertising Practice.

ALCOHOLIC BEVERAGES

In acknowledgement of the potentially harmful effects of alcohol on public health and gender-based violence, Woolworths is a member of the Association for Alcohol Responsibility and Education (AWARE), a non-profit organisation registered with the South African Department of Social Development that focuses on preventing the negative consequences of alcohol abuse.

RESPONSIBLE ADVERTISING OR MARKETING OF ALCOHOL

At present, Woolworths does not have a formal statement on responsible use of alcohol, but abides by:

- The South African Liquor Brand Owners Association (SALBA) codes
- AWARE’s Code of Commercial Communications, which sets out guidelines for the marketing of alcohol products in a socially responsible manner

Going forward, we aim to develop our own guideline, which incorporates the requirements of both the SALBA and AWARE codes and guidelines. This guideline will be included in Wine Service Training for store staff.

As per the regulations relating to wine, it is also mandatory to include warnings on all wine labels, which we conform to.

We also include similar warning messages as part of our marketing where relevant.

More than a year ago, in partnership with AWARE, we introduced an alcohol awareness campaign in KwaZulu-Natal stores, focused on raising awareness around responsible drinking in communities. Furthermore, we have been actively involved in the task team of the Consumer Goods Council of South Africa (CGCSA) to aid government in formulating its response to the Covid-19 pandemic with regards to alcohol. Through the CGCSA, we recently commissioned a research project in partnership with Ipsos (a multinational market research and consulting firm) around the potential social, economic, and health-related responses that would help mitigate the spread of the virus with regards to alcohol.



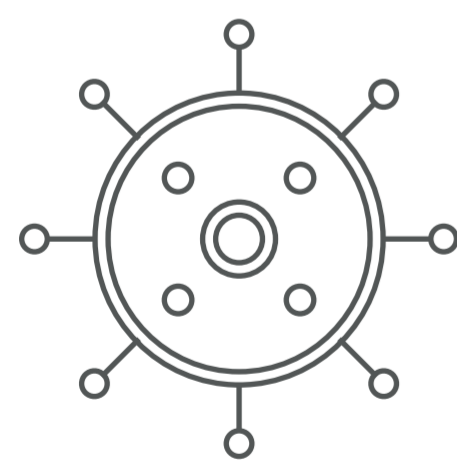
EMPLOYEE HEALTH AND WELLBEING

We aim to provide our employees with wellness and occupational health and safety programmes, especially as we continue to deal with the effects of the Covid-19 pandemic and a return to a level of normalcy. Our programmes are based on three pillars: movement, nutrition, and mental wellbeing. It is undeniable that the world of work has changed drastically since the start of the pandemic. One of the biggest focuses over the past two years has been to protect the health, safety, and remuneration of our people.

We are committed to providing a safe and healthy working environment for all employees. Prevention is an important aspect of our health and safety procedures; as such, all our buildings are designed in accordance with stringent health and safety guidelines, and with employee and customer wellbeing as a primary consideration. As per legislative requirements, health and safety representatives are appointed in each part of the business, and health and safety committees are in place. We aim to deliver comprehensive occupational health and safety programmes that meet the needs of our employees in the context of their country of operation and local legislation.

This work is supported by our teams of occupational health practitioners employed across our operations in southern Africa and Australia.

Employee wellness is a holistic discipline that considers every part of an employee's wellbeing. We provide an extensive wellness support service that addresses the physical, social, mental, and psychosocial aspects – in the workplace and at home.



COVID-19 HAS CATALYSED THE TRANSITION TO DIGITAL WAYS OF WORKING AS MORE PEOPLE WORKED FROM HOME. ACROSS THE GROUP, WE HAVE MOVED TO A HYBRID MODEL FOR OUR OFFICE-BASED EMPLOYEES, WHICH IS CONTINUOUSLY EVALUATED IN LINE WITH COVID-19 INFECTION RATES AND LOCKDOWN MANDATES IN OUR COUNTRIES OF OPERATION.

CASE STUDY



GBVF TRAUMA COUNSELLING AS A SERVICE TO EMPLOYEES AND THEIR FAMILIES IN CASES OF GBVF

In order to provide employees and their families with support in dealing with trauma resulting from GBVF, Woolworths has introduced confidential counselling and medical support by registered specialists through an app, via telephone, or in person. We are working to understand trends in GBVF among our workforce, and aim to provide more specific support in future, with the intent to move into proactive and preventative measures.

199 GBVF TRAUMA CASES WERE REPORTED TO THE TRAUMA COUNSELLING SERVICE BETWEEN JANUARY AND MARCH 2022.

OUR WELLNESS PROGRAMMES AND COUNSELLING AND HEALTH SERVICES INCLUDE:

- The Employee Assistance Programme
- A mental health programme
- Flu season vaccinations
- Basic primary health services and advice
- Monitoring of chronic illnesses
- Wellness screening, including voluntary HIV testing
- Road to Health for pre- and postnatal childcare

EMPLOYEE ASSISTANCE PROGRAMME

The Employee Assistance Programme (EAP) is designed to assist in the identification and resolution of personal concerns that may or may not impact productivity or work performance. These concerns include, but are not limited to, health, marital, family, financial, alcohol, drug, legal, emotional, social, or work-stress problems that may adversely affect job performance, productivity or safety.

Covid-19 provided Woolworths with an opportunity to trial a digitally enabled EAP model. Where there had been resistance to a move away from face-to-face assistance previously, the prolonged pandemic has allowed us to make a permanent shift to a different virtual model that is more cost-effective and much more accessible, and that offers a wider range of services in more South African languages.

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Group Employee Assistance Practitioners

MENTAL HEALTH AWARENESS

We have continued to focus on the wellbeing of our employees, in particular managing the longer-term impacts of lockdowns, lack of social connection, and mental and physical health issues.

Following an increase in aggressive and abusive customers in Australia and New Zealand and the impact this was having on the mental health and welfare of our team members, the aggressive customer behaviour project was launched. It commenced with a national risk assessment on customer aggression, and was followed by an awareness campaign and training published on our internal communication platforms. Going forward, this training will be conducted annually. We also continue to provide assistance to retail and support centre leaders across the organisation to ensure that our leaders have the support and skills required to respond to the increasing number of team members presenting with mental health issues. Training is designed to provide tools, action plans, and language around mental fitness, and to enable leaders to engage in conversations about mental fitness. We launched a tool to support all team members across the business on their own personal health and wellbeing journey. This dashboard has been an important resource, providing a series of wellbeing articles, videos, activities, live online fitness classes, and much more to help optimise team members' health and wellbeing.

In South Africa, the Staying Strong programme was launched as part of our integrated wellbeing strategy, with the intent to build leadership capability that emphasises empathy as a key skill. This was launched as a direct consequence of having experienced so much uncertainty during the Covid-19 pandemic. The programme takes employees through a journey that leaves them with a sense of hope and the tools necessary to make meaningful changes in their lives. Woolworths also launched an employee support service, available to all our people and their families, should they require additional assistance beyond this upskilling. Woolworths has also been monitoring employees' leave balances and has encouraged or mandated leave as necessary to ensure that employees take a break and look after both their physical and mental health.

CASE STUDY



WORKING WITH THE RESILIENCE PROJECT TO DISCOVER RESILIENCE

To enable our leaders and teams in Australia to be at their best, particularly during times of change, Country Road Group and David Jones have implemented a programme to build resilience. The programme is also designed to help our team continue to bounce back throughout and beyond the Covid-19 pandemic. In this we have partnered with the Resilience Project, an organisation that delivers various mental health programmes to companies. Our programme consists of a video workshop for leaders to facilitate with teams. This is followed by a series of 10 e-learning sessions that focus on gratitude, mindfulness, emotional literacy, purpose, sleep, healthy eating, and exercise. It also includes presentations delivered by well-known thought leader Hugh van Cuylenburg, as well as a wellbeing workshop on how staff can look after themselves.

THE PROGRAMME AIMS TO:

- Build an understanding of the importance of resilience, with a focus on positive emotions and mental health
- Support individuals with insight to connect and be aware of their own resilience, and strategies for personal effectiveness
- Support leaders with understanding the importance of resilience and empathy when leading teams through change and disruption
- Build a culture of openness, trust, and vulnerability
- Reinforce a growth mindset, and equip individuals with new tools to solve emerging and adaptive challenges

After the launch of the programme, we had more than 2 670 views on our various delivery channels.

MORE THAN 6 000 TEAM MEMBERS PARTICIPATED IN THE DISCOVER RESILIENCE PROGRAMME.



EMPLOYEE FOR EMPLOYEE FUND

The Group launched the Employee for Employee (E4E) Fund just after the pandemic started. It is aimed at providing specific, once-off or short-term support to staff-level employees in the event of unforeseen circumstances or emergencies. Eligible employees are those who do not have any other support mechanism to turn to, and who are experiencing financial difficulties as a result of the pandemic, natural disasters, and other unforeseen events. A limit of R3 000 has been placed on each individual application for assistance. E4E is largely funded and driven by employee contributions and fundraising activities. At the start of the Covid-19 pandemic, the proceeds of various executive pay cuts were allocated to kick-starting the fund.

To date, 2 660 employees across the Group have applied successfully to the fund for support. Assistance has been sought for various reasons, including the increased cost of living, Covid-19, and natural disasters such as flooding.

THE FUND PAID OUT R1.5 MILLION TO WOOLWORTHS EMPLOYEES IN RESPONSE TO REQUESTS FOR ASSISTANCE AFTER THE KWAZULU-NATAL FLOODS IN SOUTH AFRICA.

UNEMPLOYMENT INSURANCE FUND (UIF) TEMPORARY EMPLOYER-EMPLOYEE RELIEF SCHEME (TERS)

In January 2022, Woolworths received just over R900 000 from the Unemployment Insurance Fund (UIF) relating to the lockdown period from 16 October 2020 to 31 December 2020. This is part of the benefits from the Department of Employment and Labour through the established Covid-19 Temporary Employer-Employee Relief Scheme (Covid-19 TERS). The scheme was primarily formed to save jobs and ease the financial burden on businesses – and, most importantly, on their vulnerable workers – after the country was placed under the first hard lockdown.

HIV/AIDS/TUBERCULOSIS (TB) MANAGEMENT

Woolworths is committed to aligning with the applicable national legislation to inform our HIV/Aids and TB policy.

We recognise that HIV/Aids and TB could potentially affect our workforce, and consequently business productivity, and we recognise the role we play as an employer in assisting in the management and monitoring of HIV/Aids and TB through leadership, strategic planning, and implementation of cost-effective and sustainable measures. To address some of the challenges that come with HIV/Aids and TB, we have adopted a company-wide HIV/Aids and TB policy, last reviewed in June 2015. In respect of employees living with HIV and Aids, Woolworths treats the disease no differently than any other life-threatening or chronic disease. Woolworths provides a supportive environment that minimises the impact of the disease on both the employee and our business through sustainable interventions that focus on prevention and addressing risk.

HIV-positive employees receive the requisite treatment via Woolworths clinical management programme – the HIV Your Life Programme, operated by Momentum Health. Employees who do not have access to a medical aid are eligible for all employee benefits.

INJURIES AND ABSENTEEISM

WHL has clear policies on absenteeism from work. All employees are entitled to paid sick leave in accordance with national legislation in the regions in which we operate. Extended absenteeism due to incapacitation of any sort is dealt with on a case-by-case basis. In the last year, WHL reported a total of 2 480 injuries on duty (2021: 4 405). No fatalities were reported.

COVID-19 RESPONSE

As the Covid-19 pandemic progresses and we return to some sense of normalcy, we have continued our heightened focus on employee wellbeing within this context. Employees at Woolworths, Country Road Group, and David Jones were encouraged to get vaccinated, and as we started returning to the office more, various tools and campaigns were run to ease the transition back into a communal working environment.

WOOLWORTHS LAUNCHED A CAMPAIGN TO ENCOURAGE STAFF TO GET VACCINATED. A TOTAL OF R1-MILLION WAS SET ASIDE AS PRIZE MONEY FOR STAFF WHO GOT VACCINATED AND SHARED THEIR VACCINATION CERTIFICATES ON THE MYWOOLIES APP. TEN WINNERS PER WEEK WERE SELECTED FOR 10 WEEKS, RECEIVING PRIZE MONEY OF EITHER R25 000, R10 000 OR R5 000.

TO ADDRESS COVID-19, WE CONTINUED WITH THE FOLLOWING KEY ACTIVITIES:

- Managing Covid-19 cases and continued employee health screening
- Creating a coronavirus hub on the MyWoolies app to share information on the pandemic
- Maintaining the Woolworths Covid-19 'health line' to provide support and advisory services for medical-related Covid-19 queries. The learning from this is that employee needs are shifting towards requiring more counselling around the impacts of Covid-19. There has been a steady increase in the usage of this service as employees became aware of its benefit
- Extending the employee assistance helpline to offer holistic support for psychological, health, nutrition, and management issues. Woolworths has also continued to maintain the Staying Strong programme, which focuses on building individual resilience and a culture of self-care, with individuals taking accountability for their own wellbeing and demonstrating empathy towards others
- Continued monitoring of both the productivity and the wellbeing of our people, and supporting them as they navigate the complexities – and, for some, the challenges – of remote working
- Making the flu vaccine available to all Woolworths employees. While this would not prevent contraction of Covid-19, it was recommended as additional protection to avoid contracting the seasonal flu and Covid-19 at the same time
- Supporting the wellbeing of our teams through lockdown by providing 'Covid-19 Fatigue' webinars in Australia

Other internal communication methods were also used across the Group to remind staff about taking safety precautions during the pandemic.

HYBRID WORKING

We have confirmed a hybrid working arrangement as our working model for our office employees, with guidelines provided on days required to be in the office to facilitate collaboration and engagement. This is supported by our clear stance on encouraging vaccination.

PRODUCT SAFETY AND INTEGRITY

We are committed to maintaining the highest possible levels of product safety throughout the business. Mechanisms are in place to ensure that consumers are offered products that have undergone thorough testing and rigid process control to make them as safe as possible.

This includes a Safety Manual provided to all Woolworths clothing manufacturers, which sets out our safety policy as well as specific requirements related to ensuring customer safety throughout the manufacture, processing, and finishing of our products. All Woolworths food production supplier sites producing private label food are required to adhere to our strict hygiene, food, and housekeeping code of practice. In Australia, suppliers must adhere to the Australian standards on food safety, and we have representatives who sit on Australian standards committees to help shape improvements in product safety. Country Road Group suppliers have access to a portal that holds product safety and performance testing guidelines.

ALL FACTORIES MANUFACTURING PRODUCTS FOR WOOLWORTHS ARE AUDITED INDEPENDENTLY BY VARIOUS INSPECTION SERVICES AND ARE VISITED REGULARLY BY WOOLWORTHS TECHNICAL TEAMS TO ENSURE THAT THE HIGHEST STANDARDS ARE MAINTAINED.

FOOD SAFETY

All Woolworths food labels contain detailed information on ingredients, nutritional values, and allergens. As the safety of numerous food products depends on optimal storage temperatures being maintained, Woolworths takes great care to maintain a strict cold chain. The cold chain is the entire process – from the producer, via the Woolworths distribution system and Woolworths stores, to our customers. It is essential that the correct temperature is maintained throughout this process. If the cold chain is broken (with temperatures exceeding the specified range), it drastically shortens product life, and could cause temperature-sensitive products to potentially become harmful.

CHILD SAFETY

Country Road Group collaborated with retail peers to publish safety standards and guidelines to be used during the design and development of apparel, accessories, and footwear intended for young children. The requirements are now captured within the CRG Children's Apparel Safety Standard.

Woolworths is committed to maintaining the highest possible level of product safety through the design and manufacturing of our baby and children's clothing.

WE DO OUR UTMOST TO ENSURE THAT OUR BABY AND CHILDREN'S CLOTHING IS SAFE VIA PRACTICES SUCH AS:

- Running all clothing through metal detectors before it leaves a factory to ensure no pins or needles are left in the product
- Putting a bar tack behind all draw cords of children's clothing to ensure they cannot be pulled out
- Placing a protective flap over zippers of baby rompers to avoid skin getting caught by the zipper
- Putting anti-slip silicone prints on baby socks to prevent slipping
- Designing selected school items with fabric that has built-in UV protection
- Putting reflective strips on school bags, rain jackets, and shoes to make children more visible

PRODUCT RECALLS

Woolworths has a robust product recall process in place, whereby products posing a safety risk are removed from the shelf within two hours of the respective executive being made aware of the risk.

Following routine quality tests, Woolworths private label 100% Apple Juice 200 ml cartons (single boxes and six packs) were recalled this year. It was identified that the apple juice contained levels of patulin above the regulatory limits. Patulin is a naturally occurring mycotoxin produced by mould commonly associated with apples.

Country Road Group and David Jones also have robust internal processes to assess product safety risks and to initiate a product recall when warranted. The risk review process applies to own-brand, private label products. There were no product recalls of this type for Country Road Group or David Jones this year. David Jones also offers many national and international brands within its stores, with brands at times conducting voluntary product recalls at their discretion. There were six such product recalls for branded products in David Jones.



ETHICAL SOURCING[▶]

Why is this focus area important?

The diverse and often complex supply chains involved in producing our products can have significant human rights and environmental risks and impacts. Our ethical sourcing programmes allow us to mitigate where necessary, and positively influence where possible, these risks and impacts.

OVERVIEW

VISION 2025+ GOALS



Have a fully transparent, traceable, and **ETHICAL SUPPLY CHAIN** by 2025

FY22

- WSA FBH tier 1 supplier list published ¹

BASELINE

- Tier 1 supplier lists published by CRG and DJ ¹
- No supplier lists published by WSA

AHEAD | **ON TRACK** | BEHIND | NOT YET STARTED

¹Coverage of tier 1 suppliers: WSA FBH: 60%, CRG: 100%, DJ: 87%



RESPONSIBLY SOURCE ALL KEY COMMODITIES FROM TRACEABLE SOURCES by 2025

% OF COMMODITIES RESPONSIBLY SOURCED FY22

- Refer to detail in the Responsible Sourcing section that follows

BASELINE

- Refer to 2020 GBJ Report

AHEAD | **ON TRACK** | BEHIND | NOT YET STARTED

% OF COMMODITIES RESPONSIBLY SOURCED AND TRACEABLE FY22

- Work has started across the key commodities to set out roadmaps for traceability

BASELINE

- 0%

AHEAD | ON TRACK | **BEHIND** | NOT YET STARTED



HIGHLIGHTS

- Woolworths was the first South African retailer to publish its tier 1 supplier list for its private label fashion, beauty, and homeware products
- Country Road Group was awarded an A rating and David Jones a B in the Baptist World Aid Report
- Woolworths was the top-ranked South African retailer in the 2021 WWF Palm Oil Buyers Scorecard and the 2022 Fashion Transparency Index
- Country Road has included a traceability rating for selected products on its website
- 100% of palm oil (food only), cocoa and cotton used in Woolworths private label products is now responsibly sourced
- Almost 90% of Woolworths Food and more than 30% of Woolworths Fashion, Beauty and Home private label products are locally sourced



Photo by Ranurte on Unsplash

LOOKING AHEAD

In line with our Vision 2025+ strategy, we will continue to focus on transparency, traceability, and responsible sourcing.

WE AIM TO:

- Develop strategies for going beyond social and ethical compliance audits to measure and identify social and ethical compliance risk factors
- Improve traceability processes and tools to facilitate the publication of the Group's full supply chain in future

LOWLIGHTS AND CHALLENGES

- Covid-19 restrictions and lockdowns, global supply chain disruptions, extreme weather events, civil unrest, the Ukraine/Russia war, and loadshedding have in certain instances caused delays, impacted our ability to source commodities or have resulted in steep price increases
- Additional work is required across the Group to address and facilitate living wages in our supply chain
- Multi-tier supply chains make the traceability of our key commodities back to source challenging

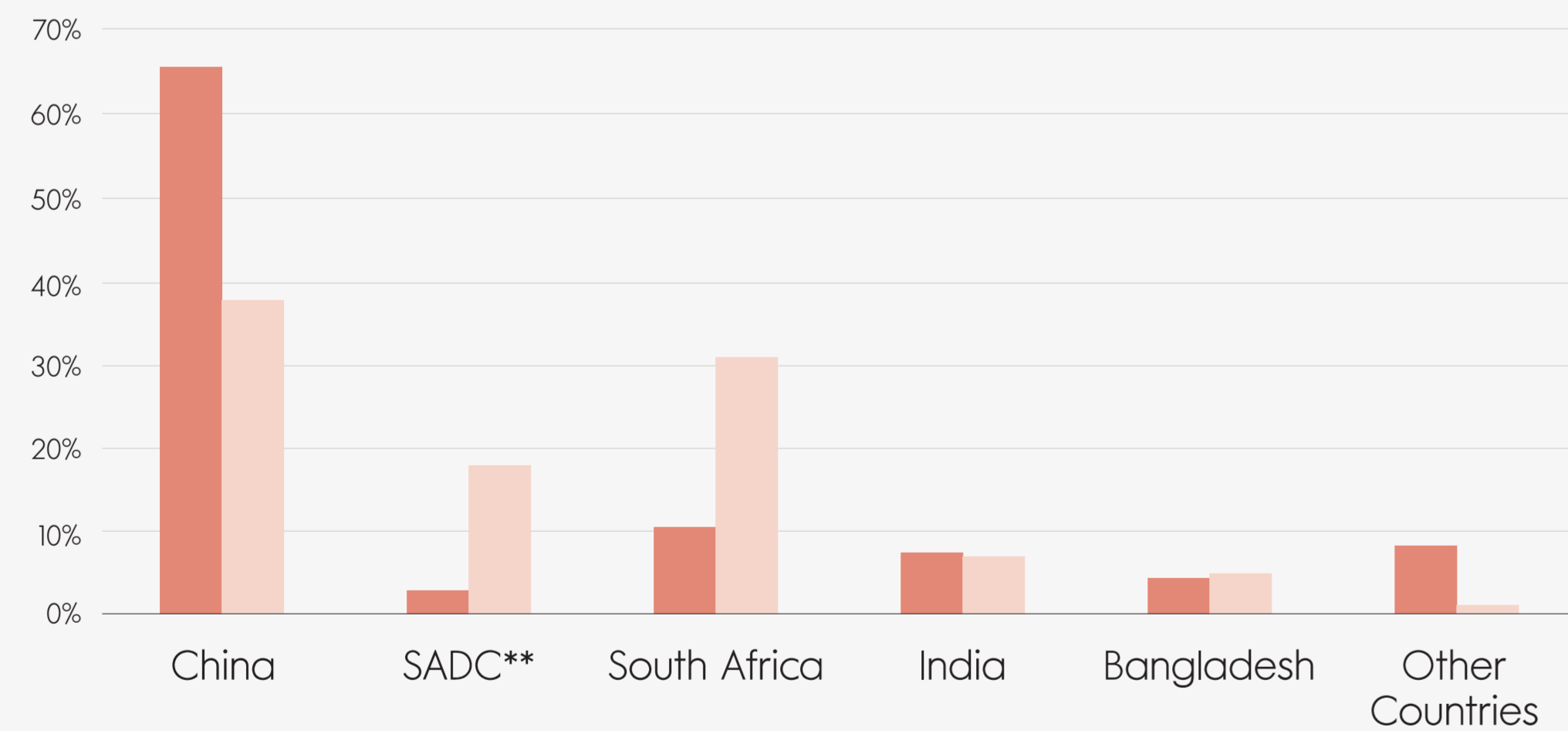


TRANSPARENCY AND TRACEABILITY

SUPPLY CHAIN TRANSPARENCY

WSA FOOD PRIVATE LABEL: MORE THAN 90% OF TIER 1 SUPPLIERS ARE SOUTH AFRICAN AND ALMOST 90% OF FOOD (IN GRN UNITS*) IS SOURCED FROM SOUTH AFRICA.

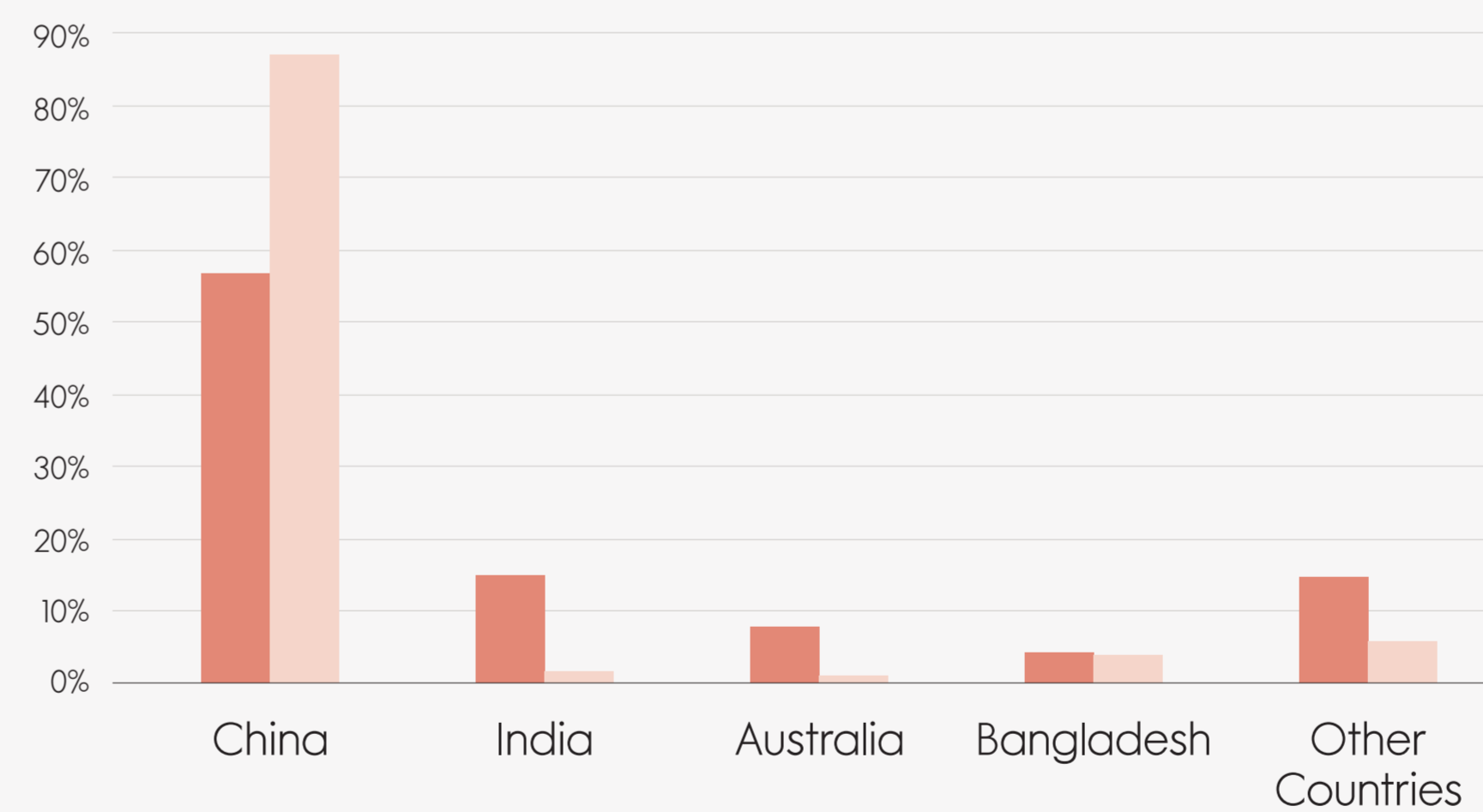
WSA FBH PERCENTAGE TIER 1 PRIVATE LABEL SUPPLIERS



■ % based on number of suppliers ■ % based on units (IGRN)

Other countries include: Pakistan, Portugal, Italy, Slovakia, Czech Republic, Macedonia, Netherlands, Vietnam, Thailand, Sri Lanka and Taiwan. For each of these other countries we have 8 or less suppliers therein and they each supply less than 2% of our product (IGRN)

CRG AND DJ PERCENTAGE TIER 1 PRIVATE LABEL SUPPLIERS



■ % based on number of suppliers ■ % based on units (IGRN)

Other countries include: Portugal, Spain, Italy, Slovakia, Poland, Vietnam, Thailand, Sri Lanka, Taiwan, Indonesia, United Kingdom and Kenya. For each of these other countries we have 5 or less suppliers therein and they each supply less than 2% of our product (IGRN)

In line with our Vision 2025+ strategy, work is continuing across the Group to develop improved traceability processes and tools to increase the transparency of our supply chain. When we trace where a product has come from, we can support better working conditions and reduced environmental impact.

TO DATE, WE HAVE PUBLISHED OUR TIER 1 SUPPLIERS AS FOLLOWS

- 2019: Country Road Group and David Jones private label products¹
- 2022: Woolworths Fashion, Beauty and Home private label products¹

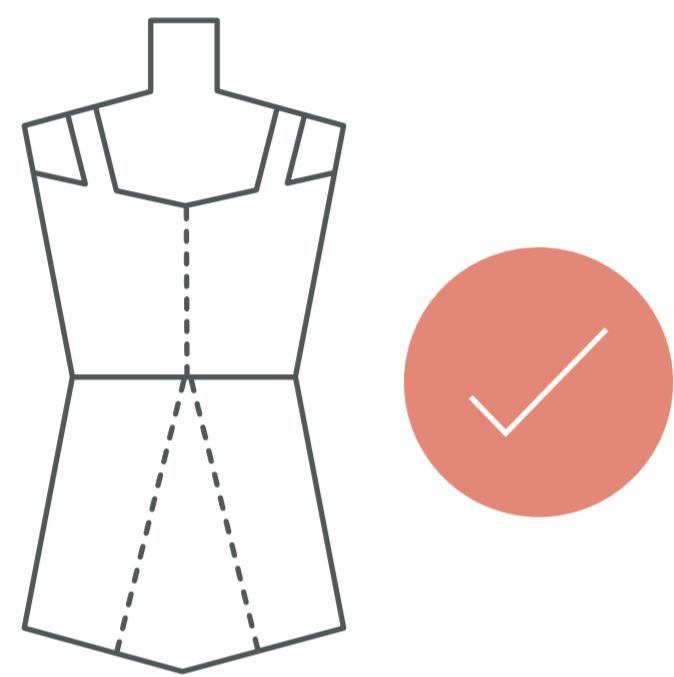
IN 2021, WOOLWORTHS BECAME ONE OF THE FIRST RETAILERS IN THE WORLD TO DISCLOSE THE FISHERIES FROM WHICH WE SOURCE TUNA ON THE INTERNATIONAL POLE AND LINE FOUNDATION'S SOURCING TRANSPARENCY PLATFORM. ALL WOOLWORTHS TUNA IS NOW TRACEABLE TO THE FISHING FLEETS AND VESSELS THAT CATCH THE FISH



¹ Coverage of tier 1 suppliers: WSA FBH: 60%, CRG: 100%, DJ: 87%
 * GRN units = units ordered and received
 ** SADC countries excluding South Africa

FIBRE TRACEABILITY

- Country Road continues to work with **Oritain** to scientifically prove the origin and traceability of Australian-grown cotton and wool fibres in selected products.



WOOLWORTHS SCORED THE HIGHEST OF ANY SOUTH AFRICAN FASHION RETAILER IN THE 2022 FASHION TRANSPARENCY INDEX. HOWEVER, OUR RANKING AGAINST GLOBAL PEERS INDICATED THAT MORE WORK IS NEEDED TO IMPROVE OUR ETHICAL SOURCING PROGRAMMES AND DISCLOSURES.

CASE STUDY

COUNTRY ROAD TRANSPARENCY PROJECT

In February 2022, Country Road started including a traceability rating for selected products on its shopping website. The traceability rating measures how well a product can be traced through the supply chain, from fibre to factory floor. To date, traceability ratings have been included on the website for 61 products, with more to be added in future.



LOCAL SOURCING

Across the Group, we continue to increase our focus on local sourcing. We ensure that our efforts in this regard align with national priorities and regulations set out in our countries of operation.

Almost
90%
of Woolworths private label food is locally sourced

THE DAVID JONES AND COUNTRY ROAD SHOPPING WEBSITES HAVE SEARCH FILTERS FOR LOCALLY GROWN OR LOCALLY MADE TO ENABLE CUSTOMERS TO SEARCH SPECIFICALLY FOR LOCAL PRODUCTS.

31%^{LA}
of Woolworths branded fashion, beauty, and homeware is locally sourced



The David Jones Indigenous Supplier Inclusion and Diversity Policy aims to encourage and embed inclusion and diversity into the procurement of goods and services, with the goal of increasing opportunities for Indigenous suppliers who have traditionally been underrepresented.

2021: 29%

Country Road was proud to partner with the 2021 Twyg Sustainable Fashion Awards for the second consecutive year. The partnership aims to nurture local South African talent and support innovative approaches to fashion design. Country Road awarded the winner of the Changemaker category, Mbali Mthethwa of The Herd, with a cash prize of R100 000. The Herd is a storytelling and accessories studio that pays homage to and celebrates the beading culture of Nguni women.



CASE STUDY

WOOLWORTHS FLAVOURBURST™ STONE FRUIT – GROWN IN SOUTH AFRICA

The town of Prince Alfred Hamlet is defined by sharp contrasts. Set in the Western Cape, the climate is ideal for growing stone fruit like peaches, nectarines and apricots, and the farms in the area have seen immense success. On the other hand, the area has one of the lowest family incomes in the Western Cape, due to the seasonality of jobs and the high number of families moving into the area to seek work. One of the biggest employers in the region is Verdun Estate, a farm known for growing excellent nectarines. To be specific, they grow the famously juicy and sweet Flavourburst™ nectarines sold at Woolworths.

In peak season, Verdun Estate employs around 800 people, supporting more than 700 families, including about 1 250 children.

GROWING THE COMMUNITY

Fourth-generation Ceres farmer Peter Wolfaardt, part-owner of Verdun Estate, says his biggest dream for the future is to live in an area where people are more equal: “We call it social harmony... What my parents did well is they built a business where team members felt included from day one. We have developed our staff into senior positions rather than hiring from outside. Our farm manager, Niklaas Smith, started off as a general labourer and has worked his way up to managing the farm. It’s an honour to be part of making a difference when it comes to our team.”

SUSTAINABLE FARMING

Community support is not the only thing Peter’s proud of. He and his family see themselves as caretakers of the Platteland, and that is why they participate in the Farming for the Future programme.



Part-owner of Verdun Estate, Peter Wolfaardt, and farm manager, Niklaas Smith

“IF YOU ARE IN AGRICULTURE, IT IS YOUR RESPONSIBILITY TO LOOK AFTER NATURE AND THE LOCAL COMMUNITY BY FARMING RESPONSIBLY. WE NEED TO MAKE SURE THAT THE GENERATIONS TO COME STILL HAVE THE JOYS OF WORKING ON THE LAND.”

– Peter Wolfaardt
Fourth-generation Ceres farmer



HUMAN RIGHTS AND ETHICS

SUPPLIER CODES OF CONDUCT

All WHL Group suppliers and service providers, whatever their location, are bound by our Supplier Codes of Conduct (codes), all of which are aligned with the International Labour Organisation's conventions in relation to ethical trade and the Ethical Trading Initiative Base Code. The codes outline our requirements for human rights, labour practices, health and safety standards, environmental stewardship, animal welfare, and our zero tolerance for bribery and corruption, and are supplemented by several supporting policies and position statements. Suppliers' compliance to our codes is monitored through our social and ethical compliance audits. During the year, the Country Road Group code was updated to align more closely with the David Jones code and to include provisions related to modern slavery, traceability, and transparency.

DUE DILIGENCE ON NEW SUPPLIERS

To identify and mitigate risks, due diligence is conducted before the acceptance of any new supplier. The nature and extent of due diligence depends on risk, including whether suppliers and their factories are local or international, the nature of the supplier, whether they are known to us, and the nature of the industry they operate in. In addition, before any orders are placed, suppliers to the Group are required to sign supplier agreements, which include acceptance of our Supplier Codes of Conduct, and submit a social and ethical compliance audit – or, for low-risk suppliers, a self-assessment questionnaire.

ETHICAL AUDITS

The Group operating companies have developed their own social and ethical compliance audit protocol and programmes to ensure that suppliers meet our requirements and Supplier Codes

of Conduct (codes). These programmes include protocols related to audit approach, frequency, and grading. For both Woolworths Food and FBH, suppliers are incentivised to perform well on the audits, as the number and classification of findings drives audit frequency – more findings equate to more regular audits. All suppliers' factories undergo regular audits against the codes, conducted by independent auditors commissioned by the Group operating companies, or are required to supply audit reports from an approved list of independent auditors, or are required to complete and submit a self-assessment.

There is an expectation that branded suppliers have their own policies and systems in place to ensure that their supply chains are in compliance with our codes. This also applies to all primary suppliers and those from whom they source, i.e. our secondary suppliers. This is set out in our contractual arrangements with them.

To enhance consistency across the Group, operating companies have been encouraging suppliers to sign up to the SEDEX platform. SEDEX helps companies manage ethical supply chain risk and streamline the challenges of engaging with multi-tier supply chains by providing a single platform for ethical audit report storage, enabling performance transparency, greater efficiency, and consistency. A Group-wide process is underway to convert our supply base, where relevant, from our existing social and ethical compliance audit protocol to SMETA, SEDEX's ethical audit methodology. SMETA audits suppliers' performance against labour, health and safety, environment, and business ethics. Woolworths Food has converted additional suppliers during the past year, meaning that, to date, 89% of its supply base (2021: 38%) has been moved to SEDEX; while 90% of Woolworths fashion suppliers from southern Africa have been converted (2021: 70%). David Jones has 94% of its suppliers registered on SEDEX, and Country Road Group, 91% (2021: 49%).

The Group's ethical audits continue to be impacted by Covid-19-related restrictions and lockdowns. We have taken a collaborative approach with our suppliers to remain in constant communication, and to ensure our requirements are maintained as closely as possible.



SOCIAL AND ETHICAL AUDITS (FY22)

	NUMBER OF SUPPLIER SITES AUDITED	PERCENTAGE OF SUPPLIER SITES AUDITED DURING THE YEAR	PERCENTAGE OF SUPPLIER SITES MEETING SOCIAL AND ETHICAL COMPLIANCE REQUIREMENTS (TARGET: 100%)
WOOLWORTHS FOOD	116	36%	46% ^{1A}
WOOLWORTHS FBH	281	41%	98% ^{1A}
COUNTRY ROAD GROUP	61	29%	95% ^{1A}
DAVID JONES PRIVATE LABEL	18	11%	99% ^{1A}

FINDINGS

COMMON AND REPEATED FINDINGS

<p>LABOUR PRACTICES, such as:</p> <p>Excessive overtime, invalid or expired work permits, non-statutory deductions without employees' approval, workers paid below minimum wage, undue threats of dismissal, social insurance not provided</p>	<p>HEALTH AND SAFETY PRACTICES, such as:</p> <p>Lack of fire alarms, fire drills or fire-fighting equipment, emergency exit doors blocked or locked, lack of or inconsistent use of safety equipment and protective personal equipment</p>
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REMEDIAL ACTION

<p>BUSINESS-CRITICAL FINDINGS:</p> <p>Any business-critical findings that arise from the audits, such as payment below minimum wage or the presence of forced or child labour and modern slavery practices, are escalated to senior management within the Group, and our suppliers are requested to correct them immediately.</p>	<p>OTHER FINDINGS:</p> <p>For other findings, the buying teams work with our suppliers to assist them in aligning with the requirements within a stipulated time frame, and conduct follow-ups to ensure that corrective actions have been taken. This could include ensuring that policies and procedures are updated, investment is made in proper equipment, or adequate training of employees and factory management takes place.</p>
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While we aim to continue working with our suppliers to resolve all audit findings, we do reserve the right to suspend or discontinue our trading relationship with them if we do not see corrective actions being taken, particularly when it comes to business-critical findings. During the year, after robust consultation and engagement, we exited relationships with several suppliers due to the non-resolution of a business-critical finding. Certain findings, such as invalid or expired work permits, are common national or international issues, and our suppliers continue to engage with governments to address these.

GRIEVANCE MECHANISMS AND REMEDIATION

We maintain internal and external grievance channels for employees and workers in our direct operations and supply chain.

Employees' concerns can be raised directly with Human Resources teams as outlined in our internal grievance and dispute-resolution policies. These policies indicate clearly what issues constitute a grievance, and additionally explain the process for a grievance to be assessed, verified, and remediated.

Concerns can be raised anonymously by employees or workers in the supply chain through external, third party-run whistle-blowing hotlines, which are accessible by phone and email. Grievances that are raised in this manner will be investigated confidentially in line with the approach outlined in our whistle-blowing policies.

Many of the Group's social and ethical compliance audits also evaluate suppliers' grievance mechanisms. In addition, for Country Road Group and David Jones, grievances can be raised by workers in the supply chain using an email address listed in the publicly available Supplier Codes of Conduct.

We are committed to providing for or co-operating in remediation where we identify that we have caused, contributed to, or been linked to a grievance raised.



DURING THE YEAR, COUNTRY ROAD GROUP AND DAVID JONES DEVELOPED A GRIEVANCE REMEDIATION POLICY TO ASSIST AND GUIDE THE ASSESSMENT, ESCALATION, AND RESOLUTION OF GRIEVANCES LODGED BY WORKERS IN THE SUPPLY CHAIN.



Looking ahead, we aim to develop strategies for going beyond audits to measure and identify social and ethical compliance risk factors, including root cause analysis, worker surveys, capacity planning and modelling, and relevant supplier surveys, training and webinars.



ETHICAL SOURCING TRAINING

Capacity-building, awareness of, and training in ethical sourcing-related topics, both internally and with our suppliers, are critical to ensuring that our products are responsibly sourced.

THE FOLLOWING TRAINING WAS CONDUCTED DURING THE YEAR:

- A webinar for Country Road Group and David Jones suppliers on the importance of effective grievance mechanisms and how to ensure a robust and effective process
- Training for Woolworths FBH teams on GBJ, Vison 2025+, material sustainability issues, and specific FBH GBJ targets and programmes
- Webinars with Woolworths Food suppliers on a variety of topics ranging from food waste, climate change and responsible sourcing to regenerative agriculture
- Targeted mandatory training modules for Woolworths Food suppliers to address business-critical findings raised by social and ethical compliance audits

FAIR WAGES

Since 2019, Country Road Group and David Jones have endorsed the **Global Living Wage Coalition** , which aims to develop country-level living wage benchmark estimates, and the **Anker Methodology** , which sets out the definition of how to calculate a living wage.

ONE OF THE GROUP'S VISION 2025+ GOALS IS TO DEVELOP A ROADMAP TOWARDS ENABLING A LIVING WAGE FOR WORKERS IN OUR SUPPLY CHAIN.

Given the complexity of this issue, there is much work to be done. We are exploring membership of the Ethical Trading Initiative, an alliance of companies, trade unions, and NGOs that work together to collectively promote respect for workers' rights and tackle challenges related to ethical trade, such as living wage, modern slavery, workers' access to grievance mechanisms, and remediation. We are investigating other partnerships to assist the Group in our living wage journey, while also leveraging the Country Road Group and David Jones experiences to date.

MODERN SLAVERY

We recognise that modern slavery does not occur in isolation and can often be connected to other breaches of human rights. Types of modern slavery risks include forced labour, bonded labour, deceptive recruiting, and child labour. These risks arise from a range of underlying factors, including the use of migrant or unskilled labour in supply chains where workers are more vulnerable to exploitation; unauthorised subcontracting, which could lead to unknown actors involved in the provision of goods or services who may be engaged in modern slavery; potential involvement of children in extended supply chains (including in hazardous or harmful work); extreme working conditions such as excessive overtime or lack of rest days; or underpayment of wages or social insurances.

We acknowledge that modern slavery can be challenging to recognise and address, and are committed to implementing practical approaches to identify, assess, and address modern slavery and broader human rights risks.

ACTIONS WE TAKE:

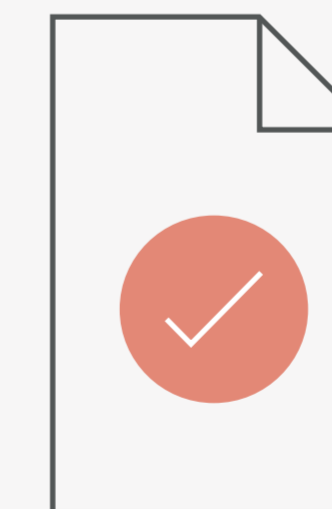
- Mandatory adoption of our Supplier Codes of Conduct by suppliers
- Regular supplier social and ethical compliance audits, and follow-up of remedial actions taken to address findings
- Termination or suspension of supplier relationships where audits reveal business-critical findings that are not remediated
- Capacity-building, training and engagement, internally and with suppliers
- Establishment of internal cross-functional teams regarding modern slavery and living wage to discuss key topics that may affect our business, and to facilitate working together as a Group towards improving conditions for workers in our supply chain
- Establishment of mechanisms to understand worker sentiment on the ground through surveys
- Development of responsible purchasing practice guidelines for buying teams
- Connecting with industry peers, NGOs, and multi-stakeholder initiatives to remain abreast of the ever-changing risk landscape
- Keeping abreast of global news regarding human rights, forced labour, and modern slavery

In accordance with Australia's Modern Slavery Act (Act), both Country Road Group and David Jones submitted their modern slavery statements, covering the period 1 July 2020 to 30 June 2021. Country Road Group's statement was identified as best-in-class for apparel retailers by the International Justice Mission Australia. During the year, Country Road Group and David Jones have continued to engage with the Australian government on the Act, including through representation on the Modern Slavery Expert Advisory Group.



The WHL Group is a signatory to the UN Global Compact. Being a signatory means that we commit to operating in ways that, at a minimum, meet fundamental responsibilities in the areas of human rights, labour, environment, and anti-corruption.

The 2021 Baptist World Aid Ethical Fashion Report, Australia's most prominent and high-profile report on ethical performance, ranked 420 fashion brands on a scale of A+ to F. Country Road Group brands achieved an A rating and David Jones a B. Out of the 420 brands, only 21% achieved an A/A+ rating, 56% received a B or C, and 23% received a D or an F.



Country Road Group and David Jones are signatories to the new International Accord for Health and Safety in the Textile and Garment Industry (new Accord). It replaces the Bangladesh Accord, which officially expired in August 2021. The intention of the new Accord is to protect the safety of workers and improve conditions in the supply chain. The new Accord will continue to support the current operations in Bangladesh by continued funding of fire and building safety work. Going forward, the intention is for the new Accord to extend to countries beyond Bangladesh. Woolworths aims to become a signatory to the new Accord in the near future.



RESPONSIBLE SOURCING

Expectations around responsible sourcing and traceability continue to grow. As part of our Vision 2025+ strategy, we have set ourselves a goal – that by 2025, all our key commodities will be responsibly sourced and traceable. Our key commodities are: palm oil, cocoa, coffee, soya, seafood, cotton, leather, man-made cellulose fibres, timber, and synthetics.

WITH THIS NEW GOAL, WE ARE AIMING TO CONTRIBUTE TO:

- Creating demand for commodities that are produced in ways that responsibly manage environmental impacts such as biodiversity loss, deforestation, land-use change, climate change and water usage, and that are also good for the farmers, suppliers, and their local communities, protecting human rights and enabling good working conditions
- Providing visibility to our stakeholders of the provenance of our products through the full supply chain

We are not yet reporting on the percentages of our key commodities that are traceable as we are still identifying solutions and developing roadmaps for traceability.

IN RELATION TO VISION 2025+ TARGETS

- AHEAD / ACHIEVED
- ON TRACK
- BEHIND
- NOT YET STARTED

¹ An RSPO credit is proof that one tonne of certified palm oil was produced by an RSPO-certified company or independent producer, and has entered the global palm oil supply chain. By purchasing credits, buyers encourage the production of certified sustainable palm oil.

² Palm oil derivatives are glycerol, fatty acids or fatty alcohols, ingredients used in food, cleaning and beauty products for their emollient or foaming properties.

HOW WE MANAGE COMMODITY SOURCING IN FOOD

PALM OIL

MANAGEMENT APPROACH

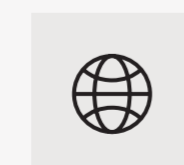
As a member, Woolworths continues to support the Roundtable on Sustainable Palm Oil (RSPO). From the end of 2020, Woolworths has committed that 100% certified sustainable palm oil (CSPO) from physically certified supply chains will be sourced for our private label food and personal care products.

UPDATE ON PROGRESS

While Woolworths’ minimum requirement is currently mass balance RSPO palm oil, 39 (2021: 44) of our supplier sites are now RSPO members. This means that they are bound by the RSPO Code of Conduct, and are required to publicly report their progress towards achieving 100% certified sustainable palm oil (CSPO). At present, 58% (2021: 89%) of the volume of palm oil that Woolworths uses in food each year is certified as sustainable by the RSPO through supply chain audits. Of all the private label food products containing palm oil, 100% (2021: 97%) are produced with physical (mass balance) RSPO palm oil. This year, for the second time, we purchased RSPO credits¹ from smallholder farmers, equivalent to 100 tonnes, to support the inclusion of smallholder farmers into the mainstream market. We continue to work with our suppliers to move towards segregated supply, acknowledging that this often incurs a premium due to the limited demand and infrastructure capability in South Africa. We also continue to work on creating awareness in the industry and with our customers to support the transition to responsibly sourced palm oil more widely.

WOOLWORTHS SCORED 13.7 OUT OF 24 IN WWF’S 2021 PALM OIL BUYERS SCORECARD. WE WERE THE TOP-RANKED SOUTH AFRICAN COMPANY AND SCORED ABOVE THE GLOBAL AVERAGE.

Going forward, we aim to ensure that our palm oil derivatives² are responsibly sourced too.



RELATED CERTIFICATION SCHEME

RSPO

RESPONSIBLY SOURCED (WSA) FY22 ●



FY21: **97%**

HOW WE MANAGE COMMODITY SOURCING IN FOOD

COCOA

MANAGEMENT APPROACH

Woolworths and David Jones Food strategy is to source 'responsibly sourced' cocoa, including through Rainforest Alliance, Fairtrade International, Cocoa Horizons (Forever Chocolate), and Cocoa Life.

UPDATE ON PROGRESS

Woolworths is the only major retailer in South Africa to use only responsibly sourced cocoa in our core chocolate and sweets lines, as well as sell as an ingredient.

With our current mass balance cocoa sourcing, we can trace cocoa beans back to co-op level. We are investigating sourcing segregated cocoa, which gives transparency of supply to farm level.



RELATED CERTIFICATION SCHEME

Rainforest Alliance, Fairtrade International, Cocoa Horizons (Forever Chocolate), Cocoa Life

RESPONSIBLY SOURCED (WSA) FY22 ●



FY21: 100%



COFFEE

MANAGEMENT APPROACH

Woolworths is one of the largest coffee retailers in South Africa. WCafé and David Jones Food's current approach to coffee is to source organic coffee beans.

UPDATE ON PROGRESS

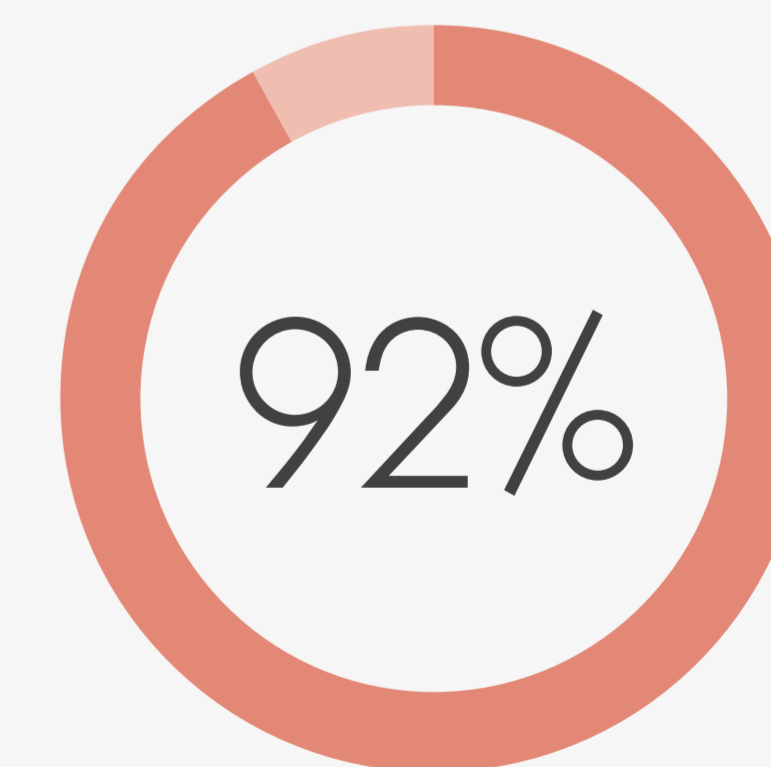
For our WCafés and coffee carts, we source 100% organic African coffee from Tanzania and Ethiopia, supporting more than 80 000 smallholder farmers. Much of the coffee we sell in our retail range comes from these same smallholder farmers – over 80% of this is currently traceable to a co-op level.



RELATED CERTIFICATION SCHEME

Organic

RESPONSIBLY SOURCED (WSA) FY22 ●



FY21: NOT REPORTED

OUR GOAL IS TO HAVE AN ESTABLISHED RESPONSIBLE COFFEE SOURCING PROGRAMME IN PLACE THAT MEETS FOUR OBJECTIVES BY 2025 – A BETTER DEAL FOR THE FARMER, A BETTER DEAL FOR THE CUSTOMER, BETTER QUALITY, AND BETTER AVAILABILITY.

HOW WE MANAGE COMMODITY SOURCING IN FOOD

SOYA

MANAGEMENT APPROACH

Woolworths is a member of the Round Table on Responsible Soy (RTRS)¹ and supports the development of a sustainable soya market in major producing regions through the purchase of RTRS credits.

UPDATE ON PROGRESS

Ninety-eight percent of the soya used by Woolworths is utilised in animal feed used by our protein suppliers. Woolworths is conducting an exercise to update its soya baseline based on the current amount of protein we sell in our product range and average global inclusion rates². For the fifth consecutive year, Woolworths has purchased 2 765 RTRS credits. The credits are only purchased from growers who are certified as meeting the RTRS standard for responsible soya production. One credit is equivalent to one tonne of soya. In this way, we are supporting responsible production.

Going forward, our goal is to ensure that the soya used in our animal feed is not sourced from high-risk sources where biodiversity could be negatively impacted. Our ultimate ambition is to support greater uptake of South African soya, thereby supporting the farmers who grow it, and therefore the local economy. We also aim to establish a roadmap on how to approach responsible soya sourcing across the Food supplier base.

¹ RTRS's certification scheme is widely recognised as the system that promotes responsible production. Certified farms must be approved by auditors and meet the requirements for sustainable production. The RTRS standard sets forth important social environmental (zero deforestation) requirements with clear criteria pertaining to human and labour rights. Because of considerable complexity in converting soya used in animal feeds to a responsibly sourced variety, we have started purchasing RTRS credits to promote the uptake and development of the responsible soya industry.

² Global inclusion rates: The percentage of soya used in animal feed, i.e. the ratio of soya to total feed for each species.



RELATED CERTIFICATION SCHEME

RTRS¹

WOOLWORTHS HAS PURCHASED

2 765

RTRS CREDITS



HOW WE MANAGE COMMODITY SOURCING IN FASHION, BEAUTY AND HOME

COTTON

MANAGEMENT APPROACH

As cotton is the most used fibre across our private label clothing collections, the WHL Group is focused on supporting more sustainable cotton farming practices. Woolworths, Country Road Group, and David Jones are all members of Better Cotton and, in addition, support locally grown and certified organic cotton. Woolworths is also a member of the South African Cotton Cluster.

UPDATE ON PROGRESS

Woolworths sourced approximately 9 400 tonnes (2021: 350 tonnes) of South African cotton as Better Cotton in the last year. Country Road Group and David Jones private label sourced 2 199 tonnes (2021: 2 148 tonnes) of Better Cotton, and 3.4 million units of Australian cotton (2021: 2.35 million units). During the year we participated in a working group constituted to develop revised principles and criteria for Better Cotton.

One of the challenges we face with regards to traceability of cotton is that the Better Cotton scheme is a mass balance scheme, making it difficult to trace the cotton back to farm level. We continue to engage with Better Cotton and other organisations to improve traceability of the supply chain.



RELATED CERTIFICATION SCHEME

Better Cotton, Organic, Recycled, Local

RESPONSIBLY SOURCED (WSA) FY22 ●

100%

FY21: 98%

RESPONSIBLY SOURCED (CRG) FY22 ●

86%

FY21: 84%

CASE STUDY

SUPPORTING RESPONSIBLY SOURCED LOCAL COTTON

As a proudly South African retailer, Woolworths feels strongly about partnering with local suppliers to help create more jobs and stimulate our economy.

SEASON'S FIND, WITH MORE THAN 200 EMPLOYEES, IS WOOLWORTHS' SUPPLIER OF MEN'S SUMMER TEES. THESE TEES ARE MADE FROM BETTER COTTON.

HOW WE MANAGE COMMODITY SOURCING IN FASHION, BEAUTY AND HOME

MAN-MADE CELLULOSE FIBRES (MMCFs*)

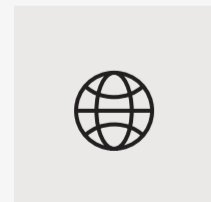
MANAGEMENT APPROACH

The WHL Group has partnered with Canopy and 150 other brands as part of the CanopyStyle initiative to promote the uptake of responsible sourcing policies among the top 10 global producers (responsible for 70% of global supply). The Group also aims to drive engagement with our suppliers and producers of MMCFs to ensure that the production of fabrics does not result in illegal forest degradation or deforestation. We achieve this through our association with Canopy, and by sourcing MMCFs that are Forest Stewardship Council (FSC) certified.

UPDATE ON PROGRESS

Currently, 96% (2021: 75%) of Woolworths and 43% (32%) of Country Road Group's viscose is responsibly sourced.

* MMCFs are fibres derived from wood, such as viscose, rayon, lyocell, tencel and modal.



RELATED CERTIFICATION SCHEME

FSC, Canopy

RESPONSIBLY SOURCED (WSA) FY22 ●

96%

FY21: 75%

RESPONSIBLY SOURCED (CRG) FY22 ●

43%

FY21: 32%

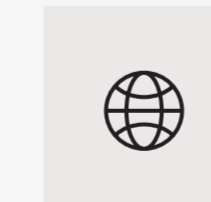
TIMBER

MANAGEMENT APPROACH

Woolworths is a signatory to the Vancouver Declaration, making a commitment to work towards more sustainable sourcing of forest products and endorsing the Forest Stewardship Council (FSC) as the supplier of choice for the certification of forest products. In line with legislation, Country Road Group and David Jones strive to design and develop timber and products with timber inputs from legally harvested sources.

UPDATE ON PROGRESS

Currently, 98% (2021: 90%) of wood used in Woolworths home products and 80% (2021: 98%) of Woolworths Food paper and board packaging is responsibly sourced. 39% (2021: 43%) of Country Road Group's timber is recycled or certified sustainable timber.



RELATED CERTIFICATION SCHEME

FSC

RESPONSIBLY SOURCED (WSA HOME) FY22 ●

98%

FY21: 90%

RESPONSIBLY SOURCED (CRG) FY22 ●

39%

FY21: 43%

HOW WE MANAGE COMMODITY SOURCING IN FASHION, BEAUTY AND HOME

LEATHER

MANAGEMENT APPROACH

The WHL Group is a member of the Leather Working Group (LWG), an environmental standard that promotes best practice in chemical management and wastewater treatment. The LWG certification process also assesses the ability of leather manufacturers to trace material back to the slaughterhouse. The WHL Group is also a participant in the Textile Exchange Beef and Leather Working Group.*

UPDATE ON PROGRESS

The extraordinary complexity of leather sourcing and traceability due to multi-tier supply chains is a global challenge that we, along with many other brands worldwide, are seeking to solve. We continue to encourage tanneries from which we source to join the LWG.

All Trenery leather apparel, all of Witchery's leather handbags, more than 40% of leather belts and more than 75% of Politix leather footwear is sourced from LWG-certified tanneries.

The Group continues to conduct a baseline assessment of all our tanneries to understand their LWG certification levels, i.e. which of them are being audited against the LWG environmental auditing protocols, and which have a traceability rating (leather that is physically marked and traceable).

* Still in its relative infancy, the Textile Exchange Beef and Leather Working Group's objective is to bring together a diverse range of stakeholders to address issues within the leather and beef supply chain.



RELATED CERTIFICATION SCHEME

LWG

RESPONSIBLY SOURCED (WSA) FY22 ●

32%

FY21: NOT MEASURED OR REPORTED

RESPONSIBLY SOURCED (CRG) FY22 ●

94%

FY21: 85%

SYNTHETICS

MANAGEMENT APPROACH

WITH A FOCUS ON PETROLEUM-BASED SYNTHETICS SUCH AS POLYESTER AND NYLON/POLYAMIDE, WE AIM TO SOURCE RECYCLED SYNTHETICS THROUGH GLOBALLY RECOGNISED RECYCLING PROGRAMMES SUCH AS THE GLOBAL RECYCLE STANDARD (GRS) AND RECYCLED CLAIM STANDARD (RCS).

UPDATE ON PROGRESS

We continue to work towards increasing the amount of recycled polyester in our ranges. However, we face significant challenges in the premium price associated with recycled polyester and the limited local availability thereof.



RELATED CERTIFICATION SCHEME

GRS, RCS

RESPONSIBLY SOURCED (WSA) FY22 ●

18%

FY21: 8%

RESPONSIBLY SOURCED (CRG) FY22 ●

29%

FY21: NOT MEASURED OR REPORTED

SUSTAINABILITY ATTRIBUTES

The Group continues to strive towards 100% of our private label products having a sustainability attribute. During the year, the list of approved sustainability attributes was reviewed, updated and aligned between Woolworths FBH, Country Road Group, and David Jones to have a consistent approach across the Group.



Sustainability attributes are product characteristics that contribute to minimising the social and/or environmental impacts of a product at one or more stages in the value chain.

SUSTAINABILITY ATTRIBUTES ARE TAILORED TO EACH BUSINESS AND COVER A NUMBER OF MATERIAL ISSUES ACROSS OUR VALUE CHAIN, INCLUDING:

- Energy and climate change
- Waste (including packaging and food waste)
- Water
- Health, nutrition, and wellness
- Enterprise and supplier development
- Sustainable farming and fishing
- Sustainable fibres

There are several more detailed individual attributes underlying each of these material issues.

MATERIAL INNOVATION

Across the Group, we continue to drive innovation and sustainability in the product development process, and monitor the progress in, and the commercial viability of, alternative, vegan, renewed, reused or recycled fibres. This has been formalised through the Vision 2025+ goal that requires all private label clothing, beauty, and homeware products to contain at least one renewed, reused or recycled product material input by 2030.

TRENERY WINTER COATS INCLUDE RECYCLED WOOL

Mimco introduced a vegan and PETA-approved range of accessories made from prickly pear cactus leaves organically grown in Mexico

Mimco released a handbag collection made from recycled polyester with recycled cords, webbing and zipper tapes, and linings made from recycled plastic bottles

POLITIX TAILORED JACKETS, BLAZERS AND PANTS ALL HAVE 100% RECYCLED POLYESTER LININGS

For more information on products containing reused or recycled material content, please refer to the Packaging and Waste chapter.



SUSTAINABLE FARMING

Why is this focus area important?

Nature is declining globally at unprecedented rates, and the extent of species extinction is accelerating. This increasing biodiversity loss is a significant risk to our business, to the health and wellness of our customers and employees, and to society as a whole. In addition, globally, food systems have been affected by the impact of climate change and related extreme weather events, soil degradation, worsening water quality and availability, war, and the Covid-19 pandemic. To address these challenges and enhance the resilience of our supply chain, we need to contribute to creating a more sustainable food system through our regenerative agriculture programmes, actively managing environmental impacts, and the welfare and dignity of people and animals in our supply chain.

OVERVIEW

VISION 2025+ GOAL



All private label products to support **REGENERATIVE FARMING PRACTICES** by 2030

WSA FOOD

FY22

- 80% of private label produce and horticulture lines on the Farming for the Future programme (FY21: 58%)

BASELINE

- 52% (FY19)

AHEAD | **ON TRACK** | BEHIND | NOT YET STARTED

WSA FBH, CRG, AND DJ

FY22

- Researching regenerative farming programmes (FY21: Not yet started)

BASELINE

- Still to be determined

AHEAD | **ON TRACK** | BEHIND | NOT YET STARTED

THE WHL GROUP DOES NOT PERMIT TESTING OF PRIVATE LABEL PRODUCTS ON ANIMALS

99%

of Woolworths seafood by volume meets our wild-caught and aquaculture sustainability commitments

2021: **98%** 2020: **98%**

HIGHLIGHTS

- Country Road is the first Australian fashion retailer to partner with The Good Cashmere Standard® by the Aid by Trade Foundation to support responsible farming of this luxury fibre
- Woolworths was ranked ninth (out of 29 participating retailers) in the Compassion in World Farming Supermarket Survey

THE WHL GROUP DOES NOT PERMIT THE USE OF ANY NATURAL OR FARMED FUR IN PRODUCTS SOLD

LOWLIGHTS AND CHALLENGES

- Increased input costs, flooding, civil unrest, ongoing drought, Ukraine/Russia war and the Covid-19 pandemic continue to affect global food supply chains and put pressure on the farming and fishing industry

LOOKING AHEAD

We will continue to refine our sustainable farming and animal welfare programmes to assist us in promoting supply chain resilience and regeneration, and to ensure that the programmes remain in line with best practice.

MORE SPECIFICALLY, WE WILL:

- Finalise the pilot study for quantifying, in monetary terms, the value of adopting the Farming for the Future programme, and the resulting improvement actions, both for Woolworths and the farmer
- Finalise a new Sustainable Seafood Procurement Policy for Woolworths
- Continue to explore regenerative agriculture options, particularly for raw materials and key commodities used in the Group's fashion and homeware products
- Further roll out cloud-based management systems for data gathering and reporting for Farming and Fishing for the Future



SUSTAINABLE FARMING AND FISHING

Through our sustainable farming and fishing programmes, and in conjunction with our farmers and suppliers, we aim to contribute towards a more sustainable, resilient, and inclusive food system.

REGENERATIVE AGRICULTURE

As part of our Vision 2025+ strategy, we have formally committed to supporting regenerative agriculture practices. We define regenerative agriculture as science-based farming practices that, among other benefits, mitigate climate change by rebuilding soil organic matter and restoring biodiversity – resulting in both carbon drawdown and the improvement of the water cycle. We consider our Woolworths Farming for the Future programme as going beyond this definition, and thereby qualifying as a regenerative farming programme.

When it comes to raw materials and key commodities used in the Group’s fashion and homeware, we are just starting out on the regenerative agriculture journey, and will need to align with best practice as it evolves over time. We are researching available regenerative farming programmes, and will engage with the programmes and certifications with which we already have partnerships or which we accept under our responsible commodity-sourcing programmes in order to understand their approach to the incorporation of regenerative farming principles. Our initial focus will be on cotton, as it is the most used fibre across our private label clothing collections; thereafter, we will look at timber and leather.

FARMING FOR THE FUTURE

The Farming for the Future programme is Woolworths’ pioneering approach to growing food in a sustainable, regenerative, and harmonious way. The programme – and its related assessment and certification scheme, conducted by an independent specialist environmental assessment company – is a scientific, data-based approach to farming that aims to manage a farm as part of its wider ecosystem. The programme comprises various modules for which data points are measured at a farm level, including data related to soil health, water-use efficiency, crop protection, energy use, irrigation efficiency, and leakages and wastewater management. This data is used by farmers to make decisions that will help them continuously improve over time, with the aim of enabling them to produce more food with fewer natural resources. The programme is geared towards improving each farm’s resilience, yield, and profitability while enhancing its ecosystem’s capacity over time.

149 (2021: 132) PRIMARY AND 283 (2021: 182) SECONDARY SUPPLIERS WERE ASSESSED ON THE PROGRAMME.



“THE GOAL OF THE FARMING FOR THE FUTURE PROGRAMME IS TO RADICALLY IMPROVE SOIL AND PLANT HEALTH, PRESERVE RESOURCES SUCH AS WATER, AND PROTECT BIODIVERSITY WITHOUT ADDING TO THE COST OF OUR PRODUCTS.”

– Kobus Pienaar, Woolworths Food Technical Manager



For a primary supplier to meet the criteria for the use of the Farming for the Future logo on their products, the primary supplier must have at least 80% of the volume provided to Woolworths sourced from farms that are part of the Farming for the Future programme, with the remaining percentage coming from farms that are SIZA members.

Continuous improvement has been made over the years in response to the changing operating context, to align with sustainable farming best practice, and to challenge farmers to constantly improve their farming practices. During the past year, the farmers assessed achieved a 97.8% pass rate (2021: 98.9%) against their individual continuous improvement targets. Suppliers who do not pass are not permitted to use the Farming for the Future logo on their products. To support farmers in meeting their targets, a recommended action plan is now provided to each farmer upon completion of their assessment.

We have continued working towards developing a formalised and robust business case for Farming for the Future. To this effect, we have been conducting a shared-value model pilot at four farms to quantify, in monetary terms, the value of adopting the programme, and the resulting improvement actions for both Woolworths and the farmer. We are also currently exploring whether and how the Farming for the Future programme would qualify for carbon credits in future, and investigating whether participating farmers may be able to obtain better financing arrangements or lower insurance premiums.

A challenge we continue to experience is the increased cost associated with scaling up the programme, and the costs of related assessment and certification processes. Increased input costs, flooding, civil unrest, ongoing drought, and uncertainty regarding land reform remain difficult for farmers, particularly affecting their capacity for investment in sustainability projects, which often have long-term payback periods.

LOOKING AHEAD, WE AIM TO CONTINUE ROLLING OUT THE PROGRAMME TO MORE FARMERS, AND TO TRANSITION TO A CLOUD-BASED PLATFORM FOR DATA GATHERING AND REPORTING. WE ALSO PLAN TO CONDUCT A BASELINE CARBON, WATER, AND BIODIVERSITY FOOTPRINT FOR SELECTED TOP SUPPLIERS.

THE BIODIVERSITY PROJECT WITH LANDCARE AUSTRALIA

Country Road has partnered with Landcare Australia to support the regeneration of Australian farmlands, with a focus on increasing biodiversity in cotton-growing regions. Our partnership is designed to enrich Australia's biodiversity by assisting local cotton farmers in protecting soil health, providing natural habitats for threatened species, and improving water quality across river systems.

We have committed A\$600 000 over three years, including, annually, a A\$50 000 corporate donation and at least A\$150 000 from sales of the Heritage Sweat collection. Our contribution to date has supported two cotton-farming families in restoring 34 hectares of farmland, replanting 6.5 kilometres of riverbank, and creating an enhanced habitat for native species, including threatened or endangered animals such as the koala and barking owl.

Sadly, in December, flooding resulted in the loss of plantings. We are committed to replanting these impacted areas. Replanting has already begun, with the remainder scheduled for next year.

“Biodiversity is really important to me in so many ways. It may be the insects, the birds, and the bats that help reduce pests in our crops. It may be the grass cover and legumes that are growing in our grazing paddocks. It may be diversity in our soils and how we provide different nutrients back into the soil. Biodiversity is really, really important to make our farm work as a system.”

– **Robyn Watson,**
Boggabri farm in New South Wales




FISHING FOR THE FUTURE

Fishing for the Future is Woolworths’ action plan to ensure that all our seafood is responsibly sourced.

WE ARE COMMITTED TO:

- Inspiring and enabling our customers to responsibly consume healthy seafood
- Sourcing seafood in a way that minimises negative environmental, social, and economic impacts
- Behaving ethically and promoting ethical behaviour throughout our seafood supply chains
- Ensuring that the highest standards of fish health and welfare are adhered to
- Ensuring that all our seafood suppliers go beyond compliance, and integrate sustainability into everything that they do

We source seafood from 31 countries, from some of the world’s leading fishery and aquaculture companies, as well as from several small-scale producers. During the year, we commenced implementation of new, cloud-based supplier management systems to support our suppliers on their sustainability journey and to assist us with supply chain due diligence, traceability, and transparency. We participated in the On the Hook campaign that called on the Marine Stewardship Council to strengthen its requirements for shark finning as part of its ongoing Fisheries Standard Review. We also supported a Maldivian government proposal to reduce yellowfin tuna catches in the Indian Ocean by 30%, and a Kenyan government proposal to improve fish aggregating device  management.

99%

of Woolworths seafood by volume meets our wild-caught and aquaculture sustainability commitments¹ (2021: 98%)

Looking ahead, we will finalise our updated Seafood Procurement Policy, further roll out our cloud-based supplier management systems, and conduct focused work on addressing climate change in our seafood supply chains.



We work together with several NGOs to adopt innovative new technologies, solutions and thinking around seafood sustainability, and to continuously improve sustainability outcomes across our seafood supply chains.

THESE INCLUDE:

Global Sustainable Seafood Initiative (GSSI)

In 2022, Woolworths became the first African retailer to join GSSI. GSSI aims to ensure confidence in the supply and promotion of certified seafood.

International Pole and Line Foundation (IPNLF)

A Woolworths team member serves as the chair of the IPNLF board. IPNLF works to empower small-scale tuna fisheries, protect ecosystems, and safeguard the livelihoods of local fishers.

Food Animal Initiative (FAI)

Woolworths works with FAI and our rainbow trout suppliers to improve fish health and welfare outcomes.

World Wide Fund for Nature (WWF)

Woolworths works with WWF on fisheries improvement projects, advocacy, and consumer education.

Global Tuna Alliance (GTA)

Woolworths was the first African retailer to join the GTA. A Woolworths team member serves on the GTA steering committee. GTA works to realise harvest strategies for tuna fisheries; avoidance of illegal, unreported or unregulated products; as well as improved traceability, environmental sustainability, and human rights in tuna fisheries.

CASE STUDY

RESPONSIBLE TUNA FISHING IN THE MALDIVES

Tuna is the Maldives’ primary export commodity, second only to the tourism industry for its contribution to the country’s economy. Fishing is a family- and community-centred economic activity, and associated sectors such as fish processing provide an additional source of income, particularly to women.

WOOLWORTHS’ CANNED TUNA IS CAUGHT IN THE MALDIVES BY FISHERMEN USING THE POLE-AND-LINE METHOD. THIS IS A CENTURIES-OLD FISHING METHOD THAT INVOLVES ONE FISHER USING ONE POLE, LINE, AND HOOK TO CATCH ONE FISH AT A TIME. IT IS THE MOST SELECTIVE WAY TO CATCH TUNA, SIGNIFICANTLY REDUCING BYCATCH AND HARM TO OTHER MARINE LIFE.

99.3%

of Woolworths tuna is one-by-one caught

¹Our commitment is that all our wild-caught seafood and aquaculture species are to be either WWF-SASSI green-listed, caught from MSC or ASC (or equivalent; Woolworths considers GSSI recognised certification as equivalent) certified fisheries and aquaculture operations, or sourced from suppliers who are undertaking credible, time-bound improvement projects.

IMPROVING ANIMAL WELFARE STANDARDS

We believe it is our ethical obligation to ensure that our suppliers treat the animals in our supply chain with respect, and in the most humane way possible, and are committed to a journey of continuous improvement. We are committed to working with our suppliers to improve animal welfare and minimise any potential harm, stress or pain, and aim to meet the Five Freedoms that describe the ideal state of animal welfare. In addition, we expect all our suppliers to adhere to relevant national and international animal welfare standards. In the unlikely event that we become aware of stocking a product that breaches legislation or our animal welfare policies and standards, we act promptly to remove this item from sale, and take the necessary steps to ensure future compliance. Suppliers are regularly visited, inspected, and audited by independent bodies to ensure compliance with our animal welfare principles.

We believe animals should have lives worth living. From birth to death, they should enjoy five freedoms:

1

FREEDOM FROM HUNGER AND THIRST

2

FREEDOM FROM DISCOMFORT

3

FREEDOM FROM PAIN, INJURY OR DISEASE

4

FREEDOM TO EXPRESS NORMAL BEHAVIOUR

5

FREEDOM FROM FEAR AND DISTRESS



ANIMAL WELFARE IN FOOD
WE SUPPORT THE FOLLOWING PRINCIPLES FOR ANIMAL WELFARE

EGGS

- Neither Woolworths nor David Jones sell whole eggs from hens kept in cages
- Currently, 100% of whole eggs and 100% of liquid and powdered egg ingredients in Woolworths private label food products are free range. Furthermore, Woolworths is committed to supporting initiatives that enable a shift away from caged systems in South Africa, and continues to engage collaboratively with other retailers around this
- David Jones Food also only sells free range whole eggs, and aims to use only free range eggs as an ingredient in private label prepared food, and in the selection of brands that retail on shelf



IN 2004, WOOLWORTHS BECAME THE FIRST MAJOR LOCAL RETAILER TO STOP SELLING WHOLE EGGS FROM HENS KEPT IN CAGES. IT REMAINS THE ONLY SOUTH AFRICAN RETAILER TO DO SO.



Since 2002, Woolworths Ayrshire dairy farmers have not administered rBST to any of their Ayrshire dairy cows

DUCK, LAMB, VENISON, CHICKEN, BEEF

- 100% of Woolworths duck, lamb, and venison is produced according to our Free Range Farming Guidelines, and we continue to sell extensive lines of free range chicken and beef in-store (currently approximately 50% and 30% of products respectively). Free range means the animals are allowed to roam freely, eat a natural diet and are not given routine antibiotics or growth stimulants
- David Jones Food only sells fresh chicken that is RSPCA-approved or free range, and where possible uses RSPCA-approved, free range or outdoor-bred beef and lamb

PORK

- Woolworths launched the Kinder to Sows programme in 2014. The aim of the programme is to source pork from farms that no longer use sow stalls to restrain pregnant sows for prolonged periods, reducing the time adult sows spend in gestation crates from 16 weeks to less than one week. Currently, we source Kinder to Sows pork for Woolworths fresh pork products, pork ribs, and all bacon and gammon lines
- David Jones uses RSPCA-approved or sow stall-free pork where possible

OUTCOMES-BASED MEASUREMENT PROGRAMME

Woolworths continues to work with the Food Animal Initiative (FAI), an organisation that partners with companies and farmers on building better agricultural programmes, to strengthen our approach to animal welfare, sustainable livestock, and aquaculture farming practices across the supply chain by using outcomes-based measures. The outcomes-based measures, which focus on key welfare issues for each species, are collected on a monthly basis, and provide objective and quantifiable data on liveability, disease, injury, behaviour, transport, and slaughter.

TO DATE, WE HAVE COLLECTED DATA RELATING TO THE LIVES AND WELFARE OF MORE THAN 255 MILLION ANIMALS ACROSS 13 (2021: 12) FARMING METHODS.

This data is tracked and trended, and the results are reported back to our suppliers, along with guidance on best practice, to help drive continuous improvement towards a more sustainable, higher animal welfare system within our supply chain.

This year, in a South African first, Woolworths participated in the Compassion in World Farming Supermarket Survey. The survey scores and rates supermarkets on their policies, performance, and overall approach to farm animal welfare for laying hens, broilers, pigs, dairy cows, and calves. Woolworths was ranked ninth out of 29 retailers that participated (19 from the European Union (EU), 10 non-EU). For individual species, Woolworths was ranked fourth in laying hens, eighth in dairy, ninth in sows and seventh in fish.



ANTIBIOTICS

Woolworths is on a journey to reduce antibiotic use in our supply chain – particularly the use of shared class antibiotics, i.e. those that are critical to human health. The use of antibiotics in animals in our supply chain is informed by our Antimicrobial Guideline, which sets out five principles with regards to antibiotics: record, reduce, replace, refine, remove. In order to establish a baseline of usage, we are currently recording the amount and type of antibiotics used by our suppliers through the outcomes-based programme. From there, we can work from an informed position to track, trend, and promote the reduction of antibiotic use.

SUPPLIER TRAINING

The majority of Woolworths’ protein and dairy suppliers have attended training on animal welfare. The training content covers topics such as animal welfare at the farm level, as well as during transport and slaughter. We require that our suppliers undergo this training at least every three years, so that they remain up to date with global best practice. Suppliers are incentivised and rewarded by Woolworths for having an assigned animal welfare officer who has attended this particular training programme through the allocation of a sustainability attribute to their products supplied to Woolworths.

During the year, the Woolworths team attended regenerative agriculture and animal welfare training courses conducted by FAI.

ANIMAL WELFARE IN FASHION, BEAUTY AND HOME WE SUPPORT THE FOLLOWING PRINCIPLES FOR ANIMAL WELFARE

ANIMAL TESTING

- The Group does not permit the testing of our private label products on animals
- Since 2008, Beauty Without Cruelty has approved the entire Woolworths private label range of cosmetics and toiletries. Additionally, in mid-2019, the full WBeauty range became 100% vegan
- Since August 2017, all David Jones private label cosmetics products have held the PETA Beauty Without Bunnies accreditation



ANGORA

- The Group ceased ordering products containing angora in January 2014

During the year, Country Road was the first Australian fashion retailer to partner with The Good Cashmere Standard® by the Aid by Trade Foundation. Use of cashmere certified by The Good Cashmere Standard® supports the responsible farming of this luxury fibre by promoting animal welfare, securing a sustainable source of income for farmers, and protecting the biodiversity of the land on which the goats and farming communities live. We launched the partnership with select cashmere products, with a view to expand the certification to further products in our cashmere range in future.

FEATHERS & DOWN

- The Group does not permit live plucking in any form, including for duck and goose down. We aim to source from suppliers who are Responsible Down Standard (RDS) compliant. We are also increasingly looking towards synthetic alternatives for our products, including using recycled PET in pillows, duvets, and puffer jackets

FUR

- The Group is a proud member of the Fur Free Alliance. We do not permit the use of any natural fur or farmed fur in our products, including branded products supplied to David Jones. Our definition of fur is aligned with that of the Fur Free Alliance, and includes any fur from animals bred and farmed purely for their skins, such as mink, sable, chinchilla, fox, muskrat, racoon dog, rabbit, astrakhan, and karakul, but excludes by-products of the meat industry, such as shearing and sheepskin

WOOL

- The Group takes a proactive approach to sourcing a sustainable supply of wool that is non-mulesed, supporting local wool industries in South Africa and Australia. Country Road Group and David Jones have a **responsible wool strategy** that will see them transition away from mulesed wool over time

THE WHL GROUP DOES NOT PERMIT THE USE OF EXOTIC SKINS – SUCH AS SNAKE, ALLIGATOR, CROCODILE, AND LIZARD – NOR THE USE OF ENDANGERED SPECIES THAT APPEAR ON THE CONVENTION ON INTERNATIONAL TRADE IN ENDANGERED SPECIES OF WILD FAUNA AND FLORA (CITES, ALL APPENDICES I, II, III), OR THE IUCN RED LIST OF THREATENED SPECIES, IN OUR PRIVATE LABEL PRODUCTS.



PACKAGING AND WASTE

Why is this focus area important?

We believe that by championing the use of innovative and sustainable packaging design, together with managing waste efficiently across our value chain, we will reduce the environmental footprint of our products, thereby reducing the impact on natural resources.

OVERVIEW

VISION 2025+ GOALS



All our packaging will be **REUSABLE OR RECYCLABLE** by 2022

FY22

- WSA Food: **98%** (FY21: 97%)
- WSA FBH: Baseline in progress
- CRG: **92%** (FY21: Not reported previously)
- DJ: **99%** (FY21: Not reported previously)

BASELINE

- Not established before reporting commenced

AHEAD | **ON TRACK** | BEHIND | NOT YET STARTED



All our private label clothing, beauty, and home products to contain at least **ONE RENEWED, REUSED, OR RECYCLED PRODUCT MATERIAL INPUT** by 2030

FY22

- Work underway

BASELINE

- Still to be determined

AHEAD | ON TRACK | **BEHIND** | NOT YET STARTED



HALVE FOOD LOSS AND WASTE in our own operations and across our top 30 suppliers by 2030

FY22

- Baseline established and reported

BASELINE

- In progress

AHEAD | **ON TRACK** | BEHIND | NOT YET STARTED



All our private label products can be **REUSED, REPAIRED, RESOLD OR RECYCLED** by 2025

FY22

- Work underway

BASELINE

- Still to be determined

AHEAD | ON TRACK | **BEHIND** | NOT YET STARTED

HIGHLIGHTS

- All Country Road Group stores and more than 300 Woolworths stores are now plastic shopping bag free. David Jones has also started the phase-out of single-use plastic shopping bags
- Country Road launched the Towards Circularity collection, comprising sweat tops, pants, and T-shirts made from 30% recycled cotton fibres sourced from our own production runs
- R78.2 million worth of clothing products was donated by Woolworths to the Clothing Bank
- David Jones launched a number of fashion resale platforms in partnership with GlamCorner, Blue Spinach, and ReLoop
- All Politix shirts and tops now come in 100% recycled packaging
- Trenergy and Witchery participated in a feasibility study to explore the potential for repairs for in-store damage and customer returns of faulty items

LOWLIGHTS AND CHALLENGES

- Covid-19 restrictions and lockdowns have impacted the availability, and in some cases increased the price, of sustainably sourced materials
- Increased local and global demand for recyclable materials has in some cases resulted in shortages of these materials, impacting our ability to source them

LOOKING AHEAD



- Woolworths plans to extend the reverse logistics for hanger collection to the KwaZulu-Natal province in the next year
- Woolworths will continue to comply with the Extended Producer Responsibility (EPR) regulations in South Africa, which aims to ensure that we address pollution by better management of post-consumer packaging waste, and improve recycling by increasing recycling as well as the collection of recyclables
- Woolworths online delivery for Fashion, Beauty and Home is working to eliminate the plastic flyer bag in the next year
- Circular design training is being finalised, and will be rolled out internally across the Group



PACKAGING REDUCTION

Packaging protects our products, ensuring quality and safety for our customers. It also reduces food spoilage, which results in less food waste. Over the years, we have worked to understand how to strike a balance between meeting this need and reducing the amount of packaging we use. The solution for sustainable packaging helps us not only to reduce our environmental impact, but also to ensure that we meet customer demand for more sustainable and eco-friendly packaging and products. This space has presented us with an opportunity to innovate and enabled us to continuously revisit our product and packaging design processes, so that we can increase our share of recycled materials and remove unnecessary packaging from our value chain.

IT IS OUR RESPONSIBILITY TO MAKE SURE THAT OUR PACKAGING AND THE PRODUCT WASTE ASSOCIATED WITH US DOES NOT END UP IN LANDFILL. CONSTANTLY ENGAGING OUR CUSTOMERS ON HOW TO DISPOSE OF WASTE AND USED PRODUCTS IS IMPORTANT, BECAUSE THEY PLAY A KEY ROLE IN THE DISPOSAL THEREOF AT END OF LIFE.

Additionally, in line with our responsible sourcing strategy, the Group continues to work on securing materials that come from sustainable sources. Where we use forest products such as wood, paper, and board for packaging, we aim to source them from sustainably managed forests certified by the Forest Stewardship Council (FSC). We have continued to make good progress in redesigning our packaging and products for recyclability.

PACKAGING INNOVATION INTRODUCED THIS YEAR



Woolworths launched a fully recyclable coffee bag for ground and bean coffee, replacing the non-recyclable multi-layer aluminium foil bag

All Politix transit packaging for shirts and tops from factories to stores is now made from

100%

recycled cardboard and recycled plastic poly bags

WOOLWORTHS HAS REMOVED THE PET TAMPER SLEEVES AND REPLACED THEM WITH POP-TOP SAFETY CLOSURES ON SELECTED GLASS BOTTLES AND JARS



Woolworths launched fully recyclable sauce pouches

SPARE BUTTONS ON WITCHERY CLOTHING ARE NOW SEWN ONTO THE BACK OF THE GARMENTS' CARE LABEL, ELIMINATING THE SINGLE-USE SPARE BUTTON BAGS THAT WERE TRADITIONALLY USED

SINGLE-USE PLASTIC SHOPPING BAG PHASE-OUT

Plastic pollution continues to be a major environmental concern. As a Group, we have committed to phase out unnecessary single-use plastic as part of our contribution to dealing with the widespread problem of plastic pollution in the environment.

28.7M

Number of reusable bags sold in 2022 by Woolworths Food

CHANGE SINCE 2021: **78%**^{1A}

0.19

Average number of plastic bags per transaction in 2022 for Woolworths Food

CHANGE SINCE 2021: **-66%**^{1A}

REUSABLE AND SINGLE-USE PLASTIC SHOPPING BAGS

In 2018, Woolworths introduced a low-cost reusable shopping bag that consists of a minimum of 70% post-consumer PET plastic waste from recovered plastic bottles. Currently, more than 300 stores offer this low-cost reusable shopping bag. The bags are made by a local business, which employs more than 140 people from vulnerable communities.

In addition, Woolworths continues to offer our colourful fabric bags, made from 85% post-consumer recycled PET plastic waste from plastic bottles, as well as our cause-related marketing bags. These are widely available in our stores. We have also launched a locally made, reusable produce mesh bag as a sustainable alternative to the barrier bag.

THIS YEAR, WE COMPLETED THE PHASING OUT OF SINGLE-USE PLASTIC SHOPPING BAGS FROM WOOLWORTHS STORES IN THE REST OF AFRICA. IN LESOTHO, WE COLLABORATED WITH THE MINISTRY OF TOURISM TO HOST AN ENVIRONMENTAL AWARENESS EVENT. THE MINISTRY SUBSEQUENTLY REQUESTED TO USE WOOLWORTHS IN LESOTHO AS A BLUEPRINT FOR SUSTAINABLE SOURCING INITIATIVES, AND TO SHARE BEST PRACTICES WITH OTHER RETAILERS.

In addition to eliminating single-use plastic shopping bags from Dash¹, we have also started eliminating single-use plastic components from our Fashion, Beauty and Home online deliveries. The plastic flyer bags used for these purchases account for a third of our delivery volume in this space. Flyer bags are the plastic sleeves that are mainly used to wrap and protect clothing purchases before putting them in a delivery box. We are working on a more cost-effective and sustainable solution, as the current alternatives on the market are significantly more expensive. We also want to eliminate the plastic tape currently used for box closures and replace it with a more sustainable option. In future, we will also be shifting to paper shopping bags for scheduled delivery and for Click and Collect.

PAPER BAGS

Woolworths is replacing single-use Fashion, Beauty and Home plastic shopping bags with paper shopping bags that are made from 100% recycled transit cardboard collected from our distribution centres. These paper shopping bags are made locally by one of our Enterprise and Supplier Development beneficiaries. The Woolworths Dash service now uses the same bags.

We now offer paper shopping bags instead of plastic shopping bags for Fashion, Beauty and Home purchases at 46 Woolworths stores. Our supplier currently produces about 13 million paper bags per year, including those used by Dash.

To ensure all stores are plastic shopping bag-free, the total unit requirement per year is about 30 million bags. To achieve this, Woolworths has assisted BagPac, our supplier, in financing an additional manufacturing unit. The investment will enable us to roll out paper shopping bags to more stores in the next year.

David Jones started selling reusable bags in 2018 and has started replacing single-use plastic shopping bags at all stores with FSC-certified paper shopping bags. During the year, David Jones also released a new range of reusable bags made from recycled materials. Country Road Group offers only paper shopping bags in all its stores.

313

Plastic shopping bag-free Woolworths stores



¹Dash, available at selected stores, is Woolworths' same-day delivery service that caters for customers within a five-kilometre radius.

HEAD OFFICE

The Woolworths head office uses an online system to track waste streams on a 'real-time' basis and to identify where challenges exist. The waste is collected from recycling bins that have been strategically placed around the building to encourage staff to sort on site.

A waste audit was conducted at the Woolworths head office to understand changes in waste stream quantities after lockdown as staff returned to the office. This will help us to establish a baseline for waste quantities according to which we can set contextual reduction targets. With more staff returning to the office, we expect there to be an increase in the waste generated.

40%

of waste by weight and 78% of waste by volume is currently recycled from Woolworths head office

NON-HAZARDOUS WASTE (TONNES)*	
Recycled	32
Landfill	47
TOTAL	79

STORES

Waste at Woolworths stores is either managed on site by the landlords of the properties we operate in, or it is returned via reverse logistics to our distribution centres for sorting and recycling. We also have various customer take-back initiatives for waste at our stores, discussed later in the chapter.

The Country Road Group recycled 65% of waste from stores in the last year, compared to 46.9% in 2021, excluding waste from Politix stores¹. In addition, 99% of take-home packaging is recyclable. Take-home packaging includes carry bags and tissue paper; it excludes primary packaging that is not removed in-store, such as protective plastic layers, which customers choose to keep to protect their purchase.

WOOLWORTHS REUSABLE BAGS TAKE-BACK

After the completion of a two-store proof of concept for the collection of used fabric shopping bags for recycling, we have started the national rollout of this initiative.

WITH MORE THAN 300 STORES NOW PLASTIC SHOPPING BAG-FREE, WE HAVE SEEN AN INCREASE IN THE DEMAND FOR REUSABLE SHOPPING BAGS. WITH THIS, WE REALISED THAT THERE WAS A NEED TO PROVIDE CUSTOMERS WITH AN OPTION TO RECYCLE THOSE REUSABLE SHOPPING BAGS THAT HAVE COME TO THE END OF THEIR LIFESPAN, WHILE ALSO ESTABLISHING A CIRCULAR AND SUSTAINABLE SYSTEM FOR THEM.

We are working with a local recycler to recycle these bags. Customers can now hand in their old reusable shopping bags at selected stores.

HANGER RECYCLING

David Jones private label, Country Road, and Trenergy collect hangers from stores for redistribution to suppliers to be reused or recycled.

IN THE LAST YEAR, THE AVERAGE REUSE RATE OF DAVID JONES PRIVATE LABEL HANGERS WAS 49%, COUNTRY ROAD 40% AND TREENERY 13%.

At Woolworths, the hangers are made from a minimum of 50% recycled material. To ensure they do not become waste, used hangers are collected from all Woolworths stores by Hangerman, which refurbishes them if damaged, and sends them back to stores for reuse. We are transitioning from having Hangerman collect hangers from stores to using our existing reverse logistics to collect and take hangers back to distribution centres. Hangerman then collects from the distribution centres, reducing the number of visits to stores. By minimising the transport costs, we have also managed to increase the rebates received from Hangerman.

IN THE LAST YEAR, 10.1 MILLION (2021: 10.3 MILLION) WOOLWORTHS HANGERS WERE RESCUED OR RECYCLED (420 MILLION TO DATE).

COFFEE CUP AND GROUNDS RECYCLING

Woolworths collects disposable coffee cups from stores and head office using our reverse logistics service, returning them to the distribution centres. They are collected by a third-party recycler and processed. Coffee grounds are collected and sent to organic waste recyclers for various uses, such as composting and mushroom farming. In addition, coffee grounds are available upon request by customers for use in their home composting.



* Currently Woolworths only. Hazardous waste from Woolworths head office is minimal. ¹ Politix does not currently measure or report this.

WOOLWORTHS GREEN CAFÉS

The WCafé green café programme was designed as a grading tool to set out key goals to drive year-on-year improvement in terms of the following key principles:

- Responsible sourcing
- Healthy food options
- Packaging and food waste
- Ethics and people
- Impact on the environment

This model will be reviewed and it is our ambition to expand it across all Woolworths food services concepts.



DISTRIBUTION CENTRES

Our distribution centres manage waste from several sources – transit packaging, waste generated at stores, which is returned via reverse logistics, as well as waste generated on site.

At the Country Road Group Omni-channel Fulfilment Centre in Melbourne, 85% of waste is currently recycled (2021: 87.5%). This excludes the reuse of transit packaging such as cartons.

In the Western Cape, limited landfill site availability prompted Woolworths, in 2020, to introduce the collection of waste that would go to landfill to be redirected to a facility that turns this waste into bricks for low-cost housing. During the year, 216 tonnes of waste was sent to this facility. Wet waste from the Racecourse Gardens distribution centre in Cape Town that would traditionally be sent to landfill is also reused for compost. Bokashi is added to the wet waste, which is collected by an external waste service provider, to break it down into a dry mixture that can be used as compost. The waste service provider sells this compost to landscapers and businesses and also donates a portion thereof to community gardeners. In the last year, 116 tonnes (2021: 88 tonnes) of wet waste were processed using this method.

Woolworths has recovered more than R48.5 million in waste recycling rebates since 2012 from the recycling of cardboard, plastic, paper, ceramics, glass, and metals, of which R8.7 million was recovered this year. At the Midrand distribution centre, a second carton bailing machine was added; this has increased the carton recycling volumes, as well as revenue from rebates. The Montague Gardens distribution centre is also bailing more because of cartons that are returned from the Eastern Cape region via a reverse logistics initiative.

IN 2017, WE INTRODUCED PAPERLESS PICKING AT OUR WOOLWORTHS DISTRIBUTION CENTRES. THIS INVOLVES THE REMOVAL OF APPROXIMATELY 70 000 KILOGRAMS OF LABELS ANNUALLY FROM TRAYS OR LUGS USED IN THE DISTRIBUTION OF OUR PRODUCTS, SAVING MORE THAN R33 MILLION THROUGH THIS INITIATIVE IN THE LAST FOUR YEARS.

STORE DESIGN AND VISUAL MERCHANDISING

THE WOOLWORTHS STORE DESIGN TEAM HAS DEVELOPED A SUSTAINABILITY CHECKLIST THAT AIMS TO ENSURE THAT MATERIALS USED IN STORE DESIGN COME FROM SUSTAINABLE SOURCES, ARE MANUFACTURED IN A MORE SUSTAINABLE MANNER, AND/OR CAN BE UPCYCLED OR RECYCLED.

The team is also working closely with its largest print supplier to increase the recycling of print materials. A five-year target has been set to increase the recycling of print material from 71% in 2022 to 91% in 2025. Currently, the supplier sends 22% of the print material to landfill. Only 2% is upcycled, with the remainder still under investigation to find a sustainable solution for end-use. We are in the process of trialling the effectiveness of a recycling symbol to be added to all printed materials that the supplier produces; if successful, this will be rolled out to all printing suppliers. We want to be able to ensure that all printing material used is diverted from landfill when no longer needed.

A few years ago, Woolworths was one of the first retailers in South Africa to roll out unpainted eco-mannequins made from coffee sacks. Going forward, we will be rolling out a new range of eco-mannequins made from coffee sacks, biodegradable resin, and biodegradable paint. During the year, Woolworths also started working with a local supplier of mannequins to commence manufacturing and production of a small, selected range of mannequins in South Africa for use in Woolworths stores. Through this engagement, the supplier has added an extra 20% to its workforce. We hope to build on this and increase the range of locally manufactured mannequins in Woolworths stores in future.

Mimco recycles the material used for its visual merchandising, and all sustainability signage is made using recyclable paper. Witchery has reduced the production of 3D orienting from twice to once a year. All fabric image frames are also sent back to the supplier for recycling.

CUSTOMER RECYCLING

Customers are important to our circularity vision. As the end-users of our products, what they do with products at the end of their lifespan is important. We have various recycling initiatives at our facilities, and sometimes with community partners, which include:

- Twenty-five Woolworths stores have clothing collection facilities, where customers can drop off pre-loved clothing, which is then donated to the Clothing Bank
- Aligned to the EPR, we continue to make provision for customers to drop off used batteries and lightbulbs at all Woolworths stores for recycling
- Seven reverse vending machines at selected stores and the Woolworths head office in South Africa. Since inception, almost 16 000 kilograms of recyclables have been collected. We plan to install an additional three machines around the country
- Recycling villages at two shopping centres in KwaZulu-Natal, in partnership with ImaginELF



ON-PACK RECYCLING LABELS

We continue to ensure that all our packaging has on-pack recycling labels that clearly communicate how to dispose of the used packaging materials. By making recycling information clearer for customers, we hope that much more waste will be recycled, less contamination will occur in recycling streams, and more investment will be made in recycling infrastructure.

FOOD WASTE

Food waste occurs at all stages of the supply chain. However, the Food and Agriculture Organisation estimates that about 95% of food waste in the retail sector can be attributed to the agriculture, production, processing, packaging, and distribution of products. This all happens before the products reach consumers. It is for this reason that, with regards to food waste, Woolworths is investing most of its efforts at the supplier level.

Woolworths became one of the founding members of the SA Food Loss and Waste Voluntary Agreement in late 2020. This is a voluntary food waste initiative,

led by the Consumer Goods Council of South Africa (CGCSA) and the Department of Trade, Industry and Competition (DTIC), and co-funded by the South Africa-European Union Dialogue Facility (SA-EU DF). We have committed to a 50% reduction in edible food waste going to landfill by 2030, and this goal has been incorporated in our Vision 2025+ strategy.

As part of our commitment we have started engaging our suppliers to commit to the Food Loss and Waste agreement. More than 30 strategic suppliers have now signed up to the agreement. Aligned to this is participation in the Friend of

Champions network that brings together like-minded businesses to work towards Sustainable Development Goal 12.3 to halve food loss and waste. As part of this network, we are required to quantify food loss and waste, and monitor progress against the goal.

For this year, using the World Resources Institute (WRI) Food Loss and Waste Protocol, we have conducted a qualitative study to understand where our food waste is redirected to, and quantified the different food waste streams for Woolworths direct operations (excluding suppliers) as follows:

DESTINATION OF FOOD WASTE	TOTAL (TONNES)
Charity	15 020
Landfill*	398
Animal feed	396
Compost*	104
Anaerobic digestion*	991
Biodiesel*	170
Effluent*	48
TOTAL SURPLUS FOOD REDISTRIBUTED TO ALL DESTINATIONS	17 127
Total food loss and waste (sum of *)	1 711

These calculations take various estimates and assumptions into account. This will form the baseline for our work on food loss and waste going forward, as we continue to improve the accuracy of the reporting. Suppliers that have signed up to the agreement will be required to use the same WRI protocol to quantify and report their food loss and waste data. Woolworths will also work to increase communication to customers on how to reduce food waste in their homes.



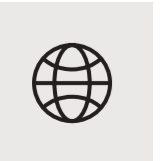
ADDRESSING SURPLUS PRODUCT

The manufacturing of the products we sell requires extraction of natural resources, the use of energy and other chemicals. Surplus product destruction therefore means that all these resources get wasted, and the destruction process poses negative impacts to the environment. A more circular way to redirect surplus product from any form of destruction prevents these negative environmental impacts.

SURPLUS FOOD DONATIONS

Woolworths food that is past its 'sell by date' but not past its 'use by date' is either sold to staff at a reduced rate or donated to charity partners at each store.

We also have an end-of-day discount in stores for certain meat products; this is also available to our customers.



R78.2M

worth of clothing products donated to the Clothing Bank

2021: R60.4M 2020: R49.7M



SURPLUS CLOTHING DONATIONS

Sent to landfill, textile waste seeps harmful chemicals into the soil, polluting our ecosystems. To prevent surplus clothing from going to landfill, our Group companies collect and distribute the clothing through four partner organisations: the Clothing Bank (Woolworths), Red Cross Fashion Trade (Country Road), Save the Children (David Jones) and Thread Together (Polifix and Witchery).

Thirty Woolworths stores have clothing collection facilities, where customers can drop off pre-loved clothing, which is then donated to the Clothing Bank.

Country Road customers can donate their pre-loved clothes to the Red Cross, which supports humanitarian work in Australia. Fashion Trade is an initiative in which Country Road rewards customers with a A\$10 Country Road voucher when they donate their pre-loved items to the Red Cross, helping the community and saving clothes from landfill. This year, the programme donated 23 157 garments, worth approximately A\$231 570, to the Red Cross. This programme not only prevents clothes from ending up in landfill, but also raises much-needed funds for the Red Cross.

Polifix and Witchery have partnered with Thread Together, an organisation that collects surplus stock from retailers and redistributes it to needy communities. This year, more than 1 700 pieces of surplus clothing were collected from Polifix stores and head office.

A NEW LIFE FOR WASTE

The role of retail in the circular economy is important because most environmental impacts occur at the material and product level.

CASE STUDY

TOWARDS CIRCULARITY

Country Road has launched the Towards Circularity collection in partnership with Kashion, our largest supplier of T-shirts and sweaters. The collection comprises sweat tops, pants, and T-shirts made from 30% recycled cotton fibres sourced from our own production runs. This pioneering process means that we are using leftover Country Road fabrics to create new Country Road garments. The fabric is shredded, re-spun, and blended with virgin cotton.

DURING GARMENT PRODUCTION, FABRIC IS ALWAYS LOST, EITHER DUE TO CUTTING OR FAULTS IN THE SEWING PROCESS. WORKING WITH KASHION, WE HAVE FOUND A SOLUTION TO TRANSFORM THIS FABRIC WASTE INTO NEW PRODUCT. THE INNOVATIVE COLLECTION BRINGS LIFE TO OUR GARMENT WASTE, USING IT TO CREATE NEW PRODUCTS ACROSS OUR MEN'S, WOMEN'S, AND TEENS' RANGES. THE PROCESS OF SORTING THE RESCUED FABRIC HAS ALSO CREATED NEW JOBS.

More than 12 months in the making, the Towards Circularity project included various trials in spinning and knitting to guarantee fibre quality. The range achieves the strength, durability, and quality we're known for, while reducing waste. This project alone has the potential to divert 100 000 kilograms of textile waste from landfill per year. The programme will be part of our collections moving forward, with three to four ranges produced per year.

Kashion also supplies our famous Verified Australian Cotton Heritage Sweat. We have worked with the company for about 10 years, and it is an important partner in the work we do with Oritain, who tests the fabric to verify claimed origin.



RECYCLED POLYESTER IN TEXTILES

Woolworths uses fibre from 100% recycled plastic bottles to make hollow-fibre duvet and pillow inners. The bottles are recovered locally, and processed into fibre right here in South Africa. We have also removed the plastic packaging from our bedding, which now comes either in a fabric bag that can be repurposed, or with a recyclable belly band.

In selected jewellery ranges as well as store fixtures, Country Road uses 100% recycled ocean plastics that have been collected from Australian beaches.

Witchery has introduced a 100% recycled polyester care label with new symbols, providing customers with care instructions on all apparel products.

DAVID JONES X RELOOP

In celebration of World Earth Day, David Jones announced the integration of re-commerce platform Reloop on its website. The service encourages customers to opt in to resell, rent or donate their purchased items later. Before finalising a purchase, customers can tick a box to be able to possibly resell, rent or donate the clothing piece, accessory or handbag on the Reloop site.

THIS INITIATIVE IS ONE WAY THAT DAVID JONES IS EDUCATING CUSTOMERS ON RENTING, RESELLING, AND DONATING USED ITEMS.



RECYCLING IN BEAUTY

All Woolworths baby wash, shampoo, lotion, and bath cream bottles are now made from 100% post-consumer recycled plastic (rPET) that is also 100% recyclable, as opposed to using virgin PET. This means that an additional 0.8 tonnes of our plastic packaging can now be recycled every year.

David Jones has introduced a BeautyCycle programme to ensure that used beauty items are collected and recycled. In partnership with TerraCycle, hard-to-recycle beauty packaging material is collected from selected David Jones stores and sent for recycling. In the year since launch, almost 12 000 units of beauty packaging were collected.

COUNTRY ROAD AND SAVE OUR SOLES HAVE PARTNERED TO RECYCLE THE RUBBER SOLES FROM SHOES INTO GYMS, PLAYGROUNDS, AND SPORTING SURFACES.

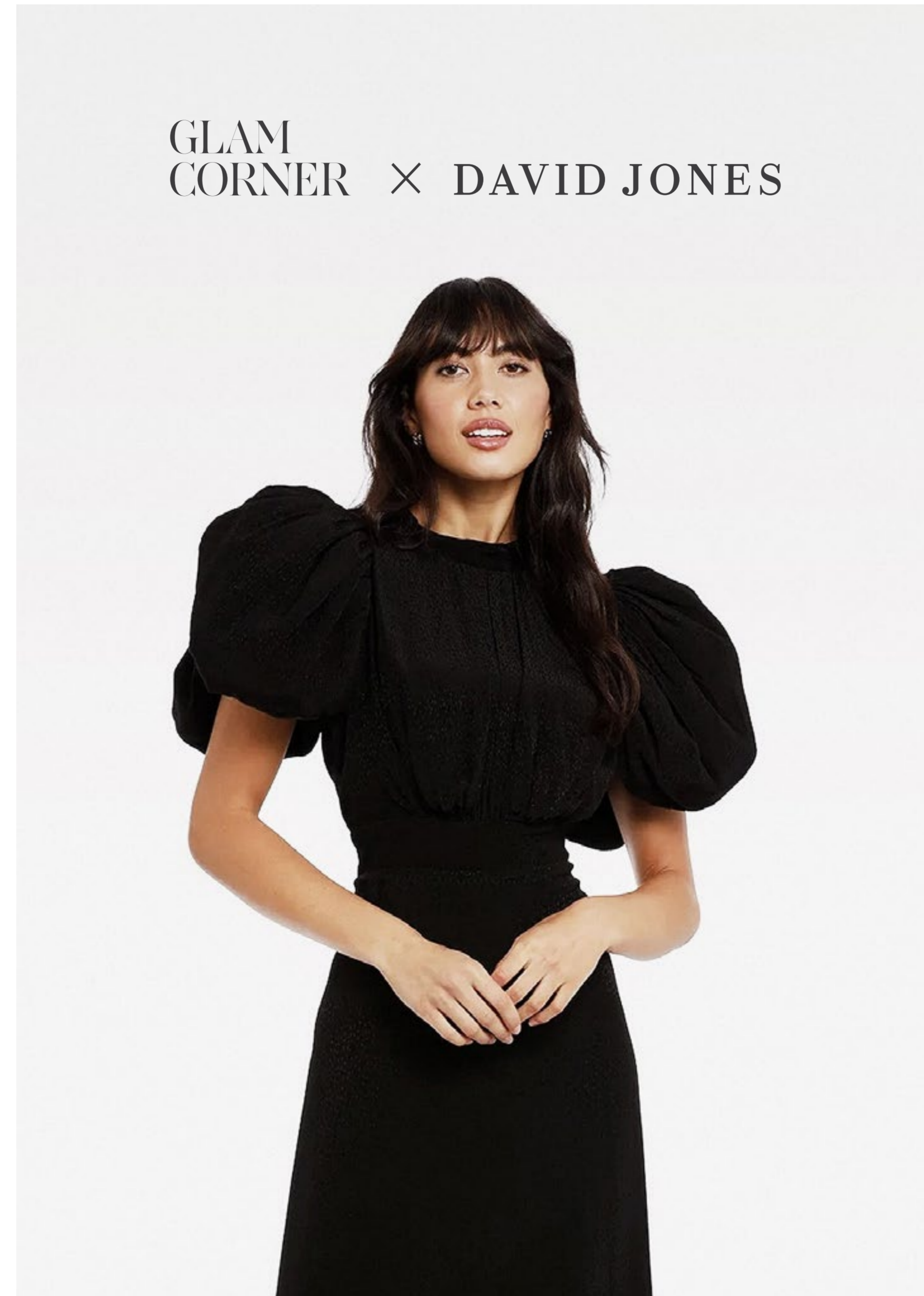
SLOW FASHION

TRENERY'S 'WEAR NOW, KEEP FOREVER'

Trenerly has used its marketing platforms to showcase capsule collections that can be paired with a customer's existing wardrobe to encourage longevity of wear. For example, Trenerly's May 2022 how-to-wear content focused on 'winter investment pieces', with 'Wear Now, Keep Forever' messaging to call attention to the fact that these items will stand the test of time. The messaging associated with these classics included highlighting their premium colours and fabrics, from leather to recycled wool and Italian alpaca yarn.

GLAMCORNER X DAVID JONES

The David Jones partnership with GlamCorner has seen the addition of more units available for rental online. A 'pre-loved' section on the co-branded GlamCorner x David Jones website to sell previous rental stock was also introduced. GlamCorner is Australia's leading online rental service, where customers can purchase a monthly subscription to rent designer clothes. The partnership creates a one-stop destination for Australian consumers by offering them a sustainable rental service and a chance to become part of a circular fashion economy by increasing the lifespan of clothing, reducing the volume of items purchased for one-off occasions, and introducing a new access point to designer clothes. The service is available online via the David Jones website, as well as in-store at the David Jones Elizabeth Street store.



DAVID JONES AND BLUE SPINACH

David Jones has also partnered with Blue Spinach, a luxury consignment/resale business based in Sydney, to launch a capsule collection of pre-loved luxury items (such as Chanel bags, Hermès scarves, and Tiffany & Co diamonds) for sale on davidjones.com.

COUNTRY ROAD HAS PUT TOGETHER A 'HOW TO CARE' GUIDE, HELPING CUSTOMERS PROLONG THE LIFE OF THEIR CLOTHES, AND HAS MADE IT AVAILABLE ON THEIR WEBSITE.

WOOLWORTHS CHRISTMAS DECORATIONS

A WISH FOR FISH

For our kids Christmas window, we worked with MySchool MyVillage MyPlanet beneficiary Coastal Ghost. This not-for-profit organisation helped us to turn plastic bottles into fun, festive fish while teaching kids about the environment at the same time. That's less plastic washing into our rivers, lakes, and oceans – and more kids learning about the environment.

UPCYCLED CHRISTMAS BAUBLES

For the fourth year in a row, we worked with local organisation Essay Gifts to create our Christmas window displays, with 20 local craftspeople upcycling plastic bottles that would have ended up in landfill into beautiful Christmas baubles.

This year, we transformed more than 15 000 used plastic bottles into baubles and 'under the sea' decorations, to offer inspiration for the reuse and repurposing of waste.

NATIONAL RECYCLING WEEK

National Recycling Week is a week of creating awareness about crucial environmental challenges. In partnership with the Woolworths Making the Difference Programmes and MySchool MyVillage MyPlanet, we teamed up with Coastal Ghost to provide online tutorials to more than 3 000 schools. The tutorials covered topics such as ocean clean-ups, and how to upcycle plastic waste. The focus for this year was on protecting our oceans, rivers, lakes, and dams.



WATER

Why is this focus area important?

The Group operates in areas where water stress remains a risk, not only to the business but to communities at large. It is reported that two-thirds of the world's population may face water shortages by 2025, and ecosystems around the world will suffer even more. Water is essential to our operations. It is vital in sustaining manufacturing and agriculture, to the health and hygiene of our employees and the communities we operate in, and to keeping our facilities operational.

OVERVIEW

VISION 2025+ GOAL



Work with our suppliers and partners to create **NET POSITIVE WATER IMPACT** in water-stressed basins in our value chain by 2050

We are currently working with the UN Global Compact CEO Water Mandate's water resilience coalition to unpack how this context-based goal will be defined, measured, and monitored.

AHEAD | ON TRACK | **BEHIND** | NOT YET STARTED

152

water tanks donated to schools through the Woolies Water Fund since inception

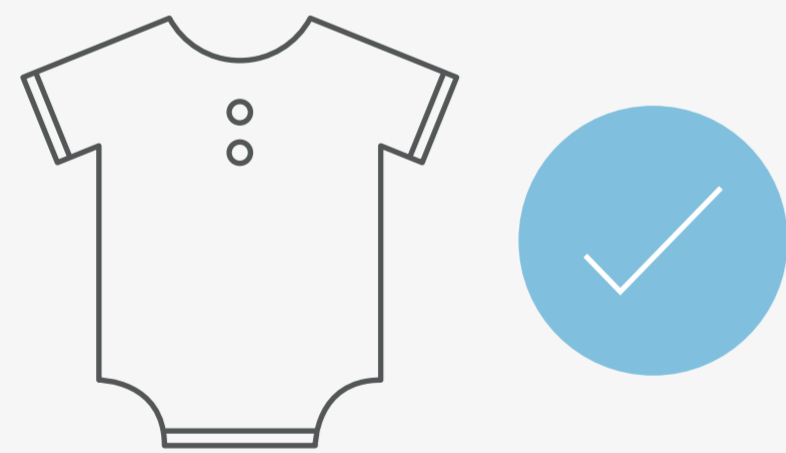
HIGHLIGHTS

WOOLWORTHS HAS ADDED BLUESIGN® AS AN ACCREDITATION BODY FOR ITS DETOX PROGRAMME

Despite the Covid-19 pandemic, the Woolworths team managed to complete research on the water quality status at the Crocodile and Sabie catchments in the Mpumalanga province of South Africa. This provides invaluable input to help manage risk in the catchment areas as part of the Woolworths water stewardship programme

LOOKING AHEAD

We will continue to work with water users in the catchments from where we source our products, to help them prevent water pollution and use water efficiently.



ALL WOOLWORTHS BABYWEAR IS NOW DETOX-COMPLIANT

95%

of Woolworths facilities are monitored on a real-time basis

57%

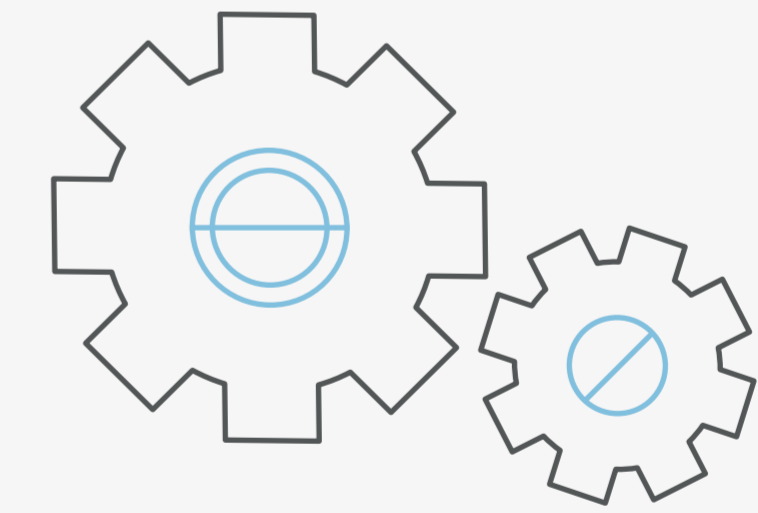
Percentage of relative water consumption shift to groundwater in Woolworths corporate buildings

2021: **73%** 2020: **54%**

97%*

of Woolworths Fashion, Beauty and Home products are free from hazardous chemicals

2021: **70%**



LOWLIGHTS AND CHALLENGES

Measuring and reporting supply chain water usage remains challenging

* Excludes footwear and slippers, accessories, home hards, and beauty.

WATER EFFICIENCY IN OUR OPERATIONS

With a large proportion of our operations located in water-constrained areas, we need to reduce our dependency on water and, where this is not feasible, to recycle or use the water more efficiently.

DIRECT OPERATIONS

Our operations in Africa, mainly the stores, account for the bulk of our water use across the Group. We have direct influence in this area and, therefore, working with our real estate team, we have focused a lot of our energy here to ensure we use water as efficiently as possible.

The rollout of real-time water-metering systems in our African facilities has been a priority over the years. Currently, 95% of our Woolworths operations are monitored in real time. Real-time monitoring provides us with water-usage data, helping to detect leaks, reduce water usage, and prevent potential loss or damage.

HEAD OFFICE

At the Woolworths head office, 57% (2021: 73%) of water used this year came from the underground water supply, which we purify on-site to help meet our daily water needs. We have continued to investigate solutions to increase this share of groundwater use, and to ensure we are not dependent on municipal water going forward.

STORES

Our stores are at the heart of our business, and water is a critical part of keeping them operational.

In South Africa, the persistent multi-year drought presented an opportunity to amend store specifications, and installation of backup water tanks became standard for stores in high-risk areas across the country. We later decided to stop the rollout of backup water tanks in order to reduce unnecessary maintenance costs and free up time for operations teams to focus on other projects. If needed, the existing tanks will be recommissioned and reused once they have been disinfected properly. At the moment, new tanks are installed on a case-by-case basis, and only when required.

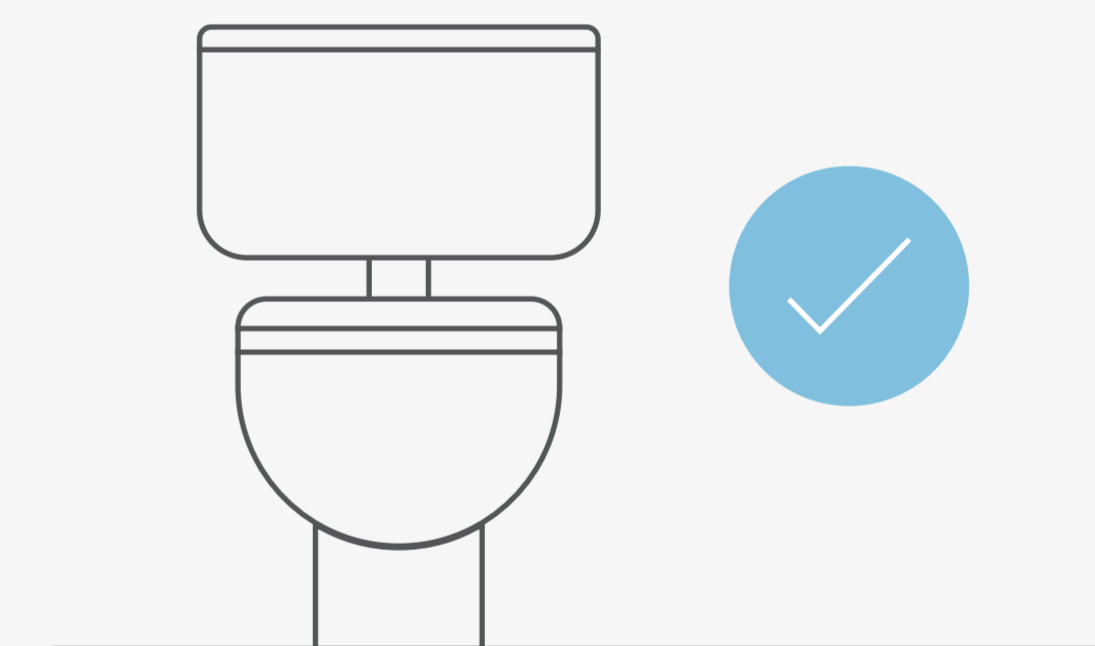
We continued to raise awareness around water sustainability and share best practice across our stores' operations through regular training sessions.

CASE STUDY

UPGRADE OF TOILETS TO LATEST ULTRA-LOW FLOW TECHNOLOGY

Water is a scarce resource, yet despite the low water quality and availability in South Africa, millions of litres of potable water are wasted every day for the flushing of toilets.

To reduce waste of this scarce resource, Woolworths is piloting a new technology of ultra-low flow toilets at the Parow divisional office and store and the Gateway store in the Western Cape, which will reduce toilets' water usage by up to 80%. This innovative solution reduces the amount of water used for flushing and has the added benefit of improving hygiene in our washrooms. The system uses air to propel water around the toilet bowl, meaning that just 1.5L of water (i.e. up to 80% less) is sufficient to clean and remove all waste into an existing drain. The hermetic seal, which prevents the escape of gases and water when flushing, also greatly reduces airborne germs compared to standard toilets. Approximately 3.3 million litres of potable water will be saved collectively per year with this system. The reduced water usage will also improve our water reserve from the emergency water tank should the main supply be switched off.



This system reduces water usage by up to

80%

DISTRIBUTION CENTRES

Our distribution centres have focused on installing rainwater harvesting technology to increase rainwater capture and reuse.

At Woolworths, we have installed reverse osmosis (RO) systems at the Montague Gardens and Racecourse Gardens distribution centres in Cape Town. Following maintenance slowdown due to lockdown restrictions at the start of the Covid-19 pandemic, regular maintenance and repairs of the RO plants at both centres have commenced. We are expecting an improved yield of recycled water once the systems are back to full operating capacity.

0.35

Water consumption at Woolworths DCs kl/m²

2022 target: 0.29 kl/m²

Country Road Group has 100 000-litre rainwater tanks at its Omni-channel Fulfilment Centre (OFC) in Melbourne. The rainwater collected is used in cold-water taps and hose taps, irrigation, and urinals.

SUMMARY OF WATER USAGE (KILOLITRES)

	2022	2021	% CHANGE YEAR-ON-YEAR*
WOOLWORTHS	615 789	555 175	11%
STORES	438 468 ^{LA}	389 260	13%
DISTRIBUTION CENTRES	167 212 ^{LA}	158 967	5%
HEAD OFFICE	10 109 ^{LA}	6 948	46%

* The increase in consumption is from a low base as a result of Covid-19 lockdowns

CONTEXT-BASED WATER TARGETS AND COLLECTIVE ACTION

THROUGH THE UNITED NATIONS GLOBAL COMPACT CEO WATER MANDATE (CEO WATER MANDATE), WE HAVE BECOME A PARTICIPANT IN A PILOT PROJECT FOR SETTING CONTEXT-BASED TARGETS FOR WATER. HAVING A CONTEXT-BASED WATER TARGET WILL ALLOW US TO CUSTOMISE OUR APPROACH TO ADDRESSING WATER CHALLENGES IN THE REGIONS IN WHICH WE OPERATE, BASED ON THE TYPES OF CHALLENGES THEY PRESENT. THIS WILL ALSO ENABLE US TO MITIGATE LONG-TERM WATER RISK AS WE CONTINUE TO ADDRESS WATER CHALLENGES.

WATER RESILIENCE IN OUR SUPPLY CHAIN

Water scarcity in the areas in which we operate presents a risk to our business. Our suppliers' operations rely heavily on the availability and quality of this precious resource. As a result, we continue to expand our focus beyond our direct operations. Working with our suppliers, especially those who supply most of our food products, is an important focus in our water management strategy. With climate variability as a result of climate change, adaptation becomes vital in the agricultural space. Climate change can impact water availability and quality in our value chain through changes in the water cycle; this will ultimately have an impact on growing our food products, sourcing key commodities, and the processes associated with the manufacturing of our products.

WOOLWORTHS FARMING FOR THE FUTURE WATER FOOTPRINT INDEX

We have been working to reduce our water impacts across our value chain. Programmes such as Farming for the Future and the factories of the future programme enable us to engage with our suppliers, and implement mitigation and adaptation strategies for water usage and wastewater management. These programmes are well established within the Woolworths Food agricultural supply chain, and the farmers involved have seen the benefits of implementing some of the innovative mitigation and adaptation strategies in relation to sustainable farming and, most importantly, the management of scarce resources. We continue to use the Water Footprint Index (WFI) to assess water-usage efficiency, wastewater, alien vegetation, and soil quality, among others, and to help track individual suppliers' progress year-on-year at the farms. Through this programme, we work with our suppliers to decrease their water footprint over time, and to determine any risk to the supply of products. An additional 389 farmers were assessed this year as part of the WFI assessment, which considers 116 parameters.

Wastewater management persists as a problem for our suppliers. It is a highly complex challenge that requires investment, and we will give it more focus in the coming year.

We recently started engaging our top suppliers on calculating their carbon, water, and biodiversity footprint. Through the Woolworths factories of the future programme, we have also commenced the collection of water data from strategic processing factories.

WATER STEWARDSHIP WITH FOOD SUPPLIERS

Our ongoing partnership with WWF-SA has been integral in maintaining the momentum of our water stewardship programme. In order to achieve water security in our catchments, we have been working with multiple stakeholders, such as local communities, our farmers, water bodies, and non-governmental organisations. In the last two years, due to Covid-19, we have experienced a slowdown in the work with our suppliers to rehabilitate water catchments, but we have recently resumed this work. Established in 2013, our water stewardship programme now covers three catchments. The Alliance for Water Stewardship (AWS) has supported this partnership by providing a standard and tools to address water-related risks in the supply chain.

THE UPPER BREEDE RIVER CATCHMENT PROGRAMME

The Upper Breede River catchment water stewardship programme was the first to be established as part of our ongoing partnership with WWF-SA. The focus is on collective action to address major water issues in the area, mainly affecting the Ceres region of the Western Cape. It has also become apparent that, in the Ceres region, issues of groundwater, coupled with a recurring drought, are increasingly becoming a problem for farmers. Groundwater is used as emergency water in the Ceres area and farmers depend on this resource for irrigation during periods of drought due to the shortage of surface water. Many farmers in the area have installed boreholes and the risk of depleting this resource is high because the rate of extraction still needs to be determined. As a result, Woolworths, together with the Titus Irrigation Board, the Breede-Gouritz Catchment Management Agency (BGCMA), the LandCare Programme, and WWF-SA, commissioned a study to understand groundwater at the Breede River source.

In the rural areas of the Witzenberg Municipality – Prince Alfred Hamlet and Nduli townships, outside Ceres – community volunteers have formed the 'Witzenberg Water Savers'. This has been an important step in building a bottom-up initiative to empower rural-urban residents in tackling water-quality issues in the place where they live. The Water Savers conduct door-to-door awareness campaigns to speak to residents about the importance of water conservation.

THE CROCODILE AND SABIE CATCHMENT

In 2019, we expanded our engagement to the water-scarce Sabie and Crocodile catchment area in the Mpumalanga province of South Africa – an area that is strategically important for sourcing our citrus fruit and nuts. We hosted our first collective engagement with representatives from the water and conservation sectors, non-governmental organisations, and farmers. The key concern stemming from the engagements was related to the water quality in the catchment. We funded a study, which was conducted by WWF-SA, to assess the faecal pollution and food production water quality risks in two Mpumalanga catchments (Sabie and Crocodile). The study was conducted to understand the health risks and economic implications that faecal pollution poses to the irrigated agriculture sector in the area. Although there is an increase in faecal pollution, evident from the high levels of E. coli downstream of the study areas, impacting water quality, there are tangible opportunities to continue stewardship work with affected parties in the area to mitigate the risks. The risk exposure is buffered by the type of crop. Farmers in the catchments have already started mitigating some of the risks through targeted farming practices such as using groundwater, pre-treating irrigation water, washing the crop post-harvest, and using buffer crops to avoid contamination of the commercial crops. We are working with our farmers to influence other farmers to implement processes to ensure the food they are producing is safe. Multi-sector and multi-stakeholder collaboration is critical to ensure that we improve the quality of water in this area, and we are optimistic that this case study will serve as a blueprint for other catchments as we expand the programme.

Depending on the available funds going forward, the WWF-SA/Woolworths partnership will tackle issues around the source of the pollution, which includes the disposal of nappies in the systems by the informal settlements in the area. We believe this will make a difference in the water quality in the area.





WATER STEWARDSHIP IN TEXTILE FACTORIES

Supply chain management is complex for our Fashion, Beauty and Home business because we do not always have exclusive suppliers. Also, the suppliers vary considerably year-on-year. For suppliers that we onboard, we have codes of practice that outline our expectations in terms of conducting sustainable business. These are communicated to all our suppliers and, at a minimum, we expect that they be adhered to. Country Road Group expects all private label suppliers to adhere to the contents of its Environmental Code of Practice, which outlines the criteria for water management in the supply chain.

As cotton is the material most used across our private label collections, the business is focused on supporting sustainable cotton farming practices through organisations such as Better Cotton, which promote the usage of less water and fewer chemicals when growing and harvesting the cotton. Additionally, the Group recognises Leather Working Group (LWG) accredited tanneries to promote best practices in chemical management and wastewater treatment.

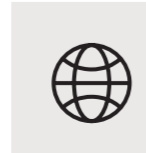
Country Road Group and David Jones also support the use of deforestation-free man-made cellulose fibres by recognising highly rated fibre producers under the Canopy programme. Canopy also supports the recycling of water and chemicals during processing, and reduction of discharge.

REHABILITATING WATER CATCHMENTS

Invasive alien plant species are not native to the ecosystems that they invade. They tend to spread at an alarming rate, and take up all the resources – such as water – from endemic species. Their proliferation is also aided by the fact that they do not have any natural enemies in the areas which they invade, making them more competitive for resources. WWF-SA reports that one single large invasive alien plant can use up to 1 000 litres of water a day – more than is used by plants that occur naturally in the same environment.

As part of our work to meet the CEO Water Mandate commitments, Woolworths has been working with the WWF-SA Water Balance Programme to aid the restoration and protection of South Africa’s water resources. The Water Balance Programme is an initiative that allows private companies to offset their operational water use by investing in the clearing of invasive alien plants. The sustainability of South Africa’s water catchment areas has been threatened by droughts and other water-related risks in recent years, and allowing invasive alien plants to flourish only exacerbates the problem.

The rehabilitation of these catchments is an important initiative to ensure that they thrive once again, and that they are able to sustain the ecosystem services they provide. Through its partnership with WWF-SA, Woolworths has made an annual investment in this programme. Rehabilitating water catchments involves clearing of alien vegetation to restore the pristine nature of each catchment. The indirect benefit of clearing alien vegetation is the positive effect it’s had on the fight against runaway veld fires and the availability



of water in the Upper Breede River Catchment in the last year. Over the years, the Upper Breede-Gouritz catchment area in the Western Cape has been a major focus. A local co-ordinator, working with a team of 150 people, was employed to manage the rehabilitation of this area.

DETOX – ELIMINATION OF HAZARDOUS CHEMICALS

There are many hidden chemicals in the manufacturing of textiles, which also pose a danger to the consumers and the environment. As part of our detox strategy, Woolworths has committed to eliminating 11 key priority chemicals from our clothing supply chain in recognition of their harmful impacts on water resources. Using the Oeko-Tex® Standard 100 for due diligence and testing, we aim to ensure that the chemicals used in our products are not harmful to the environment, and that they meet our detox commitments.

We have also added Bluesign® as an accreditation body. Bluesign® provides sustainable solutions for the processing and manufacturing of products, and offers continuous monitoring of company progress against this.

TO DATE, WOOLWORTHS HAS ELIMINATED HAZARDOUS CHEMICALS FROM 97%* (2021: 70%, AGAINST A 2022 TARGET OF 60%) OF OUR PRODUCTS.

All Country Road Group manufacturers must commit to the Environmental Code of Practice (ECoP) for the dyeing, printing, and finishing of merchandise supplied. The ECoP aims to ensure that, within existing technology, no dye or chemical used in the production of garments, fabrics, leather, and/or textile-related products presents an unacceptable health or environmental risk during manufacturing, use or disposal.

David Jones has a harmful substances policy that outlines its stance on the use of harmful chemicals by suppliers when producing our products. All suppliers are bound by this policy and have to comply with its requirements.

* Excludes footwear and slippers, accessories, home hards, and beauty.

WATER STEWARDSHIP IN OUR COMMUNITIES

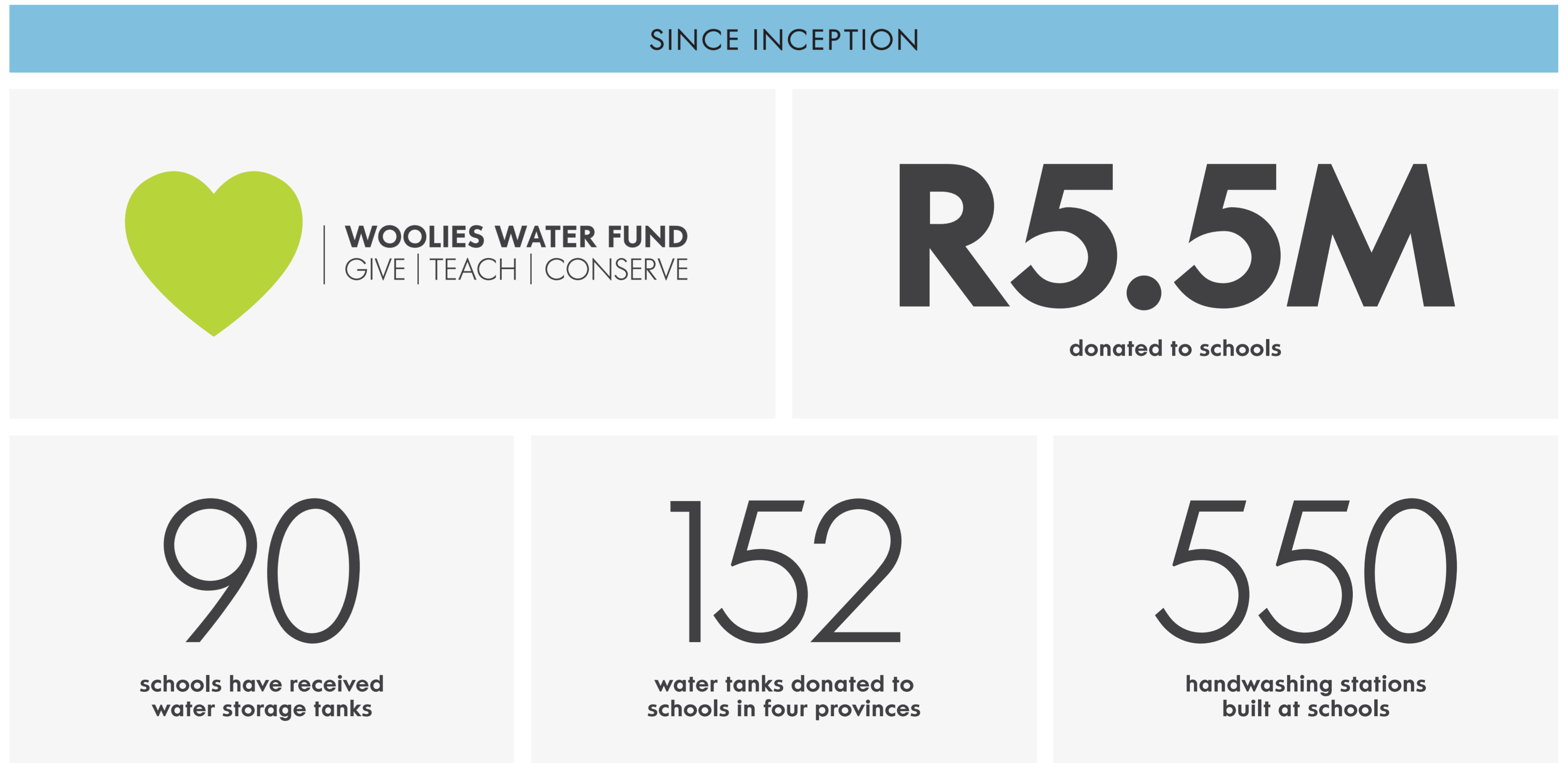
According to UNICEF, one in five children globally does not have enough water to meet their everyday needs. This is because more than 1.42 billion people, including 450 million children, live in areas of high, or extremely high, water vulnerability. The strategic focus for the Woolworths Making the Difference Programmes is to add quality to the lives of South Africa’s school-going children. Although there has been progress in making clean water accessible, we believe that there are more opportunities to ensure that basics such as access to clean water and sanitation are not the reasons why children lose out on schooling.

WOOLWORTHS MAKING THE DIFFERENCE PROGRAMMES

As part of the Woolworths Making the Difference Programmes, which support the education, wellbeing, and health of South African schoolchildren, we work with a number of schools to help educate children about the importance of water conservation, sanitation, and good hygiene. Through the Department of Basic Education, Woolworths has partnered with MySchool MyVillage MyPlanet and various schools to bring water-themed virtual lessons and online work packs that are aligned to the curriculum, to schools. The main aim is to bring awareness and educate children on topics such as why water is important, why it is a scarce resource, what risks threaten water security, and what can be done to conserve water.

This year, we continued to support schools in drought-stricken areas such as the Eastern Cape via the Woolies Water Fund. Major cities in the Eastern Cape are experiencing a water crisis, with some inching close to day zero, having run out of dam water that is safe for extraction. Our support involves establishing water tanks at identified schools in the Eastern Cape; as part of this initiative, 10 more schools in the region will receive two 10 000-litre water storage tanks, with filtration and handwashing stations. This brings the number of schools assisted by the Woolies Water Fund to 90. An additional 20 water tanks with handwashing stations will be completed before the end of the year.

DURING WATER MONTH, WE DONATED R25 000 TO PROMOTE THE IMPORTANCE OF WATER CONSERVATION, AND TO AMPLIFY AWARENESS AROUND THE WOOLIES WATER FUND.



ENERGY AND CLIMATE CHANGE

Why is this focus area important?

Our products are dependent on the availability of commodities, which are at risk because of climate change. Our commitment to reducing our carbon footprint and working with suppliers to do the same, as well as driving towards greater energy efficiency, is our way of protecting our direct operations and value chains. We are also committed to contributing to the global efforts of limiting global temperature increases to 1.5 degrees above pre-industrial levels. While climate change poses a great risk to our business, in the same breath, it offers us opportunities to innovate as we adapt to the rapidly changing environment.

OVERVIEW

VISION 2025+ GOALS



Achieve **NET ZERO CARBON IMPACT** by 2040

Achieve net zero carbon Scope 1 and 2 emissions by 2040, with 50% reduction by 2030; and work with our top suppliers, representing 25% of total procurement spend (in rand), to set their own reduction targets

FY21*

- 12% reduction in Scope 1 and Scope 2 carbon emissions**

FY20

- 7% reduction in Scope 1 and Scope 2 emissions**

FY19 BASELINE SCOPE 1 AND SCOPE 2 EMISSIONS

- 536 562 tCO₂e

AHEAD | **ON TRACK** | BEHIND | NOT YET STARTED



Source 100% of our energy from **RENEWABLE SOURCES** by 2030

Source 100% of our electricity from renewable sources by 2030

FY21*

- 0.64% (FY20: 0.61%)

BASELINE

- 0.5%

AHEAD | ON TRACK | **BEHIND** | NOT YET STARTED

153

Woolworths stores have LED lighting, and full LED upgrades were completed for three David Jones stores

HIGHLIGHTS

ALMOST 70% OF COUNTRY ROAD GROUP'S ENERGY IS NOW DERIVED FROM GREENPOWER OR EQUIVALENT

- Woolworths Holdings Limited became one of two South African companies invited to participate in the United Nations Global Compact Think Lab on Just Transition
- Woolworths announced the rollout of electric delivery vehicles to 70% of the online delivery fleet
- Woolworths became the first retailer in South Africa to enter a Renewable Energy Tariff programme with Eskom. This allows Woolworths to source wind energy for six sites directly connected to Eskom

LOWLIGHTS AND CHALLENGES

- Loadshedding in South Africa continues to be an obstacle to improving our energy efficiency and reducing our carbon emissions from our direct operations

LOOKING AHEAD

We will continue to explore initiatives that will contribute towards the reduction of our energy use and carbon emissions across the Group.

SPECIFICALLY:

- Country Road Group will transition more sites to renewable energy
- David Jones will transition more stores to energy-efficient LED lighting
- The Group will continue to invest in energy-efficiency initiatives that will enable us to deliver against our emissions reduction targets while deriving cost savings. We will also research best practices that will help in delivering against a low carbon transition
- Woolworths will be upgrading old refrigeration units that are close to their end of life to natural gas (CO₂)
- We will investigate the feasibility of setting more measurable and time-bound Scope 3 emissions reduction targets for the Group

* Energy and carbon footprint data is reported annually in arrears. ** Reduction is calculated against the baseline.

ENERGY EFFICIENCY

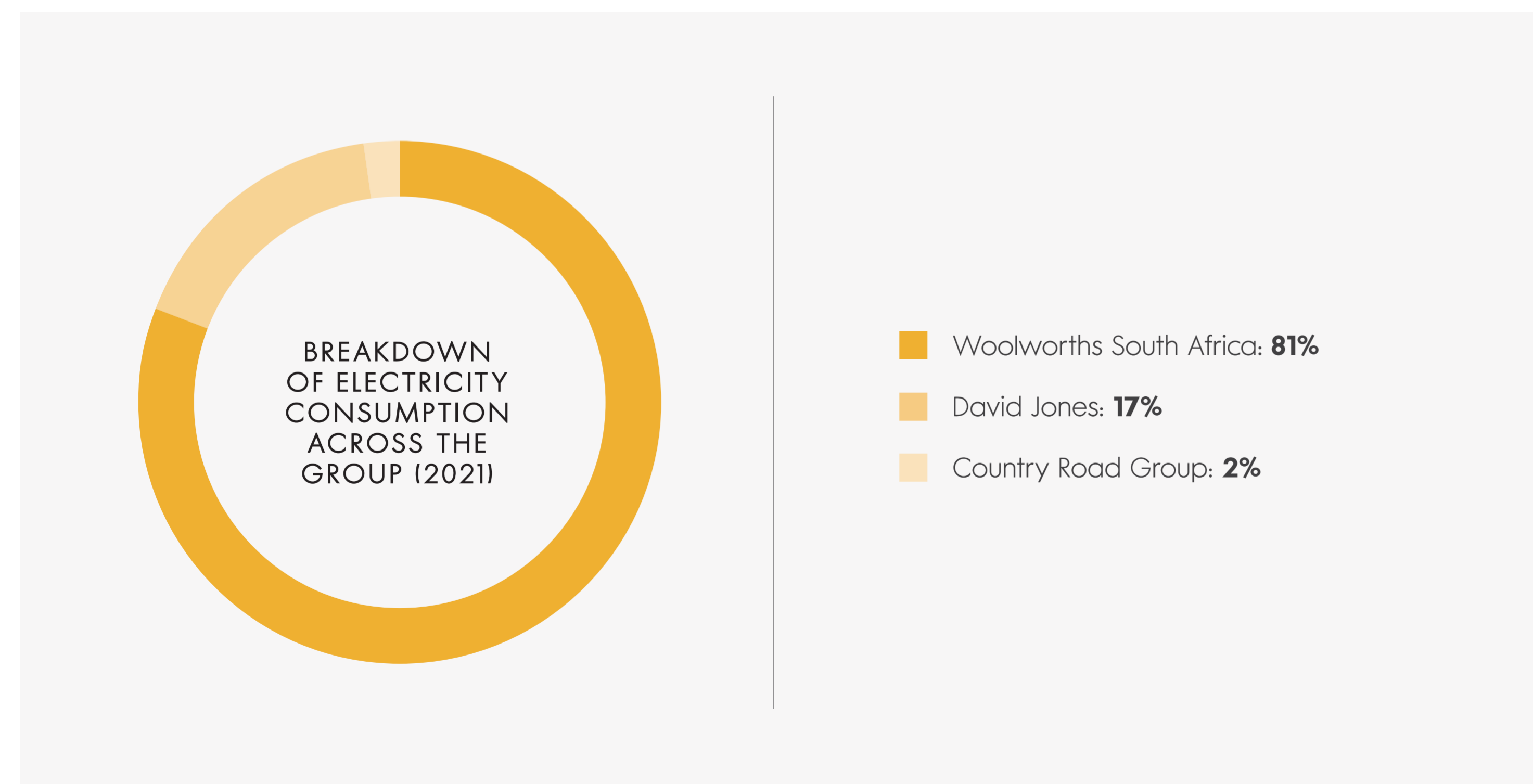
Electricity remains the largest component of our energy consumption across the Group. We have continued our focus on improving efficiency (which mainly focuses on electricity usage) in all direct operations as one of the areas to accelerate progress towards attaining our energy and carbon reduction targets. Our stores and distribution centres contribute the most to our energy footprint, and this is where we have invested most of our efforts. We have also embarked on switching to low carbon technology where possible, which includes increasing the sourcing of renewable energy as part of our energy mix.

WHL trades across an area of 2 159 487 m². In the last financial year (July 2020 to June 2021), our total grid electricity consumption across the business was 428 291 417 kWh (2020: 466 282 872 kWh). This represents an 8% decrease from the previous year. The Group's relative grid electricity intensity per square metre of general letting area (kWh/m²) for this year is 198 kWh/m² (2020: 208 kWh/m²), a reduction of 5% compared to last year. This figure is the measure of our energy efficiency across all WHL facilities. The average absolute electricity used will continue to increase as we expand, but the average absolute used per square metre should decrease as we improve efficiency and productivity.

Accurate data measurement and tracking is integral to understanding our overall footprint and identifying these areas of improvement. Therefore, we actively monitor electricity usage across all our facilities. The installation of electricity meters in our facilities has allowed us to accurately measure consumption, and has helped to identify areas to focus on and control usage. Ninety-nine percent of Woolworths facilities have real-time online metering. Additionally, in Australia, 45 David Jones and 24 Country Road Group stores, two distribution centres, and the head office are also actively monitored by an online metering system. David Jones also uses Dynalite, an energy-efficient lighting automation control system, ensuring that lights are only on when required.

CLOSED-DOOR REFRIGERATION IN STORES

Woolworths started rolling out closed-door refrigeration to existing and new stores in 2013. We currently use lightweight, frameless acrylic doors on store fridges, and we've seen a reduction in energy usage at our stores of up to 25%. An added benefit of this technology is the reduction in food waste, thanks to improved cold-chain maintenance and an increase in shelf life. So far, a total of 336 stores have had their fridges fitted with acrylic doors.



ELECTRICITY INTENSITY USAGE FOR WOOLWORTHS STORES: 264 KWH/M² LA

Over the years, we have also prioritised retrofitting energy-efficient equipment to old facilities. With newer facilities, we have ensured that using energy-efficient equipment is standard practice. This has improved our energy productivity and helped to derive savings from these systems as they run more efficiently and are easier to maintain.



LED LIGHTING UPGRADE

Lighting within our stores contributes greatly to our energy usage. With this in mind, we have been rolling out LED lighting, which provides better energy efficiency compared to old metal-halide and fluorescent luminaires. During the year, full LED upgrades were completed for three David Jones stores as well as the head office car park. These resulted in more than 14 400 light fittings converted to LED. At one of the stores, this initiative reduced energy usage by up to 40%. Woolworths has completed LED upgrades at 153 stores and one of our distribution centres to date. The added benefit is that we have seen reductions of between 14 and 30% in energy demand, which leads to a reduction in electricity consumption and costs, as well as the overall carbon footprint. The maintenance requirements of these light fixtures have also been reduced.



R77M

Cumulative rand spend on LED upgrades for Woolworths

COST SAVINGS FROM ENERGY-EFFICIENCY INITIATIVES

Our energy-efficiency initiatives have not only yielded energy reduction benefits but have also enabled us to quantify long-term financial gains. Since 2007, Woolworths has been actively calculating the financial gains and cost savings associated with these initiatives for the following reasons:

- To further evaluate the financial benefits from our energy-efficiency initiatives
- To assist in identifying where the highest savings from energy-efficiency initiatives are
- To further build a case for continuous energy-saving initiatives across the business

CURRENTLY, WOOLWORTHS CAN CALCULATE THE FOLLOWING:

- Rand value of electricity savings from energy-efficiency initiatives
- Diesel efficiencies for our distribution trucks
- Rand value of recoveries of incorrect billings on electricity by the municipalities
- Tax rebates on energy-efficiency innovations implemented as per Section 12L of the Income Act in South Africa

R2.6M

Section 12L tax rebate

2021: R1.9M 2020: R1.4M

R311M

Total electricity savings in FY21

FY21: R249M FY20: R190M

R13.5M

Recoveries from incorrect billings and tariff optimisation

R10M

Cumulative Section 12L tax rebate since 2017

WHL CARBON FOOTPRINT

APPROVED SCIENCE-BASED TARGETS

Woolworths is committed to being part of the collective action in combating global climate change. In addition to our goal to have a net zero carbon impact by 2040, we have approved science-based targets consistent with reductions required to keep warming to well below 1.5 degrees.

OUR SCIENCE-BASED TARGETS ARE TO:

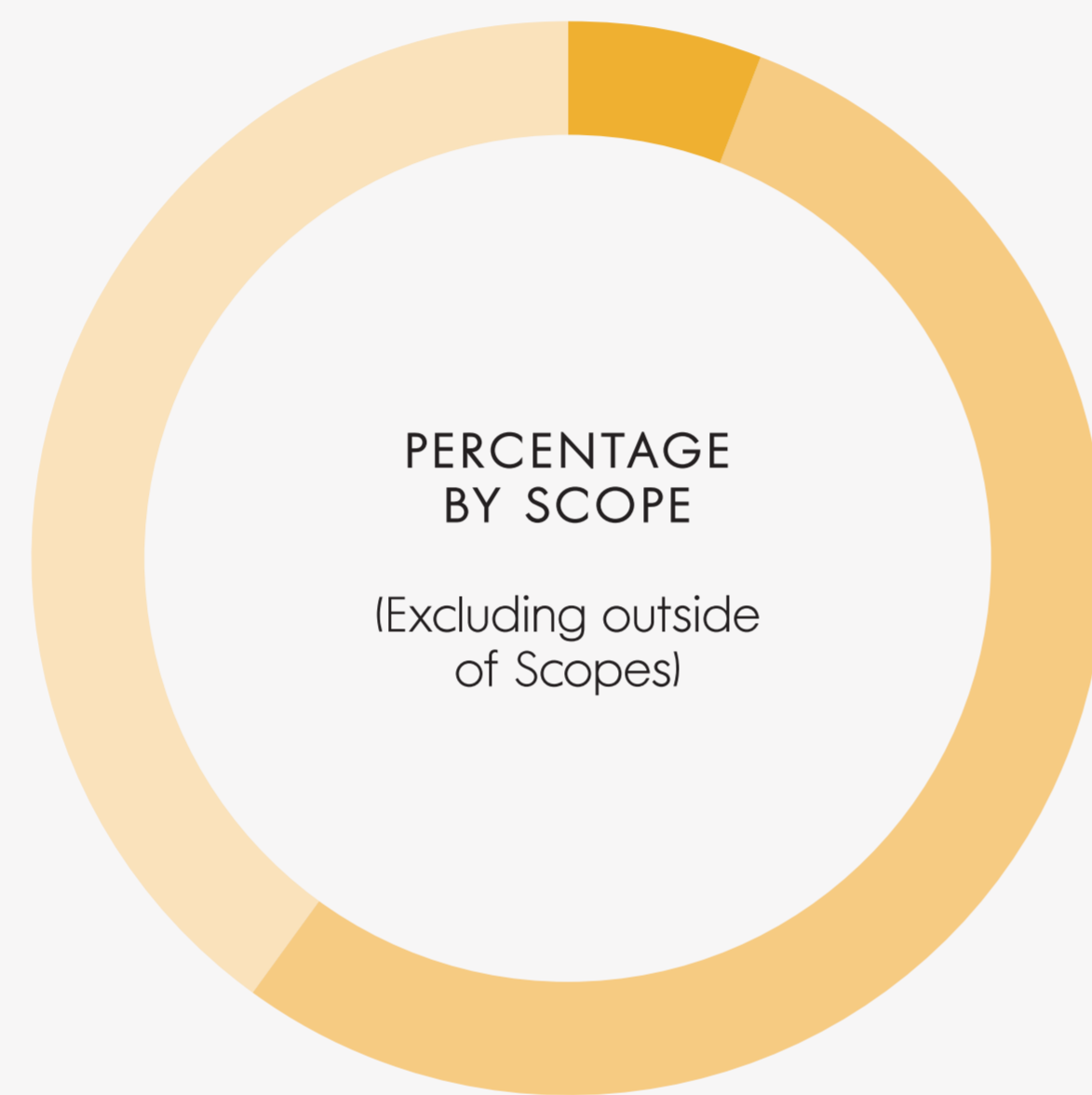
1. Reduce absolute Scope 1 and 2 greenhouse gas emissions by 50% by 2030, from a 2019 baseline
2. For Scope 3, work with our top suppliers, representing 25% of total procurement spend (in rand), to set their own reduction targets

OVERVIEW OF EMISSIONS

The WHL carbon footprint is calculated annually using the GHG Protocol Corporate Accounting and Reporting Standard for three Scopes within our operational boundary.

We have received third-party limited assurance on our carbon footprint as well as intensity metrics, independently verified by the Global Carbon Exchange (GCX) for the period ending June 2021. The verification was carried out in accordance with ISO 14064 Part 3, 'Specification with guidance for the validation and verification of greenhouse gas assertions'. Guidelines from the GHG Protocol Corporate Accounting and Reporting Standard were also followed during the verification process.

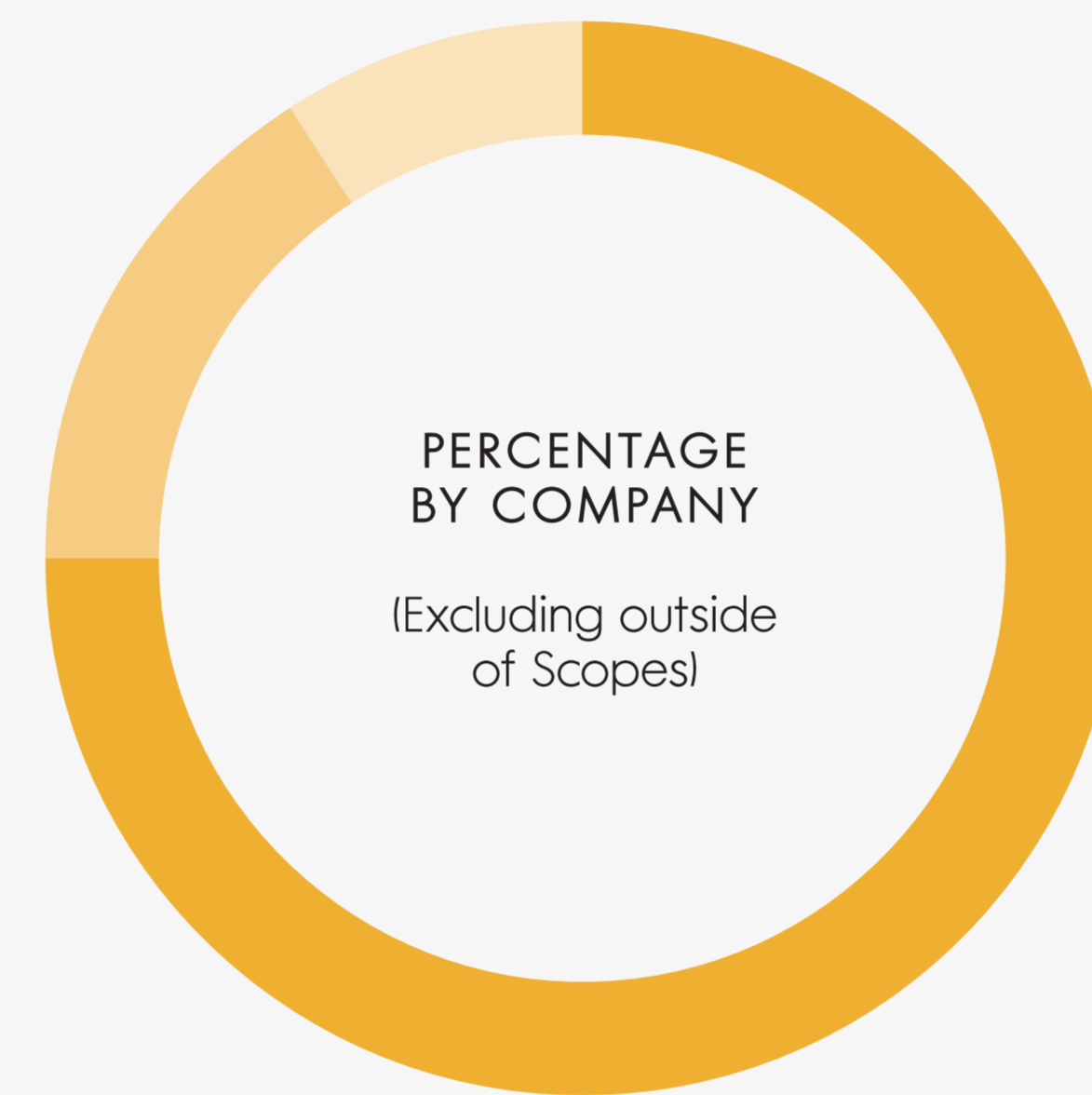
David Jones reports its Scope 1 and 2 footprints in accordance with ASA 3000, ASA E3100 and ASA E3410 to the National Greenhouse and Energy Reporting (NGER) scheme in Australia. This is verified by Ernst & Young and is subsequently incorporated into the overall WHL footprint.



- Scope 1: **6%**
- Scope 2: **54%**
- Scope 3: **40%**

ABSOLUTES

Scope 1: 47 094 tCO₂e (2020: 49 584 tCO₂e)
 Scope 2: 423 984 tCO₂e (2020: 448 368 tCO₂e)
 Scope 3: 312 963 tCO₂e (2020: 304 262 tCO₂e*)



- Woolworths South Africa: **75%**
- David Jones: **16%**
- Country Road Group: **9%**

ABSOLUTES

WSA: 586 546 tCO₂e (2020: 566 273 tCO₂e)
 DJ: 124 291 tCO₂e (2020: 152 442 tCO₂e)
 CRG: 73 204 tCO₂e (2020: 83 498 tCO₂e)

Total emissions (Scope 1, 2 and 3)* decreased by 2% year-on-year. This was largely driven by a decrease in stationary and mobile fuel, as well as a reduction in grid electricity consumption.

- Scope 1 and 2 emissions decreased by 5% year-on-year (and by 12% compared to the 2019 baseline for our science-based target).
- Scope 3 carbon emissions increased by 3% year-on-year due to the inclusion of new emissions data for Purchased Goods and Services**.

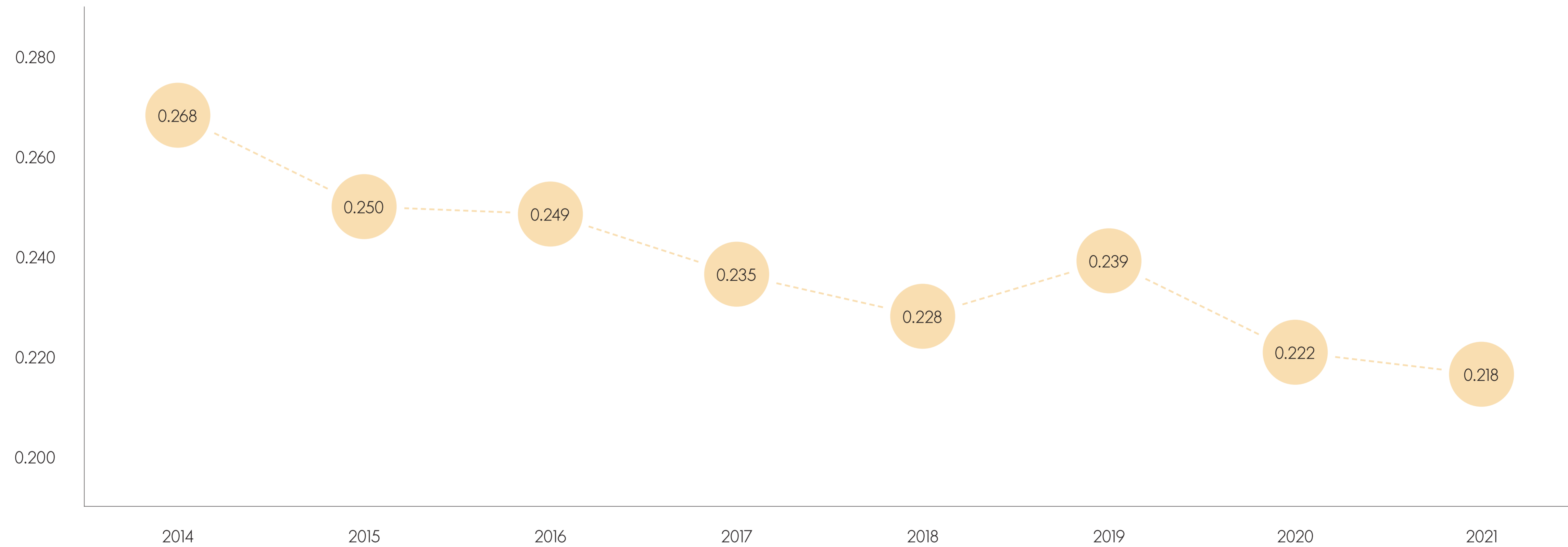
* 2020 Scope 3 carbon emissions have been restated. This restatement can be seen in the Key Sustainability Indicators appendix. The restatement was made to correct an overstatement of emissions from Capital Goods*** and to correct categorisation of online delivery emissions.

** Purchased Goods and Services: Upstream (i.e. cradle-to-gate) emissions from products purchased or acquired by the company. Products include both goods (tangible products) and services (intangible products).

*** Capital Goods: Upstream (i.e. cradle-to-gate) emissions from the production of capital goods purchased or acquired by the company. Capital goods are fixed assets such as property, plant and equipment.



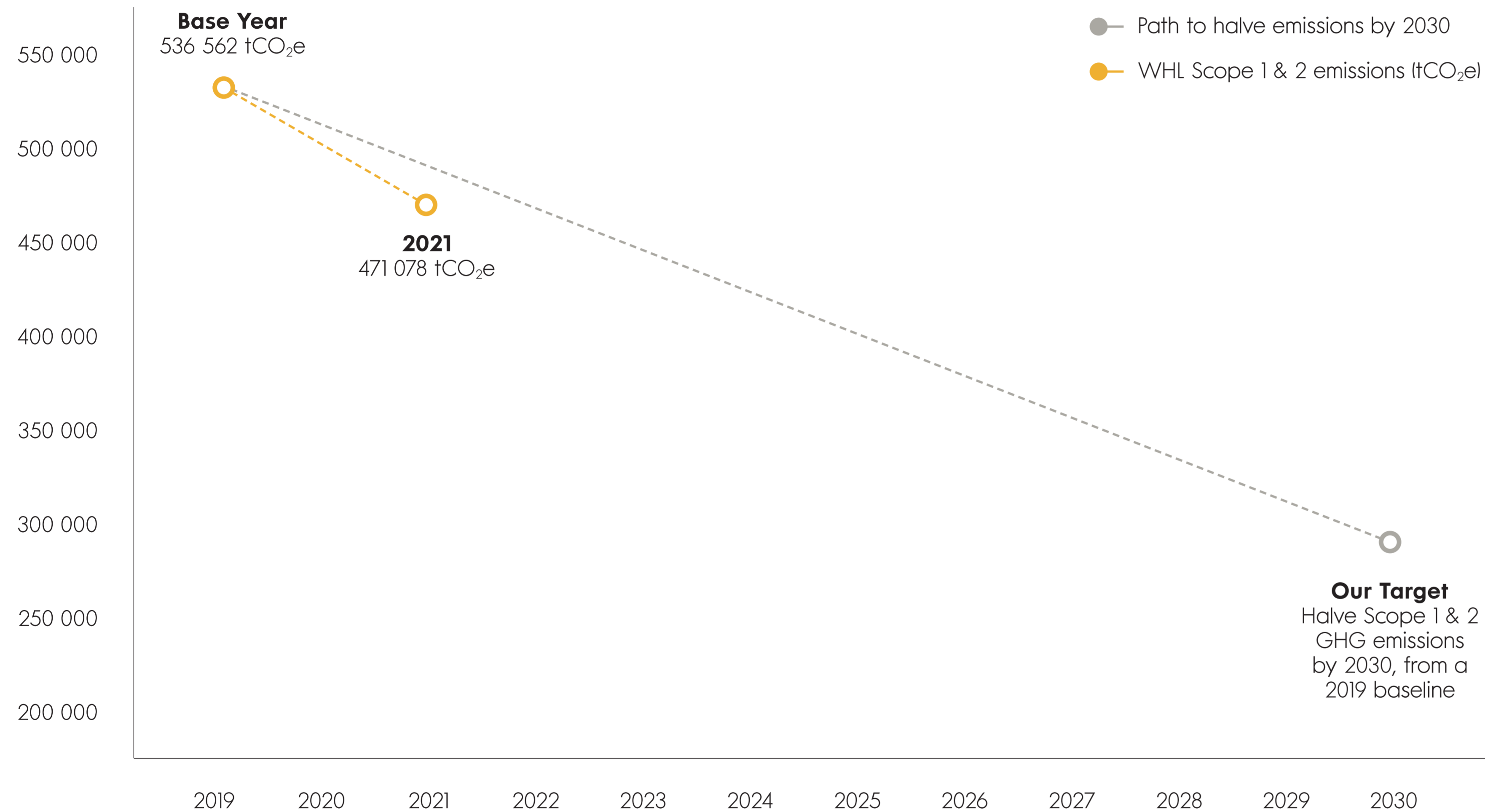
YEAR-ON-YEAR TRACKING OF CARBON EMISSIONS INTENSITY PER GLA (SCOPE 1 AND 2 tCO₂e/GLA, INCLUDING NON-TRADING)



We continue to track our Scope 1 and 2 emissions intensity year-on-year from 2014*. Our 2021 emissions intensity decreased by 19% for Scope 1 and Scope 2 compared to 2014, and by 2% compared to 2020.

* 2014 is the earliest point at which WHL has had reliable and comprehensive data across all operating entities: Woolworths South Africa, Country Road Group and David Jones.

TRACKING WHL SCOPE 1 AND 2 CARBON EMISSIONS AGAINST THE SBTi TRAJECTORY



Based on our SBTi forecasted trajectory, our 2021 Scope 1 and 2 emissions should have been 8% below the base year of 2019. However, our Scope 1 and 2 emissions were actually 12% below the base year of 2019. This puts us 4% ahead of the SBTi projection as at 2021.

We anticipate that the rate of reduction in our annual Scope 1 and 2 carbon emissions will vary year-on-year based upon various factors, such as loadshedding in South Africa and the energy market regime in areas in which we operate.

ADDITIONAL SCOPE 3 DATA USED TO DETERMINE OUR SCIENCE-BASED CARBON EMISSIONS REDUCTION TARGET

Per the SBTi guidance in 2019, where Scope 3 emissions exceed 40% of total emissions, targets needed to cover Scope 1, 2 and 3 emissions in order to be approved.

In order to understand the magnitude of our Scope 3 emissions and to set our science-based carbon emissions reduction targets in 2019, we conducted a high-level screening exercise of our Scope 3 emissions for the Group. Where we lacked actual data in certain **Scope 3 emissions categories**, we used financial data as a proxy to estimate these emissions.

This exercise revealed that our Scope 3 emissions constituted more than 75% of our total emissions. We therefore set a target that covered Scope 1, 2 and 3.

Also important to note is that we don't include this additional Scope 3 estimated data in our verified carbon footprint calculation published and disclosed in this report or the Key Sustainability Indicators appendix, because the data is estimated and hence there is a level of uncertainty associated with it. Once we have gathered more complete and accurate data, we will include it in our published carbon footprint for a more comprehensive view of our emissions in future.

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

The Group recognises and supports the recommendations of the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD) to disclose clear, comparable, and consistent information on climate-related risks and opportunities. For the second year in a row, we have reported against the TCFD recommendations. More detail thereon can be found in an appendix to this report.

CARBON TAX

Zero carbon tax was payable by Woolworths for the 2021 calendar year.



LOW CARBON TRANSITION

Woolworths supports a transition pathway that will ensure that we become resilient as a business as we journey towards achieving our net zero ambition. To us, resilience means that:

1 We continue to proactively identify the risks and opportunities that climate change poses for our business

2 Our climate mitigation and adaptation strategy is agile enough to withstand unforeseen shocks

3 We transition towards a low carbon business and, therefore, reduce our reliance on fossil fuels

We view the reduction of our overall carbon emissions as a strategic lever in this transition, and continue to keep abreast of innovation in this space as new and affordable technologies continue to be introduced to the market.

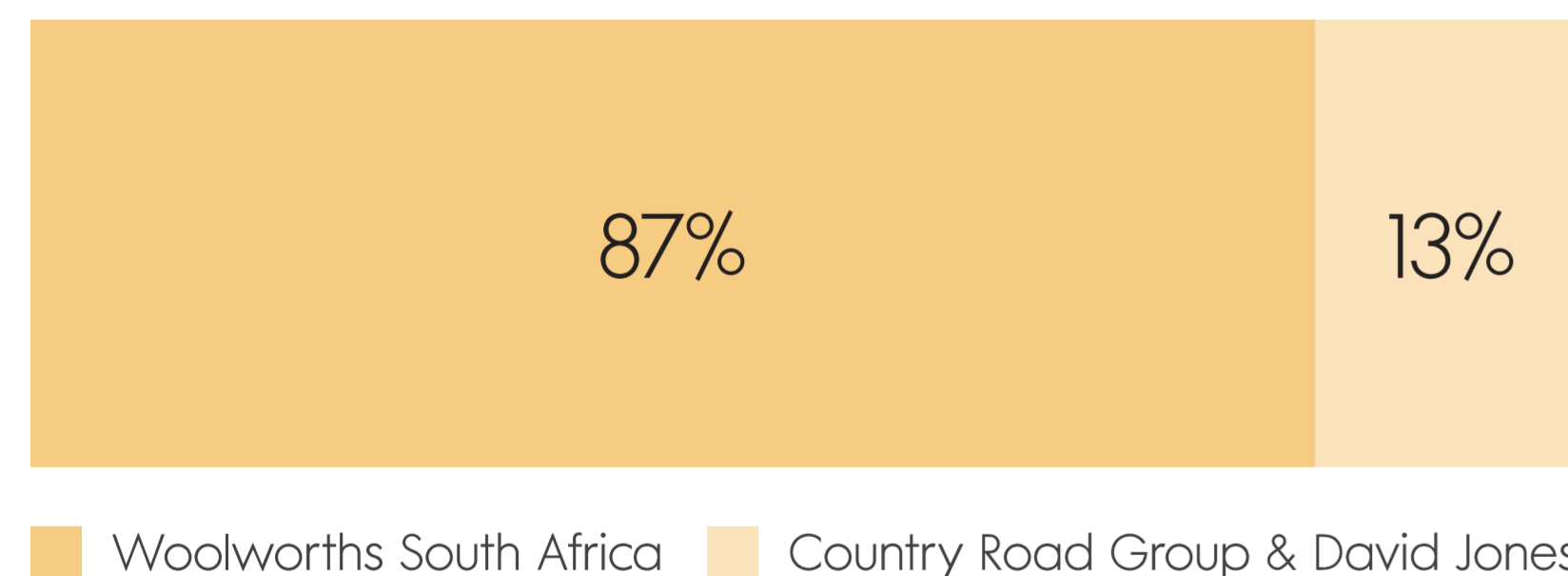
RENEWABLE ENERGY

Investing in renewable energy is a key part of building our resilience against climate change and the increasing cost of fossil fuel-based energy. Where feasible, the Group is deploying solar PV as part of our commitment to source all our energy from renewables by 2030.

We currently have six renewable energy installations (sites with installed solar panels) across the Group. Combined, these installations produced 2 762 468 kWh (2020: 2 280 927 kWh) of electricity, which was all consumed on-site. This is a 21% increase year-on-year, with 87% of the renewable energy generated by our South African installations. In 2021, 0.64% of the electricity used across the Group came from on-site generation.

Our Australian operations have seen a big improvement in renewable energy usage. A renewable energy tender was undertaken for the 2022 calendar year consumption and beyond. Country Road Group has transitioned selected stores, its head office, and its distribution centre to GreenPower or equivalent. Additionally, it also secured an energy deal with a major landlord, Scentre Group, to transition 63 stores in embedded networks to renewables. As a result, almost 70% of Country Road Group's energy since January 2022 was derived from GreenPower or equivalent. This ensures the ongoing support for renewable energy in Australia and New Zealand.

GROUP RENEWABLE ENERGY BREAKDOWN (2021)



OUR FOCUS OVER THE NEXT FEW YEARS WILL BE ON RAMPING UP OUR ACCESS TO RENEWABLE ENERGY.

CASE STUDY

WOOLWORTHS' RENEWABLE ENERGY TARIFF PROGRAMME WITH ESKOM

The shift to renewable energy sources is a key step in any carbon reduction plan, but on-site solutions are usually limited, especially for Woolworths, as we do not own most of the facilities we operate from. Woolworths is pioneering this field in South Africa by being one of the first retailers to partner with Eskom on a renewable energy tariff programme.

Electricity is being generated from the Sere Wind Farm in the Western Cape and is then 'wheeled' to each of our eligible sites using Eskom's grid. There are currently six Woolworths sites that have been connected. The 12 586 MWh of electricity required for the six sites is contracted in advance and is bought at a small premium on top of the standard tariff rate, for which Eskom will provide us with all relevant renewable certification at the end of the 12-month cycle.

ALL SITES THAT ARE CONNECTED TO THE ESKOM GRID AS PART OF THIS AGREEMENT ARE NOW SUPPLIED BY 100% RENEWABLE ENERGY, INCREASING OUR SOUTH AFRICAN OPERATIONS' PERCENTAGE OF ENERGY SOURCED FROM RENEWABLES FROM 0.6% IN 2020 TO APPROXIMATELY 2.75% FOR 2022 (OFF A 2019 BASELINE).

GREEN BUILDINGS

Woolworths' approach to green buildings entails utilising an internal green building protocol to ensure that all managed properties operate in the most energy-efficient way possible. The protocol involves rating and classifying buildings into three categories (Platinum, Gold and Silver) in accordance with the green design features they possess. This rating system helps to allocate funding for future-proofing buildings with the most energy-efficient technology. We are also able to acquire third-party certification for our green buildings. In South Africa, we have previously used the Green Building Council South Africa's rating system to rate and certify some of our buildings. In Australia, we aim to design our stores according to the criteria of Green Building Council Australia. To date, we have received **six third-party ratings** across the Group.

CO₂ REFRIGERATION SYSTEMS

Woolworths has been installing natural gas refrigeration systems across its facilities. The use of natural gas (CO₂) instead of synthetic gases for refrigeration in stores has also contributed to the gradual decrease in both our absolute Scope 1 and 2 greenhouse gas emissions (tCO₂e) over the years. Unlike conventional synthetic refrigeration gases, CO₂ has virtually no impact on the Earth's protective ozone layer, and has low global-warming potential and less effect on climate change. Although we are unable to isolate the energy savings associated with these installations in our stores, we know that they have numerous benefits in terms of the ozone layer, as they reduce the release of the ozone-depleting R22 gas (freon) into the atmosphere.

90%

of new stores opened and stores refurbished during the year were fitted with CO₂ refrigeration units

ENERGY-EFFICIENT LOGISTICS

We have worked very closely with our logistics partners to improve the efficiency of our logistics operations. In the last year, Woolworths implemented an initiative to reduce CO₂ emissions and noise pollution from delivery vehicles by making use of hybrid transport refrigeration units. We currently have three vehicles at proof-of-concept stage to test the following solutions:

1. **FRIGOBLOCK HYBRID ELECTRIC**
Electric refrigeration powered by the truck engine
2. **SOLAR ELECTRIC DRIVE REFRIGERATION/HYBRID TRANSPORT REFRIGERATION**
Electric solar-powered refrigeration unit that uses diesel fuel as backup
3. **LITHIUM-ION FULL ELECTRIC REFRIGERATION**
Electric solar-powered vehicle that runs on a 30 kW lithium battery pack, lasting for about nine hours; it also uses diesel fuel as backup

Depending on the outcomes of the different solutions, we will be rolling out the most effective technology to more vehicles.

Woolworths has also started introducing bigger trucks that can transport larger volumes with each trip as a way of accelerating efficiency in our logistics operations. This reduces the number of trucks needed as well as the amount of fuel used for transportation, thereby reducing the carbon footprint associated with the transportation of our products.

WE HAVE ALSO REPLACED SOME OF THE OLDER DELIVERY VEHICLES WITH NEW, INNOVATIVE, FUEL-EFFICIENT ONES. THE NEW VEHICLES GUARANTEE MORE THAN 60% IN FUEL SAVINGS COMPARED TO THEIR PREDECESSORS.

Through these initiatives, we have increased our supply chain diesel efficiency, which translates to R0.2 million worth of diesel efficiencies in the past year (FY21: R2.9 million).

CASE STUDY

ELECTRIC VEHICLES FOR ONLINE DELIVERIES

After a successful 10-month trial, Woolworths will become the first South African retailer to embark on an extensive rollout of electric panel vans (EVs), in partnership with DSV, to deliver our customers' online purchases in Gauteng, Cape Town, and Durban. Everlectric is the supplier of the all-electric SAIC Maxus eDeliver3 vans. These vehicles have a carrying capacity of 905 kilograms with a 52.5 kWh battery pack that can run for about 240 kilometres. To power the vans, electricity will be sourced as far as possible from renewable sources, maximising the opportunity to utilise solar at DSV and additional chargers co-located at strategic Woolworths store locations. Where on-site generation of renewable energy is not available or practical, we offset 100% of the electricity emissions via renewable energy certificates.

THE ROLLOUT WILL RESULT IN UP TO 70% OF THE WOOLWORTHS ONLINE DELIVERY FLEET BEING POWERED BY ELECTRICITY, WHICH, ACCORDING TO THE FIGURES FROM THE TRIAL, WILL HAVE THE POTENTIAL TO SAVE 700 000 KILOGRAMS OF TAILPIPE CARBON EMISSIONS ANNUALLY.



SUPPLIER ENGAGEMENT

FACTORIES OF THE FUTURE

The Woolworths Food factories of the future programme is the vehicle we use to support our suppliers in identifying areas of opportunity for continuous improvement when it comes to managing environmental and social metrics on their premises. This programme has now been merged with the Farming for the Future factory assessment to avoid duplication. We continue to encourage and promote the adoption of best practices across the value chain through collaborative efforts with our value chain stakeholders, especially our suppliers. The intention is to promote enhanced data collection and management of environmental and social metrics for greater efficiency and productivity, to promote resilience in our supply base, and to recognise and reward supplier achievement.

Every year, we ask our suppliers to complete a holistic assessment that considers sustainability management, water, energy, waste, human rights, employee wellbeing, lean manufacturing, transformation, and responsible sourcing. Suppliers who have been participating since the inception of this assessment have indicated significant improvements in operational efficiency.

68

Suppliers assessed in 2022

2021: **65** 2020: **105**



INDUSTRY COLLABORATION

Collaborating with industry partners is vital in ensuring that we transition to a low carbon future. The transition is a collective effort; therefore, where feasible, we commit to partner with organisations that share our vision.

UNITED NATIONS THINK LAB ON JUST TRANSITION

Woolworths has been invited to participate in the United Nations Think Lab on Just Transition. Launched at COP26 with the ILO and the International Trade Union Confederation (ITUC), the Think Lab aims to enable the private sector to support the UN secretary-general's vision. Locally, this will be hosted by the United Nations Global Compact. Woolworths is one of two South African companies participating in the Think Lab.

ALLIANCE FOR CLIMATE ACTION IN SOUTH AFRICA

Woolworths has become a signatory to the Alliance for Climate Action South Africa. This is a network of committed organisations, working together with local and national government and research institutions, to collectively achieve a net carbon neutral economy for South Africa by 2050.

MEMBERS ARE EXPECTED TO:

- Produce plans that show how net zero emissions will be achieved by 2050
- Translate the plans into actions, and embed these within their organisation, or by collaborating with others on mutually beneficial climate actions
- Influence and champion an economy-wide transition to net zero carbon by 2050 with national government
- Encourage other organisations to join the Alliance

