

WHL '15

OUR GOOD BUSINESS JOURNEY HAS BEEN,
AND WILL CONTINUE TO BE, DRIVEN
BY THE ISSUES WHICH MATTER MOST
TO OUR BUSINESS, CUSTOMERS AND OTHER
STAKEHOLDERS, AS WELL AS THE LEGAL,
CULTURAL AND ECONOMIC CONTEXT
OF OUR OPERATIONS.



WHL GOOD BUSINESS JOURNEY HIGHLIGHTS

2015

87%

 GOOD BUSINESS JOURNEY SCORE

ETHICAL SOURCING

86% David Jones supplier code confirmation since April 2015

B+ Country Road Group rating in the 2015 Australian Fashion Report

75% UTZ certified cocoa sourced for Woolworths private label chocolates



WATER

41% Relative water reduction to date in Woolworths stores

14.5m Liters of municipal water saved through Woolworths head office water treatment plant

9 Participating farms working as part of Woolworths Ceres water stewardship project with WWF and M&S



SUSTAINABLE FARMING & SOURCING OF RAW MATERIALS

98% Primary suppliers Farming for the Future certified

85% Seafood species meet our 2016 sustainability commitments

Highest Year-on-year increase in the use of organic cotton globally



ENERGY

40% Relative reduction of energy in SA stores since 2004

5 Star Green Star Industrial As Built v1 rating given to Country Road Group Omni Fulfilment Centre

64 Woolworths SA stores meet our green store status



WASTE

511 Tons of waste reduction and **92** Woolworths food packaging improvements

1.73m Reusable bags sold in the last year

93%+ Waste from Woolworths head office and distribution centres recycled



HEALTH & WELLNESS

334 000 Customers linking Woolworths to Discovery Vitality HealthyFoods™

55% Reduction since 2012 in total recorded injury frequency rates at David Jones



SOCIAL DEVELOPMENT

R590m Woolworths SA social contribution

R1m+ Raised by the MySchool MyVillage MyPlanet programme per week

A\$5m David Jones and Country Road Group social contribution



TRANSFORMATION

R2.4bn Created in value for participants by the BEESOS scheme + **R332m** in dividends

40 Small businesses forming part of our supplier and enterprise development programme

R25.5m Value of clothing donated to the clothing bank

63.3% WOOLWORTHS FOOD PRODUCTS WITH A SUSTAINABILITY ATTRIBUTE

60% WOOLWORTHS CLOTHING PRODUCTS WITH A SUSTAINABILITY ATTRIBUTE

R567m GOOD BUSINESS JOURNEY SAVINGS TO DATE IN SOUTH AFRICA

41 110 TOTAL NUMBER OF GROUP EMPLOYEES

CONTENTS

05

Setting Out

06 | Key Sustainability Indicators and Recognition

10 | About Us

11 | Integrated Sustainability Reporting

12 | Chief Executive Officer's/Sustainability Committee Chairman's Statement

17 | Managing Sustainability

24 | Stakeholder Engagement

32

Our People & Transformation

42

Social Development

50

Health & Wellness

58

Ethical Sourcing

68

Sustainable Farming

78

Waste

86

Water

92

Energy & Climate Change

102

Independent Assurance Report

SETTING OUT



KEY SUSTAINABILITY INDICATORS

INDICATOR	2015	2014	2013	2012	2011	PROGRESS	2015 TARGETS
Revenue	R58.1 bn	R39.9 bn	R35.4 bn	R28.8 bn	R25.8 bn	↑	-
Return on equity (ROE)	26.3% ¹	46.7%	49.7%	47.1%	44.1%	↓	-
Headline earnings per share (HEPS) (Adjusted)	419.4	379.9	340.4	267.3	214.9	↑	-
Share price appreciation	2 092	1 228	1 402	2 129	567	↑	-
Good Business Journey index overall score (new targets from 2012 to 2015)	87%	91%	90%	85%	86%	↓	85%
Customer tracking study regarding Good Business Journey elements	35%	35%	26%	26%	29%	→	28%
Number of permanent employees (Woolworths Pty Ltd)	28 344	25 598	23 538	22 462	20 433	↑	-
Training spend	R131.41 m	R110.2 m	R99.8 m	R75.1 m	R58.2 m	↑	-
BEE score	Level 3 ²	Level 3	Level 3	Level 4	Level 4	→	-
Corporate social investment contribution (SA) (Rm)	R588 m	R518 m	R500 m	R438 m	R370 m	↑	R300 m p/a

¹ 54.2% excluding David Jones goodwill

² Verification based on the amended BBBEE Codes of Good Practice still in progress for 2015

INDICATOR	2015	2014	2013	2012	2011	PROGRESS	2015 TARGETS
Estimated Good Business Journey savings to date	R567 ¹ m	R269 m	R189 m	R105 m	R80 m	↑	R100 m
Health and safety – number of injuries on duty	771	735	682	778	563	↓	-
Energy (reduction in relative consumption from benchmark)	40%	38%	31%	27%	22.5%	↑	40%
Green buildings (as per Woolworths model)	64*	45	29	24	18	↑	-
Carbon footprint (total tons of CO ₂) ²	621 132.72	444 249.80	398 568.00	411 522.35	452 996.73	↓	40% relative reduction
Water (reduction in relative consumption from benchmark stores)	41.35%	34%	20%	1%	(5%)	↑	50%
Foods packaging	92* packaging improvements	238 packaging improvements	185 packaging improvements	105 packaging improvements	8.24% reduction	↓	At least 100 packaging improvements during the year
Produce suppliers qualifying for the Farming for the Future programme	98%	98%	98%	95%	70%	→	100%
Inclusion in JSE SRI Index	✓	✓	✓	Top Performer	Top Performer	→	Retain position
% of Clothing products with a sustainability attribute	60%	60%	48%	50%	New focus area	→	60%
% of Food products with a sustainability attribute	63.3%	58.4%	57.4%	52%	New focus area	↑	60%

* Part of EY's audited key performance indicators. The basis for measurement of this indicator can be found on www.woolworthsholdings.co.za

¹ Significant increase as a result of detailed assessment of savings conducted in 2015

² For 2015 includes Country Road Group and David Jones

RECOGNITION

HOW WE'RE RATED

- WHL was included in the 2015 Euronext Vigeo Sustainability index (Emerging 70).
- WHL has voluntarily participated in the CDP Climate Change, CDP Water and CDP Forests disclosures in the last financial year.
- WHL was included in the JSE Socially Responsible Investment (SRI) Index for 2014/2015.
- WHL was included in the Dow Jones Sustainability Index (DJSI), the world's most respected sustainability index for 2014/15.

WOOLWORTHS WON THE NATIONAL BUSINESS OF THE YEAR AWARD AT THE 2014 NATIONAL BUSINESS AWARDS.

This year Woolworths Holdings Limited (WHL) achieved the following accolades:

- WHL won three awards at the 2014 National Business Awards. The awards recognise the contributions made by organisations through service excellence, ethical behaviour and environmental sustainability. Woolworths won awards in the following categories: National Business of the Year; Sustainability; and Corporate Citizenship.
- WHL won the Energy Excellence Award at the SAEE (South African Association for Energy Efficiency) Awards 2014.
- WHL was one of five companies awarded by the EU-Africa Chamber of Commerce for the best CSR projects in Sub-Saharan Africa at the CSR in Africa Awards 2014. WHL won The Environment Award.
- WHL was ranked second on the list of the 'ten most valuable African brands' by the Brand Africa 100 ranking. The index is drawn up based on a survey of about 51% of the sub-Saharan African population.
- WHL received a few awards at the Ask Afrika Orange Index Awards 2014. Woolworths Clothing came in fourth place overall and first in the Clothing Retail Industry. Woolworths Food came in seventh place overall and first in the Food Retail Industry.
- WHL was again ranked as the supermarket industry leader for customer satisfaction by the South African Customer Satisfaction Index (SACSI).
- WHL achieved first position in the Reptrak™ Pulse Survey. The seven reputation drivers used in the reputation institute's survey are products and services, innovation, performance, citizenship, workplace, governance and leadership.
- WHL was a finalist in the 2014 international Sustainability Leaders Awards in the Stakeholder Engagement category.
- WHL has been included in the list of Sunday Times Royal Companies. These are companies that have occupied the top 20 positions of the Sunday Times Top 100 Companies for three consecutive years.
- WHL was also chosen as a finalist for the 2014 World Retail Awards in the Corporate Social Responsibility Initiative of the year category for our Good Business Journey programme.
- WHL was shortlisted for the 2014 Ethical Corporation Responsible Business Awards for Best Business NGO Partnership and Best Supplier Engagement categories. Woolworths was Highly Commended in the category Enterprise Development for category our Farming for the Future programme.

- WHL was shortlisted for the 2015 Ethical Corporation Responsible Business Awards in the 'Best Public Company' category.
- WHL was a joint winner for the Rhino Conservation category and runner up in the Water category for the 2015 Mail & Guardian Greening the Future Awards.
- WHL's Waterstone store was awarded first place in the 2014 Visual Merchandising and Store Design Retail Renovation Competition.
- EY Excellence in Integrated Reporting Awards – the 2014 WHL Integrated Report was rated as "excellent".
- Woolworths 'What a day the difference makes campaign' was nominated in the Communications Category for the 2015 2Degrees Champions Award.
- WHL was shortlisted in the Nedbank Capital Sustainable Business Awards Trade and Services category for our Good Business Journey in 2014.
- W Magazine and TASTE were winners at the 2014 Eddies and Ozzies Awards. W Mag won the Best Full Issue at the Eddie Awards. TASTE received honourable mention in the Series of Articles and Cover Design categories at the Eddies and Ozzies Awards respectively.
- The Woolworths 2014 Christmas Campaign was named the World's best In-store Campaign at the IGDS conference in Rome. IGDS is the largest association for department stores worldwide.
- MySchool MyVillage MyPlanet was the winner at the 2015 International Loyalty Awards for Best Social Responsibility (CSR) initiative linked to Loyalty.
- Helene Brand, MySchool's Marketing and CSI Manager was named Loyalty Industry Personality of the Year at the International Loyalty Awards 2015.
- Woolworths was a finalist in the National Science and Technology Forum (NSTF)-GreenMatter Award for an individual or an organisation towards achieving biodiversity conservation, environmental sustainability and a greener economy.
- Woolworths was ranked fifth in the Professionals: Business category of the Universum Most Attractive Employer Awards for 2014.
- Country Road's *Life Through Wool* film campaign received the top honour in the Australian Director's Guild Awards for best direction in the online TVC category. The *Summer Wonder* film was also nominated for Best Fashion Film at the Berlin Fashion Film Festival.
- The Country Road Group's Omni Fulfilment Centre has received a '5 Star Green Star – Industrial As Built v1 rating from the Green Building Council of Australia.
- In the 2015 Australian Fashion Report, Country Road Group received a B+ rating. The report, prepared by Baptist World Aid, assesses the efforts of global and local fashion brands to ensure workers in their supply chain are being protected from exploitation.
- Witchery won the Fashion with Heart award for 2015 at the Prix de Marie Claire Awards in recognition of the annual White Shirt Campaign, supporting the Ovarian Cancer Research Foundation.
- David Jones was included in CDP ASX 200 Climate Disclosure Leaders Index 2014.
- David Jones was a Finalist in United Nations Association of Australia: Victoria division (UNAA) World Environment Day Awards 2015 in the large organisation sustainability leadership award.
- David Jones received the Roy Morgan Customer Satisfaction Award for Department Stores.



ABOUT US

Woolworths Holdings Limited (WHL) is a southern hemisphere retail group which has been listed on the Johannesburg Stock Exchange Limited (JSE) since 1997. It is one of the top 40 JSE-listed companies and had a market capitalisation of R100.5 billion at 28 June 2015. Approximately 40% of revenue is derived from Australasian operations.

The group trades through three operating subsidiaries including Woolworths Proprietary Limited (Woolworths), Country Road Group Proprietary Limited (Country Road Group) and David Jones Limited (David Jones), acquired as of 1 August 2014 and formerly listed on the Australian Securities Exchange (ASX). Woolworths Financial Services Proprietary Limited (WFS) is a joint venture with Barclays Africa Group, which holds the controlling interest.

Our footprint extends beyond our stores into our supply chain and the communities that buy our products and use our services.

We manage our broader business impact through comprehensive social, ethical and environmental policies and practices.

As a largely private label retail group across food, clothing, homeware and beauty, we have a particular business model based on long-term supplier relationships and a responsibility to influence change along our supply chain. Through our Good Business Journey, we're embedding sustainability into every aspect of our business and every product we sell, with eight key focus areas: sustainable farming, water, waste, energy, ethical sourcing, transformation, social development, and health and wellness.

Our vision is to be a world leader in retail brands that appeal to people who care about quality, innovation, value and sustainability.

WHL now employs more than 41 000 employees across 15 countries and trades in over 1 300 store locations.

TOGETHER, THE GROUP PROVIDES SHARED VALUE THROUGH RETAIL BRANDS THAT MEET THE NEEDS OF ASPIRATIONAL CUSTOMERS IN THE SOUTHERN HEMISPHERE.



INTEGRATED SUSTAINABILITY REPORTING

WHL regards its sustainability reporting process as a valuable opportunity to engage with its stakeholder groups and to respond to issues that have been raised during the course of the year. Through our sustainability report we aim to provide insight to our stakeholders in how we have progressed against our Good Business Journey targets and objectives, as well as provide an overview of the highlights, feedback and challenges we have experienced. As we close this round of strategic objectives in our Good Business Journey strategy, we also intend to reflect upon our future objectives in the context of our expanded operational footprint and geography.

Our Good Business Journey has been, and will continue to be, driven by the issues which matter most to our business, customers and other stakeholders as well as the legal, cultural and economic context of our operations. The materiality of these issues is based on our own risk management protocols as well as feedback we receive from stakeholders. We hope that our reporting credibly portrays the work we are doing to allow stakeholder groups to understand the strategy of the company and assess our prospects in a way that covers our financial and sustainability risks and opportunities.

This annual sustainability report covers the 52 weeks to 28 June 2015, is the successor to the 2014 Good Business Journey Report, and focuses largely on South African-owned operations, as well as including information on our Australian subsidiaries, Country Road Group and David Jones. It must be noted that David Jones is a majority brands/concession model driven business, so the level of influence into the supply chain is quite different from Woolworths and Country Road Group.

Our carbon footprint information covers the period from 1 January 2014 to 31 December 2014, based on the timelines for our submission to the Carbon Disclosure Project.

The 2015 Good Business Journey Report is intended to be read in conjunction with the 2015 Integrated Report and the 2015 Annual Financial Statements, as a compendium of our strategy and performance.

In compiling this report we have considered and utilised various reporting protocols. As with our 2015 WHL Group Integrated Report, we have considered the application of the six capitals (as recommended by the International Integrated Reporting Council) in our thinking about sustainability. Where this report predominantly covers the aspects related to human, social and relationship and natural capital, the Integrated Report offers detail about financial, manufacturing and intellectual capital.

The recommendations of King III and the Global Reporting Initiative (GRI) G4 guidelines form the basis for this report and any restatement of information is noted in the section concerned. This report is prepared in accordance with the GRI G4 Sustainability Reporting Guidelines (Core). You can find the detailed GRI index at www.woolworthsholdings.co.za.

WHL is a signatory to the UN Global Compact, and our annual sustainability report also serves as our Communication on Progress (COP). We have referenced the UN Post-2015 Development Framework and its sustainable development goals in our strategy determination process.

All data is based on the best possible systems that are currently available to us and where applicable aligned with recognised standards.

We welcome any feedback on our programme and reporting, and contact details for this purpose can be found on the inside back cover of the report.

KEY SUSTAINABILITY RISKS

Managing risk is an integral part of our strategy in protecting the Group's assets, including reputation, and enhancing shareholder value in a sustainable way. We follow a robust risk assessment approach to determine our risks. Risk registers are developed for key business areas to ensure that all identified risks are documented, weighted according to the agreed risk assessment method and action plans are identified to mitigate the risk. The material risks associated with the achievement of the 2015 Good Business Journey targets and related mitigating actions were reviewed during the current year, and are identified at the beginning of each section of the report.

As in 2014, this report is structured according to the Group's eight Good Business Journey strategic objectives – the main drivers of value creation. The content of the report was further validated by a process to determine those matters most material to the Group's ability to create value in the short, medium and long term. A diverse group of internal stakeholders considered the most pressing issues identified by the Board, key risks identified through our risk management process and concerns raised by key external stakeholders.

GROUP CHIEF EXECUTIVE OFFICER'S/ SUSTAINABILITY COMMITTEE CHAIRMAN'S STATEMENT



REFLECTING UPON AND REDEFINING OUR GOOD BUSINESS JOURNEY TO 2020

Sustainability is one of the core values of Woolworths and is deeply entrenched in the heart of our business. Our Good Business Journey encompasses the issues which matter most to us as a business, to our colleagues, customers, shareholders and other stakeholders. As we complete the current phase of strategic commitments set in our Good Business Journey 2007-2015, we are able to celebrate the successes as well as reflect upon the challenges that we have encountered and draw lessons from these.

In the past eight years, we have witnessed a significant change in mind-set among the global population that doing 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.

To Woolworths, this means leading the way in terms of addressing the sustainability of our value chain from field to shelf and post-consumer use. From a social perspective, we strive to contribute meaningfully towards developmental priorities in the countries in which we operate as well as social transformation through being advocates for ethical supply chains, building long-term partnerships with our suppliers and by supporting the growth of small- to medium-sized business enterprises.

We have also recognised that the vision of what constitutes a "Good Business" is a continually moving target, and we must therefore push ourselves to achieve more ambitious targets and goals. Through this journey we have been able to deliver to our strategic objectives in an integrated manner and have created shared value for our stakeholders. As a food and clothing retailer we form part of a complex and globalised supply chain. The potential to influence both upstream and downstream value chain players in order to drive positive and sustainable change through the application of codes of conduct, sourcing policies and creation of lasting supplier relationships, presents both an opportunity and a challenge. Our expanded southern hemisphere footprint provides the particular opportunity to further entrench the Woolworths vision and values consistently across our Australasian Country Road Group and David Jones operations, while still recognising the need to respect local culture and the context of business in this region.



R2.4bn

IN VALUE CREATED FOR
EMPLOYEE PARTICIPANTS
OF BEEESOS SCHEME

IN REFLECTION

Looking back, we are pleased with the progress we have made against our targets to date, having obtained an annual score of 87% for FY2015, and meeting or exceeding our targets in 164 of our over 200 indicators. Working towards these targets has assisted us in improving operational efficiencies and driving innovation across our operations. Combined, the various initiatives have not only served to reduce our environmental and social impact but have also resulted in Group-wide cost savings of R567 million since 2008.

In South Africa, significant investment in energy efficiency, initial renewable energy pilots and an advanced real-time metering system throughout our property portfolio has resulted in a relative energy reduction of around 40% since 2004, and has been particularly valuable in the context of national energy supply challenges and tariff increases faced by our operations.

Beyond our direct operations we continue to make significant advancements in influencing our wider supply chain.

In Southern Africa one of our proudest achievements has been the development of our Farming for the Future programme which, through independent auditing, assists our produce suppliers to incrementally improve environmental performance.

Now in its sixth year, we have 98% of our primary Woolworths fruit, vegetable, wine and horticulture producers working as part of this scheme. This programme has proved to be a great success and we are seeing improvements in farm level environmental management, greater productivity, efficiency, awareness and innovation among suppliers as a result of this.

Through Farming for the Future we have created a strong foundation for our engagement with suppliers on important challenges such as water stewardship and climate resilience. Our partnership with the World-Wide Fund for Nature (WWF-SA) has continued to deliver interesting and innovative research around these and other critical issues, and is serving to maximise positive and sustainable outcomes in the areas which matter most, as well as leveraging funding for joint work with our suppliers.

The waste associated with the end-use of our product continues to be an area of improvement. In the last year, we made significant strides in downsizing our packaging by 511 tons, resulting in more efficient transportation, increased carbon savings and reduced raw material usage. As well as light-weighting, we have worked towards improving product

design for ease of separation, increasing the use of recycled materials in packaging and the development of an on-pack labelling system for recyclability, an industry first in South Africa. Although the recycling infrastructure network in South Africa is still developing, our combined efforts are helping to create the market for recycled goods, an industry that supports around 40 000 direct and indirect jobs in South Africa at present.

In addition to managing our environmental footprint, the Group's contribution to sustainable economies, transformation, social development and education is something that we remain deeply committed to. Through our procurement and supply chain teams we have implemented a preferential procurement strategy to intensify support for small businesses from previously disadvantaged backgrounds in South Africa, where we are currently providing support to over 40 small businesses in the form of business development support and also financial assistance to the tune of R10.7 million in loans in the last financial year. Our Black Economic Empowerment Employee Share Ownership Scheme (BEEESOS) scheme officially ended on 30 June 2015, having created R2.4 billion for the participants, who have also enjoyed dividends of R332 million during the life of the scheme.

The need to adapt to changing regulations presents an ongoing challenge. We remain passionate about contributing to the transformation of our country. We are doing this through human capital transformation and transformation of our supply chains whilst making efforts to localise supply of products and services where possible. Woolworths prides itself on progressing our journey towards embedding transformation as an integral part of how we do business, regardless of changes in legislation.

In FY2015, we donated almost R590 million to various projects and charities across South Africa, and contributed directly to upliftment projects through the Woolworths Trust and through donation of our surplus food and clothing supplies. Through the MySchool initiative we have donated almost R60 million in total and over R4.5 million per month, on our customer's behalf, to 8 207 schools, environmental and social charities, thanks to our 885 000 active MySchool supporters. In Australia, David Jones contributed R12.8 million to various Breast Cancer initiatives and charities and the Country Road Group contributed R35.6 million to a range of charity partners. Our aim, through delivery of these funds, is to leave a lasting legacy for the causes which are closest to our hearts.

ALMOST
R590m

DIRECTED TO A RANGE OF CHARITY ORGANISATIONS IN 2015 AS PART OF OUR COMMITMENT TO FOOD SECURITY AND EDUCATION IN SOUTH AFRICA

KEY CHALLENGES AND FOCUS AREAS

Increasingly, we find that two-way feedback with our customers is serving to drive the direction of our strategies.

A myriad of communication and media channels create the platforms for these engagement dialogues in which we hope to raise awareness around key sustainability issues, whilst also taking cues around matters which are meaningful to our customers. Our collaboration with Pharrell Williams is aimed at ensuring we include more and more young South Africans in this dialogue in a meaningful and relevant way.

Some of the most significant challenges we faced as a Group in 2015 relate to concerns from customers around ethical sourcing and animal welfare. These issues have received a significant amount of media and broader stakeholder attention and help to guide our ethical trade work stream and responsible commodity sourcing.

Our efforts in improving traceability of products has involved drilling down our supply chain to drive sustainable sourcing practices for key commodities such as cotton, timber, cocoa and palm oil.

In line with this drive, our clothing brands continue to make significant strides in the ethical clothing revolution. Earlier this year, Woolworths was ranked in the top 15 globally in terms of organic cotton users by total volume, and first in year-on-year growth of organic cotton procurement in the 2014 Cotton Market Report. The Country Road Group also scored comparably well in the 2015 Australian Fashion Report, in which an overall score of B+ was achieved with commendation for wage practices through demonstration of efforts towards paying better wages for workers overseas.

LOOKING FORWARD

As a business we strive for our sustainability initiatives to not only drive improved efficiencies, meet the demands of our customers and shareholders but also to empower our local communities to better tackle development issues faced on a daily basis.

Looking forward to 2020, our plan is to continue building on the platform we have laid across our existing focus areas, and make significant progress against our newer focus areas – ethical sourcing and health and wellness. In particular, we are planning to better respond to global concern around nutrition-based diseases such as obesity and diabetes through improving the nutritional value of our food offerings and the transparency in communication of the health attributes of our products.

Our strategy has, and will continue to assist us in doing business in the most transparent and ethical way possible. We want to make an ongoing impact to alleviate critical environmental and social issues in our supply chain through focussed efforts on improving working conditions, food security and nutrition, animal welfare, sustainable employment creation and support for local businesses.

Our mission in the next phase of our Good Business Journey strategy is to firmly entrench ourselves as a leader in the African and Australian marketplace, to ensure we deliver on our vision to be the most sustainable retailer in the southern hemisphere.


LORD STUART ROSE
Chairman of the Sustainability Committee


IAN MOIR
Group Chief Executive Officer





MANAGING SUSTAINABILITY

KEY IMPACTS AND MATERIALITY

Our Good Business Journey aims to reduce our impact as a business and improve outcomes for the environment, people and economy across our entire value chain. We believe that working together in partnership is the best way we can make a positive difference.

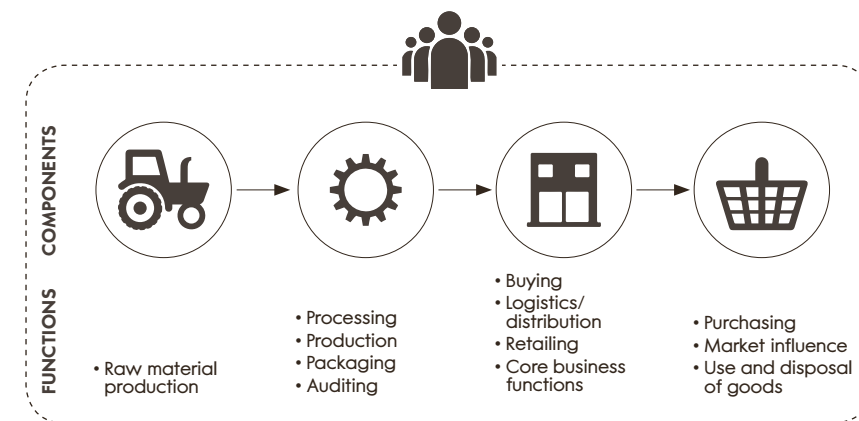
A wide range of social, environmental and ethical issues have an impact on our business, either directly or through our global supply chains. Consequently, we have to manage a continually evolving set of issues. We have developed and updated our Good Business Journey sustainability programme with the help of stakeholders in order to address these key social and environmental challenges. They were identified through analysis of external standards such as the Global

Reporting Initiative (GRI), legislation, investor and NGO questionnaires, peer reviews, business intelligence, lifecycle assessment results, stakeholder dialogue, market surveys and stakeholder reports as well as media coverage.

As a global multi-product retailer in clothing, foods and general merchandise we recognise the significant challenges associated with the complexity of working within a multi-tiered and geographically dispersed supply chain. Our material impacts are spread across our entire value chain, which spans from raw material production to customers and the end-uses of our products. By mapping these key impacts across our entire value chain we are better able to address those impacts which are most material¹.

OUR GOOD BUSINESS JOURNEY AIMS TO REDUCE OUR IMPACT AS A BUSINESS AND IMPROVE OUTCOMES FOR THE ENVIRONMENT, PEOPLE AND ECONOMY ACROSS OUR ENTIRE VALUE CHAIN.

OUR VALUE CHAIN



In this report, we show how the issues that matter extend far beyond our direct operations, and encompass all components of our supply chain described in the diagram alongside. In each chapter, we include a materiality assessment, mapping where (in our supply chain) the critical issues we have identified are occurring across our eight Good Business Journey focus areas, and to what extent these impacts present a risk.

KEY: Mapping risks across our supply chain



¹ Material issues are defined as those that reflect the organisation's significant economic, environmental and social impacts; or that substantively influence the assessments and decisions of stakeholders as defined by the G4 guidelines. These are Global Reporting Initiative guidelines that we refer to for our sustainability reporting.

The impacts identified as material to our business, and so included in this report and the Integrated Report are included in the following table:

FOCUS AREA	IDENTIFIED RISKS	MATERIAL ASPECTS INCLUDED (SOME DERIVED FROM GRI-G4 INDEX ²)
GOVERNANCE ¹	<ul style="list-style-type: none"> Ethics and values Verification/assurance Risk management and business continuity Anti-corruption Human rights 	Labour/management relations (G4) Employment (G4) Economic performance (G4) Market presence (G4) Indirect economic impacts (G4) Procurement practices (G4) Public policy (G4) Investment (G4) Anti-corruption (G4) Anti-competitive behaviour (G4) Governance (G4) Ethics and integrity (G4) Non-discrimination (G4)
TRANSFORMATION	<ul style="list-style-type: none"> Addressing diversity Employment equity Talent management BEE codes 	Equal remuneration for men and women (G4) Diversity and equal opportunity (G4) Broad-based black economic empowerment Enterprise and supplier development Training and education (G4) Freedom of association (G4)
SOCIAL DEVELOPMENT	<ul style="list-style-type: none"> Food security Education CSI capital Child vulnerability and safety 	Local communities (G4) Food security Education Charitable donations
HEALTH AND WELLNESS	<ul style="list-style-type: none"> Nutrition and wellness Employee health Occupational health and safety 	Occupational health and safety (G4) Customer health and safety (G4) Product and service labelling (G4) Marketing and communications (G4) Compliance (G4) Child safety Responsible marketing Nutrition Food safety
ETHICAL SOURCING	<ul style="list-style-type: none"> Ethical conditions in supply chains Traceability Environmental conditions in supply chains 	Supplier assessments labour practices (G4) Investments (human rights) (G4) Supplier human rights assessments (G4) Supplier assessments impacts on society (G4) Environmental assessments (G4) Grievance mechanisms(G4) Non-discrimination (G4) Child labour (G4) Forced or compulsory labour (G4) Supplier capacity building Deforestation Wages

FOCUS AREA	IDENTIFIED RISKS	MATERIAL ASPECTS INCLUDED (SOME DERIVED FROM GRI-G4 INDEX ²)
SUSTAINABLE FARMING	<ul style="list-style-type: none"> Ecological health Climate change Farmer access to market Animal welfare 	Supplier environment assessments (G4) Supplier assessments labour practices (G4) Environmental assessments (G4) Biodiversity (G4) Environmental grievance mechanisms (G4) Compliance (G4) Animal welfare
WATER	<ul style="list-style-type: none"> Water availability Wastewater Post-consumer water consumption 	Effluent and waste (G4) Water (G4) Water stewardship
WASTE	<ul style="list-style-type: none"> Waste generation Waste disposal Natural resource consumption 	Materials (G4) Products and services (G4) Product and service labelling (G4) Responsible marketing
ENERGY & CLIMATE CHANGE	<ul style="list-style-type: none"> Energy prices Electricity availability Energy efficiency Extreme weather patterns Climate framework Post-consumer use 	Energy (G4) Emissions (G4) Transport (G4)

¹ Governance underpins all our focus areas

² G4 denotes that the aspect is aligned to the GRI-G4 reporting guidelines

APPROVAL AND ASSURANCE

The Social and Ethics Committee and the Sustainability Committee review and recommend the Good Business Journey Report to the Board for approval. External assurance has been performed for selected indicators. WHL has always looked at obtaining independent opinion on our progress as being a crucial part of gaining and maintaining credibility with our stakeholders. Additional stakeholder reviews have been performed and commentary statements are included in this report. We aim to tackle impacts wherever they occur in our value chain, and this is reflected in our reporting wherever possible.

In the current financial year, in line with King III, we have once again engaged Ernst & Young Inc. (EY) for the fifth consecutive year, to provide limited assurance over certain quantitative and qualitative aspects of the 2015 Good Business Journey Report:

- The statistical data of the following KPIs:
 - green stores – ratings of stores according to the green store model
 - water usage – head office, stores and distribution centres
 - number of packaging improvements
 - The GRI-G4 principles of materiality, completeness and sustainability context.
- Ernst & Young Inc. also conducted a “dry run” limited assurance engagement in order to assess the readiness of certain other key performance indicators for external limited assurance in future years:
- Percentage of foods with one sustainability attribute
 - Percentage of clothing with one sustainability attribute
 - Good Business Journey savings to date

Their assurance statement can be found on page 102 to 103.

We have also undertaken an independent limited level verification of our carbon footprint data in conformance with the ISO 14064-3 International Standard for GHG verifications performed by the Global Carbon Exchange, and their assurance statement can be found on the Good Business Journey Report website. Our Farming for the Future programme is audited by an independent body – Enviroscientific.

EY provides limited assurance over all David Jones greenhouse gas emissions data used in reporting to government (National Greenhouse and Energy Reporting Act) and the CDP, formerly the Carbon Disclosure Project).

We feel that the combination of the assurance processes noted above provides coverage over all our material focus areas by a range of audit, technical and scientific experts.

SUSTAINABILITY CONTEXT

The retail sector continues to be in the spotlight in terms of its direct and especially supply chain impacts. Issues around traceability, ethical sourcing and responsible sourcing of commodities are material risks for the sector. Mitigating these risks requires the types of long-term partnerships with suppliers that Woolworths has been built on. Increasingly important is the expertise and guidance we gain from our partnership with WWF-SA.

In South Africa, key issues include the need to alleviate poverty and create jobs, to improve education and grow the number of skilled people ready to join the job market, while labour unrest and concerns about corruption continue. Environmental challenges include energy supply stability and costs, water scarcity (exacerbated by drought conditions in many parts of the country) and quality issues, and a host of agricultural concerns including security of land tenure, customer push back around GMO and a declining number of farmers

– all of which affect food security and prices, putting pressure on South African consumers. Unpredictable climate-related events are putting even more strain on this food production system. The National Development Plan creates a strong vision for resolving many of these challenges, and Woolworths needs to understand our influence as a diversified retailer, and apply our value chain approach to finding solutions in partnership with our stakeholders. Our consumers continue to show a strong interest in environmentally responsible and ethical sourcing, and we increasingly need to provide such product choices to them, without a significant premium.

In Australia there has been significant interaction with customers around ethical sourcing issues, following the 2015 Australian Fashion Report, and a number of high profile documentaries into clothing supply chains. Other topical issues include mental health and wellbeing, cultural diversity and the transition to a low carbon economy.



GOVERNANCE OF SUSTAINABILITY

The Social and Ethics Committee, a sub-committee of the Woolworths Holdings Board oversees the work of the Sustainability Committee and the outputs of The Woolworths Trust, providing a single point of view and direction for all Woolworths sustainability focus areas.

The Sustainability Committee is chaired by an independent non-executive director and meets quarterly to oversee progress in achieving all aspects of the Good Business Journey programme. The Group Chief Executive Officer and the Woolworths SA Chief Executive Officer are members of the Committee, together with three independent directors.

These independent directors each have significant expertise and experience in a range of corporate sustainability issues. The main purpose of the committee is to ensure that the sustainability strategy and objectives are effectively integrated into the business. The committee has considered the contents of this report.

Progress towards meeting 2015 targets and the related one-year goals, is monitored at an operational level by the Executive Committee and championed by the Group Director: Marketing and Sustainability.

During the year there has been a marked increase in South Africa in environmental legislation potentially affecting the Group, specifically around carbon and waste-related issues, as well as a continued focus on responding to the changes to the Broad-Based Black Economic Empowerment (BBBEE) codes.

No environmental or health and safety-related precautions against Woolworths occurred in the last financial year.

UPDATED GROUP STRATEGY AND TARGETS TO 2020

The growth of the WHL Group, following the acquisition of David Jones and the

buy-out of the non-controlling interest of Country Road Group, has created an opportunity for greater influence across our global supply chain and broader customer base around sustainability issues. A lot of focus has been placed over the year on delivering to our vision of being the most sustainable retailer in the southern hemisphere by aligning our Group strategies under the Good Business Journey banner.

Sharing WHL's vision, the Country Road Group has developed a new Group strategy to embed sustainability across the business. A Sustainability Steering Committee has been established and meets monthly to guide the development and implementation of the strategy, ensure the effective integration into the business, develop targets and review performance.

The Country Road Group has prioritised seven focus areas that align with the Woolworths Good Business Journey: ethical trade, sustainable farming and sourcing of raw materials, energy efficiency, waste reduction, water stewardship, social development, and health and wellness. Furthermore, 16 projects have been identified to start driving progress across the business in the next financial year.

David Jones Good Business Journey forms a key component of the corporate strategy and encompasses seven work streams. The focuses under these work streams are the outcome of a robust materiality and stakeholder engagement process and each has ambitious targets delivering to the overall strategic intent.

WHL has achieved a number of milestones as part of our 2015 Good Business Journey targets and has now set new challenging targets going forward to 2020.

This has happened in the context of growing customer awareness measured by various research interventions in

South Africa and Australia, as well as our community and environmental measures achieving the highest scores of all indicators across our annual Let's Ask employee survey.

SUSTAINABILITY AND OUR STRATEGIC OBJECTIVES

Sustainability is one of our eight strategic focus areas as a business and is integrated into the strategic planning cycle and balanced scorecard process. To ensure consistency across our operations, each business unit has a set of Good Business Journey objectives against which they are measured twice per annum. This now includes Country Road Group, David Jones and Woolworths Financial Services.

PROGRESS MEASUREMENT 2015

The Good Business Journey index has been reviewed during the current year to ensure the ongoing applicability of the sophisticated weighted system that prioritises all 200-plus indicators and provides a score across each focus area of the Good Business Journey, as well as for each business unit in achieving their specific targets. We have defined a revised set of targets through to 2020 for the WHL group during the course of the last financial year.

The index score is a key tool in driving changes in behaviour in the business units as well as providing comparable scorecard data and monitoring progress towards one- and five-year targets. The total sustainability measurement score for the year 2015 was 87% (2014: 91%).

We had set 80% as a benchmark for good performance and are pleased to complete the current phase of our targets with a score well above that benchmark. Sometimes we have failed to meet the robust targets we had set – either because they were a bit unrealistic or due to change in business

focus, but each of these instances has been a valuable learning opportunity. Steady progress has been made over the lifetime of the Good Business Journey programme, and the targets have been well integrated into our strategy and balanced scorecards. The scores per factor are shown in the graph below.

VALUES AND ETHICS

A strong value system forms the foundation of our business model and is fully integrated into the way we do business, measure performance and reward the right behaviour. Processes to embed these values into WFS, David Jones and the Country Road Group are at different stages of maturity, with the latter most advanced. These processes are necessary to ensure that our employees in different business units develop a deeper and common understanding of what they mean.

The WHL values determine behaviour and decision-making processes in the Group, and form a material part of each employee's performance appraisal

process. The annual Woolworths employee survey, Let's Ask, is an opportunity for employees to rate their experience of the Woolworths culture and leadership, as well as a measure of engagement and the effectiveness of our people strategies. The overall response rate (which includes employees in the rest of Africa and the Country Road Group) increased from 86.2% in 2014 to 90.7% in 2015. The overall score improved by 0.4% to 74.4%, with two of the five most improved dimensions relating to ethics:

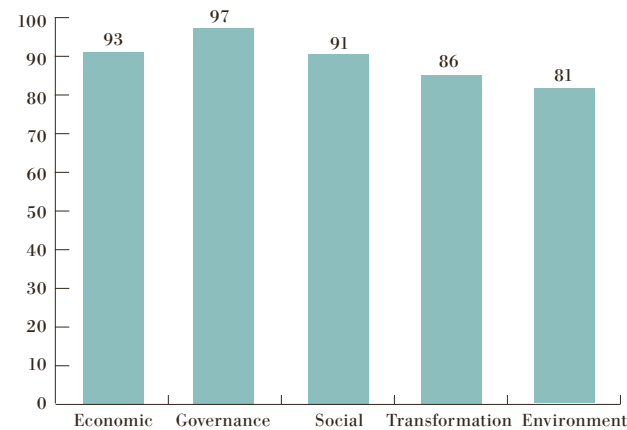
- The Woolworths Executive Committee is doing an effective job of leading Woolworths in a values-based manner (81.2%)
- Woolworths is doing an effective job of putting the corporate values into practice (89%)

We have group-wide policies on gifts, insider trading and conflicts of interest, and a zero-tolerance policy towards fraud, theft, corruption or any similar illegal behaviour. In South Africa, we continue promoting the anonymous tip-off line

run by Deloitte. The Group has adopted a whistle-blowing policy and an anti-corruption and sanctions policy to align with the Organisation for Economic Co-operation and Development (OECD) guidelines on corruption.

We will take disciplinary action against any employee who is involved in, or assists with, committing fraud, theft and corruption. In terms of the company's disciplinary code, involvement in these acts is a dismissible offence. Through our induction process, and awareness creation around our policies, we specifically cover training around ethics, bribery and anti-corruption.

GOOD BUSINESS JOURNEY INDEX SCORES FOR 2015



Mount Carmel – Woolworths produce supplier

CONTRIBUTION TO THE SOUTH AFRICAN ECONOMY

Woolworths continues to create shared value across a broad spectrum of the South African economy, at the most fundamental level by generating direct employment and career opportunities for over 28 000 people, and indirectly more than double that through our manufacturing and processing network, as well as assisting to bring small-scale suppliers into the value chain.

During the current year our staff complement has grown by 2 746. We have also created over 8 000 new jobs directly in the last five years.

The vast majority of goods sold in our stores, by volume, are manufactured in South Africa and we continue to encourage local manufacturing wherever possible. We will only consider sourcing abroad where local or regional supplier partners are unable to provide the ideal quality, value and innovation that our customers expect. Woolworths is also well placed to drive enterprise development projects and has set up teams devoted to working

more closely with emerging suppliers, further supporting South African business first as part of our indirect economic contribution.

One of our key contributions is to provide safe, healthy and good-quality products to consumers at a reasonable price. Our food, clothing, home and beauty technologists ensure product development and innovation take into account our safety policies. We are also assisting to create our customer of the future by investing in education through a number of our corporate social investment interventions. Our Good Business Journey programme drives investment into efficient and green technology in our real estate, logistics and supplier networks, as a part of our contribution to South Africa's green economy growth. This is also supported by our initiatives in waste management and recycling, especially incorporating more and more recycled content into our products and packaging.

STAKEHOLDER ENGAGEMENT

DURING THE YEAR, WHL CREATED A STAKEHOLDER FORUM TO ENSURE ALIGNMENT BETWEEN OUR POSITIONING AND MESSAGE TO STAKEHOLDERS.

Woolworths has always focused on understanding the needs and views of a range of stakeholders. Over the last few years, we have been working to refine our approach to these engagements, and ensure greater consistency and improved feedback loops across all stakeholder groups. The importance of developing these systems has become even more pertinent as the group footprint has expanded.

During the year, WHL created a stakeholder forum to ensure alignment between our positioning and message to stakeholders, and coordinating our engagement. The forum established a platform for feedback to be consolidated and channelled appropriately and enables us to engage more efficiently. We can now resolve complex, Group-wide issues centrally and in this way improve our reputational risk management. We are in the process of finalising the formal stakeholder framework for the Group.

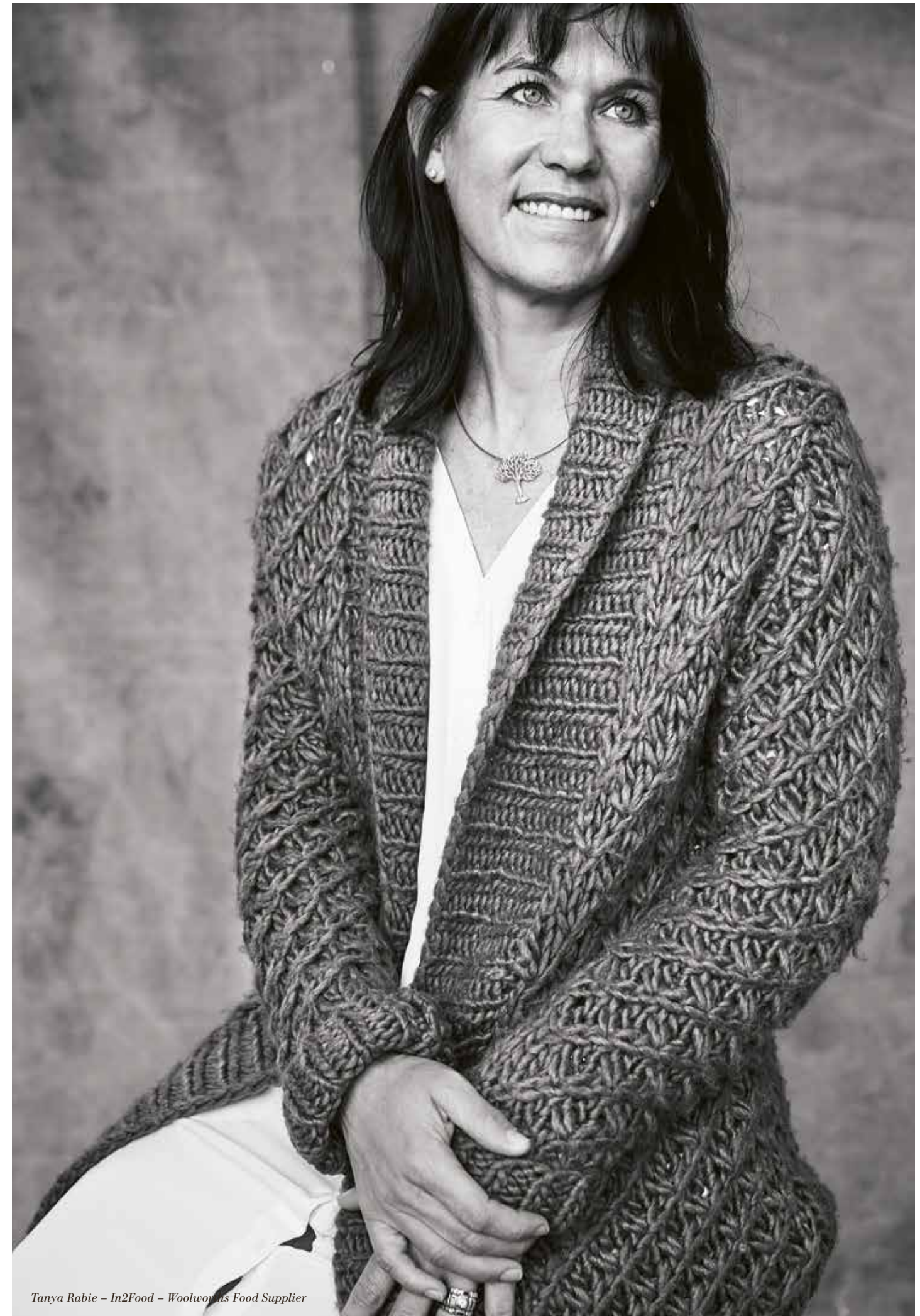
From a sustainability point of view, the matters that are most prominent for our stakeholders were identified as ethical sourcing, animal welfare, water, packaging and recycling, and local sourcing. We have also identified issues around energy, security, water, carbon tax and land reform as important to our business and stakeholder interests.

Through all of the stakeholder engagement we participate in, we retain vision of our key principles, which are to ensure:

- Constructive and co-operative engagements
- Openness and transparency
- Mutual respect
- Supportive and responsive interaction
- Working towards regular and structured engagements
- Engagements which are based on business critical aspects, national priorities and material issues for the business
- Recognition that all stakeholders are also existing or potential customers.

WHL Group's stakeholder universe includes customers, suppliers, communities, business partners, employees, unions, NGOs, academia, industry bodies, government, regulators, and the media among others. To focus our reporting on these stakeholders, we have mapped them according to materiality – in this case their ability to impact strategic planning and decision making. Although we consider the entire universe of stakeholders in our engagement planning, we focus our reporting on material stakeholders in our Integrated Report, while we go into more depth regarding a broader range of stakeholders in this report.

In the following table, we have listed these key stakeholder groupings, considering why, how and what we engage in.



Tanya Rabie – In2Food – Woolworths Food Supplier

STAKEHOLDER	WHY WE ENGAGE	HOW WE ENGAGE	WHAT WE ENGAGE IN
Our customers	<ul style="list-style-type: none"> - To meet our customers' needs - To enhance the WHL brand and thereby grow revenue - Increase customer awareness and understanding of sustainability issues 	<ul style="list-style-type: none"> - Advertising - In-store communication and campaigns - Group company websites - Social media - Customer service centre - Focus groups and surveys - WRewards loyalty programme - MySchool MyVillage MyPlanet programme 	<ul style="list-style-type: none"> - Product value and choice - Service - Rewards - Key sustainability issues: animal welfare, packaging and recycling and responsible sourcing are amongst the issues we receive the most customer feedback on - Innovation
Our employees	<ul style="list-style-type: none"> - To share relevant information and get input and feedback - Increase employee awareness and understanding of sustainability issues and our Good Business Journey 	<ul style="list-style-type: none"> - Exco talks and blog - Shop Talk magazine - GBJ Champ programme - 'Let's Talk' team meetings - 'Let's Ask' employee opinion survey - Pure Survey 	<ul style="list-style-type: none"> - Business strategy and performance - Rewards and recognition - Training and development - Employee wellness - BBBEE and transformation - Our Good Business Journey
Unions	<ul style="list-style-type: none"> - To engage on collective employment issues in supply chain 	<ul style="list-style-type: none"> - Participation in CCMA, Nedlac and other labour market institutions 	<ul style="list-style-type: none"> - Wages and conditions of employment - Retail and textile sector issues
Our suppliers	<ul style="list-style-type: none"> - To deliver consistent quality and standards - To support the development of small black-owned businesses - To deliver socially and environmentally responsible and innovative products 	<ul style="list-style-type: none"> - Supplier conferences - Supplier visits and audits - Supplier and Enterprise Development programme 	<ul style="list-style-type: none"> - Timely payment and favourable terms - Product offering and innovation - Infrastructure and logistical support - BBBEE - Resource efficiency - Key sustainability issues in the supply chain – ethical trade - Research e.g. life cycle assessments, water foot-printing of key products
Our business partners	<ul style="list-style-type: none"> - Support on issues of common interest - Create better sustainability solutions 	<ul style="list-style-type: none"> - Joint projects - Partner meetings and reviews 	<ul style="list-style-type: none"> - Strategy and product expansion - Key sustainability issues
NGOs (such as WWF, the Red Cross, Baptist World Aid, Food & Trees for Africa, Childsafe and the United Nations Global Compact)	<ul style="list-style-type: none"> - To share expertise, industry insights, local knowledge, research capabilities and networks 	<ul style="list-style-type: none"> - Formal partnerships and projects - Participation in benchmarking and surveys 	<ul style="list-style-type: none"> - Driving sustainability through our operations, products and supply chains - Social development - Ethical sourcing
Debt funders	<ul style="list-style-type: none"> - To enable effective funding of Group expansion and acquisitions 	<ul style="list-style-type: none"> - Regular meetings held with funders through Group Treasury function 	<ul style="list-style-type: none"> - Financial performance and strategic focus areas of the Group

STAKEHOLDER	WHY WE ENGAGE	HOW WE ENGAGE	WHAT WE ENGAGE ON
Our community	<ul style="list-style-type: none"> - To contribute to the socio-economic development of the communities in which we trade 	<ul style="list-style-type: none"> - EduPlant workshops - Making The Difference educational programmes - MySchool MyVillage MyPlanet programme via charity partners 	<ul style="list-style-type: none"> - Education - Capacity building on relevant issues such as food security, nutrition and child safety
Our shareholders and investors	<ul style="list-style-type: none"> - To create an informed perception of Woolworths and create a positive investment environment 	<ul style="list-style-type: none"> - Annual General Meeting - Biannual analysts results review - Store walkabouts - Annual Integrated Report - Participation in the Dow Jones World Sustainability Index, JSE Socially Responsible Investment (SRI) Index, Carbon Disclosure Project (CDP) and other assessments 	<ul style="list-style-type: none"> - Business performance, expectations and strategy - Economic, social and environmental risks
Industry organisations (such as the NBI, the Consumer Goods Forum, PETCO, PlasticsSA and the Australian Packaging Covenant)	<ul style="list-style-type: none"> - To discuss and contribute to issues of mutual concern and optimise opportunities 	<ul style="list-style-type: none"> - Membership and engagement with industry bodies - Commentary and advice on emerging issues 	<ul style="list-style-type: none"> - Policy development - Retail sector related issues - Key sustainability issues
Government and regulators	<ul style="list-style-type: none"> - To discuss issues of mutual concern and optimise opportunities - To share our industry expertise and contribute to policy formation 	<ul style="list-style-type: none"> - Meetings and presentations - Drafting of submissions - Engagement via industry bodies - Participation in government forums 	<ul style="list-style-type: none"> - Policy development - Labour market issues and legislation - Food standards and safety - Consumer credit and protection issues - Employment equity and transformation - Social development and education - Sustainability priorities for South Africa and Australia
Academic institutions	<ul style="list-style-type: none"> - To contribute towards research - To share our industry expertise and case studies 	<ul style="list-style-type: none"> - Participation in postgraduate research and surveys - Experiential learning opportunities for students - Presentations - Participation in the Network for Business Sustainability (NBS) 	<ul style="list-style-type: none"> - Corporate sustainability - Reporting and governance
The media	<ul style="list-style-type: none"> - To influence stakeholder perceptions, differentiate the WHL Group company brands and market our products - Raise the profile of key sustainability issues in South Africa and Australia 	<ul style="list-style-type: none"> - Interviews and opinion pieces - Press releases - Publications - Television 	<ul style="list-style-type: none"> - Retail and consumer issues - Product information - Key sustainability issues - Good Business Journey

STAKEHOLDER ENGAGEMENT AND SUSTAINABILITY

We believe that building strong stakeholder partnerships is key to building a more sustainable business and future. While we aim to engage with all our stakeholders around key sustainability issues and our Good Business Journey, those we engage with most prominently includes our employees, customers and partners with whom we interact daily in order to grow awareness around sustainability issues, as well as taking cues from them in terms of issues which affect or interest their daily lives. This in itself is a huge source of innovation for our business and assists us in staying relevant to our customers and ensuring we are doing business in the best possible way.

GROWING OUR CUSTOMER ENGAGEMENT AROUND SUSTAINABILITY

Our broader marketing and communications strategy continues to be buoyed by an increasingly interested and aware customer base. The use of social media is critical for us in order to receive the feedback and communicate with our customers at a more personal level. More and more, customers are demanding more information about where products come from and what their ethical and environmental attributes are.

These questions necessitate us to adopt a lifecycle approach to developing our products, and considering all aspects of the journey that takes a product from field to fork, or hanger. This lifecycle approach ensures that we work closely with both our suppliers and our customers to make a real difference in sustainability. In order to achieve this sustainability, we have had to maintain the strong focus that the Good Business Journey has to embed our values throughout our supply chains, and into our products.

Over the year, we have again continued to grow our customer engagement around sustainability issues, within traditional media forms as well as in-store awareness campaigns, increased use of social media platforms and relationships on TV with 50/50, Top Billing and Expresso.

The results have shown substantial customer support around the Good Business Journey, as measured in the customer tracking study and our other customer research.

GROWING OUR EMPLOYEE UNDERSTANDING AROUND SUSTAINABILITY

We engage with employees regularly on strategy, business performance and to increase awareness and level of understanding of our sustainability issues and values. We use channels such as leadership conversations and the Let's Ask survey to generate discussion and prompt feedback.

We embed sustainability throughout our business with the help of our employees. At stores, we use our GBJ Champ programme as a way to provide training, raise awareness and connect with all employees in stores, as well as our customers. We are continuously sharing knowledge and communicating sustainability issues in order to provide staff with a deeper understanding and backing of our Good Business Journey. Though this we hope that it can positively influence thinking both at work and home. Employee understanding and backing of our Good Business Journey is measured through our annual 'Let's Ask' people survey which has shown high levels of support, and a growth in this level of support over the last year. This year 74.4% of the scores in our overall 'Let's Ask' employee opinion survey were positive compared to 74% last year.

Over 90% of responses were positive regarding Woolworths involvement in environmental protection and 87% positive regarding Woolworths involvement in the community.

We rely on our employees to be the creative and innovative hub of our

businesses. Through the integration of sustainability thinking into everything we do at work, we continue to improve how we operate, and create efficiencies within this. Since the start of the Good Business Journey in 2007 in South Africa through the conscious efforts of our employees we have saved the business in the region of R567 million.

GROWING OUR PARTNERSHIPS FOR SUSTAINABILITY

Experience has shown us that most sustainability challenges cannot be solved by one company acting alone, and we are excited about the support and input we have received from a range of stakeholders in implementing programmes like Farming for the Future, Fishing for the Future, EduPlant, sustainable transport and customer recycling. These sustainability initiatives have often been a natural extension of the longstanding partnerships we share with our suppliers and corporate partners such as Imperial Group, Mercedes-Benz and Engen, and specialist non-profit organisations including WWF-SA and Food & Trees for Africa, amongst others. Our broad range of partnerships has helped us formulate unique responses to material issues and in turn we have been able to support the good work already being done by our partner organisations.

74%

OF WOOLWORTHS SALES ARE BEING TRACKED ON A WOOLWORTHS CARD

CASE STUDY: #PHARRELLWITHWOOLIES

In 2014, Woolworths entered into a partnership with Grammy Award-winning musician, record producer and philanthropist, Pharrell Williams. The collaboration is values-based and relates to sustainability through social cohesion, advancement through education and environmental awareness.

The call-to-action for the collaboration, is "Are you with us?", asks customers to pledge their allegiance and support for the Woolworths Good Business Journey.

We have used the collaboration to reposition our credentials around fashion with a difference, highlighting our ability to innovate and be sustainable, thereby growing our appeal to a younger, largely black customer base in South Africa. The campaign is also aimed at acquiring new WRewards cardholders and increasing spend of existing cardholders, while at the same time relaunching the MySchool programme in the 2016 financial year.

As one of the ongoing initiatives throughout this broad based campaign, we are aiming to raise R100 million for the thousands of MySchool MyVillage MyPlanet charities with the help of our customers.



SUPPLIER ENGAGEMENT

Our approach to the life cycle management of our products means that we work closely with our suppliers to deliver consistent quality and innovative products. We are also committed to supporting the development of small, black-owned businesses in South Africa.

Our relationship with suppliers has enabled us to successfully implement programmes like Farming for the Future and Fishing for the Future. Beyond these sustainability initiatives, our suppliers engage with us on issues such as timely payment and favourable terms, infrastructure and logistical support, resource efficiency and research support. We hold regular supplier roadshows, conferences and audits that create broad understanding of our strategy, business requirements and growth plans.

WWF-SA HAS BEEN REPEATEDLY ENCOURAGED BY THE WILLINGNESS OF THE GOOD BUSINESS JOURNEY AND FOODS TEAMS TO EXPLORE NEW IDEAS AND TAKE COURAGEOUS RISKS WITH A VIEW TOWARDS ACHIEVING GREATER POSITIVE BENEFIT.

WWF-SA AND WOOLWORTHS PARTNERSHIP

In 2013, when the Worldwide Fund for Nature South Africa (WWF-SA) and Woolworths announced that the two organisations were entering into a partnership around shared sustainability ambitions, the public response was unexpectedly sanguine. The overwhelming feedback was of cautious optimism and surprise. Commentators reflected on the potential for good in a partnership – between two sectors which tended traditionally to be at odds – structured around genuine collaboration for the benefit of not just the Woolworths customer, but the natural environment on which every food business depends.

Now as this first phase of the partnership draws to a close, it is evident that the optimists were correct in thinking that together the NGO sector and business can achieve greater positive impact. In 2015, the partnership has continued to yield fruitful contributions to both organisations, and achieve the intended goals of the collaboration.

PROGRESS ON NEW AREAS OF COLLABORATION

Update from Tatjana van Bormann, Market Transformation Manager, WWF-SA.

The most significant new area of collaboration has been driven by WWF's expertise in climate change and Woolworths' willingness to proactively respond to the challenge of increased weather variability. South Africa and the SADC region as a whole is expected to experience high levels of warming and escalating intensity in weather events in the course of the next few decades. In recent years extreme weather has already led to many millions in cost for retailers. These climate anomalies prompted Woolworths to set aside R1.2 million to explore proactive action – supporting new technology investments and piloting solutions – in reducing risks in supply chains.

WWF-SA was able to leverage this commitment to secure additional funding from the British High Commission's (BHC) Prosperity Fund. The BHC funding also provided the opportunity to include Marks & Spencer

(M&S) in the project, which significantly increase the potential for transformative market action to help increase resilience in production landscapes. WWF works with both retailers in water risk programmes; the retailers also have a long history of collaborative engagement and, crucially, share suppliers. This project will ensure that two highly influential retailers learn together and collaborate around solutions which ultimately should help reduce food security risk by building resilience to climate shocks through the value chain.

The other two new areas of collaboration, namely food waste and food security also progressed in the last financial year. The urgency to address food waste volumes cannot be overstated. In South Africa, research estimates that we currently waste upwards of 9 million tonnes of food per annum, a quantity that would fill

the Cape Town Stadium at least five times over, represents 600 000 litres of embedded water and energy equivalent to that required to power the city of Johannesburg for 20 years. Retailers are not the biggest source of food waste, but for a retailer like Woolworths which is ready to look beyond its specific operations, there is potential to support suppliers and customers to reduce waste. To assist Woolworths in this process WWF-SA and key Woolworths experts completed a high-level scoping of waste in the food supply chain and identified areas for further intervention.

The Transformative Food Scenarios process was also concluded with the support of Woolworths. The final four scenarios defined a plausible sequence of events likely to play out in the areas of nutrition, political economy, natural resources and production in the next 15 years. In each, the future looks truly challenging and it will take a concerted

effort from all role players to ward off a crisis. The most important message was that food security is a complex objective and solution will require partnership and cross sector collaboration as in the WWF-SA Woolworths partnership.

PROGRESS IN MEETING PARTNERSHIP TARGETS

There has been good progress in most areas of collaboration. Woolworths is also to be acknowledged for having gone beyond a narrow focus on operating efficiency to really starting to ask the difficult questions about stewardship of natural resources and influencing their customers, over whom they have enormous influence.

SUSTAINABLE SEAFOOD

This year Woolworths became the first retailer to go public with a comprehensive strategy for addressing sustainability in the tinned tuna range. Woolworths is also looking extremely likely to meet their overall 2016 wild capture targets.

FRESHWATER

Good progress was made in the water stewardship work in partnership with the German Development Bank (GIZ), M&S and Breede-Gouritz Catchment Management Association (CMA). The project has four distinct project objectives, each key to better water management access:

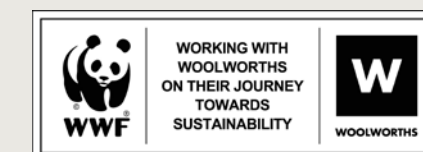
- *An alien clearing scoping exercise in the upper Breede, leading to stakeholder agreement and a proper proposal for clearing as final output.*
- *A community engagement exercise, looking at water quality issues along the rapidly expanding informal settlement parts of Prince Alfred Hamlet.*
- *A communication exercise, whereby published guidelines from project phase 1 and the web-based tool are promoted, to expand water stewardship initiatives in agriculture regionally and nationally.*
- *Further promotion of the Alliance for Water Stewardship (AWS) standard among volunteer farmers – with the aim of getting a group of farmers recognised as water stewards.*

BEEF

WWF and Woolworths are currently collaborating on a life cycle assessment (LCA) of beef production in South Africa. The study, which is investigating the Woolworths value chain for steak and mince products, starts at the very beginning of the system, right from the grass grown to feed the cattle, and concludes with the consumer, and post-consumer waste. This is the third such LCA study undertaken within the partnership and aims at addressing environmental impacts of a product which is associated with some of the

highest emissions, water and land impacts.

These are just some of the tangible deliverables against the targets set but there is another set of less demonstrable shifts that are equally important in the success of this endeavour. First and foremost it is the building of solid relationships based on trust and transparency which have allowed for dynamic development in the partnership's conservation impact. WWF-SA has been repeatedly encouraged by the willingness of the Good Business Journey and Foods teams to explore new ideas and take courageous risks with a view towards achieving greater positive benefit. Ultimately, this has been the underpinning of the partnership; a shared sense of urgency in addressing natural resource risks and a willingness to collaborate in better understanding the challenge and seeking creative solutions.





OUR PEOPLE & TRANSFORMATION

STRATEGY

Woolworths is a values-based organisation where we strive to behave in ways that reflect our values in everything that we do. Through shared values and values-based behaviours we are building a highly engaged, innovative, and successful business.

Within this context, the key objectives of the People Strategy are to:

- **Attract, develop and retain talent** by delivering a compelling employment brand and developing our people to support the delivery of Woolworths' strategic plans and grow the next generation of leaders from within.
- **Align the structure, people and processes** with the Woolworths future-fit business strategies and growth initiatives and improve overall productivity.
- **Continue our commitment to diversity of our workforce including Employment Equity** by developing integrated people plans and strategies that will transform our workforce and achieve employment equity targets.
- **Continue to build a high performance culture** where both high performance and adherence to our values are recognised and rewarded.
- **Entrench a values-based culture** by ensuring that our values are understood and integrated throughout the business.
- **Entrench transformation, including Black Economic Empowerment (BEE),** as an integral part of how we do business through internal capacity building, external partnerships and meaningful stakeholder engagement.

OUR PEOPLE ARE THE HEART AND FOUNDATION OF THE BUSINESS AND ENABLE THE EXECUTION OF OUR BUSINESS STRATEGY TO DELIVER SUSTAINABLE PROFITABLE GROWTH.

MAPPING OUR RISKS ACROSS THE SUPPLY CHAIN

IDENTIFIED RISK	SUB ISSUES	Tractor & Gear	Truck	Shopping Basket
Addressing Diversity	• Workforce transformation	●	●	●
Employment Equity	• Promoting equality • Redress discrimination	●	●	●
Talent Management	• Build a high performance culture • Individual Performance Plans • Succession management • Rewards and recognition management	●	●	●
BEE Codes	• Entrench economic transformation • Completion of BEE employee share ownership scheme (BEEESOS) • Supplier development • Job creation	●	●	●

KEY: Moderate ● Significant ● Major ● Not applicable ●

OUR PROGRESS

In line with our strategy of growing and developing our internal talent and leaders from within, the percentage of internal appointments was 82.1% for Corporate Head Office, Supply Chain and Stores Divisional and Regional management. For the entire category of junior management and above (including junior management in Supply Chain and Retail Operations), the internal appointment percentage was 82.6%, with labour turnover for the same category at 7.9%. The labour turnover improved from last year with a continued focus on delivering a compelling employment value proposition. Staff turnover in corporate stores was 26.6%, which is fairly static and still within the targeted range. All employees receive performance reviews and career development discussions on a regular basis.

SUMMARY SNAPSHOT

PERFORMANCE SNAPSHOT	RISKS AND OPPORTUNITIES	OUR STRATEGY
74.4% Positive responses from 'Let's Ask' employee survey 1 685 Employees on skills programmes R131 413 847 spent on employee training in the last year R4 085 average amount spent per employee	<ul style="list-style-type: none"> Addressing diversity within our human resources (direct and indirect operations) Inability to meet our transformation targets set in line with Black Economic Empowerment Codes of Good Practice Inability to attract, retain and develop talent Scarcity of skills 	Our people intent continues to establish and drive an employment value proposition that will continue to attract, engage and retain the best, diverse talent required to deliver the Woolworths strategy.

COMMITMENTS AND PROGRESS	2015	2014	2013	BY 2015
Conversion of part-timers to flexible 40 hours	50%	50%	49%	44%
Union membership	5.3%	8.3%	11.6%	n/a
Labour turnover (management)	6.6%	8.5%	8.3%	12%

TALENT AND SUCCESSION MANAGEMENT REMAINS A KEY FOCUS FOR BOTH THE BOARD AND EXCO AS A CRITICAL ENABLER OF THE PEOPLE AND BUSINESS STRATEGIES.

CASE STUDY: WOOLWORTHS' INSIDE RETAIL PROGRAMME

The Inside Retail programme was conducted with the aim of raising the quality of tertiary education in the country, in line with the Education Ministry's strategic plans. The programme targeted Further Education and Training (FET) lecturers through a week-long, embedded course where they gain practical experience of the retail value chain. The course also took the participants to the distribution centres, suppliers and to the shop floor to put theory to practice.

The initiative provided on-the-ground experience of real life, operational processes within the industry and generally, practical experience to supplement theoretical training at colleges.

Participating colleges included the College of Cape Town, False Bay College, Northlink College, Boland College, and South Cape College, as well as Cape Peninsula University of Technology.



Sibongile Antoni and Jeroldine Edwards

EMPLOYEE OPINION SURVEY

Our latest 'Let's Ask' employee survey received 74.4% positive responses, slightly up from 74% last year. This survey is one way in which we engage with our employees to understand their employee experiences and also learn from them where we need to improve.

Excitingly, over 90% of our South African employees participated this year.

Our scores for benefits, workplace and community remained high and we saw an improvement in team leadership and development – which is especially pleasing given our focus on values-based leadership. Exco leadership was very positive, and the improvement in rewards and recognition was particularly encouraging, given that this is an integral part of striving to be the retail employer of choice.

In order to address employees' priorities, the Country Road Group also undertook an externally hosted alignment and engagement survey. The results of the

2015 pulse survey revealed positive engagement scores across all areas of the business.

TALENT MANAGEMENT AND SKILLS DEVELOPMENT

Talent and succession management remains a key focus for both the Board and Exco as a critical enabler of the people and business strategies. We are committed to the skills development of our employees in line with our business strategies and country's skills development needs. Our talent pipeline programmes provide extensive training opportunities for the next generation of leaders and specialists within our business.

With the national challenge of inadequate skills levels, and poor work readiness of many young people leaving formal education and entering the labour market for the first time, we are also focused on helping to narrow the skills gap that exists within the broader South African context, so that we can also be role players for

the skills transformation of our labour force. This also assists in career pathing for the progression of our employees and to educate potential employees about careers in retail.

As part of our strategy we've seen a shift in the number of people who are registered on a learnership towards a nationally recognised qualification.

We also offer a range of internal and external NQF accredited training and tertiary studies designed to help employees deliver our business strategies, foster talent and equip our employees with vital skills and experience and also in turn prepare our employees with skills for the retail environment.

Our focus remains on appointing the right leaders to source, develop, lead and retain the right talent, in the right roles, performing optimally, enabled by the right culture. In this reporting year, a total of 1 192 staff members received Values-based Leadership (VBL) training in line with our vision of being a values-led organisation.

CAREER PATHS AND DEVELOPMENT OPPORTUNITIES AT COUNTRY ROAD GROUP

The Country Road Group invests in the development of its people and focuses on providing strong career paths and development opportunities for all employees. The number of internal management appointments across the business is a key measure in the corporate strategic plan, tracking positively against internal targets across the majority of the brands.

Formal succession planning meetings are conducted bi-annually, covering store management positions, through to executive level. This process assists to identify and plan the ongoing development and sustainability of high potential employees across the Country Road Group, and determines current and future operational requirements in the business.

This year the Country Road Group in conjunction with Woolworths has launched its Values-based Leadership Programme. The programme was piloted in November 2014 and the first phase rolled out in the second half of the financial year. During the year, 38 head office employees participated in this programme, with plans to roll out the programme further in the year ahead.

Witchery has collaborated with the RMIT University in Melbourne, to offer a work placement programme to selected Visual Merchandising students. The programme is designed to provide work experience opportunities and bridge the gap between students and experienced merchandisers. Over the past year, four students completed the placement programme, with potential to extend the programme in the future.

In addition, Country Road partners with visual merchandising students from RMIT University to produce an annual window display at the flagship South Yarra store in Melbourne.

EMPLOYMENT EQUITY

Employment equity remains a key lever within our business used to drive workforce diversity and bring change through transformation.

There has been extensive work done to ensure integrated and sustainable Employment Equity Act compliance and consultation across the business via diversity committees in all business units. Our strategic approach to people with disabilities is aligned with our people and transformation strategies and the national skills development strategy. This is enabled by an integrated, holistic implementation approach to sourcing and developing people with disabilities and sensitising the environment. The implementation of this strategy is being done in partnership with the Wholesale and Retail SETA and external providers. The continuous improvement of Integrated Performance Management (IPM) has now seen Broad-Based Black Economic Empowerment (BBBEE) and/or transformation included in individual employees' performance goals. Individual

goals, coupled with an effective tracking and measurement capability, contribute in embedding BBBEE as a way of working that is integral to business strategy.

The total number of people with disabilities constitutes 1.64% of our employees. The Department of Trade and Industry (DTI) has set a BBBEE target for black people with disabilities of 2% of the company workforce.

Currently black employees with disabilities constitute 1.53% of our workforce, which places us over the minimum threshold of 1.2% of the workforce. Over the past year we've seen the numbers of all people with disabilities increasing slightly from 413 to 466. Management is working on understanding the issues and the trends in terms of reasons for terminations and will implement plans for retention.

The Woolworths Executive Committee is 50% black with a 50% female representation. This is key in ensuring more diversity in decision making at this level.

EQUAL EMPLOYMENT OPPORTUNITY (EEO)

The Country Road Group is 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 EEO training is completed for all new employees to increase awareness of these issues.

REMUNERATION PRINCIPLES

Woolworths Remuneration Policy has been designed and implemented to attract, retain and reward top executives and scarce skills. The principles applied in the integrated Remuneration Policy are:

- Support the delivery of the company strategy
- Guaranteed pay (TCoE) is benchmarked against major South African retail and non-retail companies to ensure competitiveness

- Recognise and reward individual responsibility, performance and behaviour
- Create a balance between short and long-term incentive schemes
- Attract, retain and appropriately reward top retail executives
- Create a balance between short and long-term incentives.

A detailed report on remuneration is available in our Integrated Report.

All employees at the Country Road Group participate in performance based incentive programmes, from store team members, store managers, head office employees through to the executive team.

SKILLS DEVELOPMENT PROFILE 2014	2015	2014	2013
Number of employees trained (includes employees that have since left the business)	32 171	28 125	24 531
Black employees trained as a % of employees trained	95%	95%	94%
Number of employees trained on scarce skills ¹	11 873	2 581	7 935
Black employees trained as a % of scarce skills ²	93%	79%	92%
Number of learning interventions	139 297	126 120	102 017
Number of learnerships registered	1 748	1 024	1 366
Number of employees on skills programmes ³	1 685	1 615	599

¹ The sector scarce skills list has been revised again for 2014/15, and Sales Assistants were included in the list. Despite this change, we have over achieved on a like-for-like comparison (3663 vs 2581)

² Black employees trained as a % of scarce skills increased to 93% including Sales Assistants.

³ Skills programmes delivered in this period are mainly the Values-based Leadership programme that has been implemented as a key organisational focus to leadership development. This programme is offered to managers and leaders and is now available to senior staff levels as well, i.e. CS levels 4 and 5.

EMPLOYMENT EQUITY PROFILE 2015	A	C	I	W	FN	TOTAL
Top management	2	2	0	2	2	8
Senior management	11	22	15	78	14	140
Middle management	312	525	177	676	46	1 736
Junior management	1 453	1 142	260	450	22	3 327
Semi-skilled	14 090	4 242	631	235	30	19 228
Unskilled	3 001	781	88	31	4	3 905
TOTAL – PERMANENT	18869	6 714	1 171	1 472	118	28 344
Temporary employees	33	17	3	8	4	65
TOTAL	18 902	6 731	1 174	1 480	122	28 409
Male	6 397	2 352	434	604	54	9 841
Female	12 505	4 379	740	876	68	18 568

A – African
 C – Coloured
 I – Indian
 W – White
 F – Foreign National

WE WILL CONTINUE TO FOCUS ON TRANSFORMING BOTH OUR OWN ORGANISATION AND OUR SUPPLY CHAIN.

OUR BBBEE STRATEGY

Under the governance of the WHL Social and Ethics Committee of the Board, management has continued to improve on ensuring that there are appropriate strategies, policies and processes in place in order to drive sustainable transformation.

In order for us to align with the national prescripts of the BBBEE legislation, we have identified a few focus areas:

Direct empowerment

- Broad-based beneficiation by increasing equity ownership.

Human capital transformation

- Improving diversity of workforce through advancement and upskilling of previously disadvantaged individuals.

Supply chain transformation

- Facilitating entry of small, black and women owned businesses into the Woolworths supply chain and also supporting them to be sustainable businesses.

Social development

- Contributing to social development and South African national priorities through sustainable and relevant Woolworths efforts. Refer to Social Development section on pages 42-49.

We continue to measure and track efforts on BBBEE and transformation using the BBBEE scorecard on a monthly basis and for each business unit.

Our 2013/2014 BEE verification results are reported in the last table. Because of the timing of the BEE verification in light of the amendments to the BBBEE codes and our annual reporting, we will only be able to report on the BEE results of the 2014/2015 financial year in our next annual report.

THE AMENDED BEE CODES OF GOOD PRACTICE

The promulgation of the Amended BEE Codes of Good Practice in October 2013 by the Department of Trade and Industry has meant that we need to revisit our transformational efforts and come up with

PROGRESS	2014 ¹
Overall BEE Level	Level 3
Total points	80.19
Equity ownership	7.94
Management control	10.33
Employment equity	10.75
Skills development	13.35
Preferential procurement	17.78
Enterprise development	15
Socio-economic development	5

¹ BEE Level for 2015 to be reported in 2016 following alignment and verification with amended BBBEE Codes of Good Practice

R332m

IN DIVIDENDS PAID TO BEEESOS SHAREHOLDERS

CASE STUDY: BEEESOS SCHEME MATURES IN 2015

On 30 June 2007, as part of our Good Business Journey, we launched our Black Economic Empowerment Employee Share Ownership Scheme (BEEESOS) in a commitment to socio-economic transformation in our country and with the intention of empowering and benefiting Woolworths employees. The scheme was open to all employees who were employed as at 1 May 2007, and who were still employed at the initial vesting date (30 June 2007), with the exception of white employees who already participated in an existing Woolworths share ownership scheme. Shares were allocated to previously disadvantaged employees based on length of service and seniority, with 75% of the scheme beneficiaries working in stores.

either sell or keep. The transaction has created R2.4 billion in value for the participants and R332 million has already been paid out as dividends over the period of the scheme. Most of the current eligible employees would receive more than R200 000 from the scheme should they decide to sell their shares, but the pay-out will differ based on many factors.

Going forward, the Woolworths Education Fund will be established in line with the BEEESOS Trust deed to benefit from the unwinding of the scheme and add the money set aside for the fund to the bursary funds available to our staff. This extends the empowerment efforts beyond the life of the BEEESOS through education of employees and their families.



Zukile Nomafu, BEEESOS Trustee

The scheme officially matured on 30 June 2015 and the shares allocated have been converted into Woolworths ordinary shares, which owners can

strategic shifts that will see Woolworths transformation journey supporting the key country objectives meaningfully, e.g.:

- Upskilling the nation
- Stimulating job creation
- Advocating for localisation of supply chains
- Building strong supply chains whilst removing barriers to entry
- Driving strong diversity in our workforce.

Woolworths has used the year under review to:

1. Understand the revised BBBEE Act and the amended BBBEE Codes of

Good Practice and their impacts on our current transformation efforts.

2. Build capacity to deliver to the true intent of the amended codes.
3. Develop integrated and sustainable strategies that will not only reflect the essence of the new codes but contribute to Woolworths business strategy.

BROAD-BASED BENEFICIATION

OUR PEOPLE

The following are some of the indicators that demonstrate the impact of our transformation efforts:

Our BEEESOS Trust matured on 30 June 2015. Financial benefits to staff participants, who have collectively received R332 million (2014: R241 million) in dividend payments from inception of the scheme, have been disbursed to date.

The total number of employees who benefitted from the BEEESOS as at 30 June 2015 was 5 543 compared to 5 875 in 2014. The decrease in numbers is due to labour turnover.

OUR SUPPLIERS: PREFERENTIAL PROCUREMENT ENTERPRISE AND SUPPLIER DEVELOPMENT AND PARTNERSHIPS

The Woolworths Enterprise Development (ED) programme has been designed primarily to support emerging black-owned organisations in the Woolworths greater supply chain, including primary and secondary suppliers. This is used as a tool to remove barriers of entry into our supply chain for small, medium, black and black women-owned enterprises. These strategies have seen us through the increased targets for preferential procurement as per the Amended Codes of Good Practice. By doing this, we are able to ensure that our suppliers enforce our Code of Business Principles within their operations and in so doing, we are able to build long-lasting relationships with them. Empowering our suppliers remains key to our preferential procurement initiatives.

During the year, four ED loans were disbursed to the value of R10.7 million, three of these loans were in Foods and one in

Finance. This further indicates that our ED strategy promotes and positions ED beneficiaries to participate in the core business of Woolworths. We currently have 40 ED beneficiaries within our supply chain and they are commercially viable and sustainable.

A further contribution is through Non-cash Grants; this is driven mainly through the support of micro enterprises and entrepreneurship at the Clothing Bank. This contribution was R25.5 million in the last year.

We establish a compelling business case for most of our transformation efforts as a motivator for us and our internal change agents to do more. Our supplier development initiatives have to meet expected return on sales whilst the small/medium business involved makes profit and grows.


CASE STUDY: MARIGOLD FARMS

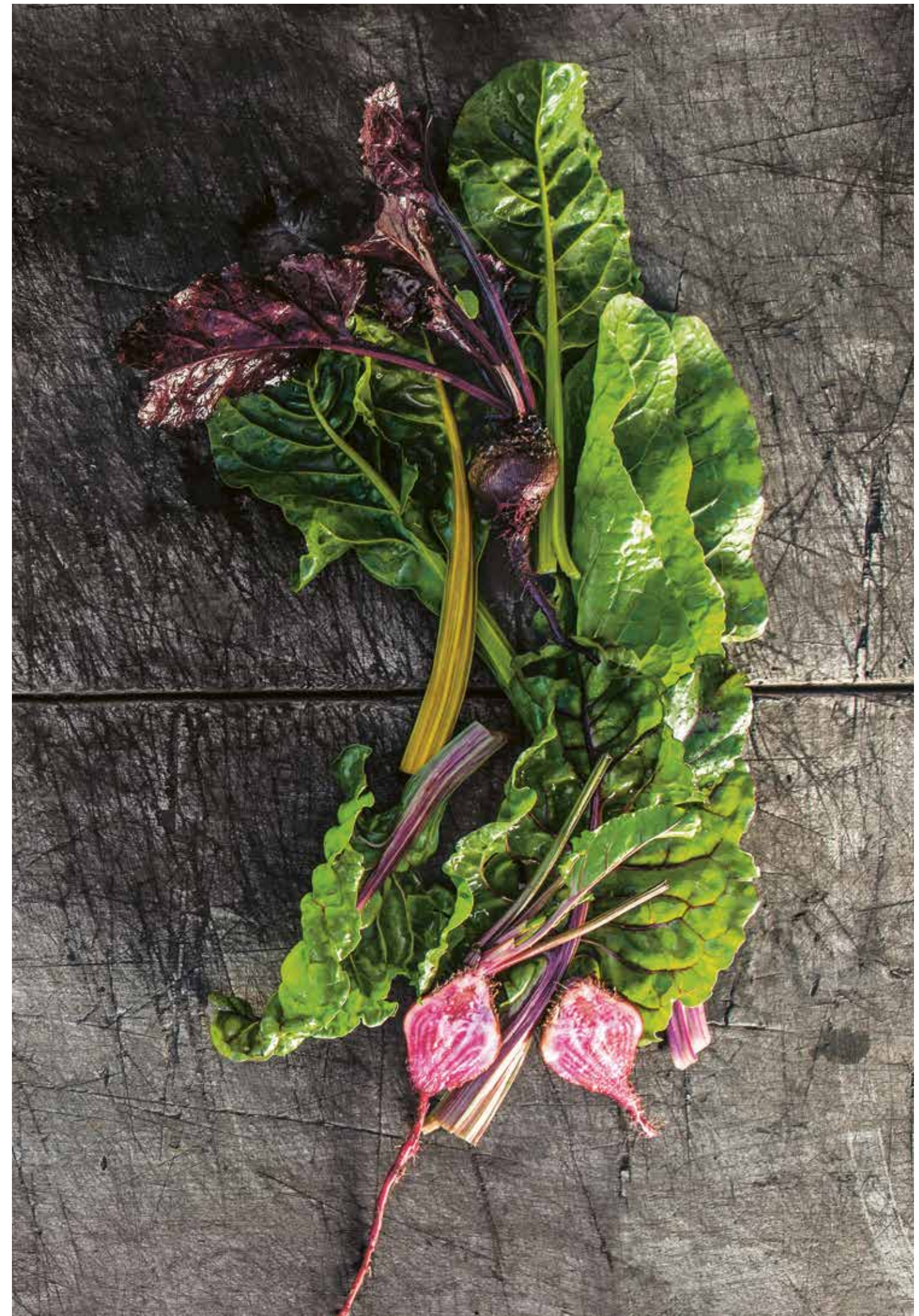
Entrepreneur Monica Ndebele took a leap of faith to join Maarten Koppenol, an agronomist and special consultant to Fresh To Go (Pty) Limited, a fresh produce marketing and processing company that supplies Woolworths, to form a unique venture in the agricultural industry. When Maarten decided to sell part of the farm (Eldorado Farms, where Monica was employed as a Packhouse Manageress) in 2008, keeping 40 hectares to use in experimenting with sustainable farming, Monica saw an opportunity to buy-in, and Marigold Farms was formed.

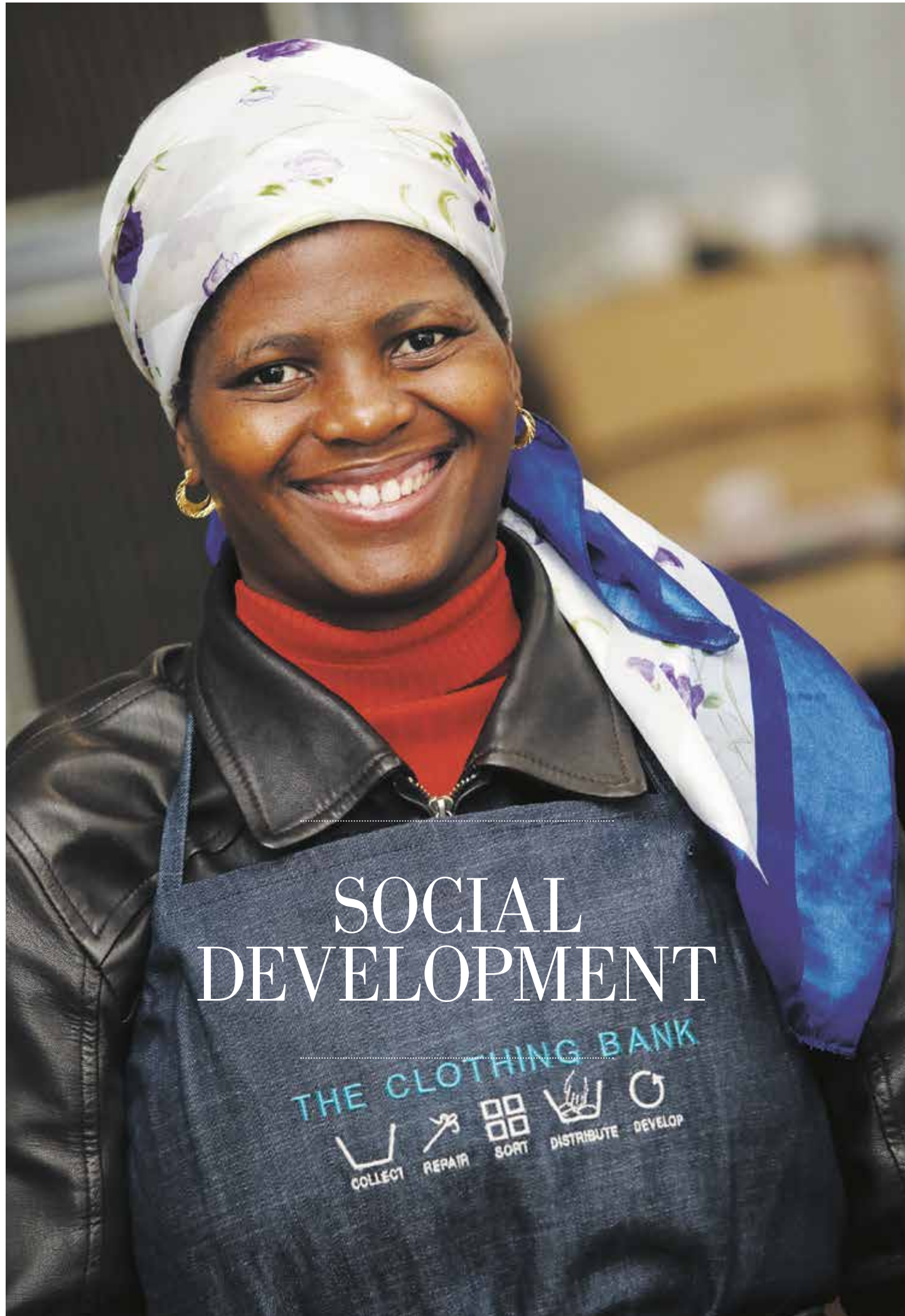
A number of sustainable farming practices were introduced at Marigold that included solar panels and a biological filter to soften borehole water; a worm farm to produce vermiculture; compost production so that they can grow the produce in raised composted beds using crop rotation techniques to prevent soil degradation.

These sustainable farming techniques qualified Marigold Farms as a Woolworths 'Farming for the Future' (See page 70 on Farming for the Future) supplier. The business also became a beneficiary of the Woolworths Enterprise Development programme, receiving a R5 million loan to facilitate its expansion.

To date, the farm employs over 70 people and produces high quality vegetables such as tenderstem broccoli, pak choy, green beans, cauliflower, baby leeks, spinach, leeks, coriander, baby spinach, baby carrots, spring onions and kale seeds. The Woolworths funding also assisted in clearing for additional farmland, an upgrade of the packhouse, installation of the irrigation system and the building of a water reservoir. Production has grown from 47 tonnes to 250 tonnes, and Woolworths procures 80% of Marigold Farms' produce.







STRATEGY

Our social development strategy articulates the role that we want to play as a retailer in empowering and building our communities for the future we want to see. We do this by making a meaningful difference through the activities of The Woolworths Trust, which was formed in 2003 to co-ordinate our community development and charity activities. Key to our Corporate Social Initiative (CSI) approach is the involvement of our stakeholders, including employees, customers, business partners, government departments, NGOs and the communities themselves. The community is central to delivering on our targets.

Core to this strategy is to support programmes that:

- Address food security, mainly through schools as hubs of community development.
- Reduce child vulnerability by supporting child safety initiatives that reduce injuries and accidents.
- Contribute towards education through working with the National Education Collaboration Trust and Woolworths Educational programmes.

WE COMMIT TO CONTINUE OUR FOCUS ON CAUSES THAT ARE IMPORTANT TO OUR CUSTOMERS AND COLLEAGUES, AND THE COUNTRIES IN WHICH WE OPERATE.

MAPPING OUR RISKS ACROSS THE SUPPLY CHAIN

IDENTIFIED RISK	SUB ISSUES			
Food security	<ul style="list-style-type: none"> • Poverty alleviation • Addressing food waste 	●	●	●
Education	<ul style="list-style-type: none"> • Access to quality resources 	●	●	●
CSI capital	<ul style="list-style-type: none"> • Community access to CSI benefits 	●	●	●
Child vulnerability and safety	<ul style="list-style-type: none"> • Preventing injury 	●	●	●

KEY: Moderate ● Significant ● Major ● Not applicable ●

R637m

SOCIAL CONTRIBUTION FROM WHL LAST YEAR

To find additional content on our social development initiatives go to www.woolworths.co.za/goodbusinessjourney

OUR PROGRESS

SUMMARY SNAPSHOT

PERFORMANCE SNAPSHOT	RISKS AND OPPORTUNITIES	OUR STRATEGY
<p>Almost R590 million Woolworths social contribution for the year in South Africa</p> <p>R59.8 million contributed through MySchool MyVillage MyPlanet</p> <p>8 207 Beneficiaries in our MySchool MyVillage MyPlanet programme</p> <p>R22 million donated to the EduPlant programme in the last 11 years</p> <p>2 642 Schools benefitting from our Making The Difference Educational programmes</p>	<ul style="list-style-type: none"> • Food insecurity in South Africa • Quality of education, particularly in marginalised communities • Access to services in marginalised communities • Access to capital for social development initiatives • Community-based initiatives provide us with a way of offering enriching experiences to our employees. In turn, this strengthens our employment value proposition to potential and existing employees 	<p>Woolworths social development strategy is aligned both to our core business strategy and to national development priorities of South Africa. We strive to make a meaningful difference through the activities of The Woolworths Trust, The MySchool MyVillage MyPlanet programme and other community and NGO partnerships.</p>



FOOD SECURITY IN SCHOOLS

Woolworths is in its eleventh year of supporting the EduPlant programme. EduPlant, initiated and co-ordinated by Food & Trees for Africa, and funded by Engen and The Woolworths Trust, is a national food gardening and greening programme that supports schools and their surrounding communities to create abundant gardens using permaculture practices.

The Woolworths Trust has donated more than R22 million to the EduPlant programme over the past 11 years. This includes training for educators from hundreds of schools on permaculture techniques so that they can initiate and manage sustainable food gardens at their schools. More than 80% of the schools that maintain EduPlant food gardens use the fresh vegetables to supplement feeding schemes at their schools.

IN THE LAST YEAR, WE HAVE DONATED OVER R490 MILLION WORTH OF FOOD TO NEEDY CAUSES. IN ADDITION, R25.5 MILLION WORTH OF SURPLUS CLOTHING WAS DONATED TO CHARITIES THROUGH THE CLOTHING BANK.



Woolworths head office child safety awareness campaign during Child Safety Week.

CHILD VULNERABILITY AND SAFETY

CHILDSAFE

The Woolworths Trust works with Childsafe, a campaign of the Child Accident Prevention Foundation of Southern Africa, to raise awareness of childhood injuries and their prevention.

Woolworths continues to support the awareness campaign 'You're Bigger Be the Adult' as a means to help reduce preventable accidents and injuries to children and to help make South Africa safer for our children.

REDKITE

Country Road partners with Redkite, one of Australia's leading cancer charities for children and young people.

As the major programme partner of Redkite's Red Bag programme, Country Road supports families with Redkite's practical support pack. These packs are designed, produced and filled by Country Road with items designed to make the families more comfortable during their stay in hospital. Over 4 000 packs have been provided to date.

During the past year over A\$149 000 was raised through customer, employee and corporate fundraising. Since the partnership began in 2008, Country Road has raised more than A\$900 000 for Redkite.

CASE STUDY: TUTUDESK

In South Africa an estimated three million children do not have classroom desks. Across the Sub-Saharan Africa region this number escalates to almost 100 million children attending school without the benefit of classroom desks to work at.

The Tutudesk campaign is addressing this classroom desk shortage by providing children with access to portable desks (known as Tutudesks) and in so doing is improving access, supporting literacy development and enhancing academic performance among the beneficiaries of the programme.

In response to a recent call to action by Emeritus Archbishop Desmond Tutu (the campaign's official patron), the MySchool MyVillage MyPlanet fundraising programme and The Woolworths Trust joined forces to provide 5 000 Tutudesks to learners in the Eastern Cape, focusing specifically on schools that have less than 50% of the desks they need. Many of the schools selected are also part of the EduPlant programme where they are successfully growing their own food gardens.



IMPROVING EDUCATION

NATIONAL EDUCATION COLLABORATION TRUST

Education is a key focus for Woolworths. Through partnerships with the National Education Collaboration Trust and the Woolworths Making the Difference educational programmes, Woolworths strives to improve education outcomes in South Africa. The Woolworths Trust donated R2 million to support the work of the National Education Collaboration Trust, a partnership between government, civil society, and business to improve education.

MYSCHOOL MYVILLAGE MYPLANET

In the 2015 financial year we contributed R59.8 million to the MySchool MyVillage MyPlanet programme through over 885 000 active MySchool supporters. The contributions have supported 8 207 beneficiaries (includes schools, charities and environmental organisations). R3.6 million of the total was given to our 131 MyPlanet charities over the past year (charities that care for animals and the environment). Over the past year, Country Road Group stores in South Africa contributed over A\$93 000 on behalf of customers to the MySchool programme.

MAKING THE DIFFERENCE EDUCATIONAL PROGRAMMES

The Woolworths educational programmes includes a primary school and high school programmes that provide teachers with both resources and a range of experiential components directed toward both teachers and learners. The primary school programme targets Grades 4 to 6 and focuses on healthy living and the environment. Experiential components include: class lessons; store tours; learner talks; moms' tours; coastal cleanup, as well as various campaigns and competitions. There are over 2 640 schools across the Western Cape, KwaZulu-Natal, Gauteng and the Eastern Cape currently benefiting from the programmes – based on a R2 million annual contribution by Woolworths.

The high school programme is a design programme targeted toward Grades 10 to 12 design learners and promotes sustainable design. Experiential components include our annual 'Making the Difference Through Design' competition and design workshops for teachers. The design competition winners' works are exhibited at the annual Design Indaba Expo each year.



MTD learners

THE WOOLWORTHS TRUST STRIVES TO MAKE A MEANINGFUL IMPACT IN LOCAL COMMUNITIES BY SUPPORTING PROGRAMMES THAT IMPROVE FOOD SECURITY, REDUCE CHILD VULNERABILITY AND UPLIFT EDUCATION.

CASE STUDY: SCOOT-2-SCHOOL SCOOTER

The Making the Difference Through Design Programme has developed a winning design into an actual product. A grade 12 learner (Artemis Spyropoulos) at Red Hill High School in Sandton, designed the lightweight Scoot-2-School scooter, which won the national Making the Difference Through Design competition in 2012.

Given the success of the scooter, Woolworths embarked on a project with industry professionals to produce 45 of these winning designs. These scooters were donated to Ibhongo High School in Soweto.

The Scoot-2-School scooter not only gets learners to school on time, but are also made from mostly recycled materials which makes them easy to maintain and cost effective.

The Making the Difference Through Design competition teaches high school learners about the value of design in our everyday lives. The annual design competition for schools motivates original and innovative design ideas that develop awareness of environmental and social issues.



EMPLOYEE COMMUNITY INVOLVEMENT

As part of the Woolworths social development strategy, employees are encouraged and supported to get involved in activities in their communities and provide support for a variety of charitable causes. Initiatives such as Matching Funds, team up for a "Just Cause" and, the highlight of the calendar - Mandela Day, form part of the employee community involvement programme.

These initiatives support a wide range of causes, for example, children, animals, the environment, education and the aged. It is through the efforts of employees that Woolworths is able to extend its reach and make more of the difference to others.

In the last year, over R2 million was donated to charities and organisations through these initiatives by Woolworths employee community involvement programmes.

NEW TAKE ON JUST BECAUSE

Every year, our employees are encouraged to nominate their choice of worthy causes and in previous years, these causes would

get a cash donation of R10 000 each. This year, business units, divisions and distribution centres were encouraged to work together and come up with proposals on how they would actively involve colleagues in making a difference in causes of their choice including caring for the aged, animals, vulnerable children, education and health care. Successful teams get R10 000 to kick start their plans and The Woolworths Trust will match the funds by up to R40 000 for teams who manage to reach their fund raising goals.

EMPLOYEES SERVING COMMUNITIES ON MANDELA DAY

For the past three years, as part of the Woolworths employee community involvement programme, our employees have devoted 67 minutes (and more) to 67 projects in honour of Mandela Day. These projects support a variety of organisations such as the elderly, children, people with disabilities and abandoned animals. Further, The Woolworths Trust gives each of the 67 projects a R5 000 donation.

The Mandela Day activities form part of a portfolio of community projects funded by The Woolworths Trust.

PRODUCT DONATIONS

As part of addressing the issue of food security, we have established a system of diverting our surplus food from going to waste. We donate this food to needy communities via structured charity organisations. In the last year, we have donated over R490 million worth of food to needy causes. In addition, R25.5 million worth of surplus clothing was donated to charities through the Clothing Bank.

Through Country Road's Fashion Trade programme, more than 44 000 items of clothing and accessories were donated by customers and the Country Road Group, contributing in excess of A\$2.1 million (in retail value) to the Red Cross in Australia and New Zealand.

CAUSE-RELATED MARKETING AND PARTNERSHIPS

Our cause-related marketing initiatives create awareness and raise funds for important conservation and sustainability related issues. In the last year, we have raised just over R2.7 million through the sale of bags, sweets and bracelets.

WHL FUNDING/SOCIAL DEVELOPMENT SPEND	2015	2014
Woolworths Trust	R8.05 m	R7.5 m
MySchool	R59.8 m	R52 m
Surplus food donations	R490 m	R424 m
Surplus clothing donations	R25.5 m	R28 m
MTD programme	R2.3 m	R4 m
Cause-related marketing and partnerships	R2.7 m	R2.3 m
The Country Road Group	R35.6 m	R27.3 m
David Jones	R12.8 m	R9.5 m
Total	R636.75 m	R555 m

These funds go towards programmes supporting the conservation of rhino and other endangered species as well as raising funds for campaigns such as breast cancer awareness and Operation Smile.

David Jones provides support to causes that directly benefit the health and wellbeing of Australian women, with the majority of our support going to the National Breast Cancer Foundation. Every year, David Jones holds a Shop Pink Donation Day where all profits made on the day from all stores across Australia are donated to the National Breast Cancer Foundation.

OVARIAN CANCER RESEARCH FOUNDATION

This year Witchery raised over A\$1.4 million for the Ovarian Cancer

Research Foundation (OCRF) through the annual White Shirt Campaign, the sale of silver ribbons and the sale of the Silver Gift collection in stores and online.

This brings the total donations raised by Witchery for the OCRF to more than A\$7 million since first partnering in 2000.

Witchery's ongoing support has helped the OCRF make significant progress towards the development of an early detection test for ovarian cancer. More specifically, the funds have supported a large number of research staff and projects, and the purchase of research equipment. Witchery's funding also provides support for scientific and medical students undertaking higher degree studies into ovarian cancer. Witchery won the Fashion with Heart

award for 2015 at the Prix de Marie Claire Awards, in recognition of the annual White Shirt Campaign and efforts to raise funds for OCRF.

SPONSORSHIP

Our sponsorship policy aims to facilitate our activity as a dynamic role player and deliver to our business strategy. Some of our key sponsorships include MasterChef South Africa, Design Indaba and the Cape Epic mountain bike race. No political donations were made, in line with our policy.

CASE STUDY: ROSE CLINICS ARE HELPING TO SAVE AUSTRALIAN WOMEN'S LIVES

Approximately 14 000 women are diagnosed with breast cancer in Australia each year, with one in eight women being diagnosed with breast cancer in their lifetime. As part of our commitment to the health and wellbeing of Australian women, David Jones has partnered with BreastScreen associations in each state to establish Rose Clinics, initially in our Sydney flagship store in 2002, and now in our Melbourne, Brisbane, Adelaide and Perth stores.

The Rose Clinics provide a free breast screening service for women aged 40 and over to assist in the early detection of breast cancer. The clinics use state of the art digital mammography technology, offering a first class clinical service in a comfortable, non-clinical environment. David Jones has

supported the clinics through a contribution of over A\$560 000 as well as the provision of space within five stores across Australia. Results for 2015 have been overwhelming, with over 24 000 women undertaking a breast screening at Rose Clinics.

In 2015, David Jones and the National Breast Cancer Foundation (NBCF) celebrated a 20 year partnership in the fight against breast cancer. This year, 650 David Jones staff supported the Mother's Day Classic running event, raising over A\$75 000. Other initiatives include the Shop Pink Day, with all profits generated from the 38 stores nationally and online donated to the NBCF, the David Jones Charity Bear, with 10% of sales dedicated to breast cancer research and a new limited edition pink gift card.



HEALTH & WELLNESS

STRATEGY




With a global surge in nutrition-and-lifestyle based diseases, including cardiovascular disease, type II diabetes and obesity, we make it our business to help customers make informed buying decisions through promoting awareness and improving labelling to ensure transparency in the communication of the nutritional content of our foods products. The increased consumption of energy-dense, nutrient-poor foods that are high in fat, sugar and sodium is identified as a risk factor which can affect all of our customers.

We also recognise that food marketing affects food choices and influences dietary habits, especially of vulnerable groups such as expectant and new mothers, children, teenagers and disadvantaged people, therefore we also make it our mission to provide a variety of healthy options to support a multitude of dietary needs and inspire a healthy lifestyle by making healthy eating satisfying, delicious and convenient across our product ranges. We assist customers to make informed choices through various customer communication channels, such as providing nutritional information on products and on our website.

The health, safety and wellbeing of our employees are at the core of our operations. We take the time to understand health challenges facing our employees and assist in offering correct training and care programmes as well as ensuring that we are compliant with relevant legislation. We aim to create a safe and healthy environment with necessary support structures to enable employees to thrive in the workplace.

THE GOOD FOOD JOURNEY IS THE NAME WE'VE GIVEN TO OUR ONGOING QUEST TO OFFER SOUTH AFRICA FOOD THAT'S BETTER FOR OUR CUSTOMERS, BETTER FOR THE ENVIRONMENT AND BETTER FOR THE PEOPLE THAT PRODUCE IT.

MAPPING OUR RISKS ACROSS THE SUPPLY CHAIN

IDENTIFIED RISK	SUB ISSUES			
Nutrition and wellness	• Non-communicable disease linked to over-nutrition or under-nutrition	●	●	●
Transparency	• Responsible marketing • Food labelling and safety	● ●	● ●	● ●
Employee health	• Prevalence of preventable and non-preventable diseases • HIV/Aids • Employee Wellbeing	● ● ●	● ● ●	● ● ●
Occupational health and safety	• Accessibility for people with disabilities • Accidents in the workplace	● ●	● ●	● ●

KEY: Moderate ● Significant ● Major ● Not applicable ●

OUR PROGRESS

SUMMARY SNAPSHOT

PERFORMANCE SNAPSHOT	RISKS AND OPPORTUNITIES	OUR STRATEGY
<p>334 000 customers linking their Woolworths card to Discovery Vitality HealthyFoods™</p> <p>2 300 products listed as part of the Discovery Vitality HealthyFoods™ programme</p> <p>Approximately 2 238 employees supported through the Employee Assistance Programme</p> <p>Less than 2% of private label foods remaining labelled "Maybe GMO" or containing ingredients potentially from GM crop sources</p>	<ul style="list-style-type: none"> • An unhealthy diet and physical inactivity are among the leading causes of poor health, including obesity, heart disease and diabetes, which is an emerging global problem • Personal health and wellness is one of our customers' top sustainability concerns • The health and wellbeing of our employees has the potential to positively or negatively influence productivity in the workplace 	<ul style="list-style-type: none"> • To inspire a healthy lifestyle by making healthy eating satisfying, delicious and convenient across our product ranges • To innovate and improve nutritional quality through product reformulation without compromising taste • To develop specific lifestyle solutions for a variety of dietary needs, e.g. gluten-free products • To assist customers to make informed choices through various customer communication channels, such as providing nutritional information on products and on our website • To create a safe and healthy environment with necessary support structures to enable employees to thrive in the workplace



WOOLWORTHS GOOD FOOD JOURNEY

The Good Food Journey is the name we've given to our ongoing quest to offer South Africa food that's better for our customers, better for the environment and better for the people that produce it. Through our Good Food Journey we aim to keep people as well informed as possible about the food they are eating and how it impacts on health. Throughout the years our Good Food Journey has pioneered some key milestones important to our customers, such as not using MSG, tartrazine and azo-dyes in any of our private label products and limiting the use of additives.

We pledge, through our Nutrition Commitment, to both promote and enable healthy, nutritionally balanced lifestyles. During the course of 2014 we ran a Health and Wellness Campaign which included a series of health and nutrition promotions using television, radio, print, and social media over a six month period.

OUR NUTRITION COMMITMENT

This commitment is not only to provide our customers with appropriate food solutions, but to advance our Good Food Journey and to support government and international initiatives which aim to reduce obesity and other non-communicable diseases.

Woolworths products are developed based on these principles:

1. Inspiring a healthy lifestyle by making healthy eating satisfying, delicious and convenient across our product ranges:
 - ready-to-eat salads and meal solutions
 - prepared vegetable and fruit packs
 - portion-controlled snack packs
 - Slimmer's Choice foods
 - CARBCLEVER range
 - foods for specific dietary needs across various life stages, including foods for persons with allergies and intolerances.

CASE STUDY: HEALTHY FOOD GUIDE FOR SCHOOLS

With obesity and malnutrition on the rise among school children, the Western Cape Department of Education in partnership with Woolworths and the Sports Science Institute, developed a healthy eating guide to help school tuck shops, food vendors, teachers, parents and pupils make better and more nutritious food choices.

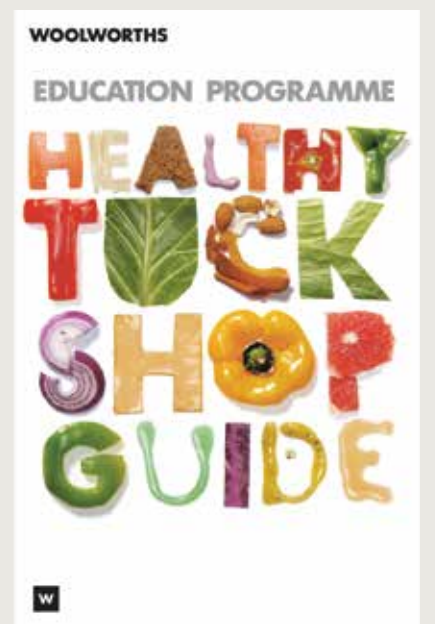
The guide is based on the latest expertise in healthy eating and sets out how schools can develop a healthy eating policy, and explains, among other things how to read food labels. It also provides schools with hygiene and food safety advice and gives a number of healthy tuck shop meal ideas.

The guide was developed by a team of nutrition experts and is aimed at helping the many children who face nutritional challenges.

The school environment provides a vital context not only for children to learn about healthy eating and healthy lifestyles, but also for them to put knowledge into practice. South African school children face nutritional challenges that range from malnutrition to obesity. Schools can help to make the difference by ensuring that food provided on the school grounds meets the standards of good nutrition for children.

The guide is intended to promote healthier lifestyles through food choices and is intended to enhance wellness, performance and provide children with sustained energy levels thereby positively impacting concentration, behaviour and enhanced learning in the classroom.

The guide is available at: www.woolworthsinschools/primaryschool/healthytuckshopguide.co.za



2. Innovating to improve the nutritional quality of our foods by:

- considering the nutrient profile of products
- offering products with functional ingredients such as Omega-3.

3. Promoting healthy informed choices through customer communications with:

- clear nutrition labelling on our products and on our Healthy Living Hub website
- practical tools such as product information lists
- easily identifiable icons that are simple to understand
- health promotion through marketing campaigns
- Making the Difference Educational Programme resources and experiential learning components
- Link to Discovery Vitality HealthyFoods™.

DIABETES DAY STORE TOURS

Diabetes is a growing concern in South Africa and around the globe. To help combat this global disease, Woolworths offers dietitian-led store tours during the week of World Diabetes Day (14 November) to help its customers understand the importance of good nutrition in managing the symptoms of diabetes.

DISCOVERY VITALITY HEALTHYFOOD™ PROGRAMME

Woolworths continues to support the Vitality HealthyFood™ programme, launched in partnership with Discovery in 2013. The programme is aimed at promoting healthy eating among over 1.05 million Vitality members through a cash-back promise for purchasing from the range of more than 2 300 HealthyFood™ items on our shelves. The success of the programme has been significant, with more than 334 000 customers linking their Woolworths card and receiving benefits for healthy eating choices. In addition, 36% of Vitality members are also linked to the MySchool MyVillage MyPlanet programme.

WOOLWORTHS HEALTHY LIVING HUB

Our online Healthy Living Hub includes meal plans, recipe ideas and tips from our dietitian to further promote healthy eating.

EDUCATING SCHOOL LEARNERS AND PARENTS ON NUTRITION

Woolworths helps educate primary school learners and their parents on nutrition through the Woolworths Making the Difference educational programme.

We offer curriculum-linked resources for schools on healthy eating, Store Tours helping teachers and parents learn about nutrition, healthy living and caring for the environment, and Learner Talks hosted at schools by dietitians.

PRODUCT SAFETY

FOOD SAFETY AND INTEGRITY

Food safety is also critical to the business, and mechanisms are in place to ensure that consumers are offered products which have undergone thorough testing and rigid process control to ensure they are safe. In addition, all Woolworths suppliers are audited independently by rigorous inspection services and visited by our technical teams to ensure that the highest standards of hygiene and safety are upheld.

Our labelling policy ensures that customers are given sufficient accurate information to allow them to make informed buying decisions, and we have stringent policies and processes in place to ensure the integrity of our food.

CHILD SAFETY

From our no-pin policy and metal detectors in factories, to using the softest and most protective fabrics, Woolworths is committed to maintaining the highest possible levels of product safety through the design and manufacturing of our baby and children's clothing products.

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. There were no public recalls for Woolworths food products during the course of 2014/15.

GENETICALLY MODIFIED CROPS

In keeping with our public commitment to remove or replace ingredients from genetically modified crops in our foods where possible, Woolworths has reduced the number of products containing ingredients derived from genetically modified organism crop sources in private label foods by 50%. Last year, 5.3% of Woolworths private label foods contained ingredients from potential GMO crop sources. This has now dropped to less than 2%.

HEALTH AND SAFETY

Prevention is an important aspect of our health and safety procedures; hence, all our buildings are designed within stringent health and safety guidelines and with employee and customer well-being as a primary consideration. At our distribution centres, health and safety issues ensuring compliance with legislation are covered in the collective agreement with the trade union. Furthermore, in support of our strategy to employ people with disabilities, we consistently re-evaluate our work environments to ensure that reasonable accommodation is in place. As per legislative requirements, health and safety representatives are appointed in each part of the business, and health and safety committees are in place.

Woolworths currently employs 15 occupational health practitioners to deliver a comprehensive occupational health and wellness programme which includes:

- Employee Assistance Programme
- Wellness screening including HIV screening
- Basic primary health services and advice
- Monitoring of chronic illnesses
- HIV/AIDS and TB policy and guidelines.

We communicate offerings and how to access them in detail to our employees via notification boards around our buildings or on our intranet site.

INJURIES AND ABSENTEEISM

A total number of 771 injuries on duty were recorded during 2014/15 with 608 of these resulting in at least one day off work. No confirmed deaths due to injury on duty were recorded. The Gross Absentee Rate (GAR) for the year was 2.54% for 2014/15.

EMPLOYEE ASSISTANCE PROGRAMME

The Woolworths Employee Assistance Programme (EAP) is a worksite-based programme, open to all Woolworths employees, designed to assist in the identification and resolution of personal concerns that may or may not impact on 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 which may adversely affect job performance, productivity or safety.

In FY2015 approximately 2 238 employees made use of the EAP programme.

HIV/AIDS MANAGEMENT

In mid June 2014, according to Statistics South Africa it was reported that the estimated overall HIV prevalence rate in South Africa is approximately 10.2%.

The total number of people living with HIV is estimated at approximately 5.1 million. For adults aged 15 to 49 years, an estimated 16.8% of the population is HIV positive. With a large majority of the working class impacted, it is imperative to have the necessary management systems in every work environment.

Woolworths acknowledges HIV/AIDS as a potential threat which can be managed and monitored with the appropriate leadership, strategic planning and implementation of cost-effective and sustainable measures, to manage the impacts on the organisation and its employees. The costs of HIV/AIDS include costs associated with increased absenteeism, reduced productivity, increased turnover, and healthcare costs.

During FY2015 the total number of employees and contractors receiving Voluntary Counselling and Testing (VCT) for HIV/AIDS was 4 447.

EMPLOYEE HEALTH INDICATOR	2015	2014
Number of confirmed fatalities	0	0
Number of primary healthcare cases (acute and chronic care)	8 817	Not reported
Number of injuries on duty	771	735
Number of Lost Time Injuries	685	611
Total Recordable Injury Frequency Rate (TRIFR)	0.01%	0.01%
Lost Time Injury Frequency Rate	0.17%	0.16%
Gross Absentee Rate	2.54%	2.86%

 To visit our Healthy Living Hub, go to www.woolworths.co.za/food/recipes/healthy-living

To address some of the challenges that come with HIV/AIDS, we have adopted a company-wide HIV/AIDS policy, last reviewed in June 2015.

Woolworths commits to the Constitution of South Africa, and applicable employment legislation and other related legislation which informs the HIV/AIDS policy. This policy is very explicit on how employees who test positive for the virus are treated in order for them to continue to lead productive lives:

- They will not be removed from their position, victimised or discriminated against
- They are entitled to confidentiality
- They are entitled to treatment via the Woolworths Clinical Management programme run by Metropolitan Health risk Management under the name of "HIV Your Life Programme" if they do not have access to a medical aid
- They are eligible for all employee benefits.

Woolworths has also identified the following components to managing HIV/AIDS:

- Prevention of HIV/AIDS by offering free voluntary HIV/AIDS screening and counselling to all employees. In addition, the distribution of condoms in all facilities
- Living positively with HIV/AIDS
- Communication, education and awareness across all our operations via our intranet and other staff communication channels.

In addition, we support and engage in a range of community wellness campaigns pertaining to HIV/AIDS (e.g. World AIDS Day) to raise awareness on a much wider scale within our corporate environment, supply chain and the communities we impact. We also engage with organisations such as the South African Business Coalition on HIV/AIDS in order to understand workplace issues associated with the illness.

The Woolworths Code of Business Principles, against which all our first-tier suppliers are assessed, prohibits discrimination against affected and infected people across our supply chain.

BREAST CANCER MONTH AT DAVID JONES

David Jones is proud to be a Diamond Partner of the National Breast Cancer Foundation. Breast Cancer is one of the most common causes of cancer-related deaths of women in Australia. Over 14 000 women are diagnosed with this devastating disease per year, and sadly, thousands of women may not win the fight.

As part of our partnership with the National Breast Cancer Foundation, David Jones is the exclusive department store retailer of Pink Ribbon merchandise during Breast Cancer Month.

DAVID JONES IS PROUD TO BE A DIAMOND PARTNER OF THE NATIONAL BREAST CANCER FOUNDATION.

CASE STUDY: EMPLOYEE WELLBEING A TOP PRIORITY FOR DAVID JONES

David Jones has a good track record of improving workplace health and safety outcomes, having already reduced workers compensation premiums by A\$2.6 million (47%) and delivered an industry leading 55% reduction in Total Recorded Injury Frequency Rates (TRIFR) since 2012. Established programmes were expanded beyond compliance in 2015 to include the physical and mental wellbeing of the team, with some encouraging early results for employees and the business.

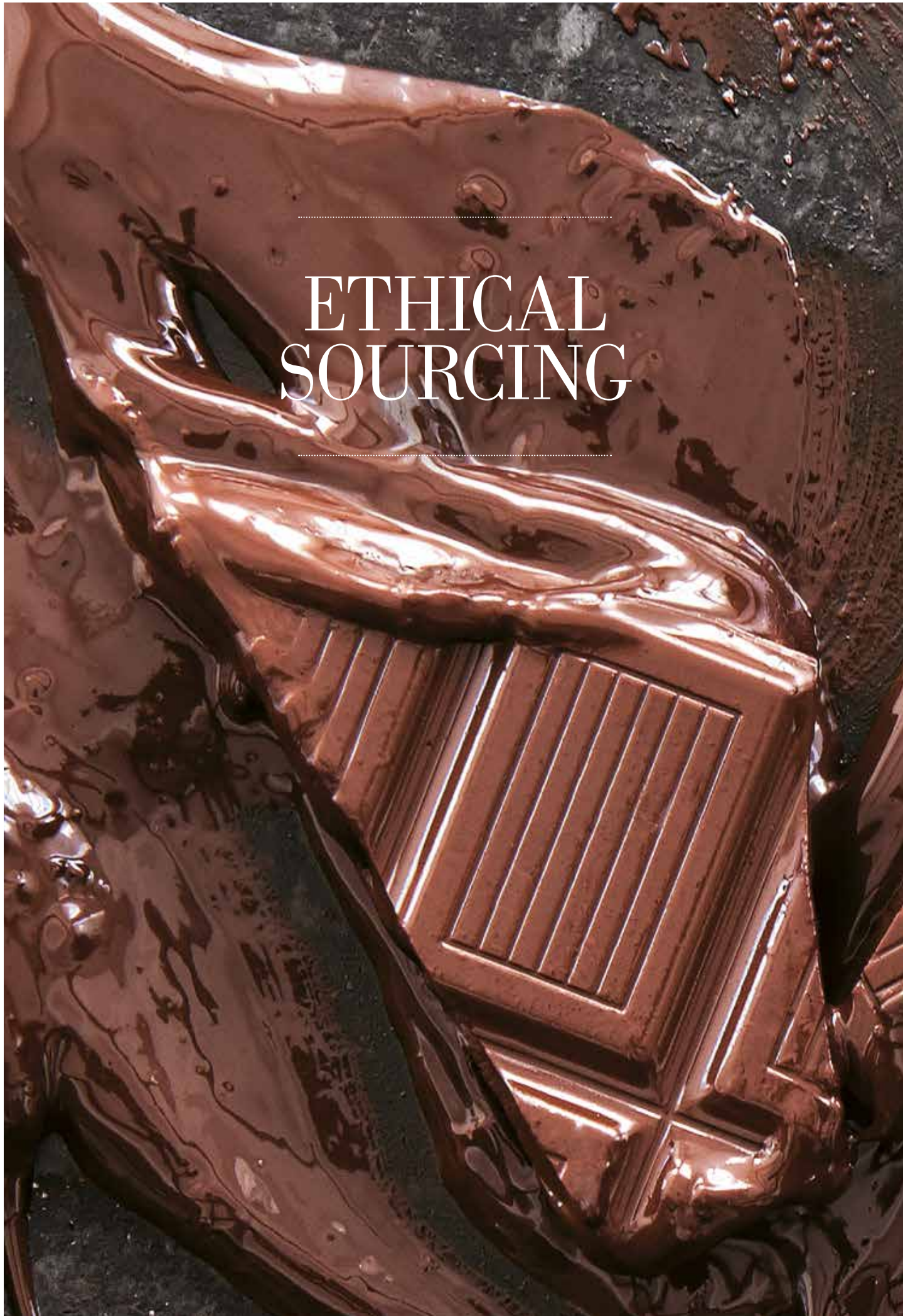
Based on monthly themes, employees are encouraged to participate in

activities and education programmes designed to support personal responsibility for improved health and wellbeing. From eight week fitness challenges, to a Healthy Recipes competition and access to online tools such as FoodSwitch, employees have become more informed about the choices they can make when it comes to healthy living, both at work and in their personal lives.

This year mental wellbeing had a significant focus, with Mental Health Awareness month coinciding with "R U OK? Day", a suicide prevention initiative encouraging people to

check in with their family, friends and colleagues who may not seem themselves. David Jones also provides ongoing support to employees and their families through Drake Employee Assistance Program, a free and confidential counselling service. The service saw a 68% increase in access as a result of active promotion during Mental Health Awareness month and a high level of engagement in participating stores.





ETHICAL SOURCING

STRATEGY

We are committed to ensuring that both WHL and our suppliers operate in a way that respects workers' rights, maintains safe working conditions, upholds local employment laws and protects the environment and the welfare of animals. Not only is this what our customers expect; who we believe that suppliers and business partners share our values, with safe, environmentally responsible and fair working conditions, produce the best quality goods.

Our approach to ethical sourcing is broadly built around a number of key elements:

- Building internal awareness and capacity around ethical trade
- Ensuring we work with suppliers and business partners who share our values
- Monitoring supplier performance to identify issues
- Addressing problems where they arise and supporting our suppliers to align with WHL best practice
- Building capacity along the supply chain, as a means of improving social and environmental outcomes
- Engaging our stakeholders regularly on ethical trade matters
- Working with others to tackle complex and systemic problems that we cannot tackle on our own
- Driving transparency – being open and honest about our challenges and progress.

WE WILL ONLY DEAL WITH SUPPLIERS AND PARTNERS WHO SHARE OUR COMMITMENT TO OPERATING IN AN ETHICAL MANNER.

MAPPING OUR RISKS ACROSS THE SUPPLY CHAIN

IDENTIFIED RISK	SUB ISSUES			
Ethical conditions in supply chains	<ul style="list-style-type: none"> • Wages • Safe working conditions • Freedom of association • BEE 	●	●	●
Traceability	<ul style="list-style-type: none"> • Key commodity inputs across the Group 	●	●	●
Environmental conditions in supply chains	<ul style="list-style-type: none"> • Deforestation • Energy • Water • Waste • Animal welfare 	●	●	●

KEY: Moderate ● Significant ● Major ● Not applicable ●

To read our Position Statement on ethical sourcing, go to www.woolworths.co.za/goodbusinessjourney

OUR PROGRESS

SUMMARY SNAPSHOT

PERFORMANCE SNAPSHOT	RISKS AND OPPORTUNITIES	OUR STRATEGY
<p>Good progress made around alignment of Group companies in terms of ethical sourcing</p> <p>Country Road Group rated as B+ in the 2015 Baptist World Aid Australian Fashion Report</p> <p>First products containing mass balance palm oil on the shelves</p> <p>Use of BCI cotton trebled year-on-year</p>	<ul style="list-style-type: none"> Increasing global pressure on retailers to consider both the environmental impacts of products and the labour relations standards of the suppliers they are sourcing from Greater demands for accountability and transparency from customers, media and non-governmental organisations Long-term security of supply and quality of commodities sourced is a concern Traceability becomes increasingly difficult where we do not have a direct relationship with producers, particularly in the case of commodities Partnering with credible sustainability standards can increase transparency, encourage more sustainable farming practices, ensure ethical working conditions and better prices 	<p>We have embarked on a journey to better manage our ethical supply chain risk across the Group and to take more responsibility for improving the lives of workers in our South African and global supply chains.</p>

AIMS	TARGETS FOR 2015	ACHIEVED
Foods supplier compliance with Code of Business Principles	95%	94%
Clothing & GM supplier compliance with Code of Business Principles	95%	95%
UTZ Certified cocoa sourced for Woolworths private label chocolates	75%	75% ¹

¹ Projected to be at 100% by December 2015.

COUNTRY ROAD GROUP RATED AS B+ IN THE 2015 BAPTIST WORLD AID AUSTRALIAN FASHION REPORT.



We believe that the most sustainable way to drive improvements is to work collaboratively, as signatories to the UN Global Compact, via the SEDEX programme (the Supplier Ethical Data Exchange) and using the conventions of the International Labour Organisation (ILO) and Ethical Trading Initiative (ETI) Base Code to underpin our programme, and to help determine principles specific to WHL.

WHL supports the following ethical sourcing principles:

- That employment be freely chosen, not forced, bonded or resulting in involuntary prison labour
- That freedom of association and the right to collective bargaining is respected
- That working conditions are safe and hygienic
- That child labour will not be permitted
- That minimum wages should be paid
- That working hours are not excessive
- That discrimination should never be permitted or tolerated
- That regular employment is provided
- That harsh or inhumane treatment should not be allowed
- Commitment to compliance with all applicable environmental laws and regulations and a commitment to environmental efficiency and improvement over time
- That animal welfare is promoted by the minimising of any potential harm, stress or pain to animals
- That bribes, favours, benefits or other similar unlawful or improper payments, in cash or kind, whether given to obtain business or otherwise is prohibited
- Commitment in South Africa to the principles of broad-based black economic empowerment as set out in the Department

of Trade and Industry (DTI) BBBEE Codes of Good Practice and requiring our South African suppliers and contractors to do the same.

Woolworths has always taken ethical sourcing very seriously and driven this primarily through the Woolworths Code of Business Principles and supplier audits. We are also partnering with credible third-party organisations and standards, particularly where we are sourcing commodities and do not have direct relationships with the producers.

WOOLWORTHS CODE OF BUSINESS PRINCIPLES

All our suppliers, service providers and franchisees, whatever their location, are bound by the Woolworths Code of Business Principles and all our first-tier suppliers are regularly assessed against it by a third-party auditor. This means that the quality of their workmanship has to be the highest, their workforce has to be treated fairly, their premises must be safe and that any negative impact their operations might have on the environment is minimised.

We also have specific position statements (published on our website) that summarise our positions on most of the key ethical sourcing issues.

Foods targeted 95% compliance with the Code of Business Principles for 2015 and achieved 94% compliance. Common trends bringing compliance rates down are suppliers not paying premium overtime rates and employing foreigners without permits or with expired permits.

Clothing's 2015 compliance target was 95%, and 95% was achieved, with some challenges in the engagement of international suppliers and supplier turnover preventing an even higher score.

CASE STUDY: MIMCO PARTNERS WITH THE ETHICAL FASHION INITIATIVE

MIMCO has partnered with the International Trade Centre's Ethical Fashion Initiative (EFI) to play an active role in empowering women and reducing poverty through fair work opportunities.

The EFI's goal is to connect some of the world's most marginalised artisans in Africa and Haiti with the international fashion industry. Predominantly fostering female employment, the initiative offers fair working conditions and gender equality to all involved, as well as the opportunity to gain valuable skills. This not only provides the artisans with a route out of poverty, but positively impacts their families and larger communities.

This year MIMCO launched its first collection made in collaboration with the EFI and Kenyan artisans - the Afrigraphico tote and pouch. Designed in Melbourne and created in Kenya, the collection incorporates traditional Maasai hand-beading and artisan silk-screening with a futuristic, geometric pattern and motif hand-sketched by MIMCO designers.

The collection contributed to an average 38% increase in salary for skilled artisans (stitching, embroidery, and

supervisory skills) and 22% increase for semi-skilled artisans (screen printing and building skills). Of the total 293 artisans, 95% received training over the production period, gaining the confidence and skills to share their knowledge within their communities.

"The MIMCO order was very good to me. I worked on the beadwork component that amounted to about 5 300 beads on each pouch! The order generated an income which allowed me to pay for basic needs." Alice, Beader and preparer at Ethical Fashion Africa.

"I am a widowed mother of two boys. The MIMCO order offered me a great opportunity to acquire knowledge on quality standards and better stitching techniques. I also got a good income, which I used to contribute towards my son's wedding." Dorcas, Tailor at Ethical Fashion Africa.

With two more collections planned for the coming financial year, and more planned for FY 2017 and beyond, MIMCO is committed to the 'not charity, just work' ethos for the long term with the EFI.



We are revising and improving our Code of Business Principles in order to proactively address more globally identified issues while also strengthening areas which we felt were not prescriptive enough. For instance, in response to the unfortunate incidents that took place in some factories in Bangladesh in the past few years, we have incorporated stricter fire safety and building compliance standards in our third-party audits. Updating of our code has taken longer than initially planned, to ensure alignment across all WHL Group companies.

COUNTRY ROAD GROUP CODE OF LABOUR PRACTICE

As the majority of Country Road Group's apparel and accessories are sourced from regions outside of our operational footprint, the social and ethical implications of manufacturing in these countries are seriously considered. All manufacturers must sign the Country Road Group Code of Labour Practice which is aligned with ILO conventions

in relation to ethical trade and the ETI base code. Suppliers undergo regular social compliance checks conducted by independent auditors, or are required to supply audit reports from independent auditors, to ensure they meet the standards of the code.

All manufacturers must also sign the Country Road Group Environmental Code of Practice (ECoP) for the dyeing, printing and finishing of merchandise supplied. This code aims to ensure that within existing technology, no dye or chemical used in the production of garments, fabrics, leather and/or textile-related products present an unacceptable health or environmental risk during manufacturing, use or disposal. Suppliers are responsible for ensuring that both their own facilities and those of their third-party suppliers follow the guidelines in the ECoP.

SEDEX

Woolworths Holdings Limited is a member of SEDEX (the Supplier Ethical Data Exchange) - a unique, not-for-profit and

innovative web-based platform, helping companies to manage ethical supply chain risk and streamline the challenging process of engaging with multi-tier supply chains. They are the largest collaborative platform for managing ethical supply chain data, with over 38 000 member companies from 30+ industry sectors in 150+ countries. SEDEX engages with all tiers of the supply chain with the aim of driving improvements and convergence in responsible business practices.

During 2014/15, the SEDEX system was piloted at seven food suppliers in South Africa. The pilot required the suppliers to register with SEDEX, complete a detailed Self-Assessment Questionnaire (SAQ) and then be subjected to a third party SEDEX Members Ethical Data Audit (SMETA) on a semi-announced basis. The results of the audits are currently being analysed. We are also mining the SAQ data to see how best we can assist our buyers and suppliers to better manage human rights in the supply chain.

CASE STUDY: DAVID JONES RAMPS UP ETHICAL SOURCING PROGRAMME

Determined to evolve beyond the House of Brands to become known as the House of Ethical Brands, David Jones focused its efforts on building a solid foundation for its ethical sourcing programme in 2015. A number of ethical sourcing experts joined the sustainability team to take on the challenge of engaging with and supporting more than 1 200 suppliers on their journey to more ethical and sustainable management of their supply chain.

Recognising that David Jones is also at the beginning of the ethical sourcing journey, 2015 has been a year focused on ensuring that suppliers have countersigned the David Jones Supplier Code of Conduct, updated in April 2015. The enhanced code has strengthened and clarified requirements of suppliers and provided an opportunity to align David Jones with Woolworths, Country Road Group and industry best practice.

To date more than 86% of suppliers have signed the code, with all private label suppliers and the top 100 branded suppliers undertaking an extensive self-assessment questionnaire to enable David Jones to better understand and manage the supply chain. Factory visits have commenced, initially focusing on private label suppliers, to validate social audit data previously submitted to David Jones. Five supplier events have been held as well as an additional 16 visits to suppliers to discuss their questionnaire responses and collaboration opportunities.

The David Jones Ethical Sourcing Programme was launched to supply chain partners and suppliers at an event hosted by Sustainable Business Australia and the St James Ethics Centre. It provided an opportunity for David Jones CEO Iain Nairn and Group Executive Donna Player to share with suppliers our vision for ethical sourcing.

AUSTRALIAN FASHION REPORT 2015

The 2015 Baptist World Aid Australian Fashion Report was released in late April 2015 – this is the most high profile report in Australia dealing with ethical trade issues. The report ranks 219 Australian brands (up from 128 in 2013) from 59 apparel companies, and revealed the following:

- David Jones scored a C- in 2015, up from F in 2013; ranked 38th overall out of the 59 companies. David Jones was ranked as the second most improved company in the selection.
- Country Road Group was rated for the first time in 2015 and received a B+, on par with the median score across the whole sample.

THE TRUE COST OF CLOTHING

The True Cost is a documentary film that pulls back the curtain on an untold story and asks us each to consider, who pays the price for our clothing? This is a story about the clothes we wear, the people who make those clothes and the impact it's having on our world. It was filmed in countries all over the world, from the brightest runways to the darkest slums and features interviews with the world's leading influencers including Stella McCartney, Livia Firth, Vandana Shiva and many more.

WHL used the film as a key awareness vehicle for our textile teams, as well as engaging with customer queries for those who have seen the film.

DEFORESTATION

Deforestation and forest degradation is driven primarily by the increasing global demand for agricultural commodities such as timber, palm oil, soy and leather, used to make a wide range of food, clothing and other everyday products. According to WWF International, deforestation contributes to an estimated 15% of the global greenhouse emissions. Furthermore, the destruction of these valuable habitats threatens the livelihoods of over 1.6 billion people that depend on forests for fuel, materials, nutrition and income generation.

WHL recognises the environmental and social importance of safeguarding the world's last remaining ancient and endangered forests, as well as the role of reducing deforestation and forest degradation in mitigating climate change.

We are committed to reducing and eventually, removing deforestation and forest degradation from our direct operations and supply chain.


This commitment includes systematically removing commodities from our supply chain that cannot be traced from a sustainable



source, and therefore may potentially have been illegally harvested; that come from an area of high conservation value; that contributed to the conversion of forest into plantations or for non-forest use; and/or, were obtained in violation of traditional and civil rights.

Through engagement with customers, suppliers, NGO partners and certification bodies we aim to increase both awareness around and demand for sustainably sourced forest products within our operations and thereby support an increase in the market share of sustainably sourced products at local and global levels.

Woolworths is working towards using only sustainably sourced or recycled wood products throughout our operations. We will endeavour to ensure that we use timber and paper which is chain of custody (CoC) certified through the Forest Stewardship Council (FSC™), indicating that the product originates from certified, well managed forests and/or other controlled sources.

 To read our position statement on deforestation, go to www.woolworths.co.za/goodbusinessjourney

CASE STUDY: WOOLWORTHS FIRST 'MASS BALANCE' SUSTAINABLE PALM OIL PRODUCT RANGE

Rhodes Foods Group (RFG) is the sole supplier of Woolworths exclusive recipe pies, and the biggest single user of palm oil in Woolworths food products. At Woolworths request, RFG has recently embarked upon a process to source a supply of certified sustainable palm oil through the 'mass balance' approach. A number of manufacturing facilities in the Western Cape and Gauteng are now sourcing 100% certified sustainable palm oil required for the over 30 Woolworths pie lines sold daily.

Woolworths has been working closely with RFG on this issue for a number of years and they, together with

industry partner Sime Darby Hudson & Knight, one of South Africa's primary importers of certified sustainable palm oil, have now succeeded in realising Woolworths' vision. Ilse Spies, Technical Manager of RFG, said, "Ethically, it's the right thing to do."

Through this, RFG has set a strong industry benchmark among other Woolworths suppliers, and food processors more broadly. The facilities are due to receive their first RSPO audits at the end of 2015 to confirm compliance with the required standards.

Woolworths is also committed to working with industry and NGO partner, Canopy, to shift the fabric supply chain towards practices that protect the world's remaining ancient and endangered forests and endangered species habitat. Woolworths is working to eliminate fabrics made of dissolved pulp (e.g. rayon, viscose and modal) which may have contributed to deforestation or forest degradation, through procurement of sustainably sourced fabrics. We aim to meet this commitment by 2020 or earlier where possible.

SUSTAINABLE PALM OIL

Palm oil is an important and versatile raw material for both food and non-food industries, which contributes to the economic development of the producing countries and to the diets of millions of people around the world. Although palm oil has the highest yield per hectare of any oil or oilseed crop, it is recognised that there are environmental and social pressures on its rapid expansion to eco-sensitive areas, particularly as palm oil can only be cultivated in tropical areas of Asia, Africa and South America.

It is Woolworths' policy to avoid the use of unsustainable and untraceable palm oil. Our intention is to only use certified sustainable palm oil (CSPO) in our own brand products.

Woolworths was the first South African company to become a member of the global Roundtable on Sustainable Palm Oil (RSPO) and since 2011, has been purchasing GreenPalm certificates to offset the many tons of palm oil used by our suppliers in Woolworths' food and beauty products each year. We declare the type of oil used in our products in the ingredients panel of the packaging.


A payment from each certificate goes towards incentivising Indonesian and Malaysian palm oil growers to become RSPO-certified sustainable producers. With only 20% of the global supply of palm oil certified as sustainable, we believe Woolworths is making a significant contribution through the GreenPalm system (www.greenpalm.org).

This is just one step on the journey, and we are actively working with suppliers to agree on time-bound plans for conversion

to 'mass balance' supply of RSPO certified sustainable palm oil.

To speed matters up, we are engaging with local oil refineries and encouraging them to commit to importing certified sustainable palm oil and to become chain of custody certified. We are delighted with the progress made by our biggest manufacturer of foods containing palm oil. They have already changed to using mass balance sustainable palm oil – see case study above.

We ultimately want to see all Woolworths suppliers converting to a 'segregated' supply of RSPO-certified sustainable palm oil, but this will only be possible in a few years' time when the demand for certified sustainable palm oil in South Africa grows to a scale where it is viable to transport fully segregated palm oil from origin through transport, storage and refining to end product.

 To read our position statement on palm oil, go to www.woolworths.co.za/goodbusinessjourney

ORGANIC AFRICAN COFFEE

During the last year, numerous problems have been experienced with the supply of FairTrade, Organic, and African certified coffee beans to our WCafés. As the demand for FairTrade coffee has gone up in Europe and America, the availability and quality of FairTrade-certified beans has become a significant challenge, and the costs have gone up. A commercial decision was taken not to pay the higher cost and to move away in part from the FairTrade certification. (The Organic certification and the African Origin principles have been maintained).

People and systems are now being put in place to source coffee directly from the farmers. As we do with all our suppliers,

we will work in a mutually beneficial manner with them to improve supply and quality, while paying fair prices that allow them to contribute to development in their communities.

FairTrade coffee is still offered in our WCafés, but at a premium.

A wide range of certified sustainable packaged coffees from all over the world is also sold in our stores.

FAIR TRADE WINES

Stellar Organic Winery, based in Stellenbosch, supplies wines to Woolworths. Fifty cents of the sale of every bottle in the six lines of Stellar wines available at Woolworths is contributed to the Stellar Foundation, an independent non-profit organisation for social development projects initiated by the workers committee and the Trust's executive committee to raise funds for investment in practical community initiatives on the farm. In the last year, 300 000 bottles of Stellar wines were sold in Woolworths stores, raising R150 000 for the Stellar Workers Trust – contributing to the development of a crèche as well as a much-needed mobile clinic for the farm.

UTZ CERTIFIED COCOA

Sourcing UTZ Certified cocoa for our chocolate provides assurance that the cocoa has been grown and harvested responsibly. The programme helps

farmers learn to improve the quality and yield of their cocoa while reducing their impact on the environment and enabling them to take better care of their workers and families.

We started by sourcing 25% UTZ Certified cocoa for our boxed chocolates in 2012. As more UTZ Certified cocoa has become available to meet our demand, we have increased this amount and are currently sourcing 75% UTZ Certified cocoa. We are well on our way to meeting our target to source 100% UTZ Certified sustainable cocoa for all our Woolworths private label boxed chocolates, slabs and bars by December 2016. We are now also committing to source 100% UTZ Certified cocoa as an ingredient in all Woolworths branded foods by June 2018.

DETOX STRATEGY

The Detox campaign was launched by Greenpeace in 2011 to expose the links between global clothing brands, their suppliers and water pollution around the world.

Woolworths has always taken our responsibility to protect customers, workers and the environment seriously. We accept that without the use of dyes and chemicals we would not be able to provide our customers with satisfactory products, but it is incumbent on the supply base to use chemicals responsibly and use those that do not pose unnecessary risks to workers, customers or the environment.

WE ARE WELL ON OUR WAY TO MEETING OUR TARGET TO SOURCE 100% UTZ CERTIFIED SUSTAINABLE COCOA FOR ALL OUR WOOLWORTHS PRIVATE LABEL BOXED CHOCOLATES, SLABS AND BARS BY DECEMBER 2015, A YEAR AHEAD OF SCHEDULE.



While our Woolworths Code of Business Principles has served us well for many years (including our C99 Environmental, Chemical and Factory Minimum Standards for Dyeing, Printing and Finishing Clothing and Textiles), we are now working with a far more complex range of products from a truly global supply base, against a backdrop of tighter legislation.

Woolworths recognises the urgent need for eliminating industrial releases of all priority chemicals. Accordingly our approach is based on prevention and the Precautionary Principle and Woolworths is committed to zero discharge of all priority chemicals from the whole lifecycle and all production procedures that are associated with the making and using of all products Woolworths clothing sells by 1 January 2020.

We recognise that to achieve this goal, mechanisms for disclosure and transparency about the priority chemicals used in our global supply chains are important and necessary, in line with the 'Right to Know principle'.

Woolworths also commits to support systemic (i.e. wider societal and policy) change to achieve zero discharge of priority chemicals (associated with supply chains and the lifecycles of products).

SANDBLASTING

In addition to eliminating the use of harmful chemicals in the production process, we have banned sandblasting using crystalline silica for all Woolworths denim production. All our suppliers have signed a No-sandblasting Policy and we will continue to do regular audits to ensure adherence to this policy.

BETTER COTTON INITIATIVE

Woolworths is a member of the Better Cotton Initiative (BCI) as part of our commitment towards sourcing more sustainable cotton, and helping to transform the cotton sector. The BCI aims to create long-term change by helping farmers to grow cotton in a way that reduces stress on the local environment and improves the livelihoods of farming communities. It is a global approach that provides a solution for the mainstream cotton industry, including both smallholders and large scale farmers. All farmers can benefit from implementing Better Cotton Principles and the development of a new and more sustainable mainstream commodity, Better Cotton.


We have worked hard in conjunction with our suppliers to get key spinners BCI accredited and develop BCI-specific sourcing strategies, resulting in a 300% increase in the amount of BCI cotton in our garments. Our aim is to have at least 15% of our cotton fibre converted to Better Cotton by 2017. This would result in Better Cotton becoming our largest contributing sustainable fibre in the Clothing business.

LEATHER

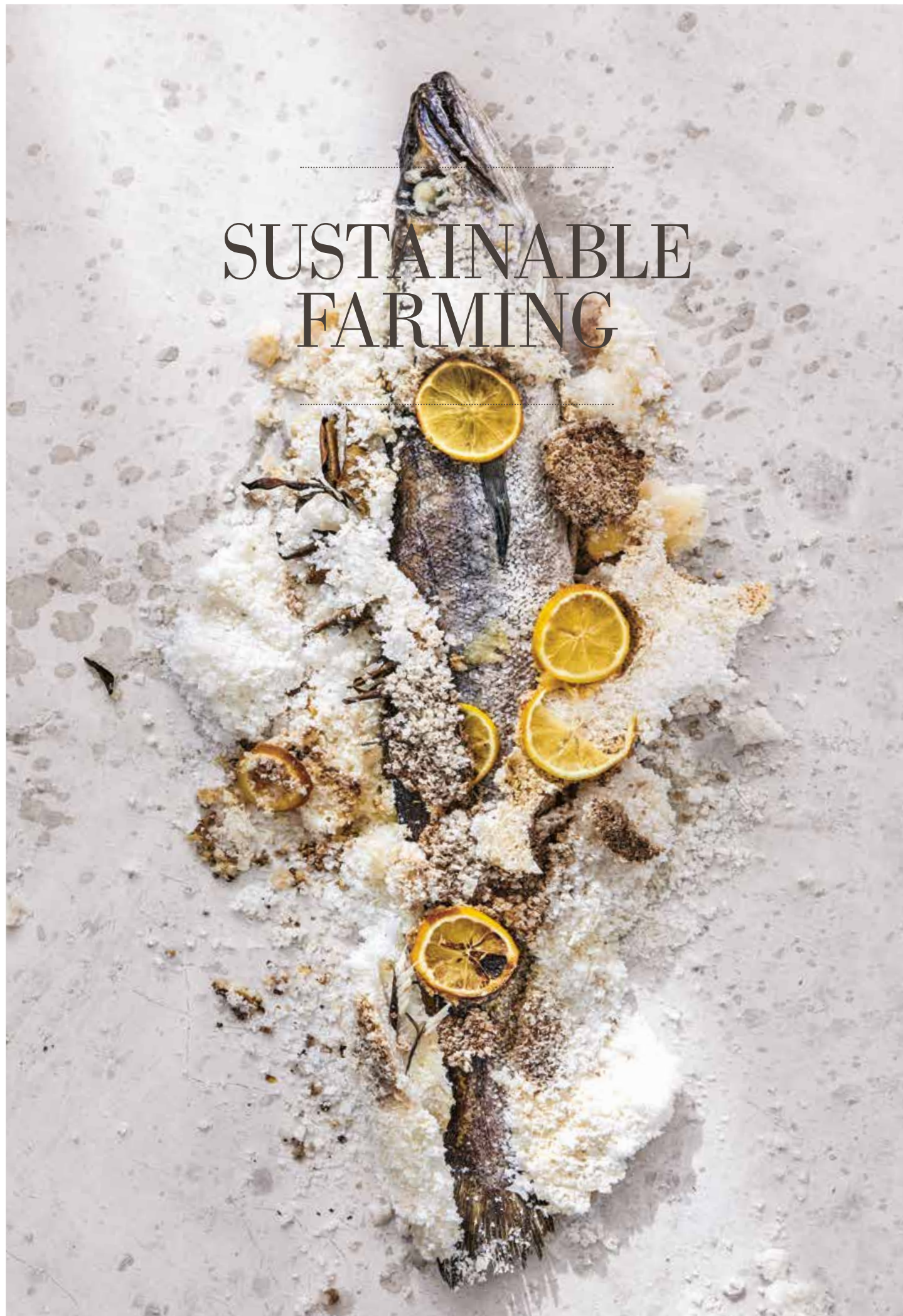
Leather is commonly used across our clothing and homeware ranges. To Woolworths, the use of leather poses challenges in terms of ensuring the welfare of animals and the environmental impact of processing animal hides. Woolworths Code of Business Principles already includes standards around the use of hazardous and toxic chemicals for processing leather. We are also working towards developing better traceability within our supply chain to ensure that the leather we use in our products does not contribute towards deforestation or forest degradation, and is not against our animal welfare policies.

CASE STUDY: ROUND TABLE ON RESPONSIBLE SOY

Woolworths acknowledges the significant deforestation risks associated with the clearing of ancient and endangered rainforests or areas of high conservation importance for the production of soy. We have completed a soy footprint assessment, and have identified that 99% is consumed within the animal feed associated with the production of our fish, dairy, pork and poultry. We have identified numerous challenges in the traceability of soy and have recently become the first South African member of the Round Table on Responsible Soy (RTRS) to collaborate with leading brands and NGO's on this issue.

 To read our position statement on UTZ cocoa, go to www.woolworths.co.za/goodbusinessjourney

SUSTAINABLE FARMING



STRATEGY

A high proportion of the environmental impacts resulting from our operations is linked to the farming and/or processing of products that we sell. As a result, we make it our business to work together with our suppliers to minimise these impacts, and positively influence the environmental and social outcomes of doing business.

Challenges we face in our global supply chain include impacts of extreme weather events, soil degradation, declining water quality and increasing input costs. In South Africa, we are facing potential regulatory changes which may affect water allocation rights and land tenure and distribution. As well as monitoring and managing these challenges, we recognise our responsibility to ensure that our farmers and suppliers are meeting our exacting requirements for human rights and animal welfare.

Through our work in promoting sustainable farming practices among our suppliers, we can improve soil health, protect water supply, restore biodiversity, support rural livelihoods, help communities adapt to climate change and ultimately help ensure we produce sufficient food to meet the needs of our customers.

We continue to work with suppliers of Woolworths private label products to achieve this through our Farming for the Future, Fishing for the Future, animal welfare and sustainable fibre programmes. Our work conducted in partnership with WWF-SA is aimed at driving further progress in dairy, beef, seafood and textile production as well as addressing food waste.

WE WANT TO BE THE BIGGEST PROCURER OF SUSTAINABLE COTTON IN THE SOUTHERN HEMISPHERE.

MAPPING OUR RISKS ACROSS THE SUPPLY CHAIN

IDENTIFIED RISK	SUB ISSUES			
Ecological health	<ul style="list-style-type: none"> • Soil degradation • Water quality • Water availability 	●	●	●
Climate change	<ul style="list-style-type: none"> • Extreme weather events • Climate variability 	●	●	●
Farmer access to market	<ul style="list-style-type: none"> • Security of land tenure • Rising input costs 	●	●	●
Animal welfare	<ul style="list-style-type: none"> • Humane treatment of animals 	●	●	●

KEY: Moderate ● Significant ● Major ● Not applicable ●

98%

OF OUR PRIMARY SUPPLIERS ACROSS PRODUCE, HORTICULTURE, WINE AND DAIRY ARE FARMING FOR THE FUTURE ACCREDITED

OUR PROGRESS

SUMMARY SNAPSHOT

PERFORMANCE SNAPSHOT	RISKS AND OPPORTUNITIES	OUR STRATEGY
<p>98% of our primary suppliers across produce, horticulture, wine and dairy are Farming for the Future accredited</p> <p>73% of secondary suppliers are Farming for the Future accredited</p> <p>85% of the volume (tonnage) of seafood species sold currently meets our sustainability commitments</p> <p>9% of all clothing and 15% of all general merchandise made from sustainable fibres</p> <p>Over 95% of private label food products containing egg as an ingredient are made with free range eggs</p>	<ul style="list-style-type: none"> • Water scarcity and quality • Poor soil quality and ecosystem degradation • Impacts of climate change • Security of land tenure, rising input costs, declining number of farmers and trends towards urbanisation • Food insecurity • Rising food prices • Sustainable farming practices can improve soil health, protect water supply, restore biodiversity, support rural livelihoods, help communities adapt to climate change and help ensure we produce sufficient food 	<p>Our broader response includes:</p> <ul style="list-style-type: none"> • Working with suppliers to reduce the environmental impact associated with the produce we sell through Farming for the Future and Fishing for the Future initiatives • Ensuring the welfare and dignity of the animals inside our supply chain • Procuring commodities such as palm oil, cocoa, coffee and cotton that have been farmed in a more sustainable way • Working in partnership with WWF-SA to drive further progress in dairy, beef, seafood and textiles production as well as addressing food waste

FARMING FOR THE FUTURE

A number of years ago, Woolworths set about developing a programme to manage, monitor and transform environmental performance among produce suppliers – recognising this as a significant opportunity in that over 90% of our food for Woolworths is sourced locally. We developed Farming for the Future as our own independent audit and certification scheme where we work actively with our farmers to incrementally improve performance through enhancement programmes based on the individual needs of the farmer. We focus on encouraging reduced and sustainable pesticide and fertiliser application, efficient irrigation practices and soil conservation techniques, among others. Now in our sixth year of the programme, we have 141 of our primary produce, horticulture, wine and dairy suppliers and 92 of our secondary suppliers working as part of the scheme.

Among primary suppliers, a 98% pass rate was obtained across produce, horticulture, wine and dairy, and a 73% pass rate was obtained among secondary suppliers, significant progress considering that many were audited for the first time in the last year.

We audit all of our wine suppliers against our Farming for the Future standards once every three years. All our wine suppliers are already audited against the Integrated Production of Wine (IPW) standards and the majority of our wine suppliers are also members of the Biodiversity and Wine Initiative (BWI). This year, we made significant progress in extending Farming for the Future to dairy. In the past year, six of our Ayrshire processors and major corresponding Ayrshire farmers/suppliers, who account for most of our Ayrshire range, were independently audited against the Farming for the Future dairy standards

and all have set goals for improvement. We aim to audit the rest of our Ayrshire farmers/processors by June 2016.

Our Farming for the Future programme has proved to be a great success and we are seeing improvements in farm level environmental management, greater productivity, efficiency, awareness and innovation among suppliers as a result of this. It also shows that suppliers see the benefit of this programme and are willing to convert to better and more sustainable farming practices.



 To read additional content on Farming for the Future, go to www.woolworths.co.za/goodbusinessjourney

CASE STUDY: IMPROVING THE CLIMATE RESILIENCE OF SOUTH AFRICAN FRUIT AND VEGETABLE FARMERS

Climate change poses significant risks to South African agriculture. The Intergovernmental Panel on Climate Change (IPCC) predicts that Southern Africa will face increased variability in rainfall and an increase in average temperatures. In order to address these risks Woolworths has collaborated with WWF-SA, Marks & Spencer and the British High Commission to better understand, proactively respond to and communicate the climate change risks and adaptation opportunities in the South African food system. The British High Commission has generously provided additional funding for the project.

The project includes understanding climate science in a local context and climate adaptation options for our

farmers/suppliers, participating in government dialogue and further commercial outreach. The project will harness the experience of South African and UK retailers in strengthening the capacity of both retailers and food producers in South Africa to adapt to climate change. Over time, we hope to help make the entire South African agricultural value chain more resilient.

Woolworths expects this project to improve our understanding of climate risks in our fresh produce supply chain and increase our ability to help our producers adapt to climate change. Producers will benefit from the practical recommendations that come out of the case studies to improve their resilience to climate-related shocks.



FISHING FOR THE FUTURE

Woolworths remains deeply committed to procuring all seafood from sustainable fisheries and responsible farming operations. We have set time-bound sustainable seafood commitments and continue to work with a range of partners, including WWF-SA and the Marine Stewardship Council (MSC), to ensure that we meet these commitments by 2016.

Of the volume (tonnage) of seafood species sold by Woolworths, 85% currently meets our sustainability commitments for 2015 (2014: 82%), 9% is comprised of species that have not yet been assessed by the WWF-SASSI (2014: 42%), and 6% do not yet meet our commitments. Of the volume meeting our commitments, 62% is WWF-SASSI green-listed (2014: 48%), 13% is part of a credible, time-bound improvement project (2014: 18%) and 10% has other certification that meets our commitments. We do not sell any WWF-SASSI red-listed species.

WOOLWORTHS SUSTAINABLE SEAFOOD GUIDE

The world's fish stocks are seriously depleted. The good news is that a lot of work is being done to ensure there will be plenty of fish for future generations to enjoy. As part of our Fishing for the Future initiative, we have developed a pocket-size sustainable seafood guide. The main aim of this guide is to help consumers make informed choices when buying seafood.

The guide will help consumers to better understand the icons on our seafood packaging so that they know the name of the fish, where it was caught and which method was used to catch it. On the guide consumers will find the WWF-SASSI website and the SASSI FishMS number that will help them to find out how sustainable a fish species is.

The seafood guide also outlines our seafood commitments. We're working with the MSC, WWF-SASSI and the Aquaculture Stewardship Council (ASC) to ensure that all the seafood at Woolworths is responsibly sourced.

WOOLWORTHS

FISH TODAY, FISH TOMORROW

The bad news is that the world's fish stocks are seriously depleted. The good news is that a lot of work is being done to ensure there will be plenty of fish for future generations to enjoy. As part of our FISHING FOR THE FUTURE initiative, we're working with the Marine Stewardship Council (MSC), WWF-SASSI (Southern African Sustainable Seafood Initiative) and the Aquaculture Stewardship Council (ASC) to ensure that all the seafood at Woolworths is responsibly sourced.

Choose wisely:

A few questions to help you make the best choices when buying seafood:

What fish is it? When buying from Woolies, you can be sure that the fish you get is what it says on the label (We've carried out DNA testing!)

Where is it from? How was it caught/farmed? Where and how fish are caught has an impact on sustainability.*

Look for the informative icons on our packaging:

Origin	Fishing method
ZA South Africa	WILD CAUGHT Pole & Line
N Norway	WILD CAUGHT Trawled
	WILD CAUGHT Long Line
	Farmed

* Some species are red-listed if caught by certain methods, but orange- or green-listed if caught using more sustainable methods.

To read additional content on Fishing for the Future, go to www.woolworths.co.za/goodbusinessjourney

ANIMAL WELFARE

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 continuous improvement in all aspects of animal welfare. All manufacturers are required to promote animal welfare by minimising any potential harm, stress or pain to animals, and adhering to relevant national and international standards for animal welfare. In the past year we have made significant progress against our key focuses.

FREE RANGE PRODUCTS

Woolworths remains the only major local retailer to sell only free range whole eggs. Woolworths sources some 120 million eggs every year, approximately half of which are sold in cartons, while the remainder are pasteurised liquid eggs used in food products. Currently, over 95% of Woolworths private label food products containing egg as an ingredient are now made with free range eggs, and we are aiming to reach 100% in the near future.

Woolworths continues to sell extensive lines of free range chicken, beef and lamb. As sourcing free range pork that is available all year round and competitively priced has been very challenging, we have focused on tackling some of the practices used in intensive pig farming such as the use of sow stalls.

In August 2014 we launched pork sourced from farms who only keep sows in stalls for one week during gestation. When the pregnancy is confirmed the sows are placed in group housing where they can move around and socialise. This has been at considerable expense to our farmers, but they are also committed to do the right thing for their sows. Labels on the products will appear soon which will redirect our consumers to the Woolworths website that explains this complex farming

issue in detail. Eventually we aim to ensure all of our pork products come from farms that only keep sows in stalls for one week rather than the entire 16-week pregnancy. This will be a phased in journey with several milestones that we will announce to our consumers when we have confirmed that we have reached sufficient volumes to maintain continuous supply.

WILDLIFE FRIENDLY

While the animals inside our supply chain are our main concern, we also believe we have an ethical obligation to minimise human-wildlife conflict. For several years, Woolworths has been involved with sponsoring and trialling Anatolian guard dogs as well as the publication of a conservation manual for sheep and cattle farmers. Woolworths is working towards creating a wildlife friendly lamb supply, and has committed R4.7 million over three years to develop this vision.

The funding is being provided to key NGOs operating in Southern Africa: Conservation South Africa, the Cape Leopard Trust, the Landmark Foundation and the Endangered Wildlife Trust. These NGOs are tasked with enlisting farmers in a programme to trial various non-lethal predator control methods such as the use of Anatolian guard dogs, llamas, protective collars, alpacas and shepherds to protect livestock. Woolworths will then source lamb from these farmers.

Funds have also been allocated to key support resources including Cheetah Outreach, which breeds Anatolian guard dogs, and the Nelson Mandela Metropolitan University, where the first South African scientific assessment of predators is being undertaken by Professor Graham Kerley.

The three main bodies have now received their second year's payment and we are well on the way to having some useful data which we can share with our farmers

and reduce indiscriminate or non-selective predator control, while at the same time improve the farmer's commercial viability by reducing stock loss. We hope to have our first lambs coming to our stores from these projects by the end of 2015.



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 CONTINUOUS IMPROVEMENT IN ALL ASPECTS OF ANIMAL WELFARE.

To read our position statement on animal welfare, go to www.woolworths.co.za/goodbusinessjourney

**CASE STUDY:
WILDLIFE FRIENDLY PROTOCOL**

Conservation South Africa are working with farmers to develop a wildlife-friendly, auditable code of practice for farming lamb, as well as to provide training on rangeland management, herding and dog management so that they can adhere to this code. Woolworths in turn has the expertise to market and retail meat from farmers that adhere to this wildlife-friendly and environmentally friendly code. A number of farmers have expressed interest in selling their lamb as 'Wildlife-friendly Lamb'.

This project also helped to create employment in the form of twelve eco-herders that have been hired to form part of the research study. These jobs have been created for one year while providing capacity building. Various drafts of the 'Wildlife-friendly Lamb' code of practice were developed by CSA and the other NGOs involved in the project (Endangered Wildlife Trust and Landmark Foundation). The final amalgamated version will be developed by Woolworths and the code will be based on Woolworths free-range protocol, the National 'Veld-Raised' Red Meat Production Standard, and Woolworths criteria around predator management, which in turn will all be in line with international standards for good practice in the red meat sector.



ANIMAL WELFARE TRAINING

Because the knowledge of best practice in animal welfare is constantly changing, Woolworths keeps itself up to date through regular training from leading international experts. This last year the Woolworths team of technologists received training from Compassion in World Farming and Animal Welfare Training Limited, as well as engaging with the NSPCA. The courses attended focused on best practices on farm and at the slaughter house, with the aim being to ensure we are leaders in South Africa in how we monitor and manage farm animal welfare.

ANGORA

In response to the animal welfare concerns highlighted by People for the Ethical Treatment for Animals (PETA), the WHL Group ceased ordering product containing angora in January 2014. The Group will maintain this position until it is completely satisfied that ethical standards of fibre procurement are being followed by the angora industry.


WOOL

The Country Road Group is a major supporter of the Australian wool industry and many wool products proudly display that they are made from Australian merino wool. A proactive approach to sourcing a sustainable supply of non-mulesed wool has been undertaken.

LEATHER

We work with our suppliers to source the best quality leathers. Cow, sheep and goat hide (those most commonly used) are to be a by-product of other industries and animals should be humanely slaughtered to ensure minimum distress. We do not use exotic skins.

TOGETHER WITH OUR SUPPLIERS WE ARE DEDICATED TO SELLING PRODUCTS THAT CAUSE THE MINIMUM OF HARM TO THE NATURAL ENVIRONMENT IN THE WAY THEY ARE FARMED.

 To read our position statement on animal welfare, go to www.woolworths.co.za/goodbusinessjourney

CASE STUDY: SUSTAINABLE COTTON

Woolworths continues to grow our use of organic cotton and Better Cotton Initiative cotton as a step towards replacing our conventional cotton with sustainable sources. In 2015, we were ranked number one in terms of growth in organic cotton procurement globally by the Textile Exchange, and were the 15th biggest user of organic cotton by volume. We have also developed a specific sourcing strategy for increasing the amount of cotton sourced in Africa that we are using in our products, with a specific focus on RE: and Studio.W. Our vision is to become the biggest procurer of sustainable cotton in the southern hemisphere.

SUSTAINABLE FIBRES

We continue to drive the use of more sustainable fibres such as organic and Better Cotton Initiative (BCI) cotton, as well as innovative alternative fibres from sources that reduce raw material consumption such as polyester made from recycled plastic bottles (recycled polyester) and ocean-derived plastic (bionic yarn). This year, Woolworths made significant progress in our mission to upscale the use of sustainable cotton, and were ranked number one in the world in terms of growth in organic cotton consumption by Textile Exchange (see case study).


We have achieved well against our targets and overall, 9% of Woolworths clothing sales come from products containing sustainable fibres and 15% of general merchandise sales had sustainable fibres. Going forward to 2017, we aim to have at least 15% of cotton consumption converted to BCI.

We encourage research and development of new and innovative alternative fibres which minimise environmental and

AIMS	TARGETS FOR 2015	ACHIEVED
Increase the percentage of clothing sales from sustainable fibres sold to 12% by 2015.	12%	9%
Increase the percentage of general merchandise sales from sustainable fibres sold to 7% by 2015.	7%	15%

social impacts. As part of the Pharrell Williams 'Are you with US?' campaign, we ran a t-shirt design competition during the early part of 2015; the winning designs will be printed on bionic yarn fabric to raise awareness about our oceans and the impact of plastic pollution. In addition to our bionic yarn tees we also have our range of duvet inners and pillows and reusable bags made from recycled plastic and a range of men's RE: jeans made using recycled polyester.

Woolworths is committed to working with industry and NGO partner, Canopy, to shift the fabric supply chain towards practices that protect the world's remaining ancient and endangered forests and endangered species habitat. Woolworths is working to eliminate fabrics made of dissolved pulp (e.g. rayon, viscose and modal) which may have contributed to deforestation or forest degradation, through procurement of sustainably sourced fabrics. We aim to meet this commitment by 2020 or earlier where possible.

 To read our position statement on clothing, go to www.woolworths.co.za/goodbusinessjourney



DO YOU CARE HOW YOUR FASHION IS MADE?

THREADS WITH BENEFITS. LET'S TAKE A STAND FOR FASHION THAT CARES FOR THE PLANET AND THE PEOPLE WHO MAKE IT. THAT'S FASHION WITH A DIFFERENCE.



2004

WOOLIES LAUNCHES FIRST ORGANIC COTTON RANGE

2014

WOOLIES LAUNCHES THE FIRST PAIR OF RE: JEANS MADE USING RECYCLED POLYESTER

2015

WE'RE THE FASTEST GROWING RETAILER IN THE WORLD IN OUR USE OF ORGANIC COTTON & YARN
According to Textile Exchange.



NEW SUSTAINABLE COTTON PRODUCTS LAUNCHING THIS SUMMER

19m
FASHION ITEMS IN TOTAL

WE'RE MEMBERS OF THE BETTER COTTON INITIATIVE (BCI) WORKING WITH FARMERS WHO:

- USE LESS ARTIFICIAL CHEMICALS
- DO THEIR BEST TO SAVE WATER
- CARE ABOUT SOIL QUALITY
- HELP CONSERVE NATURAL HABITATS
- BELIEVE IN A FAIR DEAL
- TAKE PRIDE IN PRODUCING QUALITY COTTON

RECYCLED POLYESTER

BY USING RECYCLED POLYESTER, WE'RE ABLE TO REDUCE THE WASTE WE SEND TO LANDFILLS AND CREATE JOBS



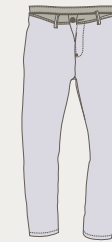
FASHION ITEMS MADE USING RECYCLED POLYESTER THIS SUMMER

4.4m

PLASTIC BOTTLES SAVED FROM GOING TO THE LANDFILL EVERY YEAR. **THAT'S 380 000 BOTTLES USED TO MAKE FASHION**



12 =



6 =



564 578

PLASTIC BOTTLES FOR OUR DUVET INNERS & PILLOWS



3.5 M

PLASTIC BOTTLES FOR OUR REUSABLE SHOPPING BAGS



BAMBOO

GROWS 6 INCHES PER DAY

NO PESTICIDES ARE USED

12.8 METRIC TONS

OF BAMBOO USED TO MAKE OUR BAMBOO TOWELS & SOCKS

ORGANIC COTTON

GROWN FROM NON-GENETICALLY MODIFIED SEEDS, WITHOUT USING ANY CHEMICALS OR SYNTHETIC FERTILISERS

PROUDLY AFRICAN

WHENEVER POSSIBLE, WE SOURCE COTTON FROM AFRICA TO REDUCE OUR CARBON FOOTPRINT



WASTE



STRATEGY

The disposal of waste to landfill is a growing developmental pressure across the globe, which is resulting in significant environmental, social and economic costs. In the foods industry, an estimated 1.3 billion tons of food produced worldwide (around a third of all food) and the resources used to produce it are going to waste each year. Concerns around food security, natural resource consumption and increasing environmental degradation compound these issues.

We recognise that the production of the goods we sell results in consumption of natural resources for their production and processing, and the generation of waste throughout their lifecycles. A key component of this waste is the packaging that we supply our goods in, which serves a vital purpose in protecting our products but also poses a significant problem to the consumer in its disposal.

Woolworths is committed to reducing the amount of waste sent to landfill from our own operations, using recycled content in our products and packaging, and making it easier for our customers to recycle. We are also increasing our focus on reducing food waste in our supply chain, operations and customers' homes domestic waste makes up more than a third of all waste going to landfill in South Africa.

By making it easy for our customers to recycle the packaging from our products, we are helping to create a high-value market for consumer waste, supporting the local recycling economy, and minimising our dependency on limited natural resources. We will carry on increasing our efforts around waste reduction across our entire value chain, including suppliers, operations and with customers.

WE WILL STRIVE TO ELIMINATE WASTE PRODUCED THROUGHOUT OUR OPERATIONS AND TO DEVELOP INNOVATIVE WAYS TO REUSE WASTE.

MAPPING OUR RISKS ACROSS THE SUPPLY CHAIN

RISK IDENTIFIED	SUB ISSUES	Tractor & Gear	Factory	Shopping Cart
Waste generation	<ul style="list-style-type: none"> Packaging Food waste Plastic bags 	●	●	●
Waste disposal	<ul style="list-style-type: none"> Recyclability Product labelling 	●	●	●
Natural resource consumption	<ul style="list-style-type: none"> Product lightweighting Sustainable materials 	●	●	●

KEY: Moderate ● Significant ● Major ● Not applicable ●

To read additional content on our waste management initiatives, go to www.woolworths.co.za/goodbusinessjourney

OUR PROGRESS

SUMMARY SNAPSHOT

PERFORMANCE SNAPSHOT	RISKS AND OPPORTUNITIES	OUR STRATEGY
<p>92* packaging improvements among Woolworths private label products</p> <p>511 000 kg reduction in packaging weight due to lightweighting</p> <p>98% of products in packaging made of recyclable materials</p> <p>41.5% of rigid packaging containing post-consumer recycled plastic material</p> <p>1.73 million reusable bags sold</p>	<ul style="list-style-type: none"> A growing population combined with increasing competition for landfill space The economic and environmental cost of virgin and non-renewable materials consumption Poverty and food security concerns across some of our operating regions Enabling opportunities for the development of recycling markets through our packaging 	<p>Our strategy focusses on reducing the amount of waste sent to landfill from our own operations, using recycled content in our products and packaging, and making it easier for our customers to recycle. We are also increasing our focus on reducing food waste in our supply chain, operations and customers' homes.</p>

* Part of EY's audited key performance indicators. The basis for measurement of this indicator can be found on <http://www.woolworthsholdings.co.za>

WASTE GENERATION

At our own operations we are working towards achieving zero waste to landfill. In South Africa, challenges exist in that the infrastructure for recycling still remains underdeveloped. Despite these challenges, we are proud to report that we sent just 6.73% of waste generated at our head office to landfill, and 6.17% overall from distribution centres during the course of FY2015. We have also implemented a recycling pilot across 40 of our stores, currently achieving a recycling rate of 53%.

	TOTAL WASTE GENERATED (Kg)	% WASTE RECYCLED
South African Distribution Centres	9 650 623	93.83%
Woolworths South Africa Head Office	225 503	93.3%

PACKAGING

Through using recycled material in our packaging, Woolworths is dedicated to reducing virgin raw materials consumption from our operations. We also support the growth of South Africa's green economy through waste recycling initiatives and making it possible for customers to recycle more easily.

Packaging reduction is an important environmental factor we are trying to address, but it needs to be balanced. We see it necessary to make sure that our products continue to stay protected; in the case of food we want it to remain safe and hygienic. It is also essential to extend shelf life for as long as possible so that food waste is not created. To us, this means using packaging responsibly.

 To read our position statement on packaging, go to www.woolworths.co.za/goodbusinessjourney

AIMS	TARGETS FOR 2015	ACHIEVED
Achieve 100 packaging improvements per year	100	92* improvements
50% of the products sold in rigid packs to contain recycled materials by 2015	50%	41.5%
100% of all main packaging components to be recyclable by 2015	100%	98%

* Part of EY's audited key performance indicators. The basis for measurement of this indicator can be found on <http://www.woolworthsholdings.co.za>

We have committed to achieve this by:

- Using the lightest weight of materials to do the job
- Purchasing packaging materials from certified renewable sources wherever possible
- Encouraging the use of packaging materials which have recycled content in them to help create a market for consumer waste and help build a recycling economy
- Designing packaging holistically with the product in mind in order to optimise overall environmental performance and considering the opportunities for recycling at the end of its life
- Working with various industry bodies to encourage the development of recycling facilities to make recycling even easier
- Printing clear, simple labels on all our packaging to help customers identify the packaging material used and know if it can be recycled
- Taking advice from leading experts and listening to our customers to ensure we deliver our goal of responsible packaging
- Understanding more about the impact packaging can have on climate change and using this to help inform our decision making.

Our Good Business Journey targets place emphasis on achieving packaging improvements every year. This year, we have achieved well against all of our packaging targets. We achieved almost all of the number of packaging improvements we set out to make through lightweighting, substituting virgin material with recycled material, designing for local recyclability and supplying customers with clearer disposal instructions. We are also committed to ensuring that where renewable materials are used these are sourced from well-managed forests and other controlled sources (e.g. paper and board with certified chain-of-custody) certified by the Forest Stewardship Council – FSC™. From these improvements we were able to lightweight our packaging by 511 000 kg and minimise its environmental impact.

THROUGH USING RECYCLED MATERIAL IN OUR PACKAGING, WOOLWORTHS IS DEDICATED TO REDUCING VIRGIN RAW MATERIALS CONSUMPTION FROM OUR OPERATIONS.

WOOLWORTHS UNVEILS NEW ECO MANNEQUIN AT RE: MENLYN STORE IN MAY 2015

Global Display's Eco-mannequin is the result of over three years research and development of a truly green mannequin produced from natural plant fibres and bio-resins which come from an indigenous sustainable source. It also uses a higher level of recyclable and biodegradable raw material content without sacrificing to strength or aesthetics.

Compared to conventional fibreglass mannequins, the Eco-mannequin has up to 20% less styrene content. There is also less mineral content as glass fibres have been replaced by natural plant fibres, and can be finished in a bio-degradable, water-based coating.

The Eco-mannequin material is 45 – 55% biodegradable versus its fibreglass counterpart that is not biodegradable. It provides a reduction in CO₂e emissions of approximately 60% over a conventional fibreglass mannequin. It also allows for substantially more opportunities for recycling at the end of life but can alternatively be burned to provide energy with a calculated calorific value that is higher than wood or paper.

The Eco-mannequin has subsequently also been rolled out to our RE: pods in David Jones stores in Australia.



AUSTRALIAN PACKAGING COVENANT

The Australian Packaging Covenant (APC) is a federal government initiative focused on reducing the amount of used packaging that reaches landfill. Signatory responsibilities include the submission and execution of a packaging and waste action plan. The APC provides a rating based on previous years' performance.

For the most recent ratings period, 2014/2015, both Country Road Group and David Jones achieved a rating of 3.5 out of 5, which is well above the industry average. David Jones maintained its score from the previous assessment but Country Road Group was slightly down on the previous assessment. As part of Country Road Group's waste action plan, all packaging is to be assessed

against the Group's Sustainable Packaging Guidelines (SPG). The Country Road Group will be updating both the action plan and SPG in the next financial year.

CLOTHING BANK

Woolworths donates surplus clothing as well as employees' and customers' pre-owned clothing to partner organisation, the Clothing Bank. The project aims to empower unemployed women from disadvantaged areas in South Africa through a programme of life-skills, financial and career development to start sustainable micro-clothing businesses. This highly successful programme is currently being replicated across South Africa and now has outlets in Cape Town, Johannesburg, Paarl, Durban and Hermanus as support for the initiative continues to grow. This helps not only to

create much needed employment but also divert surplus textiles from landfill.

The programme was launched in 2010 as an enterprise development programme through R1.5 million start-up capital from Woolworths. The Clothing Bank has trained over 900 women, with 330 recruited in 2014. In the past 12 months, the women have accumulatively generated profits worth R12.6 million, and since inception an amount of R29 million. The supporting retailers have collectively donated 876 950 garments in the last 12 months, valued at R52.6 million, of which R25.5 million was contributed from Woolworths.

We are piloting clothing recycling units in selected stores for customers to support the Clothing Bank, and will assess the customers response before looking at further rollouts.

FASHION TRADE

Since 2010, Country Road has partnered with the Australian Red Cross and New Zealand Red Cross on Fashion Trade - a clothing exchange programme that rewards customers with a A\$10 voucher for donating pre-owned Country Road clothing to the Red Cross, and there by saving clothing from going to landfill.

During the past year over 44 000 items of clothing and accessories were donated to the Red Cross and saved from landfill. Of these, over 2 000 items were donated by customers, and more than 42 000 items were donated by the Country Road Group.

CASE STUDY: PET RECYCLING

Five years after the first packaging containing recycled plastic was introduced to the local market by Woolworths, the local Extrupet Group (Pty) Ltd, dedicated to the recycling of post-consumer polyethylene terephthalate (PET) bottles, has completed a major expansion of their PhoenixPET plant in Wadeville, Johannesburg.

This first for the continent plastic recycling plant worth R75 million, recycles post-consumer bottles back into material for new PET bottles and other PET packaging and will help ensure the long-term viability of PET plastics recycling in South Africa. The expansion, which started in early 2014, includes the installation of a state-of-the-art Bottle-2-Bottle recycling plant furnished with Starlinger recycling technology, specially engineered to fulfil the expectations and standards needed for bottles for carbonated soft drinks, bottled water and all other forms of PET packaging.

By working closely with Extrupet, Woolworths supported this initiative and provided some guidance to ensure food safety is not compromised. Extrupet's plant became the

world's first, and currently only, recycling plant operating an independently certified BRC system, which ensures good manufacturing practices are maintained and quality is effectively managed. Systems like these are typically deployed in food factories to ensure food safety. In 2015 Extrupet's process also received a scientific opinion from the European Food Safety Authority (EFSA) on the safety evaluation of the recycling process. To date only a few European operations have received such an opinion, confirming that South Africa has a world-class operation to be proud of, delivering a compliant product to the highest level, and managed by one of the best food safety systems in the world.

This achievement is a major milestone in our commitment to reducing packaging waste going into landfill. By supporting this initiative over the last five years, we can now use recovered and recycled valuable material back in our packaging, thus limiting our demand for natural resources and creating many employment opportunities in the recycling sector in South Africa.



FOOD WASTE

As an ongoing initiative Woolworths donates surplus food which would otherwise go to landfill from stores to charities. In FY2015 we donated food to the value of R490 million. We recognise, however, that we generate waste across our entire value chain in the growing, making and manufacture of our products as well as in our customers' homes. Through various means such as excellent temperature control in our logistics chain and stores as well as on clear on-pack information pertaining to "Sell By", "Best Before" and "Use By" dates, we try and minimise this waste as far as possible. There is still a long way to go, however, and we recently partnered with WWF-SA, to complete a food waste scoping study to better understand the extent to which food waste is occurring across the Woolworths value chain. The study was used to identify hotspots in levels and sources of waste, identify means of reducing food and packaging waste delivered to landfill and to propose new ways of working and business practices across the supply chain to prevent waste. The study found that, among other areas, significant volumes of waste is generated in the post-harvest phase of produce processing. We are currently reviewing the recommendations of the study to see where we can make further improvements across our value chain.

CUSTOMER RECYCLING

Woolworths had committed to introducing a nationwide programme supporting the recycling of customers' waste by providing recycling facilities at selected Woolworths stores, Engen service stations and schools. We now have recycling facilities at 50 Engen service stations in the Western Cape, Gauteng and KwaZulu-Natal.

We also have recycling facilities at 21 schools in the Western Cape and are looking to roll these out at selected schools in other areas of the country.

The relatively low oil price at present is putting major financial pressure on the recycling industry and we continue to look for new partners and ways of working in this area.

STORE OPERATIONS

In our stores we are continually discovering ways to reduce and recycle waste. This comprises using recycled plastic in the lugs used to transport products to and from stores, and recycling all transit packaging used to protect clothes during transportation, including hangers. Our hangers are made of recycled material, as are our store signage, shopping baskets and trolleys. Through our partnership with Hangerman we have recycled over 300 million hangers since the project's inception.

We also work with a number of partners on international coastal clean-up campaigns.

PLASTIC BAG USAGE AND REUSABLE BAGS

Reducing plastic bag usage is one of the strategies Woolworths is using in minimising impact on the environment, saving costs and assisting customers to save costs. To reduce our impact from plastic bag use, we follow two main strategies; firstly, promoting the use of recycled plastic within our single-use plastic bags and secondly, encouraging customers to buy and re-use one of our cause-related polypropylene or recycled plastic reusable shopper totes.

Our plastic food carriers now contain a minimum of 70% post-consumer and manufacturing waste, while the shopping bags used for clothing and general

merchandise contain 55% recycled material. We have also redesigned our bags to reduce the amount of raw material required to manufacture a single bag.

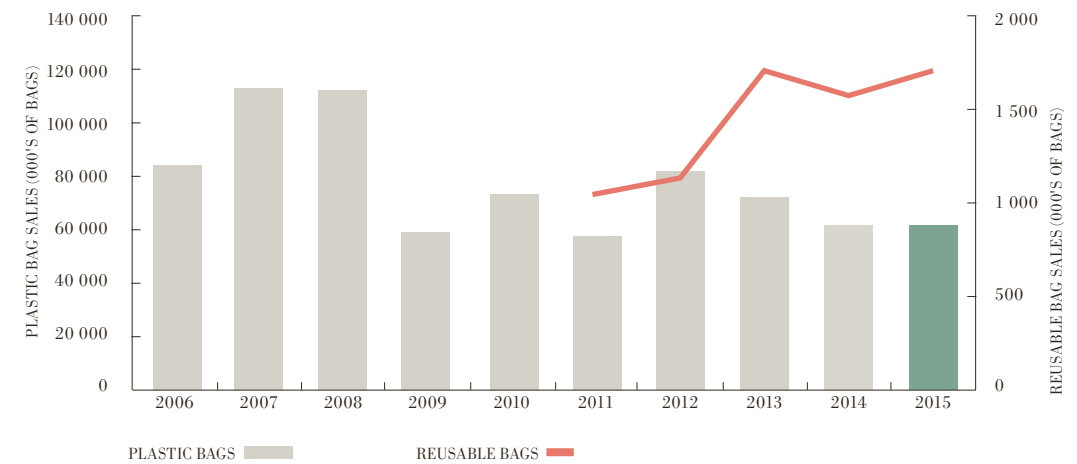
Plastic shopping bag usage has increased from last year with 0.87 bags used per transaction compared to 0.70 last year. We have some work to do to better educate customers on this issue, and incentivising behaviour change. Reusable bag sales also increased, with close to 1.73 million bags sold in FY2015. A number of new designs were launched to raise awareness and funds around sustainability and conservation-related issues.

Through the sale of our cause-related reusable bags, Woolworths raised just over R2.7 million for the conservation of endangered species and other causes such as breast cancer awareness and Operation Smile in 2015. Since the launch of our first cause-related rhino bag in 2010, we have raised over R8 million in total.

Through selling reusable bags, we support 140 jobs and skills development at Woolworths two main reusable bag suppliers, Isikhwama, based in Cape Town, and Gusco, based in Uitenhage. Our ranges of the colourful fabric bags are made using 85% post-consumer PET waste (recycled polyethylene terephthalate bottles). Woolworths has used 360 tons of fibre to date made from recycled PET bottles to make the fabric bags. This translates to approximately 9.5 million bottles diverted from landfill, and reducing carbon emissions associated with producing virgin material by approximately 54%.

During the year Country Road in Australia offered customers a reusable cloth bag as an alternative to plastic carrier bags. 3 497 units were sold in the last year.

PLASTIC BAG USAGE (MILLIONS OF BAGS)




I.T. PRODUCTS AND CONSUMABLES

We continue to drive reductions in printer consumables such as paper and ink. In partnership with Lexmark, we recycle all waste printer cartridges in our stores. In the last year we diverted 4 290 kg of cartridges from landfill as a result of our ongoing collection initiative. The proceeds generated from the recycling initiative are donated to the charity "Cottlands", which supports learning and development for vulnerable children in poor communities from birth to 6 years old.

Over the last two years Woolworths Financial Services has been driving significant printing reductions through the implementation of electronic statements. We continue to see an increase in uptake as customers switch from traditional paper statements to e-statements and today 63% of customers have made the switch, up from 54% in previous years.

SINCE THE LAUNCH OF OUR FIRST CAUSE-RELATED RHINO BAG IN 2010, WE HAVE RAISED OVER R8 MILLION IN TOTAL.

 To read our position statement on food waste, go to www.woolworths.co.za/goodbusinessjourney

WATER

STRATEGY

Our operations stretch across Africa and Australasia, which are among the most “at risk” regions in the world in respect of current and future projected water scarcity. We rely on a steady and clean supply of water across our entire value chain to process and manufacture our clothing and foods products, as well as to ensure the wellbeing and safety of our employees. Many parts of South Africa are in the grip of the worst drought in 20 years, exacerbating the risk further.




The demand for freshwater is growing globally, and in some cases is already limited by infrastructural constraints and threatened by pollution inputs from domestic, agricultural and industrial sources.

Growing public awareness regarding water use, conservation and access to clean drinking water has been driven by droughts, flooding, and in South Africa, concern about the impacts of acid mine drainage. Within our supply chain and direct operations managing risks associated with assurance of supply is further complicated by the localised nature of water risks. Recent drought warnings in Southern Africa and the possible impact on commodity prices are a considerable cause for concern.


We continue to evaluate risks from water on an ongoing basis through use of recognised water risk assessment frameworks, engagement with suppliers through Farming for the Future and through engagement in water stewardship activities with WWF-SA.

WE HAVE COMMITTED TO REDUCING WATER USAGE AND MANAGING WASTE WATER ACROSS OUR OPERATIONS THROUGH COLLECTIVE ACTION, PARTNERSHIPS, RESEARCH AND EDUCATION.

MAPPING OUR RISKS ACROSS THE SUPPLY CHAIN

RISK IDENTIFIED	SUB ISSUES			
Water availability	<ul style="list-style-type: none"> Water security Water quality Sanitation and hygiene Water consumption 	●	●	●
Wastewater discharge	<ul style="list-style-type: none"> Pollution of water resources from agricultural inputs and clothing manufacturing processes (dyes, chemicals etc.) 	●	●	●
Post-consumer water consumption	<ul style="list-style-type: none"> Use of high quality treated water for care/washing of garments 	●	●	●

KEY: Moderate ● Significant ● Major ● Not applicable ●

 To read our position statement on water, go to www.woolworths.co.za/goodbusinessjourney

OUR PROGRESS

SUMMARY SNAPSHOT

PERFORMANCE SNAPSHOT	RISKS AND OPPORTUNITIES	OUR STRATEGY
<p>Reduced relative water intensity across stores by 41.35%</p> <p>14.5 million litres of renewable groundwater used in our head office complex, reducing municipal water demand</p> <p>9 participating farms in our WWF Water Stewardship Pilot</p>	<ul style="list-style-type: none"> Water scarcity and quality issues could negatively affect our operations Extreme weather events, exacerbated by climate change, can potentially disrupt our supply chain Improving our measurement and management of water reduces costs Our partnership with WWF enables us to collaborate on water stewardship 	<p>Our strategy for water focuses on reducing water consumption and managing waste water across our own operations as well as in our supply chain, through partnerships, collective action, research and education. We are committed to creating awareness among employees, suppliers, customers and schools.</p>

AIMS	TARGETS FOR 2015	ACHIEVED ¹
Achieve a relative reduction in water consumption across stores per square metre	50% relative reduction	41.35% relative reduction in water consumption achieved
Achieve a reduction of water consumption at our head office complex	70% reduction	A target of 55% reduction was achieved
Reduce relative water usage per distributable unit (DU) at our distribution centres	30% relative reduction	Target 0.00092 kl per DU achieved 0.00079 kl per DU

¹ Note that figures are based on water consumption for Woolworths in South Africa only. Currently we do not report for other international locations.



Woolworths is a signatory to the CEO Water Mandate, through which we have committed to making a positive impact with respect to the emerging global water crisis, and to remain transparent on our performance. Our reporting follows the six core areas identified by the CEO Water Mandate that companies should focus efforts on developing a comprehensive approach to water management. These are: Direct Operations, Supply Chain and Watershed Management, Collective Action, Public Policy, Community Engagement and, Transparency.

DIRECT OPERATIONS

Woolworths continues to assess opportunities to improve the monitoring, management and efficiency of water use across our stores, warehouses, offices and distribution centres.

During the course of the last few years, we have been working to roll out real-time metering across all of our operations in South Africa, and are currently looking to expand this programme into Africa, Australia and New Zealand. The metering, currently operational in 88% (331) of our South African facilities, has assisted us in capturing accurate information around our water usage and has helped us identify leaks and inefficiencies.

We are continuously evaluating real estate opportunities in new and existing stores to ensure that they are designed for efficient use of water and wastewater. Our Centurion distribution centre in Johannesburg, one of our largest single consumers of water, is currently using water reclaimed from the refrigeration systems for non-potable uses, thereby minimising the water footprint of the facility.

During 2015, we have also invested considerably in a rainwater capture system for the Montague Gardens distribution centre (See Case Study on page 90).

As a result of these programmes, our relative water consumption across stores has decreased by 41% from our 2011 benchmark (target: 50% by 2015).

We have reduced our municipal water consumption at our head office complex through installation of a groundwater capture and treatment system which taps into the previously unutilised Table Mountain aquifer system. This water was previously removed from the basement of the buildings and pumped to stormwater.

As a result of this system we have reduced municipal water consumption at head office by 55% from our 2008 benchmark (target: 70% by 2015), with a total consumption of 17 855 kilolitres*. We are currently expanding the groundwater system and storage to another building in the head office complex.

We have also made considerable savings at the Country Road Group head office in Australia, where we captured approximately 1 million litres of rain water during the past year for use in toilets.

We recognise the importance in increasing awareness among employees; during 2014 and 2015 we have been working to provide technical and functional training in water and energy efficiency in our stores and have provided Water and Energy Toolkits to raise awareness among employees on how to conserve precious water resources. During National Water Week (16 – 22 March 2015) we developed animations for in store plasma screens to get the message out to our customers as well.

2015 WATER WITHDRAWALS (KL)	
Stores	472 143*
Distribution Centres	54 384*
Head Office Complex	17 855*

* Part of EY's audited key performance indicators. The basis for measurement of this indicator can be found on <http://www.woolworthsholdings.co.za>

14.5 MILLION LITRES OF RENEWABLE GROUNDWATER USED IN OUR HEAD OFFICE COMPLEX REDUCING MUNICIPAL WATER DEMAND.

CASE STUDY: MONTAGUE GARDENS DC RAINWATER CAPTURE AND RE-USE

In order to maintain high levels of cleanliness in our foods distribution centres (DC's), we wash trays used for carrying foods and floors on a daily basis. This means that our DC's are typically high water users. The sheer size of our Montague Gardens DC made it the perfect candidate for the installation of a rainwater harvesting system on the roof of the 18 000 m² facility.

This system captures rainwater through a roof-mounted drainage system, and feeds the freshwater into a specially designed grey water pipe network. This water is not intended for drinking, but is perfect for use in cleaning the facility. The water from tray washing is then further re-used for flushing toilets. In its first week of operation, the system captured, and used 75 000 litres, which reduces the need to draw upon precious potable municipal water supply.



SUPPLY CHAIN AND WATERSHED MANAGEMENT

Woolworths regularly engages with suppliers on water issues. In South Africa, we engage with 98% of our primary produce suppliers through their participation in the Farming for the Future programme. Through this programme we continue to drive a reduction in water usage through improved irrigation practices, soil moisture and wastewater management, as well as broader catchment level influences such as alien vegetation infestation on farms. Through this programme we are seeing enhanced water-use efficiencies and farmers converting to more sustainable farming practices.

In our clothing teams, we are engaging with our clothing suppliers through supplier audits and also working with them on our chemical detox strategy, in which we have committed to eliminate

14 key priority chemicals from our clothing supply chain in recognition of their harmful impacts on water resources if not properly managed.

We have also set ourselves ambitious targets to increase the use of organic and Better Cotton Initiative (BCI) Cotton in our private label clothing ranges, in recognition of the better practices in social and environmental, and particularly water management aspects. In FY2015 we ranked first globally in organic cotton users by growth. Our membership of BCI is a step in the journey to replace conventional cotton with a more sustainable source.

COLLECTIVE ACTION

WATER STEWARDSHIP

Woolworths continues to work in partnership with WWF in the progression of the Ceres Water Stewardship project in association

with the Alliance for Water Stewardship (AWS) and Marks & Spencer, to address water-related risks in the supply chain. So far, nine stone fruit farmers in the Ceres Valley, Western Cape, have volunteered their cooperation, and together with the CSIR they have worked through the AWS standard format, first understanding their own water use, then planning improvements and finally implementing the first water stewardship steps. Over the course of the first year the work focused on on-site water stewardship actions. The second year is where the catchment-based initiatives will be implemented, in order to address larger-scale water issues in the upper Breede catchment. These include urban water quality issues, alien plant clearing and the provision of more water related information, allowing easier implementation of water stewardship projects.

This initiative is an example of how partnerships and collaboration are

absolutely necessary to further address sustainability within our supply chains. Not only has this partnership drawn on the expertise of leading NGOs and suppliers to address water related risks and build resilience at a farm level, but by driving collaboration within the catchment, it is helping to address water security risks at a more systemic level.

WATER BALANCE

Woolworths has also been working on the ongoing Water Balance project with WWF-SA in association with the Department of Environmental Affairs Working for Water project, helping to clear alien vegetation from two key priority nodes in the Leeu, part of the upper Berg & Breede.

To date, 133 hectares have been cleared together with 51.54 hectares in follow up. It is estimated that the total kilolitres remaining in the system due to clearing is 276 108 kl. The project has also resulted in 4 815 person days of employment.

AWARENESS

In 2015 Woolworths once again participated in WWF-SA's 'Journey of Water' walk, creating awareness around the long and complicated journey that water takes from source to tap, and the need to protect our threatened water sources.

COMMUNITY ENGAGEMENT

We are committed to water conservation education, especially by assisting in educating customers and school learners through increasing awareness around water conservation in the home and in schools.

During National Water Week in March 2015, Woolworths engaged with customers and communities to raise awareness around water conservation. Through the MySchool programme Woolworths hosted a 'Thirsty for Action' water-saving poster competition among primary school learners where four rainwater harvesting tanks were the prizes.

Our Water Week marketing campaign also included sponsoring the Watershed Festival, in collaboration with the City of Cape Town, to raise public awareness about water as a scarce and precious resource in South Africa through film screenings, a fun day and a river walk.

Woolworths also used annual sponsorship of the Cape Epic mountain bike race to place key messaging at water stations to remind cyclists on the demanding eight day, 748 km mountain bike race about wise water use.

Our reach also extends to products that we sell, and we are continuously looking for ways we can reduce the impact of our products in customers' homes. In 2015, we released Woolworths new W.Lab phosphate-free washing detergents and liquids which help to preserve water quality.

PUBLIC POLICY

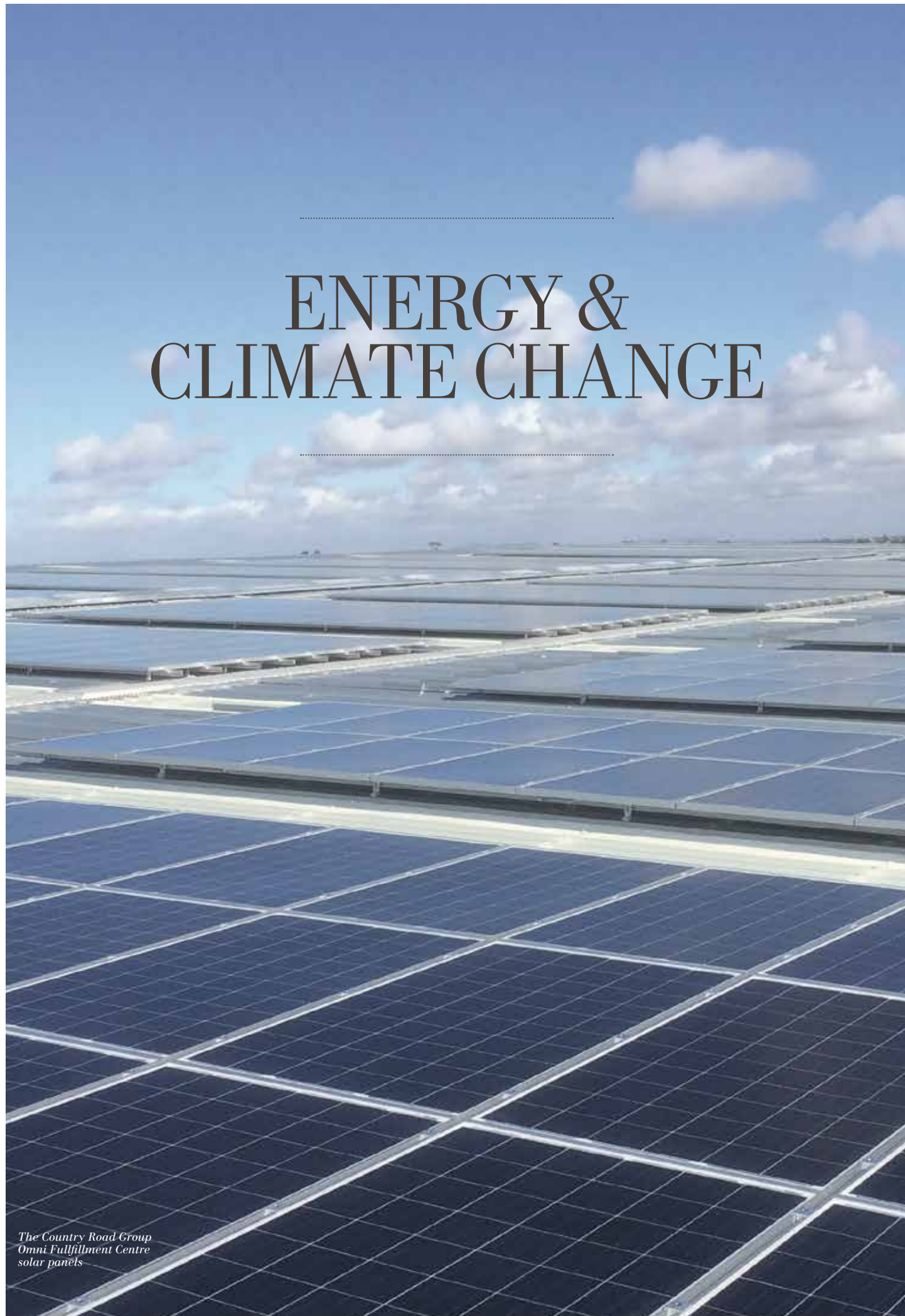
We support clear and decisive policy on water strategy and implementation planning and maintenance to ensure preservation of South Africa's scarce water resources.

We continue to engage through membership in the CEO Water Mandate and through the NBI to advance sustainable water policies and management across the industry.

TRANSPARENCY

Woolworths is committed to improving disclosure about the financial and material risks posed by water resources and our own usage reduction strategies. For the last five years, we have voluntarily reported our performance through the CDP Water disclosure project. We also respond to the Dow Jones Sustainability Index and JSE Socially Responsible Investment (SRI) Index.

WE ARE COMMITTED TO WATER CONSERVATION EDUCATION, ESPECIALLY BY ASSISTING IN EDUCATING CUSTOMERS AND SCHOOL LEARNERS THROUGH INCREASING AWARENESS AROUND WATER CONSERVATION IN THE HOME AND IN SCHOOLS.



ENERGY & CLIMATE CHANGE

The Country Road Group
Omni Fulfillment Centre
solar panels

STRATEGY

In a growing number of studies, climate change is seen as among the world's top global threats, particularly in developing countries. The interlinked nature of the impacts of climate change also brings the potential to exacerbate other threats to economic well-being. Higher temperatures, water scarcity, rising sea levels and increased frequency of extreme weather events will affect infrastructure, logistics, business continuity, costs and access to raw material and resources.

The lead up to the COP 21 in Paris has seen increasing participation by private and public sectors as well as investors to ensure that mitigation measures are agreed and that these send a strong and clear long-term signal that there is a globally shared commitment to meet the 2°C limit to global warming. Whatever the outcome, energy prices and volatility will remain critical uncertainties and will continue to be of concern due to their potential to impact significantly across our supply chain. In addition, energy efficiency continues to be a key focus for us to ensure we reduce our usage, become more energy independent, thereby building greener and more resilient supply chains.

ENERGY AND CLIMATE CHANGE HAVE STRATEGICALLY BEEN IDENTIFIED AS ONE OF THE PILLARS OF OUR GOOD BUSINESS JOURNEY AND WE HAVE THEREFORE COMMITTED TO INCREASING ENERGY EFFICIENCY IN OUR OWN OPERATIONS AND REDUCING OUR CARBON EMISSIONS.

MAPPING OUR RISKS ACROSS THE SUPPLY CHAIN

RISK IDENTIFIED	SUB ISSUES			
Energy prices	<ul style="list-style-type: none"> Electricity prices Commodity prices (fuel) 	●	●	●
Electricity availability	<ul style="list-style-type: none"> Electricity rationing (South Africa) 	●	●	●
Energy efficiency	<ul style="list-style-type: none"> Reducing energy use/ emissions Renewable energies Climate mitigation and adaptation 	●	●	●
Extreme weather patterns	<ul style="list-style-type: none"> Impact on supply chain 	●	●	●
Climate framework	<ul style="list-style-type: none"> Mandatory emissions reporting Voluntary emissions reporting Carbon tax and budgets 	●	●	●
Post-consumer use	<ul style="list-style-type: none"> Caring for clothing products 	●	●	●

KEY: Moderate ● Significant ● Major ● Not applicable ●

To read our position statement on climate change, go to www.woolworths.co.za/goodbusinessjourney

OUR PROGRESS

SUMMARY SNAPSHOT

PERFORMANCE SNAPSHOT	RISKS AND OPPORTUNITIES	OUR STRATEGY
<p>Reduced relative electricity usage across stores by 40% since 2004</p> <p>Reduced relative electricity usage at our corporate buildings by 31% (cumulative)</p> <p>R303 641 133 worth of electricity saved to date through energy efficiency interventions</p>	<ul style="list-style-type: none"> • Energy prices (electricity and liquid fuel) • Not achieving our energy reduction targets could lead to increased costs • Climate change mitigation and adaptation • Access to capital for clean energy generation • Carbon tax, carbon budgets and mandatory emissions reporting • The impact of climate change and extreme weather patterns on farms in our supply chain 	<p>Our strategy for energy and climate change aims to increase energy efficiency in our own operations and reduce our carbon emissions. Working with stakeholders in our supply chain is key to meeting the targets that we have set in order to achieve this.</p>

AIMS	TARGETS FOR 2015	ACHIEVED ¹
Reduce energy use from our 2004 benchmark across stores	40% relative reduction	40% relative reduction in energy achieved (cumulative)
Reduce energy use from our 2004 benchmark across corporate buildings	35% reduction	31% reduction was achieved (cumulative)
Shift to natural gas refrigerants	8 Natural gas refrigerant (CO ₂) installations	32 Natural gas refrigerant (CO ₂) installations thus far (achieved 8 in 2015)
Increase stores meeting our green store status as per our rating model based on sustainability features	All new stores achieving a green store rating	Achieved for 2015. Cumulative total 64* (2015:6* Platinum, 8* Gold, 5* silver)
Encourage regional sourcing of food	We currently source over 92% of our food from Southern Africa, based on country of origin labelling	
Reduction of electricity consumption per DU (kWh) supply chain	0.224	0.1904
Increase number of sites with clean energy sources	3	2

¹ Note that figures are based on energy consumption for Woolworths in South Africa and Africa only

* Part of EY's audited key performance indicators. The basis for measurement on this can be found on www.woolworthsholdings.co.za

CARBON MANAGEMENT PROGRAMME

As 2015 sees the culmination of our strategic sustainability commitments, we find ourselves in an opportune place to align our strategic targets going forward to increasing global pressure for industry to set long-term informed targets in this space. In 2007 we made a commitment to reduce our relative energy consumption by 40% in 2015. We are pleased to report that we have achieved this target. These energy management commitments have taken a holistic approach encompassing our stakeholders, customers and employees as well as investment in energy saving initiatives across air transport, our logistics and real estate divisions.

CONTINUED STAKEHOLDER ENGAGEMENT

- Woolworths signed the National Energy Efficiency Leadership Network (EELN) with the then Minister of Minerals and Energy in 2006 and is working towards achieving the National Energy Efficiency Strategy targets as part of the Energy Efficiency Leadership Network.
- We have a formal and broad-based sustainability partnership with WWF-SA (see page 30-31) to drive greater sustainability through selected Woolworths products and operations. Through this partnership, we have also agreed to collaborate around a proactive response to addressing climate risk in the supply chain.
- We engage, via the National Business Initiative, with other corporates on issues regarding climate, energy and water in South Africa and how businesses can actively respond to these challenges. See case study alongside.
- Government departments are crucial in assessing and discussing regulatory risks associated with climate change and in turn, assist us in finding ways and partnerships to mitigate where required. We are also able to provide input on policy formation through these engagements.
- Woolworths and David Jones have voluntarily participated in the CDP Climate Change response for seven and four years respectively. In 2014, David Jones was included in the ASX200 Climate Disclosure Leadership Index.

CASE STUDY: SUPPLIER ENGAGEMENT – THE PRIVATE SECTOR ENERGY EFFICIENCY PROJECT (PSEE)

The National Business Initiative (NBI) is a voluntary group of national and multinational companies working toward sustainable growth and development in South Africa. At the end of 2013, it launched a Private Sector Energy Efficiency Project, funded by the UK government through its Department for International Development (DFID), aimed at empowering businesses to understand the impact of their operations on the environment and also identify efficiency measures that could be put in place to minimise the impacts.

Through our relationship with the NBI, Woolworths was afforded the opportunity to nominate over 100 suppliers from our supplier base for free energy efficiency audits. These included both small and medium sized suppliers, our direct operations and three of our distribution centres.

This has given us the opportunity to understand our operations, energy efficiency gaps we can fill and those we can continue to implement, as well as to support our suppliers in understanding and managing energy efficiency. Woolworths provided the single largest network of suppliers to participate in the programme nationally.



WOOLWORTHS WON THE ENERGY EXCELLENCE AWARD AT THE SOUTH AFRICAN ASSOCIATION FOR ENERGY EFFICIENCY AWARDS 2014.

58%

OF OUR CLOTHING PRODUCTS HAVE ENERGY AND WATER SAVING ATTRIBUTES

64* STORES

MEET OUR GREEN STORE STATUS A PER OUR RATING MODEL BASED ON SUSTAINABILITY FEATURES

40%

RELATIVE REDUCTION ACHIEVED FROM OUR 2004 BENCHMARK IN ENERGY USAGE ACROSS STORES

CUSTOMER ENGAGEMENT

In order to make energy efficiency more tangible to our customers at the product level, we have been scoping and implementing energy saving techniques for the manufacturing and caring of some of our products.

CLOTHING PRODUCTS

Our clothing products come with a wash care label that promotes washing at water temperatures of 30°C or less. This is to reduce our third-party emissions at the customer level, and also drive engagement with our customers on how to better care for their clothing.

Woolworths has committed to 60% of our clothing products having energy and water saving attributes by 2015. Currently, 58% have energy and water saving attributes.

IN-STORE COMMUNICATION

We also communicate energy use within the store and saving tips for customers on plasma screens in some of our green stores.

RECYCLING

Our on-pack recycling labelling introduced in late 2013 is another way in which our customers can contribute to reducing waste emissions at landfills by using the guide to properly discard their waste.

EMPLOYEE ENGAGEMENT

TRAINING

We conduct training workshops for our store employees through the GBJ Champ programme. In the last year, we distributed energy and water packs to all stores and these contained a DVD, stickers and a poster guiding our champs on how to implement water and energy saving initiatives around their stores. We continue to distribute these to new stores.

MESSAGING AND COMMUNICATION

Across our corporate buildings, we ensure visibility of our energy savings focus through strategic communications, including plasma screens in our corporate buildings.

SUSTAINABLE TRANSPORT STRATEGY

Our relationship with Imperial Group, responsible for the management of our logistics, has continued to excel in driving innovation through our transport strategy. Our approach to sustainable transport involves behavioural change interventions for our drivers/employees and also introducing innovative technology across our logistics chain and vehicle fleet.

I-PLEDGE

This is a campaign aimed at addressing road safety by improving driver behaviour. The intervention is through driver awareness, training and taking the I-Pledge, a stand committed to responsible road use. Efficient driving patterns and behaviour have been linked to monthly driver incentives.

FLEETBOARD

Our fleet has been fitted with the Fleetboard vehicle management system (a telematics-supported, internet-based system that provides real-time information on the operational performance of individual vehicles, fuel levels and consumption via a network). A reduction of 5% – 15% in fuel consumption can be achieved via this system.

49M

A campaign to raise awareness on energy efficiency was launched in partnership with 49M and Imperial Fast 'n Fresh at two of our distribution centres, Montague Gardens and Centurion. This is to change behaviour in energy efficiency habits around day to day activities.

CRYOFRIDGE

This is a closed loop system to be tested at one of our distribution centres. Using liquid nitrogen as a coolant, air inside the trailer is distributed over pipes filled with liquid nitrogen in order to maintain cold chain temperatures.

NATURE FRIDGE

The nitrogen fuelled refrigeration units were trialled on some of our trucks. These use a 'fail safe' system where nitrogen gas is released into the trailer when the trailer doors are closed. The refrigerant gas is sprayed over the product in order to maintain the temperature of the product, thereby reducing the amount of energy needed to keep the truck within the desired cold chain temperatures. When the trailer doors are opened, the gas automatically turns off.

CASE STUDY: SUSTAINABLE TRANSPORT – TOYOTA FORK LIFT

Warehouse equipment can use a lot of resources, which ultimately contributes to our operational carbon footprint. In an effort to reduce this at warehouse operations as part of our renewal programme, we partnered with the Toyota Forklift business. The partnership has seen the introduction of standardised materials handling equipment from a national handler and management systems to increase our efficiency at the warehouses. IPX4-rated four wheel electric forklifts, the world's first electric forklifts with the ability to operate in the rain, were supplied to supplement the existing fleet at Woolworths.

The new fleet has improved efficiency at the warehouses – trucks are able to retrieve and put away pallets quicker

and move three bins instead of one, thereby reducing the amount of energy required to move products. In addition, this equipment, a first in the country, is fitted with AC power and Trak air batteries and chargers, with a wireless monitoring tool for the batteries. This Toyota I Site is a fleet management solution that has ensured a paperless, cost-effective and reliable operations system at the warehouses. This increases safety levels, enables longer operating times and increases lifespans of all the equipment. In addition, customer support from Toyota Forklift has improved the productivity and efficiency of our truck operators by providing a centralised management system for the entire fleet.



* Part of EY's audited key performance indicators. The basis for measurement on this can be found on www.woolworthsholdings.co.za

CASE STUDY: LED LIGHTING TRIAL AIMED AT PLANT GROWTH – WATERSTONE TRIAL

At Woolworths, flagship green store in Somerset West we have been experimenting with energy efficient lighting that keeps our potted plants and flowers happy. We trialled LED light bulbs from Phillips (17W) and Valoya (7W), with specific wavelengths aimed at plant growth versus our current approximately 35W standard store light. The aim was to try and see how we could keep the plants healthier during store shelf life. We found that the correct light wavelength reduces stress on the plant, therefore reduces the chance of bacterial/fungal infections and fewer customer complaints about quality. The herbs that were treated with LED lights were found to perform better across all parameters that were evaluated. A trial on a bigger scale at stores will give us a clearer indication of the benefits of this type of lighting not only on plant quality, but also increased shelf life as well as energy savings.

DOUBLE-STACKING ON VEHICLES

In order to maximise the volume of products our trailers can take, save trips and save fuel, we are employing double-stacking. This allows a truck to carry 72 pallets and not the standard 32.

SOLAR POWERED TRAILERS

Solar panels on the roof of trailers are being trialled to power internal load body LED lights and supply power to the tail lift via independent batteries. This intervention will reduce fuel consumption, emissions, noise levels and also extend the lifecycle of component parts on the trailer.

TK TRACKING

This is now a standard fixture on all new trailer fridge units that is web-enabled to track the temperature of the refrigeration unit in the trailer. The temperature can be adjusted remotely, reducing the overall potential of products rejected because of fridge failure.

CLEANER FUEL

We have tested the usage of low sulphur diesel to reduce our carbon emissions. Bulk low sulphur fuel tanks will be available in all our main distribution centres.

ENERGY USAGE

One of our most successful energy saving installations is the Metering online monitoring system. This has allowed us to

effectively track our energy consumption on a real-time basis. We have also been able to challenge inaccurate billing from municipalities.

Our electricity consumption for 2014 (January – December), as verified as part of our carbon footprint verification, was 337 013 947 kWh (2013 January – December: 312 521 365 kWh). This only includes South Africa and international (African) stores, head office buildings and distribution centres.

This increase from last year is as a result of more coverage of reporting across our operations. We continue to successfully roll out the metering online system to cover all facilities under our operational control.

Our relative energy usage was 375 kWh/m² for this year based on gross lettable area. As such we have restated last years figures to be 398 kWh/m², due to a change in methodology.

GREEN BUILDING INNOVATION

Whenever we design a new store, our team looks at how to include energy-saving elements. We have created our own green building rating model which we use to classify our stores, allowing us to easily identify stores that need improvement.

The Country Road Group continues to drive energy efficiency and sustainable store design by:

- Installing LED light fittings in all new and refurbished stores
- Using timers on shopfront lights and sensors in back areas
- Using only cold water in most stores and timers on hot water systems in large stores
- Encouraging employees to take public transport to work
- Using low VOC paints in all new stores and refits
- Using timbers and veneer from sustainable sources.

In the past year, the Country Road Group has conducted an energy efficiency assessment to get a better understanding of where the Group should be prioritising their efforts to reduce energy consumption. The Country Road Group has since committed to reducing energy consumption at head office by 20% and relative energy consumption in stores by 30% by 2020.

CLEAN ENERGY

During the course of FY2015 our solar photovoltaic (PV) panels installed at our head office complex provided 254 369 kWh of electricity.

CASE STUDY: COUNTRY ROAD GROUP OMNI FULFILMENT CENTRE

The growth forecasted for WHL in Australasia, particularly in online sales, and regionalisation initiatives to support efficiency, required dedicated planning for an Omni Fulfilment Centre (OFC) to consolidate supply chain functions for Country Road Group and David Jones.

The fulfilment centre in Melbourne's western suburbs – well-served with seaport and airport facilities in close proximity – was already identified by Country Road Group in 2013. Plans to create the central specialised facility, with reduced fulfilment costs and improved service consistency, were accelerated and expanded to include David Jones Private Label product from 2016, following the Country Road Group transition to the centre in June 2015.

The storage and handling technologies at the OFC include a range of racking options, scanning and live storage systems.

The OFC is the first facility in Victoria to receive a '5 Star Green Star-Industrial As Built v1' rating from the Green Building Council of Australia. The facility incorporates built and operational design elements that minimise environmental impact and deliver benefits to both OFC employees and the community. It features energy efficient sensor lighting, natural lighting, 1200 solar photovoltaic (PV) panels (providing around 403 600 kWh of electricity annually and reducing carbon emissions by 541 tons of CO₂e each year) and water tanks. The facility has committed to recycling the majority of supplier cartons for outbound purposes.



A solar installation at one of our distribution centres has also been approved and implementation will commence late in 2015.

CARBON FOOTPRINT

WHL's greenhouse gas (GHG) emissions were calculated for the period 1 January 2014 to 31 December 2014 with a focus on the company's South African and International operations and independently verified by Global Carbon Exchange (GCX) in accordance with the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard published in 2004. Their verification statement is included on the Good Business Journey Report website.

We report on all emissions for 364 stores including all South African 'corporate' stores, four local Country Road and Trenergy stores and 63 international stores (three in Mauritius that had been previously included and 60 in continental Africa that were included for the first time), ten distribution centres and stockrooms and our head office buildings (excluding Woolworths Financial Services) using the Operational Control approach.

The boundary excludes franchise and proprietary stores not yet re-incorporated into corporate stores.

In this reporting year, we are also able to provide limited information on David Jones (one head office, one warehouse and 40 stores) and Country Road Group (one head office, two distribution centres, 341 stand-alone stores and 149 concession stores).

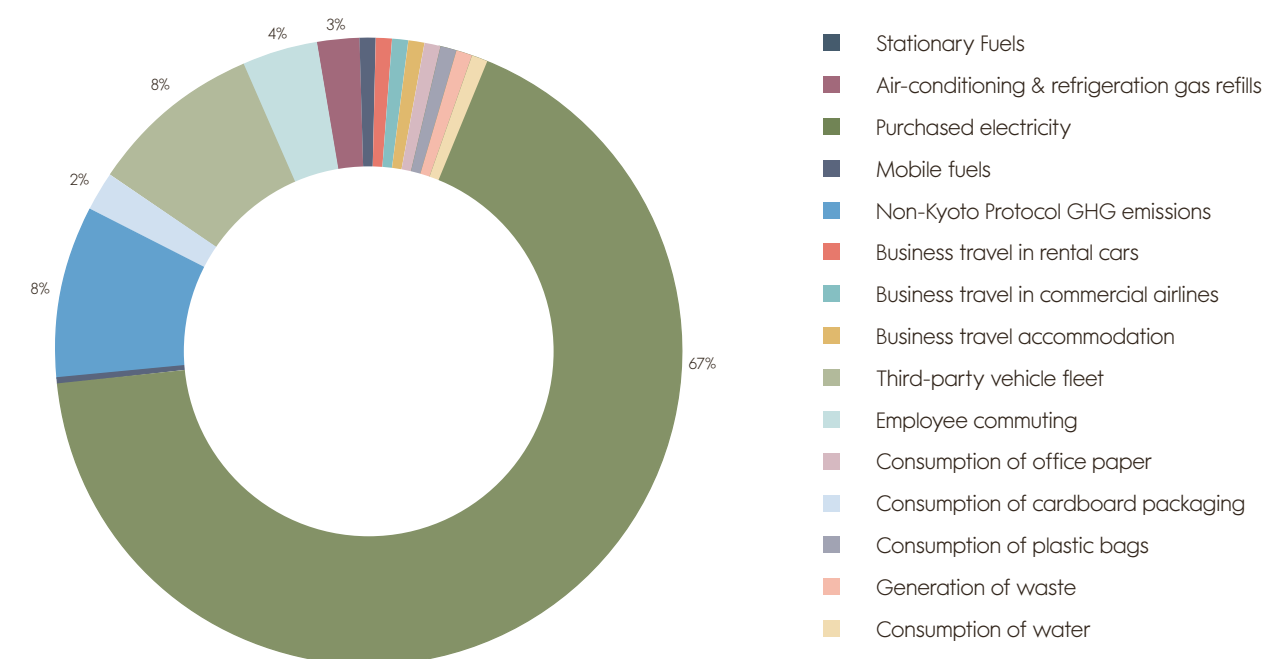
Our WHL carbon emissions have increased this year as a result of:

- The inclusion of more facilities, the organisational boundary in 2014 increased to include 21 additional stores in South Africa and 60 stores in Africa. Data was available for ten distribution centres, compared to only eight in the previous year.
- During 2014 we increased our shareholding in Country Road Group, Australia from 87.88% to 100%.
- In August 2014, we also acquired another Australian retail chain, David Jones.

COMPARATIVE INFORMATION		REPORTING YEAR		
Scope	Source	2014 Woolworths total (CO ₂ eq tons)	2013 Woolworths total (CO ₂ eq tons)	2012 Woolworths total (CO ₂ eq tons)
Scope 1	Mobile fuels	1 296.09	1 316.38	509
	Stationary fuels	1 063.40	621.31	358
	Air-conditioning and refrigerant gases	16 628.38	10 766.09	3 377
Sub Total – Scope 1		18 987.87	12 703.77	4 244
Scope 2	Purchased electricity – South Africa	341 580.52	311 968.71	299 958
Sub Total – Scope 2		360 568.52	325 001.87	304 202
Scope 3	Employee commute	18 984.41	15 752.08	15 032
	Business travel – flights	7 405.64	8 602.25	4 643
	Business travel – car rental	113.88	111.04	83
	Accommodation	410.91	329.78	DNR
	Distribution (third party)	38 542.44	39 288.62	36 695
	Water	532.86	472.93	554
	Waste (materials life cycle)	897.69	995.38	917
	Packaging: cardboard	8 619.90	8 619.90	DNR
	Office paper	100.56	88.78	DNR
	Plastic bags	2 896.88	2 896.88	DNR
	Fuel and energy related activities	31 052.92		
Subtotal scope 3		109 558.07	77 157.63	57 924
Total Scope 1, 2 and 3 (GHG Protocol)		470 126.58	402 159.50	362 126
Fugitive emissions (non-Kyoto)		40 285.20	42 090.30	36 442
Total Woolworths		510 411.93	444 249.80	398 568
Country Road		13 391.57	14 175.32	17 610
David Jones		97 329.21	-	-
WHL		621 132.72	-	-

INTENSITY FIGURES	TOTAL GHG WOOLWORTHS 2015
Emissions per full time equivalent employee (tCO ₂ e/FTE)	17.99
Emissions per square metre store/trading GLA (tCO ₂ e/m ²)	0.57
Emissions per square metre GLA including non-trading area (tCO ₂ e/m ²)	0.46
Emissions per square metre of trading area (tCO ₂ e/m ²)	0.80
Emissions per million turnover (tCO ₂ e/turnover)	16.14 ¹
Emissions per million EBITDA (tCO ₂ e/EBITDA)	124.37 ¹

¹ In South African Rand



INDEPENDENT ASSURANCE REPORT TO THE DIRECTORS OF WOOLWORTHS HOLDINGS LIMITED FOR THE YEAR ENDED 28 JUNE 2015

SCOPE OF OUR ENGAGEMENT

We have completed our independent limited assurance engagement to enable us to express our limited assurance conclusions on whether anything has come to our attention that causes us to believe that the Good Business Journey Report ("the Report") for the year ended 28 June 2015, has not been prepared, in all material respects, in accordance with the Global Reporting Initiative (GRI) G4 Guideline's principles of materiality, completeness and sustainability context, and whether the following key performance indicators ("specified KPIs") contained in the Report have not been prepared, in all material respects, in accordance with the basis of preparation as described on the website for each of the specified KPIs ("management's sustainability criteria"):

- Water usage (in kilolitres) at the head office buildings, for the twelve months ended 28 June 2015 as disclosed on page 89;
- Water usage (in kilolitres) at the Maxmead, Montague Gardens, Racecourse Gardens and Midrand distribution centres for the twelve months ended 28 June 2015 as disclosed on page 89;
- Water usage (in kilolitres) for stores for the twelve months ended 28 June 2015 as disclosed on page 89;
- Number of packaging improvements as disclosed on pages 7, 80 and 81; and
- Green stores rating as at 28 June 2015 as disclosed on pages 7, 94 and 96.

The specified KPIs noted above have been highlighted for identification purposes in the sustainability report by an asterisk "*".

Our responsibility in performing our independent limited assurance engagement is to Woolworths Holdings Limited only and in accordance with the terms of reference for this engagement (including the release letter dated 30 September 2015) as agreed with them. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Woolworths Holdings Limited for our work, for this report, or for the conclusions we have reached.

Woolworths Holdings Limited has elected to prepare the Report in accordance with the principles of the G4 Guidelines which was published by the Global Reporting Initiative, of which a full copy can be obtained from the Global Reporting Initiative's website.

DIRECTORS' RESPONSIBILITY

The directors are responsible for implementing a stakeholder engagement process to identify all relevant stakeholders, to identify key issues, to respond appropriately to key issues identified, to determine those key performance indicators which may be relevant and material to the identified stakeholders, and to design and apply appropriate sustainability reporting policies. The directors are also responsible for the preparation and presentation of the Report, the information and assessments contained in the Report and for such internal control as the directors determine is necessary to ensure that the information and data reported meet the requirements of the relevant criteria, and contains all relevant disclosures that could materially affect any of the conclusions drawn.

ASSURANCE PROVIDER'S RESPONSIBILITY

Our responsibility is to express our limited assurance conclusions on the Report and the specified KPIs based on our independent limited assurance engagement. Our independent limited assurance engagement was performed in accordance with the International Federation of Accountants' (IFACs) International Standard on Assurance Engagements (ISAE) 3000 *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*. This standard requires us to comply with ethical requirements and to plan and perform our engagement to obtain limited assurance regarding the Report and the specified KPIs contained in the Report, as expressed in this report.

BASIS OF WORK AND LIMITATIONS

The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the subject matter and the purpose of our engagement. In making these assessments, we have considered internal control relevant to the entity's preparation and presentation of the Report and the information contained therein, in order to design procedures appropriate for gathering sufficient appropriate assurance evidence to determine that the information in the Report is not materially misstated or misleading as set out in the summary of work performed below. Our assessment of relevant internal control is not for the purpose of expressing a conclusion on the effectiveness of the entity's internal controls.

We planned and performed our work to obtain all the information and explanations that we considered necessary to provide a basis for our limited assurance conclusions pertaining to the Report and the specified KPIs, expressed below.

Where a limited assurance conclusion is expressed, our evidence gathering procedures are more limited than for a reasonable assurance engagement, and therefore less assurance is obtained than in a reasonable assurance engagement.

SUMMARY OF WORK PERFORMED

Set out below is a summary of the procedures performed pertaining to the Report and the specified KPIs which were included in the scope of our limited assurance engagement

- We obtained an understanding of:
 - The entity and its environment;
 - Entity-level controls;
 - The stakeholder engagement process;
 - The selection and application of sustainability reporting policies;
 - How management has applied the principle of materiality in preparing the Report and the specified KPIs;
 - The significant reporting processes including how information is initiated, recorded, processed, reported and incorrect information is corrected, as well as the policies and procedures within the reporting processes.
- We made such enquiries of management, employees and those responsible for the preparation of the Report and the specified KPIs, as we considered necessary.
- We inspected relevant supporting documentation and obtained such external confirmations and management representations as we considered necessary for the purposes of our engagement.
- We performed analytical procedures and limited tests of detail responsive to our risk assessment and the level of assurance required, including comparison of judgementally selected information to the underlying source documentation from which the information has been derived.

We believe that the evidence obtained as part of our limited assurance engagement is sufficient and appropriate to provide a basis for our findings and our limited assurance conclusions expressed below.

CONCLUSIONS

Based on the work performed and subject to the limitations described above, nothing has come to our attention that causes us to believe that:

- The Report has not been prepared, in all material respects, in accordance with the GRI G4 Guideline's principles of materiality, completeness and sustainability context; and
- The specified KPIs have not been prepared, in all material respects, in accordance with management's sustainability criteria as described on the website for the year ended 28 June 2015.

OTHER MATTERS

The maintenance and integrity of the Woolworths Holdings Limited's Website is the responsibility of Woolworths Holdings Limited management. Our procedures did not involve consideration of these matters and, accordingly we accept no responsibility for any changes to either the information in the Report or our assurance report that may have occurred since the initial date of presentation on the Woolworths Holdings Limited's Website.

Ernst & Young Inc.

Ernst & Young Inc.
Director – Jeremy Grist
Registered Auditor
Chartered Accountant (SA)
Ernst & Young House
35 Lower Long Street
Cape Town
30 September 2015

TO FIND OUT MORE ABOUT WHAT WE'RE DOING, VISIT
WWW.WOOLWORTHS.CO.ZA/GOODBUSINESSJOURNEY
WWW.WOOLWORTHSHOLDINGS.CO.ZA
WWW.DAVIDJONES.COM.AU
WWW.COUNTRYROAD.COM.AU
WWW.MYSCHOOL.CO.ZA
FOLLOW US ON TWITTER @WOOLWORTHSGBJ

We appreciate any feedback on our sustainability focus areas or reporting.
Please contact the sustainability team at GoodBusinessJourney@woolworths.co.za

www.woolworthsholdings.co.za