



WOOLWORTHS HOLDINGS LIMITED
2018 Good Business Journey Abridged Report

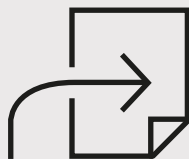
NAVIGATING OUR REPORT

*IN COMMITMENT TO OUR GOOD BUSINESS JOURNEY,
THIS REPORT IS ONLY AVAILABLE IN DIGITAL FORMAT.*

*This is an interactive report. Navigation tools at the top right
of each page and within the report are indicated as shown below.*



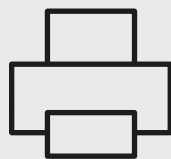
Home
Back to contents page



Go to page
within document



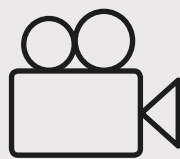
Access additional
information on the web



Print



Interactive indicator
*More detailed content
can be found*



Video
Internet required

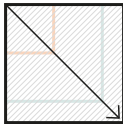

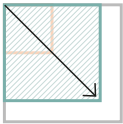



***Access to the internet is required for
Website content and Download functionality***

*Click to download or update to
the latest Adobe Acrobat Reader*

BOUNDARY OF REPORT

This is the 2018 abridged Good Business Journey Report of Woolworths Holdings Limited (WHL or the Group). The report covers the 52 weeks from 01 July 2017 to 24 June 2018 (FY2018) and provides an overview of WHL’s performance against its sustainability targets set for all operating companies listed under the WHL Group.

THE WHL GROUP

<div>WOOLWORTHS SA</div> <div>EST. 1931</div>	<div>PROFILE</div> <div>Leading South African retailer offering a range of primarily private label products</div> <div></div> <div>TRADING SPACE: Woolworths 728 000 m²</div>	<div>OFFERING</div> <div>A selected range of quality fashion, beauty, homeware, and food products. Financial services are provided through Woolworths Financial Services (WFS)</div>	<div><div></div><div>58.7%</div><div>Group turnover*</div><div></div><div>32 473</div><div>Employees</div></div>
<div>DAVID JONES</div> <div>EST. 1838</div>	<div>PROFILE</div> <div>One of Australia’s leading premium department stores</div> <div></div> <div>TRADING SPACE: David Jones 474 000 m²</div>	<div>OFFERING</div> <div>Premium retailer offering leading international and local brands with a private label clothing, homeware, beauty and food offering</div>	<div><div></div><div>27.1%</div><div>Group turnover*</div><div></div><div>7 634</div><div>Employees</div></div>
<div>COUNTRY ROAD GROUP</div> <div>EST. 1974</div>	<div>PROFILE</div> <div>Leading Australian speciality retailer</div> <div></div> <div>TRADING SPACE: Country Road Group 125 000 m²</div>	<div>OFFERING</div> <div>Stylish, high-quality apparel, accessories, footwear, and homeware</div>	<div><div></div><div>14.2%</div><div>Group turnover*</div><div></div><div>5 992</div><div>Employees</div></div>

ABOUT OUR GOOD BUSINESS JOURNEY

The Good Business Journey is our plan to make a difference for our people, in our communities, and for the environment.

The programme consists of eight focus areas – the main drivers of value creation – and how we address sustainability in the Group.
Click on the icons to read more

People & Transformation

Social Development

Health & Wellness

Ethical Sourcing

Sustainable Farming

Waste

Water

Energy & Climate Change

JOURNEY TO 2020

In 2016, we launched five strategic commitments that aim to drive towards an even more ambitious sustainability vision across the Group. These commitments enable a heightened focus on measurement and allow better integration into our balanced scorecard system. In addition, we are increasingly moving towards using available science to drive our target setting and are a member of the We Mean Business Coalition of businesses committed to driving this best practice throughout the business sector.

OUR VISION IS TO BE ONE OF THE MOST RESPONSIBLE RETAILERS IN THE WORLD

Contribute
R3.5BN
to our communities by 2020

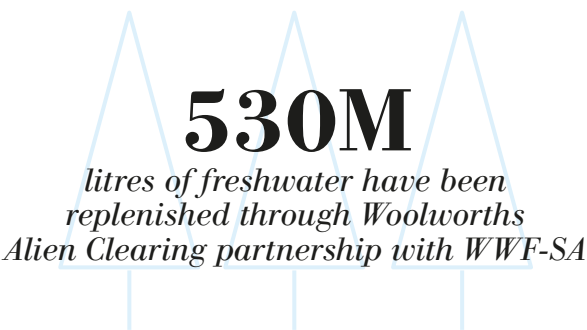
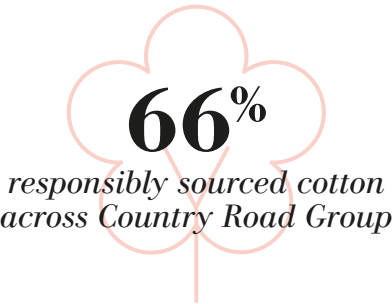
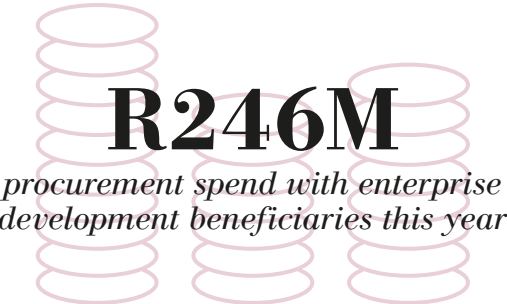
Save
500BN
litres of water by 2020

Have at least
ONE
sustainability attribute for all directly sourced products by 2020

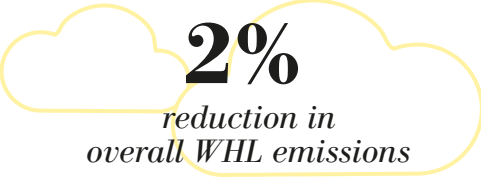
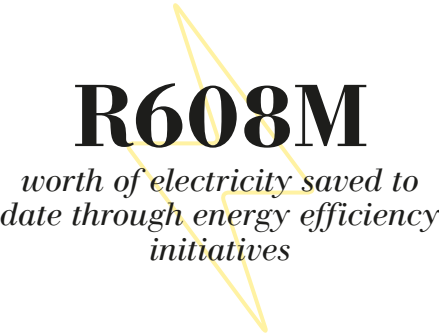
Halve our energy impact by
2020
and source all our energy from renewables by 2030

RESPONSIBLE SOURCING
of all key commodities by 2020

2018 HIGHLIGHTS



DAVID JONES' GOOD
BUSINESS JOURNEY
FOOD ACTION PLAN
LAUNCHED IN 2017





PEOPLE AND TRANSFORMATION

Encompassed in our purpose is our dedication to exceptional quality in every product we sell and every experience we deliver, to our customers and to our people.

**OUR VALUES INFORM AND UNDERPIN THE
WAY WE DO BUSINESS ACROSS THE GROUP**

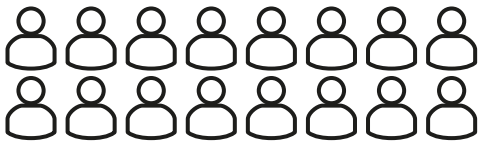
WHL PEOPLE APPROACH

Our Group and regional people strategies are anchored in our group values. Our values inform and underpin the way we do business across the Group. From values-based leadership to passionate brand advocacy, we seek to embed our values across all dimensions of our business. To this end, it remains critical that we embed and drive an employee value proposition that will continue to attract, engage, and retain the best, diverse talent required to deliver our Group strategy.

CELEBRATING OUR DIVERSITY

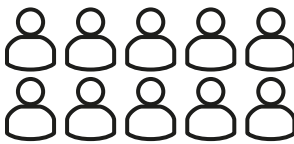
WHL is committed to respecting human rights, which includes ensuring that all employees and others connected with our business are treated with dignity and respect. We celebrate diversity and inclusion and are committed to nonsexism and non-racism across our policies, practices, and daily operations. We remain committed to employment equity wherever we trade.

Group Employee Headcount



46 099

WHL



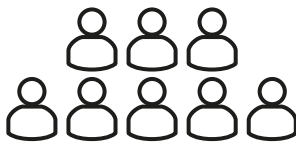
32 473

Woolworths
(63% women)



5 992

Country Road Group
(88% women)



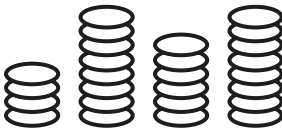
7 634

David Jones
(77% women)

NURTURING TALENT

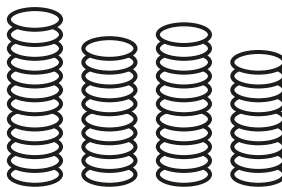
We believe it is essential to nurture talent and offer development opportunities for the next generation of leaders and specialists. Across our Group, we offer learning opportunities ranging from bursaries for students, to co-op student placements, to workplace experience programmes.

Training spend



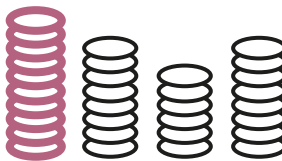
R110M

Woolworths



R2M

David Jones



R1.7M

Country Road Group
(HR spend only)

DEPENDANT BURSARIES

Eight beneficiaries of the Woolworths Dependant Bursary Fund graduated at the end of December 2017, with some offered employment at Woolworths. The Bursary Fund was established with undistributed funds from the Woolworths Black Economic Empowerment Employee Ownership Scheme (BEESOS) Trust, which was launched in 2007 and paid out in June 2015.

TRANSFORMING OUR BUSINESS

Woolworths' first priority is to accelerate transformation, with the focus on enhancing local sourcing and driving our policy of 'South Africa first'. Our Supplier and Enterprise Development programme enables emerging black- and women-owned businesses to enter our supply chain and grow their businesses.



OUR FLORA PHENOMENOM

De Fynne is a supplier of fynbos flora, unique and indigenous to the Western Cape of South Africa. Working as part of Woolworths Supplier and Enterprise Development programme, De Fynne has been recognised and awarded both nationally and internationally as an entrepreneur in the commercial and agribusiness sector.



WOOLWORTHS CLOTHING BANK

Woolworths donates surplus clothing as well as employees' and customers' pre-loved clothing to our partner organisation, the Clothing Bank. The organisation empowers unemployed women from disadvantaged areas in South Africa through a programme of life skills, financial and career development, to start sustainable micro-clothing businesses.

WE CURRENTLY HAVE 49 SUPPLIERS WORKING AS PART OF THIS PROGRAMME AND HAD A PROCUREMENT SPEND OF R246M THIS YEAR TO EMERGING SUPPLIERS AND OTHER SMALL-BUSINESS START-UPS.

A photograph of two young girls in school uniforms, smiling and holding up black shoes. They are standing in a dry, grassy field under a clear sky. The shoes have 'WOOLWORTHS' written on the soles. The text 'SOCIAL DEVELOPMENT' is overlaid in large white letters, with a horizontal line below it.

SOCIAL DEVELOPMENT

We have established a systematic and embedded approach to our social development initiatives that ensures that we involve all stakeholders within our value chain in aiding our communities.

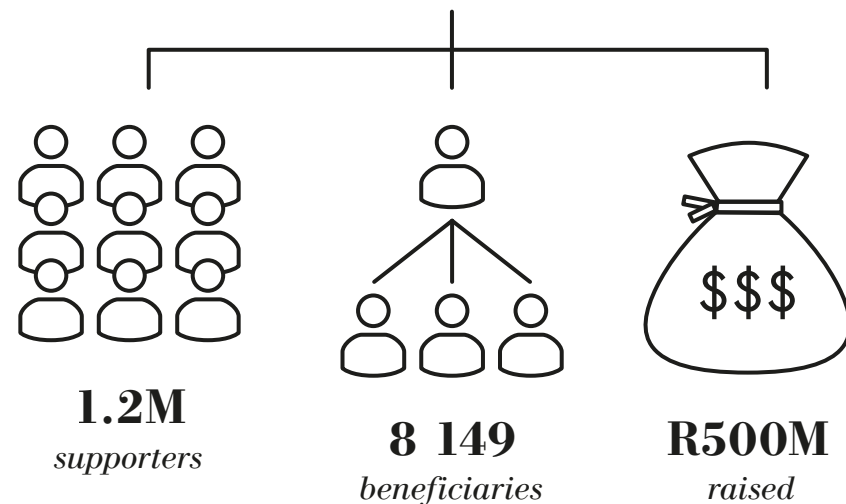
IN 2017, OUR CONTRIBUTIONS TO THE CAUSES CLOSEST TO OUR HEARTS TOTALLED R817 MILLION ACROSS THE GROUP

MEANINGFUL DIFFERENCE TO EDUCATION

Food insecurity continues to be a reality for millions of South Africans as more than 14 million people go hungry daily. Through various initiatives, we believe that we can make a difference to addressing food insecurity in South Africa and beyond.

MYSCHOOL MYVILLAGE MYPLANET

Started in 1997, the Myschool Myvillage Myplanet fundraising programme celebrated 20 years of giving last year.



2 662

*schools benefitting from the
Woolworths Educational Programmes*



A\$100K

*raised for the Australian Literacy
and Numeracy Foundation*

***THE WOOLWORTHS TRUST
HAS DONATED R10 MILLION
TO SUPPORT THE NATIONAL
EDUCATION COLLABORATION TRUST***



THE AUSTRALIAN LITERACY & NUMERACY FOUNDATION

For the third year running, David Jones supported their charity partner, The Australian Literacy and Numeracy Foundation (ALNF).

The 2018 Literacy is Freedom campaign ran from 21 May to 10 June, in support of National Reconciliation Week. ALNF delivers community-led, sustainable and impactful programmes that train parents, carers and educators to teach literacy skills to children in Indigenous, refugee and marginalised communities.

During National Reconciliation Week, David Jones CEO, David Thomas, hosted an inspiring event at head office where employees were joined by Adam Goodes, Kim Kelly (ALNF CEO) and Jeremy Donovan (ALNF Ambassador) who shared their own stories and experiences of the power of literacy in shaping and changing lives. All employees wore Literacy is Freedom t-shirts on the day and the event was followed by a sock puppet-making workshop.

TACKLING FOOD SECURITY

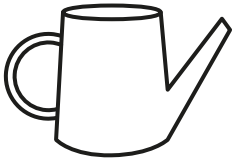
HELPING KIDS GROW

Through our 14-year relationship with EduPlant, a relationship co-ordinated by Food and Trees for Africa, we have been helping communities to grow their own food gardens using efficient techniques such as permaculture gardening. We have we donated more than R32 million worth of assistance to EduPlant in total for 14 years.

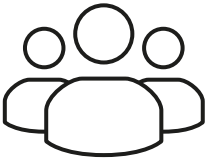


PARTNERSHIP WITH FOODFORWARD

To complement our food security projects, Woolworths has partnered, for three years, with Food Forward to address food security. This is a partnership that will enable FoodForward to provide an additional 1.2 million meals annually to the needy through redistribution of the edible surplus food collected from producers, manufacturers, wholesalers, and retailers such as Woolworths. FoodForward is an organisation that was formed in 2009. Its main aim is to recover perfectly edible food that would otherwise go to landfill, and redirect it to the needy.



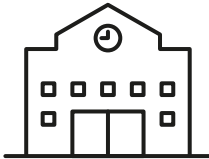
R32M
donated to EduPlant



R570M
*worth of surplus food donated
to needy communities*



1.2M
*meals annually
through FoodForward*



450
*schools benefitting through
EduPlant/Woolworths partnership*

COMMUNITY RESILIENCE

Through continuous collaboration with key partners, David Jones and Country Road support a number of community initiatives that aim to improve social outcomes in the areas of physical and mental health and empowerment of children from disadvantaged backgrounds. This is done in various ways including direct cash contributions, in-kind donations, customer donations, employee fundraising, payroll giving, and volunteering and mentoring programmes.

SUPPORTING CANCER RESEARCH

Each year, Witchery's White Shirt Campaign raises funds for the Ovarian Cancer Research Foundation through the sale of a special edition white shirt range. In April 2018, Witchery celebrated the 10th anniversary of the White Shirt Campaign by launching a collection of 10 white shirts and partnering with 10 inspirational women to front the campaign. For every white shirt sold, Witchery donated 100% of the funds to the Ovarian Cancer Research Foundation (OCRF).



Witchery celebrated the 10th anniversary of the White Shirt Campaign, raising A\$11.7 million for Ovarian Cancer research to date.

DAVID JONES OPENED ITS SIXTH IN-STORE ROSE CLINIC. ROSE CLINICS PROVIDE FREE IN-STORE BREAST SCREENING SERVICE FOR WOMEN OVER 40 YEARS OF AGE AND SCREEN ABOUT 35 000 WOMEN EACH YEAR

A\$10M
to Australian communities

MIMCO OUR WATCH PARTNERSHIP

MIMCO, through its three-year partnership with Our Watch, has raised a total of \$693 000 through proceeds from the sale of Mimco X Our Watch products, adding A\$152 000 during in this financial year. The profits of this collaboration continue to fund education tools and resources for parents of young children to drive nationwide change in the cultures and behaviours that can lead to violence against women.



HEALTH & WELLNESS

Our employees are central to our health and wellness strategy. We also make it our business to help customers lead better lifestyles by providing a variety of healthier food options to support a multitude of dietary needs.

INSPIRING AND PROMOTING HEALTHY LIFESTYLES



OUR GOOD FOOD JOURNEY

Woolworths aims to inspire a healthy lifestyle by making healthy eating satisfying, delicious, and convenient, and also by innovating and improving nutritional quality through reformulating our products. The Good Food Journey is our initiative dedicated to offering food that's better for our customers, better for the environment, and better for the people who produce it.

OUR HEALTH MANIFESTO



A colourful variety of **sustainably farmed** fruit and vegetables



Free range meat never treated with routine antibiotics or hormones



More **responsibly sourced** fish and seafood

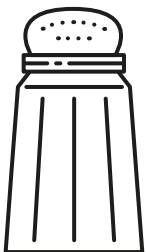


A wide range of **healthier fats**
Food made **with less saturated fat**
Food made with **less sugar and salt**
More **wholegrains, legumes and pulses**

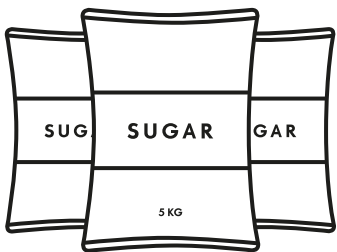


Food that's **kept chilled** and handled with care from farm to shelf
Food made with **no MSG, tartrazine and azo-dyes**

LIVING WELL STARTS WITH EATING WELL



11.0
tons of salt removed from
our products this year



43.3
tons of sugar removed from
our products this year

“LIVING WELL STARTS WITH EATING WELL”

HOLISTIC WELLNESS

Promoting health and wellness in the workplace is seen by all operating companies within the WHL Group as vital in fostering optimal employee performance and wellbeing.

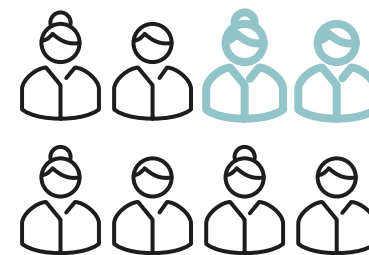
EMPLOYEE ASSISTANCE PROGRAMME

All companies have professional and confidential counselling services rendered via in-house EAPs (Employee Assistant Programme), designed to assist with personal concerns such as primary healthcare services and advice that may or may not impact on productivity or work performance. Employee concerns include, but are not limited to, health (including mental health), relationships and family, financial and legal, alcohol and substance misuse, grief and bereavement, trauma, and critical incidents.



MENTAL HEALTH

We offer psycho-social support services such as free and confidential counselling to employees and their immediate family members, to help improve mental health and personal resilience.



29

Health and Wellness Practitioners across WHL

COMMUNITY AWARENESS

We also support and engage in a range of community awareness initiatives, health weeks, and other wellness campaigns to raise awareness on a much broader scale within our corporate environment, supply chain, and the communities we impact.



David Jones opened

6

Rose Clinics for free breast cancer screening to 35 000 women

AN INTEGRATED WORLD OF BEING

3

free counseling sessions per employee annually at Woolworths

David Jones continues to provide cash and in-kind support to its BreastScreen partners, totalling A\$1.1 million in 2018



ETHICAL SOURCING

Our primary responsibility is towards our private label suppliers and supply chains. We aim to create long-term, value-sharing relationships with our direct suppliers to ensure that the products we source are in accordance with our exacting requirements, and that the fundamental human rights of those we buy and sell from are protected and respected.

***IT IS OUR INTENTION THAT, BY 2020, ALL OF OUR KEY
RAW COMMODITIES WILL BE RESPONSIBLY SOURCED***

HOW WE ENSURE AN ETHICAL SUPPLY CHAIN

We engage with suppliers to ensure our standards are understood and upheld and to build capacity where required. We aim to create long-term, value-sharing relationships with our direct suppliers to ensure that the products we source are in accordance with our exacting requirements, and that the fundamental human rights of those we buy and sell from are protected and respected.

RESPONSIBLE SOURCING AND TRACEABILITY

It is our intention that, by 2020, all of our key raw commodities will be responsibly sourced, meaning that they are produced in ways that benefit the people that grow and harvest them and the environment they come from.

**ALL OUR GROUP OPERATING COMPANIES
HAVE TAILORED THEIR SYSTEMS AND
PROCESSES TO DELIVER ON THIS COMMITMENT**



1. POLICIES

We expect our suppliers to share our vision and Business Codes of Conduct. Our code is underpinned by the ILO conventions and the ETI base code.



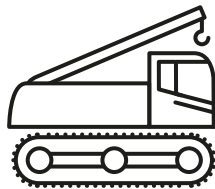
2. ETHICAL AUDITS

We're a member of SEDEX, a transparency tool for ethical auditing. We are working to convert our suppliers to SMETA or other globally recognised audit protocols using the SEDEX data platform.



3. PARTNERING

We partner with best-in-class organisations, standards, and certification schemes to tackle complex and systemic issues to further strengthen our relationships with our suppliers.



4. BUILDING CAPACITY

Training our staff in human rights, ethics, and responsibly commodity sourcing is key to driving progress.

WHL IS A SIGNATORY TO THE UN GLOBAL COMPACT

This means operating in ways that, at a minimum, meet fundamental responsibilities in the areas of human rights, labour, environment, and anti-corruption

RESPECTING HUMAN RIGHTS

The social and ethical implications of manufacturing in a global supply base are seriously considered. All our suppliers and service providers, whatever their location, are bound by our Code of Business Conduct, which is aligned with the International Labour Organisation's conventions in relation to ethical trade and the Ethical Trade Initiative base code.

FASHION REVOLUTION WEEK

David Jones launched an exclusive 23-piece capsule collection in support of the global movement that encourages consumers to ask #whomademyclothes. The capsule collection was made in Australia and accredited by Ethical Clothing Australia to ensure fair wages and safe working conditions for the garment workers. Receiving widespread media coverage and attention, the campaign message and intent to encourage customers to think about who made their clothes was considered, bold and effective.



SEDEX

A business-wide process is underway to convert our supply base from our existing social and ethical compliance audit protocol to the SEDEX Members Ethical Trade Audit (SMETA), which is one of the most widely used ethical audit formats in the world. This programme helps companies manage ethical supply chain risk and streamline the challenge of engaging with multi-tier supply chains by providing a single platform for ethical audit performance transparency, enabling greater efficiency and consistency.



1 260
WHL suppliers globally



Sourcing from across
50
countries

MIMCO'S PARTNERSHIP WITH THE ETHICAL FASHION INITIATIVE

Country Road Group is committed to promoting ethical sourcing beyond compliance and supports organisations that empower marginalised artisans through fair work opportunities. In the last year, MIMCO launched three collections in partnership with the Ethical Fashion Initiative (EFI) – the Indi-Go-Go Collection, the Unite basket, and the Biome Collection.



***1 535 DAVID JONES EMPLOYEES RECEIVED ETHICAL
SOURCING AND HUMAN RIGHTS TRAINING IN THE YEAR***

SOURCING THE RIGHT COMMODITIES

Woolworths is dedicated to selling products that cause minimum harm to the natural environment and help maintain biodiversity, and have developed ethical sourcing strategies for all of our key commodities. One of the ways we drive ethical sourcing as well as demand for ethical products is through replacement of product commodity ingredients with responsibly sourced and traceable alternatives, as well as through considered communication to customers around the benefits of ethical purchases.

A BEAUTY 'FIRST' FOR PALM OIL IN SOUTH AFRICA

Palm oil is used widely in everyday cleaning, cooking, and beauty products. The growing demand for this oil has led to numerous negative environmental and social consequences.

In a significant milestone for Woolworths, we are proud to announce that our range of **WBeauty** soaps are the first locally made beauty products containing RSPO-certified sustainable palm oil. RSPO maintains the global standards for companies throughout the palm oil supply chain so that the legal, economic, social, and environmental impacts of palm oil manufacture are responsibly addressed. Woolworths is one of just seven retailers worldwide approved to use the RSPO logo.



100%

of all cocoa sourced for David Jones private label confectionery is responsibly sourced



50%

*RSPO palm oil in our products.
Received an A for palm oil in CDP forests*



40%

Leather Working Group certified leather in Country Road Group



66%

responsibly sourced cotton across Country Road Group



OUR FIRST YEAR IN DAVID JONES FOOD

David Jones premium private label food brand launched in late 2017, with strong alignment to Woolworths Food values.

To drive alignment, David Jones Food Action Plan was launched in 2017. Nine key focus areas have integrated the Good Business Journey within the growing food business, including the development of 2020 sourcing targets.

- 90% of private label suppliers have completed the SEDEX requirements.
- sourcing of all fresh hen eggs as free range or RSPCA approved
- 100% sustainably sourced cocoa in all David Jones private label confectionery.



SUSTAINABLE FARMING

We promote sustainable food systems through our Fishing for the Future and Farming for the Future programmes. We also drive this commitment through the use of responsibly produced fibres in the clothing that we sell, and promote local production.

***WE ARE DEDICATED TO SELLING PRODUCTS THAT
CAUSE MINIMUM IMPACT TO THE NATURAL ENVIRONMENT***

FARMING WITH TOMORROW IN MIND

Woolworths is committed to selling products that cause minimum impact to the natural environment. We promote sustainable food systems through our Fishing for the Future and Farming for the Future programmes. We also drive this commitment through the use of responsibly produced fibres in the clothing that we sell, and promote local production.



FARMING FOR THE FUTURE

Farming for the Future was conceived in 2009 as a continual improvement system that aims to help farmers supplying Woolworths produce to continuously improve the sustainability of farming methods, at no extra cost to the customer. While many of our primary suppliers are already extremely well advanced in the programme, we have now shifted a greater focus and resource towards upskilling our secondary supplier base.



331

suppliers on Farming for the Future



FISHING FOR THE FUTURE

Woolworths remains deeply committed to procuring all seafood from sustainable fisheries and responsible aquaculture operations. In 2012, Woolworths was among the first retailers in South Africa to set time-bound seafood commitments that all wild-caught seafood sold in store would be either WWF-SASSI green-listed, caught from Marine Stewardship Council (MSC) certified fisheries, or sourced from fisheries that are undertaking credible improvement projects by 2015.



80%

seafood meets our wild-caught and aquaculture sustainability commitments

CONTINUOUS IMPROVEMENT

We continue to work directly with our suppliers to reduce the environmental, social and animal welfare impacts of the products we sell.

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.

rBST LABELLING ON AYRSHIRE MILK

BST is a naturally occurring protein hormone produced by dairy cows to regulate their milk production. rBST is a synthetic version of BST, often given to cows to increase their milk production. Since 2002, Woolworths has not administered rBST to any of their Ayrshire dairy cows in response to customer demand, and our products reflected this in labelling since 2006. In 2017, following requisite testing, Woolworths reintroduced rBSTfree labelling onto milk packaging.



FREE RANGE

Woolworths stopped selling whole eggs from caged hens in 2004, and were the first SA retailer to do so. Today, all whole eggs and 98% of egg ingredients sold in Woolworths private label products are free range.

As part of David Jones' Good Business Journey Food Action Plan, launched in 2017, animal welfare targets were developed. Several milestones have already been achieved, including the sourcing of all fresh hen eggs as free range and all packaged and meat counter chicken, pork, and turkey as certified free range or RSPCA approved.

COUNTRY ROAD TRACEABLE AUSTRALIAN MERINO COLLECTION

In winter 2018, Country Road launched a range of traceable Merino knitwear, which included 29 000 items across its men's and women's ranges. The wool used in creating these garments can be traced back to just 25 farms located around Australia. The farms are regularly audited to ensure that they are maintaining high animal welfare standards and sustainable farming practices. The campaign that launched the collection demonstrated the provenance of the wool and included instore messaging, window displays, and an interview with one of the farmers who had supplied the premium yarn.





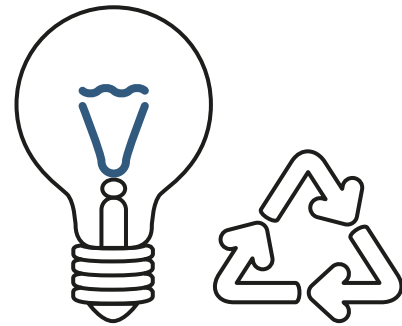
WASTE

Woolworths was this year the first South African retailer to make a commitment that all of our packaging will be reusable or recyclable by 2022. We have also committed to eliminating the use of single-use plastic bags by 2020.

WE ARE ON A JOURNEY OF ZERO PACKAGING WASTE TO LANDFILL

ALL OUR PACKAGING TO BE REUSABLE OR RECYCLABLE BY 2022*

**Private label packaging*



*Working with the SA recycling
industry to promote uptake
and innovation*

OUR PACKAGING COMMITMENTS

On 5 June 2018, World Environment Day, Woolworths announced the latest step in its Good Business Journey. In line with the Group's vision to be one of the most responsible retailers in the world, Woolworths was the first retailer in South Africa to announce its vision of zero packaging waste to landfill. The intention is that no Woolworths packaging should have to end up in landfills, which requires 100% recyclable material and a supportive recycling infrastructure.

Eliminating single-use plastics



*Removing and
replacing
plastic cutlery*



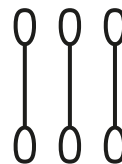
*Rolling out
coffee cup
recycling*



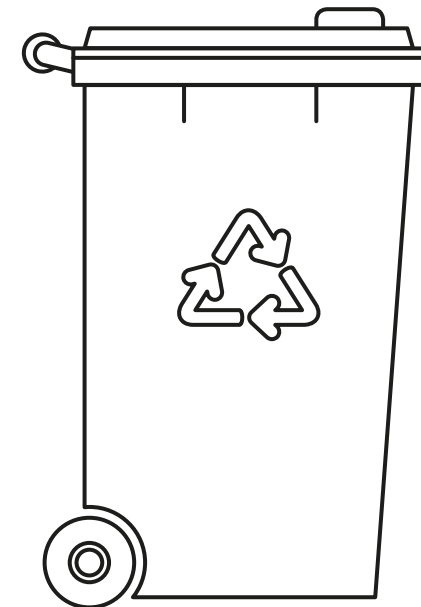
*Exchanging plastic
straws for paper
straws at till points
and in cafés*



*Removing
plastic bags
from our stores
by 2020*

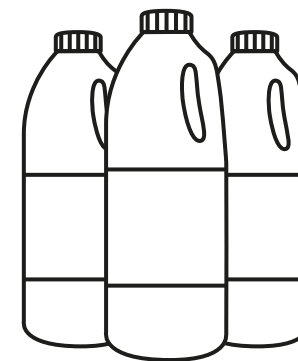


*Banning plastic
stemmed
earbuds in
our stores*



RE-LOOKING OUR ON-PACK RECYCLING LABELS AND MAKING IT EASIER FOR CUSTOMERS TO UNDERSTAND WHAT AND HOW TO BEST RECYCLE

At Woolies we pride ourselves on leading the way. We know we still have a big challenge ahead of us but must not forget some of the 'firsts' we have already achieved as a major SA retailer:



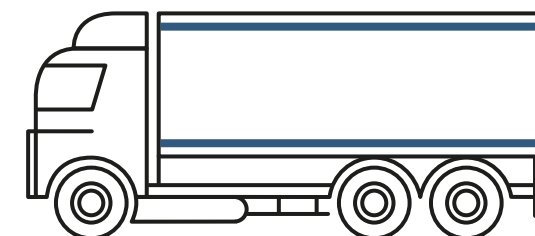
*First to develop a plant
based plastic milk bottle in
2016*



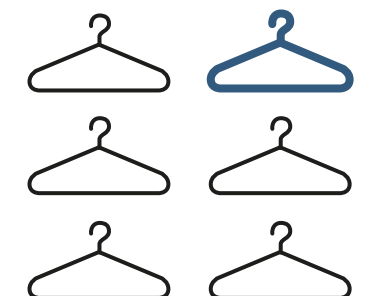
*First to introduce recycled PET
(rPET) into food packaging
- now in over 600 product lines*



*First to remove plastic
microbeads from private label
personal care products*



*First to use returnable transit packaging for DC
distribution, meaning that we eliminated the
need for single-use cartons in distribution*



*First to begin hanger
recycling; we have rescued
over 360 million hangers to date*

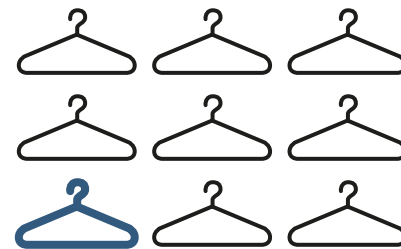
AN INTEGRATED WASTE MANAGEMENT APPROACH

WOOLWORTHS TRIALS REVERSE VENDING MACHINE

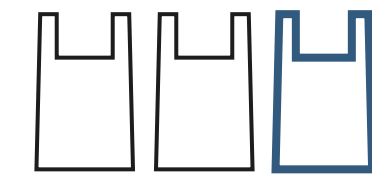
We have had a Reverse Vending Machine (RVM) on trial at our head office campus in Cape Town in order to refine the interactive experience prior to moving to the next step. This is the first of many such initiatives trialled by Woolworths to progress to being trialled in one of Woolworths 'greenest' stores – Palmyra Junction, in Cape Town. The machine accepts plastic items that can be recycled in South Africa and have a barcode, and are PET, PP, PS, HDPE; the machine also accepts steel or aluminium cans, glass bottles and tetra packs.

BAGS MADE BETTER

MIMCO's signature lining, used in most leather bags and pouches, is made using REPREEVE®, the world's leading branded recycled fibre. Unifi, the maker of REPREEVE®, has diverted over 11 billion plastic bottles from landfill and our oceans.



17M
*Woolworths hangers
rescued in the last 5 years*



1 941 978
reusable bags sold



*Clear on-pack information
pertaining to 'Sell By', 'Best
Before', and 'Use By' dates*

MATTRESS TAKEBACK

David Jones has partnered with Australia's largest mattress recycler and social enterprise, Soft Landing. This partnership enables customers to recycle their old mattresses when they purchase a new one from David Jones. This initiative is part of David Jones and Country Road Group's broader commitment towards a circular economy and the responsible management of end-of-life product waste. The mattress springs become new steel products such as roof and fence sheeting. The foam is reused as carpet underlay and the timber is broken down into mulch for landscaping.





WATER

As a southern hemisphere retailer, we operate in some of the most water-stressed regions on earth, and are acutely aware of the risks we face from short-term drought and long-term climate change. The threat of a 'Day Zero' in Cape Town has only served to remind us of this.

WOOLWORTHS WAS PROUD TO BE INCLUDED IN CDP'S WATER 'A LIST' IN 2017

AN INTEGRATED APPROACH

An overarching component of our overall Good Business Journey strategy, water influences every operational aspect of our business right from the drinking and cleaning water used in our own stores to the water used to grow the cotton in our t-shirts.

DAY ZERO IN CAPE TOWN

In early 2018, the threat of Cape Town running out of water hit global headlines as the reality of the taps running dry became a real possibility. The consequence of a persistent multi-year drought in the city's catchment areas presented one of the most significant risks ever faced by Woolworths, headquartered in Cape Town. To deal with this extreme risk, Woolworths invoked an emergency taskforce, led by senior business management, to develop requisite business continuity plans.

EDUCATIONAL INITIATIVES

The Woolworths Educational Programme has, over the last four years, presented over 4 500 water conservation lessons, reaching more than 190 000 learners and 1 559 educators in 410 primary schools across the country. We are also a long-term partner of Food and Trees for Africa's flagship EduPlant programme, which teaches schools various techniques to harvest and use water efficiently to grow flourishing food gardens.

PRODUCT INOVATION

This new Woolworths bath time range is designed with water savings in mind – quick to rinse and the waste water is safe to use in the garden.



54%

relative water reduction in SA stores since 2007



89%

real-time monitoring across all SA store locations

BACK-UP SUPPLY

The Country Road Group has also installed 100 000 litre rainwater tanks at their distribution centre – the Omni Fulfilment Centre (OFC). The rainwater collected is used for cold water taps, cold water hose taps, irrigation, and urinals.

COLLABORATION IS KEY

We have a responsibility to promote water conservation and ecosystem protection beyond our own stores and offices. Water stewardship continues to be an on-going strategic focus for Woolworths. Collaboration with suppliers and key strategic partners such as WWF-south africa, the National Business Initiative, and the United Nations Ceo Water Mandate remains crucial.

ALIEN INVASIVE PLANT CLEARING IN CERES

It is estimated that alien plants capture up to 7% of South Africa's already scarce water resources. This challenge was identified as one of the major risks through our Water Stewardship partnership in Ceres. In response to this, Woolworths has been funding a Clearing Coordinator through WWF-SA to work in partnership with farmers, government agencies, and water-user associations. To date, 115 hectares have been cleared, releasing over 123 million litres of freshwater back into the environment. Since 2007, Woolworths has invested in numerous WWF-South Africa initiatives. So far, some 530 million litres of freshwater have been replenished through these partnerships.



DAVID JONES ENGAGES ITS SUPPLIERS

David Jones hosted a supplier webinar in partnership with the Alliance for Water Stewardship Asia-Pacific to highlight issues such as water stress and its relationship with supply chain management. As David Jones expands its food business, direct engagement on water issues with food suppliers will increase.

ENERGY AND CLIMATE CHANGE

We want to take responsibility for the impact our value chain has on overall energy security challenges as well as climate change. Investment in our resilience to climatic impacts is embedded in our entire value chain.

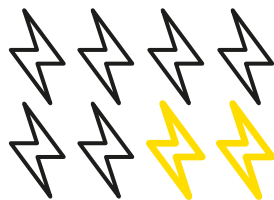
***OUR AIM IS TO HALVE OUR ENERGY IMPACT BY 2020
AND SOURCE ALL OUR ENERGY FROM RENEWABLES BY 2030***

ENERGY PRODUCTIVITY

Continuous implementation of efficiency initiatives in energy usage within our direct operations enables savings across the business. Through automated and active monitoring of energy use we are able to identify bottlenecks that would otherwise hinder achieving our energy usage reduction goals.

REAL SAVINGS

Real-time monitoring across almost all of our operations allows us to measure and manage our electricity use.

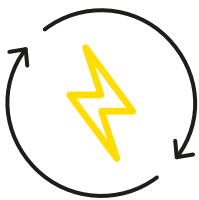


R608M

*worth of electricity
saved to date through
energy efficiency
initiatives*

CLEAN ENERGY

We currently have five facilities across our operations running on varying capacities of photovoltaic energy. A process of identifying the right energy mix for our business continues to enable us to meet our long-term target.



2 129 163 ^{kWh}

*of renewable energy
generated in 2017 for WHL*

CARBON FOOTPRINT

The total verified WHL scope 1, 2 and 3 emissions for 2017 decreased by 2.45% compared to the previous year.



94%

*stores on
live metering*

5 RENEWABLE ENERGY INSTALLATIONS ACROSS WHL

GREEN BUILDINGS

We use our own, independently verified, green building certification system to drive innovation in green building design across our stores. Here, we look at various ways to reduce our energy, water, and waste impact while ensuring a high quality retail experience for our customers and colleagues. About 143 stores have been assessed and rated to date.

A 4-STAR RATING FOR MONTAGUE GARDENS FOOD DISTRIBUTION CENTRE

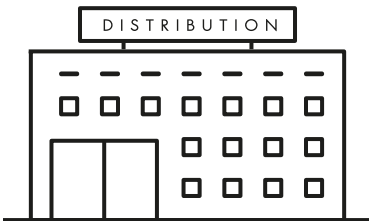
The Montague Gardens food distribution centre has received a 4-star rating from the Green Building Council of South Africa (GBCSA). Demonstrating initiative in environmental leadership, this is an industry first in South Africa for a distribution centre. With a total area of 33 920 m², warehouse lighting is the biggest consumer of energy for the distribution centre. The centre runs on 300kWh of photovoltaic solar power, which provides 500MWh of energy annually.

RATED

by Green Building Council of South Africa



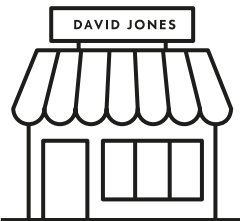
***1 Woolworths
Store***



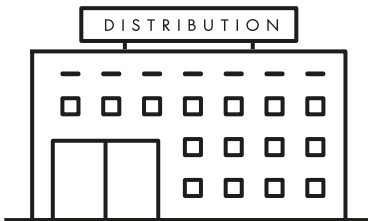
***1 Woolworths
Distribution centre***

RATED

by Green Building Council of Australia



***1 David Jones
store***



***1 CRG
Distribution centre***

143 GREEN STORES ASSESSED TO DATE UNDER OUR INTERNAL GREEN BUILDING PROTOCOL

21 green stores opened in 2017: 4 Silver, 8 Gold, 9 Platinum

To find out more about
what we're doing, visit

We appreciate any feedback on our Good Business Journey.
Please contact GoodBusinessJourney@woolworths.co.za
