



WOOLWORTHS HOLDINGS LIMITED
2019 Abridged Good Business Journey Report

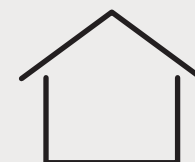
NAVIGATING OUR REPORT

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GOOD BUSINESS JOURNEY, THIS REPORT
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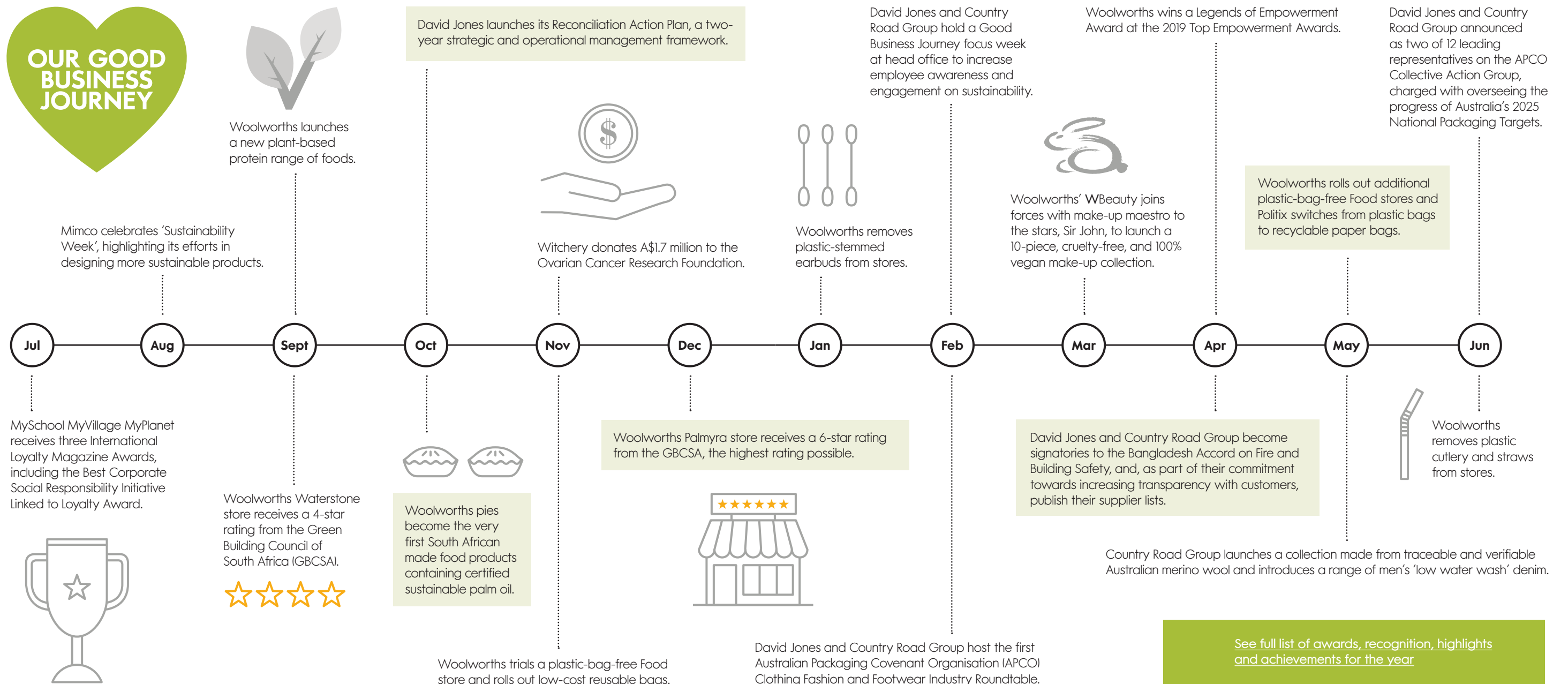


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HIGHLIGHTS & ACHIEVEMENTS




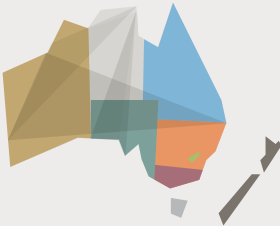

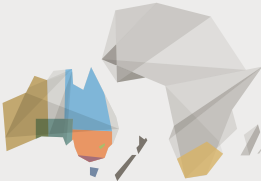
(JULY 2018 – JUNE 2019)



BOUNDRY OF REPORT








This is the 2019 abridged Good Business Journey Report of Woolworths Holdings Limited (WHL or the Group).
The report covers the 53 weeks ended 30 June 2019 (FY2019) and provides an overview of the Group's performance against its sustainability targets set for all operating companies listed under the WHL Group.

THE WHL GROUP

WOOLWORTHS SA EST. 1931	PROFILE Leading South African retailer offering a range of primarily private label products OFFERING A selected range of quality fashion, beauty, homeware, and food products. Financial services are provided through Woolworths Financial Services (WFS)	 TRADING SPACE 733 000 m ²	Based in Africa and trading in South Africa and a further 11 countries in sub-Saharan Africa 	58.9% Group turnover (including concession sales)	75.3% Group adjusted profit before interest and tax	90.0% of targets achieved on sustainability scorecard
DAVID JONES EST. 1838	PROFILE One of Australia's leading premium department stores OFFERING Leading international and local brands with a private label clothing, homeware, and food offering	 TRADING SPACE 475 000 m ²	Based in Australia and trading in Australia and New Zealand 	27.1% Group turnover (including concession sales)	6.7% Group adjusted profit before interest and tax	83.0% of targets achieved on sustainability scorecard
COUNTRY ROAD GROUP EST. 1974	PROFILE Leading Australian speciality retailer OFFERING Stylish, high-quality apparel, accessories, footwear, and homeware	 TRADING SPACE 121 000 m ²	Based in Australia and trading in Australia, New Zealand, and South Africa 	14.0% Group turnover (including concession sales)	18.0% Group adjusted profit before interest and tax	84.0% of targets achieved on sustainability scorecard

On a comparable 52-week basis as at 30 June 2019.

OVERVIEW OF THE GOOD BUSINESS JOURNEY

OUR VISION IS TO BE ONE OF THE WORLD’S MOST RESPONSIBLE RETAILERS								
GOOD BUSINESS JOURNEY STRATEGY	The Good Business Journey facilitates our vision to be one of the world’s most responsible retailers. It is our Group-wide plan to make a difference for our people, our communities, and for the environment. Embedding the Good Business Journey is one of the WHL Group’s strategic focus areas. See more information on the Group’s strategic focus areas in the Integrated Report							
WHL GROUP MATERIAL ISSUES	Our material issues ultimately inform and influence our Good Business Journey strategy and focus areas. In order to identify our material issues, each year, we consider the operating and sustainability context, the results of stakeholder engagement, as well as our strategic risks. The Group has identified talent and change management and responsible retailing as material issues at a macro level. These issues are further broken down in our Good Business Journey and are addressed through the related eight focus areas and are reported on in this report. See more information on the Group’s macro-level material issues in the Integrated Report							
GOOD BUSINESS JOURNEY FOCUS AREAS	People & Transformation	Social Development	Health & Wellness	Sustainable Farming	Ethical Sourcing	Waste	Water	Energy & Climate Change
WHY THE FOCUS AREAS AND MATERIAL ISSUES ARE IMPORTANT TO THE WHL GROUP	Organisational diversity and transformation are important for enabling effective delivery of our business strategy.	As a responsible corporate citizen we need to contribute to meeting the economic and societal needs of the communities where we operate.	We need to create a safe and healthy working environment to enable employees to thrive. As a Food retailer, we should inspire our customers to make healthy choices by providing a wide range of healthy food options.	We need to contribute to a sustainable food system, actively managing environmental impacts and the welfare and dignity of animals in our supply chain.	To manage our ethical sourcing risk, we need to create better lives for workers in our supply chain and contribute to increasing demand for responsibly sourced commodities.	We need to reduce the amount of waste sent to landfill across our value chain, and drive a market for recycled materials by using them in our operations, packaging, and products.	A constant supply of clean water is essential to our value chain, from the growing of commodities to the manufacture and sale of our products.	To address the risks to our business from climate change, we need to ensure that appropriate adaptation and mitigation actions are taken across our value chain to manage and reduce energy consumption and carbon emissions.
WHL GROUP GOOD BUSINESS JOURNEY GOALS AND COMMITMENTS	 Refer to People and Transformation chapter	 Contribute R3.5 billion to our communities by 2020.	 Have at least one sustainability attribute for all directly sourced products by 2020.	 Responsible sourcing of all key commodities by 2020.	 Phase out single-use plastic shopping bags by 2020. All our packaging will be reusable or recyclable by 2022.	 Save 500 billion litres of water by 2020.	 Halve our energy impact by 2020 and source all our energy from renewables by 2030.	
PROGRESS TO DATE	Refer to People and Transformation chapter	On track	Progress is varied across the Group	Progress is varied across the commodities	On track	Water target is being reframed	Energy impact: Exceeded target Renewable energy: On track	

Each of our focus areas has specific strategies, management approaches, related goals and targets, all of which are discussed further in this report, along with our performance during the year and any challenges faced.

To ensure consistency across our operations, each business unit has a sustainability scorecard against which they are measured twice per annum. This scorecard includes a set of relevant Good Business Journey objectives, targets, and key performance indicators aligned to these eight focus areas and Group goals and commitments. These sustainability scorecards are rolled up to a company level and Group level to assess the performance of the Group against the Good Business Journey goals and commitments.

A TRIBUTE TO SIMON SUSMAN

From Hubert Brody, Deputy Chairman

It is with great gratitude that we say farewell to Simon Susman at our 2019 Annual General Meeting.



Simon has been part of Woolworths for almost 40 years and his contribution to the Group has been invaluable. Notably, he was the architect and driving force behind our very successful Food business and further held a number of top executive positions in the Group before becoming the Chief Executive in 2000.

Simon was also particularly instrumental in inspiring and implementing our Good Business Journey.

Through this programme, the Group continually strives to do business in a way that is deeply sustainable, both socially and environmentally.

Simon will become Honorary President upon conclusion of the 2019 WHL Annual General Meeting, where he will step down as a director. He will provide support and advice to the Board and continue his deep association with the Group by devoting his time to the continued advancement of WHL's participation in civil and corporate society.

On behalf of the Board, management and all our employees, we wish to extend our deepest thanks and appreciation to Simon for the passion and wisdom that he has shared with us and for building Woolworths into a company that is deeply rooted in values, passionately delivers on sustainability, and brings real value to all stakeholders.

SIMON WAS ALSO PARTICULARLY INSTRUMENTAL IN INSPIRING AND IMPLEMENTING OUR GOOD BUSINESS JOURNEY. THROUGH THIS PROGRAMME, THE GROUP CONTINUALLY STRIVES TO DO BUSINESS IN A WAY THAT IS DEEPLY SUSTAINABLE, BOTH SOCIALLY AND ENVIRONMENTALLY.



PEOPLE AND TRANSFORMATION

“Central to who we are as a Group is our commitment to our customers and our people. Therefore, our focus on our people is at the forefront of driving a successful Group strategy.”

– Melanie Naidu, Group Head of Human Resources

Azania Mgayi at the Woolworths Palmyra store coffee cart.

WHL PEOPLE APPROACH

As a Group, it is important for us to ensure that we employ and invest in people who share our purpose and values and have the capability to grow the business into the future.

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.

AN INCLUSIVE EMPLOYER

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 value diversity and inclusion and are committed to non-sexism and non-racism across our policies, practices, and daily operations. It is important for us as a Group to continue to focus on our transformation initiatives and evolve them so that we are experienced as a truly transformed employer.

Group Employee Headcount

46 831
WHL



Training spend



ENGAGING AND RETAINING THE BEST TALENT

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. Having the best talent in the industry in the regions in which we operate is key to our success.

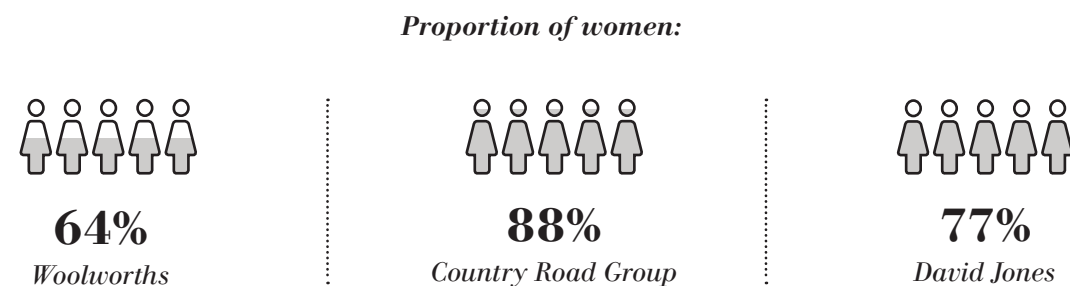


TRANSFORMATION, DIVERSITY, AND INCLUSION

In South Africa, we are all tasked with implementing a workplace Black Economic Empowerment (BEE) strategy, in response to the national Broad-Based Black Economic Empowerment (BBBEE) legislation, including the application of the BEE Codes of Good Practice of 2013. Employment equity remains a key focus of the Group's transformation agenda for Woolworths South Africa. Currently, historically disadvantaged South Africans (HDSA) represent 95.8% of total Woolworths' permanent employees. In Australia, transformation focuses on supporting Aboriginal and Torres Strait Islander peoples, including those currently working for the business and those seeking employment, as well as customers.

GENDER REPRESENTATION

As a Group, we continue to support these region-specific strategies. Gender parity remains a focus across the Group. In South Africa, as per the BEE strategy, there is greater emphasis on gender representation from a historically disadvantaged South Africans (HDSA) perspective. Women represent 64% of HDSA permanent employees.



[See 2019 Group Employee Information](#)

DAVID JONES RECONCILIATION ACTION PLAN (RAP)

David Jones has recognised the role they can play in promoting reconciliation between Australia's First Nations peoples and the broader community. The David Jones Reconciliation Action Plan (RAP) was launched to inform the strategic and operational management framework for their approach to bridging actual and perceived gaps between Aboriginal and Torres Strait Islander peoples and non-indigenous employee and customer communities.

[See David Jones Reconciliation Action Plan 2018 – 2020](#)

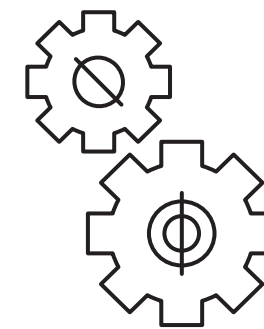
TRANSFORMATION IN THE SUPPLY CHAIN

As a contribution to the broader country vision of inclusive economic growth and a Woolworths' commercial imperative of building a diverse supplier base, Woolworths has an Supplier and Enterprise Development (SED) programme. The programme intent is to remove barriers for emerging black and black women-owned businesses to enter into our supplier base. After more than 10 years on this journey, Woolworths prides itself in ongoing learnings from the successes and failures of small businesses in different sectors of the economy.

In the financial year under review,

- We contributed over R2 billion towards revenues of small and medium enterprises participating in our supplier base
- We contributed R2.7 billion to revenues of black and black women-owned suppliers in our supplier base
- The 46 beneficiaries of our SED programme have grown from a total revenue of R246 million at the beginning of the period to R293 million by year end as a result of tailor-made support provided by Woolworths and its partners

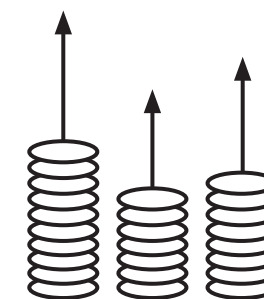
[See 2018 BEE Certificate](#)



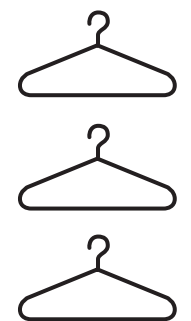
46
suppliers on the
Supplier and Enterprise
Development programme



R2.7BN
in revenues contributed
to black and black
women owned suppliers



R2BN+
towards revenues of
participating SMEs



R60.5M
non-cash grant to
The Clothing Bank



SOCIAL DEVELOPMENT

“Collaboration is key to social development. It is important for us to work together to address the complex issues facing society, rather than to work in silos. As the African proverb goes: when spiders unite, they can tie down a lion.”

– Zinzi Mgolodela, Director of Corporate Affairs, Woolworths

On the Living Soils Community Learning Farm launched in March 2019.

From left to right are AgroEcology Academy interns Phutuma Mgu, Thandiwe Mtyingizani and Vuyolwethu Zicina with their mentors, Spier Farm Manager Orlando Flander (middle) and local farmer Eric Swarts (right).

IMPROVING EDUCATION

We can only grow and sustain long-term profit in an inclusive, equitable, growing economy that has a sufficiently skilled society and educated workforce. The various programmes we support in improving educational outcomes in schools are:

MY SCHOOL MY VILLAGE MY PLANET

Started in 1997, MySchool MyVillage MyPlanet is a long-standing multi-partner fundraising programme aimed at fundraising for education.



R64M
to MySchool
(2018: R63M, 2017: R62M)

R8M
to MyVillage
(2018: R7M, 2017: R6M)

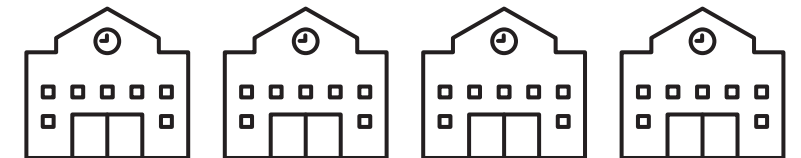
R11M
to MyPlanet
(2018: R10M, 2017: R9M)



Funded by MySchool, the Thuso Fund for Schools supports the School Leadership Forum programme, which is building the leadership capacity of school principals and teachers in more than 200 schools in South Africa.

WOOLWORTHS EDUCATIONAL PROGRAMMES

This Programme leverages our expertise in good food, healthy living and sustainability. Educator resources and experiential learning activities related to healthy nutrition and exercise are provided to teachers, learners and parents.



2 908

schools supported through Woolworths Educational Programmes

2018: 2 662
2017: 2 638

In October 2018, MySchool MyVillage MyPlanet celebrated its 21st birthday. As part of this celebration, Myschool supporters were asked to nominate a cause that makes a difference in their communities to which R100 000 would be donated. In total, 21 organisations were chosen by an independent panel, with the total donation amounting to R2.1 million.



LITERACY IS FREEDOM

In April and May 2019, David Jones collaborated with various Australian brands, including Viktoria and Woods, Camilla, and the Academy Brand, to raise funds for literacy programmes for Aboriginal and Torres Strait Islander communities through the sale of limited edition t-shirts. A\$76 982 was donated to support these programmes, run through the Australian Literacy and Numeracy Foundation (ALNF).

David Jones also released a podcast recorded in their Bourke Street store window, with Danzal Baker (Baker Boy) and Don Bemrose. Baker Boy is an indigenous musician who raps in the Yolngu Matha language and is the 2019 Young Australian of the Year.

[Get the Podcast](#)



National Reconciliation Week Literacy is Freedom campaign celebrations at David Jones & Country Road Group head office.

IMPROVING ACCESS TO FOOD AND HEALTHY NUTRITION

In an environment in which an estimated 30% of food produced goes to waste, while at the same time millions of people are food insecure, we are aware as a food retailer of the role we need to play in working towards a food secure future for all.

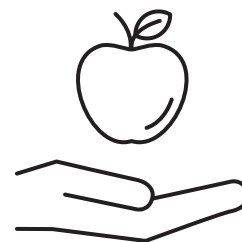
CONNECTING SURPLUS FOOD TO NEED

To contribute towards the alleviation of hunger in the communities near to stores, as well as reducing food waste to landfill, Woolworths has for many years diverted surplus food from every Food store to local charities.

R611M

worth of surplus food donated

2018: R570M
2017: R556M



A key partnership was launched recently, with FoodForward SA, a non-profit organisation that recovers edible surplus food at various stages of the food value chain and redistributes it to communities in need across the country, thereby reducing food waste to landfill and also improving access to food.



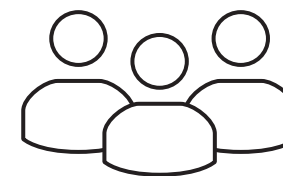
UNICEF WASH AND NUTRITION PILOT

A new partnership was entered into with UNICEF and the Gauteng Department of Education, with the aim of improving child health, education, and nutrition outcomes as well as alleviating hunger among primary school learners. R4 million in funding will be provided over three years for a water, sanitation and hygiene (WASH) and nutrition pilot programme reaching approximately 50 000 children at 50 under-resourced Gauteng-based schools.



R4M

in funding over 3years



50K

children to be reached



LIVING SOILS COMMUNITY FARM

Woolworths has partnered with Spier Wine Farm (Spier) and the Sustainability Institute (SI) to launch a community learning farm near Stellenbosch. The intent is to test a concept, an extension of the Farming for the Future programme, on a community farm basis. The objective is to create a self-sustaining learning farm that showcases the production of nutritious food through sustainable farming methods for the benefit and development of long-term food security in the local community, incorporating training and development for young- and emerging farmers and the broader community while helping to address youth unemployment.

EDUPLANT

Through our 15-year relationship with EduPlant, we have been helping communities to grow their own food gardens using efficient techniques such as permaculture gardening. In 2019, the EduPlant National School Gardening and Greening competition was successfully implemented. Over 60 schools from across the country participated in the event.



IMPROVING COMMUNITY RESILIENCE

*Key to the success of our business is a healthy and thriving community and workforce.
Our key programmes support physical and mental health.*

CASE STUDY

10 YEARS OF REDKITE

This year, we celebrated ten years of partnership with Redkite, an Australian charity that provides essential support to children and young people who have been diagnosed with cancer, and their families. Each year at head office, we pack and donate Redkite Red Bags to give to families at the time of their child's diagnosis. These bags are full of practical items, such as toiletries, vital information about support services, and a teddy bear to cuddle.

5 000+

families supported through Redkite

To celebrate the ten-year milestone, we redesigned the Red Bag with family feedback in mind; increasing its capacity, improving the base, adding internal pockets but retaining the iconic red stripe that allows families to recognise and connect with one another in the hospital. We also designed a brand-new Red Bear, the first time that the teddy has been designed by Country Road exclusively for the children who receive it.

Together, Redkite and Country Road have supported more than 5 000 families and raised vital funds through an in-store gift wrap service and customer donations collected at point of sale.



Country Road and Redkite celebrate 10 years of partnership at David Jones and Country Road Group head office.

A\$391 000

support provided by David Jones to its six Rose Clinics in 2019, where complimentary breast screening services are conducted for women over 40. The six Rose Clinics scan over 35 000 women a year.

A\$253 997

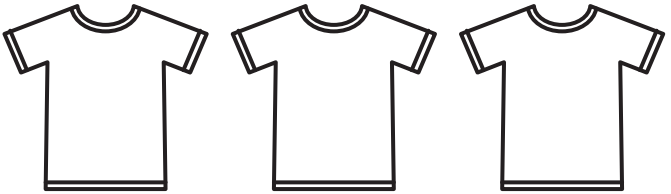
worth of clothing donated by David Jones to The Smith Family clothing recycling programme.

A\$887 487

raised to date in our partnership with Our Watch, through the proceeds from the sale of Mimco X Our Watch products and additional cash donations. The proceeds from this collaboration continue to fund education tools and resources to drive nationwide change in the cultures and behaviours that can lead to violence against women.

WITCHERY WHITE SHIRT CAMPAIGN

Witchery runs an annual White Shirt campaign to raise awareness and vital funds for the Ovarian Cancer Research Foundation (OCRF) in support of the development of an early detection test for ovarian cancer. For every white shirt sold, 100% of the sale price is donated to the OCRF.



A\$1.7M

Witchery donation to Ovarian Cancer Research Foundation from the annual White Shirt Campaign





HEALTH AND WELLNESS

*Customers want us to do more, not only to benefit the community
and the environment but also to help them to be better.*

WELLNESS FOR OUR CUSTOMERS

Our Group purpose of adding quality to life for our customers and our people is reflected by the fact that health and wellness is a key people focus across the Group. As a Food business, we are clear that we want to lead and own health in the context of providing a wide variety of healthy food options as well as encouraging healthy lifestyles. We are also committed to maintaining the highest possible levels of product safety throughout the business.

HEALTH MANIFESTO

In 2017, we launched the Woolworths Health Manifesto as part of our strategy for creating an integrated world of wellbeing with a focus on reinforcing the objectives of our Good Food Journey. This is our comprehensive plan to offer food that's better for our customers, better for the environment, and better for the people who produce it.



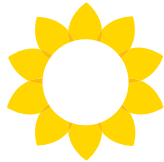
Sustainably
farmed



Free
range



Responsibly
sourced



Nutritional
quality



Free-from

The David Jones Health and Wellbeing strategy, informed by industry engagement and consultation, was released this year. The aim is to make it easier for customers to choose healthy food options through clear, on-pack labelling and nutrition information. David Jones has also started to incorporate the Health Star Rating system onto their packaging.



UNDER THE AUSTRALIAN GOVERNMENT'S 'HEALTH STAR RATING', DAVID JONES APPLIES A NUTRITION INFORMATION PANEL TO ALL RELEVANT DAVID JONES PRODUCTS

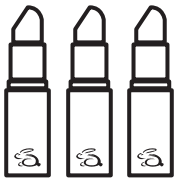
PLANT-BASED FOOD

We have seen a fundamental shift in customers' habits towards plant-based eating. Woolworths has created a range that celebrates delicious vegetable options by introducing plant-based products that encompass a spectrum of eating patterns that focus on eating whole plants, including vegetables, fruits, whole grains, nuts, seeds, and legumes, and eating fewer or no animal products.

[See more on plant-based living](#)

VEGAN BEAUTY

Woolworths converted its WBeauty range to be 100% vegan in response to a growing number of customers looking for animal-free products or products without animal-derived ingredients.



Salt and sugar reduction



6.7
tonnes of salt removed
from Woolworths
private label food

2018: 11.0
2017: 1.9



1.2
tonnes of sugar removed
from Woolworths
private label food

2018: 43.3
2017: 29.3

Free-from



100%
of Woolworths private label
food (including pet food)
is currently GMO free

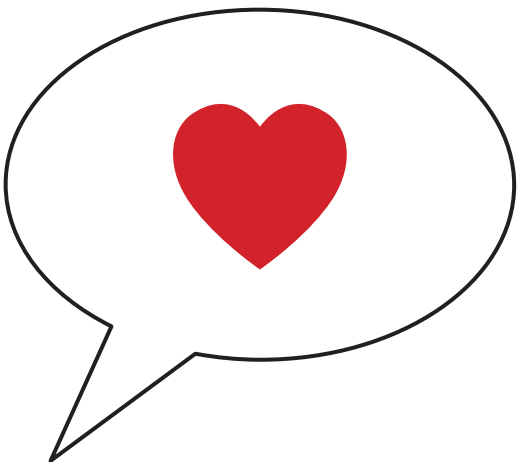
2018: 98%
2017: 98%

WELLNESS FOR OUR EMPLOYEES

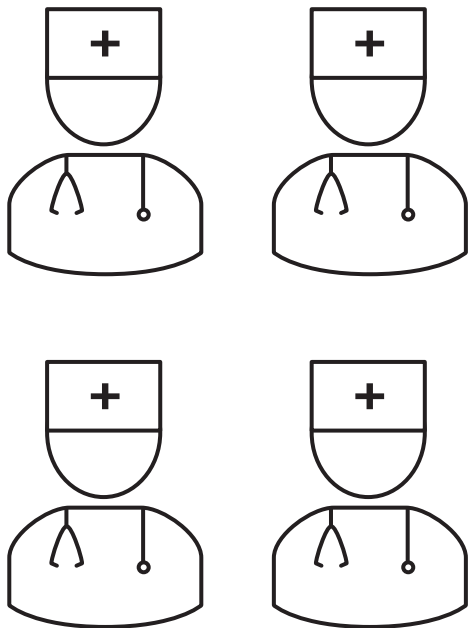
As an employer, we know that there are many different aspects to our employees' lives; therefore, providing them with relevant and accessible wellness programmes that allow them to take the best care of themselves, is part of how we deliver on our Group mission of adding quality to life.

EMPLOYEE ASSISTANCE PROGRAMME

WHL is committed to providing a safe and healthy working environment for all employees. Each operating company within the Group offers an Employee Assistance Programme (EAP), open to all employees, consisting of professional and confidential counselling services and designed to assist with personal concerns that may or may not impact on productivity or work performance.



We provide free voluntary HIV/AIDS/TB screening and counselling to all employees. In addition, we ensure the distribution of condoms in all our facilities.



17
Health and Wellness Practitioners for WHL staff to access

WELLBEING AT OUR BOTANICA HEAD OFFICE IN AUSTRALIA

Country Road Group and David Jones employees based at the Botanica head office have the benefit of an on-site gym facility, biometric health checks for employees and weekly yoga classes.

In partnership with the Black Dog Institute, Country Road Group provided six workplace mental health training courses for area managers and human resource personnel to assist them in identifying staff who may be experiencing mental health issues and facilitating conversations with them.



Black Dog Institute

MOVEMBER PARTNERSHIP

County Road Group and David Jones launched their Movember campaign this year in collaboration with the Movember Foundation to raise awareness around issues of men's health such as prostate and testicular cancer as well as men's suicide. Employees were encouraged to sign up and grow a Mo (Moustachel) or join the 'MOVE' campaign to walk or jog for 60 km in November (at 2 km per day for the month of November). Collectively, A\$20 000 was raised for the Movember Foundation through employee participation.



A\$20K
raised for MOVEMBER by Country Road Group and David Jones through employee participation

A top-down photograph of coffee beans, ground coffee, and two cups of coffee on a dark, textured surface. The beans are scattered around a dark bowl, and a wooden spoon rests on the rim. Two cups of coffee are visible: one with a thick layer of white foam and another with a lighter, more textured foam. The background is a dark, mottled blue-grey surface.

ETHICAL SOURCING

“In light of increasing stakeholder focus on the ethics of the products they purchase, how raw materials have been farmed and sourced, how ethically products are being manufactured and how transparent we are about our supply chain, ethical sourcing has become a business imperative.”

– Scott Fyfe, Chief Executive Officer, Country Road Group

AN ETHICAL VALUE CHAIN

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.

HOW WE ENSURE AN ETHICAL SUPPLY CHAIN



1. SUPPLIER CODES OF CONDUCT

We expect our suppliers to share our vision and Group Codes of Conduct. Our codes are 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, but also continue to audit those who have not yet made the switch against our own independently verified ethical audit protocols.



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 responsible commodity sourcing is key to driving progress.

[See WHL's ethical trade position statement](#)

[See Country Road Group's Code of Labour Practice](#)

[See more information on David Jones' Supplier Code of Conduct](#)

HUMAN RIGHTS AND ETHICS

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. All our suppliers and service providers, whatever their location, are bound by our company Codes of Conduct, which are aligned with the International Labour Organisation's conventions in relation to ethical trade and the Ethical Trade Initiative base code.



During the year, both Country Road Group and David Jones signed the Bangladesh Accord on Fire and Building Safety (the Accord). The Accord is an independent and legally binding agreement between brands and trade unions to work together towards a safe and healthy garment and textile industry in Bangladesh.



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



AUSTRALIAN MODERN SLAVERY ACT

Both Country Road Group and David Jones will soon be required to submit their first report in accordance with the recently passed Modern Slavery Act. To ensure preparedness for this, both have been involved in various industry engagements with government and have set up a modern slavery cross-functional team.

TRANSPARENCY AND TRACEABILITY



Over
1 400
suppliers globally

Over
50
countries

The WHL Group continues to work on improving traceability through the supply chain. In 2019, the Country Road Group published its factory list and David Jones its private label products supplier map, providing a level of transparency to customers on where our products are made.

[See Country Road Group's factory list](#)

[See David Jones' supplier map](#)

CASE STUDY

MIMCO X 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 produced three handcrafted ranges in partnership with the Ethical Fashion Initiative (EFI) to support marginalised communities in Kenya.



**Who
made
my
clothes?**

DAVID JONES' FASHION REVOLUTION CAMPAIGN: MINDFULLY MADE

David Jones supported Fashion Revolution Week 2019 (April 22-28) by sharing the unique supply chain stories of eight Australian brands making a positive impact in the global fashion industry through their ethical supply chain practices and responsible commodity sourcing programmes.

[See more information on the Mindfully Made campaign](#)

[Watch the video](#)

BAPTIST WORLD AID ETHICAL FASHION REPORT

This is Australia's most prominent and high-profile report detailing ethical performance among the country's largest fashion brands. This year, Country Road Group maintained its A- score while David Jones improved from a B- to a B.

[See 2018 Baptist World Aid Ethical Fashion Report](#)

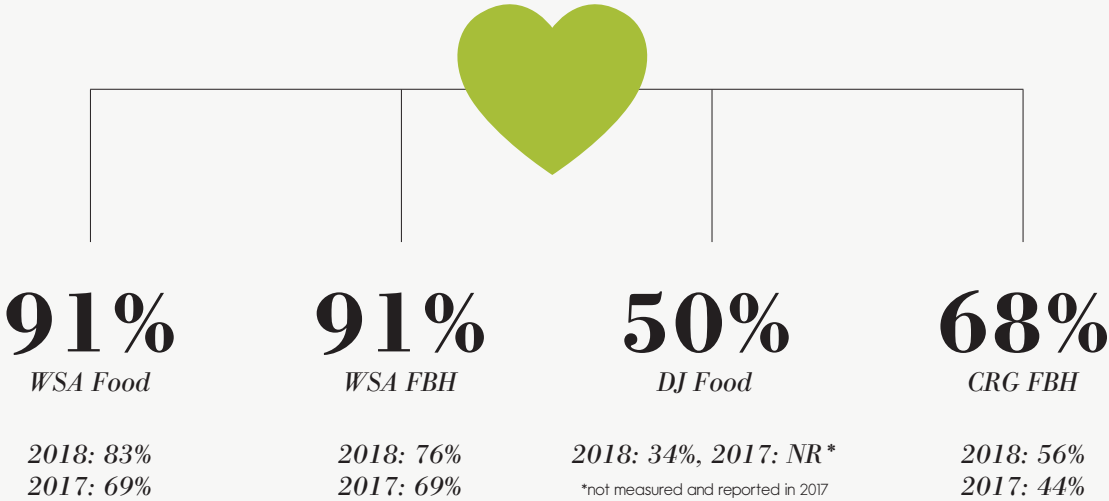
RESPONSIBLE SOURCING

We are on a journey to responsible sourcing across our key commodities. With this journey, we aim to contribute to creating the demand for responsible production methods – methods that ensure that commodities are produced in ways that environmental impacts are managed and that are good for the farmers and suppliers themselves as well as their local communities.

SUSTAINABILITY ATTRIBUTES

In 2012, Woolworths developed a list of Good Business Journey sustainability attributes. These are product characteristics that contribute to minimising the social and/or environmental impacts of a product at one or more stages of the value chain. Subsequently, both Country Road Group and David Jones similarly developed their own defined sustainability attributes. The WHL Group made a public commitment in 2015 that all directly sourced products sold will have at least one sustainability attribute by 2020.

Percentage of private label products with sustainability attributes



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



CASE STUDY

RSPO PALMTRACE CREDITS

The Roundtable on Sustainable Palm Oil (RSPO) Principles and Criteria are applicable to all growers of palm oil, including smallholders. However, many small, individual growers find it challenging to implement these Principles and Criteria on their own due to a lack of resources and capacity and the associated audit costs related to certification. To overcome this, the RSPO has developed a system of group certification which allows individual growers to obtain certification together under a single certificate. For the first time this year, Woolworths purchased 1 000 tonnes of PalmTrace credits as part of a group certification scheme directly from a group of 108 independent smallholders (with an average farm area of three hectares) and three non-corporate private estates in Johor, West Malaysia.





SUSTAINABLE FARMING

“We recognise that some fundamental shifts are required if we are to feed 10 billion people by 2050 within the limits of our planetary boundaries. We know we need to be agile and adapt in order to ensure a sustainable food future for people and the planet. This means greater focus is required on how food is grown, sourced, and produced. The scale of the challenge is significant. We cannot do it alone. Partnership and industry collaboration will be key.”

– Spencer Sonn, Managing Director: Food, Woolworths

IMPROVING ACCESS TO FOOD AND HEALTHY NUTRITION

We promote sustainable food systems through our Farming for the Future, Fishing for the Future and animal welfare 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 FOR THE FUTURE

Our sustainable farming programme, Farming for the Future, will be celebrating its 10th anniversary at the end of 2019. The programme manages the entire farming process from the ground up, with soil quality at the heart. The related auditing and certification scheme works with the farmers to continually improve their performance through the development of individual enhancement programmes based on the farmers' individual needs and audit results, at no extra cost to the customer.

52%

of Woolworths private label produce and horticulture lines on the Farming for the Future programme

483

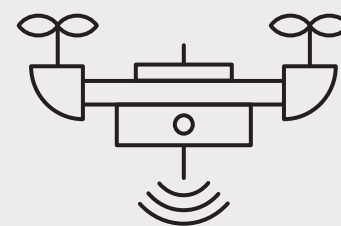
primary suppliers and 304 secondary suppliers on Farming for the Future programme



CASE STUDY

DRONE TRIAL

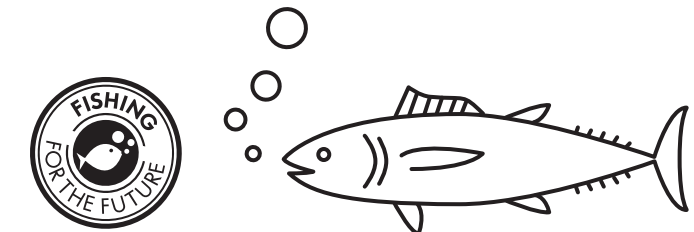
Woolworths has partnered with Aerobotics, an agri-tech start-up focused on providing crop protection to farmers through the use of innovative drones and other technology, allowing for early problem detection and issuing of alerts, using drones, sensors, and digital imaging capabilities.



Aerobotics aero view platform combines weekly satellite data, drone imagery, and scout information to track farm performance on a per tree or per-field basis, allowing farmers to take a data-driven approach to optimising the health of their farm. The software uses machine learning to identify early stage problems, automatically detect pests and diseases, and can guide farmers to these problematic locations.

FISHING FOR THE FUTURE

Woolworths made the commitment that by 2020, all farmed fish species sold by Woolworths will be either WWF SASSI green-listed, Aquaculture Stewardship Council (ASC) or equivalent certified, or from aquaculture operations that are engaged in a credible improvement project. Woolworths remains deeply committed to procuring all seafood from sustainable fisheries and responsible aquaculture operations.



84%

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

We continue to work with a range of partners, including WWF-SA and the Marine Stewardship Council (MSC), to ensure that we meet our 2020 commitments by focusing on key strategic species. Woolworths is also an advisory board member of Fish4Good, which is mapping the fisheries landscape in South Africa and assisting them in preparing for MSC certification where relevant.

IMPROVING ANIMAL WELFARE STANDARDS

We believe it is our ethical obligation to ensure that our suppliers treat the animals in our supply chain with respect and in the most humane way possible, and are committed to a journey of continuous improvement, working with our suppliers in all aspects of animal welfare.

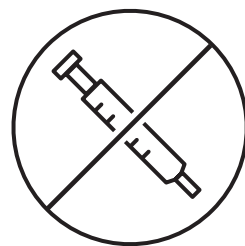
[See Woolworths animal welfare position statement](#)

[See David Jones animal welfare policy and fur, faux fur and angora position statements](#)

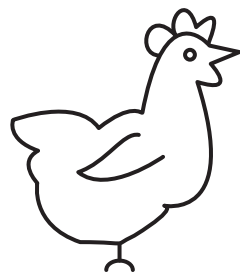
[See Country Road Group's animal welfare principles](#)



We do not permit the use of any natural or farmed fur in our products



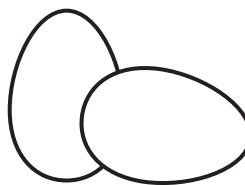
We do not permit testing of our products on animals



100%

of David Jones eggs, chicken, and turkey that are free range

2018: 100%, 2017: NR*
*not measured and reported in 2017



99%

of egg ingredients in Woolworths private label products that are free range

2018: 98%
2017: 85%



Country Road, Winter 2019, Traceable Australian Merino collection.

COUNTRY ROAD TRACEABLE AUSTRALIAN MERINO COLLECTION

Country Road is committed to supporting Australian farmers and now, in a southern hemisphere first, every fibre of Country Road's 2019 traceable merino knit range can be verified as being sourced from Australian farms through its partnership with scientific traceability company, Oritain. With a commitment to transparency, Oritain takes a scientific approach to verifying where the merino wool in each garment originates from based on the origin fingerprint of the fibres.

“AT COUNTRY ROAD, WE VALUE THE PROVENANCE OF OUR PRODUCTS AND STRIVE FOR VISIBILITY OF WHERE AND HOW OUR RAW MATERIALS ARE FARMED. FOR THE FIRST TIME IN AUSTRALIAN HISTORY, WE’RE PROUD TO NOT ONLY BE ABLE TO TRACE EVERY FIBRE OF THIS RANGE TO LOCAL FARMS, BUT TO VERIFY THAT EVERY GARMENT IS MADE OF 100 PERCENT AUSTRALIAN MERINO WOOL.”

– Elle Roseby, Managing Director, Country Road

[See more information on the traceable merino knit range](#)



WASTE

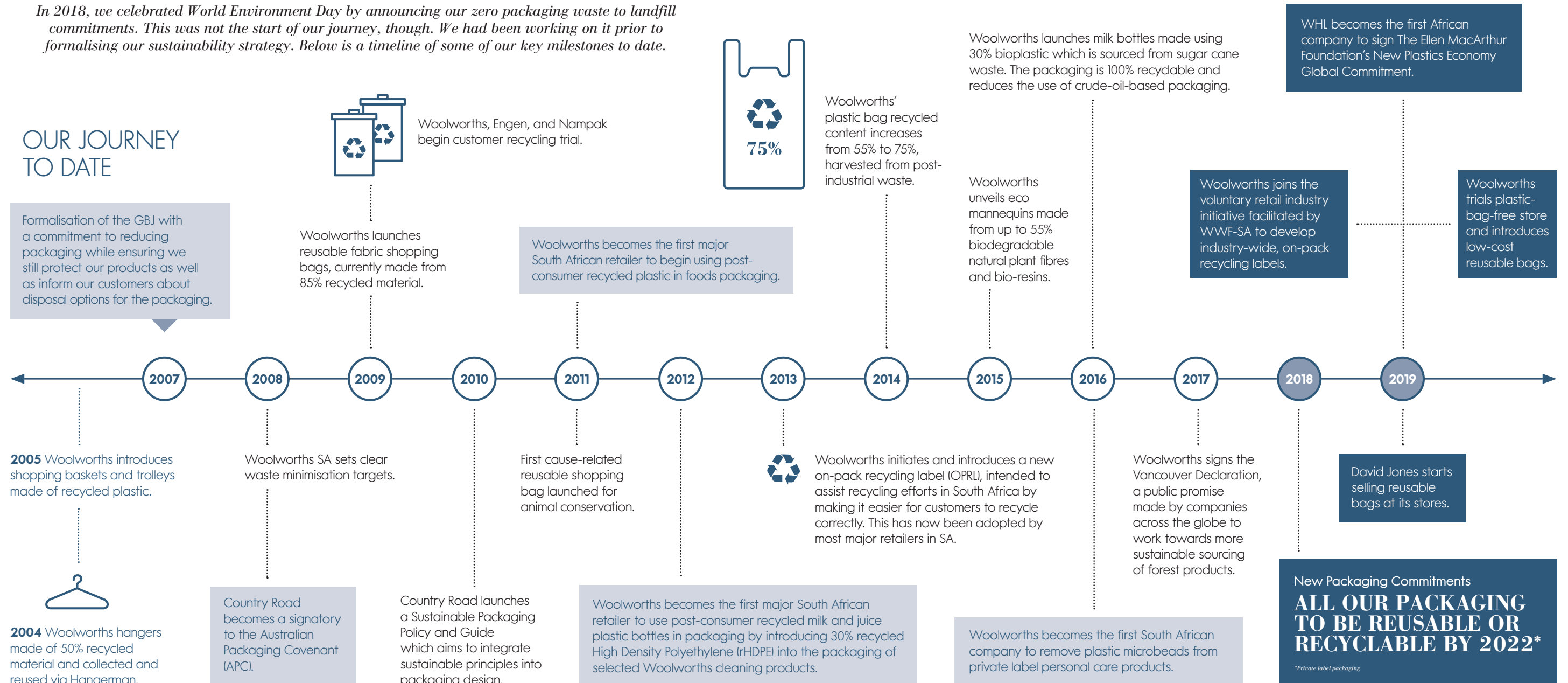
“We recognise that we cannot solve the packaging and waste issue on our own. It is for this reason that we have taken a holistic approach and are engaging with key partners across the value chain to walk this journey with us.”

– Feroz Koor, Group Head of Sustainability

WASTE AND PACKAGING TIMELINE

In 2018, we celebrated World Environment Day by announcing our zero packaging waste to landfill commitments. This was not the start of our journey, though. We had been working on it prior to formalising our sustainability strategy. Below is a timeline of some of our key milestones to date.

OUR JOURNEY TO DATE



OUR APPROACH TO WASTE AND PACKAGING

While Woolworths understands that most used packaging becomes waste, our approach is aimed at achieving the right balance by taking into account a number of important considerations such as food safety, product labelling, maintaining product quality, as well as minimising waste. Our aim is to work across our value chain to minimise waste through reducing and enabling the recycling of our packaging.

PACKAGING AND CONSUMABLES

To date, we have removed single-use plastic cutlery and straws from our stores and cafés. We have also successfully introduced a low-cost reusable bag to selected stores as part of our phase-out of single-use plastic bags. All our plastic-coated fish finger boxes are now widely recycled and turned into new carton board. We have started transitioning our avocado and chicken packaging made from polyvinyl chloride (PVC) to a fully recyclable substrate, polyolefin.

PLASTIC BAG FREE STORES

Woolworths has started phasing out single-use shopping bags from its stores. We made a low-cost reusable shopping bag available at 19 stores across the country, with four stores becoming completely plastic-bag-free. The reusable bags are made locally out of recycled plastic bottles and are recyclable. The project also supports a South African black-owned supplier, which has been supplying Woolworths with reusable bags for over 10 years.

Phasing out single-use plastic bags



Replacing with low-cost reusable bags



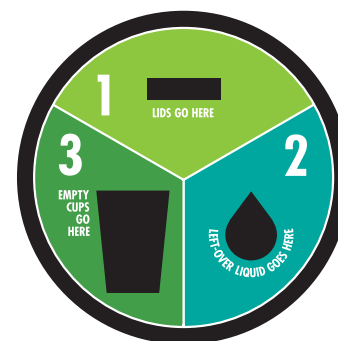
WASTE AND RECYCLING

Woolworths has various recycling initiatives and trials at stores, corporate offices, and distribution centres. David Jones and Country Road are also working on quantifying waste and packaging impacts in order to develop waste management strategies for their operations.



2 400 kg

organic waste from the David Jones Bourke Street store diverted from landfill in January 2019

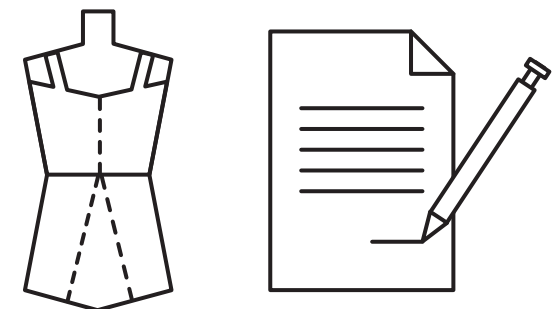


The top of our coffee cup recycling unit.

We have rolled out coffee cup recycling bins across the Woolworths head office

CIRCULAR FASHION

We have increased our focus on the need to move towards a circular approach, reducing dependence on natural and virgin resources, using recycled raw materials, and revaluing waste within the supply chain. The WHL Group continues to review opportunities for innovation in this regard.



Country Road Group and David Jones have developed a holistic circular fashion strategy

Country Road, Trenery and David Jones use regenerated cashmere, made from recycled pre- and post-industrial cashmere waste in their private label collections

13%

of Woolworths private label clothing sold contains recycled polyester

WOOLWORTHS WINNING CHRISTMAS WINDOW

With a Christmas theme in mind, we partnered with a small local empowerment project, Essay Gifts, a project that helps artists and crafters from disadvantaged communities find opportunities for earning an income. Women from these communities handcrafted these recyclables into 3-D flower artworks featuring iconic Proteas and Pincushions. Each King Protea was made from 20 used plastic bottles and 20 hangers. After Christmas, the flowers were sent to local recyclers to be reused in products such as duvets, pillows, shopping bags, packaging, and T-shirts.



Woolworths Christmas window displays received a Creative Retail award for Best Sustainable Display in London, June 2019



RECYCLING PARTNERSHIP WITH WILDLANDS

Woolworths announced a partnership with WILDLANDS aimed at increasing recycling rates in South Africa. The partnership is a trial that will see the upgrade of two WILDLANDS recycling villages and the opening of an additional three villages in KwaZulu-Natal shopping centres. WILDLANDS recycling villages are part of a well-established WILDTRUST programme. The WILDTRUST is an environmental non-profit organisation that works to safeguard threatened species through conservation and restorative action while also uplifting people and communities. It does this through two key programmes - WILDLANDS and WILDOCEANS.

[See the full press release](#)



WILDLANDS recycling village at Quarry Centre in Hilton, Pietermaritzburg.



WATER

We have a responsibility to promote water conservation and ecosystem protection beyond our own operations. We are committed to working in partnership with government, NGOs, and the private sector to advance sustainable water policies across the industry.

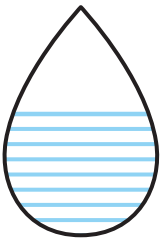
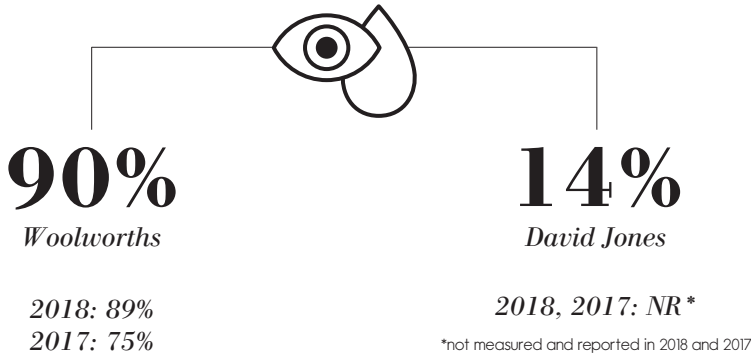
WATER EFFICIENCY IN OUR OPERATIONS

With our operations largely in areas where water remains a key risk in respect of availability and quality, we are continuously implementing innovative ways of ensuring that we can proactively mitigate against some of the negative impacts associated our operations. We continue to explore opportunities to improve the monitoring, management, and efficiency of water use across our stores, warehouses, offices, and distribution centres.

DIRECT OPERATIONS

Our direct operations offer us a significant opportunity to test innovative technologies for water efficiency. With every new facility, we evaluate the opportunities for water efficiency by considering factors such as the possibility of installing rainwater collection, greywater and recycling systems, using indigenous shrubs or ground covers for landscaping, installing real-time metering technology as well as other water-efficient fixtures and fitting.

Percentage of real-time water monitoring (stores)



66%
Percentage of relative water consumption shift to greywater in SA corporate buildings
2018: 55%
2017: 60%

SUPPLY CHAIN

The bulk of our water footprint is associated with the farming and manufacture of our products. Long-term collaboration with the stakeholders in the value chain becomes a critical component of implementing efficiency initiatives for water reduction as well as best practice in the supply chain. Our goal is to significantly upscale the work we are doing in the supply chain to reduce water usage and manage wastewater.



12%
Percentage improvement against water footprint index for Woolworths food suppliers
2018: 12%
2017: 12%

COUNTRY ROAD LOW WATER WASH DENIM

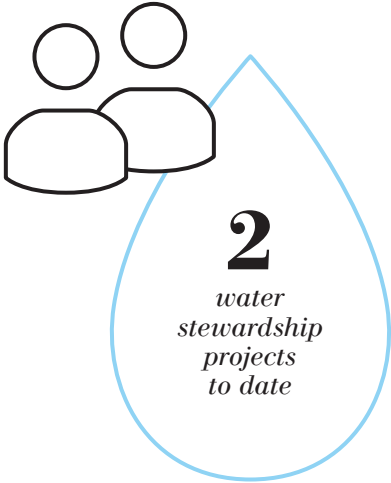
Country Road has worked with Jeanologia® to develop a more sustainable, low-impact washing process for their men’s denim range. All of Country Road men’s main range of denim scores ‘Green’ on water usage according to the Jeanologia® Environmental Impact Measuring (EIM) system. The EIM software analyses the environmental impact of denim washing and processing, which determined that in making the jeans using a low water washing process, Country Road used 50% less water compared with the global standard.

DETOX JOURNEY

In 2011, Greenpeace launched a water detox campaign to expose the links between global clothing brands, their suppliers, and water pollution around the world. In response to this, in 2016, Woolworths made a commitment to eliminate 11 key priority chemicals from our clothing supply chain. All Country Road Group manufacturers must sign the Environmental Code of Practice for the dyeing, printing, and finishing of merchandise supplied.

WATER STEWARDSHIP

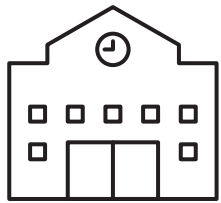
Water stewardship is embedded in how we manage water resources where we grow our products. Through our strategic partnership with WWF-SA, we committed to establishing one water stewardship project a year.



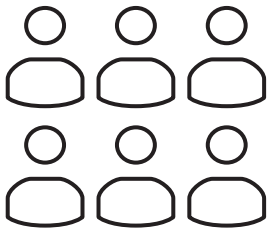
WATER STEWARDSHIP IN OUR COMMUNITIES

EDUCATIONAL INITIATIVES

The Woolworths Educational Programme has, over the last four years, presented water conservation lessons to over 300 000 learners in 572 primary schools across the country



Water educational programme reached
162
schools this year



and reaching
145 600
learners this year



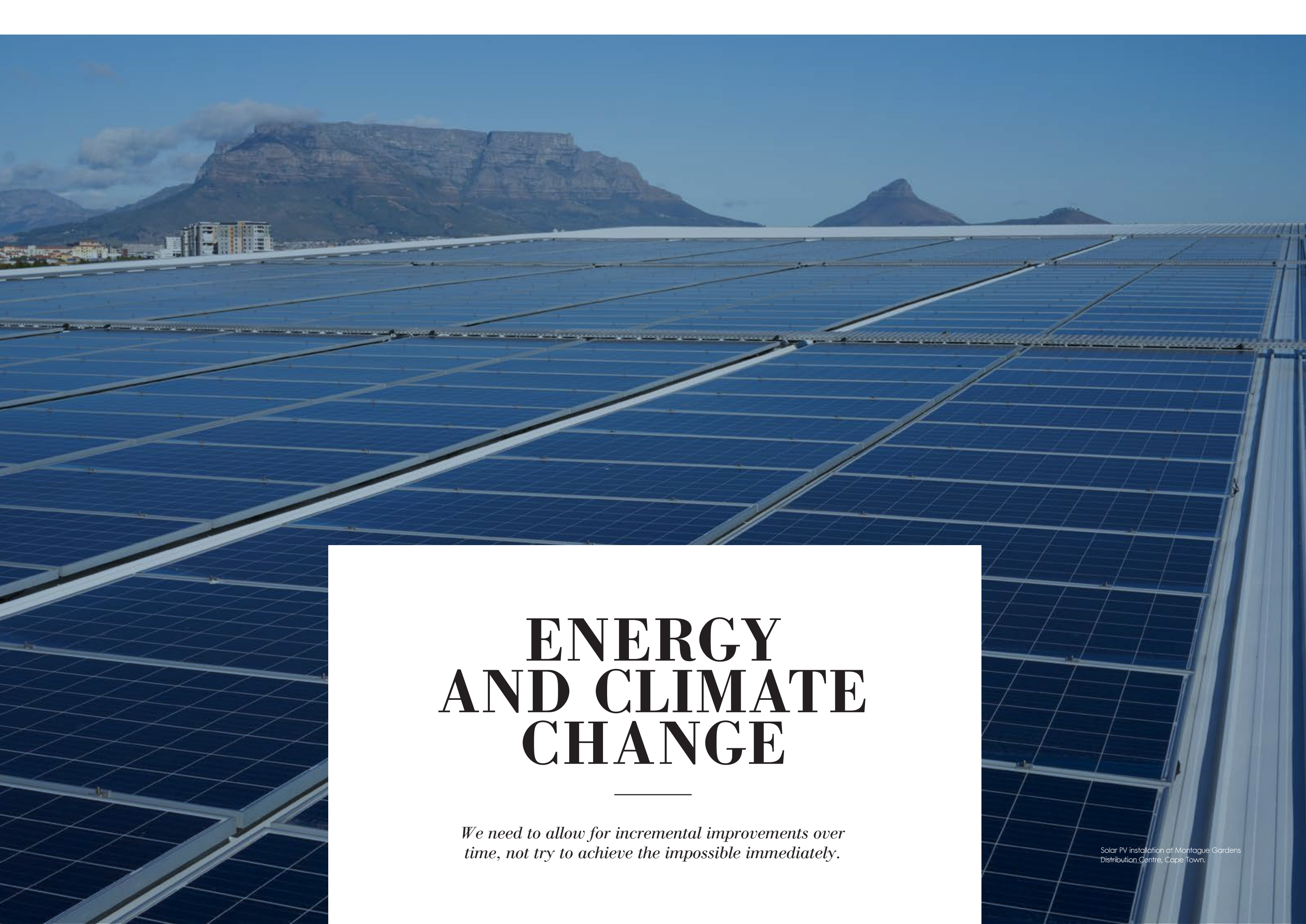
teaching
3 640
water conservation lessons this year

THE WOOLIES WATER FUND

Launched in 2018, the Woolies Water Fund is a collaboration between MySchool MyVillage MyPlanet, Thirsti, Urban Harvest, and the Department of Basic Education. The initiative is a 'swipe to give' drive to raise funds for much-needed rainwater harvesting tanks for under-resourced schools in the drought-stricken areas of South Africa.



A Woolies Water Fund installation supplies clean, potable water at Haig Primary School in KwaZulu-Natal.



ENERGY AND CLIMATE CHANGE

We need to allow for incremental improvements over time, not try to achieve the impossible immediately.

Solar PV installation at Montague Gardens
Distribution Centre, Cape Town.

ENERGY PRODUCTIVITY

Our approach to managing our energy footprint as well as the impacts of climate change across our business is to ensure that we implement the best innovation available to enable efficiency.

ENERGY EFFICIENCY INITIATIVES

We are working to maximise our energy productivity while reducing our environmental impact. As a retailer, we are an energy intensive business, with 92% of our electricity usage attributed to stores; these facilities have become our main focus. Distribution centres use 6% of our total electricity and corporate offices 2%. We have, therefore, focused a great deal of our initiatives at a store level. Over the years, guided by our internal green building protocol, we have implemented innovations for energy reduction.

R742M
worth of electricity saved to date through energy efficiency initiatives (2018: R608M)



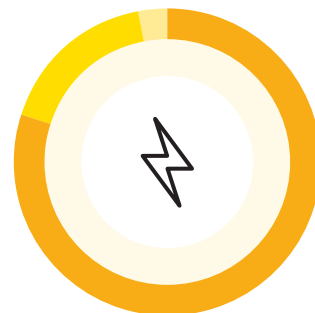
94.2%
stores on real time monitoring

Overall electricity usage in kWh

503 971 981
in 2018

2017: 492 261 073
2016: 488 448 252

WHL electricity usage breakdown by operating company



● WSA: 77.5% ● DJ: 18.8% ● CRG: 3.7%

CARBON FOOTPRINT

Understanding our carbon footprint is vital to enabling our energy and climate change strategy. The overall WHL total Scope 1 and 2 Greenhouse Gas emissions decreased by 0.4% (2017: 2%) and increased by 1% (2017: 2.45%) with Scope 3 included.*

Total WHL Scopes 1, 2, and 3 emissions (including non-Kyoto)



681 836 CO₂e
2018

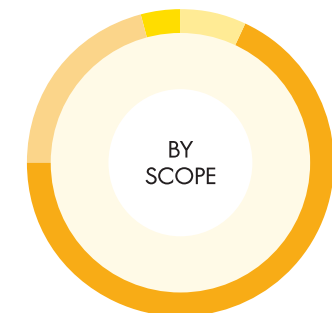
2017: 649 498 CO₂e
2016: 660 482 CO₂e

WHL intensity (emissions per m² GLA including non-trading area)

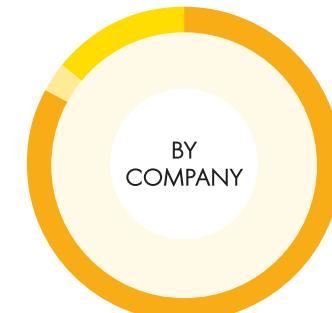
0.228
2018

2017: 0.24, 2016: 0.24

This figure represents a 5% improvement in efficiency year on year.



● Scope 1: 7% ● Scope 2: 68%
● Scope 3: 21% ● Outside of scopes: 4%

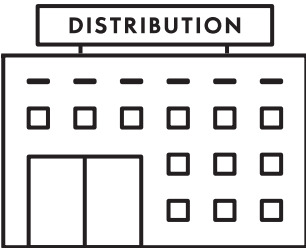


● WSA: 82% ● DJ: 15% ● CRG: 3%

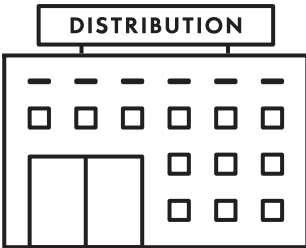
GREEN BUILDING INNOVATION

Woolworths’ overall approach to greening of the property portfolio has to date focused primarily on utilising its own green building certification programme. This certification involves rating and classifying buildings into three categories (Platinum, Gold and Silver) in accordance with the green design features they possess. To date, 164 stores within the Woolworths portfolio have been assessed using our internal green building protocol.

Five Green Building-rated facilities across WHL



Country Road Group



Woolworths



Woolworths



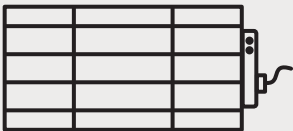
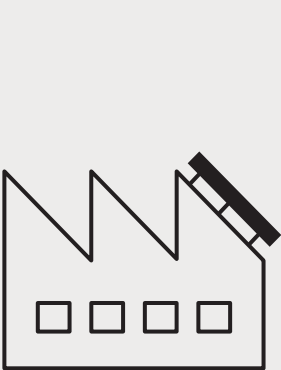
Woolworths



David Jones

JOURNEY TO 100% RENEWABLE BY 2030

In 2015, we made public commitments to source all our energy from renewable sources by 2030. We currently have five solar photovoltaic (solar PV) systems across the Group, with four in South Africa – two at the Woolworths Head Office precinct, one at our distribution centre in Montague Gardens in Cape Town and one at our distribution centre in Johannesburg. We also have a solar PV installation at Country Road Group’s Omni-channel Fulfilment Centre in Melbourne, Australia.



5
renewable energy
installations across
WHL to date

The Midrand distribution
centre’s solar PV system is
our biggest installation to
date and generates over

10%
of the total energy
consumed on site.

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

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