



**WOOLWORTHS HOLDINGS LIMITED**

*Terms of Reference of the  
Sustainability Committee*

# TERMS OF REFERENCE OF THE SUSTAINABILITY COMMITTEE

## 1. CONSTITUTION

- 1.1 The Sustainability Committee ("the Committee") is constituted as a Committee of Woolworths Holdings Limited ("the company" or "WHL") Board ("the Board").
- 1.2 The Committee shall be a standing committee, with the composition and membership reviewed by the Board annually.
- 1.3 The Committee shall report to and derive its powers from the Board.
- 1.4 The deliberations of the Committee do not reduce the individual or collective responsibilities of the Board members with regard to their fiduciary duties and responsibilities, and they must exercise due care, skill and diligence.
- 1.5 These Terms of Reference are subject to the provisions of the Companies Act No. 71 of 2008, as amended, the company's Memorandum of Incorporation, the JSE Listings Requirements and any other applicable law or regulatory provision and has been drafted with due consideration of the King IV™ Report on Corporate Governance for South Africa, 2016 ("King IV™").

## 2. COMPOSITION

- 2.1 The Committee members shall be nominated by the Nominations Committee and appointed by the Board. The Committee shall comprise of at least three members, the majority of whom shall be independent non-executive directors.
- 2.2 One or more of the members of the Committee should be members of the Social and Ethics Committee to facilitate effective functioning of the Committee.
- 2.3 The members of the Committee must collectively have sufficient qualifications and experience to fulfil their duties.
- 2.4 Invitations to attend the Committee meetings shall be extended to:
  - the WSA Director Marketing;
  - the Group Head of Sustainability; and
  - any other senior executives and professional advisors as deemed appropriate.
- 2.5 Individuals in attendance at Committee meetings by invitation may participate in discussions, but do not vote on resolutions or form part of the quorum for Committee meetings.
- 2.6 A quorum of the Committee shall be a majority of members.
- 2.7 The Chairman of the Committee shall be appointed by the Board, from its members, and shall be an independent non-executive director.
- 2.8 In the absence of the Chairman, the members present may nominate and elect one of their members to chair the meeting provided the member is a non-executive director but not the chairman of the Board.
- 2.9 The Group Company Secretary shall be the secretary to the Committee.

## 3. ROLE OF THE COMMITTEE

The role of the Committee is to ensure that the Group's sustainable development strategy positions the Group as a leader in retail where it has operational presence. It further ensures that the sustainability initiatives and objectives are effectively integrated into the business and that the Group operates in an environmentally responsible manner, while meeting societal needs.

## 4. MANDATE IN RESPECT OF SUBSIDIARIES

The Committee is appointed to act on behalf of WHL and its subsidiaries. The Committee will incorporate feedback from Woolworths South Africa ("WSA"), David Jones ("DJ") and Country Road Group ("CRG") on sustainability matters into the agendas of the Committee's meetings.

## 5. RESPONSIBILITIES

The Committee shall operate within the Board's delegation of authority.

In discharging its responsibilities to the Board, the Committee will:

- 5.1 review and approve the Group's sustainable development strategy, five-year vision and goals;
- 5.2 oversee management's progress in developing sustainable products and services;
- 5.3 approve, monitor and review the implementation of the sustainability strategy, including progress made against targets;
- 5.4 liaise with the Social and Ethics Committee to exchange information relating to its remit including stakeholder engagement on sustainability-related issues;
- 5.5 review and monitor the sustainability-related legislation and its impact on the Group's activities;
- 5.6 monitor and analyse international best practice and future trends with regard to sustainable development matters;
- 5.7 oversee management's progress for ethical sourcing and sustainable farming and fishing;
- 5.8 monitor competitor activities relating to sustainability;
- 5.9 ensure that risks relating to sustainable development are appropriately managed and integrated with financial and social risks;
- 5.10 monitor and consider stakeholder expectations on sustainable development issues;

- 5.11 oversee an appropriate combined assurance model on the Good Business Journey ("GBJ") related data and reporting, including:
  - approval of the internal and external assurance scope;
  - approval of the external assurance provider for the annual GBJ Report; and
  - review of the reports received from internal audit and the external assurance provider.

5.12 review the sustainable development content of the Annual Integrated Report;

5.13 review and approve the Group's materiality determination process annually for the purposes of the GBJ Report; and

5.14 to approve the annual GBJ Report and appendices.

The emphasis of meetings shall be directed toward the issues summarised Annexure A.

Specific business decisions which are in terms of the delegation of authority and require input from the Committee are set out in Annexure B.

## 6. MEETINGS OF THE COMMITTEE

- 6.1 Committee meetings shall be held twice a year, unless otherwise agreed with the Committee Chairman. The Committee Chairman shall report on key matters addressed by the Committee at each Board meeting.
- 6.2 Additional meetings may be held at the request of the Chairman or any member of the Committee or Board as required.
- 6.3 All directors of the Board are entitled to attend the Committee meetings.
- 6.4 Minutes of Committee meetings shall be distributed timeously.
- 6.5 Committee papers shall, other than under exceptional circumstances, be forwarded to each member of the Committee no fewer than seven days prior to the date of the meeting.
- 6.6 Members of the Committee shall declare any conflict of interest in respect of matters on the agenda and such declarations will be managed as deemed necessary.
- 6.7 The Chairman of the Committee shall attend the Annual General Meeting of the company and be prepared to respond to any shareholder questions on the Committee's activities.

## 7. AUTHORITY OF THE COMMITTEE

- 7.1 The Committee shall have authority to:
  - 7.1.1 access any information it needs to fulfil its responsibilities;
  - 7.1.2 seek independent advice at the company's expense; and
  - 7.1.3 investigate matters within its mandate.
- 7.2 The Committee shall have the ability to consult with and receive the full cooperation of any employee where necessary to fulfil its responsibilities.

## 8. REMUNERATION OF MEMBERS

Non-executive members of the Committee shall be paid such remuneration in respect of their appointment as recommended by the Board and approved by the shareholders. The Chairman of the Committee shall, in addition to his remuneration as a member, receive a further sum as recommended by the Board and approved by shareholders.

## 9. REVIEW OF TERMS OF REFERENCE

The Committee shall review the Terms of Reference annually, to ensure that they remain consistent with the Board's objectives and responsibilities. The Terms of Reference may be amended as required, subject to the approval of the Board.

## 10. EVALUATION OF THE COMMITTEE'S PERFORMANCE

The Committee shall ensure that a formal process, as recommended by the Nominations Committee and approved by the Board, is followed for evaluating the performance of the Committee, at least every second year.

**Approved by WHL Board  
August 2019**