



WOOLWORTHS HOLDINGS LIMITED

2020 Good Business Journey Report

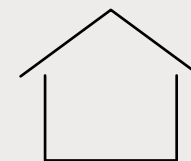
START

NAVIGATING OUR REPORT

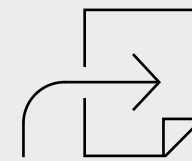
***IN COMMITMENT TO OUR
GOOD BUSINESS JOURNEY, THIS REPORT
IS ONLY AVAILABLE DIGITALLY.***

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

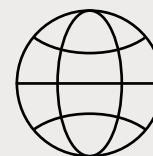
This report is interactive.
Navigation tools are at the top right of each page and throughout the report:



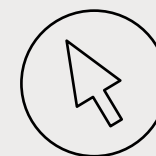
Home
Back to contents page



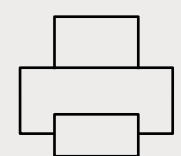
Go to page
within document



***Access additional
information on
the web***



Interactive indicator
*More detailed content
can be found*



Print*

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

****The additional interactive elements marked with  are not printable.***

OUR GOOD BUSINESS JOURNEY REPORT

This is the 2020 annual sustainability report of Woolworths Holdings Limited (WHL or the Group). The report covers the 52 weeks ended 28 June 2020 and provides an overview of our Good Business Journey.

SCOPE AND BOUNDARY OF THIS REPORT

The companies covered by this report are Woolworths, Country Road Group, and David Jones. The report is aimed at providing an overview of our sustainability strategy and progress to date, as well as future plans. It is intended to be read in conjunction with the 2020 Integrated Annual Report and the 2020 Annual Financial Statements, as a compendium of our strategy and performance. The principles that underlie the precautionary approach inform our governance and enterprise risk framework as well as our strategy.

REPORTING FRAMEWORK

As with our 2020 Integrated Report, we have considered the application of the six capitals (as recommended by the International Integrated Reporting Council) in our thinking about sustainability. Where this report predominantly covers the aspects related to human, social and relationship, and natural capitals, the Integrated Annual Report offers details about financial, manufactured, and intellectual capitals. This report references the GRI Standards; the detailed GRI index can be found [here](#). The Group is a signatory to the UN Global Compact, and this report also serves as our Communication on Progress (COP). We have also aligned to the UN Sustainable Development Goals (SDGs), as well as national development priorities of all the countries we operate in. The reporting suite also applies the King IV™ principles. We welcome any feedback on our programme and reporting. Contact details for this purpose can be found at the end of the report.

The scope and boundary of this 2020 Good Business Journey Report are broadly similar to those of the 2019 Good Business Journey Report.

Icons used throughout this report

People & Transformation	Social Development	Health & Wellness
Sustainable Farming	Ethical Sourcing	Waste
Water	Energy & Climate Change	Customers
Employees	Shareholders	Debt Funders
Suppliers	Communities & Other	The Media
Industry Organisations	Academic Institutions	Government & Regulators
TARGET ● Achieved ● Partially Achieved ● Missed		

2020 SUSTAINABILITY REPORTING SUITE

Complementing the Good Business Journey Report are a number of other reports targeted at specific stakeholders.

THESE REPORTS ARE THE:

- Integrated Annual Report, which provides an overview of the Group’s performance, value created for stakeholders, contribution to society, and how the Group’s strategy, governance, and performance add to the creation of value over the short-, medium-, and long-term
- Annual Financial Statements, providing a more detailed understanding of the financial aspects of our business
- Summarised Remuneration Report, providing key features of the Remuneration Report

The Integrated Annual Report, Annual Financial Statements, and Summarised Remuneration Report are available online on our corporate website, www.woolworthsholdings.co.za. Various appendices to this report, including a glossary, other supporting documents and compliance information not included in these reports can also be accessed on our corporate website, www.woolworthsholdings.co.za.

FORWARD-LOOKING STATEMENTS

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

USEFUL LINKS FOR MORE DETAIL

APPROVAL AND ASSURANCE

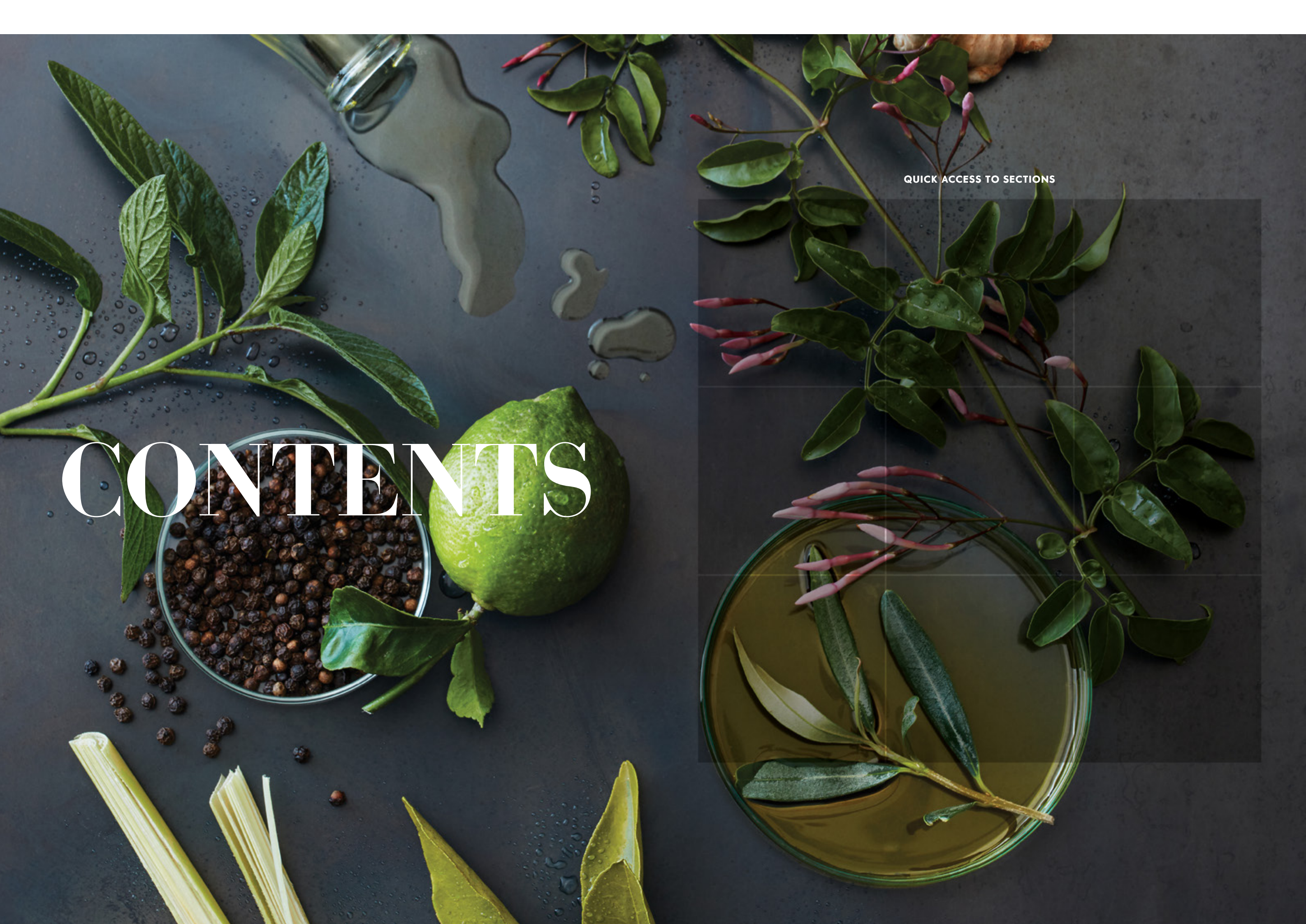
The Group has always looked at obtaining independent opinion on our progress as a crucial part of gaining and maintaining credibility with our stakeholders. Environmental Resources Management Southern Africa (ERM) was engaged to perform a ‘Moderate’ Type II level assurance engagement in accordance with the AccountAbility AA1000 Assurance Standard (2008 with 2018 Addendum) for selected information contained in this report:

- Accountability AA1000 Principles of Inclusivity, Materiality, Responsiveness and Impact
- Selected key performance indicators (KPIs):
 - Water usage for Woolworths head office, stores, and distribution centres (kl)
 - Percentage of Woolworths private label fashion, beauty and homeware locally sourced (%)
 - Percentage change in reusable bag sales (%)
 - Percentage change in Food plastic bag sales per transaction (%)
 - Percentage of Woolworths Food private label products with a sustainability attribute (%)
 - Good Business Journey savings (Rands)The basis of measurement of these KPIs can be found [here](#)
- Selected statements within the management approach disclosures on ethical sourcing, waste, water, and energy and climate change

Information assured by ERM is denoted with the following symbol in this report: ^{1A}

Various other verifications and assurances by a range of audit, technical, and scientific experts are obtained over different aspects of our Good Business Journey. These are documented in an assurance summary in an appendix to this report. We feel that the combination of verification and assurance processes provides coverage for all our material focus areas.

**THE SUSTAINABILITY COMMITTEE
REVIEWED AND RECOMMENDED
THE GOOD BUSINESS JOURNEY
REPORT, WHICH WAS THEN
APPROVED BY THE BOARD**



CONTENTS

QUICK ACCESS TO SECTIONS

SUSTAINABILITY COMMITTEE CHAIRMAN & GROUP CEO'S REPORT

“THE WOOLWORTHS GROUP IS SO MUCH MORE THAN SIMPLY A BUSINESS – OUR ORGANISATION PLAYS A CRUCIAL ROLE IN THE LIVES OF OUR EMPLOYEES (AND THEIR FAMILIES) AND IN OUR COMMUNITIES AND THE COUNTRIES IN WHICH WE OPERATE. OUR BUSINESS HAS ALWAYS BEEN A CAUSE FOR GOOD. FOR CHANGE. FOR MAKING A DIFFERENCE.”

- Roy Bagattini,
Group Chief Executive Officer

“THE RICH LEGACY OF OUR GOOD BUSINESS JOURNEY POSITIONS US EXCEPTIONALLY WELL TO CONTINUE MAKING A DIFFERENCE FOR OUR PEOPLE, OUR COMMUNITIES AND THE PLANET.”

- Simon Susman,
Chairman, Sustainability Committee

The world is in a very different place than when we reported just a year ago. As we face a global health crisis of truly historic proportions, we have all had to make significant changes to the way we live. Crucially, businesses have had to adapt to operating under strict regulations and new health and safety protocols. Significant work continues to be undertaken to address the impacts of the COVID-19 pandemic in our own operations and in the communities in which we operate. Further detail about this is included in this report and our Integrated Report. The devastating bushfires in Australia, followed by the COVID-19 pandemic, have brought into sharp focus the complexities of operating in this rapidly changing world. Never has there been more emphasis on the importance of operating in an ethical and responsible manner.

This year, we celebrate the conclusion our Good Business Journey 2020 goals and commitments. We are pleased to have exceeded our target corporate social investment contributions as well as our energy impact. In the last

five years we have contributed R3.97 billion to our local communities across the Group against our 2020 target of R3.5 billion, and we have achieved a 175% improvement in energy productivity across the Group from a 2005 baseline, far exceeding our target to halve our energy impact. We can also report excellent progress against our goal of every own-brand product having at least one sustainability attribute. Performance against our responsible sourcing target was mixed across the Group and individual commodities; however, we managed to perform very well for some key commodities such as cotton. We will continue on our responsible sourcing journey, with an increased focus on those more challenging commodities where further work and innovation is required. During the year, we also furthered our work to reframe a more realistic context-based water target.

In October 2019, Woolworths celebrated the 10th anniversary of the flagship Farming for the Future programme. This programme, piloted with 12 suppliers between 2004 and

2008, was officially launched in 2009 and has now grown to include 379 suppliers. Through the Fishing for the Future programme, Woolworths continues to remain at the forefront of the South African retail industry in terms of the percentage of third-party certified seafood sold. Currently, 78% of our seafood is sourced from suppliers that have been certified by third party certification schemes accredited by the Global Sustainable Seafood Initiative. Efforts to improve transparency and ethical standards in our supply chain continued, with Country Road Group and David Jones commencing a modern slavery risk assessment and making living wage milestone commitments, in addition to signing the Turkmenistan Cotton Pledge against forced labour.

During the year, significant packaging improvements were made across the Group. We've begun replacing non-recyclable packaging with recyclable or reusable options where possible. The rollout of a low-cost reusable bag in Woolworths Food stores and a recyclable paper bag in Woolworths Fashion, Beauty and Homeware stores continued (currently in five stores and two stores respectively), and the new Capitol Grand Food store became the first David Jones store to be single-use plastic bag free. Across the Group, we increasingly incorporate recycled content into our fashion and homeware products, reducing the dependency on virgin materials, while also contributing towards the circular economy. Country Road continued its 10-year association with Fashion Trade, whereby customers are incentivised to donate their

pre-loved clothing to the Red Cross in exchange for a A\$10 Country Road voucher. We also enhanced our customer takeback schemes across the Group, including through the pilot of a coffee cup take back and recycling scheme in 36 Woolworths stores. In a first for the Group, Country Road launched a new partnership with clothing retail business Glam Corner, offering customers the opportunity to rent rather than buy their wardrobe. Promoting energy and water efficiency in our direct operations remained a key focus. During the year, we continued the rollout of lightweight, frameless acrylic fridge doors (now in 132 Woolworths stores) and installation of LED lighting in stores (now in 3 Woolworths stores and 20 David Jones stores). These initiatives significantly improve energy productivity at stores, with energy savings on average of over 20%. In an Australian retail industry first, the Country Road Group Chadstone store was the first fashion retail store in Australia to achieve a 5 Star Green Star Design Review rating.

With the closing out of our 2020 goals this year, we will shortly launch a refresh of our Good Business Journey strategy looking to 2025 and beyond. Our Good Business Journey has a rich history. We see this journey as critical to the strength of our brands and our impact on society, the environment, and our people and customers. With this legacy and our achievements and learnings to date, we are well placed to continue making a real difference as we move forward on the next phase of our journey.



ROY BAGATTINI
Group Chief Executive Officer



SIMON SUSMAN
Chairman, Sustainability Committee

GOVERNANCE OF SUSTAINABILITY

The Sustainability Committee (committee), a sub-committee of the Woolworths Holdings Board, ensures that the sustainability strategy positions the Group as a leader in responsible retailing in the countries in which it trades. It further oversees that the sustainability initiatives and objectives are effectively integrated into the business and that the Group operates in an environmentally responsible manner.

The Group Chairman (an independent non-executive director), Group Chief Executive Officer, and the Woolworths SA Chief Executive Officer are members of the committee, together with three additional independent non-executive directors. Simon Susman, the Group's Honorary President, continues to chair this committee for an interim period, given his expertise in this area. Committee members have expertise and experience in a range of corporate sustainability issues. Country Road Group and David Jones Executive Committees and Boards review Good Business Journey progress on a regular basis as well.

Details of the committee composition and attendance at meetings are included in the Integrated Report, while the committee's terms of reference are available on our website.

KEY MATTERS DISCUSSED BY THE COMMITTEE DURING THE YEAR

- Reviewed the closing out of our 2020 Group sustainability goals and commitments, and oversaw the sustainability strategy refresh to 2025
- Reviewed the Group's sustainable development (Good Business Journey) strategy and performance
- Considered stakeholder feedback on sustainable development

- Monitored progress on the journey towards achieving our zero waste to landfill vision and the significant improvements that had been made in relation to the use of recyclable or reusable product packaging
- Monitored the combined assurance approach to sustainability reporting and approved the appointment of the Good Business Journey Report's external assurance provider and the related assurance scope
- Monitored international developments in climate change and sustainable development
- Monitored the ethical sourcing strategy, including sustainable fibres
- Reviewed and recommended the Sustainability Report (Good Business Journey Report) for 2020 for approval by the Board
- Reviewed and recommended the revised Code of Business Principles for Suppliers for approval by the Board

FOCUS AREAS FOR 2021

- Evaluate the effects of climate change and its impacts on our value chain
- Continued focus on packaging and evolution of targets beyond 2020
- Continued focus on water in the value chain and development of a roadmap towards our 2050 target
- Monitor renewable energy sourcing across the Group
- Continue to monitor the ethical sourcing strategy, increasing the product range with sustainability attributes, including sustainable fibres, and expanding our approach to the circular fashion economy

Topics related to people and transformation, employee health and wellness, and social development were discussed by the Social and Ethics Committee during the year. Further information on these topics is provided in the Social and Ethics Committee Report.

[USEFUL LINKS FOR MORE DETAIL](#)





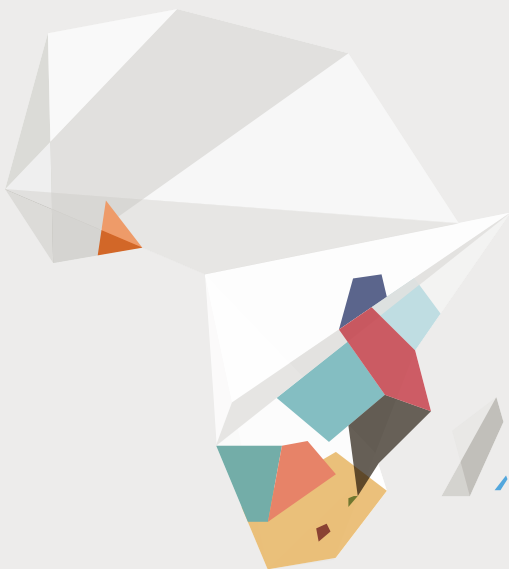
*Rollover for more
detailed content*

ABOUT THE WHL GROUP

Woolworths Holdings Limited (WHL) is a southern hemisphere retail Group that has been listed on the Johannesburg Stock Exchange Limited (JSE) since 1997. It is one of the top JSE-listed companies and has a market capitalisation of R34.4 billion as at 28 June 2020. The Group consists of three trading divisions, Woolworths South Africa (Woolworths or WSA), David Jones (DJ), and Country Road Group (CRG). Woolworths Financial Services Proprietary Limited (WFS) is a joint venture with Absa Bank, which holds the controlling interest. From an operating perspective, Woolworths is the biggest contributor to Group turnover and profit and thus has the largest sustainability impact across the Group.

Financial information is on a comparable 52-week basis as at 28 June 2020
* The weighted average of performance against all the sustainability targets tracked
** Including concession sales

Profile
**LEADING SOUTH AFRICAN
RETAILER OFFERING A
RANGE OF PRIMARILY
PRIVATE LABEL
PRODUCTS**

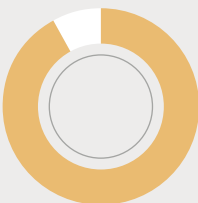


OFFERING
A selected range of quality fashion, beauty, homeware, and food products. Financial services are provided through Woolworths Financial Services (WFS)

BASED IN
South Africa and trading in South Africa and a further 11 countries in Southern Africa



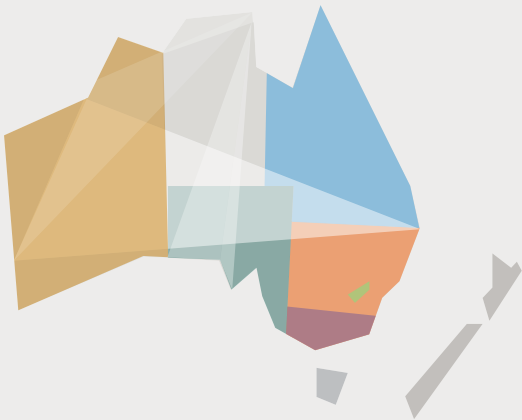
TRADING SPACE
● *Woolworths*
747 000 m²



92%
of targets achieved on sustainability scorecard*

CONTRIBUTION
72% of Group employees
83% of Group carbon emissions

Profile
**ONE OF
AUSTRALIA'S
LEADING PREMIUM
DEPARTMENT
STORES**

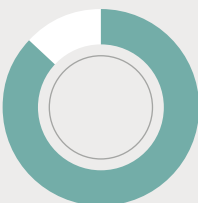


OFFERING
Leading international and local brands with a private label clothing, homeware, and food offering

BASED IN
Australia and trading in Australia and New Zealand



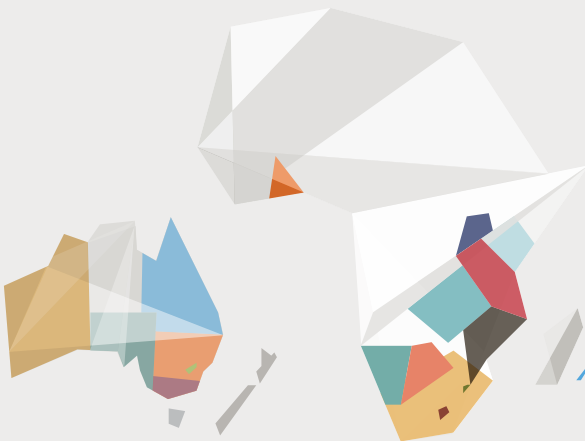
TRADING SPACE
● *David Jones*
472 000 m²



87%
of targets achieved on sustainability scorecard*

CONTRIBUTION
16% of Group employees
14% of Group carbon emissions

Profile
**LEADING
AUSTRALIAN
SPECIALITY
RETAILER**

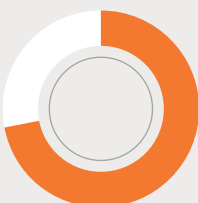


OFFERING
Stylish, high-quality apparel, accessories, footwear, and homeware

BASED IN
Australia and trading in Australia, New Zealand, and Southern Africa



TRADING SPACE
● *Country Road Group*
115 000 m²



72%
of targets achieved on sustainability scorecard*

CONTRIBUTION
12% of Group employees
3% of Group carbon emissions

OVERVIEW OF THE GOOD BUSINESS JOURNEY



*Rollover for more
detailed content*

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

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.



FOCUS AREAS

MANAGEMENT AND INTEGRATION

The Good Business Journey is integrated into management’s day-to-day decision-making through the use of sustainability scorecards. Each business unit and operating subsidiary has a sustainability scorecard against which they are measured twice per annum. These scorecards include a set of relevant Good Business Journey key performance indicators and associated targets aligned to these eight focus areas and Group goals and commitments. A sustainability score is determined for each business unit and operating subsidiary, whereby the weighted average of performance against all the sustainability targets tracked is calculated in order to assess performance against the Good Business Journey goals and commitments. Relevant key performance indicators and targets are also included in employees’ and managements’ personal performance scorecards across the Group as part of our Integrated Performance Management system.

Each of our focus areas is broadly aligned to the Sustainable Development Goals (SDGs) and 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.



THE LAST FIVE YEARS

Our 2020 Good Business Journey Group goals, set in 2016, culminated at the end of this financial year.

2020 GROUP GOALS



Contribute
R3.5BN
to our communities by 2020

We have contributed
a cumulative
R3.97BN
to our communities over
the last five years.



Halve our
**ENERGY
IMPACT**
by 2020

We have achieved a
175%
improvement in our energy
productivity (m² per MWh)
against a 2005 baseline.



**RESPONSIBLE
SOURCING**
of all key commodities
by 2020

Against this target, we report mixed progress across the Group and the commodities. 📉 We are particularly proud of our achievement with regard to cotton, where we have made excellent progress from a zero base, and note that further work is required, particularly on palm oil, soy, cellulose fibres and leather.



Have at least one
**SUSTAINABILITY
ATTRIBUTE**
for all directly sourced products by 2020

Woolworths came very close to achieving the target of all directly sourced products containing at least one sustainability attribute. 📉 Country Road Group and David Jones both started their journey towards incorporating sustainability attributes into their product design and development later than Woolworths, and we are satisfied with the progress made.

KEY FIVE-YEAR HIGHLIGHTS

THE CONTRIBUTION INCLUDED:

- R2.9 billion in surplus food donated to charities
- R395 million donated to MySchool MyVillage MyPlanet
- R251 million in surplus clothing donated to the Clothing Bank

First major retailer to sign up to the EP100 📉 initiative in 2017 and significantly outperformed the target

Six renewable energy installations across the Group

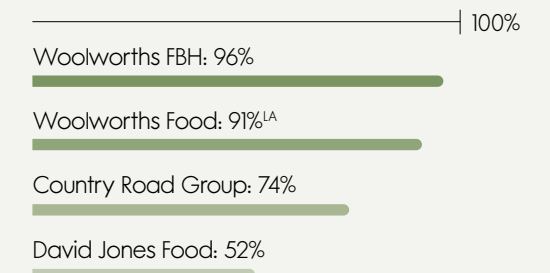
Five Green Star rated facilities across the Group 📉

92% of Woolworths and 80% of Country Road Group cotton sustainably sourced as at year end

Country Road Group and David Jones signed the Bangladesh Accord on Fire and Building Safety in 2019

Woolworths signed the Vancouver Declaration in 2017, making a commitment to work towards more sustainable sourcing of forest products

PERCENTAGE OF PRIVATE LABEL PRODUCTS CONTAINING SUSTAINABILITY ATTRIBUTES AS AT YEAR-END



[USEFUL LINK FOR MORE DETAIL](#)


PLEASE NOTE We began working on a new context-based water target in 2019, and are no longer reporting against our previous goal.




KEY FIVE-YEAR HIGHLIGHTS

Over
R642M
cumulative spend on employee training
across the Group since 2016

Celebrated the
10TH
ANNIVERSARY
of the Woolworths flagship
sustainable farming programme

WHL was the
1st
major retailer to sign up to the EP100 
initiative in 2017 and significantly
outperformed the target to double energy
productivity by 2020 against a 2005 baseline


WHL recognised as one of the top two
Africa-based companies in the 2019
GlobeScan-SustainAbility Survey

R1.2BN
saved by Woolworths through
Good Business Journey initiatives
since 2016


**COUNTRY ROAD GROUP AND
DAVID JONES MADE A PUBLIC
COMMITMENT TO ENDORSE THE
GLOBAL LIVING WAGE COALITION**

**WHL announced new
packaging targets in 2018**
Ensure that all of our packaging is
reusable or recyclable by 2022
Eliminate the use of single-use
plastic bags by 2020

**WHL became a signatory to the
Ellen MacArthur Foundation's New Plastics
Economy Global Commitment**

**Woolworths became a founding member
of the South African Plastics Pact**

**R1.5BN CUMULATIVE
WOOLWORTHS' PROCUREMENT
SPEND WITH SUPPLIER
DEVELOPMENT BENEFICIARIES
SINCE 2016**

**WHL IS ONE OF ONLY A FEW
SOUTH AFRICAN LISTED COMPANIES
ANNUALLY INCLUDED IN THE
DOW JONES SUSTAINABILITY
INDICES (DJSI) WORLD AND
EMERGING MARKET INDEX**



Finalist in 2016 and 2017: World Retail Congress
“Responsible Retailer of the Year” Award

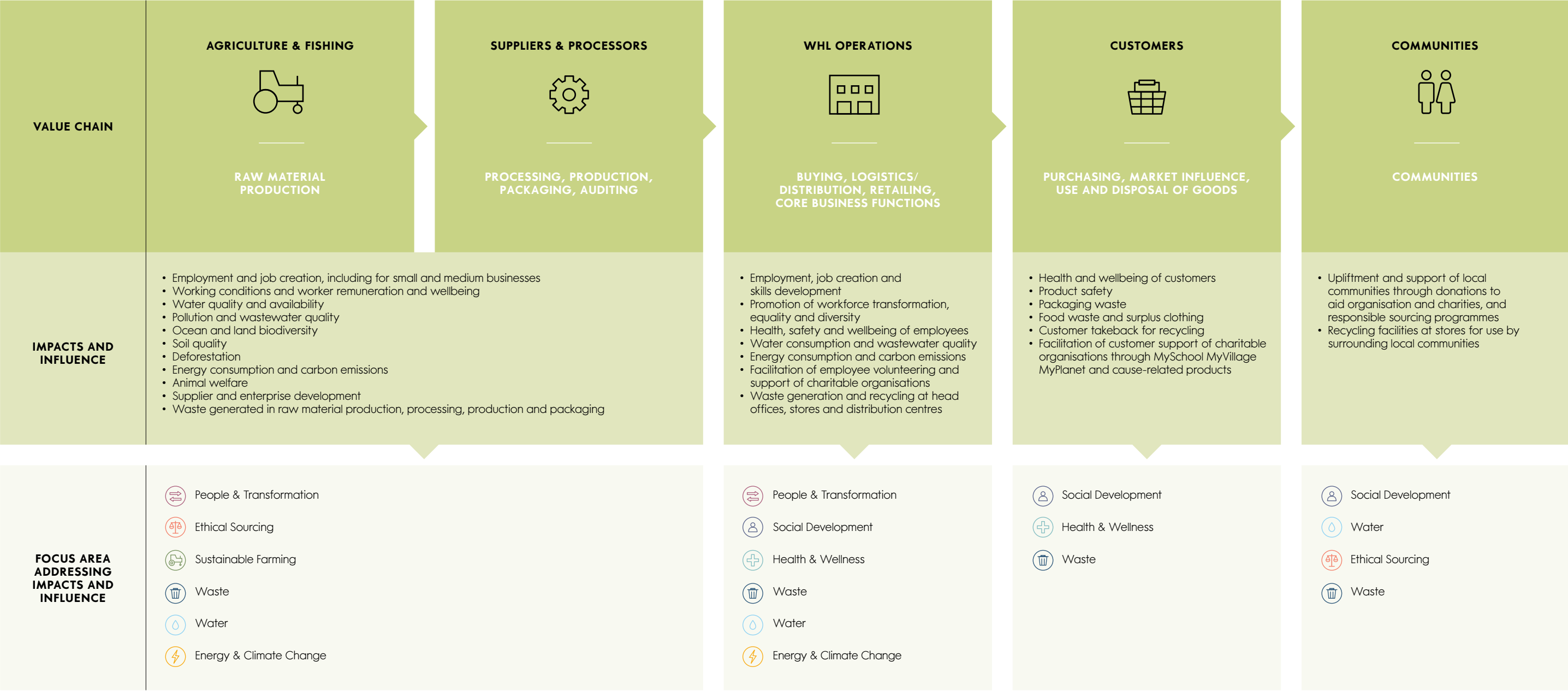
Listed at
#40
in Fortune's Third Annual
‘Change the World’ List
of Companies That Are Doing
Well By Doing Good in 2017

**SUPPLY CHAIN TRANSPARENCY WAS
ENHANCED BY THE PUBLICATION OF
SUPPLIER LISTS FOR COUNTRY ROAD
GROUP AND DAVID JONES PRIVATE
LABEL PRODUCTS**

USEFUL LINK FOR MORE DETAIL

OUR VALUE CHAIN

As a retailer in food, fashion, beauty, and home with a multinational footprint, we recognise the significant challenges associated with the complexity of working within a multi-tiered and geographically dispersed supply chain. Our impacts and influence cut across the entire value chain, from raw material production to customers and the end-uses of our products. With this understanding of our value chain, we are able to adopt a systems-thinking-based approach to addressing our impacts through our eight GBJ focus areas.



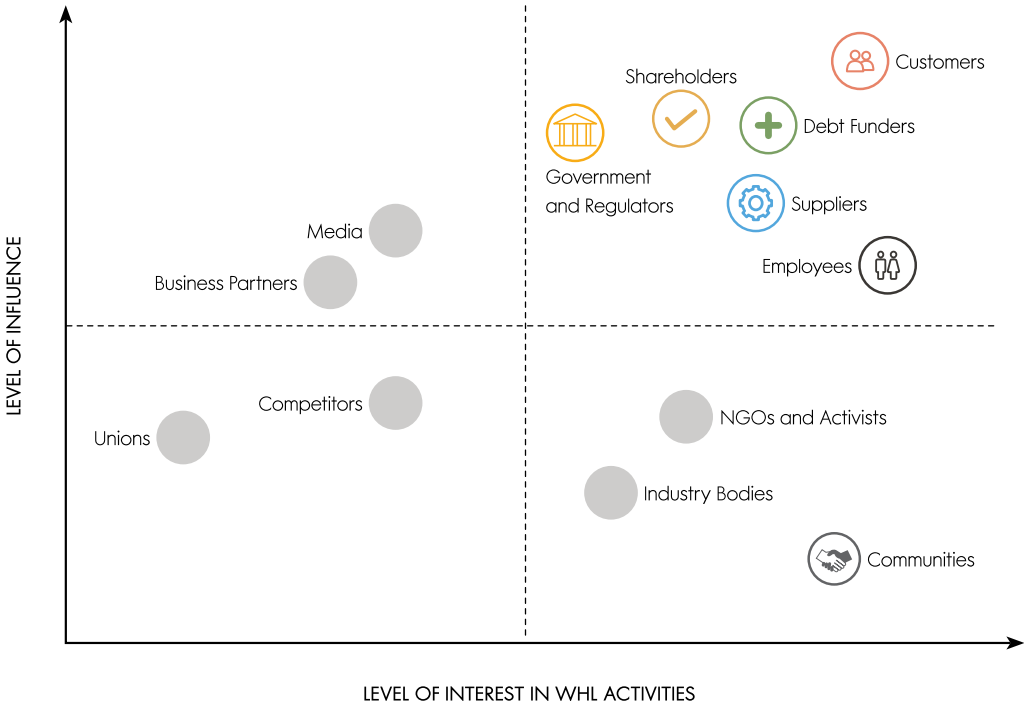
OUR STAKEHOLDERS

The Group believes that strong, sustainable stakeholder relationships form the foundation of our ability to create shared value in the short-, medium-, and long-term. Unique to our value creation process is the extent to which our Good Business Journey supports and nurtures future access to our resources, which is key to building a more sustainable business and future.

We are committed to developing and maintaining quality, long-term relationships with the broad range of stakeholders who have an interest in the Group, its products, activities, and initiatives and on whom our business has an impact. Our philosophy is to engage authentically, openly and inclusively with them, allowing us to better understand and benefit from their insights, concerns, and priorities; to seek areas of potential partnership; mitigate risks to the business; and create mutual trust and respect. This is integral to the ongoing, daily management of the Group and key to identifying the material issues that could significantly impact our performance and sustainability. We, therefore, ensure that we engage on issues that are salient both for stakeholders and the business.

THE BOARD IS COMMITTED TO STAKEHOLDER ENGAGEMENT WITH THE INTERACTIONS, MONITORING, AND IMPLEMENTATION OF STAKEHOLDER ENGAGEMENT BEING THE RESPONSIBILITY OF RESPECTIVE MANAGEMENT TEAMS IN THE GROUP. THE SOCIAL AND ETHICS COMMITTEE ANNUALLY REVIEWS THE GROUP’S SELF-ASSESSMENT OF STAKEHOLDER ENGAGEMENT.

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



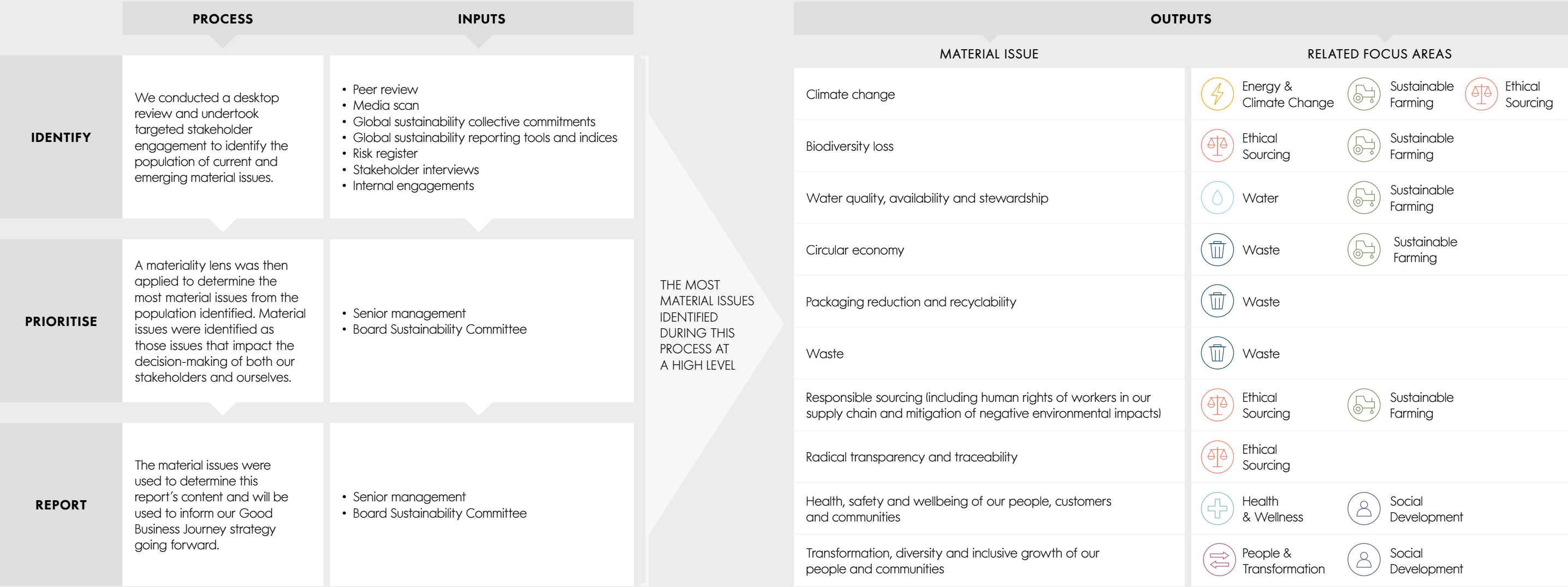
In the appendices to this report, a full table is included where we have listed our key stakeholder groupings; how we engage with them, their material needs, expectations, and concerns; and how we create value for them.

[USEFUL LINK FOR MORE DETAIL](#)

MATERIALITY DETERMINATION PROCESS










A wide range of current and emerging economic, social, environmental, and ethical issues has an impact on our business, either directly or through our global supply chain. Consequently, we have to manage a continually evolving set of issues, and, as part of our continuous process of review, assessment, and response to this evolving set of issues, materiality assessment is integrated into the day-to-day management of the Group.

During the year, we conducted a formal materiality determination process to define what matters most for the purposes of this report, and to inform our Good Business Journey strategy refresh following the conclusion of the 2020 Group goals and commitments. The COVID-19 pandemic impacted almost all our Good Business Journey Report focus areas and material issues; these impacts are disclosed throughout the report in the relevant sections.

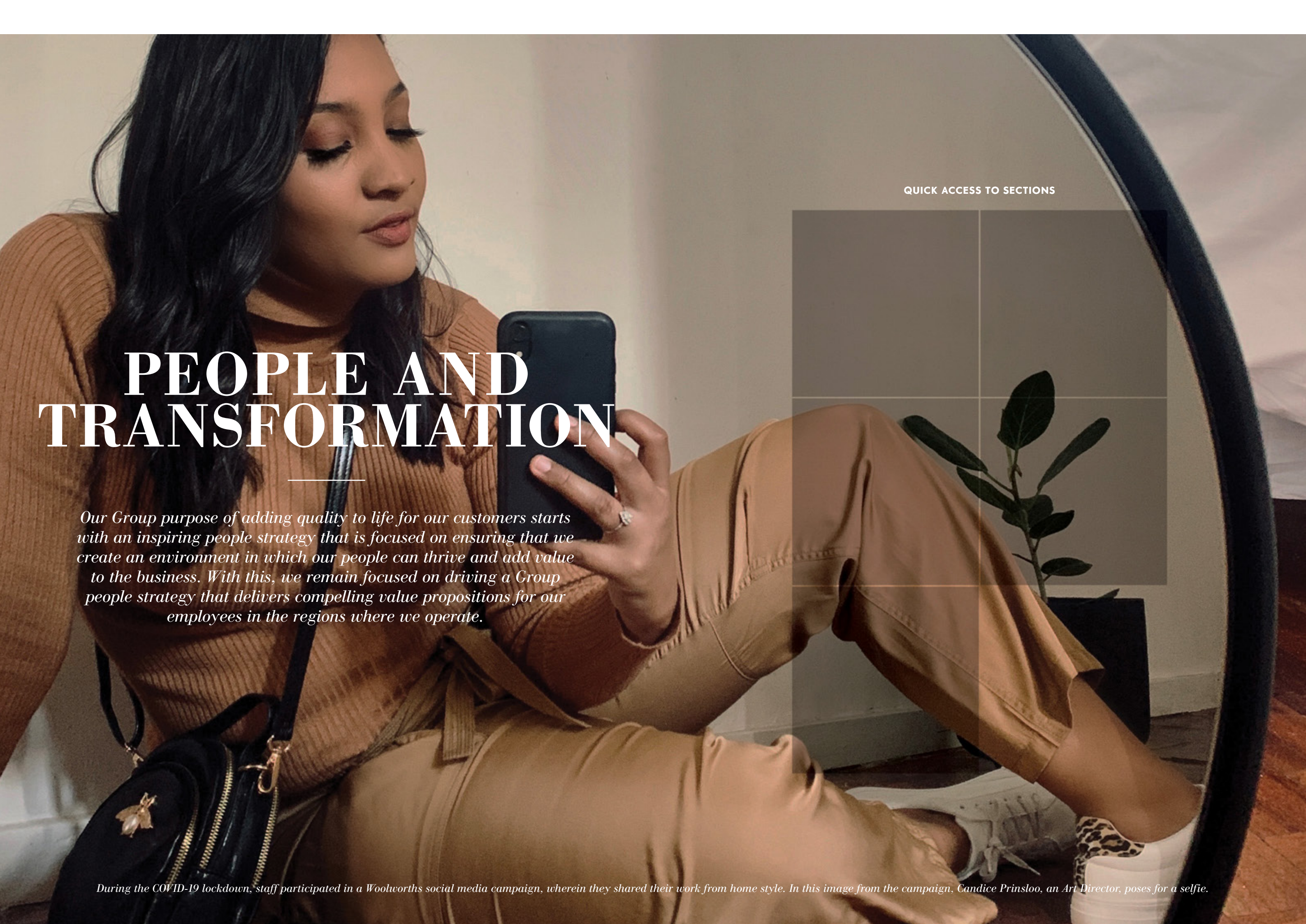


SUSTAINABILITY RISKS

We are faced with a multitude of sustainability risks that may impact our business, both in our direct operations and in our value chain. We follow a robust risk assessment approach to determine our risks across all focus areas and key stakeholder groupings. Risk registers are developed for key business areas to ensure that all identified risks are documented, weighted according to the agreed risk assessment method, and action plans are identified to mitigate the risk.

CLIMATE CHANGE AND ENERGY	WATER QUALITY AND SCARCITY	WASTE TO LANDFILL	ETHICAL SOURCING
<div>OUR CONCERNS<ul style="list-style-type: none">Failure to reduce carbon emissions and adapt to and mitigate against physical climate change impactsThreat to supply and quality of raw materialsFood security and food price inflationAvailability of electricityFailing governmental and municipal infrastructure</div> <div>COVID-19 IMPACT<p>The pandemic and Australian bushfires highlighted the importance of business resilience and the need for agility to adapt to and mitigate against external shocks, such as climate change.</p></div> <div><div>RELATED GBJ FOCUS AREAS</div><div></div></div> <div>MITIGATIONS<ul style="list-style-type: none">Implementation of energy-efficiency initiatives in our direct operationsSolar photovoltaic installations across the GroupImplementation of Woolworths' Farming for the Future programmeImplementation of the green factories programme with Woolworths' suppliersOptimisation of Woolworths' delivery footprint</div>	<div>OUR CONCERNS<ul style="list-style-type: none">Food security and food price inflationContamination of available water resources through pollutionPersistent droughtThreat to supply and quality of raw materialsFailing governmental and municipal infrastructure</div> <div>COVID-19 IMPACT<p>Water availability risk increased in local communities, where there is an increased need to ensure proper handwashing and hygiene practices during the pandemic.</p></div> <div><div>RELATED GBJ FOCUS AREAS</div><div></div></div> <div>MITIGATIONS<ul style="list-style-type: none">Implementation of water-efficiency initiatives in our direct operationsImplementation of Woolworths' Farming for the Future programmeImplementation of the green factories programme with Woolworths' suppliersImplementation of a detox strategy to remove harmful chemicals from clothing manufactureInvolvement in water stewardship projects in key Woolworths sourcing regionsInstallation of water tanks and handwashing stations at under-resourced schools</div>	<div>OUR CONCERNS<ul style="list-style-type: none">Lack of widely available recycling infrastructure and technologyAvailability of cost-effective alternativesBalancing the need for packaging to minimise spoilage and for product safety against increasing expectations for packaging reductionNon-compliance with applicable laws and regulations</div> <div>COVID-19 IMPACT<p>The focus on hygiene and sanitisation exponentially increased as a result of COVID-19 preventative measures. As such, packaged products and single-use plastic items are seen by customers as more hygienic and preferential to unwrapped products and items.</p></div> <div><div>RELATED GBJ FOCUS AREAS</div><div></div></div> <div>MITIGATIONS<ul style="list-style-type: none">Phase-out of single-use plastic shopping bags and introduction of low-cost reusable bagsProactive stakeholder engagement with the packaging and recycling industriesTrialling sustainable packaging optionsRecycling of waste from direct operationsProvision of customer takeback facilities at Woolworths storesDonation of surplus food and clothing to charitiesInclusion of clear on-pack recycling labelling</div>	<div>OUR CONCERNS<ul style="list-style-type: none">Increasing expectations for transparency and traceability in the supply chainIncreasing requirements to manage third-party social and environmental risk and animal welfare in the supply chainBalancing increasing legislative requirements for supply chain localisation with the quality, cost, and availability of goods in the rest of Africa</div> <div>COVID-19 IMPACT<p>Supplier and service providers' resilience amidst current economic conditions is a big concern. The increased financial pressure on suppliers may result in an increase in unethical practices or behaviours in order to ensure business survival. COVID-19 travel restrictions and lockdown regulations impact the ability to travel for supplier ethical audits.</p></div> <div><div>RELATED GBJ FOCUS AREAS</div><div></div></div> <div>MITIGATIONS<ul style="list-style-type: none">Publication of Country Road Group, David Jones, and Witchery supplier listsMandatory compliance by suppliers with our Codes of Conduct monitored through regular auditsSourcing commodities through recognised international responsible sourcing programmesOngoing training of staff and suppliers on ethical sourcing topicsProactive stakeholder engagement with governments and regulatorsSupplier and enterprise development programme</div>
COVID-19 RISKS OVERALL FOR THE GOOD BUSINESS JOURNEY PROGRAMME			
<div>OUR CONCERNS<ul style="list-style-type: none">Balancing financial resilience and stability with our commitment to sustainability and responsible sourcing, addressing increased consumer demand for affordable but sustainable product optionsMeeting stakeholder expectations for supporting and assisting local communities in collaboration with government, charitable and aid organisationsManaging the health, safety, and wellbeing of our customers and employees</div>		<div>MITIGATIONS<ul style="list-style-type: none">Continued implementation of the Good Business Journey programme, working towards 2020 Group goals and commitments and a refresh of the strategy to 2025 and beyondDonations and assistance provided to charities and aid organisationsImplementation of strict health and safety protocols at all our operations</div>	

USEFUL LINKS FOR MORE DETAIL



QUICK ACCESS TO SECTIONS

PEOPLE AND TRANSFORMATION

Our Group purpose of adding quality to life for our customers starts with an inspiring people strategy that is focused on ensuring that we create an environment in which our people can thrive and add value to the business. With this, we remain focused on driving a Group people strategy that delivers compelling value propositions for our employees in the regions where we operate.

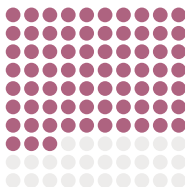
During the COVID-19 lockdown, staff participated in a Woolworths social media campaign, wherein they shared their work from home style. In this image from the campaign, Candice Prinsloo, an Art Director, poses for a selfie.

PERFORMANCE SUMMARY

Employee headcount

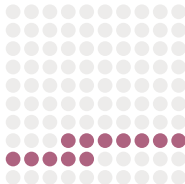
WSA
32 371

2019: 33 621
2018: 32 473



CRG
5 480

2019: 5 601
2018: 5 992



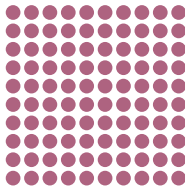
DJ
7 012

2019: 7 609
2018: 7 634



WHL
44 863

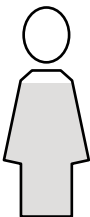
2019: 46 831
2018: 46 099



Female representation

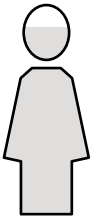
WSA
66%

2019: 66%
2018: 65%



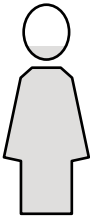
CRG
89%

2019: 88%
2018: 88%



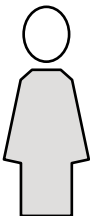
DJ
76%

2019: 77%
2018: 77%



WHL
71%

2019: 70.5%
2018: 71%



Training Spend

R119.9M

Woolworths

2019: R121.6M
2018: R110M

R18.7M

Country Road Group

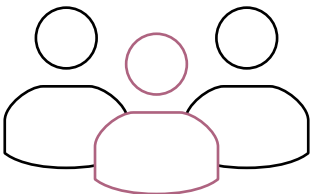
2019: R17.4M*
2018: R19.9M*

*The CRG value has been restated to include spend from all cost centres, previously it was just the human resource cost centre

R8.4M

David Jones

2019: R9.4M
2018: R3.1M



35

Supplier development beneficiaries

2019: 46, 2018: 49



R278.8M

Total procurement spend with SED suppliers through tailor-made support from Woolworths and its partners

STRATEGY AND MANAGEMENT APPROACH

STRATEGY

The WHL people strategy is uniquely positioned for the different geographic regions within which we operate, namely: Africa (referring to Woolworths South Africa in this chapter) and Australasia (referring to David Jones and Country Road Group in this chapter). Our strategic intent remains anchored by our values and centred on delivering unique experiences for both our people and customers. As a Group, it is important for us to ensure that we employ and invest in people who share our brand purpose, values, and passion to help grow a future-fit business. Our Employee Value Proposition is aimed at attracting, developing and retaining talent that enables us to create a diverse staff complement to deliver to our strategy. It is important that we implement an Employee Value Proposition that nurtures a unique employee experience. Through regional oversight of our people strategies, we are able to deliver this compelling value proposition.

The people strategies in Woolworths South Africa, David Jones and Country Road Group emphasise a people experience that will enable a differentiated customer experience, albeit in varying regional contexts. In Woolworths South Africa, the broader South Africa socio-economic and political context in which the organisation exists and our people live is considered. In David Jones and Country Road Group, the focus on business sustainability through ensuring the right culture and optimising process to build a strong business in the region is a key focus. Our Group people strategy is, therefore, premised on ensuring that we create an environment in which our people can thrive and add value in both geographic regions.

MANAGEMENT APPROACH

We entrench our purpose and values through employee engagement, building our organisational leadership capability as well as investing in the wellbeing of our people.

Our strategies are driven through various forums like People Leadership Teams, Human Resource Forums, and Townhall sessions. In addition, in Woolworths SA, a Connected People Council (CPC), a collective forum of senior executives, chaired by the Woolworths SA CEO, was established in 2016 to deliver a modern and connected people experience to our employees. The main aim of the CPC has been to systematically address the issues that hinder us from living up to our promise of a unique employee experience. Having identified a few pain points, we have also focused on further entrenching our values, building leadership capabilities that are aligned to our values, as well as digitising our operations – not only for better delivery to our overall business strategy but also to facilitate agile communication with our staff.

From a talent management perspective, we have established a Group Talent Forum which focuses on senior management across the Group in order to attract, develop, and retain talent.

In response to the COVID-19 pandemic, we implemented a crisis response plan focusing on delivering a COVID-19 People Plan that continues to deliver to our Employee Value Proposition even in the midst of a crisis.

HIGHLIGHTS

With the focus on integrating our regional people strategies, we have built an attraction and sourcing strategy for senior leaders that is aligned across the regions.

Woolworths South Africa launched a people app, 'MYWOOLIES APP', in line with the deliverables of the Connected People Council.

In Australasia, we focused on integrating the different operating brands for a unified regional people strategy. As part of our optimisation programme, we launched a new people management and call centre transformation process for the region. To drive a culture of recognition, we continued to entrench our values-based culture through piloting values recognition cards.

The speed at which the COVID-19 pandemic impacted virtually the entire world was unprecedented; however, it highlighted also the agility with which the business can adapt. We have realised that flexible ways of working as a business are possible. This has necessitated the review of ways of working and will be included in our talent attraction strategy going forward. We were also able to acknowledge our Woolworths frontline essential workers with a Difference Award.

LOWLIGHTS AND CHALLENGES

While driving focused people strategies in both the Australasian and Southern African regions, the global COVID-19 pandemic saw both regional people strategies shift to respond to unprecedented times and crisis management. The speed of impact in the regions caused a review of all strategic deliverables for the last half of the financial year. Discretionary spend was evaluated and most projects suspended for the period of the lockdown, impacting human resources strategic deliverables, especially pertaining to organisation-wide actions like employee engagement, performance optimisation, and leadership development. Transitioning the majority of our office staff to work from home posed many challenges, as this had to be done in a short space of time after the lockdown was announced. [Read more](#)

LOOKING AHEAD

The Group focus to enhance our leadership competency and capability for the future will remain a key priority going forward. In navigating complex issues, we need to have a solid and conscious, consistent communication and engagement framework for agility when responding to future crises. It is also important for us as a Group to continue to focus on our transformation initiatives in both regions to enable an inclusive culture that is appreciative of region-specific diversity and transformation challenges.

For the next three years, Woolworths will continue its focus on talent management, shaping an enabling culture as well as aligning leadership capabilities across the region. For Australasia, driving a culture of flexibility as part of the Employee Value Proposition is important. The implementation of the Reconciliation Action Plan will continue as well. The COVID-19 pandemic made us realise that we have not fully equipped our leaders with the proper capabilities to deal with crises from a people perspective. Future ways of working forces leaders to not only have conversations on business performance but also to focus on the overall wellbeing of their employees by doing regular check-ins.

As the economy opens up after the COVID-19 lockdown, we will enter a recovery phase that is unclear and not business as usual. An entirely new way of thinking is required to shape our people strategy going forward. The COVID-19 pandemic accelerated our transition towards more flexible ways of working, something that has been in the pipeline. This illustrated that productivity can be maintained even with flexible working conditions for a business such as ours. Progressing towards a just wage in South Africa has been necessitated by the impact of COVID-19 and will remain one of our focuses in delivering to our people strategy, especially for our store staff.

IMPACT ON THE VALUE CHAIN



WHL operations



Suppliers & Processors



Agriculture & Fishing

TALENT DEVELOPMENT AND RETENTION

We operate in an era influenced by so many revolutions in areas such as technology and artificial intelligence as well as social reforms that necessitate businesses to be agile in their responses. The dynamics of the workplace are changing, with a younger generation of cohorts entering the workplace, hungry for knowledge that sets them up for success in this new era. The complexity of this new era means that skills development will remain a continuous undertaking for the Group. It also creates a need to have competitive retention strategies in order to maintain a thriving and productive workforce.

For current employees, skills development is a key people strategy built into the individual performance plans of each employee. The WHL group offers a range of internal and external accredited training and tertiary studies designed to help employees deliver our business strategies, foster talent and equip our employees with vital skills and experience, in turn, preparing them with skills for the retail environment.

As a result of the COVID-19 pandemic, face-to-face training and recruitment were halted during the lockdown period.

TALENT DEVELOPMENT IN SOUTH AFRICA

Woolworths remains passionate about and committed to sustainable transformation and steadfast in our belief that skills development is a key enabler to this end. We are clear that delivery of transformation through skills development requires us to extend beyond skills development inside Woolworths, and includes us playing a role to enable education, capacity building and skills development targeted at improving the employability of graduates from various institutions, ultimately improving the calibre of our future pipeline feed.

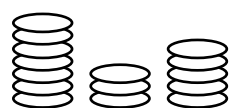
Within this context, our strategic intent is to contribute to economic growth through building skills for the company, the sector and for the country. We are more than ever committed to our strategy; however, the COVID-19 pandemic has affected our skills development approach in unprecedented ways. Not only has the crisis shifted our

skills development priorities but also the way we deliver learning in a world where social distancing and remote work is the new normal.

When lockdown was announced, our immediate priority was to support the business to deliver critical training to introduce people to the new normal. Some of the training delivered included COVID-19 hygiene protocol, cyber security, work from home toolkit guidelines, stress management, etc. The business also saw shifting consumer behaviour which necessitated the launch of a “click and collect” online shopping option where we had to deliver training within our current constraints.

As the dust settled we started a review of our skills plan for the financial year while preparing a roadmap to transition the organisation from predominantly face-to-face classroom training to a blend of digitally enabled learning delivery channels within limited infrastructure and funding constraints.

With much uncertainty looming we are exploring multiple digital formats to get our training delivery back on track so that we can move beyond delivering compliance and business critical training.



R119.9M

Woolworths training spend in 2020

2019: R121.6M
2018: R110M

USEFUL LINK FOR MORE DETAIL

DEVELOPING OUR INTERNAL PIPELINE

Woolworths’ transformation strategy continues to be a priority, while appreciating that in the context of the current crisis, the talent pool is changing, expanding and being reconfigured. The COVID-19 pandemic has compelled us to reassess our talent development approach so that we are uniquely positioned to develop the right capabilities to steer the organisation forward.

We continue focusing on retaining, developing and growing from within but are in the process of looking at different ways to build our future capabilities. There has been limited career progression and we are using the lockdown period to review our current pipeline development programmes and how we enable delivery to support the need for future skills.

The purpose of our pipeline programmes is and will remain preparing our top talent for future career progression to enable them to operate at the next level of work. In order to drive the transformation agenda for both the business and the country, we also offer development to unemployed graduates and students who require exposure in their chosen field as part of the graduation requirements (interns), with a focus on developing core/scarcely skills. These students and graduates are offered workplace experience and internships within our business units with a view to increasing their employability and using them as a recruitment pool.

SAICA TOPP (TRAINING OUTSIDE OF PUBLIC PRACTICE) PROGRAMME

Woolworths has been accredited by the South African Institute of Chartered Accountants (SAICA) as a Training Outside of Public Practice (TOPP) training office for prospective chartered accountants. With this, we are now able to develop the relevant skills for accounting competency in the business. Woolworths employees who are also aspiring chartered accountants can complete their articles within the finance teams, without having to leave the business. We are proud that our first two TOPP trainees are doing very well in completing their articles, with one of them having completed their first year’s training.

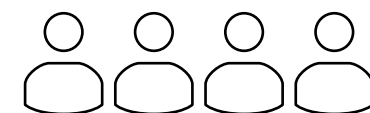
Both trainees have successfully completed their first Board exams. We recently recruited an additional two TOPP trainees in 2020 and, therefore, have four trainees going into the next year.

SAICA ACCOUNTING TECHNICIAN SOUTH AFRICA – AT(SA) TRAINING

Earlier in 2019, Woolworths piloted the NQF 3 Accounting Technician South Africa certificate programme. This allows our employees in Finance who do not have any accounting qualification to obtain their Accounting Technician (SA) designation. Nine employees have completed their training and successfully graduated from SAICA. We plan to open this training to other employees in the business in the next year.



Woolworths is accredited by the South African Institute of Chartered Accountants) as a Training Outside of Public Practice training office



4

trainees recruited since 2019

INDUSTRY-BASED WORKPLACE EXPOSURE

DEVELOPING THE UNEMPLOYED AS OUR FUTURE PIPELINE

The unemployment rate in South Africa has climbed to above 30% and this is further exacerbated by the looming job cuts, economic conditions that are prevailing and new digital skills that are in short supply.

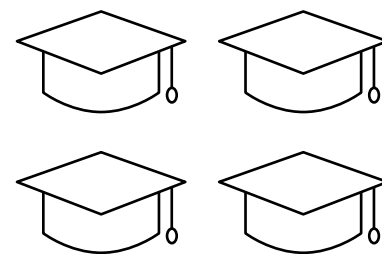
Developing a future-fit talent pipeline pool to support our business growth and transformation is still one of our key objectives. We do this through offering opportunities throughout the talent “value-chain” - from bursaries for employee dependants, to co-op student placements, to our graduate development programme for workplace experience, through to placement. The programme not only offers us a ready-now skilled pool of talent but also provides industry and the country with skilled graduates. The group of learners is also given their first chance to contribute to the economy as they are paid a competitive graduate salary while in our employ. We are in the process of reviewing our current external talent pipeline programmes in light of what COVID-19 has presented us as a need to catapult the organisation to a digital organisation where we can be agile in skilling and reskilling our people.

CO-OPS (INTERNS)

Woolworths offers internship/co-op programmes for learners currently studying to gain the practical experience required prior to completing their qualifications. Acquiring such experience at an early stage provides them with a competitive advantage over the average career seeker with little or no experience at all and we have seen that the majority of our co-ops have gained employment post-graduation. Our co-op programme is successfully used as a feeder to our graduate development programme with the added benefit of being a key contribution towards our BBBEE scorecard through bonus points for absorption into permanent employment. As at the end of December 2019 the percentage of co-ops that had been converted to the graduate programme was 6%.

WOOLWORTHS EMPLOYEE DEPENDANT BURSARY

At Woolworths we offer our people within certain job levels bursary funding for their dependants wishing to complete a retail-related qualification. We have offered 66 dependant bursaries for the 2020 academic year (2019: 251). We have also successfully offered some of our dependant bursary recipients work experience in stores during the seasonal December period.



66

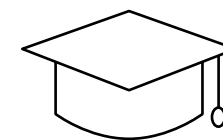
*bursaries offered in 2020 to
Woolworths employee dependants*

DESIGN ACADEMY OF FASHION

Woolworths Fashion, Beauty and Home (FBH) has partnered with the Design Academy of Fashion (DAF) to provide talented, historically disadvantaged youth studying fashion design or buying with an exceptional quality education and support that is conducive to their optimal development and integration into our industry. Woolworths FBH design and buying teams have an opportunity to tap into the student base at DAF to offer high-potential students a Woolworths bursary with a view to ultimately feed into the design and buying talent pipelines. We are currently funding two of their top students' studies and also provide them with a monthly allowance.

GRADUATE DEVELOPMENT PROGRAMME – WORKPLACE EXPERIENCE

Our graduate programme aims to address the youth unemployment challenge by offering graduates a 12-month work experience programme while earning an income and contributing to the economy. The majority of the learners on the programme are Employment Equity (EE) candidates and this forms a critical feeder into our pipeline for entry and middle management roles. In February 2020, 53 graduates started but we unfortunately had to put the programme on hold after one month of them joining due to lockdown restrictions. We've deployed our graduates to work in the call centre to assist with call volumes while gaining much-needed work experience.



53

*candidates accepted to the graduate
development programme in 2020*



*The Woolworths
Graduate Development
Programme won the
South African Graduate
Employer Association
(SAGEA) Retail Employer
of Choice Award for the
5th consecutive year.*

INSIDE RETAIL PROGRAMME

The Woolworths Inside Retail programme is aimed at developing Technical, Vocational Education & Training (TVET) college lecturers who teach retail-related subjects. It provides them with industry-based workplace exposure, allowing them to experience the world of retail and to gain up-to-date knowledge and insight into every aspect of a retail business. It also provides them insight into the types of career opportunities available for their students. This year, we hosted a collaboration session with the Wholesale & Retail SETA CEO, leaders from TVET colleges nationally, and MySchool as well as key representatives from the business to co-create a programme with a national footprint. Due to the COVID-19 pandemic, we agreed to put the programme on hold and review implementation post lockdown.

INFINITY CULINARY TRAINING

We continue to support the Infinity Culinary Training centre, which provides disadvantaged South African women and men with basic cooking and life skills necessary to find immediate employment in a professional kitchen. This centre also provides a pipeline for candidates to join our business. During the COVID-19 pandemic lockdown period, the centre and a number of our Food colleagues have been using our Head Office product development kitchen to prepare thousands of meals per day for the most vulnerable people in communities around Cape Town.

YOUTH EMPLOYMENT SERVICE (YES)

In 2018, Woolworths became one of the first South African companies to sign up to the CEO-led Youth Employment Service (YES) programme. It a business-led initiative undertaken in collaboration with government, labour and civil society and was launched by President Cyril Ramaphosa. It aims to contribute towards building and strengthening our economy through the provision of work experience and skills for one million youth.



Woolworths head office YES employees

A total of 512 unemployed youth have participated in our Woolworths YES Programme since June 2019. We were able to provide permanent job opportunities to approximately 57% of the youth that have participated in the initiative and invested over R12 million towards youth salaries. This initiative has provided an excellent talent pipeline for Woolworths and we are looking at options to explore what our participation going forward will look like for Woolworths.



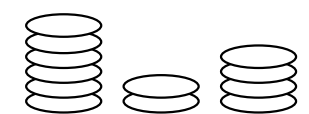
57%

YES participants
permanently employed

TALENT DEVELOPMENT IN AUSTRALASIA

In Australasia, we continued our focus on optimising people processes through integrating the different brands to align with the regional people strategy. We have delivered an in-house leadership programme through Project Star to help us develop leadership capabilities in stores.

David Jones is unique in that it is the only WHL Australasia business with a food offering. We delivered in-store food on-boarding training for store staff, which is based on the Woolworths South Africa Food model and entails training staff on food safety, quality, and hygiene as well as health.



R18.7M

Country Road Group

2019: R17.4M*
2018: R19.9*

**The CRG value has been restated to include spend from all cost centres; previously it was just the human resources cost centre*



R8.4M

David Jones

2019: R9.4M
2018: R3.1M

INDUSTRY-BASED WORKPLACE EXPOSURE

Witchery collaborates with the RMIT University in Melbourne to offer a work placement programme for selected visual merchandising students. Country Road offers 12-month graduate positions for students to be mentored by Country Road's visual merchandising team.

REMUNERATION

The Group's remuneration philosophy is to ensure that employees are rewarded appropriately for their contribution to the execution of the strategy of the Group. As an integral component of the Employee Value Proposition (EVP), the Remuneration Policy has been designed so that it will continue to attract, engage, retain, and motivate the right, diverse talent required to deliver long-term sustainability of the Group.

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

The Remuneration Policy is focused on achieving a fair and sustainable balance between GP, STIs, LTIs, and retention schemes for these employees. The application of the Remuneration Policy (on a Group-wide basis) is guided by the King IV™ principles relating to fair and responsible remuneration, which have been adopted by the Group.

USEFUL LINKS FOR MORE DETAIL

MOVING TOWARDS A 'JUST WAGE'

In 2019, South Africa's minimum wage regulations came into effect. Although Woolworths pays above the sectoral prescribed minimum wage, we embarked on an initiative to improve the Employee Value Proposition with regard to wages by understanding how to create meaningful work for meaningful pay for store staff. Through various engagement activities, critical priorities were identified as a means to deliver to this proposition. These priorities centred on store staff remuneration, access to food, and transportation to and from work. Using the annual salary review process, it was decided that no one, regardless of employment contract, will earn below the minimum stipulated wage. On the premise that the minimum wage is the legislated level of remuneration for an employee's qualification and following the principle of fair remuneration, Woolworths South Africa has developed strategies towards remunerating our staff a 'just wage'. Our key consideration has been the socioeconomic context of the majority of staff employed in our retail stores.

LABOUR TURNOVER

The labour turnover rate for WHL was 17.6% (WSA: 17.1%; DJ: 20.7%; CRG: 16.9%) including stores, corporate offices and supply chain, an overall decrease of 4% from last year.

TRANSFORMATION, DIVERSITY AND INCLUSION

Respect for human rights and the dignity of all associated with our business remains one of WHL’s highest priorities, and we are committed to non-discrimination, non-sexism, and non-racism across all our policies, practices, and daily operations. We value transformation, diversity, and inclusion as a key component of our Employee Value Proposition and believe that a strong diversity and inclusion strategy that is unique to each of the regions in which we operate should be a key part of our employee attraction and retention framework. As a Group, we also continue to ensure that gender parity remains a focus. We also believe that to remain competitive, we need to ensure we increase our scope for how we address issues of diversity while building a thriving, future-fit organisation.

TRANSFORMATION, DIVERSITY, AND INCLUSION IN SOUTH AFRICA

Woolworths South Africa has adopted the nationally legislated Employment Equity (EE) prescripts, and as part of this, integrate greater participation of historically disadvantaged groups across all spheres and levels within our organisation. Every three years, we draft an EE plan that goes to the Department of Labour, and we are assessed against this. All of our leadership have performance goals in relation to this plan which they are measured against internally. To ensure that it remains a focus, we have various management and staff diversity committees who meet regularly to discuss the implementation and execution of this plan. While the plan is focused on an organisational level, we have various anti-discrimination policies aimed at ensuring we enable a culture where all our employees feel welcomed, where they believe and know they are treated fairly and are not discriminated against.

Compliance with Broad-based Black Economic Empowerment (BBBEE) legislation ensures that Woolworths continues to contribute meaningfully towards national priorities to transform the industries in which we operate to make the economy more inclusive.

In light of the rise in gender-based violence in the country, we have partnered with a gender-based violence interest group in order to review our sexual harassment policy to

ensure that it is fit for purpose. Apart from this, we have also engaged with the South African Commission on Gender Equality on certain aspects of our operational policies to ensure they are both gender-neutral and non-discriminative.

EMPLOYMENT EQUITY

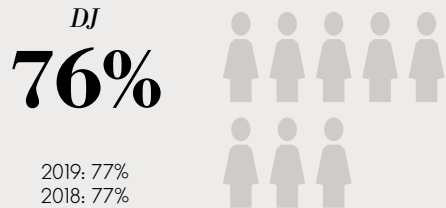
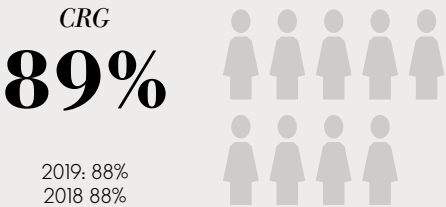
Employment Equity is a nationally legislated strategy that compels organisations to have diversified and equitable workforces while aiming to transform the company to better reflect the national demographic. The focus of the plan is two-fold – to transform the existing workforce through targeted talent development plans and to ensure that incoming recruits better reflect local demographics, with a particular weighting to historically disadvantaged groups. Currently, historically disadvantaged South Africans (HDSA) represent 95.8% (2019: 95.8%) of total Woolworths permanent employees, of which 63.2% (2019: 62.1%) are in middle to top management positions. Women represent 64.3% (2019: 64%) of HDSA permanent employees. We have 50.0% HDSA members at top management in Woolworths SA, comprising executive directors on the Board and members of the executive committee. Of the 50.0%, 25.0% (2019: 27.3%) are black female, with 8.3% (2019: 9.1%) being African female.

95.8%
*of total Woolworths
permanent employees are HDSA*

2019: 95.8%
2018: 95.4%

USEFUL LINK FOR MORE DETAIL

Female representation



PEOPLE LIVING WITH DISABILITIES

The Department of Trade and Industry (dti) has set a BBBEE target that 2% of the company workforce should be black people with disabilities. In South Africa, our strategic approach to people with disabilities is aligned with our people and transformation strategies and the national skills development strategy. The implementation of this strategy is being carried out in partnership with the Wholesale and Retail SETA. We currently have 516 people with disabilities (2019: 569) working for Woolworths.

USEFUL LINK FOR MORE DETAIL

TRANSFORMATION, DIVERSITY, AND INCLUSION IN AUSTRALASIA

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

To meet all Australian legislative requirements in respect of the Workplace Gender Equality Agency (WGEA), Equal Employment Opportunity (EEO) and other related laws, Country Road Group and David Jones submit their annual Workplace Gender Equity Agency (WGEA) Reports detailing female representation in the workplace. This year, the proportion of women for Country Road Group was 89% (2019: 88%) and for David Jones 76% (2019: 77%); combined, this equates to 82% female representation for Australasia.

USEFUL LINK FOR MORE DETAIL

TRANSFORMATION IN THE SUPPLY CHAIN

DAVID JONES RECONCILIATION ACTION PLAN (RAP)

David Jones has also implemented a Reconciliation Action Plan. The Reconciliation Action Plan (RAP) formed the strategic and operational management framework for the David Jones approach to bridging actual and perceptual gaps between Aboriginal and Torres Strait Islander and non-indigenous employees, customers, and communities in the areas of health, education, and social inclusion.

THE PLAN HAS VARIOUS ELEMENTS, SUCH AS:

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

USEFUL LINK FOR MORE DETAIL

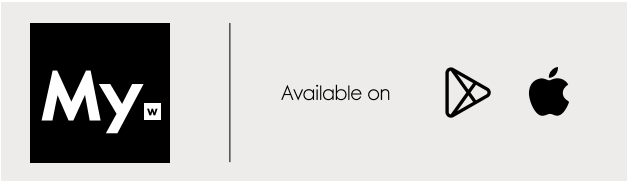
EMPLOYEE ENGAGEMENT

In each of the business subsidiaries, we regularly conduct company-wide employee opinion surveys to inform our understanding of how our people experience working for us, how we measure against their expectations, and where we can improve. We also engage with our employees through regular newsletters that are sent company-wide.

Woolworths also hosts 'EXCO Chats' where our staff engage with an EXCO member via the intranet. It is our way of keeping the communication lines open and transparent. Employees are able to ask questions which are responded to in real-time.

MYWOOLIES PEOPLE APP

The MYWOOLIES People app was developed and launched last year as a key enabler to shape our culture. The app provides a place where Woolworths employees can connect, engage, and keep in touch. Not only this, but it also provides a one-stop-shop for accessing important Woolworths information. Employees can also view their payslips and access other personal information via the app. The launch of this app is a significant milestone in our quest to leverage the digital capability of our business and move towards a more modern and connected people experience.



WHISTLEBLOWING

The Group has a confidential, reporting channel known as the tip-off line, which is managed by Deloitte, an independent accounting partnership. The scope of the tip-off line is largely aimed at fraud, theft and corruption reporting. Employees are also able to use it for confidential bullying or harassment complaints.

COLLECTIVE BARGAINING

Collective bargaining agreements exist only in some of the African countries we operate in. As a signatory to the United Nations Global Compact, we subscribe to freedom of association and the effective recognition of the right to collective bargaining. This is also translated in our Supplier Codes of Conduct across the Group. In 2020, Woolworths union membership was 2.96% (2019: 2.86%).

In 2020, David Jones and Country Road Group union memberships were 23.83% and 0.99% respectively.

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

- We contributed over R2.2 billion (2019: R2 billion) towards revenues of small and medium enterprises participating in our supplier base
- We contributed R3.1 billion (2019: R2.7 billion) in revenues of black- and black-women-owned suppliers in our supplier base
- The 35 (2019: 46) beneficiaries of our ESD programme accessed procurement opportunities to the value of R278.8 million as a result of tailor-made support provided by Woolworths and its partners

After more than 10 years on this journey, Woolworths prides itself in on-going learnings from the successes and failures of small businesses in different sectors of the economy.

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

USEFUL LINK FOR MORE DETAIL

CASE STUDY

BAGPAC CC

BagPac CC (BagPac) is a small family-run enterprise which began in 2011. It is a BBBEE Level 1 contributor and 100% black-woman-owned. The relationship with WHL also commenced in 2011, when they started manufacturing paper bags for Country Road and Trenery in South Africa. A few years later, they also added the manufacture of bags for Witchery and Mimco. In 2014, they took over all Country Road stationery requirements such as gifting tissue paper, customer information cards, swing ticketing, customer-hold and compliment slips, all branded gift boxing, branded stickers and all special occasions packaging/gifting. Through this opportunity, BagPac was able to employ 20 permanent staff members.

When we announced our journey to remove single-use plastic bags in 2018, this created a business expansion opportunity for BagPac to manufacture and supply us with a paper alternative for our Woolworths Fashion, Beauty and Home business. The increased volumes necessitated the shift from a manual production of bags to a fully automated factory manufacturing 100% recycled paper bags. In order to meet this increased demand, Woolworths provided a loan via its Enterprise and Supplier Development programme to BagPac to assist them to buy the required machinery. In addition, a technical team from Woolworths was established to assist BagPac in the successful implementation of the project by helping define the business operating model using cost-effective measures. Through this opportunity, BagPac will be in a position to employ an additional 21 permanent staff members.



[QUICK ACCESS TO SECTIONS](#)

SOCIAL DEVELOPMENT

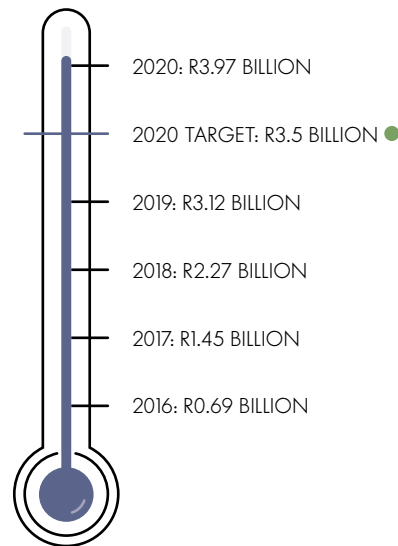
Our social development strategy is not only aligned to our core business strategy, but also to the developmental priorities of the countries in which we are based. We strive to make a meaningful difference in the communities in which we operate.


Living Soils Community Learning Farm Team preparing for the the farm's first harvest. From left to right: Thandiwe Mtyingizani, Rirhandzu Marivate, Vuyolwethu Zicina and Phuthuma Mgu.

PERFORMANCE SUMMARY

As a Group, our 2020 goal was to contribute R3.5 billion in monetary donations, sponsorship and surplus food and clothing donations to our communities over 5 years. We are pleased to announce that we exceeded this target.

WHL total corporate social investment contributions to date, against a 2015 baseline



	R64M to MySchool 2019: R64M 2018: R63M
R9M to MyVillage 2019: R8M 2018: R7M	R12M to MyPlanet 2019: R11M 2018: R10M

A\$509 600 RAISED AND DONATED BY COUNTRY ROAD GROUP AND DAVID JONES TOWARDS BUSHFIRE RELIEF EFFORTS IN AUSTRALIA

R643M
worth of surplus food donated

2019: R611M
2018: R570M

R34 MILLION ALLOCATED BY WOOLWORTHS TO COVID-19 EFFORTS

R6.4M
raised by Woolworths through the sale of cause-related bags and bracelets

2019: R8.8M
2018: R6.3M

A\$1.4M
Witchery donation to Ovarian Cancer Research Foundation from the annual White Shirt Campaign

2019: A\$1.7M
2018: A\$1.0M


A\$1.1M
raised to date for Mimco Our Watch

A\$40 793
The total Country Road Group and David Jones employee giving programme contribution

2019: A\$61 225
2018: A\$47 961

STRATEGY AND MANAGEMENT APPROACH

STRATEGY

We aim to make a meaningful difference in our communities through our social development programmes. We focus on four pillars that are aligned to our overall business strategy and that are relevant to the national development priorities in the markets in which we operate:

EDUCATION

Apart from being one of the national priorities of many countries, we can only grow and sustain long-term profit in an inclusive, equitable, growing economy that has a sufficiently skilled society and educated workforce.

FOOD SECURITY

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.

COMMUNITY RESILIENCE

Key to the success of our business is a thriving and healthy community and workforce.

EMPLOYEE COMMUNITY INVOLVEMENT

Employee involvement allows us all to live our corporate values. It enables employees to make a difference to their communities and their environment while enhancing our Employee Value Proposition.

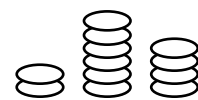
MANAGEMENT APPROACH

Our approach to social development is based upon meaningful collaboration with key partners. The complex challenges facing us require deep insights and a collective effort to make a difference. To this end, each programme or initiative we embark on is a collaboration between ourselves and one or more partners.

Our approach also leverages our operating footprint and our loyal customer base. In South Africa, social development activities are overseen by The Woolworths Trust in line with our corporate social investment policy. Established in 2003, this legal entity is managed by a Board of Trustees and reports on its activities to the WHL Social and Ethics Committee.

Our Australian businesses manage their own strategic partners, relationships, and campaigns, with a focus on community resilience and physical and mental health and wellness. We continue to expand our social development activities in this region and acknowledge that the countries in which we operate have different social contexts and, therefore, require different approaches to making meaningful contributions to the communities we impact.

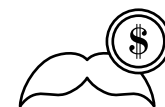
HIGHLIGHTS



Significant donations made to charities and assistance provided to aid organisations and vulnerable communities by the Group in response to the COVID-19 pandemic and the Australian bushfires



R85 million donated to MySchool MyVillage MyPlanet beneficiaries



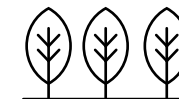
Over A\$179 000 raised by Politix for the Movember Foundation



Largest-ever participation in the Woolworths Teacher's Day competition



700 Redkite Red Bags full of practical items, information, and a teddy bear, packed by Country Road Group staff for donation to young children diagnosed with cancer



Successful first harvest from the Living Soils Community Learning Farm ahead of schedule and with more produce harvested than expected

LOWLIGHTS AND CHALLENGES



DUE TO COVID-19

- Impact and reach of the Woolworths Educational Programmes significantly reduced due to school closures
- 2020 Witchery White Shirt Campaign reworked and donation target reduced
- Delay in David Jones Literacy is Freedom fundraising campaign
- David Jones Rose Clinics paused screenings in line with government advice

LOOKING AHEAD

Looking ahead from a social development perspective, we will continue to progress our existing programmes and initiatives as well as seek out and drive collaboration with other like-minded stakeholders towards enhancing delivery against our key social development pillars, enabling wider and deeper impacts and the creation of shared value.

SPECIFICALLY

- We will focus on more clearly measuring and reporting the impact of our programmes
- The Woolworths Educational Programmes strategy and approach will be updated to transition to an appropriate post-COVID-19 operating model
- The staggered launch of the MassBuild Group: Builders Warehouse onto the MySchool MyVillage MyPlanet programme will continue

IMPACT ON THE VALUE CHAIN



Customers



Communities



WHL operations

EDUCATION

*The primary aim of the education pillar is to support the improvement of educational outcomes in schools.
There are three focus areas to this pillar:*

1
Fundraising to
support schools

2
Positively impacting
the education ecosystem

3
Improving the health
and wellbeing of learners
at school

FUNDRAISING TO SUPPORT SCHOOLS

MY SCHOOL MY VILLAGE MY PLANET



PARTNERS
Other retailer partner stores,
our customers, charities



KEY OUTCOMES
R668 million donated (2019: R583 million)
since inception

MySchool MyVillage MyPlanet (MySchool) is a long-standing multi-partner loyalty programme aimed primarily at fundraising for education. It leverages the national footprint of Woolworths to bolster the investment made in education, enabling customers to use their shopping and loyalty cards to support schools and charities. Currently, 8 408 causes (2019: 8 347) are being supported by 1.3 million customers (2019: 1.3 million) and 467 partner stores (2019: 415) through the programme. The causes supported include 7 210 schools (2019: 7 264), 950 charities that support people and their communities (2019: 858), and 247 charities that support animal and environmental-related causes (2019: 225).



Aerial view of six new classrooms at Nederburg Primary School co-funded by MySchool

KEY ACTIVITIES DURING THE YEAR WERE

- Made strategic donations to COVID-19 relief efforts, supporting key beneficiaries leading the COVID-19 response in South Africa
- Continued support of 20 GROW Educare Centres (9 opened this year), now providing more than 200 jobs and reaching over 2 000 children
- Provided 20 (2019: 10) teaching bursaries and internships through the Dream2Teach Scholarship Fund
- Built six new classrooms at Nederburg Primary School at a cost of over R1.7 million, in partnership and collaboration with various stakeholders
- Donated 50 000 books to children in partnership with the BookDash and the Santa Shoebox project
- Hosted the Symphonia School Leadership Forum, training over 500 school leaders on leadership in education
- Launched the MassBuild Group: Builders Warehouse as a new retail partner in a phased approach
- Continued installation of rainwater-harvesting systems with filtration at various schools through the Woolies Water Fund
- Contributed towards a new state-of-the-art penguin rehabilitation pool at SANCCOB in Port Elizabeth

USEFUL LINKS FOR MORE DETAIL

CASE STUDY

LITERACY IS FREEDOM

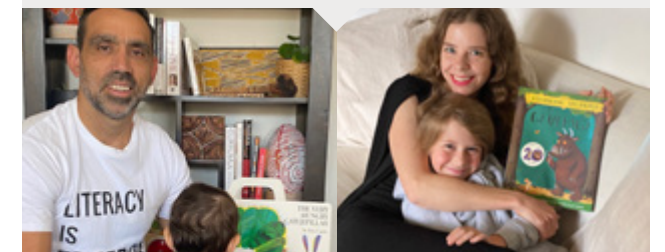


PARTNERS
Australian Literacy and
Numeracy Foundation



KEY OUTCOMES
Donation: A\$53 344 (2019: A\$76 982)

David Jones raises funds annually for literacy programmes run by the Australian Literacy and Numeracy Foundation (ALNF) for Aboriginal and Torres Strait Islander communities. While the annual Literacy is Freedom fundraising campaign had to be postponed this year due to the COVID-19 pandemic, David Jones supported ALNF's Story Time initiative through #AtHomeWithDJs. The Story Time campaign made available a range of online resources including downloadable activities, live streams and storytelling. David Jones also donated A\$50 000 in support of the Literacy is Freedom 20th birthday event and sold Christmas cards, raising A\$3 344.



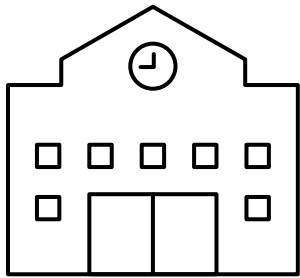
In support of ALNF storytelling, David Jones Ambassador Adam Goodes and Australian designer Bianca Spender join #AtHomeWithDJs with wonderful readings of "The Very Hungry Caterpillar" by Eric Carle, and the "The Gruffalo" by Julia Donaldson.

POSITIVELY IMPACTING THE EDUCATION ECOSYSTEM

NATIONAL EDUCATION COLLABORATION TRUST (NECT)

-  **PARTNERS**
Government, business, labour, civil society
-  **KEY OUTCOMES**
R2 million donated annually (R14 million to date); 4 000 schools supported annually



The partnership with the NECT is a long-established one. For a number of years Woolworths has been one of the top 10 corporate contributors to NECT. NECT’s aim is improving learning outcomes, with a particular focus on ensuring that, by 2030, 90% of learners pass mathematics, science, and languages with a mark of at least 50%. During the COVID-19 pandemic, R500 000 was donated to NECT to support a variety of initiatives to improve access to educational resources for families without an internet connection.



4 000
schools supported annually

IMPROVING THE HEALTH AND WELLBEING OF LEARNERS AT SCHOOL

WOOLWORTHS EDUCATIONAL PROGRAMMES

-  **PARTNERS**
Department of Basic Education, various subject matter experts
-  **KEY OUTCOMES**
Spent R2.9 million (2019: R3 million), number of learners reached 72 121 (2019: 251 455)

This programme is one of the key ways we support the upliftment of education and the health and wellbeing of children at schools in South Africa. Our expertise on good food, healthy living, wellness, and sustainability is shared through the development and production of educator resources and by offering teachers, learners, and parents a range of experiential learning activities that promote healthy nutrition and exercise for Life Skills (Grades 4 and 5); Social Sciences – Geography (Grade 4); and Natural Science and Technology (Grade 6). All theoretical materials are conveniently downloadable from the internet. The learning is taken beyond the pages of the textbook through a portfolio of experiential learning activities, ranging from class lessons offered by professionals and dietitian-led learner talks, events, and campaigns that promote health and sustainable living, to tours of stores, suppliers, and distribution centres. In addition, schools are provided with a Tuck Shop Guide to assist schools, teachers, and parents with promoting healthier eating choices.

KEY ACTIVITIES DURING THE YEAR WERE

- The COVID-19 pandemic and lockdown meant that the programme was not able to operate in its traditional format from March to June. However, to support schools during this time:
 - Educational resource material to facilitate teaching and learning at home was provided

- Amended lesson plans and activity sheets were made available to teachers to assist with online teaching
- Material was contributed to the Department of Education online education platforms
- 443 online lessons with various schools were hosted
- Weekly exercise and healthy eating content was disseminated to parents for their children
- In total, during the year, 1 727 (2019: 7 529) class lessons educated learners about good nutrition and the environment, 4 950 (2019: 9 000) learners were reached in partnership with our network of dietitians, over 4 800 (2019: 30 000) learners visited our distribution centres, stores, and suppliers, and over 596 (2019: 5 000) parents were provided access to professional dietitian advice
- The annual Woolworths Teacher’s Day competition, which aims to recognise the good work teachers have done, received over 50 000 (2019: 30 000) entries. This was the largest participation ever in the Teacher’s Day competition, making it the biggest campaign initiated by the private sector directed at recognising teachers in South Africa
- Two health track events were hosted in Uitenhage and Khayelitsha in celebration of Mandela Day and World Milk day respectively. 5 000 learners were given access to professional biokineticists from the Sports Science Institute of South Africa and learnt about the principles of exercise, improving motor skills, and the connection between a healthy body, mind, and academic performance
- In partnership with Mpact, Grades 4-7 learners and educators from Cavendish Primary School enjoyed a fun-filled day learning about the importance of recycling and learning practical skills about how, where, and what to recycle

Going forward, due to the pandemic, the Woolworths Educational Programmes will not access schools the same way as in the past. A relook at the operating model, including consideration a digital approach, is underway.



Grade 6 learners from Kannemeyer Primary School in the Western Cape enjoying a class lesson hosted by the Woolworths Educational Programme.

Other education-related initiatives that also support the food security pillar of our social development strategy, are EduPlant and the UNICEF WASH and nutrition pilot programme.

USEFUL LINK FOR MORE DETAIL

FOOD SECURITY

*The primary aim of the food security pillar is to improve access to food and healthy nutrition.
There are two focus areas to this pillar:*

1
Alleviation of hunger and
connecting surplus food to need

2
Community-based solutions
to address food insecurity

ALLEVIATION OF HUNGER AND CONNECTING SURPLUS FOOD TO NEED

SURPLUS FOOD DONATIONS



PARTNERS

Local charity organisations, FoodForward SA, OzHarvest in Australia



KEY OUTCOMES

Surplus food donated R643 million (2019: R611 million), surplus food collected by OzHarvest 11 977 kg (2019: 3 872 kg)

To contribute towards the alleviation of hunger in the communities near to our stores, as well as reducing food waste to landfill, Woolworths has for many years diverted surplus food from every Food store to needy communities via structured charity organisations. In the last year, the company donated over R643 million worth of food to these needy causes. One of our partnerships in this regard is with FoodForward SA. This non-profit organisation recovers edible surplus food at various stages of the food value chain, and redistributes it to communities in need across the country, thereby improving access to food and reducing food waste to landfill. Woolworths committed R3 million in funding over three years, enabling some 1.2 million meals per year to reach those in need. We continue to encourage our food suppliers to redirect their surplus to FoodForward SA.

David Jones partners with OzHarvest, one of Australia's leading food rescue organisations, which collects quality

excess food from commercial outlets and delivers it directly to more than 1 300 charities, supporting people in need across the country. After a successful trial with the David Jones Malvern store, the programme was extended to David Jones Bourke St store and the Botanicca Café at Country Road Group and David Jones head office, with ad hoc collections from other Victorian stores as well. This year, in total, 11 977 kg (2019: 3 872 kg) of surplus stock (equivalent to 35 931 meals (2019: 11 616)) was donated.

Over the past 16 years, Woolworths has given back contributions to the value of R6.5 billion towards a #ZEROHUNGER future in South Africa.

CASE STUDY

WOOLWORTHS LET'S SHARE A #ZEROHUNGER FUTURE

Woolworths' 2019 Christmas campaign aimed to raise R4.5 million for donation to FoodForward SA to help alleviate hunger.

For every three swipes of customers' MySchool MyVillage MyPlanet or linked Woolies cards from 4 November until 31 December, one meal was donated. This was in addition to contributing to the customer's chosen MySchool MyVillage MyPlanet beneficiary.

CUSTOMERS WERE ENCOURAGED TO BUY A



Donation card at our tills or online



Relate bracelet at the till



Cause-related reusable bag

R2 MILLION WAS SUCCESSFULLY RAISED DURING THIS CAMPAIGN.

USEFUL LINK FOR MORE DETAIL

COMMUNITY-BASED SOLUTIONS

UNITED NATIONAL INTERNATIONAL CHILDREN’S EMERGENCY FUND SOUTH AFRICA (UNICEF)
WASH & NUTRITION PILOT PROGRAMME

PARTNERS
UNICEF, Gauteng Department of Education

KEY OUTCOMES
Funding R4 million over three years, 50 000 children to be reached

Last year, we entered into a new partnership 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 a nutrition pilot programme. This programme will reach approximately 50 000 children at 50 under-resourced Gauteng-based schools that participate in the National School Nutrition Programme. The programme also trains community members who volunteer as food handlers to safely and hygienically

prepare balanced meals for the school children. Learners are taught about good hygiene practices, including the importance of washing their hands with soap before eating. During the year, 20 handwashing stations were built, WASH training was rolled out to 38 schools, and a total of 4 164 learners were trained on handwashing and hygiene. In addition, training material was developed and school monitoring visits were conducted to establish the current state of kitchens, voluntary food handler behaviours and quality of meals. Before the end of the school year, another 20 handwashing stations are to be installed.

EDUPLANT PROGRAMME

PARTNERS
Food & Trees for Africa

KEY OUTCOMES
Since inception R36.7 million donated (for 2019, this figure was R34 million); schools reached 336 (2019: 336);

The EduPlant programme uses education and awareness to assist schools and communities to grow their own food through the establishment of permaculture food gardens in schools. The produce grown can be used to supplement their school feeding schemes or sold to generate income. Training is provided to the schools and learners on topics such as soil maintenance and water harvesting. During the year, workshops were held with participating schools, providing information on how to select the best crops to grow based on the school feeding programme needs and seasonal planting calendar. The COVID-19 pandemic is a game-changer for the EduPlant National School Gardening

and Greening competition. Due to social distancing rules, the finals will be digitised through social media and online platforms. As a result, more schools than ever will be able to participate and gain more exposure and recognition for their food gardens.

Watch this video to find out how Eduplant, a long-standing Woolworths partner, continues to change lives.

LIVING SOILS COMMUNITY LEARNING FARM

PARTNERS
Spier Wine Farm, The Sustainability Institute

KEY OUTCOMES
Number of interns: 10, Land cleared, planted and harvested: Just under one hectare, Interim beneficiary identified: Sustainability Institute kitchen

In 2019, Woolworths 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 using sustainable farming methods. Incorporating training and development for young- and emerging farmers and the broader community, the two aims of the learning farm are the development of long-term food security in the local community, and helping to address youth unemployment.



Thandiwe Mtyingizani, one of the AgroEcology Young Farmers at the Living Soils Community Learning Farm, showcasing produce from the farm’s first harvest.

KEY ACTIVITIES DURING THE YEAR WERE

- A technical team and working group to coordinate, support, and lend guidance on topics such as business development and farm management was formed
- The SI kitchen was identified as an interim beneficiary. The kitchen has a food programme that provides meals daily for approximately 200 impoverished and at-risk children from the Lynedoch Valley
- A farm production model outlining the site preparations and agronomy plan was developed, informed by a stakeholder survey, SI kitchen requirements, and guiding principles for ecologically regenerative farming
- A continuous assessment model for the AgroEcology interns was developed, and the number of interns was increased from 3 to 10
- Just under one hectare of land was cleared and prepared for production and the first harvest was planted in August 2019. April 2020 saw a successful first harvest, ahead of schedule, and with more produce harvested than expected. Any excess produce not used by the SI kitchen was donated to FoodForward SA
- During the COVID-19 lockdown, fresh produce from the farm was donated to help fill more than 730 fresh food boxes prepared by Spier and the SI

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

USEFUL LINKS FOR MORE DETAIL

COMMUNITY RESILIENCE

The primary aim of our community resilience pillar is to improve outcomes in the areas of physical and mental health.

CASE STUDY

MIMCO OUR WATCH

PARTNERS
Our Watch

KEY OUTCOMES
A\$233 000 (2019: A\$200 000)

Into our fifth year of partnership, the Mimco Our Watch initiative raises funds and generates awareness of the importance of preventing violence against women. During the year, Mimco used events, promotional activities, partnerships with media, and customer engagement campaigns to drive awareness. A\$233 000 from sales on International Women's Day in March this year were donated to Our Watch. Mimco also partnered with Marie Clare, a leading women's publisher, with an editorial and two podcasts to share the Our Watch story with a wider audience in Australia.



Our Watch Chair and ambassadors at a promotional event held at head office.

From left to right: Natasha Stott Despoja AO (OurWatch Chair), Khadija Gilba (Human Rights Activist), Ben Brown (North Melbourne FC Player), Hester Brown (Marriage Celebrant & Gender Equality Advocate), Tayla Harris (Carlton AFLW Player), Tiffany Cherry (Australia Sports Presenter)



“INTERNATIONAL WOMEN’S DAY AND MIMCO’S PARTNERSHIP WITH OUR WATCH IS AN AMAZING OPPORTUNITY TO STAND TOGETHER AND CELEBRATE ALL WOMEN.”

– Sarah Rovis,
Managing Director, MIMCO

WITCHERY WHITE SHIRT CAMPAIGN

PARTNERS
Ovarian Cancer Research Foundation

KEY OUTCOMES
Donation A\$1.4 million (2019: A\$1.7 million)

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. The impact of COVID-19 required significant changes to the campaign due to supply chain disruption, the closure of stores for much of the campaign, and government-imposed restrictions on public events. As a result, the 2020 campaign target was reduced, the collection was simplified to one shirt, and public relations activity was reworked to account for social distancing and reduced foot traffic.

COUNTRY ROAD AND REDKITE

PARTNERS
Redkite

KEY OUTCOMES
Annual donation of 700 Redkite Red Bags

Redkite is an Australian charity that provides essential support to children and young people who have been diagnosed with cancer, and their families. To support the children and their families during these challenging times, staff at Country Road head office pack and donate 700 Redkite Red Bags full of practical items, such as toiletries, reusable coffee cups, vital information about support services, and a teddy bear to cuddle. While the number of bags donated to Redkite will be reduced going forward as Country Road Group refines its social development strategy. In recognition of the importance of this initiative, support of the programme will continue.

POLITIX MOVEMBER

PARTNERS
Movember Foundation

KEY OUTCOMES
Donation A\$179 732 (2019: A\$110 596)

In November 2018, Politix launched its partnership with the Movember Foundation, making a commitment to raise awareness and vital funds in the support of men's health. In this second year of partnership, a number of engagement activities were undertaken to help raise awareness, including through involvement in the MAYEIGHT festival, being a key partner in the official Movember wrap party, and dressing key Movember ambassadors and staff in Politix. In addition, funds from the sale of chinos for the month of November were donated to Movember. All in all, A\$179 732 was raised for Movember (2019: A\$90 000). Looking ahead, Politix aims to extend participation throughout the calendar year and to introduce a product element to increase donations from customers.

A\$430 325 in support provided by David Jones to its six Rose Clinics in 2020, providing complimentary breast screening services for women over 40. The Elizabeth Street Rose Clinic was renovated during the year and fitted with the latest digital technology. This clinic to date has conducted more than 74 000 free screening mammograms.

COVID-19 restrictions forced select clinics to pause screenings in line with government advice.

USEFUL LINKS FOR MORE DETAIL

EMPLOYEE COMMUNITY INVOLVEMENT

The primary aim of our employee community involvement pillar is to encourage our employees to give back to their communities through multiple platforms in order to foster a culture of giving.

SOME OF THE KEY ACTIVITIES DURING THE YEAR WERE

- Expanding employee involvement in meaningful and sustainable community programmes across our stores in Africa
- Teaming up for ‘Just a Cause’, a Woolworths’ initiative where staff are invited to pick a charity to support. Each cause selected receives R10 000 in seed funding to get them started. Over and above that, The Woolworths Trust commits that, for every team that reaches its fundraising target, it will match the funds up to R40 000. This initiative not only raises funds for worthy causes, but also enables teambuilding within the business. Some of the funds for this initiative were directed towards COVID-19 community initiatives this year
- To commemorate World Food Day, 200 Woolworths employees from 11 stores across the country volunteered their time to work in food gardens at schools that are part of the EduPlant programme
- Woolworths Financial Services staff:
 - Packed 100 000 meal packs for donation to Rise Against Hunger, an international hunger relief organisation that distributes food and aid to vulnerable communities
 - Volunteered for child literacy sessions and raised funds for Shine Literacy, an NGO that provides structured English literacy support to children
 - Raised money to upgrade an SOS Children’s Village playground. SOS is an NGO focused on supporting children without parental care and families at risk
- Woolworths Eswatini provided food and blanket parcels to the elderly, and supported a 50-year-old re-opened primary school with a desperately needed fresh coat of paint
- Woolworths Tanzania supported local orphanages and schools with donations of surplus clothing, and food donations made possible by financial contributions from employees
- Weekly Wednesdays walks were organised to get Country Road Group head office staff to MOVE for Movember and Politix staff were offered the opportunity to join a Movember SpeakEasy workshop
- Continued participation by employees in workplace giving programmes: 15 employees (2019: 112) at Country Road took their annual volunteering leave day during 2020, amounting to A\$4 000 (2019: A\$45 000) worth of time donated. Employees at Country Road and David Jones participated in the employee giving programme on the Good2Give platform. The total Country Road and David Jones contribution for 2020 was A\$40 793 (2019: A\$61 225)

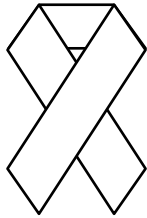
CAUSE-RELATED MARKETING

Our cause-related marketing initiatives create awareness and raise funds for important conservation- and sustainability-related issues. Through the sale of certain products, funds are collected and donated to nominated organisations. Included in this during the past 12 months was the Woolworths ‘Share the Joy’ campaign in December for which FoodForward SA was the beneficiary.



In the past year, we raised over R6.4 million for charities and NGOs through the sale of cause-related bags, bracelets and donation cards.

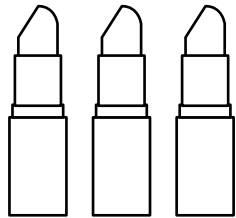
2019: R8.8 MILLION



A\$51 029

raised by David Jones for the National Breast Cancer Foundation through the sale of pink merchandise

2019: A\$20 240



A\$46 132

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

2019: A\$51 398

CASE STUDY

COUNTRY ROAD GROUP AND DAVID JONES RESPONSE TO THE AUSTRALIAN BUSHFIRES CRISIS

Towards the end of 2019 and in early 2020, Australia experienced one of the worst bushfire seasons in history, with vast areas affected across much of the country. The effects of the fires were devastating; families lost their homes, communities were displaced, and wildlife and their natural habitats were destroyed on a massive scale. Many Country Road Group and David Jones employees, customers and suppliers were directly impacted by these bushfires. In response to this national crisis, we made donations to charities and aid organisations and supported staff who were directly impacted and those who wished to volunteer.

USEFUL LINK FOR MORE DETAIL

Paid Volunteer Leave was temporarily doubled to two days per year to enable staff to support bushfire relief efforts



Wildlife pouches made by employees donated to organisations supporting wildlife rehabilitation

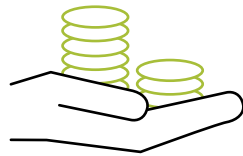
A\$200 000

donated by Country Road Group and David Jones to the Australian Red Cross Disaster Relief and Recovery Fund to assist bushfire-impacted communities



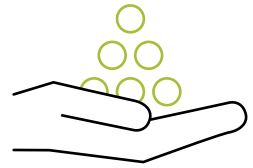
A\$100 000

donated by Country Road Group and David Jones to the RSPCA Australia for animal and wildlife rescue and rehabilitation



100%

of proceeds from personalisation at the Australian Open Country Road pop-up store donated to the Australian Red Cross Disaster Relief and Recovery Fund



Food donated by employees to the Foodbank Victoria Bushfire Emergency Food Relief Appeal

CLOTHING, BEAUTY AND HYGIENE PRODUCTS DONATED TO CHARITY PARTNERS

HEAD-TO-TOE POLITIX OUTFITS DONATED TO A WEDDING PARTY WHO LOST EVERYTHING IN THE BUSHFIRES

100%

of sales from a specially created limited edition t-shirt sold at the Rod Laver arena donated to the Australian Red Cross Disaster Relief and Recovery fund in partnership with Tennis Australia's Australian Open Rally for Relief match

CLOTHING AND SUPPORT PROVIDED FOR EMPLOYEES DIRECTLY IMPACTED BY THE BUSHFIRES

CASE STUDY CARING IN ACTION: OUR RESPONSE TO COVID-19

The COVID-19 pandemic and lockdowns significantly affected our operations, employees, suppliers, and customers across the Group. While our food businesses were deemed essential services and continued to operate, our fashion businesses were severely impacted with temporary store closures across the Group. The Group's main focus has been on prioritising the health and safety of employees and customers, assisting communities in need, working with our suppliers to mitigate impacts, and closely managing the financial impacts.



EMPLOYEES

HEALTH AND SAFETY

- Implemented strict health and safety protocols at all our operations across the Group
- Transitioned the vast majority of head office staff across the Group to work from home
- Provided cloth masks to store staff across the Group, and free access to the flu vaccine for all Woolworths staff

FINANCIAL WELLBEING

- Allocated a monthly appreciation allowance to all Woolworths staff classified as essential workers
- Applied for Government wage subsidy schemes for eligible staff at Woolworths, Country Road Group and David Jones
- Encouraged 5 000 stood-down Country Road Group store employees to sign up to Hatch Exchange, a COVID-19 labour exchange, to access temporary short-term work until stores re-opened

EMOTIONAL AND MENTAL HEALTH AND WELLBEING

- Provided all staff across the Group, and their families, access to a confidential employee assistance helpline for psychological and emotional support during the pandemic
- Provided all Woolworths staff who were COVID-19 positive or on precautionary quarantine with support from an external specialist health provider through a dedicated wellness helpline



CUSTOMERS

HEALTH AND SAFETY (IN STORES ACROSS THE GROUP)

- Cleaned and sanitised high traffic areas and equipment regularly
- Placed social distancing decals on floors
- Limited the number of people allowed inside
- Provided hand sanitiser

DONATIONS

- Collected non-perishable grocery and toiletry items from in-store customer donations at Woolworths for distribution to needy families

INCREASED ONLINE SHOPPING CAPACITY

- Rolled out click-and-collect services at over 60 Woolworths stores, increasing online shopping capacity while aiming to keep our customers and staff safer
- Enhanced online delivery capacity across the Group, with additional delivery slots added and dark stores created to cope with increased demand



COMMUNITIES

DONATIONS

- Donated over R4 million to charities and aid organisations to assist healthcare workers, local communities in need, schools, and animal welfare organisations

PROVISION OF FOOD AND MEALS

- Delivered over 3 600 food care packs (prepared by Woolworths) and 200 000 meals (in partnership with Infinity Culinary Training Centre) to communities in South Africa in need and to those ill, in quarantine, or unable to leave home
- Continued donation of surplus food to more than 1 000 charities from Woolworths stores

ENABLING REMOTE ACCESS TO EDUCATION

- Supported remote access to education, working with multiple partners and organisations



SUPPLIERS

ORDERS

- Even with increased promotions to move stock, in certain cases product intake was reduced or delayed, and extended payment terms negotiated

SUPPLIER ASSISTANCE

- Assisted small and medium suppliers with various relief options offered by the Group, government and banks, with the aim of ensuring appropriate support during the pandemic



SHAREHOLDERS AND DEBT FUNDERS

MANAGEMENT OF FINANCIAL IMPACTS

- Reduced Board and senior executive teams salaries and fees across the Group for three months. The savings were used to provide additional financial support, over and above the current interventions, to staff impacted during the crisis
- Instituted significant focus across the Group on facilitating trade and driving revenue, including through online channels. Costs were aggressively reduced, inventory and working capital managed closely, with only critical capital expenditure projects moving forward. Suppliers were engaged to reduce apparel product intake and negotiate extended payment terms
- Proactively engaged with our South African funders
- Provided funding support of A\$75 million to the Australasian businesses in the form of a loan secured by a second lien and obtained the suspension of covenant testing for the Australian funding from banks and bondholders
- Initiated a review of the capital structure of the Australasian entities which will include the restructuring of its borrowings, including a full review of options relating to the Australasian property portfolio
- Undertook discussions with Australasian landlords to accelerate the restructure of our store networks and reduce our floor space. And in South Africa, alternative arrangements were negotiated with landlords to manage lease commitments during lockdown
- Suspended distributions to WHL shareholders until the situation arising from COVID-19 stabilises. Consequently, no final dividend was declared for the year

T  **GETHER
WE WILL MAKE
A DIFFERENCE**

R34M

*allocated by Woolworths
to COVID-19 efforts*

QUICK ACCESS TO SECTIONS

HEALTH AND WELLNESS

Through this pillar, we continue to inspire the need for leading healthy lifestyles for our customers through offering a variety of healthy nutritional options. We also recognise that the overall health and wellbeing of our employees is critical in sustaining a thriving workforce. We, therefore, also offer a myriad of programmes to support the wellbeing of our employees.

PERFORMANCE SUMMARY

5.1 TONNES

of salt removed from
Woolworths private label food

2019: 6.7 TONNES
2018: 11 TONNES

7.2 TONNES

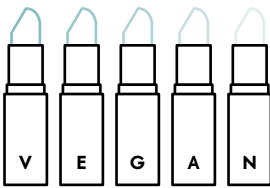
of sugar removed from
Woolworths private label food

2019: 1.2 TONNES
2018: 43.3 TONNES

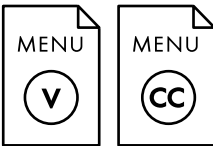
100%

of all Woolworths private label food
(including pet food) is currently GMO-free

2020 TARGET: 100% ●
2019: 100%
2018: 98%



Woolworths has offered a 100% vegan
WBeauty range since 2019



All WCafé menus and harvest tables now
comprise a mix of carb-conscious, vegetarian
and vegan meal options ●

OPENED A GYM AT THE
BOTANICCA HEAD OFFICE FOR
COUNTRY ROAD AND DAVID JONES
EMPLOYEES IN 2018

IN 2020, ALL CONFECTIONERY
WAS REMOVED FROM DAVID JONES
TILL POINTS AND REPLACED
WITH HEALTHY SNACKS



Politix signed an exclusive
partnership with Movember in 2019

23

Health and Wellness Practitioners
for WHL staff to access

2019: 17
2018: 29

STRATEGY AND MANAGEMENT APPROACH

STRATEGY

Health and wellness is a key focus across the Group. The Woolworths Health Manifesto and the David Jones Food and Health strategy outline how we aim to encourage customers to make healthy choices and lead a more balanced, healthier lifestyle through the provision of a variety of healthy and nutritious food options, including plant-based meals, with appropriate product labelling to assist them in making informed choices.

IN SUMMARY

WOOLWORTHS (Health Manifesto: Living Well starts with Eating Well)

WE AIM TO

- **INSPIRE** healthy lifestyles by making healthy eating satisfying, delicious and convenient across our product ranges
- **PROVIDE** our customers with a variety of product options to meet their dietary needs
- **INNOVATE** to improve the nutritional quality of our foods
- **PROMOTE** healthy and informed choices through clear nutrition labelling

🌐 [Woolworths Health Manifesto](#)

DAVID JONES (Food and Health strategy: Inspire and enable customers to make healthy food choices)

WE HAVE FOUR FOCUS AREAS

- **AVOIDERS** to develop food products which enable customers to make informed choices when avoiding certain ingredients
- **EAT WELL** to enable customers to choose foods which are 'best for you' and nutritionally 'well balanced'
- **CLAIMS** communicate nutritional benefits to customers
- **CALORIES** to assist customers with portion control by displaying calories on front of pack of single-serve items

The Group is also committed to providing a safe and healthy working environment for all employees. As an employer, we know that there are many different aspects to our employees' lives; therefore, providing them with relevant and accessible wellness and occupational health and safety programmes to meet their needs is fundamental.

MANAGEMENT APPROACH

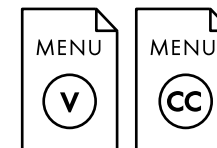
Our approach to wellness for customers is to ensure that the Woolworths Health Manifesto and David Jones Food and Health strategy are implemented throughout all stages of product development and that appropriate training is provided to both the Food and Marketing teams.

Wellness for employees includes a well-established operational occupational health and wellness model across the Group. This model is based on three pillars: movement, nutrition, and mental wellbeing. Across our regions, we continue to monitor the usage of wellness services and the success of our programmes, and evolve and refine our offerings based on this feedback. We also continue to ensure that we partner with a network of service providers to offer assistance to our employees.

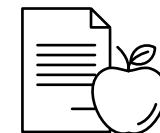
HIGHLIGHTS



Continuous innovation in and improvement of development of delicious, nutritionally balanced food, including more plant-based options, at both Woolworths and David Jones



Achievement of our goal of having our WCafé menus and harvest tables comprise a mix of carb-conscious, vegetarian and vegan meal options



Implementation of compulsory nutrition training as part of the Woolworths Food team's induction, skills development, and refresher training programme



Politix signed an exclusive partnership with the country's biggest men's health organisation for the Movember campaign

LOWLIGHTS AND CHALLENGES

Amendments were made to the Vitality Healthy Food qualifying criteria, with stricter cut-offs for sugar and sodium. The biggest challenge that we faced from an employee health and wellness perspective this year was the impact of the COVID-19 pandemic on our people and our business. In addition, David Jones has had three food recalls in the last year.

LOOKING AHEAD

We will continue to improve and entrench the principles of the Good Food Journey for both Woolworths and David Jones. We will also ensure product development focuses on health and sustainable nutrition as well as continuously expand our range of healthy food options.

MORE SPECIFICALLY

- Woolworths will roll out nutrition training and a responsible alcohol use awareness campaign and training to staff across the country
- Woolworths will increase the range of low alcohol beers and develop a range of non-alcoholic ciders
- Through the Green Cafés Programme, we will aim to ensure that the a la carte menu at WCafé includes gluten-conscious options
- David Jones will review and expand its healthy prepared meals and salads options

IMPACT ON THE VALUE CHAIN



Customers



WHL operations

WELLNESS FOR OUR CUSTOMERS



Over the last few years, the global risk to public health from the rise in non-communicable diseases, which has been exacerbated by obesity and poor nutrition resulting from the increased consumption of energy-dense, nutrient-poor foods that are high in fat, sugar and sodium, has increased. As a food retailer, we have a responsibility to help our customers lead better lifestyles by providing a variety of healthier food options to support a multitude of dietary needs. We also know that our customers' family health, security, and happiness are a top priority, so we ensure that customers can make informed buying decisions by promoting awareness and providing labelling to communicate the nutritional content of our food. A future trend that has gained further impetus from the COVID-19 pandemic is that our customers will increasingly become more conscious about what they are buying and eating, with an increased desire for healthy and immunity-boosting food.

OUR GOOD FOOD JOURNEY

The Good Food Journey is the name we've given to Woolworths on-going commitment to offering our customers food that's better for them, better for the environment and better for the people who produce it. Both Woolworths and David Jones have adopted the principles of our Good Food Journey. We aim to inspire healthy lifestyles by making healthy eating satisfying, delicious, and convenient across our product ranges while also innovating and improving nutritional quality through reformulation. In doing this, we assist customers in making informed dietary choices through transparent product ingredient and nutritional labelling.

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

WOOLWORTHS WORLD OF WELLBEING

During the year, the Woolworths Food team instituted compulsory nutrition training as part of its induction, skills development, and refresher training programme. The training includes coverage of the concept of sustainable nutrition, the Health Manifesto, legal requirements and appropriateness of marketing claims, and healthy product development. The aim is to extend this training across the Woolworths head office teams, as well as to store managers, in the future.

The focus on providing healthy options to our customers also extends to our WCafés. As part of our Green Cafés Programme, during the year, we were pleased to achieve our goal of having carb-conscious meal options on our WCafé menus. In the near future, we aim to include gluten-conscious options on the a la carte menu.

Given the negative health impacts associated with certain processed food and some beverages, to ensure responsible advertising and marketing, Woolworths adheres to the Advertising Regulatory Board's Code of Advertising Practices, including the specific Food and Beverages Code. In addition, a rigorous internal review and approval process is followed for marketing claims made. Training on these codes is included in the Food team compulsory nutrition training programme. Refresher training is regularly conducted with the Marketing team.

LOOKING AHEAD, WOOLWORTHS WILL CONTINUE THE JOURNEY TO INNOVATE AND REFORMULATE OUR PRODUCTS AND REMAINS COMMITTED TO PROMOTING A HOLISTIC APPROACH TO PROVIDING DELICIOUS, NUTRITIONALLY BALANCED FOOD SOLUTIONS TO OUR CUSTOMERS.

SALT AND SUGAR REDUCTION

As part of our Good Food Journey, we continue to ensure that we reduce the sugar and salt content in our private label foods products. During the year, we removed 5.1 tonnes of salt (2019: 6.7 tonnes) and 7.2 tonnes of sugar (2019: 1.2 tonnes) from Woolworths' private label food products.

SPECIFIC FOCUS WAS GIVEN TO

- Sugar reduction and portion-controlled formats for ambient cakes and desserts
- Fat reduction or an improved fat profile in our snacking options
- Increasing incorporation of whole grains, legumes and pulses across various products
- Conservative use of sugar in our mueslis, granolas and muffins

DAVID JONES FOOD AND HEALTH STRATEGY

During the year, on-pack labelling was rolled out for nutritional claims where appropriate and calorie labelling for defined single-serve items. Additional healthy snacking options were provided, and confectionery was removed from checkouts and replaced with healthy snacks.

In the next year, David Jones will review and expand its prepared healthy meals and salads options.

PLANT-BASED FOOD

There has been a fundamental shift in customers' habits towards plant-based eating. The concept appeals to a diverse range of customers, including meat-eaters, sustainable farming supporters, and health advocates alike. In response, we have developed an evolving plant-based range of 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. Woolworths' plant-based food ranges cover all kinds of lifestyle choices and include options such as non-dairy yoghurts, drinks, snacks, and desserts; dairy-free cheeses; vegan mayonnaise; and vegan and vegetarian ready-made meals and meal accompaniments. We are also inspiring our customers through recipe solutions that include plant-based kitchen staples like whole grains, legumes, nuts and seeds, and everyday vegetables. In partnership with the Humane Society International – Africa, we have also developed a plant-based eating guide for customers.

DURING THE YEAR, WE WERE PLEASED TO ACHIEVE OUR GOAL OF HAVING OUR WCAFÉ MENUS AND HARVEST TABLES COMPRISE A MIX OF VEGETARIAN AND VEGAN OPTIONS AS PART OF THE GREEN CAFÉS PROGRAMME.

During the year, David Jones introduced various dairy alternatives and tofu, launched a range of private label plant-based, vegan-friendly prepared foods, portion-controlled for calorie control, and introduced a selection of branded plant-based beverages.

VITALITY HEALTHYFOOD™
Woolworths' on-going partnership with the Discovery Vitality HealthyFood™ programme incentivises and rewards customers for making healthy food purchasing decisions and avoiding foods that are linked to dietary practices that cause non-communicable diseases such as diabetes, high cholesterol and high blood pressure. Customers who have linked their Woolworths loyalty cards to Vitality can

receive up to 25% cashback when they purchase Vitality HealthyFood™ linked products. We currently have 333 401 customers (2019: 332 289) who have linked their Woolworths loyalty cards to Vitality.



HEALTHY NUTRITION AT SCHOOLS
Through the Woolworths Educational Programmes, we promote healthy nutrition and exercise at schools, starting as early as possible. The intermediate phases of basic education provide a crucial window of opportunity to establish healthy behaviours from a young age. These lessons are centred on the theme of healthy living and the environment, which forms part of the natural sciences and technology curriculum. In addition, 62 virtual class lessons were hosted on various online platforms as schools were closed as part of the COVID-19 lockdown period. This year, healthy nutrition and living lessons were delivered at 464 primary schools (2019: 589). The inability to access schools during the lockdown is reflected in the lower numbers of class lessons for this year.

USEFUL LINK FOR MORE DETAIL

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

- TO ENSURE RESPONSIBLE ADVERTISING OR MARKETING OF ALCOHOL, WOOLWORTHS ABIDES BY:**
- The South African Liquor Brand Owners Association (SALBA) codes
 - AWARE's Code of Commercial Communications, which sets out guidelines for the marketing of alcohol products in a socially responsible manner

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

Over a year ago, in partnership with AWARE, we introduced an alcohol awareness campaign in KwaZulu-Natal stores, focused on raising awareness of responsible drinking in communities. Store staff received training and information leaflets for distribution to the local community. We intend to expand this campaign to other regions in the coming years.

In order to offer our customers alternatives to alcoholic product and following the success of our first-to-market de-alcoholised wine range, launched in 2017, during this past year, we introduced another range. In future, we plan to increase our offering of low-alcohol beers and intend developing a range of non-alcoholic ciders.



EMPLOYEE HEALTH AND WELLNESS

WHL is committed to providing a safe and healthy working environment for all employees. Prevention is an important aspect of our health and safety procedures; all our buildings are designed within stringent health and safety guidelines and with employee and customer wellbeing as a primary consideration. As per legislative requirements, health and safety representatives are appointed in each part of the business, and health and safety committees are in place. Across the Group, we aim to deliver comprehensive occupational health and safety programmes that meet the needs of our employees in the context of their country of operation and local legislation. This work is supported by our teams of occupational health practitioners employed across our operations in Southern Africa and Australasia.

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

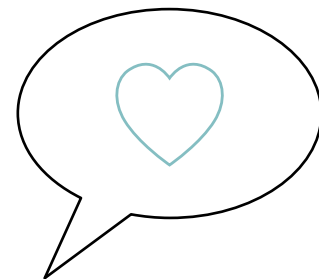
FOR US, IT'S VITAL THAT OUR PEOPLE ACHIEVE A WORK/LIFE BALANCE.

WOOLWORTHS OFFERS PREVENTATIVE WELLNESS PROGRAMMES, COUNSELLING AND HEALTH SERVICES, INCLUDING:

- An Employee Assistance Programme
- Wellness screening including HIV testing
- Basic primary health services and advice
- Monitoring of chronic illnesses
- HIV/AIDS and TB policy and guidelines
- Flu season vaccinations
- Road to Health for pre-and postnatal childcare

EMPLOYEE ASSISTANCE PROGRAMME

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



Employee Assistance Practitioners

12
WSA

11
CRG and DJ

WELLNESS WEEK

Every year, Woolworths hosts 'Wellness Week' for employees at the head office. This gives employees free access to health practitioners who voluntarily screen them for HIV, cholesterol, blood sugar, blood pressure, assess body mass index, and do eye screening. In addition, we have wellness events in bigger stores as well as our distribution centres.

MOVEMBER PARTNERSHIP

In a two-year partnership with the Movember Foundation, Country Road Group and David Jones continued their Movember campaign this year to raise awareness around issues of men's health such as prostate and testicular cancer as well as men's suicide. The campaign encourages employees to sign up and grow a Mo (Moustache) or join the 'MOVE' campaign to walk or jog for 60 km in November (at 2 km per day for the month of November).



This year, Politix employees were appointed as ambassadors of the campaign, and they also had the opportunity to join a Movember SpeakEasy workshop. For every pair of chinos sold, A\$10 was donated to the Movember campaign. A total of A\$179 732 (2019: A\$20 000) was raised for the Movember Foundation through employee participation as well as the sale of chinos as part of a customer-facing campaign.

WELLBEING AT OUR BOTANICCA HEAD OFFICE IN AUSTRALIA

Country Road Group and David Jones employees based at the Botanicca head office have the benefit of an on-site gym facility, biometric health checks for employees and weekly yoga classes. Other event-orientated activities such as seated massages, Pilates classes, mindfulness practices, Bike 'n Blend juicing machines, and lunchtime walking groups all contribute to enhancing the physical and mental health of our people. Our retail teams also enjoy occasional yoga classes in Brisbane, Melbourne, and Sydney, and receive regular health and wellbeing promotional information in-store.

HIV/AIDS/TUBERCULOSIS (TB) MANAGEMENT

Woolworths is committed to aligning with the applicable national legislation which informs our HIV/AIDS and TB policy.

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

HIV-positive employees receive the requisite treatment via the Woolworths Clinical Management programme run by Momentum Health, the 'HIV Your Life Programme', and if they do not have access to a medical aid, they are eligible for all employee benefits.

PRODUCT SAFETY AND INTEGRITY

INJURIES AND ABSENTEEISM

WHL has very clear policies on absenteeism from work. All employees are entitled to paid sick leave in accordance with national legislation in the regions we operate. Extended absenteeism due to incapacitation of any sort is dealt with on a case-by-case basis. In the last year, WHL reported a total of 2 844 injuries on duty (2019: 2 385). No fatalities were reported.

COVID-19 RESPONSE

Without a doubt, the biggest challenge that we faced from a people perspective this year was the impact of the COVID-19 pandemic on our people and our business. One of the Group's main focus areas during the COVID-19 pandemic has been prioritising the health, safety, and wellbeing of our employees and customers. Through the Crisis Management Committee, our initial response was to ensure the health and safety of all our employees across the Group.

During the lockdown, only essential staff reliant on facilities and technology not easily accessible remotely were allowed at the office. These team members worked on a rotational basis to avoid a widespread outbreak. Woolworths South Africa closed all clothing stores during alert levels 4 and 5 of the lockdown, in line with the national legislation in South Africa, only trading food. During the Australian lockdown, David Jones continued to trade in its large-format stores; however, due to the smaller format of the Country Road Group stores, all stores were closed as keeping them open would have made it difficult to adhere to social distancing in the stores.

We also established a centralised COVID-19 medical assistance helpline for all our Woolworths staff, managed by independent service providers. Other internal communication methods were used across the Group to remind staff about how to take safety precautions during the pandemic.

USEFUL LINKS FOR MORE DETAIL

PREVENTATIVE MEASURES AT OUR FACILITIES

At all our facilities, we implemented preventative measures to ensure the safety of our employees and customers. At our corporate offices and distribution centres, in order to adhere to social distancing protocols, we established a rotational working programme for those staff deemed critical throughout the lockdown. We also ensured increased hand sanitising stations across the buildings for good hygiene as a first line of defence to the virus. We also implemented the required screening and safety protocols in all our workplaces and our stores and secured the appropriate personal protective equipment for all our frontline staff.

MAKING FLU VACCINES AVAILABLE TO ALL OUR PEOPLE

At Woolworths, we also made the flu vaccine available to all employees. While this would not prevent contraction of COVID-19, it was recommended as additional protection to avoid contracting both the seasonal flu and COVID-19 at the same time.

COVID-19 INITIATIVES WITH HUMAN RESOURCES

The Woolworths Human Resources team implemented a few initiatives in response to the COVID-19 pandemic. A temporary leave category was made available to all employees. A permanent leave type will be implemented in the next financial year to account for employees that are unable to work as a result of COVID-19 impacts. With the onset of the national lockdown, a number of employees were not able to take their annual leave and this resulted in an increase in leave balances and cost thereof. Employees were given an opportunity to swap their statutory leave for non-statutory so they do not lose this when it lapses. To help the country curb the spread of COVID-19, home screening, which will enable our employees to self-assess while at home, will be implemented via the MyWoolies app.

We are committed to maintaining the highest possible levels of product safety throughout the business. Mechanisms are in place to ensure that consumers are offered product which has undergone thorough testing and rigid process control to ensure it is as safe as possible. This includes a Safety Manual provided to all clothing manufacturers which sets out our safety policy and specific requirements related to ensuring product safety for our customers throughout the manufacture, processing, and finishing of our products. All food production supplier sites producing private label food are required to adhere to our strict hygiene, food safety, and housekeeping code of practice. In Australia, suppliers must adhere to the Australian standards on food safety.

THE QUALITY AND SAFETY OF ALL OUR FOOD PRODUCTS IS WOOLWORTHS' FIRST PRIORITY

All factories producing products for Woolworths are audited independently by various inspection services and are visited regularly by Woolworths' technical teams to ensure that the highest standards are maintained. An independent auditing organisation, International Britannia Limited (IBL), conducts four hygiene audits a year in each of our stores where food is cooked to ensure that proper food handling routines are in place.

FOOD SAFETY

All Woolworths food labels contain detailed information on ingredients, nutritional values, and allergens.

As the safety of numerous food products depends on optimal storage temperatures being maintained, Woolworths takes great care to maintain a strict cold chain. The cold chain is the whole process from producer, via the Woolworths distribution system and Woolworths stores, to our customers. It is essential that the correct temperature is maintained throughout this process. If the cold chain is broken (with temperatures exceeding the

specified range), it drastically shortens the product life, and temperature-sensitive products may potentially become harmful.

CHILD SAFETY

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

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

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

PRODUCT RECALLS

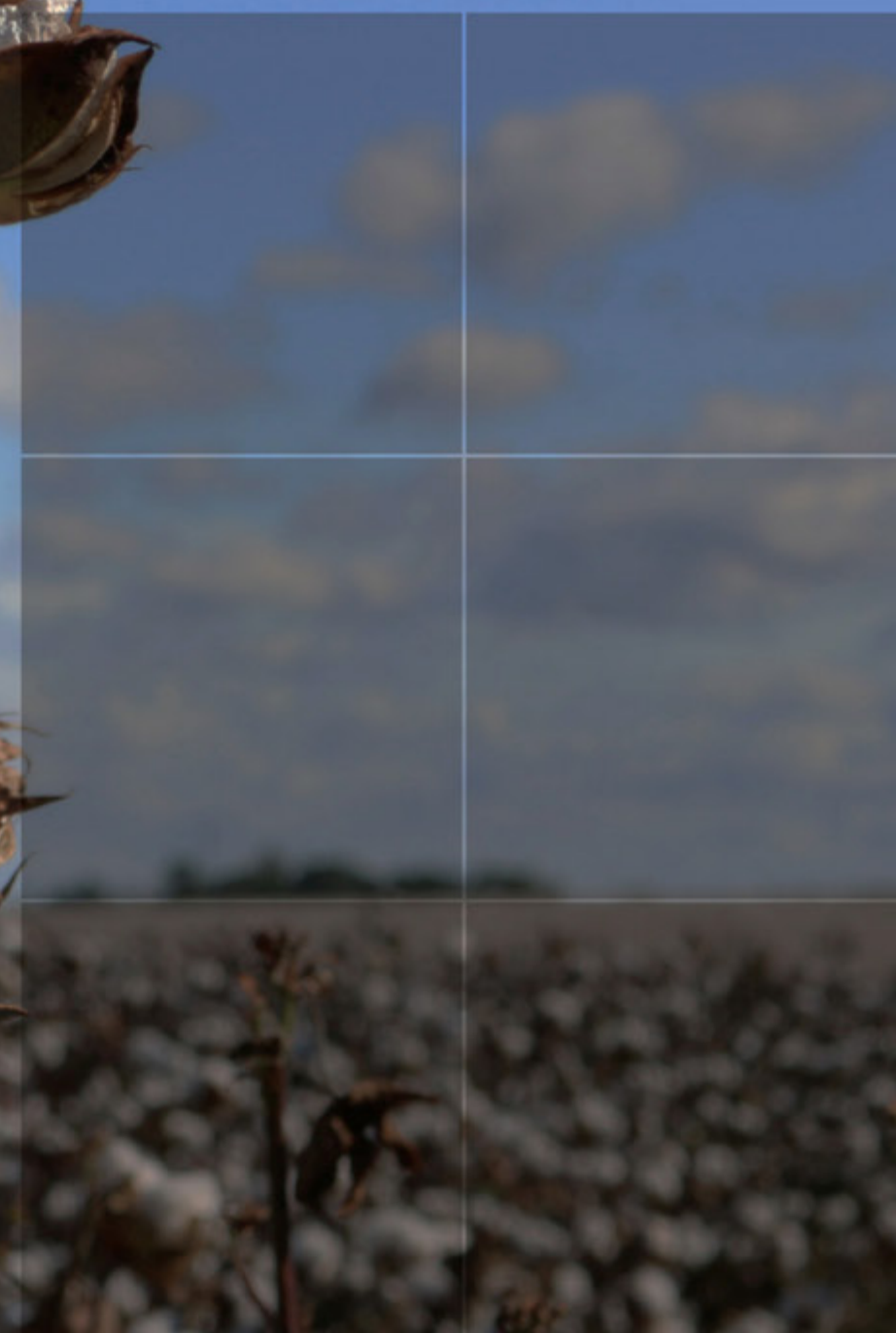
Woolworths has a robust product recall process in place, whereby products posing a safety risk are removed from the shelf within two hours of the respective executive being made aware of the risk. David Jones made three product recalls this year.

NO PRODUCT RECALLS WERE MADE DURING THE YEAR FOR WOOLWORTHS

ETHICAL SOURCING[®]

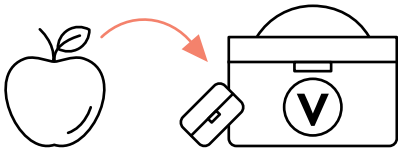
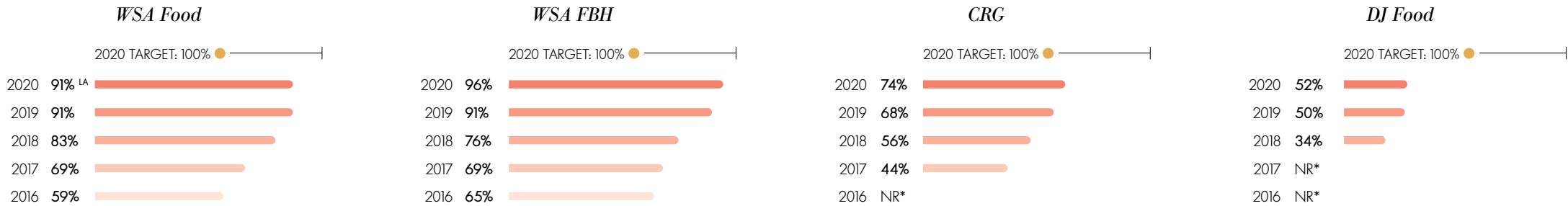
Through our ethical sourcing programmes we aim to improve the lives of workers in our supply chain, empower communities in the regions from which we source, and reduce and mitigate our impact on the natural environment. Supply chain transformation and transparency continue to be key components of our Good Business Journey.

QUICK ACCESS TO SECTIONS



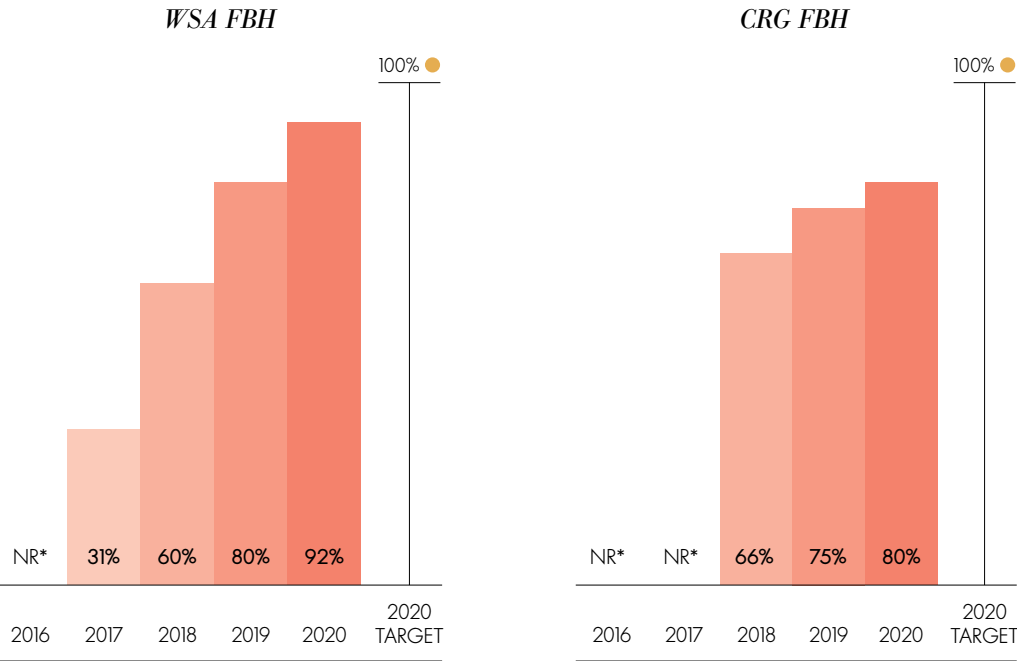
PERFORMANCE SUMMARY

Percentage of private label products with sustainability attributes



Mimco launched a vegan handbag and wallet range made from apple peels discarded from the food industry. The range is also PETA certified.

Percentage of sustainably sourced cotton



97% OF DJ PRIVATE LABEL CONFECTIONERY CONTAINS RESPONSIBLY SOURCED COCOA

98% of all cocoa sourced for WSA private label food that contains cocoa is responsibly sourced

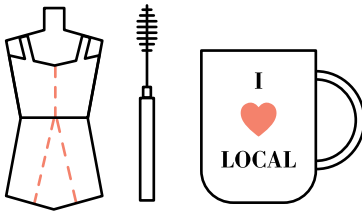
2020: 98% (TARGET 100%) ●
2019: 98%
2018: 84%

94% sustainably sourced (mass balance) palm oil – WSA Food

76% of leather sourced from LWG tanneries – CRG

2020: 94% (TARGET 100%) ●
2019: 98%
2018: 97%
2017: 49%
2016: NR*

2020: 76% (TARGET 100%) ●
2019: 69%
2018: 40%
2017: 20%
2016: NR*



29% ^{LA} of WSA private label fashion, beauty and homeware locally sourced

2019: 31%
2018: NR*

STRATEGY AND MANAGEMENT APPROACH

STRATEGY

The diverse and often complex supply chains involved in producing the food, fashion, beauty, and homeware products we sell can have significant social and environmental impacts. Continuously strengthening our value chains through our ethical sourcing programmes is non-negotiable so that we can mitigate where necessary, and positively influence where possible, the outcomes and impacts of manufacturing and production.

AWARENESS REGARDING THE TRANSPARENCY OF SUPPLY CHAINS AND THE TRACEABILITY OF PRODUCTS IS ALSO ON THE RISE, AND WE ARE WORKING ACTIVELY TO ENHANCE OUR PROGRAMME TO ADDRESS THIS.

MANAGEMENT APPROACH

Ethical sourcing requires us to build meaningful and long-term value-sharing relationships with our suppliers and other key stakeholders in the supply chain. Our main focus is on our private label primary suppliers and supply chains. This is where we can exert the greatest influence for positive change and more easily monitor performance. Where possible, we also engage with branded suppliers to ensure that our standards are understood and upheld.

OUR APPROACH TO ETHICAL SOURCING COMPRISES

- ① Supplier codes of conduct
- ② Monitoring of suppliers and ethical audits
- ③ Partnering
- ④ Building awareness and capacity

**USEFUL LINK
FOR MORE DETAIL**

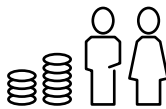
HIGHLIGHTS



Excellent performance by Woolworths in almost meeting the 2020 sustainability attributes target



Country Road Group and David Jones became signatories to the Turkmenistan Cotton Pledge 🇹🇲



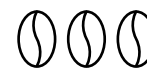
Public commitment by Country Road Group and David Jones to endorse the Global Living Wage Coalition 🇺🇸



Commencement of a modern slavery risk assessment by Country Road Group and David Jones



Pilot of an ethical sourcing and compliance training module for Woolworths Fashion, Beauty and Homeware buyers and designers



Launch of a responsible sourcing programme for coffee by Woolworths

LOWLIGHTS AND CHALLENGES

Mixed performance across the Group and commodities against our 2020 responsible commodity sourcing targets

Relatively poor performance of Woolworths against global peers in the 2020 Fashion Transparency Index 🇺🇸 due to failure to meet certain requirements for publicly disclosed information



DUE TO COVID-19

- A number of supplier social and ethical audits were delayed due to travel restrictions, social distancing and health and safety precautions
- Delivery of certain 2020 responsible sourcing goals and targets and timeframes for the acceptance of selected orders were impacted due to the inability to receive and sell stock for an extended period of time in the fashion business

LOOKING AHEAD

Looking ahead, we are aiming to continue and enhance our focus on transparency and responsible sourcing.

IN THE SHORT- TO MEDIUM-TERM, WE WILL

- Further enhance the transparency of the Group's supply chain
- Continue transitioning the Group's suppliers, where relevant, to SEDEX
- Develop a roadmap that addresses the various challenges in achieving a decent standard of living for all workers in the supply chain, and work with partners and industry peers towards implementation of this roadmap in our key regions of operation
- Submit Country Road Group's and David Jones' first reports under the Australian Modern Slavery Act
- Identify opportunities to move towards segregated supplies of sustainable palm oil
- Further the rollout of the Woolworths responsible sourcing programme for coffee in Tanzania
- Deepen our understanding of Leather Working Group certifications held by our tanneries and work towards improved transparency in our leather supply chain
- Monitor the development and commercial viability of various alternative fibres

IMPACT ON THE VALUE CHAIN



Agriculture
& Fishing



Suppliers &
Processors



Communities

WHERE WE SOURCE FROM



Over
1 050
suppliers globally

across more than
50
countries

The WHL Group continues to work on improving traceability through the supply chain. In 2019, Country Road Group published its factory list and David Jones its private label products supplier map, and in 2020, Witchery published its supplier map. During the year Witchery also relaunched the 'Know your Clothes' hub on its website, a communication portal on the Good Business Journey for customers, and refined the related 'Know your Clothes' swing tickets on garments in order to call out specific sustainability attributes for customers. Looking ahead, across the Group, we're aiming to further improve transparency for customers on where our products are made.

USEFUL LINKS FOR MORE DETAIL

LOCAL SOURCING

Across the Group, we continue to increase our focus on local sourcing. As we operate through and start to recover from the devastating impacts of COVID-19, we expect to enhance our local sourcing efforts so that we can support and stimulate our local economies while at the same time securing consistent supply.

29%^{LA}
of Woolworths private label
fashion, beauty and
homeware locally sourced

HUMAN RIGHTS AND ETHICS

SUPPLIER CODES OF CONDUCT

We take the social and ethical implications of manufacturing in a global supply base very seriously. All WHL Group suppliers and service providers, whatever their location, are bound by our company Codes of Conduct (codes), all of which are aligned with the International Labour Organisation's conventions in relation to ethical trade and the Ethical Trade Initiative base code. The codes outline our requirements for human rights, labour practices, health and safety standards, environmental stewardship, animal welfare, and our zero tolerance for bribery and corruption, and are supplemented by a number of supporting policies and position statements.

USEFUL LINKS FOR MORE DETAIL

together, with the relevant auditors, to align their audit protocols as far as practically possible. In addition, in order to enhance consistency across the Group, since 2013 and where relevant, all operating companies have been rolling out SEDEX for the purpose of supplier audits. SEDEX 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 report storage, enabling performance transparency, greater efficiency and consistency. A Group-wide process is underway to convert our supply base, where relevant, from our existing social and ethical compliance audit protocol to SMETA, which reports against SEDEX's four pillars of labour, health and safety, environment, and business ethics. Woolworths Food has converted an additional nine suppliers during the past year, meaning 24% of its supply base (2019: 13%) to date has been moved to SEDEX, while 75% of Woolworths fashion suppliers from southern Africa have been converted. David Jones has 100% of its private label suppliers registered on SEDEX, and Country Road, 19% (2019: 14%).

ETHICAL AUDITS

The Group operating companies have developed their own social and ethical compliance audit protocol and programmes to ensure that suppliers meet our requirements and supplier Codes of Conduct. These programmes include protocols related to audit approach, frequency, and grading. All suppliers undergo regular compliance checks against the Codes of Conduct, conducted by independent auditors commissioned by the Group operating companies, or are required to supply audit reports from an approved list of independent auditors. There is an expectation that branded suppliers have their own policies and systems in place to ensure that their own supply chains are in compliance with those requirements. This also applies to all primary suppliers and those from whom they source, i.e., our secondary suppliers.

During the year, in order to improve uniformity in audit approach, frequency and grading, Woolworths Food and Woolworths Fashion, Beauty and Homeware worked

Rollover
for more detailed content



SOCIAL AND ETHICAL AUDITS

FINDINGS

REMEDIAL ACTION



Rollover COVID-19 impacts



ETHICAL SOURCING TRAINING

Woolworths Food business continued its partnership with Stronger Together, a multi-stakeholder business-led initiative aiming to reduce modern slavery, on an awareness and training programme in South Africa. The programme's goal is to support South African fruit and wine suppliers to address the risk of forced labour within their direct operations and supply chains. The workshop for Woolworths' teams intended for this year had to be postponed due to the COVID-19 lockdown. Regardless, capacity building is ongoing and an internal training session on ethical compliance was held with the Woolworths Food buying team. In the coming months, Woolworths Food also aims to engage suppliers in a workshop to identify the root causes of repeated and common social and ethical audit findings so that these may be addressed appropriately going forward. During the year, in Woolworths Fashion, Beauty and Home, an ethical sourcing and compliance training module for buyers and designers was finalised and piloted. The purpose of the module is to explain how decisions at a retail level influence social and ethical compliance in the supplier base. Content includes explaining concepts such as responsible purchasing practices, modern slavery, living wages, traceability and transparency, compliance management and audit protocols and procedures. This module will be rolled out more widely in the next year.


FAIR WAGES

In November 2019, Country Road Group and David Jones made a public commitment to endorse the Global Living Wage Coalition,  the Anker Methodology  definition of a living wage, and to promote conditions that support every worker's opportunity to receive a living wage. In support of these commitments and other planned projects on responsible purchasing practices, work commenced this year on developing a roadmap towards supporting a living wage. A research-based project was undertaken in a number of Chinese factories with the purpose of improving our understanding of a worker's livelihood in our partner factories in order to benchmark and identify opportunities to enable conditions for a living wage.

The project, along with further work, will deepen our understanding of the challenges and opportunities living wage presents in our supply chain. Looking ahead, we aim to develop a responsible buying programme training module, and will apply our learnings to develop a roadmap that addresses the various challenges in achieving a decent standard of living for all workers in the supply chain. We will then work with partners and industry peers towards implementation of this roadmap in our key regions of operation.

USEFUL LINKS FOR MORE DETAIL

MODERN SLAVERY


The Modern Slavery Act (Act) in Australia came into effect on 1 January 2019. The Act requires organisations with a consolidated revenue of A\$100 million and above to report annually on modern slavery risks in their operations and supply chains, the action they have taken to assess and address those risks, as well as the effectiveness of their responses. Both Country Road Group and David Jones will soon be submitting their first report in accordance with this Act, covering the period 1 July 2019 - 30 June 2020. To ensure preparedness to implement and report, Country Road Group and David Jones have been involved in various industry engagements with the Australian government on the Act, including through representation on the Modern Slavery Expert Advisory Group. During the year, Country Road Group and David Jones embarked on a review of our human rights policies and also initiated a modern slavery risk assessment to be completed by third party experts. 



During the year, Country Road Group and David Jones signed the Turkmenistan Cotton Pledge.

Both Country Road Group and David Jones are signatories to the Bangladesh Accord on Fire and Building Safety. 



The WHL Group is a signatory to the UN Global Compact. 

ACTIONS TAKEN BY THE GROUP TO PREVENT FORCED OR CHILD LABOUR, MODERN SLAVERY PRACTICES, AND EXCESSIVE WORKING HOURS IN OUR SUPPLY CHAIN INCLUDE:

- Mandatory application of our Codes of Conduct by suppliers
- Regular social and ethical audits and follow up of remedial actions taken to address findings
- Termination or suspension of supplier relationships where audits reveal business-critical findings
- Capacity building, training and engagement internally and with suppliers

COVID-19 SUPPLIER SUPPORT

The COVID-19 pandemic has had deep and widespread effects on ourselves and our suppliers. We aimed to help our suppliers where possible, particularly those running small businesses, during the pandemic. This assistance included assessment against various relief options offered by the Group, government, and banks. Our fashion business was hit particularly hard during the lockdowns in South Africa and Australia, and even with increased promotions to move stock, we unfortunately in certain cases had to reduce or delay product intake, and negotiate extended payment terms. We are working hard to minimise these impacts as best we can.

EXTERNAL RATING OF ETHICAL SOURCING PERFORMANCE

FASHION TRANSPARENCY INDEX

Woolworths was selected to participate in the annual Fashion Transparency Index for the first time in 2020. While Woolworths scored the highest of any South African fashion retailer, we performed poorly relative to our global peers, with the assessment indicating that more work is required, particularly in making more of our ethical sourcing information publicly available.

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. Last year, Country Road Group maintained its A- score while David Jones improved from a B- to a B. The current year's report has been postponed to later in the year due to COVID-19. The 2020 report will focus more specifically on the impacts of the pandemic on garment workers in supply chains.

RESPONSIBLE SOURCING AND TRACEABILITY

HOW WE MANAGE COMMODITY SOURCING IN FOOD

We are on a journey to responsible sourcing across our key commodities* and in 2015 made a public commitment that by 2020 all our key commodities would be responsibly sourced. On this journey, we have aimed to contribute to, and create 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. Our success in achieving 100% responsibly sourced key commodities has been mixed across the Group and the commodities themselves. However, going forward, we intend to continue on this journey, with an increased focus on those more challenging commodities, where further work and innovation is required.

*Key commodities include palm oil, cocoa, coffee, sugar, soya, cotton, man-made cellulose fabrics, leather, and timber

Rollover below
for more information



MANAGEMENT APPROACH	UPDATE ON PROGRESS
As a member, Woolworths continues to support the Roundtable on Sustainable Palm Oil (RSPO) and we are driving our supply base towards sourcing 100% certified sustainable palm oil (CSPO) for our private label food products, household cleaning and personal care products and through the annual purchase of PalmTrace credits that are helping to increase the production and demand for sustainable palm oil.	While our minimum requirement is currently mass balance RSPO palm oil, 26 (2019:20) of Woolworths’ supplier sites are now RSPO members. This means that they are bound by the RSPO Code of Conduct and are required to publicly report their progress towards achieving 100% certified sustainable palm oil. 72% (2019: 60%) of the volume of palm oil that Woolworths uses in Food each year is certified as sustainable by the RSPO through supply chain audits. Of all of the private label Foods products containing palm oil, 94% are produced with physical (mass balance) RSPO palm oil (2019: 98%). Woolworths continues to purchase PalmTrace RSPO certificates to contribute towards the sustainable palm oil industry. 1 000 tonnes of PalmTrace credits were purchased from Indonesian palm oil growers during this year. Read more
Woolworths’ cocoa sourcing strategy is to source ‘responsibly sourced’ cocoa, including through UTZ, Fairtrade, and Cocoa Life. David Jones Food has engaged with UTZ as well as other preferred certification standards, including Rainforest Alliance (with whom UTZ is currently merging), Fairtrade, and Cocoa Horizons (Forever Chocolate) to advance its sustainable cocoa agenda.	Currently, 98% of all private label products that Woolworths sells are made with responsibly sourced cocoa. We are the only major retailer in South Africa to sell only responsibly sourced cocoa in our core chocolate and sweets lines as well as ingredients. During the year, we were proud to achieve our goal of having only 100% responsibly sourced cocoa used in items on our WCafé menus as part of our Green Cafés programme. We also launched our ‘Made with Care’ logo, which draws attention to our product differences, such as responsibly sourced cocoa, no azodyes or tartrazine, and vegan-friendly gum sweets and liquorice. 97% of David Jones’ private label confectionery currently uses 100% sustainably sourced cocoa. In the year ahead, the Group will continue to work with our major cocoa suppliers in progressing the sourcing of responsibly sourced cocoa for our private label products and will review the programmes that we support, ensuring that they continue to meet our requirements.
Woolworths’ current approach to coffee is to source only African organic coffee beans for our Cafés and for a large proportion of coffee beans sold on shelf, through our recently launched responsible coffee programme.	For our WCafés and Woolworths pods and coffee carts, we source 100% organic African coffee from Tanzania and Ethiopia directly from co-ops that support in excess of 25 000 smallholder farmers. During the year, Woolworths launched a responsible sourcing programme for coffee. See more information thereon in the case study that follows.
Woolworths continues to support the development of local standards for sustainable sugar through the SUSFARMS® collaboration. SUSFARMS® is a sustainable sugarcane farm management framework.	Woolworths is actively supporting the development of the SUSFARMS® framework as part of the Midlands Canegrower Initiative and contributed financially towards conservation surveys on farms and promoting environmentally friendly farming practices and sustainability on sugarcane farms.
Woolworths became a member of the Roundtable for Responsible Soy (RTRS) in 2015. While it is not yet viable to obtain physically certified sustainable soya in South Africa, Woolworths supports the development of the sustainable soya market in major producing regions through the purchase of RTRS credits.	For the third consecutive year, Woolworths purchased 9 750 RTRS credits, equivalent to 33% of our total soy footprint, from Brazilian growers (offsetting the use of soy in feed for our egg-laying chickens and pork products). The credits are only purchased from growers who are certified as meeting the RTRS standard for responsible soy production. One credit is equivalent to one tonne of soy. In this way, we are supporting the responsible production of soy. Woolworths is also investigating opportunities to support and develop African soy. In the next few years, our plan is to transition the soy used in our animal feeds to a local supply of soy which supports the South African local economy and farmers who grow it. Eventually our objective is to move to 100% locally sourced soy, working alongside animal feed manufacturers and our livestock suppliers.

CASE STUDY

RESPONSIBLE COFFEE PROGRAMME

During the past year, Woolworths has been working to refine and launch our responsible sourcing programme for coffee. Over 90% of the coffee we sell in our WCafés and Woolworths pods and coffee carts is sourced from smallholder farmers in Tanzania and Ethiopia. Thus, the primary focus of our responsible sourcing programme is to support coffee quality and sustainability initiatives that ultimately improve the long-term viability of coffee production among these smallholder farmers.

WE HAVE DEVELOPED A FIVE-YEAR ACTION PLAN FOR THE PROGRAMME IN CONJUNCTION WITH OUR SUPPLY CHAIN PARTNERS TO DELIVER AGAINST OUR FOUR KEY OBJECTIVES



A better deal for the farmer



Better quality



Better availability



A better deal for the customer

During the year, the first phase of our programme commenced in Tanzania, our primary sourcing region. We have started by beginning to GPS map the 25 000 smallholder farmers supplying the various co-ops throughout the Kilimanjaro region where Woolworths sources its 100% organic beans. This is being facilitated by newly appointed field agents who are visiting farmers and collecting the data. The agents are also using the field visits as an opportunity to gain a better understanding of the farmers’ demographics and obstacles they face in their daily lives. This will form an important part of the strategy going forward as this information will be vital in terms of understanding the support required by farmers to improve their yields, quality, and ultimately, income as a result.

Our goal is to have an established programme in place which meets the four objectives for our organic Tanzanian sourcing by 2023. Once the Tanzanian project is fully operational, we will review the sourcing and traceability programmes in Ethiopia. In addition, while this programme is focused on the coffee sold in the WCafés and Woolworths pods and carts currently, in future we will review and consider how to extend it to our retail range. Each origin will be evaluated and a unique action plan will be put in place for each country as the programme progresses.

WE BELIEVE THAT COFFEE HAS THE POTENTIAL TO THRIVE IN HEALTHY, BIODIVERSE ENVIRONMENTS WHILE ALSO SUPPORTING THE LIVELIHOODS OF THE FARMERS WHO GROW IT AND THE COMMUNITIES WHERE THEY LIVE.



RESPONSIBLE SOURCING AND TRACEABILITY

HOW WE MANAGE COMMODITY SOURCING IN FASHION, BEAUTY AND HOME

<div>Rollover below for more information</div> 	MANAGEMENT APPROACH	UPDATE ON PROGRESS
	<div>COTTON</div>  <p>With cotton being the fibre most used across our private label collections, the WHL Group is focused on supporting more sustainable cotton farming practices. Woolworths, Country Road Group and David Jones are all members of the Better Cotton Initiative (BCI) and, in addition, support locally grown and certified organic cotton.</p>	<p>Woolworths is sourcing sustainable cotton for the equivalent of 92% of all cotton garments (2020 target: 100%). Woolworths sourced 550 tonnes (2019: 65 tonnes) of South African cotton as Better Cotton in the last year, with the aim of increasing this to 800 tonnes in the next financial year. 80% of Country Road Group's cotton was sustainably sourced during the past 12 months (2019: 75%). Country Road Group and David Jones private label sourced 1 160 tonnes (2019: 897 tonnes) of cotton as Better Cotton through the BCI in the last year.</p>
	<div>CELLULOSE FIBRES</div> <div>INCLUDING VISCOSE, MODAL AND LYOCELL</div>  <p>The WHL Group aims to drive engagement with our suppliers and producers of cellulose (timber) based fabric to ensure that the production of fabrics such as viscose and rayon does not result in illegal forest degradation or deforestation.</p>	<p>Currently, Woolworths is sourcing 72% deforestation-free viscose (2019: 45%), and Country Road Group 37% (2019: 34%), against a revised target of 70% for 2023 and 100% by 2025. The targets were revised as more work is required on the traceability of viscose. Country Road Group increased its sourcing of sustainable viscose through increased use of LENZING™ ECOVERA™ viscose, derived from certified renewable wood sources using an eco-responsible production process.</p>
	<div>LEATHER</div>  <p>In 2015, the WHL Group became a member of the Leather Working Group (LWG), an environmental standard that promotes best practice in chemical management and wastewater treatment. LWG certification also assesses the ability of leather manufacturers to trace material back to the slaughterhouse. The WHL Group is also an active participant in the Textile Exchange Beef and Leather working group.</p>	<p>76% of Country Road Group's products containing leather are sourced from LWG-accredited tanneries (2019: 69%). All leather for Witchery's leather handbags is sourced from LWG-certified tanneries. Woolworths is conducting a baseline assessment of all our tanneries to understand their LWG certification levels, i.e., which of them are being audited against the LWG environmental auditing protocols and which have a traceability rating (leather that is physically marked and traceable).</p>
	<div>TIMBER</div>  <p>Woolworths signed the Vancouver Declaration in 2017, making a commitment to work towards more sustainable sourcing of forest products and endorsing the Forest Stewardship Council (FSC) as the supplier of choice for the certification of forest products.</p>	<p>88% (2019: 85%) of Woolworths Food packaging suppliers are currently FSC-certified against a target of 100%. By the end of December 2020 we aim to have a comprehensive list of FSC-certified suppliers who will supply Woolworths' paper board packaging exclusively. Currently 37% of Country Road Group's products containing timber are made from recycled or certified timber.</p>

CASE STUDY

MIMCO PARTNERS WITH HERPROJECT TO INTRODUCE WORKER EMPOWERMENT PROJECT IN BANGLADESH

Mimco has a key focus on female empowerment for not only their customers, but for the women making the products in their supply chain. In 2019, Mimco commenced a partnership with HERproject, an organisation working to educate and empower women working in global supply chains through programmes designed to improve their health and financial independence, at two factories in Bangladesh. Over 2 000 women work across both factories, and of these only 50% have completed school to a primary school level.

During the year, two modules were initiated at the factories, HERhealth and HERfinance. Baseline assessments were completed at each factory to capture general demographic information as well as more targeted and detailed information relating to health and finance. All participants in both modules receive regular workshops and training sessions. For the HERhealth project, a selected group of Peer Health Educators and individuals in the wellbeing committees are undergoing training in order to educate their colleagues in the near future. While progress has slowed due to COVID-19 and lockdowns, reports thus far have shown that the female employees are finding the modules helpful. They have cited examples of how the modules have aided them in creating budgets and saving for items like a fridge, and also to be more knowledgeable about sexual health and the transmission of sexually transmitted infections. An impact study of this initiative will be conducted upon completion of the programme to determine whether to roll this out more widely across the supply chain.



“I ENJOY BEING A PEER HEALTH EDUCATOR BECAUSE I CAN SHARE HEALTH MESSAGES FOR MY FAMILY AND COMMUNITY. MY FAMILY IS ALSO VERY HAPPY THAT I CAN HELP THEM AND OTHERS TO BE HEALTHIER AND LIVE A BETTER LIFE.”

– *Shammi Akter,*
Peer Health Educator

REDUCING ENVIRONMENTAL IMPACTS

LEADING MATERIAL INNOVATION

Across the Group, we continue to drive sustainability in the product development process and monitor the progress in and commercial viability of various alternative fibres, such as vegan and recycled fibres and leathers. Looking ahead, we aim to increase our sourcing of new alternative or sustainable fibres.

Mimco launched a vegan handbag and wallet collection made from apple peels discarded from the food industry, that is also PETA certified.

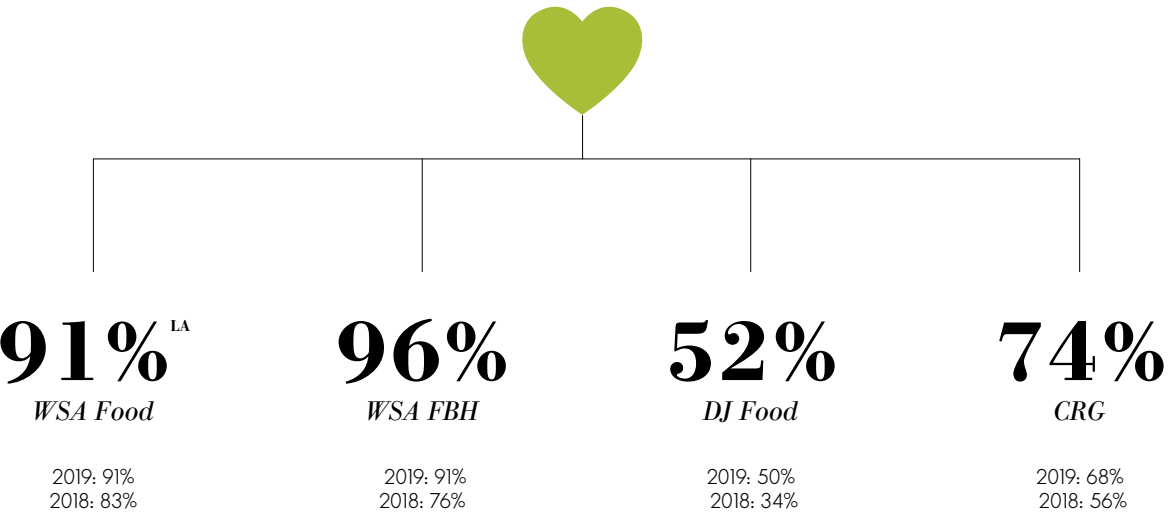


© 2020 MIMCO

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. While David Jones has small private label food and fashion ranges in which this was applied, the sustainability attributes were also used to influence curation and investment in branded products that had one or more sustainable attributes. The WHL Group made a public commitment in 2015 that 100% of directly sourced products sold will have at least one sustainability attribute by 2020. We are pleased to announce that we came very close to achieving this target at Woolworths. While both Country Road and David Jones did not achieve this target, they both started their journey towards incorporating sustainability attributes into their product design and development later and we are satisfied with the progress made.

PERCENTAGE OF PRIVATE LABEL PRODUCTS WITH SUSTAINABILITY ATTRIBUTES

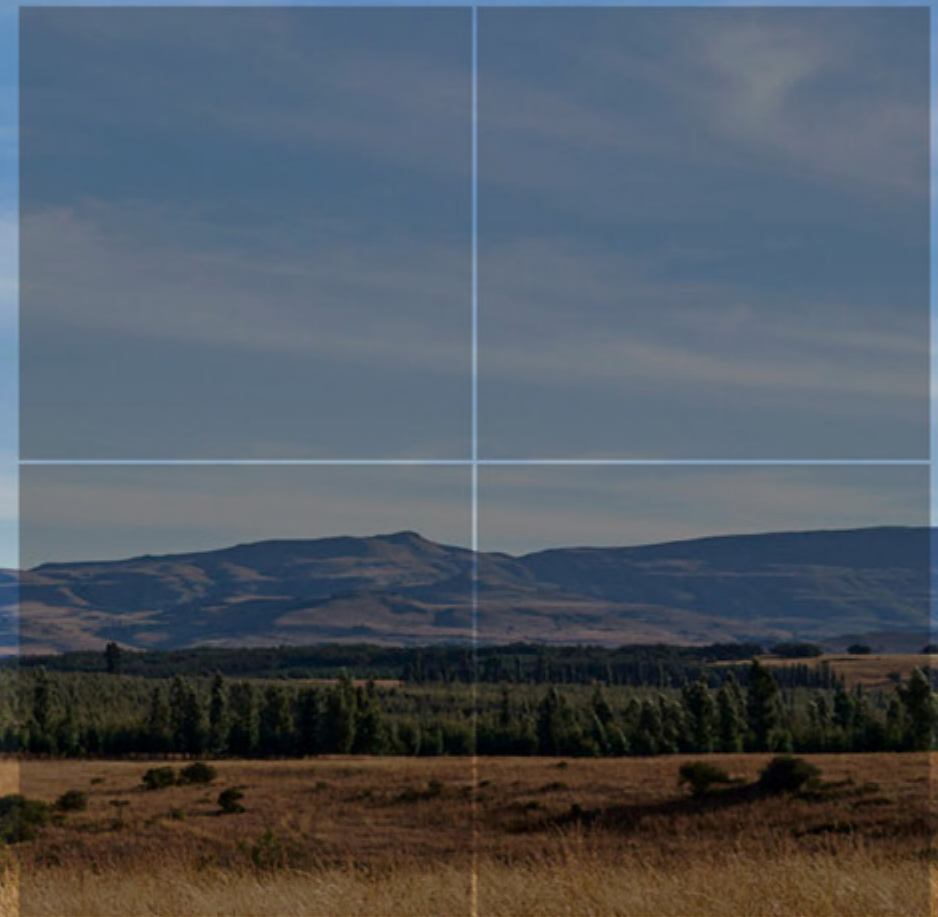


USEFUL LINK FOR MORE DETAIL

SUSTAINABLE FARMING[®]

Through our sustainable farming programmes and partnerships and in conjunction with our farmers and suppliers, we are working to improve farming and animal welfare practices. In this way, we are aiming to ensure a more sustainable, resilient and inclusive food system for our people, our communities, and the planet.

QUICK ACCESS TO SECTIONS

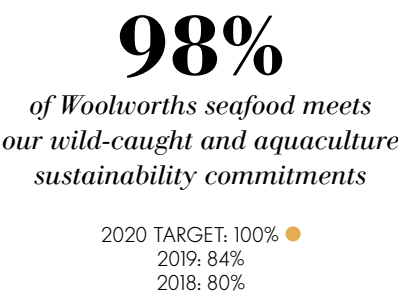


PERFORMANCE SUMMARY

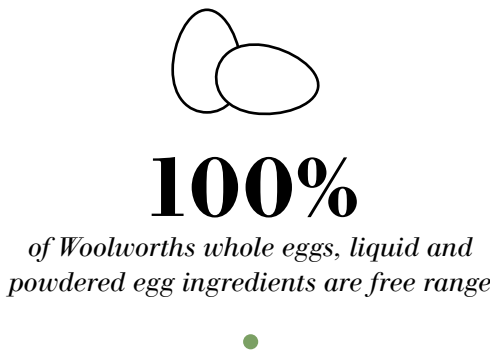


ANNIVERSARY

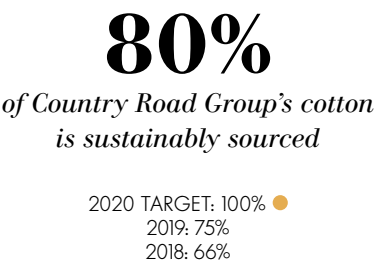
Woolworths is celebrating the 10-year anniversary of Farming for the Future. The programme, piloted with 12 suppliers between 2004 and 2008, was officially launched in 2009 and has now grown to include 379 suppliers



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



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



STRATEGY AND MANAGEMENT APPROACH

STRATEGY

Over the last few decades it has become abundantly clear that producing food and raw materials in a way that is at odds with natural and social systems is no longer a viable option. A high proportion of the environmental impact resulting from our operations is linked to the farming and processing of products that we sell. As a result, we make it a priority to work together with our suppliers on a long-term basis to minimise these impacts and positively influence the environmental and social outcomes of doing business.



We also recognise our ethical obligation to ensure that our farmers and suppliers are meeting our exacting requirements for animal welfare and human rights in the supply chain.

MANAGEMENT APPROACH

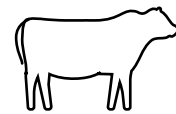
Our Farming for the Future, Fishing for the Future, animal welfare, and sustainable fibres programmes outline our management approach to sustainable farming. This approach is strengthened through our partnerships with a range of organisations to drive further progress in sustainable farming and responsible sourcing.

TO ENSURE THAT OUR SUPPLIERS UNDERSTAND OUR EXPECTATIONS, WE HAVE CREATED VARIOUS SUSTAINABLE FARMING, FISHING, AND ANIMAL WELFARE POLICIES AND GUIDELINES TO WHICH OUR SUPPLIERS ARE EXPECTED TO ADHERE.

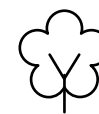
HIGHLIGHTS



Pilot of a Farming for the Future training module for small-scale farmers on four farms



Addition of free range beef, Angus beef, and additional dairy and pork suppliers to our outcomes-based measurement programme 📈



Woolworths' sustainable cotton commitments recognised with a Retailer Better Cotton Initiative Award at the South African Cotton Indaba in November 2019



Launch of a responsible wool strategy by Country Road Group and David Jones

LOWLIGHTS AND CHALLENGES

Increased costs associated with scaling up the Farming for the Future programme and its related assessment and certification process

The onboarding of a large and evolving footprint of secondary suppliers to the Farming for the Future programme

The ongoing drought and uncertainty regarding land reform in South Africa which affects farmers' capacity for investment in sustainability projects due to their associated long-term payback periods



DUE TO COVID-19

- Delay in the addition of free range lamb, buffalo, rainbow trout and long-life dairy suppliers to the outcomes-based measurement programme 📈 due to travel restrictions
- Virtual assessments having to be conducted for Farming for the Future for the period March – June 2020, when physical visits to farms were not possible

LOOKING AHEAD

Looking ahead, we will continue to refine and renew our sustainable farming and animal welfare programmes to assist us in promoting resilience in the supply chain and ensure that the programmes remain at the cutting edge of best practice.

MORE SPECIFICALLY

- By 2022, we aim to include all the secondary suppliers that contribute to 80% of our volumes on Farming for the Future. We will also develop a Sourcing Guideline for our primary suppliers on the programme to rollout and apply to their secondary suppliers
- In the next year, Woolworths will launch a refreshed Fishing for the Future programme that will focus on responsible sourcing, responsible consumption, traceability and proactive transparency, and will include new seafood sustainability targets to 2025
- We will expand the outcomes-based measurement programme 📈 to free range lamb, buffalo, rainbow trout, commercial beef, regular milk and long-life dairy suppliers
- Country Road Group and David Jones will continue working towards their new responsible wool strategy with commitments that run from 2021 through to 2025

IMPACT ON THE VALUE CHAIN



Agriculture & Fishing



Suppliers & Processors

SUSTAINABLE FARMING AND FISHING

Globally, food systems have been affected by the impact of climate change and related extreme weather events, soil degradation, worsening water quality and availability, biodiversity loss, declining fish stocks, and in the last few months, the COVID-19 pandemic. In South Africa, where the Woolworths business sources a significant volume of agricultural products, the impact of the ongoing drought continues to be a significant challenge for our farmers and suppliers. In order to address these challenges and enhance the resilience of our supply chain, we have, for a number of years, implemented sustainable farming and fishing programmes.

CASE STUDY

FARMING FOR THE FUTURE TEN YEAR ANNIVERSARY

Woolworths' pioneering approach to growing food in a sustainable, harmonious way, the Farming for the Future programme celebrated its 10th anniversary at the end of 2019. The programme and its related assessment and certification scheme is a scientific, data-based approach to farming that aims to manage a farm as part of its wider ecosystem. The programme comprises various modules for which data points are measured at a farm level, including data related to soil biology, water use efficiency, crop protection, energy use, irrigation efficiency, and leakages and wastewater management. This data is then used by farmers to make decisions that will assist them in making continual improvements over time with the aim of enabling them to produce more food with fewer natural resources. The programme is geared towards improving the farm's resilience, yield, and profitability while at the same time enhancing its ecosystem's capacity over time.

Piloted in 2004 with only 12 suppliers and officially launched in 2009, the Farming for the Future programme has grown substantially over time; by the end of this financial year there are 121 primary and 258 secondary suppliers on the programme. Continuous improvement has been made over the years in response to the changing operating context, to align with sustainable farming best practice, and to also challenge farmers to constantly improve their farming practices over time. The latest additions to the programme have included the pilot of a revised Integrated Crop Protection Module that includes measures that relate to product quality and availability on shelf, including those

that relate to short supplies or rejections for poor quality due to damage from pests. Furthermore, an Agronomy module has been developed. In order to recognise the social context within which farms operate, bonus points were added to the assessment this year for transformation and corporate social investment programmes on farms and the broader communities within which they operate. As part of our journey and in line with our aim to roll out the programme more widely, we are working towards developing a formalised and robust business case for the Farming for the Future programme. To this effect, during the year, we introduced a shared value model pilot to quantify in monetary terms the value of adopting the programme and the resulting improvement actions both for Woolworths and the farmer.

Suppliers assessed against the Farming for the Future standard

121
primary

2019: 179

258
secondary

2019: 304



SOLID GROUND

It all begins with healthy soil. Soil that's cultivated to be rich in minerals and nutrients.



WATER WISE

Healthy soil retains water better and needs less irrigation.



EARTH FRIENDLY

Using fewer synthetic substances and more compost contributes to maintaining a resilient ecosystem.

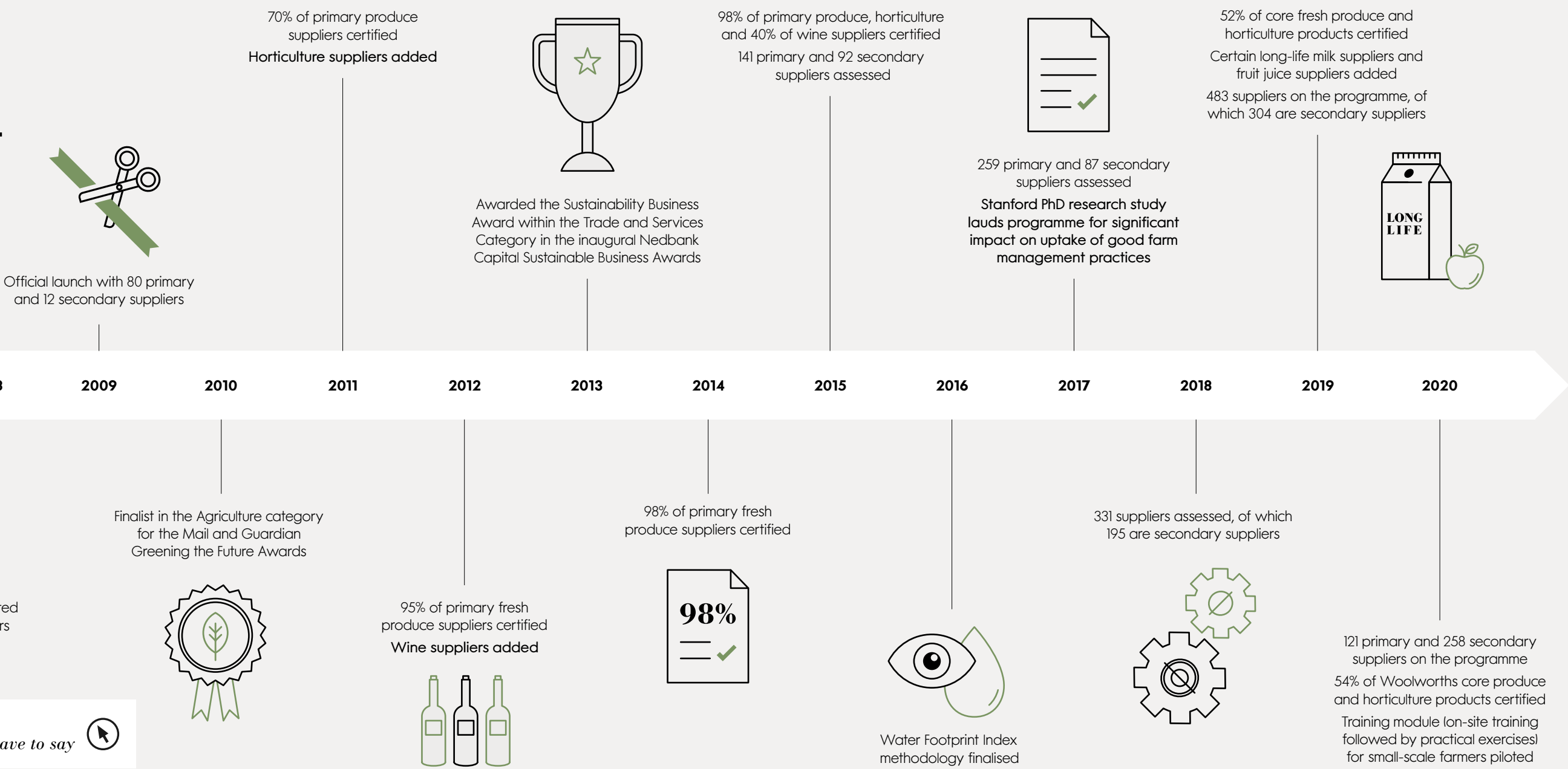
Overall, farmers achieved a 64.5% pass rate (2019: 60%) against their individual continuous improvement targets. Those suppliers that do not pass are not allowed to use the Farming for the Future logo on their products.

While many of our primary suppliers are already extremely well advanced, our secondary supplier base has increasingly been brought onto Farming for the Future over time, with a particular focus on our core product suppliers. The onboarding of secondary suppliers remains a challenge due to the scale of their footprint, and we have started a formal assessment of how to apply the programme effectively and efficiently in this base. In addition, in order to reduce duplication of effort by our suppliers and enhance the efficiency of our various sustainability programmes, we started investigating how to combine and leverage the Farming for the Future, outcomes-based measurement, and green factories programmes and assessments. Another ongoing challenge that the programme experiences is the increased costs associated with scaling up the programme and related assessment and certification processes. The ongoing drought and uncertainty regarding land reform remain difficult for our farmers, particularly affecting their capacity for investment in sustainability projects, which often have long-term payback periods.

Going forward, we aim to include all the secondary suppliers that contribute to 80% of our volumes on Farming for the Future by 2022. In addition, we will develop a Sourcing Guideline (Guideline) for primary suppliers on the programme to roll out and apply to their secondary suppliers. This Guideline will cover issues such as ethics and food safety and will aim to ensure that secondary suppliers are aligned to Woolworths' values and the Farming for the Future programme.

USEFUL LINKS FOR MORE DETAIL

OUR FARMING FOR THE FUTURE JOURNEY



Rollover
What our farmers have to say

FISHING FOR THE FUTURE

Our Fishing for the Future journey commenced in 2008, when Woolworths became the first South African retailer to sign the WWF-SA Sustainable Seafood Initiative (WWF-SASSI) Retail Charter. Twelve years on, Woolworths remains deeply committed to procuring all seafood from sustainable fisheries and responsible farming operations through the implementation of our Sustainable Seafood Policy.

During the year, we embarked on a comprehensive review of our Fishing for the Future programme. There have been significant worldwide improvements in seafood sustainability over the past 10 years, but critical risks remain and new challenges such as climate change and ocean plastics pollution are emerging. It has become clear that the global seafood sustainability narrative is changing and that going forward, in addition to considering ocean health aspects, our programme will have to consider a wider set of environmental, social, and economic issues. We also have to integrate seafood sustainability into a broader global food system context and extend the focus of improvement beyond producer practices, to multiple nodes in the seafood value chain. Going forward, we, therefore, intend to address both responsible sourcing and responsible consumption as well as focusing on traceability and proactive transparency. As part of the Fishing for the Future programme refresh, new sustainable seafood targets will be set for 2025 and we will develop a new, more wide-ranging Sustainable Seafood Procurement Policy.

CASE STUDY

A NEW ERA IN AQUACULTURE: SALMAR’S OCEAN FARM 1, THE FIRST OFFSHORE SALMON FARM IN THE WORLD







SalMar, a Norwegian aquaculture company and one of the world’s largest producers of farmed salmon, has been supplying salmon to Woolworths since 2015. In 2019, Woolworths received some of the first salmon produced from SalMar’s Ocean Farm 1, an innovative, new salmon farm designed and built for exposed, offshore operation. Ocean Farm 1 aims to reduce the environmental footprint of aquaculture, improve fish welfare and resolve nearshore sea space availability challenges. Nearshore aquaculture is often constrained by suitable space, competition with other sectors such as wild capture fisheries, and anthropogenic and natural impacts on coastal ecosystems, such as pollution. In contrast, the benefits of offshore aquaculture, where production is located away from the coastal zone in the deeper ocean, are numerous, with conditions more suited to the production of healthy fish. Steady currents for example, limit exposure to pathogens, thereby improving fish welfare. From an environmental impact perspective, offshore aquaculture has higher flushing rates, which leads to better dispersal of waste particles and greatly reduces localised nutrification. Farming fish in deeper, open ocean water is also expected to significantly reduce negative impacts on productive benthic fauna and flora ecosystems. Looking ahead, SalMar has commenced the development of a further improved, second offshore fish farm that will have twice the capacity of Ocean Farm 1.

Vessels towing Ocean Farm 1 to its initial pilot project site off the coast of Frøya in Norway. Salmar ultimately intends to locate Ocean Farm 1 in open water, 20 – 30 nautical miles off the coast.

WWF CONSERVATION CHAMPIONS

The WWF Conservation Champions continue to support best practice and long-term conservation in the wine industry and to transfer learnings through farmer information days, and joint in-field workshops on areas of key environmental risks such as wastewater, water stewardship, alien clearing, and fire management. There are currently 12 Woolworths wine suppliers that are Conservation Champions. Suppliers are incentivised to become Conservation Champions by Woolworths through the allocation of a sustainability attribute for their wine supplied to us. They are also awarded points in the Farming for the Future assessment for being a WWF Conservation Champion.

SOME KEY HIGHLIGHTS ALONG OUR FISHING FOR THE FUTURE JOURNEY

<div>2008</div> <div></div> <div>First retailer in SA to sign the WWF Sustainable Seafood Retail Charter</div> <div>Developed a Sustainable Seafood Policy</div>	<div>2009</div> <div></div> <div>Official launch of the programme</div> <div>First major South African retailer to label seafood in accordance with SASSI’s green, orange and red system</div>	<div>2010</div> <div></div> <div>Introduced several new sustainable wild-caught fish species</div> <div>First retailer in SA to introduce DNA testing for species validation</div>
<div>2011</div> <div></div> <div>Launched MSC-certified, sustainable, local trawl-caught Cape Hake</div> <div>Stopped the procurement of longline caught Yellowfin Tuna</div>	<div>2012</div> <div></div> <div>Made a commitment that by 2015, all our wild-caught seafood would be either WWF-SASSI green listed, caught from MSC (or equivalent) certified fisheries, or sourced from fisheries that are undertaking time-bound improvement projects</div> <div>Obtained MSC certification for our seafood counters</div>	<div>2015</div> <div></div> <div>Developed a pocket-sized Sustainable Seafood Guide for customers</div>
<div>2016</div> <div></div> <div>Made a commitment that by 2020, all aquaculture species sold will be either WWF-SASSI green-listed, ASC (or equivalent) certified, or from aquaculture operations that are engaged in a credible time-bound improvement project</div> <div>Launched South Africa’s first ASC-certified farmed tilapia lines</div>	<div>2017</div> <div></div> <div>Launched the first MSC-certified sustainable canned tuna in SA</div> <div>Launched ASC-certified vannamei and black tiger prawns</div>	<div>2020</div> <div></div> <div>Of the volume (tonnage) of farmed species sold, 99% (2019: 85%) overall meet the 2020 commitments and 98% (2019: 84%) of Woolworths’ seafood meets our wild-caught and aquaculture sustainability commitments</div> <div>100% of fish on WCafé menus is SASSI green listed, GlobalG.A.P, MSC- or ASC-certified</div>

Rollover
COVID-19 impacts



IMPROVING ANIMAL WELFARE STANDARDS

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

ANIMAL WELFARE IN FOOD

FREE RANGE

In 2004 Woolworths became the first major local retailer to stop selling whole eggs from hens kept in cages. Today, all whole eggs and 100% (2019: 99%) of liquid and powdered egg ingredients in Woolworths private label products are free range. We are committed to supporting initiatives which enable a shift away from caged systems in South Africa, and continue to engage collaboratively with other retailers around this.

Woolworths continues to sell extensive lines of free range chicken, beef, duck and lamb in store, which means the animals eat a natural diet and are not given routine antibiotics or growth stimulants. The ongoing drought is affecting the availability and viability of free range lamb. However, we are undertaking engagement with our suppliers in this regard and aim to ensure continuity of supply in the face of these challenging circumstances.



During the year, we were pleased to achieve our goal of having only 100% free range chicken, beef and lamb on our WCafé menus as part of our Green Cafés Programme.

Suppliers are regularly audited by independent bodies to ensure compliance with our free range standards. During the current year, our independent audits were further enhanced by having the auditors sample products directly from store shelves.

Animal welfare remains a key focus area in the development of David Jones private label foods. Where possible, we work with suppliers to ensure that our defined animal welfare criteria are met. Specifically, and where possible, we use certified free range or RSPCA Approved poultry, free range or outdoor bred pork, grass fed beef and lamb or organic meat and poultry. We continue to only sell free range shell eggs and where possible, use free range eggs as an ingredient in our private label prepared foods and in our selection of brands to retail on shelf. During the year, we converted all of our fresh chicken from RSPCA-approved barn reared (indoor) to RSPCA-approved outdoor reared (free range).

USEFUL LINKS FOR MORE DETAIL

OUTCOMES-BASED MEASUREMENT PROGRAMME

Woolworths is in its fourth year of collaboration with the Food Animal Initiative (FAI), aimed at strengthening the approach to animal welfare, sustainable livestock, and aquaculture farming practices across the supply chain using outcomes-based measures. The outcome measures, which focus on key welfare issues for each species, are collected on a monthly basis and provide objective and quantifiable data on liveability, disease, injury, behaviour, transport and slaughter.

On the programme, to date, we have collected data relating to the lives and welfare of over 95 million animals across nine farming methods.

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

DURING THE PAST YEAR

- Free range beef, Angus beef and additional dairy and pork suppliers were added to the programme and data collection commenced
- Data continued to be collected on chicken and laying hens, pork, duck, dairy, and free range beef, all of which were added to the programme in previous years
- We commenced working on how to integrate the programme into Farming for the Future for our livestock suppliers

rBST-FREE AYRSHIRE MILK

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

rBST-free Ayrshire milk comprises approximately 55% of Woolworths milk sales.

Dairy suppliers are regularly audited by independent bodies to ensure compliance with our requirements.

KINDER TO SOWS

The Woolworths Kinder to Sows programme was launched in 2014.

The aim of the programme is to source pork from farms that no longer use sow stalls to restrain pregnant sows for prolonged periods, reducing the time adult sows spend in gestation crates from 16 weeks to under one week.

From 2016, we were able to source Kinder to Sows pork for our fresh pork products and introduced on-product messaging to this effect. Thereafter, we expanded our Kinder to Sows offering to include easy-to-cook ranges, and all bacon and gammon lines.

Suppliers on the programme are regularly audited by independent bodies to ensure compliance with the requirements.

USEFUL LINKS FOR MORE DETAIL

Rollover COVID-19 impacts



ANTIBIOTICS

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

SUPPLIER TRAINING

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



ANIMAL WELFARE IN FASHION, BEAUTY AND HOME

We support the following principles for animal welfare across the WHL Group, covering all product categories:

Rollover below for more detailed content 

We do not permit the testing of our products on animals.

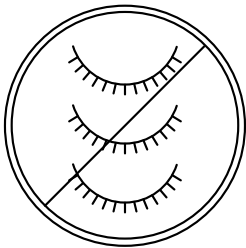
We ceased ordering products containing angora in January 2014.

We are a proud member of the Fur-Free Alliance. We do not permit the use of any natural fur or farmed fur in our products, including branded products supplied to David Jones.

We do not permit live plucking of duck and goose down.

We take a proactive approach to sourcing a sustainable supply of wool that is non-mulesed.

USEFUL LINKS FOR MORE DETAIL



During the year all mink lashes were removed from David Jones’ beauty range.

SUSTAINABLY SOURCED FIBRES



RESPONSIBLE WOOL

Country Road Group and David Jones published a responsible wool strategy in late 2019 that will see them transition away from the use of mulesed wool. Mulesing is a painful surgical procedure, which is common practice in Australia, involving the removal of strips of wool-bearing skin from around the breech of a sheep to prevent the parasitic infection known as flystrike. A further aim of the strategy is to support higher animal welfare standards and improved land management more broadly across the wool supply chain. Work commenced during the year towards achievement of our responsible wool commitments. 🌱 Key elements of progress made to date includes strengthened support for Australian farms that are Responsible Wool Standard 🌱 certified, as demonstrated in Country Road’s 2020 traceable wool campaign. Across Country Road Group, 52% of wool sourced during the year was non-mulesed wool. Certain challenges were encountered in the first year of implementation, which included, in certain cases, a lack of commercial viability and lack of appropriate certification received from suppliers.

SUSTAINABLE COTTON

Cotton is one of the main fibres used across the WHL Group in private label clothing. In recognition of the impact that cotton farming has on global land, soil, and water resources, we continue to drive the use of fibres produced in a more responsible way and those that support sustainable farming practices.

We set an ambitious Group target that by 2020, all our cotton products (excluding footwear and accessories) would be sustainably sourced, including certified organic and Better Cotton Initiative (BCI) cotton. We are pleased to announce that Woolworths currently uses sustainable cotton across 92% (2019: 80%) of fashion items and Country Road Group 80% (2019: 75%).

Woolworths is a member of the South African Cotton Cluster and is the only South African retailer with BCI membership. Both Country Road Group and David Jones are also BCI members. During the year, over 500 tonnes of South African BCI cotton were utilised in Woolworths private label clothing (2019: 65 tonnes). This was achieved

through thorough planning and preparation, which included conducting field visits and integrated workshops with those in our cotton value chain to confirm capacity and resourcing.



Woolworths’ sustainable cotton commitments were recognised with a Retailer BCI Award at the SA Cotton Indaba in November 2019.

Woolworths was included in the ‘Well on the way’ category in the 2020 Sustainable Cotton Ranking 🌱



Photo: Marianne van der Merwe on Unsplash

TRACEABILITY

During the year, further to the work with Oritain 🌱 last year, Country Road Group released a verified Australian merino wool collection traceable to eight Tasmanian farms, all of which are Responsible Wool Standard certified. Woolworths successfully completed a trial with Oritain on Supima cotton in the Spring/Summer range of private label men’s T-shirts. Supima cotton is a superior cotton blend, known for its strength, softness and colour retention, and is grown on the West Coast of the United States. Country Road Group similarly completed a project on Australian cotton with Oritain this year. Demonstrating commitment to continuously improving traceability through the supply chain, Woolworths is considering expanding this to BCI cotton and mohair in the future.

The Better Cotton Initiative promotes more sustainable cotton production, with a focus on:
Limiting use of pesticides and herbicides
Water efficiency
Soil management
Conservation of natural habitats
Decent work and fair wages

USEFUL LINKS FOR MORE DETAIL

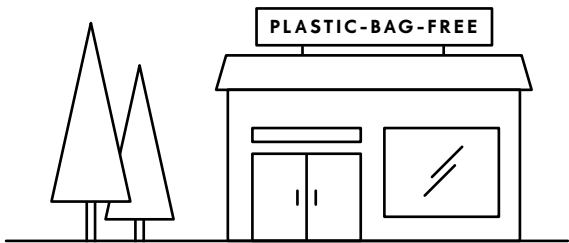


QUICK ACCESS TO SECTIONS

WASTE

We have made great strides towards achieving our vision of zero packaging waste to landfill. This is testament to how taking a systems approach to looking at the entire lifecycle of waste and packaging can yield positive results.

PERFORMANCE SUMMARY



5

Plastic-bag-free stores
at Woolworths

*David Jones Capitol Grand
is the company's first single-use plastic-bag-free store*



WOOLWORTHS PACKAGING & WASTE HIGHLIGHTS FOR 2020

- Rollout of Fashion, Beauty and Home paper bags
- Rollout of reusable mesh bags for fresh produce
- Rollout of coffee cup recycling bins to 36 stores across the Western Cape
- Two reverse vending machines installed

**WOOLWORTHS BECAME ONE
OF THE FOUNDING MEMBERS
OF THE SOUTH AFRICAN
PLASTICS PACT**



3 148 956

Number of reusable
bags sold in 2020 by
Woolworths Food

●
CHANGE SINCE 2019: 35%^{1A}



0.85

Average number of plastic
bags per transaction in 2020
for Woolworths Food

CHANGE SINCE 2019: 3.5%^{1A}

**COUNTRY ROAD LAUNCHED
A CLOTHING RENTAL
SCHEME IN PARTNERSHIP
WITH GLAMCORNER**

SURPLUS PRODUCT DONATIONS

Rands worth of product donated by Woolworths

*Clothing donated to
The Clothing Bank*

2020: R49.7M
2019: R60.6M

*Food donated
to charities*

2020: R643M
2019: R611M

STRATEGY AND MANAGEMENT APPROACH

STRATEGY

In 2018, we embarked on an ambitious journey by committing to zero packaging waste to landfill. As part of this, we committed that all our packaging will be reusable or recyclable by 2022. In addition, we also committed to eliminate single-use plastic shopping bags from our operations by 2020. Since then, in line with these commitments, we have been working to remove unnecessary single-use plastic products such as plastic straws, plastic stemmed ear buds, plastic cutlery, as well as plastic shopping bags from all our stores. These commitments were also our way of cementing work that had already started on waste reduction at the beginning of our sustainability journey.

Excessive packaging as well as the use of non-recyclable packaging has remained a point of focus for us and for our customers. We are aware of the dangers of generating excessive waste, whether directly through our product packaging or indirectly through how this packaging is discarded at the customer level. We realise that addressing this issue starts at the packaging design phase, ensuring that we design for reuse and recyclability. This impacts upon the procurement process for the materials used and requires full integration across the business in order to enable us to direct our efforts both upstream and downstream in our value chain.

WE HAVE EMBEDDED A SYSTEMATIC APPROACH TO PACKAGING AND WASTE WITH A STRATEGY THAT AIMS TO:

- Design packaging to enable a circular economy
- Minimise the need for non-renewable resources in packaging
- Encourage the recycling of our packaging

Our approach to packaging is aimed at achieving a balance between a number of important considerations such as food safety, product labelling, product quality, as well as waste minimisation.

MANAGEMENT APPROACH

We have focused on nurturing cross-industry collaboration with key stakeholders who share our vision in order to build critical mass within the industry. Working closely with our product technologists in our various product groups as well as business operations, we strive to improve our packaging through:

- Driving packaging efficiencies by reviewing innovation opportunities for alternative sustainable packaging options
- Identifying where the troublesome packaging is and removing it from our product offering^{1A}. Troublesome packaging refers to packaging with characteristics that are not in line with our sustainable packaging vision^{1A}
- Reducing the amount of waste sent to landfill from our own operations
- Making it easier for customers to recycle by communicating recycling options on product packs as well as providing recycling facilities where we operate
- Documenting and tracking progress and performance against our commitments

HIGHLIGHTS

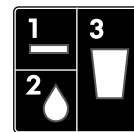
Since formalising our waste commitments in 2018, we have made significant progress. Major highlights to date include:



The establishment of six plastic-bag-free stores, of which five are in South Africa, and one is in Australia



Replacing plastic bags in Woolworths Fashion, Beauty and Home stores with a locally made paper bag that contains 100% recycled paper



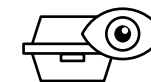
Rolling out our coffee cup recycling facilities at 36 Woolworths stores and cafés



Replacing plastic barrier bags in Woolworths' fresh produce section with a reusable mesh bag



Country Road and David Jones became members of the Collective Action Group under the Australian Packaging Covenant Organisation (APCO) to work collaboratively with the value chain to deliver the APCO packaging targets



Use of an internal packaging tracker in Woolworths Food to map the types of packaging used in private label products


LOWLIGHTS AND CHALLENGES




With several initiatives planned for execution and/or completion in the second half of the financial year, the impact of the COVID-19 lockdown meant that these had to be put on hold. As part of our initiative to remove single-use plastic bags from stores, we procured a machine to bolster the local manufacture of our low-cost reusable bags. The installation of this machine was delayed as a result of the lockdown; this had a direct impact on the removal of single-use plastic shopping bags. The recycling industry has been severely impacted by the COVID-19 lockdown. This will have negative repercussions on national recycling rates as well as the availability of post-consumer recycled material for use in packaging.

LOOKING AHEAD

As a business, we will continue to build on our momentum and work towards our target of having all our packaging reusable or recyclable by 2022. We have established strong internal alignment as well as with suppliers and industry partners, which places us in a strong position to deliver to this target. Several of our initiatives had to be put on hold as a result of the COVID-19 lockdown. These will resume as lockdowns ease. We will accelerate the replacement of the Woolworths Fashion, Beauty and Home plastic bags with a paper bag made from recycled cardboard. The phase-out of single-use plastic packaging where alternatives are viable is an on-going business-wide programme. Country Road and David Jones food will continue the rollout of the Australian recycling label (ARL) to a wider range of its products. We will seek greater integration with our suppliers in order to reduce food waste through the green factories programme in South Africa.

 **WSA POSITION STATEMENT ON PACKAGING**

 **DJ GUIDING PRINCIPLES FOR SUSTAINABLE PACKAGING**

IMPACT ON THE VALUE CHAIN



Customers



Suppliers & Processors



WHL operations



Communities

PACKAGING AND CONSUMABLES

In support of our vision to achieve zero packaging waste to landfill, our focus has been on reducing the amount of packaging we use, increasing the use of recycled materials in our packaging and also on improving recyclability. We continue to work towards using only sustainably sourced or recycled wood products in our products.

Where we use forest products like wood, paper, and board for packaging, we aim to source them from sustainably managed forests certified by the Forest Stewardship Council (FSC).

**WOOLWORTHS
AIM IS TO HAVE A
COMPREHENSIVE
LIST OF ALL OUR
FSC-CERTIFIED
BOARD PACKAGING
SUPPLIERS BY THE
END OF 2020.**

Here is a summary of some of the packaging improvements Woolworths made in the last year. The Country Road Group and David Jones are still very early on this journey.

Incorporating recycled polyethylene terephthalate (rPET) in Woolworths products and packaging



Earth Friendly range packaging contains a minimum of 25% rPET and is fully recyclable



20% rPET in peanut butter jars



100% rPET in puffer jackets inners



Private-label mayonnaise and sunflower cooking oil bottles contain an average of 30% rPET



Low-cost reusable bag fabric contains a minimum of 70% rPET

Other Woolworths packaging improvements made

**30% PLANT-BASED
MATERIAL DERIVED FROM
SUGARCANE USED IN HDPE
DAIRY CARTONS**



Embarked on a trial to replace the polystyrene plastic packaging from our avocado packaging with a FSC-certified kraft tray made from 63% recycled paper

**PLASTIC SLEEVE TRAYS
AND PACKAGING MATERIAL
REMOVED FROM WOOLWORTHS
LONGMARKET BARBER RANGE**

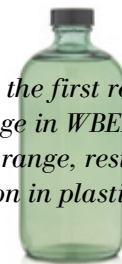


Our onions and potatoes are now in fully recyclable bags made of polyethylene



Cucumbers are now in fully recyclable polyolefin packaging

**REPLACING SINGLE-USE
PLASTIC IN WCOLLECTION
BEDDING CURTAIN PACKAGING
WITH RECYCLABLE LDPE
FABRIC BAGS**



Launched the first recyclable glass bottle range in WBEAUTY with the Le Bain range, resulting in 67% reduction in plastic packaging

SINGLE-USE PLASTIC PHASE OUT

Much of the plastic used in packaging globally is produced to be used once and then discarded. The challenge with plastic is that it persists in the environment for many years with significant negative impact on the natural environment. The collection and recycling of single-use plastic is only part of the solution. As important is reducing the volumes of single-use plastic that goes into our system in the first place. Phasing out unnecessary single-use plastic is thus a key element of our commitment. Over the years, we have established multiple initiatives to deliver to this commitment.

NO MORE



PLASTIC STRAWS*



PLASTIC-STEMMED EARBUDS



SINGLE-USE PLASTIC CUTLERY

REPLACED WITH*



PAPER STRAWS



PAPER-STEM EARBUDS



WOODEN CUTLERY

*David Jones has phased out plastic straws only

REUSABLE AND SINGLE-USE PLASTIC BAGS

Woolworths has offered reusable shopping bags for sale since 2007. In 2018, we embarked on an initiative to phase out single-use plastic bags. As part of this initiative, we introduced a low-cost reusable shopping bag which consists of a minimum of 70% post-consumer PET waste made from recovered plastic bottles. We currently have 24 stores offering this low-cost reusable bag across South Africa and expect to have them in all food stores by the end of 2020.

In addition, we continue to offer our colourful fabric bags made from 85% post-consumer PET waste from plastic bottles as well as our cause-related marketing bags. These are widely available nationwide.

We have also launched a locally made, reusable produce mesh bag as a sustainable alternative to replace the barrier bag in the 50 top Woolworths food stores. They will be rolled out to further stores through the year.

The David Jones Capitol Grand store in Melbourne became the first Australian plastic-bag-free store when it opened its doors in October 2019.

PAPER BAG

In 2019, Woolworths commenced a paper bag trial in the Western Cape. The bag replaces our single-use fashion, beauty and home plastic bags. The paper bags contain 100% recycled paper made of transit cardboard collected from our distribution centres and are locally made by BagPac; one of our enterprise and supplier development beneficiaries.

We currently have two trial stores with paper bags. Further roll out was delayed due to the COVID-19 lockdown. We anticipate the roll out to accelerate in the latter half of 2020.

The Country Road Group offers paper bags only in all its stores.

24
Woolworths stores offer low-cost reusable bags

50
Woolworths stores offer reusable produce mesh bags

100%
recycled paper bags introduced at Woolworths for Fashion, Beauty and Home purchases

WHL 117 / 2020 GOOD BUSINESS JOURNEY REPORT

2020 GOOD BUSINESS JOURNEY REPORT / WHL 118

MANAGING OUR WASTE

Our aim is to prevent waste to landfill through establishing systematic waste recovery and sustainable disposal processes in all our operations.

YOU ARE
PART OF THE
SOLUTION

PLEASE FOLLOW THE RECYCLING
STEPS CAREFULLY. IF YOU DON'T
THE ENTIRE BIN WILL BE
CONTAMINATED AND WILL
END UP IN LANDFILL.

MAKING A DIFFERENCE ♥

DIRECT OPERATIONS

HEAD OFFICE

At the Woolworths head office, after changing service providers and optimising processes we are now able to track waste streams on a 'real-time' basis using an online dashboard and identify where challenges exist. In addition, a waste audit was conducted to ensure we have comprehensive coverage of waste types used in our operations. In the last year, we continued to roll out new and improved colour-coded bins with clearer messaging in order to improve separation at source. We will be ramping up our awareness campaign around the importance of sorting waste at source to prevent contamination as this has been the biggest barrier to improving our recycling rates. We currently recycle 49% of waste from head office.

To ensure that we are diverting the maximum amount of material (waste) from landfill, we commissioned a study of the waste we generate at the Woolworths head office. This is in line with our goal to reduce waste throughout all our operations. The study was to review/verify the types and tonnages of our waste. This study has allowed us to identify areas of concern, where contamination occurs and will inform where we focus corrective actions going forward to reduce our waste.

**TO PREVENT THE CONTAMINATION
OF CLEAN PAPER, WE INTRODUCED
SEPARATE PAPER RECYCLING BINS.**

**IN ADDITION, WE HAVE ROLLED
OUT COFFEE CUP RECYCLING BINS
ACROSS THE HEAD OFFICE.**

STORES

In 2018, Woolworths piloted coffee cup recycling bins at stores, NOWNOW cafés as well as the head office. We recovered 14% of the coffee cups during this pilot and they were sent to a mill where they were processed into craft board. This head office trial was successful and we have extended the trial to 36 stores in the Western Cape with the aim of refining the collection and recycling process. A national roll out of this initiative is being planned.

All Woolworths' secondary and tertiary packaging used in our operations, such as cardboard cartons and protective packaging, is collected, managed, and recycled from stores using existing logistics operations, or utilising reverse logistics within our existing network. The cardboard packaging is currently reused to make our paper shopping bags.

The David Jones Bourke Street store recycles organic waste on site by taking food offcuts from food halls and converting them to fertiliser, which is sent to farmers. In the last year, 16 700 kg (2019: 3 550 kg) of organic waste was diverted from landfill; this produced 1 670 kg (2019: 346 kg) of fertiliser.

The Country Road Group currently recycles 39.3% of waste from some of its stores (2019: 39.8%); this excludes waste from Politix stores. In-store take-home packaging is 99% recyclable.

Country Road Group was forced to pause a waste management pilot study as a result of the COVID-19 lockdown.

DISTRIBUTION CENTRES

At Country Road Group's Omni-channel Fulfilment Centre in Melbourne, 87.5% of waste is currently recycled (2019: 85.5%).

The Woolworths distribution centres manage waste from a number of sources - transit packaging, waste generated at stores which is returned via reverse logistics, as well as waste generated on site. Both the Midrand and Montague Gardens Food distribution centres are equipped with baling equipment to compress recyclables on site before transportation to our recycling partners.

We have recovered over R32.3 million in waste recycling rebates since 2012 from the recycling of cardboard, plastic, paper, ceramics, glass and metals.

At the Racecourse Gardens distribution centre in Cape Town, bokashi is added to wet waste to break it down into a dry mixture that can be used as compost. In the last year, 7 262 tonnes of wet waste was processed using this method.

In 2017, we introduced paperless picking at our Woolworths distribution centres. This involves the removal of approximately 70 000 kg of labels annually from trays or lugs used in the distribution of our products. We have saved over R21.9 million worth of paper used for labels through this initiative in the last three years.

SUPPLY CHAIN

Working with our suppliers through the Woolworths green factories programme, we have increased our focus on food waste in the supply chain. We achieved this by adding more food-waste-related questions to the green factory assessment that suppliers complete annually. Some of our major suppliers have also been involved in the Food Waste Agreement, discussed later in the chapter under 'Food Waste'.

HANGER RECYCLING

The hangers used in Woolworths stores are made from a minimum of 50% recycled material. To ensure they do not become waste, used hangers are collected from all Woolworths stores by Hangerman. Here, they are refurbished if damaged and sent back to stores for reuse; hangers that are too damaged are sent for recycling. In the last year, 10.7 million (2019: 14.8 million) hangers were rescued or recycled (82 million to date). Following a successful trial of using our reverse logistics capability to return hangers from the Eastern Cape to Hangerman in the Western Cape, which saw a 70% hanger recovery rate, we will be exploring how best to establish a reverse logistics programme for hangers in that area. The aim is to use our own vehicles to return hangers to our distribution centres, where after they will be sent to Hangerman for processing.

David Jones private label, Country Road and Trenery have hangers that are collected by The Ideas Company (TIC Group Pty Ltd) for redistribution to suppliers for reuse.

CUSTOMER RECYCLING

Woolworths has been working on increasing recycling rates in South Africa by introducing recycling programmes in areas close to our customers. Over the years, we have trialled and tested several recycling options for our customers. In some instances, we failed and had to find better ways of ensuring customers have access to convenient recycling facilities in areas where they live. In partnership with WILDLANDS, we trialled our first recycling village at one shopping centre in KwaZulu-Natal (KZN). This was to be used as blueprint to expand to three other locations in the province. We launched the third recycling village in KZN, with two more to follow, with the aim to increase recycling rates in South Africa. WILDLANDS recycling villages, which are at the forefront of recycling and the recycling circular economy in South Africa, are part of a well-established WILDTRUST programme.

We also have reverse vending machines at two stores, Palmyra and Piazza St. Johns, in the Western Cape, and will soon be launching one at our V&A Waterfront store.

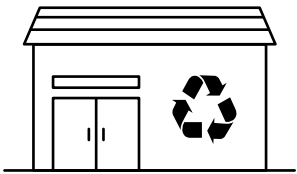
Customers can still drop off their batteries and lightbulbs at our stores for recycling. In addition, 25 of our stores have clothing recycling facilities where customers can drop off their pre-loved clothing, which is donated to the Clothing Bank.

USEFUL LINKS FOR MORE DETAIL

ON-PACK RECYCLING LABELS

Woolworths introduced On-Pack Recycling Labels (OPRL) in the South African market six years ago. These are labels on product packaging indicating what can actually be recycled in metropolitan areas around the country. Woolworths was instrumental in establishing an OPRL Working Group of major retailers in the country through WWF-SA to voluntarily adopt this labelling system in order to standardise recyclability messaging on packaging. The purpose is to provide clarity and consistency for customers on the recyclability of packaging. All major retailers in South Africa agreed to adopt this OPRL standard.

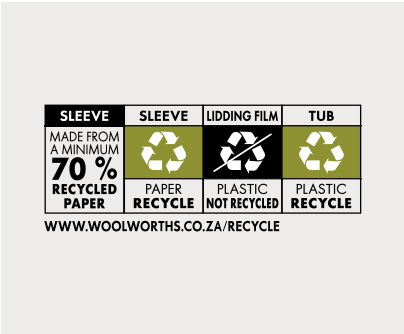
Country Road Group and David Jones Food have also begun using the Australasian Recycling Label (ARL) on certain products.



3
recycling villages established
in KwaZulu-Natal



25
Woolworths stores have
clothing recycling bins



FOOD WASTE

Woolworths became one of the founding signatories to the Food Waste agreement. This is a voluntary food waste initiative, led by the Consumer Goods Council of South Africa (CGCSA) and the Department of Trade and Industry (dti), co-funded by the South Africa-European Union Dialogue Facility (SA-EU DF). This has involved extensive engagement with various industry stakeholders. This will track our progress against the Sustainable Development Goal 12.3 – to reduce food waste by half in our operations. Reducing food waste is also an integral part of our Farming for the Future and green factory initiatives. As a signatory, we will be reporting our food waste baseline and reduction progress periodically. We will also be working more closely with our supply base to seek their participation in this process in order to identify food waste reduction solutions in the supply chain.

Incorrect labelling and misunderstanding of labelling for shelf life is believed to be a leading cause of food waste in customers’ homes. We have also partnered with Coventry University and WWF-SA to conduct research for us to better understand food waste challenges and consumer behaviour to help us refine our approach. This will assist in communicating a consistent message for our products, especially with regards to Use By and Best Before dates.

USEFUL LINKS FOR MORE DETAIL



ADDRESSING SURPLUS PRODUCT

Addressing surplus product in our operations allows us to avoid sending product that is still in usable condition to landfill. Specifically, we focus on surplus food and clothing from stores, which we donate to various organisations in the regions where we operate. All our Group companies support these initiatives.



SURPLUS FOOD

Woolworths continues to donate surplus food from our stores to local charities. This is food that is past its ‘Sell By’ date but not its ‘Use By’ date. We cannot avoid having unsold food in stores but have been working to optimise ordering based on trends in order to reduce wastage. Where food has passed its sell-by date, it is either sold to staff at a reduced rate or donated to charity partners at each store. We also have an end of day discount in stores for certain meat products and this is available to our customers as well.

R643M
*worth of food donated to charities
in the last year*

2019: R611M

David Jones diverts its food waste from landfill through a partnership with OzHarvest. This is one of Australia’s leading food rescue organisations, which collects quality excess food from commercial outlets and delivers it directly to more than 1 300 charities. Food waste is also recycled into fertiliser at David Jones store on Bourke St in Melbourne.

USEFUL LINK FOR MORE DETAIL

SURPLUS CLOTHING

Our Group companies collect and distribute surplus clothing through two partner organisations - The Clothing Bank (Woolworths) and the Red Cross Fashion Trade (Country Road). The Clothing Bank was launched in 2010 and currently operates in six metropolises in South Africa. Using the surplus clothing, The Clothing Bank aims to empower unemployed women from disadvantaged areas in South Africa through a programme of life skills and financial and career development to start sustainable clothing micro-businesses. Woolworths sends all surplus clothing from stores to the Clothing Bank; in addition, customers can donate their pre-loved clothing at 25 stores across the country. Country Road customers donate their pre-loved clothes to the Red Cross, which supports humanitarian work in Australia. Fashion Trade is an initiative where Country Road rewards customers with a \$10 Country Road voucher when they donate their pre-loved items to the Red Cross, helping the community and saving clothes from landfill. Previously, this was a three-week annual campaign but has now been extended and is available to customers throughout the year.

**WOOLWORTHS DONATED
R49.7M (2019: R60.6M) TO
THE CLOTHING BANK**

**COUNTRY ROAD DONATED
200 000 ITEMS TO THE RED
CROSS SINCE THE LAUNCH
OF FASHION TRADE**

In 2019, Country Road launched a clothing rental service through a partnership with GlamCorner. GlamCorner is Australia’s leading online rental service where customers can purchase a monthly subscription to rent designer clothes.



WITCHERY’S FITTED FOR WORK TRIAL

Witchery recently launched a new partnership with women’s charity, Fitted For Work, which engages local communities to donate pre-loved Witchery clothing and accessories. The trial was conducted for three weeks in Melbourne to understand our customers’ willingness to participate and the volume of items that could potentially be donated. Witchery Doncaster, Southland, and Highpoint stores were selected to receive customer donations based on high footfall as well as in-store storage capacity to keep the donations. Head office staff were also encouraged to donate pre-loved items by implementing donation bins around Botanicca.

USEFUL LINK FOR MORE DETAIL

CLOSING THE LOOP

In our quest for zero packaging waste to landfill, we are working with a team of partners on a number of closed-loop systems which allow us to find new uses for materials used in the business that otherwise would go to landfill. This will also allow us to reduce the amount of virgin raw materials used in our products. A closed-loop system means that we cut the cost associated with the procurement of raw materials to make our packaging while also contributing to the reduction of emissions associated with discarded packaging.

The Woolworths Christmas Gifting Window of 2019 won a global prize at the annual Creative Retail Awards in London. It was recognised in two categories: Sustainability and Window Display.

The display, inspired by indigenous South African trees, made use of recycled and recyclable paper to create the leaves using origami techniques. The tree pods contained 20 000 seeds, which were donated to the EduPlant programme, a programme that helps young people learn to grow food sustainably.

WATCH THE VIDEO



RECYCLED MATERIALS IN CLOTHING

Over the years, our Group of companies has innovated to incorporate recycled content in a number of clothing products.

MIMCO USES ITS SIGNATURE REPREE® LINING FOR A NUMBER OF BAGS. THIS LINING IS MADE FROM rPET

Woolworths used over a million 500 ml PET plastic bottles in its 2020 winter fashion ranges, specifically in items such as puffer jackets, gilets, as well as some polar fleece items across menswear and kidswear. All these bottles have been diverted from landfills, rivers and the ocean.

Trenery replaced polyester fabric with rPET in women's apparel. It has also started to use rPET and recycled cotton in men's swim shorts.

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



Country Road Group began making swimwear from discarded fishnets and factory offcuts. These materials are regenerated into high-performance nylon and blended with elastane for increased stretch and durability.

Politix implemented recycled polyester in the linings of their jackets and outerwear. The jackets contain 95% rPET and 5% elastane as well as an rPET lining.

Woolworths launched men's wind- and water-resistant puffer jackets made from approximately 80% recycled fabric, including the zip tape. The shell and lining are each made from 40% recycled nylon, and the soft and comfortable wadding inner is made of 100% recycled polyester.

6.5%
of Woolworths private label clothing sold in FY20 contained recycled polyester

2019: 13%
2022 TARGET: 25%

COLLABORATION, PUBLIC POLICY AND TRANSPARENCY



RECYCLED POLYESTER IN HOMEWARE

Woolworths uses fibre from 100% recycled plastic bottles to make hollow fibre duvet and pillow inners. This is estimated to save over 1 million bottles from going to landfill every year. The bottles are recovered locally and processed into fibre right here in South Africa. We have also removed the plastic packaging from our bedding, which now comes either in a self-fabric bag that can be repurposed, or with a recyclable belly band. This means that an estimated 17.5 tonnes of single-use plastic will be prevented from going to landfill in over 12 months. This will be expanded to our private label curtains going forward.

COUNTRY ROAD'S REDCYCLE RECYCLABLE SATCHEL

In partnership with logistics company, Australia Post, Country Road launched an 80% recycled content REDcycle recyclable satchel, making it the first retailer to do so in Australia. The satchel is fully recyclable through the REDcycle programme. With over 600 000 satchels sold each year, the recycled content and recyclability are key factors to meeting Country Road's closed-loop goals. This will be rolled out to the other brands within the Country Road Group as well as to David Jones.

COUNTRY ROAD'S PLASTIC BOWLS MADE FROM PLASTIC BREAD TAGS

Country Road has partnered with Brad Scott, a former chemist who turns plastic bread tags into beautiful bowls. Brad purchases bread tags from a charity, Aussie Bread Tags for Wheelchairs, which raises funds to buy wheelchairs for those in need in South Africa. To make bowls, stickers are removed from the tags before they are sorted by colour. Using a domestic oven, the bread tags are melted and moulded into bowls. To date, over 56 000 tags have been used to make the individually unique white bowls sold exclusively at the Country Road Chadstone store in Australia, our first 5-Star Green Star store. These bowls allow Country Road to demonstrate that circular or closed-loop systems can extend beyond the packaging supply chain.

USEFUL LINK FOR MORE DETAIL

Ellen MacArthur Foundation

In 2018, WHL became the first and only African retailer to sign the Ellen MacArthur Foundation's Global Commitment to develop a circular economy for plastic, in which plastic never becomes waste.

SA PLASTIC PACT

In January 2020, Woolworths became one of the founding members of the South African Plastics Pact and we serve on its inaugural Steering Committee.

The South African Plastics Pact is a collaborative initiative that brings together key stakeholders from the local plastics value chain, including businesses, the South African government and NGOs to tackle plastic waste and pollution at its source.

AUSTRALIAN PACKAGING COVENANT ORGANISATION (APCO)

David Jones and Country Road Group are also members of the Collective Action Group (CAG).

The CAG is a team of leading industry representatives from across the supply chain and government which oversees the strategic delivery of the 2025 National Packaging Targets.

***THE CDP (FORMERLY
CARBON DISCLOSURE
PROJECT) IS A GLOBAL
LEADING INVESTOR
TRANSPARENCY
TOOL FOR CLIMATE
CHANGE, WATER, AND
DEFORESTATION.***



QUICK ACCESS TO SECTIONS

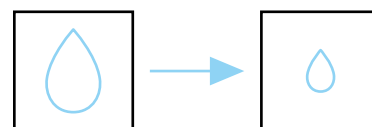
WATER

We operate in some of the most at-risk regions when it comes to water availability and the efficient management of this resource remains pivotal in ensuring the continuity of our business. Collaborating with stakeholders across our value chain is important in dealing with water quality and availability challenges as well as proactively implementing solutions to address these.

PERFORMANCE SUMMARY



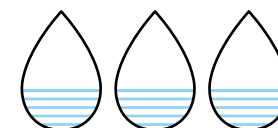
WHL received a B for CDP Water Disclosure for the 2018 financial year water footprint. This is higher than the sector and global average of B-.



59.5%

Percentage water reduction per square metre at Woolworths stores against a 2007 baseline

2019: 56.6%
2018: 54%



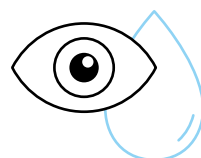
54%*

Percentage of relative water consumption shift to grey water in SA corporate buildings

2019: 66%
2018: 89%

*Not achieved - ratio of grey water highly impacted by COVID-19

COUNTRY ROAD GROUP
AND DAVID JONES
PRIVATE LABEL ARE ALSO
COMMITTED TO WATER
STEWARDSHIP IN THEIR
TEXTILE SUPPLY CHAINS



90%

Percentage of real-time water monitoring (Woolworths stores)

2019: 90%
2018: 89%

WOOLWORTHS
HAS INITIATED TWO
WATER STEWARDSHIP
PROJECTS TO DATE

THROUGH THE UNITED
NATIONS GLOBAL COMPACT
CEO WATER MANDATE,
WOOLWORTHS BECAME A
PARTICIPANT IN A PILOT
PROJECT FOR SETTING
CONTEXT-BASED TARGETS
FOR WATER

62 RAINWATER
HARVESTING TANKS
INSTALLED AT
31 SCHOOLS TO DATE
BY WOOLWORTHS

STRATEGY AND MANAGEMENT APPROACH

STRATEGY

Water is central to everything we do. It is vital to sustain manufacturing and agriculture, for the health and hygiene of our employees and the communities we operate in, and for keeping our facilities operational. Maintaining operations in areas where water remains a key risk in respect of both availability and quality, we continuously implement innovative ways of ensuring that we proactively mitigate against some of the negative impacts associated with our operations while at the same time minimising the risk to our business. Understanding our water risk and impact is, therefore, essential. We have established a systematic process of managing water across our operations and in the various communities we work with.

We follow a collaborative approach of working with suppliers, farmers, academic institutions, community based organisations as well as bodies such as the WWF and the United Nations CEO Water Mandate.

OUR FOCUS WITH REGARDS TO WATER IS LARGELY ON:

- Reducing water consumption and managing wastewater across our operations as well as in our supply chain
- Partnering for collective action, research and education
- Creating awareness among our employees, suppliers, customers, and schools

This year, we have also seen the importance of water as a result of the COVID-19 pandemic. The pandemic has highlighted how without safe water, proper sanitation, as well as effective hygiene, communities will remain vulnerable and less resilient to crises.

MANAGEMENT APPROACH

We apply innovative solutions for monitoring and managing water consumption across our operations. With just over 60% of all water consumed by our direct operations (stores, distribution centres, and offices) in South Africa attributed to stores alone, this space has been one of our main focuses. Using our internal green building protocols to facilitate water-efficient design, we have implemented technologies such as rainwater harvesting, and use of alternate water supplies, such as groundwater, across our operations to help us use water efficiently^{1A}. In a bid to save water, preference is given to the installation of air-cooled refrigeration and air-conditioning systems^{1A}. For the few remaining water-cooled systems in our facilities, we continue to consider their conversion to air-cooled based on commercial viability and their remaining useful lives^{1A}. All our facilities have dual flush ablution facilities and timer-taps on basins. Where possible, we have installed greywater systems that help to retain as much water as possible on site for reuse. In areas experiencing a shortage of water supply, we install back-up water tanks on a needs basis.

Within our supply chain, water availability and quality impact the sourcing of our raw materials as well as the processing of finished products. We have, therefore, invested in green infrastructure through water stewardship programmes. We also engage with our Woolworths suppliers to implement innovative solutions in their operations to help monitor and manage water usage through our supplier engagement programmes (Farming for the Future and green factories).

We work with schools from impoverished communities to educate children on the importance of water conservation, sanitation and hygiene. This is linked to the Woolworths Educational Programme which aims to support education, health and wellbeing of children at South African schools. Aligned to this, we install watertanks at schools affected by drought as well as those with inadequate infrastructure.

HIGHLIGHTS



91 secondary suppliers completed the Woolworths Farming for the Future Water Footprint Index Assessment this year



Water stewardship initiatives extended to the sourcing of textiles. Country Road Group and David Jones private label committed to working with suppliers to steward water in their supply chains. At a minimum, all Country Road Group suppliers are expected to adhere to the expectations outlined in the Environmental Code of Practice



Initiation of a trial by David Jones to install e-water systems

LOWLIGHTS AND CHALLENGES

A groundwater monitoring initiative, part of one of Woolworths' water stewardship programmes, that used data loggers (electronic devices used to store data over time), had to be put on hold as a result of malfunctioning devices, and new ones being unavailable due to the COVID-19 lockdown. The project will resume as soon as replacement devices are procured.

LOOKING AHEAD

As we move into the next phase of our sustainability strategy to 2025, we look forward to finalising our context-based water target. This will help cement our water conservation initiatives across our entire value chain, enabling us to have a clearer view of where to invest our efforts.

We will continue applying the green building protocol to our real estate portfolio while also seeking out new and improved technology for the monitoring and management of water usage in our operations. Data collection and management remains a key pillar in understanding our water footprint and we will continue to improve this to be able to track progress against our targets.

We will also continue to investigate solutions to increase the share of grey water in our operations. In Australia, we will continue with e-water trials, with the intention of rolling out this initiative widely across our real estate. This roll-out will however be dependent on the outcomes of the trial.

For educational activities on water, Woolworths will be amending all learning material to ensure we are able to provide online learning resources. This will be an alternative so we are able to present the lessons even during the COVID-19 pandemic.

 **WSA POSITION STATEMENT ON WATER**

 **CRG ENVIRONMENTAL CODE OF PRACTICE**

IMPACT ON THE VALUE CHAIN



Agriculture & Fishing



Suppliers & Processors



Communities



WHL operations

WATER EFFICIENCY IN OUR OPERATIONS

DIRECT OPERATIONS

With over 60% of Woolworths South Africa water usage attributed to direct operations, it presents an opportunity to seek innovative technology for water efficiency within our entire real estate portfolio. This is the area where we have the greatest control and can actively improve monitoring, management, and efficiency of water use. The roll-out of our real-time water metering system in our African facilities has been a priority. We currently have 90% of our operations monitored on a real-time basis in Woolworths. Real-time monitoring provides us with water usage data, helping to detect leaks to reduce water usage and potential loss or damage. We also install backup storage and, where possible, retain and reuse as much water on-site as possible through the use of greywater systems.

HEAD OFFICE

At the Woolworths Head Office, 54% of water used this year came from the underground water supply which we purify on-site to meet some of our daily water needs. We have continued to investigate solutions to increase this share of greywater use to ensure we are not dependent on municipal water going forward.

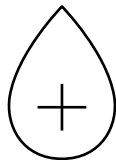
STORES

Our stores are at the heart of our business and water is a critical part of keeping these facilities operational. In South Africa, the persistent multi-year drought presented an opportunity to amend the store specifications so that the installation of backup water tanks became standard for stores in high risk areas across the country. At the moment, the tanks are installed on a needs basis.

DISTRIBUTION CENTRES

Our distribution centres have focused on installing rainwater harvesting technology to increase rainwater capture and reuse. Woolworths has put reverse osmosis systems (RO) into operation at its Montague and Racecourse Gardens distribution centres in Cape Town. The COVID-19 lockdown impacted maintenance and thus operations of this plant.

We have also started engagements to see how we can report our water usage on-site by source to understand the breakdown of water use from our reverse osmosis and municipal supplies. At various points across the distribution centres, we have clean and recycled water, therefore, we need to put water meters at these points so that we can measure usage for the different processes, including meters for reuse and recycling of water. We also continue replacing water cooling towers at our distribution centres with air-cooling technology to reduce dependency on water.



0.33 kl/m²
*water consumption at Woolworths
distribution centres*

2019: 0.43 kl/m²
2018: 0.28 kl/m²

Country Road Group has 100 000 litre rainwater tanks at its distribution centre – the Omni-Channel Fulfilment Centre (OFC). The rainwater collected is used for cold water taps, cold water hose taps, irrigation, and urinals. For hygiene management, David Jones started trialling electrolysed water (e-water) technology, an organic, less toxic and sustainable solution for cleaning. It works by using electrolysis technology to dilute a salt solution through an electrolyser that segregates the ions formed, producing two oppositely charged solutions with altered physical and chemical properties. This reduces the need to use harmful chemicals for cleaning.

WATER USAGE (KILOLITRES)			
	2020	2019	% CHANGE YEAR ON YEAR
WOOLWORTHS	571 581	595 522	-4%
STORES	397 015 ^{1A}	417 062	-5%
DISTRIBUTION CENTRES	162 214 ^{1A}	163 659	-1%
HEAD OFFICE	12 352 ^{1A}	14 801	-17%
DAVID JONES	NA*	72 528	NA*

Woolworths' water usage for 2019 and 2020 is measured and reported on a financial year basis (1 July-30 June).

*Due to incomplete data as a result of structural changes, David Jones were unable to accurately quantify water usage for this year

CONTEXT-BASED WATER TARGETS AND COLLECTIVE ACTION

A large portion of our value chain is based in areas where water remains a critical risk. Africa and Australia are among the most at-risk regions globally in terms of water availability and our focus in both regions is to ensure that we use water efficiently as well as build resilience to impacts such as droughts by focusing on adaptation.

Through the United Nations Global Compact CEO Water Mandate, Woolworths become a participant in a pilot project for setting context-based targets for water. Having a context-based water target will allow us to customise our approach to addressing water challenges in the various regions we operate, based on the types of challenges they present.

DURING THE COURSE OF THE YEAR, WHL BECAME A SIGNATORY OF THE NEWLY LAUNCHED WATER RESILIENCE COALITION, WHOSE VISION IS ONE OF GLOBAL WATER RESILIENCE AND HAVING WATER BASINS THAT ARE ABLE TO CONSISTENTLY SUPPLY THE FRESHWATER NEEDED FOR COMMUNITIES, BUSINESSES AND THE ENVIRONMENT ON WHICH WE ALL DEPEND.

WATER RESILIENCE IN OUR SUPPLY CHAIN

Across our value chain as a business, the biggest need for water is in the supply chain. The growing of our food products, key commodities, as well as the manufacturing of our textiles, requires large amounts of water. In addition, issues of waste water discharge and treatment are critical. Our goal is, therefore, to continually engage with our Woolworths suppliers to monitor water usage as well as waste water management. We do this through various programmes such as Farming for the Future and the green factories programme.

FARMING FOR THE FUTURE WATER FOOTPRINT INDEX

Through our Woolworths Farming for the Future programme, we work with our suppliers to decrease their water footprints over time and to determine any risk to the supply of products. This is done by implementing annual Water Footprint Index (WFI) assessments, as part of the Farming for the Future assessments. The WFI takes into account 116 parameters linked to water use efficiency, wastewater, alien vegetation, and soil quality, among others, and helps to track an individual supplier's progress year on year. This assessment was rolled out to 91 secondary suppliers this year and supplier efficiency against this index showed a 4.1% improvement compared to the previous year.

Using five-year data, we have started conducting analyses to understand the critical success factors for water-use efficiency in the supply base. This will be used to develop case studies to be used as a reference for shared learnings among our Farming for the Future suppliers. In addition, we are assisting farmers to prepare for possible water use allocation shifts in the future by ensuring they are equipped with the right data through Farming for the Future.

USEFUL LINK FOR MORE DETAIL

CASE STUDY

WOODLANDS DAIRY SUSTAINABILITY PROJECT

Woodlands Dairy, based in the Eastern Cape of South Africa, has been a major long-life milk supplier to Woolworths for 10 years. In 2019 and 2020, the company achieved Farming for the Future certification and was awarded a Silver rating according to our green factories programme. Their flagship programme, the Woodlands Dairy Sustainability Project (WDSP) was launched in 2014, with the aim to create a sustainable business by assisting all of their producers to become more economically sustainable, reduce the environmental impact of their farming practices and to ensure that socially responsible practices were implemented on their farms.

Woodlands have developed a leading sustainability system, using the Trace & Save soil, water, atmosphere, and nutrient (ISWANI) tool. Woodlands' dairy producers are able to see the results of their measured indicators on their farms on the Trace & Save producer website. In 2017, Woodlands Dairy built its own wastewater treatment plant in order to reduce the company's demand for municipal water and enable recycled water to be re-used in their factory, reducing demand by 53% since 2017. The plant also produces biogas, which is used to fire a boiler that can produce up to 15% of the factory's steam requirements. Sludge from the plant is taken to Woodlands Farm to be used as fertiliser – circular economy in action.

In 2019, Woodlands was assessed against Farming for the Future criteria, and became the first dairy supplier to be accredited with the Farming for the Future logo. Woodlands was also the first company in South Africa to achieve Alliance for Water Stewardship certification.



WATER STEWARDSHIP

WITH FOOD SUPPLIERS

Since 2013, Woolworths had been working with WWF-SA and the Alliance for Water Stewardship (AWS) to address water-related risks in the supply chain. Through our strategic partnership with WWF-SA, we committed to establishing one water stewardship project a year. Our first project was in Ceres, and we have continued our support for the farmers in this area.

In 2019, we expanded our engagement to the water-scarce Sabie & Crocodile catchment area in the Mpumalanga province of South Africa – an area which is strategically important for sourcing our citrus fruit and nuts. At the end of June 2019, we completed the first workshop with participants from various sectors such as government, NGOs, private sector and farming organisations in Mpumalanga. In the workshop, it was identified that water availability and quality, in particular, as a result of high levels of Escherichia coli, are both major risks in the region. Woolworths, in conjunction with WWF-SA, commissioned a study into the economic impact of water quality (specifically the impact of Escherichia coli in the Woolworths supply chain in this area). The results of the study have been delayed due to the COVID-19 lockdown.

It has also become apparent that in the Ceres region, coupled with recurrent drought, issues of groundwater are increasingly becoming a problem for the farmers. Groundwater is usually used for emergency water but in Ceres particularly, farmers are very dependent on groundwater for irrigation throughout the year. Many farmers throughout the Ceres area installed boreholes, which meant that groundwater was being depleted at an unknown rate. As a result, Woolworths, together with the Titus Irrigation Board, the Breede-Gouritz Catchment Management Agency (BGCMA), LandCare and WWF-SA commissioned a study to understand groundwater at the Breede river source. Using data loggers (electronic devices used to store data over time), we will further unpack the long-term and short-term groundwater level trends to understand the aquifer’s sustainable use levels. This project was expected to be concluded late in 2020 but had to be

put on hold because of malfunctioning devices; we were unable to source new ones as a result of the lockdown in response to the COVID-19 pandemic.

IN TEXTILE FACTORIES

Country Road Group and David Jones private label are also committed to working with supplier partners to steward water in the supply chain. At a minimum, Country Road Group expects all suppliers to adhere to the expectations outlined in the Environmental Code of Practice. As cotton is the largest material used across Country Road Group and David Jones private label collections, the businesses are focused on supporting sustainable cotton farming practices which use less water and fewer chemicals in the production process. The water impacts mainly lie in tanneries and washing and dye houses.

WOOLWORTHS FASHION, BEAUTY AND HOME (FBH) IS LAUNCHING A WATER STEWARDSHIP INITIATIVE WHICH WILL FOCUS ON ESTABLISHING A WATER USE BASELINE BY MAPPING OUT WATER SAVINGS AT FACTORIES. THE INITIATIVE WILL BE IMPLEMENTED AT ALL FACTORIES BY 2023.

USEFUL LINK FOR MORE DETAIL

REHABILITATING WATER CATCHMENTS

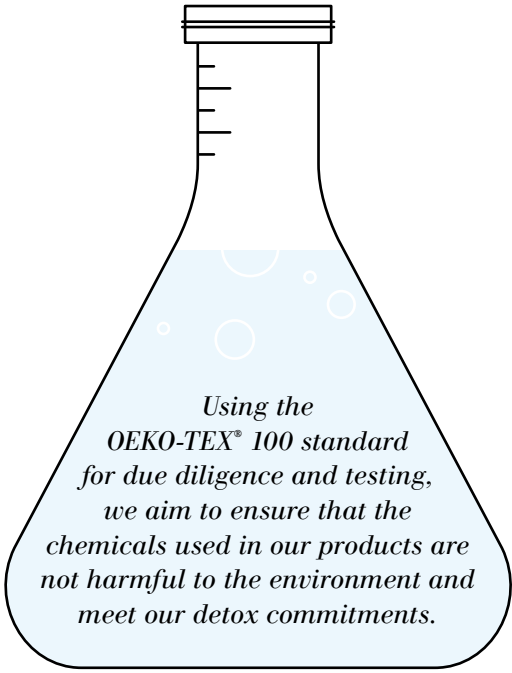
The WWF estimates that South Africa loses approximately 4% of water to alien vegetation. This figure could increase to about 16% if alien vegetation is left to spread uncontrollably. The Water Balance programme was initiated to aid in the protection of some of South Africa’s critical water sources ravaged by alien vegetation, and Woolworths invests into this programme annually. Alien clearing has progressed well, with up to 500ha of riverine and 320ha of wetland area cleared of alien vegetation. This equates to roughly 75 km cleared along critical riverine areas. In addition to employing a dedicated resource to manage this project, R16 million was raised for clearing and 36 000 person days of employment created through the employment of 120 staff to assist with the clearing since 2017.

DETOX – ELIMINATION OF HAZARDOUS CHEMICALS

Water is a scarce resource and therefore, ensuring water quality is important to ensure we protect waterways. Through our detox programme, we have committed to eliminating 11 key priority chemicals from our clothing supply chain in recognition of their harmful impacts on water resources if not properly managed. This commitment includes the whole lifecycle and all production procedures that are associated with the making and using of all products Woolworths clothing sells by 2022. Using the OEKO-TEX® 100 standard for due diligence and testing, we aim to ensure that the chemicals used in our products are not harmful to the environment and meet our detox commitments.

To date, Woolworths has eliminated hazardous chemicals from 54% (2019: 57% against a target of 60%) of our products, which is below our target of 70% for 2020.

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



USEFUL LINKS FOR MORE DETAIL

WATER STEWARDSHIP IN OUR COMMUNITIES

According to UNICEF, by 2040, one in four of the world's children will be living in extremely water-stressed areas. Our main aim for communities is to enable access to water by providing water and sanitation infrastructure, especially at impoverished schools. The strategic focus for the Woolworths Educational Programmes is to add quality to the lives of South Africa's school-going children. Through this programme, we believe that basics such as access to clean water and sanitation should not be the reason why children lose out on schooling.

WOOLWORTHS EDUCATIONAL PROGRAMMES

Woolworths partners with MySchool MyVillage MyPlanet and various schools through the Department of Basic Education, to bring water-themed lessons to schools. Aligned to the curriculum, this is mainly to bring awareness and educate children on topics such as why water is important, why it is a scarce resource and what risks threaten water security as well as what can be done to conserve water.

WATER EDUCATIONAL PROGRAMME REACHED 101 SCHOOLS, TAUGHT 730 WATER CONSERVATION LESSONS, AND REACHED 27 890 LEARNERS

Over the years, these lessons have been presented to over 300 000 learners in close to 600 primary schools across the country.

Water month is also used annually to amplify the importance of water conservation at schools. This year, we presented 730 water-themed lessons at 42 schools.

USEFUL LINKS FOR MORE DETAIL

WOOLIES WATER FUND

The Woolworths Water Fund was established two years ago in response to the South African government's declaration that the drought in South Africa is a national disaster. In partnership with MySchool MyVillage MyPlanet, it aims to raise much-needed funds for the installation of rainwater harvesting tanks at under-resourced schools across the country. To date, 31 schools have been provided with proper water infrastructure in the form of 2 x 10 000 litre tanks, piping, guttering, fixing of boreholes, filtration systems and pumps. The next phase of installations is planned for the Eastern Cape, with 18 schools already identified as beneficiaries. Installation of water tanks is on a needs basis, and we will continue to do so as the need arises.

Washing hands regularly is one of the best ways to combat the spread of COVID-19, but as we know, many South Africans do not have adequate access to clean water or hand-washing facilities. MySchool MyVillage MyPlanet donated R650 000 to the Woolies Water Fund to help extend their efforts to get water tanks and filtration systems into schools across Western and Eastern Cape. They are also upgrading previously installed systems with bulk hand-washing stations and soap. The additional 18 schools identified for installation of rainwater harvesting tanks will also receive hand-washing stations.

PUBLIC POLICY ALIGNMENT AND TRANSPARENCY

PUBLIC POLICY

WHL is a signatory to the 'We Mean Business' coalition, a global coalition that supports the transition to a low-carbon economy.

THROUGH THE 'WE MEAN BUSINESS' COALITION, WE PUBLICLY COMMITTED TO:

1
Analysing water-related risks and implementing collaborative response strategies

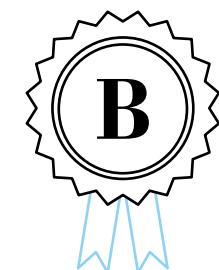
2
Measuring and reporting water use data

3
Reducing impacts on water availability and quality in direct operations and along the value chain

We also engage with the UN CEO Water Mandate and the NBI to advance sustainable water policies and management across the industry.

TRANSPARENCY

The CDP (formerly Carbon Disclosure Project) is a global leading investor transparency tool for climate change, water, and deforestation. We voluntarily report to the CDP on our water management performance and material risks posed by water resources in our business.



WHL received a B for CDP Water Disclosure for the 2018 financial year water footprint. This is higher than the sector and global average of B-.

USEFUL LINK FOR MORE DETAIL

QUICK ACCESS TO SECTIONS

ENERGY AND CLIMATE CHANGE

We are proud of the progress made in achieving our energy and climate change objectives. Having an approved science-based target is our way of showing support and commitment to make a positive contribution to the overall global reduction of emissions.

We will leverage on the work that we have started in order to accelerate our efforts in managing energy efficiently as well as reducing negative impacts across our value chain.

PERFORMANCE SUMMARY

IN 2017, WE SIGNED UP TO THE EP100  AND COMMITTED TO DOUBLE OUR ENERGY PRODUCTIVITY BY 2020 FROM A 2005 BASELINE



+6%

change in absolute WHL emissions

2018: 1%
2017: -3%

10.4%

decrease in carbon emissions per general letting area (m²) year-on-year since 2014

R928M

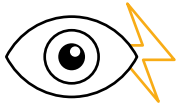
worth of electricity saved to date through energy efficiency initiatives at Woolworths stores since 2009

2019: R742M, 2018: R608M

6

renewable energy installations across WHL to date

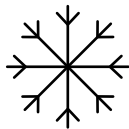
WE HAVE EMISSIONS REDUCTION TARGETS APPROVED BY THE SCIENCE BASED TARGETS INITIATIVE AS CONSISTENT WITH LEVELS REQUIRED TO MEET THE GOALS OF THE PARIS AGREEMENT



94.2%

Woolworths stores on real time monitoring

2019: 94%
2018: 94%



132

stores have had their fridges fitted with acrylic doors, reducing electricity use by approximately 25% upon installation

Industry firsts (ratings)
Roll over picture for more detailed content



STRATEGY AND MANAGEMENT APPROACH

STRATEGY

Adapting to the impacts of climate change, as well as reducing our energy footprint, forms a significant part of our Good Business Journey programme. We know that in order to ensure the long-term sustainability of the company and its operations, climate change adaptation should be key to our energy management strategy. Our focus in this area is premised on effecting coordinated changes in our operations, with the view that the changes feed into our end goals to reduce our emissions footprint as well as source all our energy from renewable sources.

Recent reports have alluded to the fact that the impacts of climate change heighten a lot of the social and environmental issues we continue to experience. Additionally, the uptake of renewable energy has seen an increase in the last few years, making this source of energy cheaper than conventional generation sources.

Our commitment is, therefore, to reduce our overall emissions footprint across the value chain, as well as to incorporate more renewable sources of energy across our value chain.

OUR COORDINATED ENERGY PROGRAMME INCLUDES THE FOLLOWING PILLARS

- ① Energy productivity
- ② Reducing our carbon emissions
- ③ Low carbon transition

MANAGEMENT APPROACH

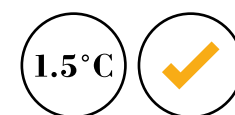
We have implemented a systematic approach to managing our energy footprint and the impacts of climate change on our business. By focusing on metering, energy efficiency, emissions reduction, as well as embarking on a low carbon transition journey, we have continued to derive both energy savings from our initiatives as well as financial benefits.

Understanding our impact requires close monitoring of our energy footprint.^{1A} We have, therefore, focused on ensuring that we establish seamless processes for collating, evaluating and managing data in this space.^{1A} As part of our carbon footprint we conducted a comprehensive scope 3 screening exercise for the first time this year. This has allowed us to understand where our biggest indirect carbon emissions in our supply chain stem from, both upstream and downstream. Initiatives to drive energy efficient technology across our stores by using our internal green building rating protocol will continue for both old and new stores.

Woolworths has also continued to build relationships with industry bodies for collective action in responding to the challenges of energy and climate change.

Disclosure and transparency of our energy footprint remains a key focus of these industry bodies; Woolworths continues to voluntarily respond annually to organisations such as the CDP (formerly known as the Carbon Disclosure Project) as well as meet all mandatory reporting obligations in the areas where we operate.

HIGHLIGHTS



Approval of science-based target in line with the 1.5 °C trajectory: **“Woolworths Holdings Ltd commits to reduce absolute Scope 1 and Scope 2 GHG emissions by 50% by 2030 from a 2019 base year. Woolworths Holdings Ltd commits that 25% of its suppliers by spend, covering purchased goods and services, will have science-based targets by 2024.”**



Country Road Group opened the Group's first 5-Star rated green store in Australasia (and the 5-Star star retail store rating by the Green Building Council of Australia)



80 additional Woolworths stores fitted with closed door refrigeration, bringing the total to 132



WHL received a B for CDP Climate Change disclosure for the 2018 calendar year carbon footprint, higher than the convenience retail average of B-, and global average of C



Country Road Group and David Jones developed an energy strategy that focuses on measurement, energy efficiency as well as transition to renewables

LOWLIGHTS AND CHALLENGES

The installation of solar PV technology remains a challenge from a legislative perspective, as we are limited by the size of installations allowed. Nevertheless we continue to explore options for generating renewable energy across our network.

The intermittent electricity blackouts in South Africa have meant that we were using our back-up generators more frequently. We have, therefore, seen an increase in our diesel usage. Additionally, we have had to put various initiatives such as the rollout of LED lighting to stores on hold as a result of COVID-19.

LOOKING AHEAD

We will continue to roll out energy efficient technology in our stores, and expect further improvements in our energy productivity. Accelerated rollout of fridge doors has provided higher than expected energy savings as well as a quicker payback. We will continue our focus on this initiative. Having an approved science-based carbon reduction target creates an opportunity to not only re-evaluate our climate change and energy strategy, it will also enable us to accelerate engagement with our suppliers as we work to embed a value-chain approach to energy and carbon reduction. We will also be focusing on the sourcing of renewable energy in line with our 2030 target to source all our energy from renewables. We are excited about this next phase of our journey as it provides an opportunity for systemic change.

As a business based in regions which are expected to be severely impacted by climate change, we support a just transition to a low carbon, climate resilient economy. As economies start the journey to recovery in the wake of the COVID-19 pandemic, the opportunity to build back better is one not to be squandered.

IMPACT ON THE VALUE CHAIN



WHL operations



Suppliers & Processors



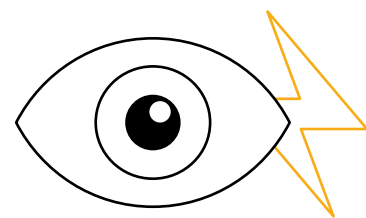
Agriculture & Fishing

ENERGY PRODUCTIVITY

Maximising each unit of energy used in our operations, coupled with accurate data tracking and measurement has allowed us achieve a 175% improvement in our energy productivity (lm² per MWh) from a 2005 baseline. This is against the Group's target to halve our energy impact by 2020.

By implementing smart and energy efficient technology and practices, we are building a future-fit retail operation that will allow us to decouple our energy usage from business growth. With soaring energy prices, energy productivity ensures that we are able to do more with less.

We have continued to focus our efforts on retrofitting all our facilities with the most energy efficient technology available in the market. This improves our energy productivity and also helps us to derive savings from improved systems that run more efficiently and are easier to maintain. Active monitoring of electricity usage across all our facilities has enabled us to prioritise our efforts in implementing these technologies.



94.2%

Woolworths stores with real-time monitoring

2019: 94.2%
2018: 94%

ELECTRICITY SAVINGS

Woolworths energy savings are calculated using savings from having installed energy-efficient initiatives across the business. Currently, we are able to qualitatively derive and document benefits from some of our initiatives such as diesel efficiencies, rand value of recoveries of incorrect billings on electricity, and tax rebates, ⚡ as well as energy-efficiency innovations implemented.

During the first month of the COVID-19 lockdown, we experienced a 24% decrease in electricity usage at Woolworths stores. Although this is a notable decrease, it is an anomaly as it is as a result of the lockdown.

R190M

of total electricity savings in FY20

FY19: R136M
FY18: R117M

R641M

of electricity savings over 5 years

R1.4M

section 12L tax rebate

2019: R909K
2018: R1.8M

R5.5M

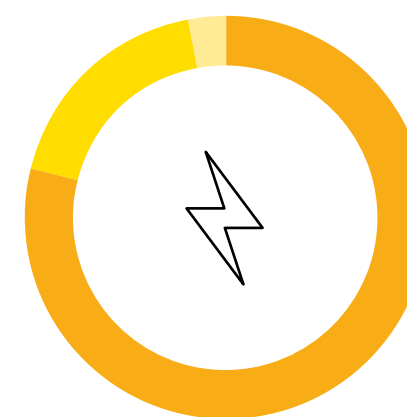
cumulative section 12L tax rebate since 2017

ELECTRICITY CONSUMPTION

WHL trades across an area of 2 238 618 m². In the last financial year (July 2018 - June 2019), our total electricity consumption across the business was 497 562 091 kWh (2018: 503 971 981 kWh). This represents a 1% decrease from the previous year. Woolworths South Africa continues to be the biggest user of electricity across the Group and accounts for 79% of our electricity consumption. This is due to the high energy requirements of the refrigeration across Woolworths' Food business. David Jones accounts for 18% and Country Road Group accounts for 3%.

Our relative electricity intensity per square metre of general letting area (kWh/m²) for this year is 222.3 kWh/m² (2019: 226.4 kWh/m²), a reduction of 2% compared to the previous year. This figure is the measure of our energy efficiency at store level – the average electricity used will continue to increase as we expand, though the average used per square metre should decrease as we improve efficiency and productivity.

WHL electricity usage breakdown by operating company



● **WSA: 79%**
● **DJ: 18%**
● **CRG: 3%**

CLOSED-DOOR REFRIGERATION IN STORES

Refrigeration at the store often represents the largest energy consumption source. It was with this in mind that, in 2013, Woolworths embarked on a journey to install doors on refrigeration in stores. This initiative started with a trial using framed glass doors and an initial saving of 25% in electricity use was realised. A customer survey indicated that the doors were well received and did not negatively impact the customer experience.

New and improved technology is now being used that consists of lightweight, frameless acrylic doors that allow consumers to see the whole display, while also significantly reducing the energy consumption in the store. An added benefit of this technology is the reduction of food waste as a result of the longer shelf life and improved cold chain maintenance. So far, a total of 132 stores have had their fridges fitted with acrylic doors.

LED LIGHTING UPGRADE

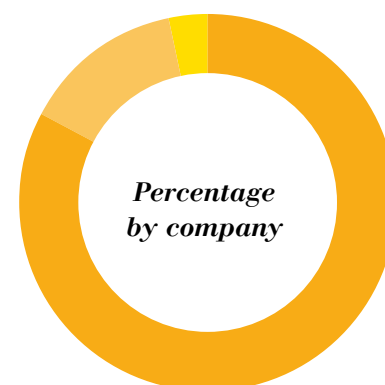
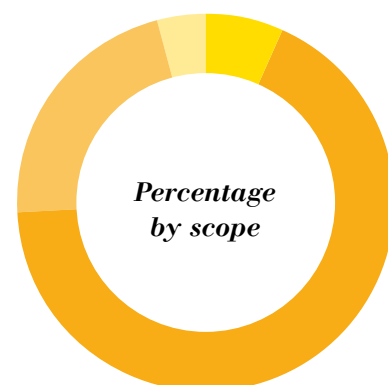
We have started the upgrade of old metal halide and fluorescent luminaires with energy efficient LEDs in selected stores across the Group. To date, we have retrofitted 3 Woolworths stores and 20 David Jones stores with LED lighting. The majority of Country Road Group stores have LED technology. This energy efficient solution provides better colour spectrum across the store and enables us to reduce the store's carbon footprint, save energy resources, and reduce operating costs. The stores in question achieved a reduction of between 14% and 30% in energy demand compared to the previous year. The LED lighting also has an improved lifespan compared to traditional fluorescent lighting resulting in reduced maintenance requirements.

An additional 24 Woolworths' stores have been approved for an LED lighting (fluorescent only) retrofit in the next year.

CARBON FOOTPRINT

We calculate our carbon footprint annually using the Greenhouse Gas Accounting Standard for three scopes within our operational boundary. This current report is for emissions calculated for the period 1 July 2018 to 30 June 2019.

OVERVIEW OF EMISSIONS

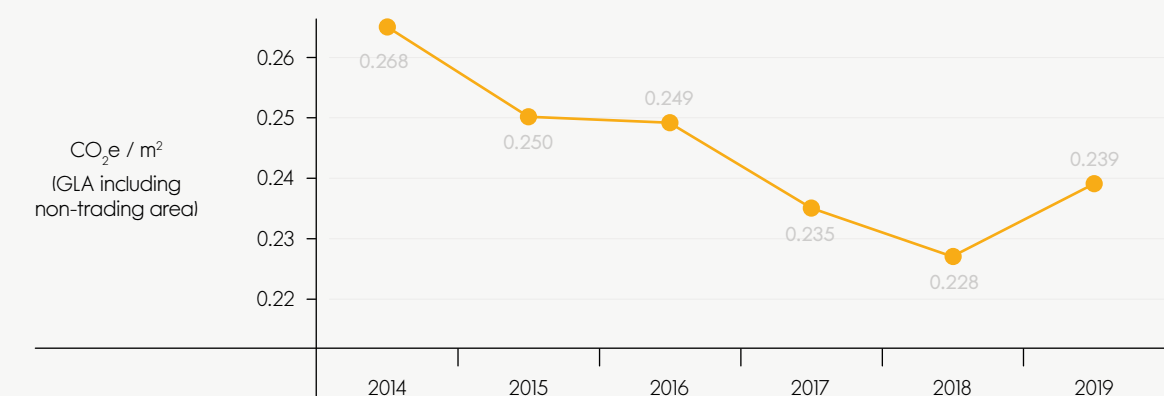


THE OVERALL WHL TOTAL SCOPE 1 AND 2 GREENHOUSE GAS EMISSIONS INCREASED BY 5.83% (2018: 0.4% DECREASE) AND INCREASED BY 6% (2018: 1% INCREASE) WITH SCOPE 3 INCLUDED.

5-year overview of absolute Scopes 1, 2, and 3 emissions (including non-Kyoto)

2019	721 565 tCO ₂ e
2018	681 836 tCO ₂ e
2017	649 482 tCO ₂ e
2016	660 582 tCO ₂ e
2015	657 965 tCO ₂ e

CO₂e per general letting area from 2014



This figure represents a 5.23% increase year-on-year and 10.4% decrease from 2014. The overall reduction is primarily due to actively focusing on improving our energy productivity in line with our broad targets. We have continued to prioritise the retrofitting of facilities with the most energy-efficient technologies as possible, thereby helping us to counter the impacts of organic business growth which results in increased energy usage.

VERIFICATION

Our carbon footprint is independently verified by Global Carbon Exchange (GCX). The verification was carried out in accordance with ISO 14064 Part 3, 'Specification with guidance for the validation and verification of greenhouse gas assertions'. Guidelines from the GHG Protocol Corporate Standard (www.ghgprotocol.org) were also followed during the verification process.

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

USEFUL LINKS FOR MORE DETAIL

LOW CARBON TRANSITION

The transition to a low carbon economy is accelerating and it has become an imperative for building climate change resilience within businesses. With the cost of renewables decreasing annually, we continue to explore opportunities to transition our business to cleaner energy. The success in this space is also highly dependent on supportive policies in the locations where we operate. We see significant scope as these policies ease and begin to allow greater opportunities to source energy from renewables.

RENEWABLE ENERGY

As part of our commitment to source all our energy from renewables by 2030, we continue to roll out or upgrade, where possible, solar PV installations at our facilities. In the last year, we commissioned the extension of a solar PV installation at one of our distribution centres, Telkom Park, by 178 kW peak. This facility now has a generation capacity of 480.3 kW peak. We currently have six solar PV installations across WHL. In the last year, we generated and consumed on-site 2 256 988 kWh of electricity from these installations. This amounts to 3% of our total electricity usage.

We are also in the process of exploring Power Purchase Agreements (PPAs) to aid in achieving our target to source more renewable energy. Our focus over the next few years will be on ramping up our access to renewable energy.

GREEN BUILDINGS

Woolworths' approach to green buildings entails utilising an internal green building protocol to ensure that all managed properties operate in the most energy-efficient way possible. The protocol involves rating and classifying buildings into three categories (Platinum, Gold and Silver) in accordance with the green design features they possess. This rating system helps in allocating funding to future-proof buildings with the most energy-efficient technology. With a large part of our energy usage attributed to our stores and distribution centres, we have focused many of our energy-efficiency initiatives on ensuring that we continue to reduce our energy usage and seek renewable energy alternatives in line with our 2030 goal to source renewable energy. In Australia, we aim to design our stores according to the Australian Green Building Councils criteria.



190

Woolworths green stores to date



26

Woolworths green stores opened this year
(2 Silver, 13 Gold, 11 Platinum)

CO₂ REFRIGERATION SYSTEMS

Woolworths has been on a journey to install natural gas CO₂ refrigeration systems across all its facilities. This initiative started in 2010, and 100 stores have now been fitted with CO₂ refrigeration systems. Although we are unable to isolate the energy savings associated with these installations in our stores, we know that they have numerous benefits to the ozone layer as they reduce the release of the ozone-depleting R22 gas (freon) into the atmosphere.

ENERGY-EFFICIENT LOGISTICS

The Woolworths partnership with the Imperial Group continues to produce substantial benefits for our sustainable transport strategy. We have established a Logistics Integration Centre (LIC) which gives us the ability to analyse distribution patterns continually to help us optimise delivery footprints. Over the years, we have rolled our fleet management solutions such as route optimisation of delivery vehicles and temperature management of refrigeration systems in delivery vehicles. We have also invested in Fleetboard technology, an internet-based vehicle management system that provides real-time information on the operational performance of individual vehicles. These solutions have enabled us to create a vertically integrated transport management system for our delivery vehicles. We can monitor the condition of our fleet and the safety of our drivers on a realtime basis, from the LIC. Not only does this help us identify areas of improvement in our logistics operations but also helps us to ensure that we maintain the cold chain that guarantees the freshness of our products. We are also exploring ways of integrating food and clothing deliveries for full-line stores to avoid making multiple trips.

Through these initiatives, we have increased our supply chain diesel efficiency by 80% since 2019, this translates to R6.6 million of diesel efficiencies in the last year (FY19: R33.3 million).

CASE STUDY

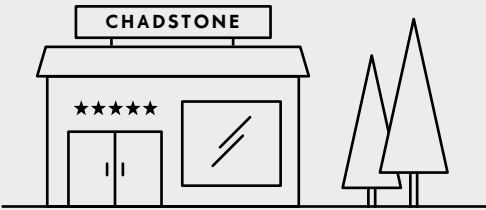
CHADSTONE STORE, COUNTRY ROAD GROUP

In August 2019, Country Road Group opened its first 5-Star Green Star Design Review rated store at Chadstone. Certified by the Green Building Council of Australia, it's the very first fashion retail 5-Star Green Star Design Review rated store in Australia, marking a significant milestone for the Group as well as the Australian fashion retail industry.

THE STORE WAS BUILT WITH A NUMBER OF SUSTAINABLE ATTRIBUTES, WHICH INCLUDE

- Australian parquet flooring recycled from old buildings
- Fixtures made from recycled yoghurt containers
- Fitting room hooks revitalised from ocean plastic
- Carpet and rugs made from fishing nets
- Wall cladding made from recycled paper
- Store fixtures and tables crafted from recycled plastic

This green building concept has been rolled out to New Zealand as well as three more stores in Australia. New stores and refurbishments for older stores will follow this concept going forward.



INDUSTRY COLLABORATION

HYBRID ELECTRIC VEHICLE TRIAL

In the last year, we embarked on a trial to test the efficiency of a hybrid electric vehicle. This was done in partnership with Daimler Trucks. Hybrid electric vehicles provide an added benefit for the reduction of diesel usage, thereby reducing associated carbon emissions. This initiative has been put on hold as a result of COVID-19.

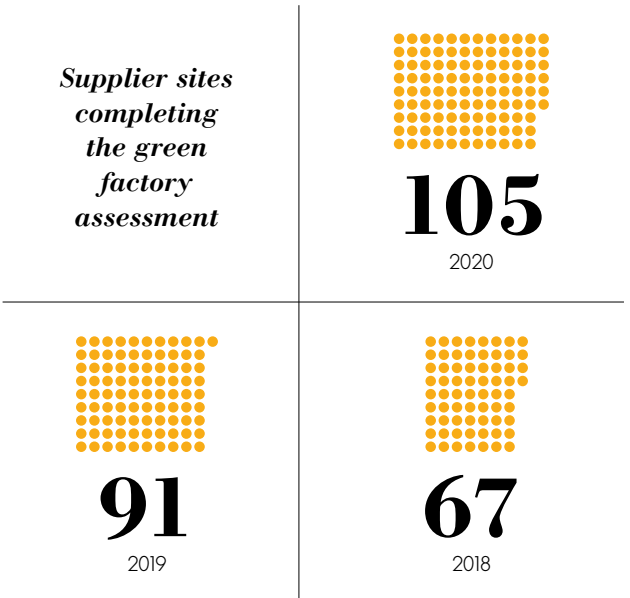
FRIGOBLOCK REFRIGERATION

We also continue to roll out the FRIGoBLOCK refrigerated unit. These are alternator-driven refrigeration units that reduce diesel consumption as well as associated CO₂ emissions by up to 50% to 75%. Rather than using diesel to keep the temperature in our refrigerated trucks where they should be, they draw power from the alternator that runs from the truck engine. This technology provides benefits such as the absorption of electric power from the truck engine as well as ensuring the energy efficiency when compared with an external industrial diesel combustion engine. The systems are also 90% recyclable compared to lithium battery systems, which are not recyclable.

GREEN FACTORIES

Thriving factories are critical to the success of our business. It is for this reason that in 2017, we launched the green factories programme. This has largely been directed at Woolworths Food, with the aim of extending it to our textiles factories. The intention of the programme is to promote enhanced data collection and management of environmental and social metrics for greater efficiency and productivity, to promote resilience in our supply base, and to reward and recognise supplier achievement. This programme involves asking suppliers to complete a holistic assessment that takes into account sustainability management, water, energy, waste, human rights, employee wellbeing, lean manufacturing, transformation, and responsible sourcing. Suppliers that have been participating since the inception of this assessment have indicated significant improvements in operational efficiency. Given serious energy and water constraints in SA, there is now a strong desire to improve self-sufficiency.

In the last year, we added a few additional questions focused primarily on understanding their food waste management practices and whether they have their own responsible sourcing strategies in place. Questionnaires were sent to 126 suppliers, of whom 105 voluntarily responded, an increase of 2% from the previous year. The number of silver-rated sites has more than doubled since the last year; we now have 25 sites (2019: 11). A trial was also conducted in partnership with the National Cleaner Production Centre through the Department of Trade and Industry to assist suppliers who completed the questionnaire to identify opportunities to improve energy, water, waste, and circular economy thinking. The intention for this was to identify which initiatives suppliers could invest in going forward for increased efficiency.



This year, verification assessments of the questionnaires submitted had to be conducted virtually through desktop review of documentation and interviews due to COVID-19 travel restrictions.

THROUGH THE 'WE MEAN BUSINESS' COALITION, WE PUBLICLY COMMITTED TO:

1
Eliminate deforestation within our supply chain by focusing on the sustainable sourcing of commodities such as soy, palm oil, beef, timber and pulp

2
Double our energy productivity by 2020 through working with the Energy Productivity 100 (EP100)

3
Continue to disclose our climate change information via the CDP (formally known as the Carbon Disclosure Project)

4
Set science-based targets via the Science-Based Targets Initiative (approved in 2020)

5
Improve our water security for resilience across the value chain

COMBATING DEFORESTATION

Progress on this is covered in the Ethical Sourcing chapter.

EP100

In 2017, we became the first major retailer to sign up to EP100, an initiative of The Climate Group to help companies double their energy productivity. Using general letting area as an economic output, Woolworths set targets to double our energy productivity by 2020 from a 2005 baseline.

We have met our target – we achieved a 175% improvement in our energy productivity.

TRANSPARENCY AND DISCLOSURE

We voluntarily report WHL's performance through the CDP programme for Climate Change, Deforestation, as well as Water. David Jones and Woolworths continue to report carbon emissions in accordance with the National Greenhouse and Energy Reporting Act (NGER) in Australia and National Greenhouse Gas (GHG) Emissions Reporting Regulations in South Africa respectively.

IMPROVING WATER SECURITY

Progress on this is covered in the Water chapter.

USEFUL LINKS FOR MORE DETAIL

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
