



WWHL

WOOLWORTHS HOLDINGS LIMITED

2021 Assurance Criteria

START

GOOD BUSINESS JOURNEY KPI CRITERIA

THE CRITERIA AGAINST WHICH THE ASSURED KPIS WERE MEASURED IN THE 2021 GOOD BUSINESS JOURNEY REPORT ARE AS FOLLOWS:

WATER

- **Water usage at head office:** Total water usage (in kilolitres) of the South African head office buildings for the 52-week period ended 27 June 2021. During the reporting year, 49% of total consumption was measured through the metering online system, and the remaining 51% was based on calculated estimates.
- **Water usage at distribution centres:** Total water usage (in kilolitres) of the South African distribution centres for the 52-week period ended 27 June 2021. During the reporting year, 55% of total consumption was measured through the metering online system, and the remaining 45% was based on calculated estimates.
- **Water usage at stores:** Total water usage (in kilolitres) of the South African corporate stores for the 52-week period ended 27 June 2021. During the reporting year, 97% of total consumption was measured through the metering online system, and the remaining 3% was based on calculated estimates.

PERCENTAGE OF WOOLWORTHS PRIVATE LABEL FASHION, BEAUTY AND HOMEWARE (FBH) LOCALLY SOURCED

The total number of locally sourced FBH goods received note (GRN) units expressed as a percentage of total FBH GRN units (excluding non-Woolworths branded beauty and homeware and beauty services) as at 27 June 2021. Locally sourced refers to any product that is assembled in South Africa, for which raw materials were either locally produced or imported.

PERCENTAGE CHANGE IN REUSABLE BAG SALES

The percentage change in the sales of reusable bags (in units) from the 2020 financial year to the 2021 financial year. Reusable bags being defined as the fabric shopper bags, low cost shopper bag, design shopper bags, pouch bags and GBJ (cause-related marketing) bags sold in Woolworths South Africa Food stores. Reusable bags as defined excludes cooler bags.

PERCENTAGE CHANGE IN FOOD PLASTIC BAG SALES

The percentage change in the number of Food 12-litre and 24-litre plastic carrier bags (in units) sold per transaction in Woolworths Food stores from the 2020 financial year to the 2021 financial year. Woolworths Fashion, Beauty and Homeware and textile (FBH) plastic carrier bags, Food plastic barrier bags, as well as special occasion plastic bags (e.g. Christmas) are not included in this calculation.

PERCENTAGE OF WOOLWORTHS FOODS CONTAINING ONE SUSTAINABILITY ATTRIBUTE

Percentage of Woolworths Food private label products (A) with a sustainability attribute (B) is defined as:

- **(A)** Woolworths Food private label products include the following: Woolworths private label products in long-life and perishables, and co-branded products (e.g. wine bearing the W logo)
- **(B)** A sustainability attribute is defined as a product characteristic that contributes to minimising the social and/or environmental impacts of a Woolworths Food private label product at one or more stages of the value chain. Woolworths Food sustainability attributes are specifically defined according to the Woolworths internally defined sustainability attributes list.

PERCENTAGE OF SUPPLIER SITES MEETING SOCIAL AND ETHICAL COMPLIANCE REQUIREMENTS – FBH

The percentage of approved supplier sites that have a valid compliance audit that conforms to the grading requirements as laid out in the FBH Social and Ethical Compliance Protocol. A supplier site is regarded as the point of manufacture. A valid audit is one which is graded as Bronze, Silver, or Gold as per the grading table contained in the FBH Social and Ethical Compliance Protocol, and whose audit renewal date is within the stipulated grace period. Any supplier site that is prohibited will not be considered as socially and ethically compliant.

PERCENTAGE OF SUPPLIER SITES MEETING SOCIAL AND ETHICAL COMPLIANCE REQUIREMENTS – FOOD

The percentage of primary supplier sites that have a valid compliance audit that conforms to the grading requirements as laid out in the Ethical Audit Protocol. A supplier site includes primary suppliers only. A valid audit is one which is graded as Bronze, Silver or Gold as per the grading table contained in the Ethical Audit Protocol, and whose audit renewal date is within the stipulated grace period. Any supplier site that is prohibited will not be considered as socially and ethically compliant.

GBJ SAVINGS

Estimated and actual allowances, rebates, and cost savings during the 2021 financial year based on the implementation of projects that are a direct or indirect result of Good Business Journey (GBJ) related initiatives.

- **E-statement switchover:** Savings derived from the use of e-statements rather than paper statements for store card and personal loans sent to Woolworths Financial Services (WFS) customers. WFS credit cards managed by Absa are not included in this calculation.
- **Hangerman rebates:** Rebates received from Hangerman for the 2021 financial year for the recycling and reuse of Woolworths hangers.
- **Electricity-efficiency improvements (stores and head office):** The saving in electricity consumption between the 2020 and 2021 financial years in South African corporate stores and head office buildings on a like-for-like basis. The saving is calculated monthly, based on the reduction in electricity usage for that month (comparing the months in 2020 and 2021) multiplied by the 2021 effective rate for that month (based on tariffs). Like-for-like means that there have been no format changes, no changes larger than 10% in gross leasable area (GLA), and no known metering problems, and that at least 80% is measured through Woolworths' metering online system.
- **Section 12L tax rebate:** The tax allowance claimed under Section 12L of the Income Tax Act (Act No. 58 of 1962) for the implementation of energy-efficiency initiatives in South African corporate stores for the 2020 financial year, certified by the South African National Energy Development Institute (SANEDI). The savings are calculated by multiplying the tax allowance by the company tax rate of 28%.
- **Energy, water and sewerage recoveries:** The Rand value of recoveries of incorrect billings by landlords of Woolworths South Africa corporate stores during the 2021 financial year, as well as tariff recoveries on electricity resulting from a more favourable tariff being identified to be billed at by landlords of Woolworths South Africa corporate stores during the 2021 financial year. Tariff savings are calculated by taking the difference in tariff (old tariff – new favourable tariff) multiplied by the last 12 months' electricity consumption.
- **Costs saved due to improved efficiency in diesel consumption:** The costs saved from reduced diesel consumption calculated by taking the 2021 financial year's cost of diesel incurred less the 2020 financial year's diesel consumed, multiplied by the 2020 financial year's average number of litres per distribution unit (DU). This information is captured for: Gauteng (Midrand), KZN (Maxmead), the Western Cape (Montague Gardens and Racecourse Gardens), and the Eastern Cape and the rest of southern Africa.
- **International carton reuse at Racecourse Gardens:** The costs saved due to reuse of import cartons for distribution to stores during the 2021 financial year. The costs saved are calculated by subtracting the total number of cartons bought from the total number of cartons coming into the distribution centres, and multiplying that by the average price per carton. Costs saved are based on carton reuse at Racecourse Gardens, Montague Gardens, and Country Road/Bowline.
- **Waste recycling rebates:** The Rand value of the amount paid by third-party service providers to Woolworths for recyclable waste sold to them by the distribution centres (DCs) during the 2021 financial year. This waste may include cardboard, plastic, paper, ceramics, glass, and metals.
- **Paperless picking at DCs:** Savings in the 2021 financial year from the implementation of a paperless picking system for lugs* sent to stores from three Woolworths Food DCs (Midrand, Maxmead, and Montague Gardens).

* A lug is a crate used to transport product.

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*