

WOOLWORTHS HOLDINGS LIMITED

ABRIDGED GOOD BUSINESS JOURNEY REPORT

2022

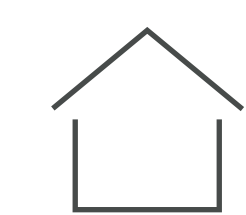
START

NAVIGATING OUR REPORT

ICONS USED THROUGHOUT THIS REPORT

NAVIGATING OUR REPORT

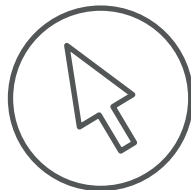
In commitment to our Good Business Journey, this report is only available digitally. It is interactive and can be navigated using the tools depicted below:



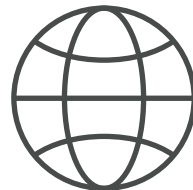
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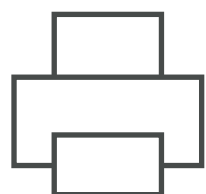
Useful links for more detail



Rollover for more detailed content



More information on the web



Print document*

* Rollovers marked with  are not printable.

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OUR STAKEHOLDERS

We have numerous stakeholder groupings which impact us or we either directly or indirectly impact throughout our Group and our related business activities. We believe that strong, sustainable stakeholder relationships form the foundation of our ability to create shared value in the short, medium, and long term and that these relationships are key to a more sustainable and successful business and future. Our stakeholders are denoted with the icons below:



Customers



Employees



Suppliers



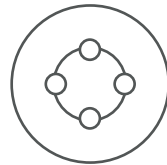
The Media



Shareholders



Debt Funders



Communities and Other



Industry Organisations



Academic Institutions



Government and Regulators

OUR GOOD BUSINESS JOURNEY FOCUS AREAS

Our Good Business Journey enables a consistent approach to managing sustainability issues across the Group. The programme has eight key focus areas, which are denoted with the icons below:

EXTERNAL RECOGNITION



WOOLWORTHS ZERO HUNGER FOOD SECURITY CAMPAIGN WAS VOTED 2ND RUNNER-UP AT THE 2022 INTERCONTINENTAL GROUP OF DEPARTMENT STORES AWARDS, IN THE CATEGORY OF WORLD’S BEST SUSTAINABILITY/ CSR CAMPAIGN BY A DEPARTMENT STORE

WHL WAS INCLUDED IN THE FTSE4GOOD EMERGING INDEX SERIES FOR 2021/2022, WITH AN ESG RATING OF 4.2, WELL ABOVE THE INDUSTRY AVERAGE OF 2.3

Woolworths was selected as the South African Graduate Employers Association 2022 employer of choice (retail sector) and was also recognised as one the top 20 aspirational employers in South Africa

The sustainability-linked loan Woolworths entered into with Standard Bank last year, the first of its kind in South Africa, was awarded the Best Sustainability Linked Loan at the 2021 EMEA Finance Awards

Country Road Group achieved an ‘A’, while David Jones achieved a ‘B’ in the Baptist World Aid Ethical Fashion Report assessment, Australia’s most prominent and high-profile report detailing ethical performance among the country’s largest fashion brands



WHL CDP SCORES FOR 2021 ARE ABOVE OR IN LINE WITH GLOBAL AND SECTOR AVERAGES

Climate	B
Water	B
Forests – Timber	C
Forests – Palm oil	C
Forests – Cattle products	C
Forests – Soya	C



WHL IS ONE OF THREE JSE-LISTED RETAILERS ON THE FTSE/JSE RESPONSIBLE INVESTMENT TOP 30 INDEX

In the 2022 Fashion Transparency Index (FTI), Woolworths scored above the overall average and was also the highest-scoring South African retailer. FTI ranks 250 brands according to how much information they disclose about suppliers, supply chain policies, and practices, as well as their social and environmental impacts



A YEAR IN REVIEW

INCLUSIVE JUSTICE

The WHL Group was the first major South African retailer to become a signatory to the UN Women’s Empowerment Principles



393 new jobs were created through the Woolworths supplier development programme and we contributed R5.9 billion in revenues of black- and black women-owned suppliers in our supplier base

R786M

worth of surplus food was donated by Woolworths to needy communities and charities



COVID-19 VACCINATION CAMPAIGNS WERE RUN ACROSS THE WHL GROUP

ETHICAL & FAIR

1ST

Woolworths, in a South African retailer first, published the list of suppliers that manufacture its private label fashion, beauty, and homeware products, in line with our commitment to supply chain transparency

David Jones launched a number of fashion resale platforms in partnership with GlamCorner, Blue Spinach, and Reloop



Country Road launched the ‘Towards Circularity’ capsule collection, featuring fabric made from 30% recycled cotton fibres sourced from our own production runs

ALMOST 90% OF WOOLWORTHS FOOD AND MORE THAN 30% OF WOOLWORTHS FASHION, BEAUTY AND HOME PRIVATE LABEL PRODUCTS ARE LOCALLY SOURCED

THRIVING & RESILIENT



All Country Road Group and 313 Woolworths stores are now plastic shopping bag free.

*The WHL Group was **one of two** South African companies invited to participate in the UN Global Compact Just Transition Think Lab, and Roy Bagattini, WHL Group CEO, participated in a UN Global Compact Leaders’ Summit panel on Just Transition*

Almost 12 000 units of beauty packaging were collected from selected David Jones stores and sent for recycling in partnership with TerraCycle

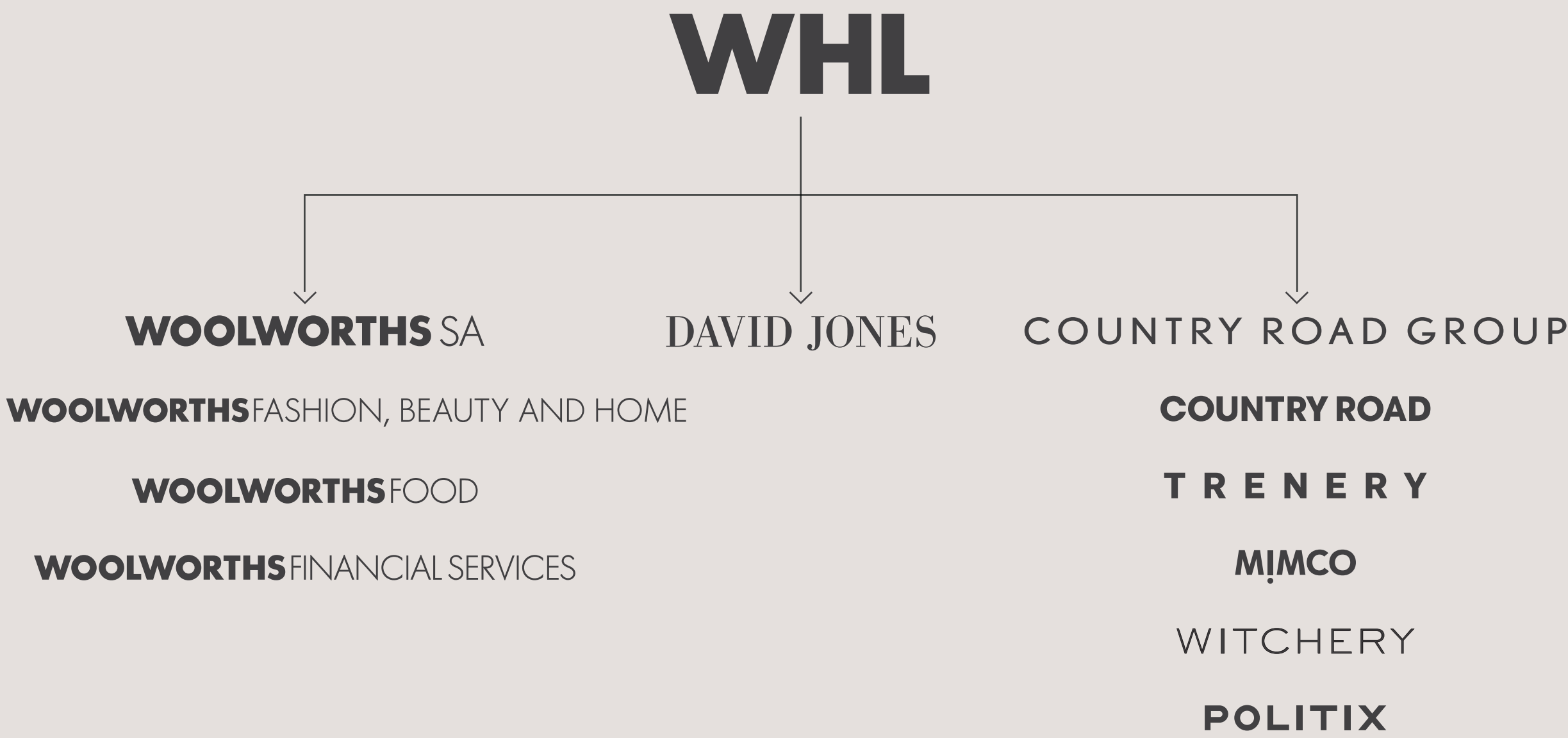


In a South African retailer first, Woolworths announced the rollout of electric vehicles for Foods Online home deliveries

*Woolworths Holdings Limited is
listed on the Johannesburg Stock Exchange*

*WHL is uniquely diversified in both geography and category.
Our businesses provide trusted, high-quality, and predominantly private-
label brands that leverage our significant intellectual property and
innovation capabilities which have been built over decades.*

GROUP OVERVIEW



R87.0BN
Turnover and
concession sales

R5.1BN
Adjusted profit
before tax

ADJUSTED EBIT CONTRIBUTION BY CATEGORY

56.3%	2.4%	41.3%
Apparel, Beauty and Homeware	Financial Services	Food

*OUR VISION
IS TO BE ONE OF THE WORLD'S
MOST RESPONSIBLE RETAILERS.*

ADJUSTED EBIT CONTRIBUTION BY GEOGRAPHY

66.7%	33.3%
1 386	44 129
Store locations in 14 countries	Total employees



*OUR GOOD BUSINESS
JOURNEY IS EMBEDDED IN
EVERYTHING WE DO AND
IS A KEY DIFFERENTIATOR
FOR OUR GROUP.*

OUR GROUP

Our Group consists of three omni-channel trading divisions, all targeting mid- to upper-income customers who appreciate quality, innovation, value, and sustainability.

***Woolworths South Africa (WSA)**
comprising Fashion, Beauty and Home (FBH) and Food businesses*

***David Jones (DJ)**
an iconic Australian department store*

***Country Road Group (CRG)**
an Australian house of brands, including
Country Road, Trenery, Mimco, Witchery, and Politix*

Each company provides customers with compelling loyalty benefits and offers through dedicated loyalty programmes, which are key to building customer engagement and loyalty and driving personalisation, customer acquisition, frequency, and spend. Financial services are offered for WSA customers through WFS, a joint venture with Absa Group Limited, and in partnership with Amex in David Jones.

WOOLWORTHS

FASHION, BEAUTY AND HOME

OFFERING:

Trusted, quality wardrobe essentials, edited and relevant fashion, beauty and homeware, and carefully selected third-party brands complementing customers' shopping experience

BASED IN:

South Africa and trading in South Africa and a further 10 countries in sub-Saharan Africa

433 000 m² trading space across 257 store locations



15.6%

Group turnover and concession sales

23.0%

Group aEBIT

4.4%

Online SA sales contribution



3.1M

Active loyalty members, tracking 88% of revenue

32 019

Total employees

86.9%

Targets achieved on sustainability scorecard

FOOD



46.6%

Group turnover and concession sales

41.3%

Group aEBIT



OFFERING:

Largely private label range of quality, innovative, and sustainable food products, and customers' most wanted brands, allowing them to complete their shop with us

BASED IN:

South Africa and trading in South Africa and a further 10 countries in southern Africa

269 000 m² trading space across 463 store locations



3.2%

Online SA sales contribution



DAVID JONES

OFFERING:

Premium and luxury products and experiences from leading international and local apparel, accessories, footwear, beauty, and homeware brands

22.8%

Online sales contribution

1.6M

Active loyalty members, tracking 47.3% of sales

BASED IN:

Australia and trading in Australia and New Zealand

430 000 m² trading space across 44 store locations



24.0%

Group turnover and concession sales



14.0%

Group aEBIT



6 383

Total employees

65.8%

Targets achieved on sustainability scorecard



COUNTRY ROAD GROUP

OFFERING:

Private label, stylish, high-quality apparel, accessories, footwear, and homeware

BASED IN:

Australia and trading in Australia, New Zealand and South Africa

102 000 m² trading space across 622 store locations



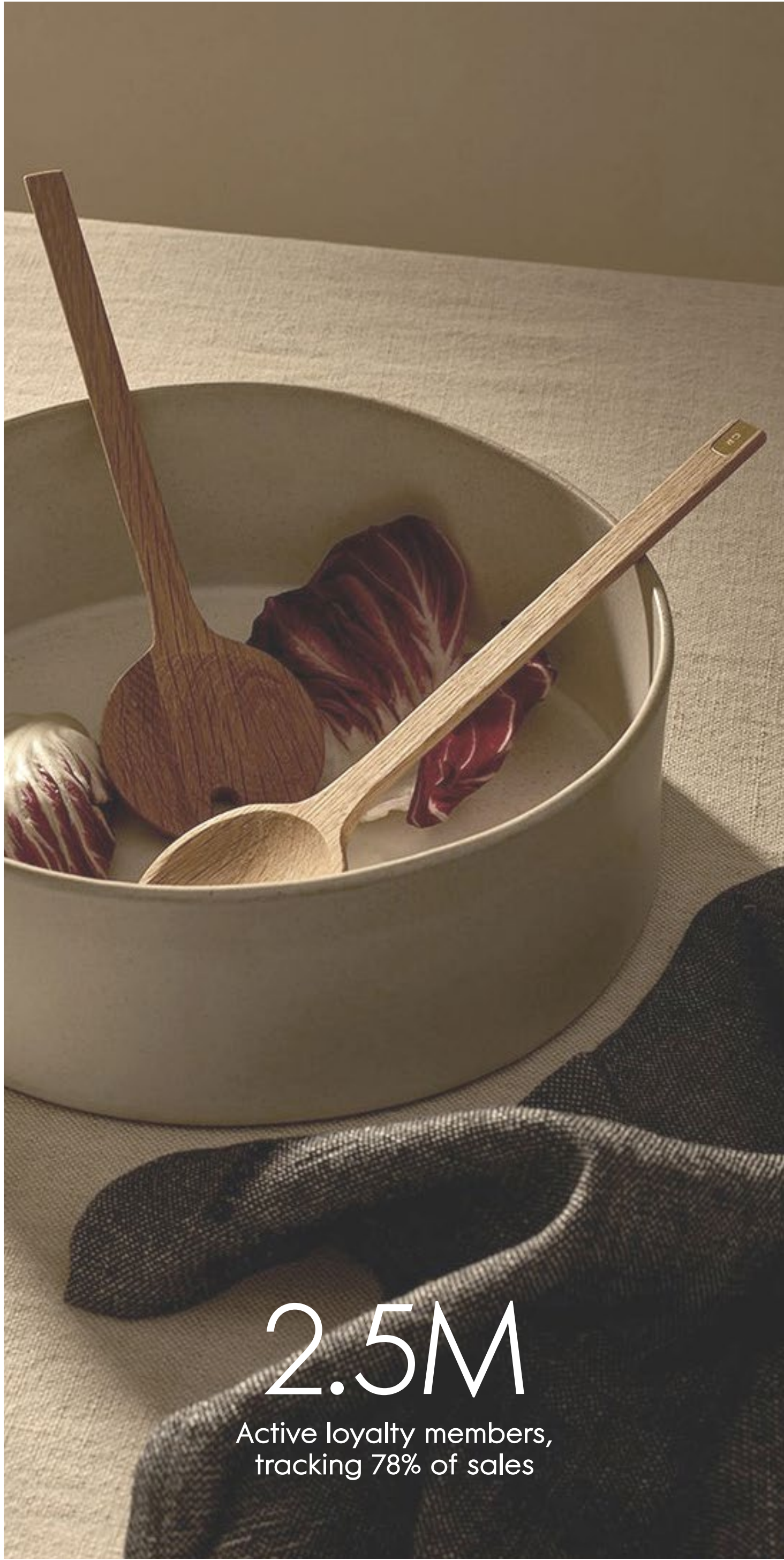
13.8%

Group turnover and concession sales



19.3%

Group aEBIT



2.5M

Active loyalty members, tracking 78% of sales



31.6%

Online sales contribution

5 727

Total employees

80.1%

Targets achieved on sustainability scorecard

THE GOOD BUSINESS JOURNEY STRATEGY

The Good Business Journey (GBJ) is central to the Group’s strategy and supports our vision to be one of the world’s most responsible retailers. More information on the Group’s strategic framework is available in the [Integrated Annual Report](#).

The GBJ strategy to 2025 and beyond is known as Vision 2025+. It is intended to enable the Group to be a leading, purpose-driven, truly connected retailer by aiming to address the complex and interconnected sustainability challenges and opportunities we face now and into the future.

Vision 2025+ has three main pillars, which are addressed through eight focus areas. Each pillar and focus area has ambitious goals delivering to the overall strategic intent of Vision 2025+, as well as clearly defined strategy and management approaches. Vision 2025+ and its underlying goals were approved by the WHL Board in 2021.

GBJ IS OUR COMMITMENT TO CARE FOR OUR ENVIRONMENT, PEOPLE, AND COMMUNITIES.

PURPOSE: ADDING QUALITY TO LIFE

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

STRATEGIC ENABLER: GOOD BUSINESS JOURNEY

VISION 2025+ PILLARS

INCLUSIVE JUSTICE

We care for our people and are committed to being a diverse and inclusive business, enhancing the wellbeing of our employees, customers, and communities.

ETHICAL AND FAIR

We care how our products are made and are committed to a fully transparent, traceable, and ethical supply chain.

THRIVING AND RESILIENT

We care for the environment, and are committed to working towards net zero impact and a just transition to a low-carbon economy.

FOCUS AREAS



PEOPLE



SOCIAL DEVELOPMENT



HEALTH AND WELLNESS



SUSTAINABLE FARMING



ETHICAL SOURCING



PACKAGING AND WASTE



WATER



ENERGY AND CLIMATE CHANGE

UNDERLYING PRINCIPLES: TRANSPARENCY, CIRCULARITY, INNOVATION, COLLABORATION



MEASURING OUR PROGRESS AGAINST VISION 2025⁺

Our ambitious Vision 2025⁺ goals will result in us having a real impact on various critical social, environmental, and supply chain issues, thereby making a meaningful difference to the world around us, while making our business more resilient and future-fit.

Progress against our Vision 2025⁺ goals will be reflective of the fact that we are still in the early stages of our Vision 2025⁺ journey. Performance against these targets will improve and accelerate over the coming years. For some of the bold or very long-term targets, there is currently uncertainty with regards to the pathway to achieve them. We are conducting groundwork to identify relevant certifications, programmes, technologies, and emerging innovations; putting in place new or improved measurement and reporting processes and systems; setting aside additional budget to support the business in implementation; and identifying peers, NGOs, and other organisations with whom we can collaborate.

For more information on each goal, including the definition, why we set it, how we plan to achieve it, challenges we face, key performance indicators (KPIs) used to measure and report our performance, and baseline data, refer to the Our Goals section on the website.

THE GROUP SUPPORTS THE UN SUSTAINABLE DEVELOPMENT GOALS (SDGs) AND, ACCORDINGLY, OUR VISION 2025⁺ GOALS ARE ALIGNED TO SPECIFIC UN SDG GLOBAL GOALS AND TARGETS.

VISION 2025⁺ PILLARS



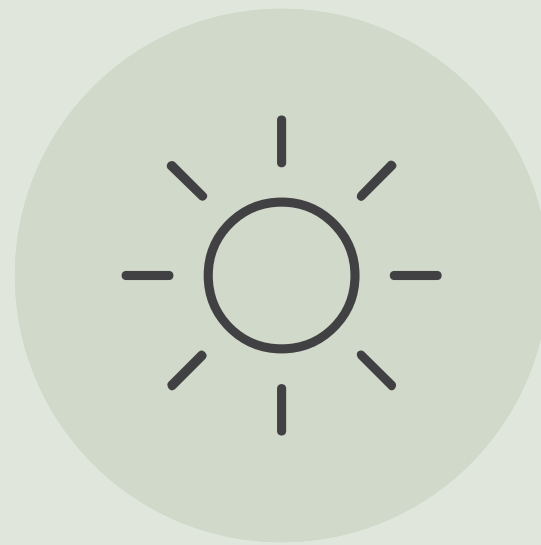
INCLUSIVE JUSTICE

We care for our people and are committed to being a diverse and inclusive business, enhancing the wellbeing of our employees, customers, and communities.



ETHICAL AND FAIR

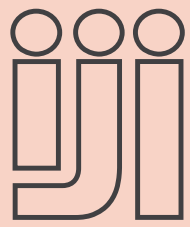
We care how our products are made and are committed to a fully transparent, traceable, and ethical supply chain.



THRIVING AND RESILIENT

We care for the environment and are committed to working towards net zero impact and a just transition to a low carbon economy.





INCLUSIVE JUSTICE

Specific goals and targets for the Inclusive Justice pillar are still in development



ETHICAL AND FAIR

RELATED UN SDG AND TARGET

PROGRESS



READ MORE

Have a fully transparent, traceable, and ethical supply chain by 2025

N/A

TARGET
N/A

AHEAD
ON TRACK
BEHIND
NOT YET STARTED

Develop a roadmap by 2022 for achieving a living wage for all workers across our supply chain



TARGETS
1.1, 1.2

AHEAD
ON TRACK
BEHIND
NOT YET STARTED

Responsibly source all key commodities from traceable sources by 2025



TARGETS
15.1, 15.2,
15.3

RESPONSIBLY SOURCED:
ON TRACK

TRACEABLE:
BEHIND

All private label products can be reused, repaired, resold or recycled by 2025



TARGET
12.2, 12.5


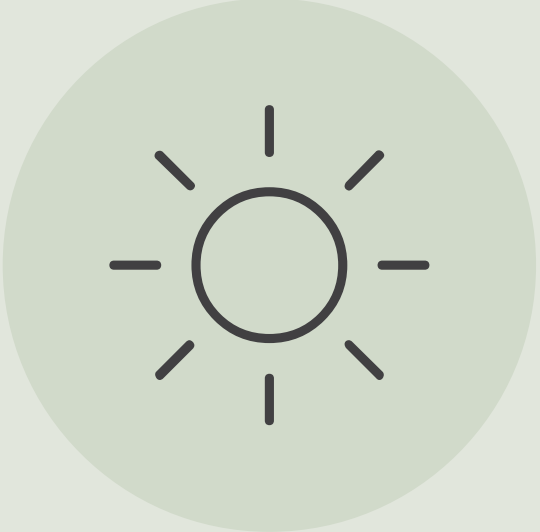

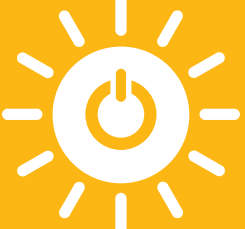




AHEAD
ON TRACK
BEHIND
NOT YET STARTED

All private label clothing, beauty, and home products to contain at least one renewed, reused or recycled product material input by 2030



TARGET
12.2, 12.5

AHEAD
ON TRACK
BEHIND
NOT YET STARTED

RELATED UN SDG AND TARGET				PROGRESS	 READ MORE
<div></div> <div>THRIVING AND RESILIENT</div>	Achieve net zero carbon impact by 2040	<div>13CLIMATE ACTION</div> 	TARGET 13.1	AHEAD ON TRACK NOT YET STARTED BEHIND	
	Source 100% of our energy from renewable sources by 2030	<div>7AFFORDABLE AND CLEAN ENERGY</div> 	TARGET 7.2	AHEAD ON TRACK BEHIND NOT YET STARTED	
	Work with our suppliers and partners to create net positive water impact in water-stressed basins in our value chain by 2050	<div>6CLEAN WATER AND SANITATION</div> 	TARGETS 6.4, 6.5	AHEAD ON TRACK BEHIND NOT YET STARTED	
	All our packaging will be reusable or recyclable by 2022	<div>12RESPONSIBLE CONSUMPTION AND PRODUCTION</div> 	TARGET 12.5	AHEAD ON TRACK BEHIND NOT YET STARTED	
	Halve food loss and waste in our own operations and across our top 30 suppliers by 2030	<div>12RESPONSIBLE CONSUMPTION AND PRODUCTION</div> 	TARGET 12.3	AHEAD ON TRACK BEHIND NOT YET STARTED	
	All private label products to support regenerative farming practices by 2030	<div>2ZERO HUNGER</div> 	TARGET 2.4	AHEAD ON TRACK BEHIND NOT YET STARTED	

Three diverse women are standing against a solid orange background. The woman on the left is Black, wearing a white long-sleeved dress with intricate cut-out patterns and large green hoop earrings. The woman in the center is a light-skinned woman with blonde braids, wearing a white halter-neck dress with cut-out details at the hem. The woman on the right is a woman of mixed heritage, wearing a white short-sleeved top and white pants, with large gold hoop earrings. The word "PEOPLE" is written in large, bold, black capital letters across the center of the image, partially overlapping the women.

PEOPLE

Why is this focus area important?

Our people strive to deliver excellence and bring out the best in themselves and each other, and are fundamentally an increasingly valued source of competitive advantage for our sustainable business performance. The ongoing review of our Employee Value Proposition in order to remain relevant remains critical. By prioritising our people's health and wellbeing, with a continued focus on leadership in addition to supporting a hybrid working model, we will continue to attract, inspire, retain, develop, reward, and engage our people appropriately, resulting in inclusivity, greater innovation, creativity, and productivity.

OVERVIEW



■ **WSA: 32 019 (73%)**

2021: **32 913** 2020: **32 371**

■ **CRG: 5 727 (13%)**

2021: **5 463** 2020: **5 480**

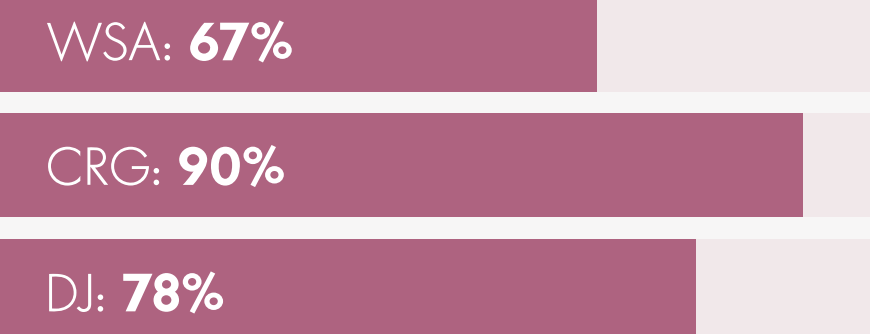
■ **DJ: 6 383 (14%)**

2021: **6 332** 2020: **7 012**

WHL: 44 129

2021: **44 708** 2020: **44 863**

FEMALE REPRESENTATION



WSA 2021: 66%, 2020: 66% **CRG** 2021: 89%, 2020: 89%
DJ 2021: 78%, 2020: 76%

47% of WHL top and senior management are women

TRAINING SPEND

WSA: R144.5M

2021: **R67.5M** 2020: **R119.9M**

CRG: R18.1M

2021: **R14.2M** 2020: **R18.7M**

DJ: R6.5M

2021: **R1.2M** 2020: **R8.4M**

WHL: R169.1M

2021: **R82.9M** 2020: **R147.0M**

HIGHLIGHTS

- On International Women's Day, WHL became the first major South African retailer to become a signatory to the United Nations Women's Empowerment Principles
- After emerging from working under the Covid-19 pandemic lockdown conditions for more than two years, we are making a fresh start by transitioning to a new normal of living with Covid-19 with an official return to office, spending more time in the office and participating in face-to-face engagements
- The new Group operating model brought several changes to the leadership structure, one of which is the appointment of Melanie Naidu as the Group People Director reporting to Roy Bagattini. Melanie's appointment to WHL Exco enables the establishment of a Group People function, which signifies the strategic importance we are placing on our greatest resource – our people
- Woolworths was selected as the South African Graduate Employers Association 2022 employer of choice (retail sector) and was also recognised as one the top 20 aspirational employers in South Africa
- Implementation of the Group Inclusive Justice Initiative (IJI) strategy has enabled each region (and the specific countries within that region) to embark on their own respective IJI journeys, where we hope to accelerate positive transformation throughout our organisation, taking into account that our initial primary focus will be on inclusive justice for women

LOWLIGHTS AND CHALLENGES

- Trading conditions have had an impact on some of our initiatives across the Group, especially skills and talent development
- We have experienced a high voluntary labour turnover rate in Country Road Group and David Jones because of the 'great resignation' as the impacts of the Covid-19 pandemic ease. In Woolworths, the voluntary labour turnover is higher than normal; however, it is still within acceptable levels, and is being monitored closely
- A review of our Employee Value Proposition (EVP) is underway to reset and embed the Group EVP for a post-pandemic workforce

LOOKING AHEAD

- Coming out of the Covid-19 pandemic, the wellbeing of our people is a top priority and is directly linked to the organisation's wellbeing. This continues to be a key focus for us across both regions, and is supported by a number of key wellbeing initiatives
- Commencement of work to understand the opportunities to embed the Group leadership competency framework (now called 'Our Leadership Way') across the people life cycle

SOCIAL DEVELOPMENT

Why is this focus area important?

As a responsible corporate citizen, we have a responsibility to play a meaningful role in addressing the economic and societal needs and expectations of the communities where we operate. We can only grow and sustain long-term profit in a socially inclusive and equitable economy that has a sufficiently skilled, educated, thriving, and healthy community.

Chantal Braaf, principal of Happy Valley Daycare Centre in Strandfontein, Western Cape.

OVERVIEW

R995M

Total Group corporate social investment contribution

2021: R918M 2020: R854M

Comprised of:

R970M

from Woolworths (South Africa and rest of Africa)

2021: R893M 2020: R801M



R25M

from Country Road Group and David Jones (Australia and New Zealand)

2021: R25M 2020: R53M

A\$0.5M donated by Witchery to the Ovarian Cancer Research Foundation from the annual White Shirt Campaign

2021: A\$0.3M 2020: A\$1.4M

R786M

worth of surplus food donated by Woolworths

2021: R731M 2020: R643M



R64M to MySchool

2021: R66M 2020: R64M

R10M to MyVillage

2021: R9M 2020: R9M

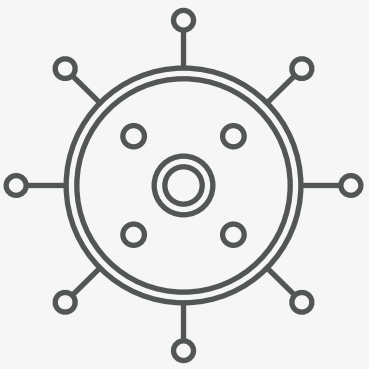
R12M to MyPlanet

2021: R13M 2020: R12M

HIGHLIGHTS

- The Politix Mo-Hair suit, created for Movember to spark conversation around men’s health issues, was awarded a Guinness World Record for the world’s first suit made from moustache hair
- Woolworths Trust donated R400 000 in total to more than 80 employee-nominated organisations
- David Jones donated A\$200 000 to fund the staffing costs of six Rose Clinics, which provide complimentary breast screening services for women over 40
- Woolworths Making the Difference Programmes launched their digital platform

WOOLWORTHS WAS THE 2ND RUNNER-UP IN THE INTERCONTINENTAL GROUP OF DEPARTMENT STORES AWARDS FOR THE WORLD’S BEST SUSTAINABILITY/CSR CAMPAIGN BY A DEPARTMENT STORE FOR OUR ZERO HUNGER FOOD SECURITY CAMPAIGN.



LOWLIGHTS AND CHALLENGES

Covid-19 continued to be a major disruptor to our programmes. In certain instances, we needed to simplify campaigns, or transition to new, online or hybrid models of engagement and support.

LOOKING AHEAD

We will continue to support our existing programmes and partnerships, and seek out and drive collaboration with other like-minded stakeholders to create deeper, meaningful impact.

MORE SPECIFICALLY, WE WILL:

- Continue to incorporate the Inclusive Justice Initiative ethos into our strategy and management approach, ensuring a deeper sense of inclusivity in participation and impact
- Focus on supporting causes that drive sustainable change

HEALTH AND WELLNESS

Why is this focus area important?

We need to create a safe and healthy working environment that enables employees to thrive. As a food retailer, we should also inspire our customers to make healthy choices, by providing a wide range of healthy food options.

OVERVIEW

IN ORDER TO PROVIDE EMPLOYEES AND THEIR FAMILIES WITH SUPPORT IN DEALING WITH TRAUMA RESULTING FROM GENDER-BASED VIOLENCE AND FEMICIDE, WOOLWORTHS HAS INTRODUCED ACCESS TO CONFIDENTIAL COUNSELLING AND MEDICAL SUPPORT BY REGISTERED SPECIALISTS

HIGHLIGHTS

- Partnered with the Resilience Project in Australia to support leaders and teams on building resilience in times of change and hardship. More than 6 000 team members participated in the programme
- Commenced a project to support staff on engaging with difficult customers in Australia
- Introduced a vaccination campaign and service at the Woolworths head office, and also ran a campaign for staff at the Botanicca head office

2 919

HealthyFood™ items linked to Vitality Rewards



18

health and wellness practitioners for WHL staff to access

2021: 23 2020: 23

100%

of all Woolworths private label food (including pet food) has been GMO-free since 30 June 2019

2 660

employees across the Group applied successfully to the E4E Fund for support

LOOKING AHEAD

HEALTH AND WELLNESS WILL CONTINUE TO BE A PRIORITY FOCUS FOR US FOR OUR EMPLOYEES AND CUSTOMERS.

LOWLIGHTS AND CHALLENGES

The Department of Health in South Africa confirmed that front-of-pack warning labels on packaged foods high in sugar, salt, and/ or saturated fat will be implemented. We are unable to update our packaging until the implementation date and further details are shared.

WOOLWORTHS EMPLOYEE ASSISTANCE PROGRAMME IS NOW VIRTUALLY ENABLED, MAKING IT MORE ACCESSIBLE. IT NOW ALSO OFFERS A WIDER RANGE OF SERVICES IN MORE SOUTH AFRICAN LANGUAGES

ETHICAL SOURCING[▶]

Why is this focus area important?

The diverse and often complex supply chains involved in producing our products can have significant human rights and environmental risks and impacts. Our ethical sourcing programmes allow us to mitigate where necessary, and positively influence where possible, these risks and impacts.

OVERVIEW

VISION 2025+ GOALS



Have a fully transparent, traceable, and **ETHICAL SUPPLY CHAIN** by 2025

FY22

- WSA FBH tier 1 supplier list published ¹

BASELINE

- Tier 1 supplier lists published by CRG and DJ ¹
- No supplier lists published by WSA

AHEAD | **ON TRACK** | BEHIND | NOT YET STARTED

¹ Coverage of tier 1 suppliers: WSA FBH: 60%, CRG: 100%, DJ: 87%



Develop a roadmap by 2022 for achieving **A LIVING WAGE FOR ALL WORKERS** across our supply chain

FY22

- Roadmap in development

BASELINE

- No roadmap, but living wage commitments set by CRG and DJ

AHEAD | **ON TRACK** | BEHIND | NOT YET STARTED



RESPONSIBLY SOURCE ALL KEY COMMODITIES FROM TRACEABLE SOURCES by 2025

% OF COMMODITIES RESPONSIBLY SOURCED FY22

- Refer to detail in the Responsible Sourcing section in the full report

BASELINE

- Refer to 2020 GBJ Report

AHEAD | **ON TRACK** | BEHIND | NOT YET STARTED

% OF COMMODITIES RESPONSIBLY SOURCED AND TRACEABLE FY22

- Work has started across the key commodities to set out roadmaps for traceability

BASELINE

- 0%

AHEAD | ON TRACK | **BEHIND** | NOT YET STARTED



HIGHLIGHTS

- Woolworths was the first South African retailer to publish its tier 1 supplier list for its private label fashion, beauty, and homeware products
- Country Road Group was awarded an A rating and David Jones a B in the Baptist World Aid Report
- Woolworths was the top-ranked South African retailer in the 2021 WWF Palm Oil Buyers Scorecard and the 2022 Fashion Transparency Index
- Country Road has included a traceability rating for selected products on its website
- 100% of palm oil (food only), cocoa and cotton used in Woolworths private label products is now responsibly sourced
- Almost 90% of Woolworths Food and more than 30% of Woolworths Fashion, Beauty and Home private label products are locally sourced



Photo by Ranurle on Unsplash

LOOKING AHEAD

In line with our Vision 2025+ strategy, we will continue to focus on transparency, traceability, and responsible sourcing.

WE AIM TO:

- Develop strategies for going beyond social and ethical compliance audits to measure and identify social and ethical compliance risk factors
- Improve traceability processes and tools to facilitate the publication of the Group’s full supply chain in future

LOWLIGHTS AND CHALLENGES

- Covid-19 restrictions and lockdowns, global supply chain disruptions, extreme weather events, civil unrest, the Ukraine/Russia war, and loadshedding have in certain instances caused delays, impacted our ability to source commodities or have resulted in steep price increases
- Additional work is required across the Group to address and facilitate living wages in our supply chain
- Multi-tier supply chains make the traceability of our key commodities back to source challenging



SUSTAINABLE FARMING

Why is this focus area important?

Nature is declining globally at unprecedented rates, and the extent of species extinction is accelerating. This increasing biodiversity loss is a significant risk to our business, to the health and wellness of our customers and employees, and to society as a whole. In addition, globally, food systems have been affected by the impact of climate change and related extreme weather events, soil degradation, worsening water quality and availability, war, and the Covid-19 pandemic. To address these challenges and enhance the resilience of our supply chain, we need to contribute to creating a more sustainable food system through our regenerative agriculture programmes, actively managing environmental impacts, and the welfare and dignity of people and animals in our supply chain.

OVERVIEW

VISION 2025+ GOAL



All private label products to support
REGENERATIVE FARMING PRACTICES by 2030

WSA FOOD

FY22

- 80% of private label produce and horticulture lines on the Farming for the Future programme (FY21: 58%)

BASELINE

- 52% (FY19)

AHEAD | **ON TRACK** | BEHIND | NOT YET STARTED

WSA FBH, CRG, AND DJ

FY22

- Researching regenerative farming programmes (FY21: Not yet started)

BASELINE

- Still to be determined

AHEAD | **ON TRACK** | BEHIND | NOT YET STARTED

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

99%

**of Woolworths seafood by volume
meets our wild-caught and aquaculture
sustainability commitments**

2021: **98%** 2020: **98%**

HIGHLIGHTS

- Country Road is the first Australian fashion retailer to partner with The Good Cashmere Standard® by the Aid by Trade Foundation to support responsible farming of this luxury fibre
- Woolworths was ranked ninth (out of 29 participating retailers) in the Compassion in World Farming Supermarket Survey

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

**LOWLIGHTS
AND CHALLENGES**

- Increased input costs, flooding, civil unrest, ongoing drought, Ukraine/Russia war and the Covid-19 pandemic continue to affect global food supply chains and put pressure on the farming and fishing industry

LOOKING AHEAD

We will continue to refine our sustainable farming and animal welfare programmes to assist us in promoting supply chain resilience and regeneration, and to ensure that the programmes remain in line with best practice.

MORE SPECIFICALLY, WE WILL:

- Finalise the pilot study for quantifying, in monetary terms, the value of adopting the Farming for the Future programme, and the resulting improvement actions, both for Woolworths and the farmer
- Finalise a new Sustainable Seafood Procurement Policy for Woolworths
- Continue to explore regenerative agriculture options, particularly for raw materials and key commodities used in the Group’s fashion and homeware products
- Further roll out cloud-based management systems for data gathering and reporting for Farming and Fishing for the Future



PACKAGING AND WASTE

Why is this focus area important?

We believe that by championing the use of innovative and sustainable packaging design, together with managing waste efficiently across our value chain, we will reduce the environmental footprint of our products, thereby reducing the impact on natural resources.

OVERVIEW

VISION 2025+ GOALS



All our packaging will be **REUSABLE OR RECYCLABLE** by 2022

FY22

- WSA Food: **98%** (FY21: 97%)
- WSA FBH: Baseline in progress
- CRG: **92%** (FY21: Not reported previously)
- DJ: **99%** (FY21: Not reported previously)

BASELINE

- Not established before reporting commenced

AHEAD | **ON TRACK** | BEHIND | NOT YET STARTED



All our private label products can be **REUSED, REPAIRED, RESOLD OR RECYCLED** by 2025

FY22

- Work underway

BASELINE

- Still to be determined

AHEAD | ON TRACK | **BEHIND** | NOT YET STARTED



All our private label clothing, beauty, and home products to contain at least **ONE RENEWED, REUSED, OR RECYCLED PRODUCT MATERIAL INPUT** by 2030

FY22

- Work underway

BASELINE

- Still to be determined

AHEAD | ON TRACK | **BEHIND** | NOT YET STARTED



HALVE FOOD LOSS AND WASTE in our own operations and across our top 30 suppliers by 2030

FY22

- Baseline established and reported

BASELINE

- In progress

AHEAD | **ON TRACK** | BEHIND | NOT YET STARTED

HIGHLIGHTS

- All Country Road Group stores and more than 300 Woolworths stores are now plastic shopping bag free. David Jones has also started the phase-out of single-use plastic shopping bags
- Country Road launched the Towards Circularity collection, comprising sweat tops, pants, and T-shirts made from 30% recycled cotton fibres sourced from our own production runs
- R78.2 million worth of clothing products was donated by Woolworths to the Clothing Bank
- David Jones launched a number of fashion resale platforms in partnership with GlamCorner, Blue Spinach, and Reloop
- All Politix shirts and tops now come in 100% recycled packaging
- Trenery and Witchery participated in a feasibility study to explore the potential for repairs for in-store damage and customer returns of faulty items

LOWLIGHTS AND CHALLENGES

- Covid-19 restrictions and lockdowns have impacted the availability, and in some cases increased the price, of sustainably sourced materials
- Increased local and global demand for recyclable materials has in some cases resulted in shortages of these materials, impacting our ability to source them

LOOKING AHEAD



- Woolworths plans to extend the reverse logistics for hanger collection to the KwaZulu-Natal province in the next year
- Woolworths will continue to comply with the Extended Producer Responsibility (EPR) regulations in South Africa, which aims to ensure that we address pollution by better management of post-consumer packaging waste, and improve recycling by increasing recycling as well as the collection of recyclables
- Woolworths online delivery for Fashion, Beauty and Home is working to eliminate the plastic flyer bag in the next year
- Circular design training is being finalised, and will be rolled out internally across the Group



WATER

Why is this focus area important?

The Group operates in areas where water stress remains a risk, not only to the business but to communities at large. It is reported that two-thirds of the world's population may face water shortages by 2025, and ecosystems around the world will suffer even more. Water is essential to our operations. It is vital in sustaining manufacturing and agriculture, to the health and hygiene of our employees and the communities we operate in, and to keeping our facilities operational.

OVERVIEW

VISION 2025+ GOAL



Work with our suppliers and partners to create **NET POSITIVE WATER IMPACT** in water-stressed basins in our value chain by 2050

We are currently working with the UN Global Compact CEO Water Mandate’s water resilience coalition to unpack how this context-based goal will be defined, measured, and monitored.

AHEAD | ON TRACK | **BEHIND** | NOT YET STARTED

152

water tanks donated to schools through the Woolies Water Fund since inception

HIGHLIGHTS

WOOLWORTHS HAS ADDED BLUESIGN® AS AN ACCREDITATION BODY FOR ITS DETOX PROGRAMME

Despite the Covid-19 pandemic, the Woolworths team managed to complete research on the water quality status at the Crocodile and Sabie catchments in the Mpumalanga province of South Africa. This provides invaluable input to help manage risk in the catchment areas as part of the Woolworths water stewardship programme

LOOKING AHEAD

We will continue to work with water users in the catchments from where we source our products, to help them prevent water pollution and use water efficiently.



ALL WOOLWORTHS BABYWEAR IS NOW DETOX-COMPLIANT

95%

of Woolworths facilities are monitored on a real-time basis

57%

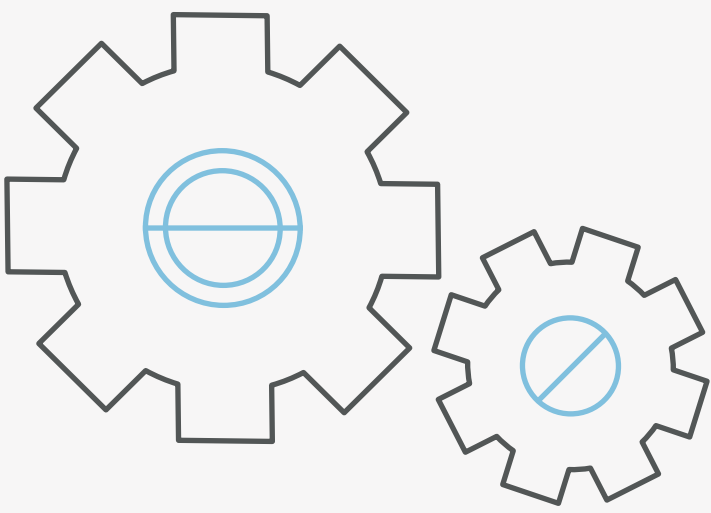
Percentage of relative water consumption shift to groundwater in Woolworths corporate buildings

2021: **73%** 2020: **54%**

97%*

of Woolworths Fashion, Beauty and Home products are free from hazardous chemicals

2021: **70%**



LOWLIGHTS AND CHALLENGES

Measuring and reporting supply chain water usage remains challenging

* Excludes footwear and slippers, accessories, home hards, and beauty.

ENERGY AND CLIMATE CHANGE

Why is this focus area important?

Our products are dependent on the availability of commodities, which are at risk because of climate change. Our commitment to reducing our carbon footprint and working with suppliers to do the same, as well as driving towards greater energy efficiency, is our way of protecting our direct operations and value chains. We are also committed to contributing to the global efforts of limiting global temperature increases to 1.5 degrees above pre-industrial levels. While climate change poses a great risk to our business, in the same breath, it offers us opportunities to innovate as we adapt to the rapidly changing environment.

OVERVIEW

VISION 2025+ GOALS



Achieve **NET ZERO CARBON IMPACT** by 2040

Achieve net zero carbon Scope 1 and 2 emissions by 2040, with 50% reduction by 2030; and work with our top suppliers, representing 25% of total procurement spend (in rand), to set their own reduction targets

FY21*

- 12% reduction in Scope 1 and Scope 2 carbon emissions**

FY20

- 7% reduction in Scope 1 and Scope 2 emissions**

FY19 BASELINE SCOPE 1 AND SCOPE 2 EMISSIONS

- 536 562 tCO₂e

AHEAD | **ON TRACK** | BEHIND | NOT YET STARTED



Source 100% of our energy from **RENEWABLE SOURCES** by 2030

Source 100% of our electricity from renewable sources by 2030

FY21*

- 0.64% (FY20: 0.61%)

BASELINE

- 0.5%

AHEAD | ON TRACK | **BEHIND** | NOT YET STARTED

153

Woolworths stores have LED lighting, and full LED upgrades were completed for three David Jones stores

HIGHLIGHTS

ALMOST 70% OF COUNTRY ROAD GROUP'S ENERGY IS NOW DERIVED FROM GREENPOWER OR EQUIVALENT

- Woolworths Holdings Limited became one of two South African companies invited to participate in the United Nations Global Compact Think Lab on Just Transition
- Woolworths announced the rollout of electric delivery vehicles to 70% of the online delivery fleet
- Woolworths became the first retailer in South Africa to enter a Renewable Energy Tariff programme with Eskom. This allows Woolworths to source wind energy for six sites directly connected to Eskom

LOWLIGHTS AND CHALLENGES

- Loadshedding in South Africa continues to be an obstacle to improving our energy efficiency and reducing our carbon emissions from our direct operations

LOOKING AHEAD

We will continue to explore initiatives that will contribute towards the reduction of our energy use and carbon emissions across the Group.

SPECIFICALLY:

- Country Road Group will transition more sites to renewable energy
- David Jones will transition more stores to energy-efficient LED lighting
- The Group will continue to invest in energy-efficiency initiatives that will enable us to deliver against our emissions reduction targets while deriving cost savings. We will also research best practices that will help in delivering against a low carbon transition
- Woolworths will be upgrading old refrigeration units that are close to their end of life to natural gas (CO₂)
- We will investigate the feasibility of setting more measurable and time-bound Scope 3 emissions reduction targets for the Group

* Energy and carbon footprint data is reported annually in arrears. ** Reduction is calculated against the baseline.

