

WOOLWORTHS HOLDINGS LIMITED

# GOVERNANCE REPORT

2022

*As extracted from the 2022 Integrated Annual Report*

START

# BOARD GOVERNANCE

*The Board is committed to leading the Group effectively and has continued to practice high standards of governance in keeping with its view that this promotes good business, successful strategy execution and performance.*

Leading by example and setting an ethical tone, the Board ensures that good corporate governance is embedded throughout the Group, enhancing our credentials with stakeholders, protecting our reputation, and creating sustainable value for all stakeholders. These ambitions can only be realised by having a well-structured Board and deeply embedded governance principles throughout the Group.

To achieve the Board's governance objectives, it has mandated the Nominations Committee to ensure that the Board composition remains appropriately balanced and constituted of the necessary attributes to support the Group's strategic priorities and growth ambitions. This mandate encompasses a combination of functions ranging from the nomination, induction and evaluation of directors, to conducting an orderly succession process.

## BOARD APPOINTMENTS

Appointments are formally conducted in line with the Appointment of Directors and Board Diversity Policies which set out appointment and diversity parameters. The Policies also include principles to ensure a clear balance of power and authority is maintained at Board level, with collective decision-making to prevent dominance and any individual director from having unfettered powers.

These pre-defined factors ensure that candidates with relevant skills, experience, and knowledge and who will reflect the Board's commitment to diversity are identified and recommended to the Board for appointment. The policy also includes criteria to assess a candidate's independence and whether the candidate has any conflicts that cannot be managed satisfactorily. In addition, the demands of a candidate's other professional commitments are assessed to ensure the candidate has sufficient time and capacity to effectively execute his/her duties.

## DIRECTOR INDEPENDENCE

The Board, through the Nominations Committee, assesses all non-executive directors' independence annually. The assessment is conducted in accordance with the independence criteria recommended by King IV™ and the Company's Memorandum of Incorporation (MOI). In addition, the Board takes the demands of directors' other professional commitments into account to assess whether a director continues to have sufficient time and capacity to discharge his or her duties effectively and is free from conflicts that cannot be managed satisfactorily.

2022

Having conducted its annual independence assessment, the Board is satisfied that the non-executive directors have all demonstrated independent and objective judgement in decision-making, and do not have any interests or associations which, when considered from the perspective of a reasonable and informed third party, are likely to influence their judgement or cause bias in their decision-making.



## DIRECTOR INDUCTION AND DEVELOPMENT

New directors are supported in meeting their statutory obligations and developing an understanding of the Group's strategic priorities, through an extensive induction programme. This includes introductions to the executive and management teams who are responsible for the day-to-day management of the businesses; and a comprehensive immersion into the Group's operations. Visits to all key operations (stores, distribution centres and head offices) across South Africa and Australia, and one-on-one meetings with key levels of management across both regions, are arranged.

2022

During a director's tenure, governance and regulatory briefings are provided and directors are immersed in Company, and more generally, in retail-specific experiences on an ongoing basis.

Recently the emphasis of Board development has focused on gaining even deeper insights into sustainability issues such as the impact of climate change on the Group and its stakeholders; as well as into digital and data governance given these capabilities are integral to our strategy to become a leading and truly connected retailer. More on this aspect of Board development, is in the Board evaluation commentary.

2022

**SUCCESSION**

The Nominations Committee undertook a considered review of the depth of skills and expertise on the Board. The purpose of this was to ensure that collectively the Board has an appropriate combination of attributes to critically assess strategic opportunities and risks and has a clear understanding of and experience in identifying financial and non-financial risks, innovative technologies, and the role of business in sustainability.

The committee also took existing Board members' terms of office and those retiring in accordance with the MOI into account.

The Board is confident that collectively, it has the right balance of skills, experience, and diversity of perspective. These attributes enable the Board to fulfil its fiduciary responsibilities, provide the necessary oversight over implementation of the Group's strategic initiatives, and ensure that good governance practices are maintained.

In addition, the size of the Board is appropriate and provides for suitable representation on the Board's committees.

The Board supported the Nominations Committee in its nomination of the following non-executive directors:

- Nombulelo (Pinky) Moholi as Lead Independent Director
- Phumzile Langeni for appointment to the Board and as a member of the Audit and Risk and Compliance Committees on 1 April 2022
- Rob Collins for appointment to the Board and as a member of the Risk, Information and Technology Committee from 1 October 2022.

The committee also reviewed the leadership and succession planning of the Group executive committee (Group Exco), including the Group CEO, and reviewed both planned and emergency succession planning on an ongoing basis.



Trener, Summer 2022

**ROTATION AND TENURE**

Non-executive directors are subject to a nine-year tenure limit (equating to three terms of three years) on the Board, unless extended in accordance with the criteria in terms of the MOI. Executive directors do not have a tenure limit, however, they are subject to rotation every three years. The mandatory retirement age for executive directors is 63 in terms of the Group's retirement policy and they are eligible for early retirement from the age of 55.

Both executive and non-executive directors are subject to staggered rotation after three years in terms of the MOI. Subject to the Board's eligibility requirements in accordance with its policies and the MOI, directors may make themselves available for re-election by shareholders at the Annual General Meeting.

2022

The following directors will retire at the Annual General Meeting in November 2022, and being eligible in terms of the Board's independence and performance assessments, have made themselves available for election or re-election:

- Rob Collins, who will be recommended for election, given his appointment from 1 October 2022
- Phumzile Langeni, who will be recommended for election, given her appointment from 1 April 2022
- Belinda Earl, who will be recommended for re-election
- Christopher Colfer, who will be recommended for re-election

## BOARD EVALUATION

The Board's policy is to conduct effectiveness evaluations every year, alternating between externally and internally facilitated evaluation processes. This cadence was interrupted over the last cycle due to the Covid-19 pandemic and its resultant demands on the Board.

An internally facilitated evaluation process was followed in 2022 which entailed the online completion of a Board evaluation questionnaire and separate questionnaires for each of the Board committees. The evaluations focused on perspectives to enhance Board dynamics, oversight, practices and stakeholder engagement by:

- identifying what is working well and highlighting any areas for potential improvement;
- assessing how effectively the Board engages with management and vice versa;
- assessing whether the Board and Committees receive the necessary information to perform their respective duties effectively; and
- assessing the extent of stakeholder engagement.

The questionnaires were disseminated, and responses subsequently collated, by a trusted external service provider (The Board Practice) and the Company Secretariat. The outcomes were considered by the Nominations Committee and all other Board committees before presentation to the Board.

The overall consensus was that the Board and Board committees are functioning effectively. There was a collective sentiment that despite the challenges of meeting virtually for the past two years due to the pandemic, the Board had transitioned to the virtual environment effectively, had made positive strides in operating as a cohesive unit, had developed a good rhythm into and through meetings, and that it was a well-functioning Board characterised by an approach of 'high challenge and high support'.

In line with Board members' feedback and their emphasis for the year ahead, further opportunities for immersions on global trends in sustainability, technology, data and human capital management will be arranged going forward.

## GROUP COMPANY SECRETARY

Our Group Company Secretary, Chantel Reddiar, continued in her role as Board and committee adviser on governance matters. She is not a director of the Company and is deemed by the Board to be suitably independent in accordance with the relevant practices recommended by King IV™. In addition, the Board is satisfied that an arm's length relationship exists between it and the Group Company Secretary.

The Group Company Secretary is responsible for engaging with the Board Chairman and committee chairs on meeting topics, ensuring compliance with Board and committee governance, terms of reference, and relevant legislation and regulations.

The Board has assessed Ms Reddiar's competence and expertise and is satisfied that she has the appropriate qualifications, experience, and competence to perform the duties on behalf of a public company. In addition to the company secretarial functions, the Group Company Secretary is responsible for the Group's governance, risk, compliance, and legal functions and is supported by a suitably qualified and experienced team.

***THE OVERALL CONSENSUS WAS THAT THE BOARD AND BOARD COMMITTEES ARE FUNCTIONING EFFECTIVELY. THERE WAS A COLLECTIVE SENTIMENT THAT DESPITE THE CHALLENGES OF MEETING VIRTUALLY FOR THE PAST TWO YEARS DUE TO THE PANDEMIC, THE BOARD HAD TRANSITIONED TO THE REMOTE ENVIRONMENT EFFECTIVELY, AND HAD MADE POSITIVE STRIDES IN OPERATING AS A COHESIVE UNIT.***



# BOARD FOCUS AREAS DURING THE YEAR

As already mentioned elsewhere in this Report, the year under review was shaped by several external events which have placed significant stress on the system. In all instances though, our people consistently stepped up to the challenges with determination and commitment, for which we thank them.

The Board has continued to support, challenge and actively engage with executive leadership as it maintained focus on keeping the business momentum, scanning the horizon for risks and opportunities and trading the business profitably. In addition, the views and interests of the Group's stakeholders were deliberated and considered in decisions - more on our stakeholders is included on pages 26 to 28 of this Report. The Board also continued to fulfil its other core responsibilities of overseeing effective governance, risk and financial accountability over this time.

## BOARD MEETINGS

During the reporting period, the Board held five scheduled meetings with Board calls six weekly in between. In addition, regular written reports on trading and general business performance were provided to the Board by the Group CEO and Group Finance Director. Four of the scheduled meetings took place during the quarterly Board and committee meeting cycles which are held over three days, with two days set aside for strategy discussions every six months. An additional ad hoc meeting was held to approve the interim financial statements and interim dividend. The Board calls, which were held between the scheduled meetings, provided the Board with updates on performance, employee wellness and progress on the Covid-19 vaccination initiatives; and enabled the Board to discuss strategic matters in more detail, consider the 2022 capital optimisation plan, and approve the final 2022 budget.

The first two quarterly meetings of the year were held digitally, and as the Covid-19 infection rates eased, the February and May quarterly Board and committee meeting cycles were held physically, in Cape Town, South Africa, for the first time in two years. On both these occasions, the Board also visited stores and a supplier facility, and engaged with management and store employees. The November meeting cycle will be held in Australia facilitating broader face-to-face engagement by the Board.

The Board composition and director attendance at Board and committee meetings during the reporting period are set out in the table alongside, which excludes details of the Board calls.

## FOCUS AREAS

The year under review started with a strengthened balance sheet, improved liquidity and significantly reduced debt. We also refreshed our strategic framework and implemented a revised Group scorecard (dashboard) to track performance against the new strategic objectives. The scorecard, which provides the Board with an overview on strategy execution, is tabled at each quarterly Board meeting and all items for discussion are guided by, and mapped against, the Company's strategic priorities.

In addition, the Board receives feedback from Board committee chairmen at each quarterly meeting, on the key matters dealt with by the committees as well as recommendations on policy amendments and regulatory updates. The Board executes its responsibility for monitoring the Group's systems of risk management and internal control, and for reviewing their effectiveness, through the Risk and Compliance Committee which is formally comprised of all Board members. Full details on the Board's approach to Risk management is set out on pages 29 to 35 of this Report.

## BOARD ATTENDANCE FOR THE YEAR UNDER REVIEW

STRAT – Strategy; AC – Audit Committee; NOMCO – Nominations Committee; R&C – Risk and Compliance Committee; R&TM – Remuneration and Talent Management Committee; SEC – Social and Ethics Committee; SC – Sustainability Committee; TC – Treasury Committee.

	Date of appointment	Designation	Overall attendance	BOARD	STRAT	AC	NOMCO	R&C	R&TM	SEC	SC	TC	Directors standing for election or re-election
Hubert Brody <sup>1</sup>	01/07/2014	Independent Non-executive	96%	5/5	2/2		4/4	4/4	3/3	3/3	2/2	3/4	
Roy Bagattini	17/02/2020	Executive	100%	5/5	2/2			4/4		3/3	2/2	4/4	
Zarina Bassa <sup>2</sup>	17/11/2011	Independent Non-executive	100%	4/4	1/1	3/3	3/3	3/3	2/2			3/3	
Christopher Colfer	01/07/2019	Independent Non-executive	100%	5/5	2/2	4/4	4/4	4/4	3/3				Re-election
Belinda Earl	01/07/2019	Independent Non-executive	92%	4/5	2/2			4/4			2/2		Re-election
Reeza Isaacs	26/11/2013	Executive	100%	5/5	2/2			4/4				4/4	
David Kneale	11/03/2019	Independent Non-executive	100%	5/5	2/2		4/4	4/4	3/3				
Phumzile Langeni <sup>3</sup>	01/04/2022	Independent Non-executive	75%	1/1	1/1	1/1		0/1					Election
Nombulelo Moholi <sup>4</sup>	01/07/2014	Lead Independent Non-executive	96%	4/5	2/2		4/4	4/4	3/3	3/3	2/2		
Sam Ngumeni <sup>5</sup>	12/02/2014	Executive	100%	5/5	2/2			4/4		2/2	1/1		
Zyda Rylands <sup>6</sup>	22/08/2006	Executive	100%	1/1				1/1		1/1	1/1		
Thembisa Skweyiya	11/03/2019	Independent Non-executive	100%	5/5	2/2	4/4		4/4		3/3	2/2	4/4	
Clive Thomson	19/08/2019	Independent Non-executive	100%	5/5	2/2	4/4		4/4		3/3		4/4	

1. Chairman

2. Resigned from the Board and the Audit, Treasury, Nominations, Remuneration and Talent Management and Risk and Compliance Committees on 31 March 2022

3. Appointed to the Board and the Audit and Risk and Compliance Committees on 1 April 2022

4. Appointed as Lead Independent Director on 7 July 2022

5. Appointed to the Social and Ethics and Sustainability Committees on 1 October 2021

6. Resigned from the Board and the Risk and Compliance, Social and Ethics and Sustainability Committees on 30 September 2021

AN OVERVIEW OF THE MATTERS DISCUSSED AND DEBATED BY THE BOARD DURING THE YEAR IS PROVIDED BELOW:



STRATEGY

- Continued to monitor and oversee performance against the strategic initiatives particularly in the context of the dynamic nature of the Covid-19 pandemic and emerging macro risks
- Considered and approved the Integrated Business Plan to achieve tighter integration of strategies, investment priorities and financial outcomes
- Supported the Group CEO's restructure of the Woolworths South Africa operating model to target and drive strategy execution with greater speed, agility and clearer accountability
- Monitored progress on the refurbishment of the David Jones flagship store in Melbourne, Australia (Bourke Street) which was successfully completed on time in July 2022 and approved the downsizing and redevelopment of the flagship store in Chatswood, New South Wales, Australia, which will be jointly funded by the landlord and by David Jones from operating and capital budgets
- Reviewed David Jones' store optimisation strategy and in particular the downsizing of its real estate footprint and reduction in occupancy costs; and approved space reduction arrangements with certain landlords
- Took an in depth review of the David Jones and Woolworths South Africa loyalty propositions and supported management's proposed innovations and the development of upweighted offerings within the parameters of the cost optimisation plan
- Finalised the strategic risk profile at the annual strategic risk workshop



FINANCE

- Oversaw the restructuring of the capital optimisation plan and reviewed value unlock proposals for the Australian businesses
- Considered the Group's longer-term dividend policy and approved the payment of a final dividend of 149.0cps and an interim dividend of 60% of Woolworths South Africa's earnings; a special dividend of A\$90 million from David Jones
- Deliberated how best to return capital to shareholders and further enhance shareholder value given the strong liquidity levels, and approved a share repurchase of up to R1.5bn, funded partially from the special dividend of c.R1bn received from David Jones
- Approved the acquisition by WSA of a property in Pinetown, Kwa-Zulu Natal, for use as a distribution facility given the limited remaining useful capacity of the currently owned facility



GOVERNANCE

- Considered the results from the internally facilitated Board and Committee evaluations which are referred to in earlier sections of this Report
- Hosted the 2021 Annual General Meeting virtually due to Covid-19 restrictions and ensured the necessary capability for all attendees to engage on the virtual platform and put questions to the Board
- Received feedback on the pertinent issues raised at the inaugural Good Business Journey investor engagement session held in October 2021 as well as from the Board committees and executive management on their respective stakeholder engagements
- Received feedback on employee pulse and customer perception surveys and monitored management's responses to the issues raised
- Approved a new Group Stakeholder Engagement policy to promote meaningful and appropriate engagement with each stakeholder group
- Reviewed the Board committee terms of reference and approved changes to the Risk and Compliance and Social and Ethics committees' terms of reference as indicated further in this Report
- Approved the 2022 Integrated Annual Report



SUSTAINABILITY

- Ensured that financial decisions remained aligned to the sustainability strategy and supported the execution of sustainability-linked funding and a term loan with Standard Bank which won the EMEA Finance award for Best Sustainability Linked Loan in the 2021 awards
- Received updates on performance against the Good Business Journey Vision 2025+ targets
- Received feedback on the establishment of an internal reporting framework to ensure appropriate Climate-related Financial Disclosures (TCFD) in reports going forward
- Monitored the integration of environmental and sustainability risks into the existing risk management system
- Received feedback on the Group's first Sustainability Investor engagement held in October 2021
- Introduced a process to increase Board insights into current and developing sustainability issues to better inform decision-making on sustainability matters and more urgent concerns such as the impact of climate change on the Group and its stakeholders
- Approved the Good Business Journey Report

2023 FOCUS AREAS

- Continue to monitor the initiatives implemented to amplify the Group's medium and long-term strategies and the impact of the constrained macro-economic environment on our people and customers
- Continue to support management in the appropriate strategic allocation of capital, with a focus on opportunities to support innovation and competitive positioning
- Monitor the Group's response to climate change including the mitigation of climate change risks
- Assess the impacts of the changed "world of work" model on outputs as well as the effect on our people
- Monitor digital and data transformation progress and the delivery of omnichannel customer-centric solutions and experiences
- Oversee the up-weighting of the Employee Value Proposition, enhancing the approach to talent development and embedding a high performance culture and greater levels of accountability
- Continue to increase the Board's insights into sustainability matters and roll out an extended insights development programme covering global trends in retail, technology, data and human capital management

# OUR GOVERNANCE FRAMEWORK

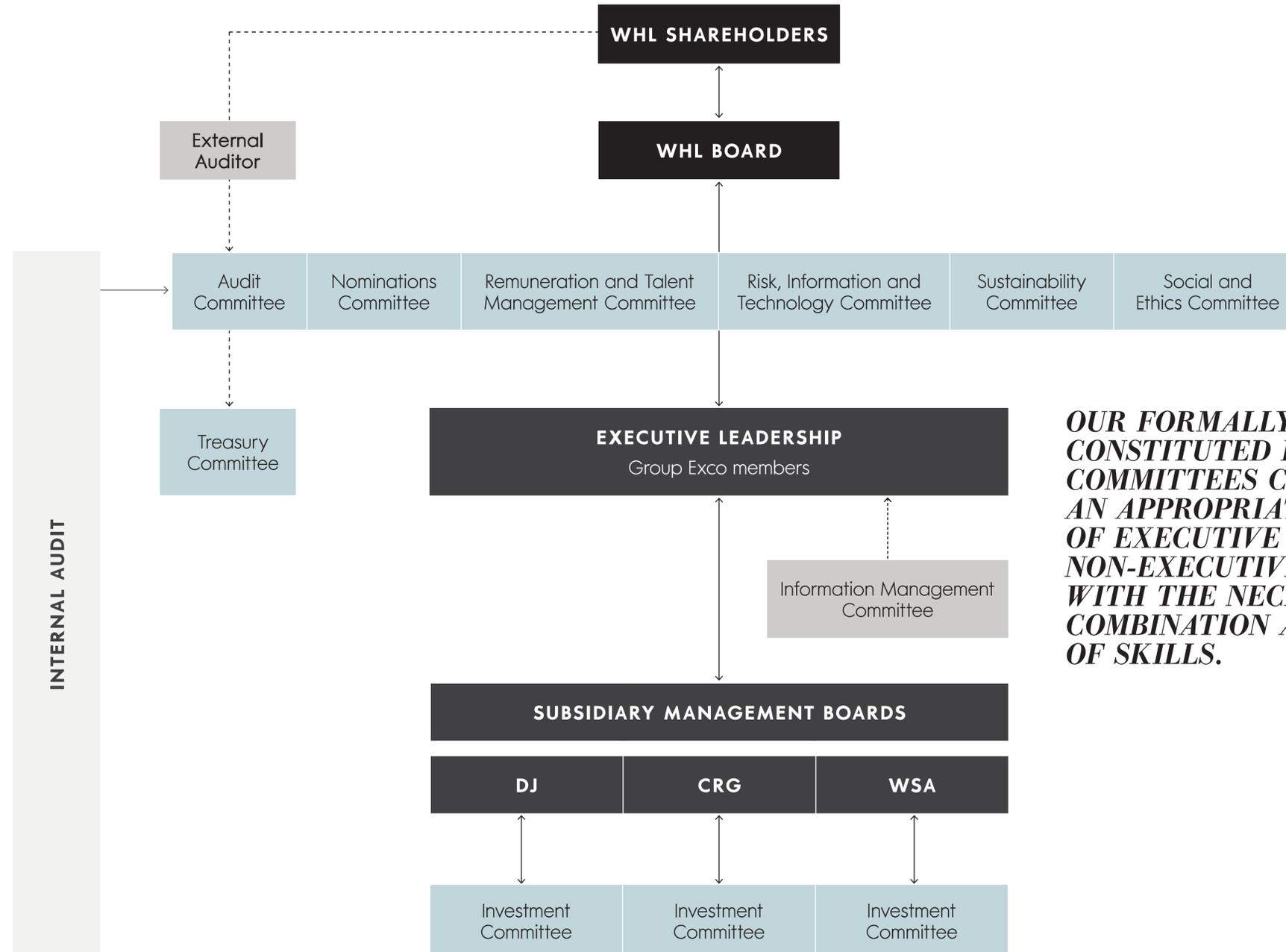
*Our governance framework facilitates collaborative leadership and effective decision-making at the appropriate levels, ensuring that the Board and its committees, Group Exco and senior management are able to collaborate proactively, consider issues and take action at the appropriate levels.*

At the end of the reporting period, the Risk and Compliance and Social and Ethics committees' responsibilities were adjusted to add further emphasis to the Risk and Compliance Committee's responsibilities relating to Information and Technology governance given the increasing strategic importance of digital and data in the business. To open up capacity on the Risk and Compliance Committee for this, the committee's compliance-related functions will be consolidated with those currently performed by the Social and Ethics Committee. Going forward these committees will be referred to as the Risk, Information and Technology and Social and Ethics Committee.

Further details on the governance framework and the supporting processes and policies, such as the Board Charter, committee terms of reference (updated as described above), and our governance policies, are available on our website, [www.woolworthsholdings.co.za](http://www.woolworthsholdings.co.za).

## BOARD COMMITTEES

Our formally constituted Board committees comprise an appropriate balance of executive and non-executive directors with the necessary combination and balance of skills to effectively execute the respective committee mandates. These are set out in formal terms of reference and delegated powers from the Board and are reviewed annually for relevance and effectiveness.



**OUR FORMALLY CONSTITUTED BOARD COMMITTEES COMPRISE AN APPROPRIATE BALANCE OF EXECUTIVE AND NON-EXECUTIVE DIRECTORS WITH THE NECESSARY COMBINATION AND BALANCE OF SKILLS.**

## NOMINATIONS COMMITTEE



4  
Meetings

4  
Independent  
Non-Executive  
Directors

### MEMBERS

**Hubert Brody** (Chairman), Christopher Colfer, David Kneale and Nombulelo Moholi

**Membership changes:** Zarina Bassa stepped down on 31 March 2022

### MANDATE

Assists the Board with the nomination, election, and appointment of directors in accordance with Board policies and the succession strategy. The committee is also responsible for executive succession; setting the Group CEO's performance goals; considering the Group CEO's performance, and remuneration as well as the performance of individual board members and the Group Company Secretary.

### 2023 FOCUS AREAS

- Oversee implementation of the revised Board development programme to develop greater insights into global technology trends, and data and human capital management
- Oversee the 2023 externally facilitated Board and committee evaluation processes
- Regularly review, deliberate and enhance Board and executive succession plans
- Oversee the continued evolution of the governance framework with particular reference to the roles and duties of Board committees



### 2022 GOVERNANCE OUTCOMES

- Considered the results from the internally facilitated Board and Committee evaluations and provided feedback to the Board; and considered the results of the committee's evaluation, which found that it functions effectively
- Evaluated the Group CEO's performance for 2021 and agreed his 2022 key performance goals and measures, which include ESG measures for the first time
- Reviewed the Board succession plan to ensure the appropriate balance of skills, knowledge, and experience for effective leadership of the Group, as well as ongoing female and black member representation on the Board
- Recommended for Board approval, the appointment of Ms Moholi as Lead Independent Director; Mr Kneale as Chairman of the Risk and Compliance and Remuneration and Talent Management Committees; and Ms Langeni and Mr Collins as non-executive directors
- Considered the Group CEO's executive succession updates and supported his initiatives to build a robust succession pipeline together with emergency succession alternatives
- Reviewed the governance framework, Board committee compositions, skills matrix and responsibilities. Recommended changes to the Risk and Compliance and Social and Ethics committees' terms of reference as indicated further in this Report, to ensure the Board's areas of accountability continue to be well supported
- Focused on furthering Board development in sustainability matters
- Assessed the independence and performance of non-executive directors to ensure a balanced and independent Board
- Reviewed the composition of the Audit Committee, the directors retiring by rotation, and nominated directors for election at the 2022 Annual General Meeting

## REMUNERATION AND TALENT MANAGEMENT COMMITTEE



3  
Meetings

4  
Independent  
Non-Executive  
Directors

### MEMBERS

**Members:** David Kneale (Chairman), Hubert Brody, Christopher Colfer, and Nombulelo Moholi

**Membership changes:** Zarina Bassa stepped down as Chairman on 24 November 2021 and as a member on 31 March 2022

### MANDATE

To ensure that the Employee Value Proposition promotes fair, responsible, transparent remuneration and responsible employment practices within the Group. In addition, ensures the establishment of an appropriate remuneration framework and adoption of remuneration policies to attract and retain top talent with the capacity to drive the Group's long-term strategy and sustainable performance; and that talent management strategies and practices are appropriate to drive the Group's long-term success.

### 2023 FOCUS AREAS

- Continue to refine the Remuneration Policy to attract and retain top talent in support the Group's strategic objectives
- Ensure appropriate agility in the remuneration framework to remain resilient to changing operational requirements and global trends
- Ensure that the Group continues to attract, develop and retain critical talent to ensure achievement of the strategic objectives and ongoing success
- Monitor the effectiveness of talent management and development strategies with particular reference to the Group leadership competency framework
- Continue to monitor the Group's human capital strategies for scarce data, digital and technology skills
- Continue to drive engagement with shareholders to ensure the Remuneration Policy remains relevant, appropriate and aligned to good governance practice



### 2022 GOVERNANCE OUTCOMES

- Engaged with shareholders prior to and after the 2021 AGM to gain insights into topical issues
- Continued to refine the Group's Remuneration Policy to ensure rewards and benefits contributed to the successful delivery of the Group's strategy; remain appropriately competitive to mitigate retention risk and that these are balanced with the interests of stakeholders
- Convened a workshop at which the committee reviewed the Group's approach to incentive remuneration as well as global remuneration trends and benchmarking
- Approved the FY2023 performance measures and weightings for executives, as well as the inclusion of an ESG performance condition from 2023
- Approved implementation of a minimum shareholding requirement
- Approved the overall remuneration budget for all employees, as well as the remuneration paid to the Group CEO; and Group and subsidiary Exco members
- Reviewed material skills retention risks and management's mitigation plans
- Reviewed the succession planning for senior management and the bench strength for the top 40 roles in the Group
- Convened a talent review workshop at which the committee assessed the talent landscape and the impact of the executive talent management strategy
- Monitored the Group's approach to fair pay and maintained the focus on a just wage in South Africa
- Considered the results of the committee effectiveness evaluation which found that the committee functions effectively

## RISK AND COMPLIANCE COMMITTEE\*



4 Meetings

8 Independent Non-Executive Directors

3 Executive Directors

### 2022 GOVERNANCE OUTCOMES

- Continued to monitor the Group's key risks and trends, particularly the evolving post Covid-19 outlook, as well as the impact of continuing global economic uncertainty and socio-political challenges
- Reviewed the key risk mitigation controls and regular adjustments to the controls to respond to changing operating conditions
- Monitored the integration of environmental and sustainability risks into the existing risk management system
- Finalised the strategic risk profile at the annual strategic risk workshop
- Reviewed the effectiveness of the risk management processes and the adequacy and effectiveness of the Group's Business Continuity Programme
- Reviewed IT governance reports, including the strategic alignment and execution of IT projects, and development of technology and digital delivery capabilities
- Considered cyber resilience capability for effective protection against and responses to cyber-attacks, and noted that the Group's cyber defences had not been breached during the year
- Reviewed the Information Management Committee's activities relating to information and data governance frameworks, information and data security management and related policies and procedures
- Reviewed the processes and systems in place to prevent and detect fraud
- Continued to monitor health and safety trends across the Group and assessed the measures taken to protect employees and customers
- Reviewed the Group's insurance programmes that moderate against key insurable risks
- Recommended the updated Group Enterprise Risk Management and Compliance Policies to the Board
- Considered and approved the annual risk management and compliance monitoring plans
- Reviewed the regulatory compliance framework, processes and risks for all operations
- Reviewed and approved the Combined Assurance Model
- Considered the results of the committee effectiveness evaluation which found that the committee functions effectively

### MEMBERS

**David Kneale** (Chairman), Roy Bagattini, Hubert Brody, Christopher Colfer, Belinda Earl, Reeza Isaacs, Phumzile Langeni, Nombulelo Moholi, Sam Ngumeni, Thembisa Skweyiya, and Clive Thomson

**Membership changes:** Zarina Bassa and Zyda Rylands stepped down on 31 March 2022 and 30 September 2022, respectively; and Phumzile Langeni was appointed on 1 April 2022

### MANDATE

Assists the Board in the governance of risk and setting the direction for Enterprise Risk Management throughout the Group. In addition, oversees and holds management accountable for the implementation of effective risk management and compliance.

\* The Committee's name was changed to Risk, Information and Technology Committee post year end

### 2023 FOCUS AREAS

- Continue to monitor the effectiveness of the risk management framework and measures to protect the Group against future disruptions
- Up-weight the emphasis on IT Governance, including the execution of IT projects and efficacy of technology and digital delivery capabilities
- Continue to assess the efficacy of information security capabilities and business resilience practices
- Continue to monitor data governance frameworks and controls in place to ensure ongoing privacy of information and the protection and ethical use of data



## AUDIT COMMITTEE



4 Meetings

4 Independent Non-Executive Directors

### 2022 GOVERNANCE OUTCOMES

- Monitored the integrity of the annual and interim financial statements and trading announcements and recommended them to the Board for approval
- Reviewed quarterly finance reports, business performance reviews, as well as solvency and liquidity and going concern assessments
- Monitored the robustness of the internal control framework over financial reporting to support the Chief Executive and Chief Financial Officer's responsibility statement
- Considered and endorsed Treasury Committee recommendations relating to the payment of the 2022 interim dividend out of Woolworths South Africa and a special dividend of A\$90 million from David Jones
- Assessed the merits of and subsequently endorsed the Treasury Committee's recommendation to execute a share repurchase programme of R1.5 billion
- Assessed whether the Integrated Annual Report presented a fair and balanced view of the Group with any material issues reported appropriately
- Managed the external auditor (KPMG) transition and the ongoing relationship, including monitoring their independence and effectiveness in relation to their audit quality and expertise
- Evaluated the independence and effectiveness of the Internal Audit function in terms of its scope, execution of the audit plan, coverage, skills, resourcing and overall performance
- Received reports on the Group's tax position and status of tax compliance
- Monitored the re-alignment of financial decisions with the Group's sustainability strategy and the execution of sustainability-linked term loans, revolving credit facilities, general banking facilities and an unlisted bond
- Reviewed a proposal for the establishment of an internal reporting framework to ensure appropriate climate related financial disclosures (TCFD) in reports;
- Accepted responsibility for the role of Audit Committee of South African subsidiary companies
- Considered the results of the committee effectiveness evaluation which found that the committee functions effectively

### MEMBERS

**Clive Thomson** (Chairman), Christopher Colfer, Phumzile Langeni, and Thembisa Skweyiya

**Membership changes:** Zarina Bassa stepped down on 31 March 2022 and Phumzile Langeni was appointed on 1 April 2022

### MANDATE

To provide independent oversight over the effectiveness of the internal financial controls and the system of internal controls to ensure the integrity of the Group's Annual Financial Statements and related external reports. Monitors the effectiveness of the Group's external and internal assurance to ensure the integrity of the Group's financial and integrated reporting. In addition assesses the independence and effectiveness of the external auditor and manages the relationship with them.

### 2023 FOCUS AREAS

- Continue to monitor business and financial performance in line with the strategy and cost optimisation plans
- Monitor the capital allocation framework and principles to ensure that capital allocation decisions are aligned to these
- Continue to ensure that financing decisions are aligned with maintaining a strong balance sheet, achieving targeted gearing levels and incorporating ESG and sustainability principles
- Monitor progress in aligning reports with appropriate Climate-related Financial Disclosures



## SOCIAL AND ETHICS COMMITTEE



### 2022 GOVERNANCE OUTCOMES

- Continued to monitor the impact of the Group's Inclusive Justice Initiative and received regular updates on progress including tracking against the BBBEE scorecard in South Africa
- Together with the Sustainability Committee, hosted the Group's first Sustainability Investor engagement in October 2021
- Received an update on the employee Pulse survey conducted across the Group during the year
- Oversaw the continued evolution of the Group's stakeholder engagement strategy; recommended the Stakeholder engagement Policy to the Board for approval; and considered feedback on the 2022 Stakeholder Survey in Woolworths South Africa
- Continued to monitor the effectiveness of employee mental health and wellness initiatives
- Monitored initiatives to drive vaccination rates for a safer workplace as well as the implementation of the hybrid working model and return to work plans
- Monitored progress on employment equity plans, barriers to achieving the plans and remedial action
- Reviewed the Group's talent succession plans focusing on diversity, inclusivity, and female representation at senior management levels
- Received regular updates on the Group's Social Development initiatives, as well as their impact, and sponsorships
- Reviewed the Group Anti-Bribery and Corruption and Whistleblowing Policies; and the approach to training and employee engagement in relation to both policies
- Reviewed the Group's employment and supply chain practices for alignment with global best practice to ensure the protection of human rights and prevention of child and forced labour
- Reviewed the David Jones and Country Road Group's modern slavery plans in accordance with the Australian Modern Slavery Act
- Monitored the Group's customer communications and surveys, as well as initiatives to ensure customer safety
- Accepted responsibility for the role of Social and Ethics Committees of subsidiary companies
- Considered the results of the committee effectiveness evaluation which found that the committee functions effectively

### MEMBERS

**Thembisa Skweyiya** (Chairman), Roy Bagattini, Hubert Brody, Nombulelo Moholi, Sam Ngumeni, and Clive Thomson

**Membership changes:** Zyla Rylands stepped down on 30 September 2021 and Sam Ngumeni was appointed on 1 October 2021

### MANDATE

Assists the Board in setting the tone for an ethical organisational culture by overseeing the Group's conduct and approach, and ensuring that the manner in which the business is conducted supports the Group's intent to be a responsible corporate citizen. In addition, carries out the statutory duties in terms of the Companies Act.

### 2023 FOCUS AREAS

- Monitor performance against the Group's 2025 Transformation vision, including the impact of the Inclusive Justice Initiative
- Continue to monitor the impact of the Group's Social Development initiatives
- Oversee the continued evolution of the Group's stakeholder engagement strategy
- In the context of the Committee's expanded compliance role in 2023, review the Group's Compliance Framework and monitor the effectiveness of the approach to regulatory compliance and the conduct of mandatory compliance training



## TREASURY COMMITTEE



### 2022 GOVERNANCE OUTCOMES

- Continued to monitor the liquidity positions of the Australian and South African businesses against forecasts
- Considered the Group's longer-term dividend policy and recommended resumption of the WSA interim dividend at a pay-out ratio of 60%; a special dividend of A\$90 million from David Jones; and the reinstatement of the Woolworths South Africa and Country Road Group dividend at a 70% payout ratio.
- Recommended that a share repurchase programme with a total value of R1.5 billion be executed
- Reviewed interest rate and foreign currency risks, levels of hedging and foreign exchange cover in the context of market conditions and prevailing volatility
- Monitored the execution of sustainability-linked term loans, revolving credit facilities, general banking facilities and an unlisted bond
- Recommended proposed changes to the Group's domestic medium term note programme to align the terms of the programme with the new JSE Debt Listings Requirements
- Reviewed the Group Treasury Policy and counterparty exposure limits and recommended certain amendments
- Considered the results of the committee effectiveness evaluation, which found that the committee functions effectively

### MEMBERS

**Clive Thomson** (Chairman), Roy Bagattini, Hubert Brody, Reeza Isaacs, Thembisa Skweyiya and Ian Thompson

**Membership changes:** Zarina Bassa stepped down on 31 March 2022

### MANDATE

To oversee the Group's treasury management functions and policies and to proactively manage the Group's treasury risks and exposures within acceptable risk limits in compliance with the Group's Treasury Policy guidelines.

### 2023 FOCUS AREAS

- Continue to monitor the Group's capital structure, liquidity positions, balance sheet risks inclusive of stress testing and all treasury related exposures and risks in line with Group treasury policy
- Monitor the effectiveness of the capital allocation plan to support the Group's strategies and growth ambitions
- Ensure momentum is maintained with regard to the conversion of existing or new debt to sustainability-linked lending/banking facilities



## SUSTAINABILITY COMMITTEE



2 Meetings

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4 Independent Non-Executive Directors

2 Executive Directors

### MEMBERS

**Members:** Belinda Earl (Chairman), Roy Bagattini, Hubert Brody, Nombulelo Moholi, Sam Ngumeni, and Thembisa Skweyiya

**Membership changes:** Zyda Rylands stepped down on 30 September 2021 and Sam Ngumeni was appointed on 1 October 2021

### MANDATE

To ensure that the Group's sustainability strategy positions the Group as a leader in responsible retailing in the markets in which it trades; and to oversee that the sustainability initiatives and objectives are effectively integrated into the business and that the Group operates in an environmentally responsible manner.

### 2022 GOVERNANCE OUTCOMES

- Hosted the Group's first Sustainability (Good Business Journey) Investor engagement in October 2021 in partnership with the Social and Ethics Committee
- Continued to monitor the effects of climate change and the risks and opportunities for our value chain
- Received updates on the evolving global sustainability reporting landscape, including the International Sustainability Standards Board exposure drafts, updates made to the TCFD and the JSE Sustainability and Climate Change Guidance
- Received updates on the Group's performance relative to the annual internal sustainability targets under the Vision 2025+ strategy
- Received feedback on progress with regard to the rollout of the combined assurance model on sustainability data
- Reviewed and approved the sustainability materiality determination process and material issues identified
- Approved the scope of the limited assurance engagement and readiness review exercise for the 2022 Good Business Journey Report
- Considered the results of the biannual corporate reputation survey (covering environmental and social elements) which tracks the reputations of Woolworths South Africa, David Jones and Country Road Group relative to their competitors
- Received updates on local and global sustainability trends and news, as well as on environmental-related legislation
- Oversaw ethical sourcing initiatives; as well as progress towards our zero waste to landfill packaging commitments
- Continued to collaborate with the Social and Ethics Committee
- Reviewed key sustainability risks identified and reported to the Risk and Compliance Committee
- Reviewed and recommended the Sustainability Report (Good Business Journey Report) for 2022 to the Board for approval
- Considered the results of the committee effectiveness evaluation which found that the committee functions effectively

### 2023 FOCUS AREAS

- Continued focus on ensuring that the sustainability strategy positions the Group as a leader in responsible retailing in the countries in which we trade
- Oversee effective integration of sustainability initiatives and objectives into the business
- Ensure that the Group operates in an environmentally and socially responsible manner whilst striving for more responsible consumption and production systems and behaviours



**CONTINUED FOCUS ON ENSURING THAT THE SUSTAINABILITY STRATEGY POSITIONS THE GROUP AS A LEADER IN RESPONSIBLE RETAILING IN THE COUNTRIES IN WHICH WE TRADE.**



## SHAREHOLDER ENGAGEMENT

We are committed to developing and maintaining quality, long-term relationships with a broad range of stakeholders who have an interest in the Group. Our approach in this regard is detailed in the opening sections on pages 26 to 28 of this Report. For the purposes of this section, we focus on shareholder engagements on Environmental, Social, and Governance (ESG) matters which took place at the end of 2021. These included one-on-one engagements with Hubert Brody, Zarina Bassa and the Group Company Secretary, Chantel Reddiar, as well as one-on-one meetings with management to discuss the resolutions to be tabled for approval at the Annual General Meeting, after the Notice of Meeting was published. Similar engagements will take place once the Notice of Meeting has been published on our website.

A further highlight on our engagement calendar was the inaugural Sustainability (Good Business Journey) investor Engagement which was hosted jointly by the Sustainability and Social and Ethics Committees in October 2021. The engagement was well attended and will become a regular forum for investors and shareholders to delve into more detail on our sustainability initiatives and raise topical matters for discussion.

Shareholders are encouraged to attend the 2022 Annual General Meeting, which provides further opportunity to engage with the Board. There is an open invitation to do so at the 2022 Annual General Meeting. The Meeting will be accessible by way of a virtual platform. More details on this are included in the Notice of Meeting on our website.

**A HIGHLIGHT ON OUR ENGAGEMENT CALENDAR WAS THE INAUGURAL SUSTAINABILITY (GOOD BUSINESS JOURNEY) INVESTOR ENGAGEMENT WHICH WAS HOSTED JOINTLY BY THE SUSTAINABILITY AND SOCIAL AND ETHICS COMMITTEES IN OCTOBER 2021**

## HOW WE EMBED ETHICS INTO OUR CULTURE

Our business model is underpinned by strong governance oversight and a commitment to practice the highest standards of governance, ethics, and integrity. These principles, together with our shared values and traditions, shape the way we work and conduct ourselves in delivering our vision of becoming one of the world's most responsible retailers.

### GOVERNANCE OF ETHICS

Our ethics governance starts with the Board which is ultimately responsible for setting and steering the Group's culture and practices. In support of the overriding principle to do business ethically and with integrity, the Board has adopted a suite of policies to articulate and embed ethical practices across the Group. These policies are informed by the relevant provisions of the Companies Act, King IV™, the United Nations Global Compact and the Organisation for Economic Co-operation and Development (OECD) principles. The Board has further delegated authority for monitoring and reviewing the policy suite to the relevant Board committees and the implementation and execution thereof to management. Policies are reviewed annually and updated when necessary.

### AWARENESS AND TRAINING

Awareness training is provided to employees on their induction to the Group and internal governance engagement takes the form of 'Governance Week Conversations' held in South Africa and Australia twice a year. These conversations are hosted by the Governance Academy on our various online channels in South Africa and Australia and provide employees with real time panel discussions, and access to short videos, podcasts, visual guides covering a range of topics.



During the year we established the Governance Academy which offers insights into governance matters and mandatory compliance training throughout the Group and hosts regular Governance Weeks. In addition, the Academy hosts 'topic of the month' discussions on topics such as: dealing with ethical dilemmas; managing conflicts of interest; our approach to prevent bribery and corruption; complaints on internal audit and accounting practices; whistleblowing and protections afforded to whistleblowers; insider trading and price-sensitive information; protection of personal information; cyber security; intellectual property rights, and anti-competitive practices. Our suite of policies and easy-to-understand summaries are also made available on our Governance Academy digital channels.

Awareness of and a deep commitment to values and ethics within the Group are incorporated in employee engagement surveys. Our Supplier Codes of Business Principles and position statements require suppliers to the Group, to adopt the Group's approach to ethics, acceptable labour and safety standards, environmental stewardship, animal welfare, and zero tolerance for bribery and corruption.

### OUR GUIDING PRINCIPLES

Our actions are guided by the following principles:

- We are committed to complying with all national legislation and regulations applicable in the regions in which the Group operates. We have an established compliance process that is key to embedding a compliance culture across the Group – for more on compliance refer to the compliance function section below
- We avoid direct, perceived or potential conflicts of interest and our Conflicts of Interests Policies and regular Governance Conversations guide us to do the right thing when we face ethical dilemmas
- We do not trade in the Company's shares during closed or prohibited periods; and our directors, employees and any of their families and/or associates are not permitted to use price sensitive information to gain an advantage. Specific guidance in this regard is provided in the Insider Trading and Price Sensitive Information Policies
- Prior clearance to trade in the Company's shares during open periods must be obtained by all directors of the Company and subsidiaries, the Group Company Secretary, members of Group Exco, and their investment managers dealing on their behalf
- The giving of gifts or favours or making of facilitation payments in an effort to sell products or services or to influence business, labour or governmental decision-making is strictly prohibited. In addition, employees may not accept gifts or favours from any business partners, suppliers or other vendors. Our Group Anti-bribery and Corruption Policy and the Supplier Code of Business Principles provide guidance in this regard
- Sponsorships or donations are managed strictly in accordance with the Group Sponsorship Policy and any direct or indirect contributions to any political party, committee or candidate for public office is strictly forbidden
- We respect human rights and dignity and are intolerant of any form of discrimination and inequality. Our commitment to human rights is entrenched in our internal policies, practices. As signatories to the UN Women's Empowerment Principles and the United Nations Global Compact, we are committed to observing the principles advocated by these forums
- We hold our business partners, including suppliers, to the same standards and require them to respect human rights, practice high labour and safety standards, exercise due care in the use of environmental resources and in their animal husbandry practices. They are also required to adhere to our zero tolerance for bribery and corruption, child labour and slavery. Our Supplier Code of Business Principles, policy statements and ethical sourcing guides give further context to these requirements
- We provide reporting channels for our employees or third parties to safely (anonymously or confidentially) report to an independent third-party service provider, without fear of retribution, any concern about or knowledge of fraud, a violation of Group practices, policies or laws or regulations. Details on how to report a concern are set out in the Group Whistleblower and the Accounting or Audit Matters Complaint Policies.

**COMPLIANCE**

The Group is committed to operating in line with all legal and regulatory requirements in the countries in which it operates, and it recognises its obligations and responsibilities to all stakeholders. The Board has, accordingly, approved an effective compliance programme as part of the risk management framework.

Management is responsible for the design, implementation and monitoring of compliance structures as well as for integrating regulatory compliance into business processes. Each business has its own unique regulatory universe which is assessed against defined risk criteria and informs the compliance monitoring plan for the relevant business. Compliance monitoring forms an essential component of the compliance process and is designed to examine business activities to enable management and the Board to ensure that business is conducted in compliance with relevant regulatory requirements. Key regulatory items are monitored more frequently and reported to the Risk and Compliance Committee every quarter and from 2023 this oversight function will be performed by the Social and Ethics

Committee. Oversight will include the level of regulatory compliance to the applicable legislation, regulations, standards, best practices and codes that have been identified to be of importance.

Management continually strives to integrate compliance as a key component of organisational culture. This culture is further entrenched through ongoing training and awareness of regulatory modules, which are designed and administered by the compliance team with training being offered via the recently operationalised Governance Academy's digital channels which reach beyond our head office employees, to our store and distribution centre colleagues.

The compliance function forms part of the Group combined assurance model, which covers the three lines of defence, namely, management control, risk control, and compliance oversight functions, as well as independent assurance. The Board is not aware of the Group having breached any material regulatory requirements or having failed to meet any statutory obligations during the year under review.

ANNUAL COMPLIANCE CERTIFICATE	KING IV™ COMPLIANCE
<p>The annual compliance certificate confirming the Company's compliance with the JSE Listings and Debt Listings Requirements for the reporting period was submitted to the JSE on 30 September 2022.</p>	<p>Being of the view that good corporate governance contributes to value creation, the Board endorses the holistic approach to corporate governance and the purposeful application of the practices recommended in association with the King IV™ principles. These are incorporated into the Group's governance framework and related policies and practices. The primary objective in terms of applying the King IV™ principles is to ensure that the governance outcomes relating to an ethical culture, effective control, good performance, and legitimacy are firmly embedded within the organisation. The Board is of the opinion that the Group currently complies with all governance principles contained in King IV™, as well as with all requirements of the Company's Memorandum of Incorporation, the Companies Act, the JSE Listings and Debt Listings Requirements. Details on the manner in which the King IV™ governance principles have been applied in the Group are provided in our King IV™ Application Register, which is available on our website, <a href="http://www.woolworthsholdings.co.za">www.woolworthsholdings.co.za</a>.</p>



***EACH BUSINESS HAS ITS OWN UNIQUE REGULATORY UNIVERSE WHICH IS ASSESSED AGAINST DEFINED RISK CRITERIA AND INFORMS THE COMPLIANCE MONITORING PLAN FOR THE RELEVANT BUSINESS.***

# GLOSSARY



## ABBREVIATIONS USED IN THIS INTEGRATED ANNUAL REPORT

### A

**aPBT:** Adjusted Profit Before Tax

**aEBIT:** Adjusted Earnings Before Interest and Tax

**AGM:** Annual General Meeting; Annual shareholder meeting held in terms of the Companies Act

### B

**BBBEE:** Broad-Based Black Economic Empowerment; Legislation which aims to increase the participation of the majority of South Africans in the economy. Aims to redress the inequalities experienced under apartheid

**BPS:** Basis Points

### C

**CEO:** Chief Executive Officer

**COO:** Chief Operating Officer

**CPI:** Consumer Price Index

**CPS:** Cents Per Share

**CRG:** Country Road Group; Wholly owned trading subsidiary of WHL based mainly in Australia. Owns the Country Road, Trenery, Mimco, Witchery and Politix brands

**CSI/SD:** Corporate Social Investment; Component of the BBBEE scorecard which encourages support of charitable and non-profit organisations

**CTS:** Cost to Sell; Expenses expressed as a percentage of turnover; also referred to as 'cost to operate'

### D

**DC:** Distribution Centre; The Food and Fashion, Beauty and Home distribution centres

**DJ:** David Jones Proprietary Limited; Wholly owned, trading subsidiary of WHL based mainly in Australia

**dtic:** Department of Trade, Industry and Competition

### E

**EBIT:** Earnings Before Interest and Tax

**EBITDA:** Earnings Before Interest, Tax, Depreciation and Amortisation

**EPS:** Earnings Per Share; Profit earned for the period divided by the weighted average number of shares in issue

### F

**FBH:** Fashion, Beauty and Home; An operating segment in Woolworths South Africa which aggregates clothing, footwear, accessories, homeware, beauty and cell phone product buying groups

**FD:** Group Finance Director

**FTE:** Full-time Equivalent; Number of hours worked by store staff equated back to a person working a 40-hour week

**FY:** Financial Year

### G

**GBJ:** Good Business Journey; Woolworths Holdings Limited's programme to assist it in achieving its vision of becoming one of the world's most responsible retailers by managing the environmental, social and transformational activities of the Group

**GP:** Guaranteed Pay; Annual salary and benefits paid to employees

**GRC:** Governance, Risk and Compliance; Business unit which provides governance, risk, legal and compliance solutions to the business and the Board

### H

**HEPS:** Headline Earnings Per Share; Key measurement of normalised profit per share in South Africa

**HDSA:** Historically Disadvantaged South Africans

### I

**IBP:** Integrated Business Plan; Three-year financial and strategic plan

**IPM:** Integrated Performance Management; Performance appraisal mechanism to measure employees' achievement against performance goals and behaviours

### J

**JSE:** Johannesburg Stock Exchange; Stock exchange in South Africa on which the Company is listed

### K

**KPI:** Key Performance Indicator; Measurable value of performance against target which demonstrates how effectively the Group is achieving its key business objectives

### L

**LFL:** Like-for-like; Used to compare sales in comparable stores i.e., those stores that are not new and have not had any extension or modernisation to them. Calculated on a 24-month period

**LID:** Lead Independent Director

**LTI:** Long-Term Incentive; Variable remuneration subject to the achievement of performance conditions. Generally a three-year period

**LTIP:** Long-Term Incentive Plan; Share scheme instrument allocated to employees in terms of long-term incentive scheme

**LTO:** Labour Turnover; Percentage of employees leaving the business over a defined period

### M

**MTP:** Medium-Term Plan; Three-year financial strategic plan

### O

**OPEX:** Operating expenses

### R

**ROCE:** Return on Capital Employed

**ROE:** Return on Equity

**ROS:** Return on Sales; Profit after tax expressed as a percentage of Turnover

**RSP:** Restricted Share Plan; Share scheme instrument allocated to employees in terms of retention scheme

### S

**SARS:** Share Appreciation Right Scheme; Share scheme instrument allocated to employees in terms of long-term incentive scheme

**SEC:** Social and Ethics Committee; A statutory committee in terms of the South African Companies Act which ensures that a company conducts business in a sound and ethical manner

**SRI:** Socially Responsibility Index; An index created by the JSE to measure the social responsibility criteria of companies listed on the JSE. The South African equivalent of the Dow Jones Index

**STI:** Short-Term Incentive; Variable remuneration subject to the achievement of performance conditions. Generally a one-year period

### T

**TCoE:** Total Cost of Employment; Total salary and benefits of employees

### V

**VP:** Variable Pay; Remuneration that varies according to the achievement or not of performance conditions

### W

**WACC:** Weighted Average Cost of Capital

**WFS:** Woolworths Financial Services (Pty) Limited; A joint venture between Woolworths and Absa Group Limited that supports the Woolworths retail business by providing financial services to Woolworths customers through in-store cards, credit cards and personal loans

**WHL:** Woolworths Holdings Limited; Southern hemisphere retail Group that has been listed on the Johannesburg Stock Exchange Limited (JSE) since 1997. The Group trades through three operating subsidiaries, including Woolworths Proprietary Limited (Woolworths or WSA), David Jones Proprietary Limited (David Jones or DJ), and Country Road Group Proprietary Limited (Country Road Group or CRG). Woolworths Financial Services Proprietary Limited (WFS) is a joint venture with Absa Group Limited, which holds the controlling interest

**WHST:** Woolworths Holdings Share Trust; The Trust through which the shares allocated for the long-term incentive schemes are managed

**WSA:** Woolworths/Woolworths SA; A wholly owned trading subsidiary of WHL, mainly based in South Africa

### Y

**YES:** Youth Employment Service; A CEO-led government initiative launched by President Cyril Ramaphosa aimed at providing one million youth with work experience and helping them gain valuable skills

**12mma:** 12-month moving average; Used to refer to average market share over a rolling 12-month period

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*We appreciate any feedback on our Integrated Annual Report. Please contact [InvestorRelations@woolworths.co.za](mailto:InvestorRelations@woolworths.co.za)*