



WOOLWORTHS HOLDINGS LIMITED

2022 CDP Forest submission for the 2021 financial year

START

F0. Introduction

F0.1

(F0.1) Give a general description of and introduction to your organization.

Woolworths Holdings Limited (WHL) is a southern hemisphere retail Group that has been listed on the Johannesburg Stock Exchange Limited (JSE) since 1997. It is one of the top 40 JSE-listed companies with operations in Sub-Saharan Africa, Australia, and New Zealand and has a market capitalisation of R85.9 billion as at 28 June 2021. Approximately 40% of revenue is derived from Australian operations. WHL employs about 45 000 employees across 14 countries and trades in about 1 500 store locations. The Group trades through three operating subsidiaries, which include Woolworths Proprietary Limited (Woolworths or WSA which operates in South Africa and 11 other African countries), Country Road Group Proprietary Limited (Country Road Group or CRG) and David Jones Proprietary Limited (David Jones or DJ), the latter of which was acquired on 1 August 2014 and formerly listed on the Australian Securities Exchange (ASX). In addition, Woolworths holds a minority interest in Woolworths Financial Services Proprietary Limited (WFS), in a joint venture with Barclays Africa Group which holds the controlling interest.

Woolworths offers a range of quality private label clothing and general merchandise and a wide range of perishable, long-life, and non-food products, as well as financial services provided through Woolworths Financial Services. Country Road Group offers stylish high-quality apparel, accessories, footwear, and homeware. David Jones offers a range of international and private label brands in womenswear, menswear, shoes and accessories, beauty products, childrenswear, electronics, and general merchandise.

While the business of fashion and food retailing follows generic business processes, the WHL Group has developed key competencies over the years that enable value creation for all stakeholders and direct how we create value. We believe that the activities in our business model use our resources to optimise value creation. We also recognize the interdependencies between the resources and trade-offs between the costs and benefits offered by the resources that we must manage responsibly. We manage our broader business impact through comprehensive social, ethical, and environmental policies and practices which are defined through our sustainability strategy, known as the Good Business Journey. Unique to our business model is the extent to which the Good Business Journey supports and nurtures future access to our resources, and how we aim to generate sustainable returns for investors and shareholders over the short-, medium-, and long term.

Through our Good Business Journey, we have embedded sustainability into every aspect of our business and every product we sell, with eight key focus areas: sustainable farming, water, waste, energy, ethical sourcing, transformation, social development, and health and wellness. Our vision is to be the most responsible retailers in the world.

Ethical sourcing of forest-risk commodities

It was our intention that, by 2020, all of our key raw commodities will be responsibly sourced. This means that they should be produced in ways that benefit the people that grow and harvest them and the environment they come from. This reporting year is the culmination of our broad 2020 global targets. Our fashion businesses continues to work on improving traceability through the supply chain and are currently able to trace raw materials.

Our primary responsibility is towards our private label suppliers and supply chains. This is where we can exert the greatest influence for positive change and monitor performance. Where possible, we also engage with branded suppliers to ensure our standards are understood and upheld and to build capacity where required.

We aim to create long-term, value-sharing relationships with our direct suppliers to ensure that the products we source are in accordance with our exacting requirements and that the fundamental human rights of those we buy and sell from are protected and respected.

Due to the complexity of our supply chains, a partnership-based approach is necessitated, where we can leverage against best-in-class standards, certifications, and expertise over the long term to achieve our goals. Collaboration remains a key enabler for us to meet our ethical sourcing targets for all our key commodities. This is done through not only being signatories to the UN Global Compact, via the SEDEX program (the Supplier Ethical Data Exchange), the conventions of the International Labour Organisation (ILO) and Ethical Initiative (ETI) Base Code to underpin our program, and to help determine principles specific to WHL.

F0.2

(F0.2) State the start and end date of the year for which you are reporting data.

	Start Date	End Date
Reporting year	July 1 2020	June 30 2021

F0.3

(F0.3) Select the currency used for all financial information disclosed throughout your response.

ZAR

F0.4

(F0.4) Select the forest risk commodity(ies) that you are, or are not, disclosing on (including any that are sources for your processed ingredients or manufactured goods); and for each select the stages of the supply chain that best represents your organization's area of operation.

	Commodity disclosure	Stage of the value chain	Explanation if not disclosing
Timber products	Disclosing	Retailing	<Not Applicable>
Palm oil	Disclosing	Retailing	<Not Applicable>
Cattle products	Disclosing	Retailing	<Not Applicable>
Soy	Disclosing	Retailing	<Not Applicable>
Other - Rubber	This commodity is not produced, sourced or used by our organization	<Not Applicable>	<Not Applicable>
Other - Cocoa	Not disclosing	Retailing	We are currently not tracking data for cocoa. However, all cocoa sold and used in our private label products is UTZ certified sustainable.
Other - Coffee	Disclosing	Retailing	<Not Applicable>

F0.5

(F0.5) Are there any parts of your direct operations or supply chain that are not included in your disclosure?

Yes

F0.5a

(F0.5a) Identify the parts of your direct operations or supply chain that are not included in your disclosure.

Value chain stage	Exclusion	Description of exclusion	Potential for forests-related risk	Please explain
Direct operations	Business activity	We are currently not tracking the sourcing of our (dry) coffee beans ground sold in our retail stores. Data is only provided for our coffee services business (sale of coffee drinks at our coffee carts and cafes).	Potential for forests-related risk but not evaluated	We sell both fair trade and and non-fair trade coffee (ground and beans) in our retail stores. The impact and potential forest related risks have not been evaluated.

F0.6

(F0.6) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.?)

Indicate whether you are able to provide a unique identifier for your organization	Provide your unique identifier
No	<Not Applicable>

F1. Current state

F1.1

(F1.1) How does your organization produce, use or sell your disclosed commodity(ies)?

Timber products

Activity

Buying manufactured products
Retailing/onward sale of commodity or product containing commodity

Form of commodity

Hardwood logs
Paper
Boards, plywood, engineered wood
Primary packaging
Secondary packaging
Cellulose-based textile fiber

Source

Contracted suppliers (manufacturers)

Country/Area of origin

Australia
Canada
China
India
Indonesia
South Africa
United States of America

% of procurement spend

1-5%

Comment

The main sourcing countries for timber/plyboard include USA, Finland, China, Czechia Republic, Ghana, Brazil, and South America. Country Road Group and David Jones sourced primarily from Australia and China.

Solid timber is used in a wide variety of WHL products, including kitchen/ homeware accessories, small furniture accessories, shoes, stationery, gifting as well as clothing made from viscose and other cellulosic fibers. Timber is also used for WHL packaging such as foods packaging (primary and secondary), and clothing (swing tags) and homeware product packaging, as well as the packaging used at interactive areas in the food markets such as the WCafé and bakery.

Timber and plyboard/veneer are used extensively in-store and cafe/food hall equipment and visual merchandising across all our store locations. It is also used for furniture required in stores and administrative buildings. WHL also uses timber in specialised paper and board used for marketing materials including various publications, magazines, ticketing, and permanent décor. Copy paper used for internal administrative operations, and for till rolls. For Woolworths, most paper is locally sourced (SA), with the exception of some specialty papers.

As timber products are used so extensively in operations across all three subsidies, it is extremely difficult to calculate what percentage of procurement spends timber represents. We provided an estimate percentage of cost of procured commodity against the cost of business.

Palm oil

Activity

Buying manufactured products
Retailing/onward sale of commodity or product containing commodity

Form of commodity

Refined palm oil

Source

Contracted suppliers (manufacturers)

Country/Area of origin

Indonesia
Malaysia
South Africa

% of procurement spend

<1%

Comment

Since South Africa does not have a "segregated" supply of palm oil coming into the country, the origin is anticipated to align with top palm oil-producing nations. Palm oil is used as a constituent ingredient in WHL food, household (cleaning), home (e.g. candles) and beauty products. Palm oil procurement spend is a relatively small percentage of total WHL procurement.

Cattle products

Activity

Buying manufactured products
Retailing/onward sale of commodity or product containing commodity

Form of commodity

Beef
By-products (e.g. glycerin, gelatin)
Hides/leather

Source

Contracted suppliers (manufacturers)

Country/Area of origin

Argentina
Australia
China
India
Namibia
New Zealand
Pakistan
Saudi Arabia
South Africa
Turkey

% of procurement spend

1-5%

Comment

Fresh meat, dairy products, and beef are sold in fresh and prepared meals in the form of beef and dairy products in Woolworths David Jones Foods stores as well as Woolworths and David Jones food services (Food Halls and WCafé's).

Leather is used within clothing and general merchandise products that are sold through Woolworths, David Jones, and Country Road Group stores in clothing, footwear, and accessories (belts, bags, pouches, wallets, jewelry) as well as homeware. We have completed a supply chain mapping exercise on all key leather accessories across Country Road, MIMCO, and Trenergy - where the majority of our leather is sold. We have varying levels of traceability/visibility back to the tannery in most cases and in some cases back to the slaughterhouse.

All Woolworths fresh meat and dairy is procured locally (South Africa and Namibia), which is not a deforestation risk area. David Jones beef is from Australia and New Zealand.

Soy

Activity

Retailing/onward sale of commodity or product containing commodity

Form of commodity

Whole soy beans
Soy bean oil
Soy bean meal
Soy derivatives

Source

Contracted suppliers (manufacturers)

Country/Area of origin

Argentina
South Africa
Spain

% of procurement spend

1-5%

Comment

Soy is a traded commodity, and South Africa both imports and exports soy. At this stage, we have limited understanding of the exact origin of Soy entering the country and therefore have used information relating to the top 10 producers of soy globally. The majority (99%) of soy used in our operations is indirectly consumed as it is incorporated into animal feed used to feed the livestock sold in Woolworths and David Jones food stores. In addition, we sell a number of products containing soy (both soybean and soy oil) as well as small volumes used in soy candles and sold as beans (frozen and in salads).

Other - Coffee

Activity

Buying manufactured products
Retailing/onward sale of commodity or product containing commodity

Form of commodity

Other, please specify (Beans and Grounds)

Source

Contracted suppliers (manufacturers)

Country/Area of origin

Ethiopia
United Republic of Tanzania

% of procurement spend

Comment

We have been working to improving our responsible sourcing program for coffee. Coffee in Woolworths food services (at our cafes and coffee carts) source 100% organic coffee, with all being fully traceable to small scale in Ethiopia and Tanzania co-ops.

F1.2

(F1.2) Indicate the percentage of your organization's revenue that was dependent on your disclosed forest risk commodity(ies) in the reporting year.

	% of revenue dependent on commodity	Comment
Timber products	<1%	
Palm oil	<1%	Data is still based on limited information. We know how many of our products contain palm oil but cannot be certain as to the volume used as these changes year on year.
Cattle products	<1%	This covers all leather and hides. Our beef comes from Australia, Namibia, New Zealand, and South Africa, not considered deforestation risk areas (so therefore not added).
Soy	11-20%	This primarily reflects the usage of soy for animal feed for the animal-derived products we sell such as beef, poultry and dairy.
Other - Rubber	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>
Other - Coffee	<1%	This covers coffee sales in Woolworths Food Services (convenient food, and in-store coffee carts).

F1.5

(F1.5) Does your organization collect production and/or consumption data for your disclosed commodity(ies)?

	Data availability/Disclosure
Timber products	Consumption data available, disclosing
Palm oil	Consumption data available, disclosing
Cattle products	Consumption data available, disclosing
Soy	Consumption data available, disclosing
Other - Rubber	<Not Applicable>
Other - Cocoa	<Not Applicable>
Other - Coffee	Consumption data available, disclosing

F1.5a

(F1.5a) Disclose your production and/or consumption figure, and the percentage of commodity volumes verified as deforestation- and/or conversion-free.

Forest risk commodity

Timber products

Data type

Consumption data

Commodity production/ consumption volume

6607

Metric for commodity production/ consumption volume

Metric tons

Data coverage

Partial commodity production/consumption

Have any of your reported commodity volumes been verified as deforestation- and/or conversion-free?

Yes

% of reported volume verified as deforestation- and/or conversion-free

90

Please explain

This data includes; Woolworths SA: - Marketing materials - Head office paper consumption - Foods packaging (board) - Cardboard boxes - Till rolls - Toilet paper/ serviettes (sold in-store) - Fashion: cellulosic fabrics Country Road Group (CRG): - Marketing materials - Head office paper consumption - Foods packaging (board) - Cardboard boxes - Till rolls - Toilet paper/ serviettes (sold in-store) Note: In addition, we produce around 150 000 clothing units per year from cellulosic fabrics (CRG), 43% is FSC certified. Currently, this is not measured per tonne consumed. Woolworths signed the Vancouver Declaration in 2017, making a commitment to work towards more sustainable sourcing of forest products, and endorsing the Forest Stewardship Council (FSC) as the supplier of choice for the certification of forest products. In line with legislation, Country Road Group and David Jones purchase all timber, and products with timber inputs, from legally harvested sources.

Forest risk commodity

Palm oil

Data type

Consumption data

Commodity production/ consumption volume

6520

Metric for commodity production/ consumption volume

Metric tons

Data coverage

Partial commodity production/consumption

Have any of your reported commodity volumes been verified as deforestation- and/or conversion-free?

Yes

% of reported volume verified as deforestation- and/or conversion-free

97

Please explain

This consumption covers the most significant areas of our business - all Woolworths private label food and the major beauty products containing palm oil. The figure excludes non-Woolworths branded food and beauty products sold by Woolworths containing palm oil as an ingredient; food and beauty products sold in David Jones, as well as palm oil contained in food sold in Woolworths and David Jones Food Hall, Food store and Cafés. Although Woolworths believes that 97% of all lines containing palm oil are sustainable palm oil, only 50% is certified as sustainable using a mass-balance system. We are working with suppliers to complete the necessary auditing and certification processes for the remainder. This year, for the first time, we purchased RSPO book and claim credits from smallholder farmers (IS-CSPO), equivalent to 100 tonnes, to cover the small portion (3%) of our usage that has not yet been converted to CSPO.

Forest risk commodity

Cattle products

Data type

Consumption data

Commodity production/ consumption volume

2201092

Metric for commodity production/ consumption volume

Square meters

Data coverage

Partial commodity production/consumption

Have any of your reported commodity volumes been verified as deforestation- and/or conversion-free?

Yes

% of reported volume verified as deforestation- and/or conversion-free

85

Please explain

This figure is based on analysis of one years' sales figures for all Woolworths and Country Road Group private label footwear and accessories. It does not include data from David Jones clothing/footwear and accessories, or small amounts found in homeware/ general merchandise. The extraordinary complexities of leather sourcing due to multi-tier supply chains is a global challenge that we, along with many other brands worldwide, are seeking to solve. In 2015, the WHL Group became a member of the Leather Working Group (LWG), an environmental standard that promotes best practice in chemical management and wastewater treatment. LWG certification also assesses the ability of leather manufacturers to trace the material back to the slaughterhouse. The WHL Group is an active participant in the Textile Exchange Beef and Leather Working Group. The extraordinary complexity of leather sourcing due to multi-tier supply chains is a global challenge that we, along with many other brands worldwide, are seeking to solve. At present, 85% of Country Road Group products containing leather are sourced from LWG-accredited tanneries, and all leather for Witchery's leather handbags is sourced from LWG-certified tanneries. The Group is conducting a baseline assessment of all our tanneries to understand their LWG certification levels, i.e. which of them are being audited against the LWG environmental auditing protocols, and which have a traceability rating (leather that is physically marked and traceable).

Forest risk commodity

Soy

Data type

Consumption data

Commodity production/ consumption volume

9750

Metric for commodity production/ consumption volume

Other, please specify (Soy credits)

Data coverage

Partial commodity production/consumption

Have any of your reported commodity volumes been verified as deforestation- and/or conversion-free?

No, but we are planning to verify volumes as deforestation- and/or conversion-free in the next two years

% of reported volume verified as deforestation- and/or conversion-free

<Not Applicable>

Please explain

During the year, Woolworths created an internal working group to unpack the risks and opportunities related to soya. We found that there may be much higher usage of locally produced soya than we anticipated, with the majority of imported soya coming from Argentina. Woolworths has engaged an external consultant to conduct a survey around soya origins and volumes, directly with farmers. This survey will be finalised in the next financial year.

Woolworths also conducted an exercise to re-establish its soya baseline, based on the amount of protein we sell and on average global inclusion rates. We are planning to use the information collected in the survey to further refine this for the South African context. We estimate that local animal feed equates to 96 to 98% thereof, with just 2 to 4% estimated in the form of embedded soya in imported products.

For the fourth consecutive year, Woolworths has purchased 9 750 RTRS credits. The credits are only purchased from growers who are certified as meeting the RTRS standard for responsible soya production. One credit is equivalent to one tonne of soya.

In this way, we are supporting responsible production. Our soy footprint is nearly 25 000 tons, but 99% is used indirectly in our supply chain as animal feed for our dairy (41%), chicken (24%), pork (20%), eggs (11%), beef (2%), and fish (1%) products. This is an estimate based on the most significant areas of our business in relation to soy - all Woolworths private label food products containing soy used in animal feed (for chicken, pork, farmed fish, milk, and eggs) and as an ingredient. The figure excludes food containing soy sold in David Jones Foodhall, and candelas sold across the WHL Group, and cafés/ cafeterias. Because of considerable complexity in converting soy used in animal feeds to a responsibly sourced variety, we have started purchasing RTRS credits to promote the uptake and development of the responsible soy industry. We currently offset approximately 9750 tonnes of our soy usage through the purchase of RTRS credits, this is equivalent to 39% of the total soy footprint at that time (offsetting the use of soy in chicken, eggs, beef, and fish products). The credits are only purchased from growers who are certified as meeting the RTRS standard for responsible soy production. One credit is equivalent to one ton of soy. In this way, we are supporting the responsible production of soy. Woolworths is also investigating opportunities to support and develop African soy.

Woolworths became a member of the Round Table on Responsible Soy (RTRS) in 2015. While it is not yet viable to obtain physically certified RTRS soya in South Africa, Woolworths supports the development of a sustainable soya market in major producing regions through the purchase of RTRS credits.

F1.5b

(F1.5b) For your disclosed commodity(ies), indicate the percentage of the production/consumption volume sourced by national and/or sub-national jurisdiction of origin.

Forest risk commodity

Timber products

Country/Area of origin

Australia

State or equivalent jurisdiction

Don't know

% of total production/consumption volume

2

Please explain

Australian made paper

Forest risk commodity

Timber products

Country/Area of origin

India

State or equivalent jurisdiction

Don't know

% of total production/consumption volume

0.1

Please explain

Hardwood used in homeware

Forest risk commodity

Timber products

Country/Area of origin

Indonesia

State or equivalent jurisdiction

Don't know

% of total production/consumption volume

0.04

Please explain

Paper for marketing in homeware

Forest risk commodity

Cattle products

Country/Area of origin

India

State or equivalent jurisdiction

Don't know

% of total production/consumption volume

84

Please explain

Hides/ leather Womens footwear

Forest risk commodity

Cattle products

Country/Area of origin

Any other countries/areas

State or equivalent jurisdiction

<Not Applicable>

% of total production/consumption volume

16

Please explain

South Africa - Hides/ leather Womens footwear

Forest risk commodity

Palm oil

Country/Area of origin

Indonesia

State or equivalent jurisdiction

Don't know

% of total production/consumption volume

99

Please explain**Forest risk commodity**

Other - Coffee

Country/Area of origin

United Republic of Tanzania

State or equivalent jurisdiction

Don't know

% of total production/consumption volume

100

Please explain

Coffee ground and beans used in cafes and coffee carts

F1.5e

(F1.5e) How does your organization produce or consume biofuel derived from palm oil?

Does your organization produce or consume biofuel derived from palm oil?

No

Data type

<Not Applicable>

Volume produced/consumed

<Not Applicable>

Metric

<Not Applicable>

Country/Area of origin

<Not Applicable>

State or equivalent jurisdiction

<Not Applicable>

% of total production/consumption volume

<Not Applicable>

Does the source of your organization's biofuel material come from smallholders?

<Not Applicable>

Comment

We do not use palm oil for biofuel. Palm oil is used as an ingredient in some of our products.

F1.6

(F1.6) Has your organization experienced any detrimental forests-related impacts?

No

F1.7

(F1.7) Indicate whether you have assessed the deforestation or conversion footprint for your disclosed commodities over the past 5 years, or since a specified cutoff date, and provide details.

Forest risk commodity

Timber products

Have you monitored or estimated your deforestation/conversion footprint?

No, and we do not plan to monitor or estimate our deforestation/conversion footprint in the next two years

Coverage

<Not Applicable>

Reporting deforestation/conversion since a specified cutoff date or during the last five years?

<Not Applicable>

Known or estimated deforestation/ conversion footprint (hectares)

<Not Applicable>

Describe methods and data sources used to monitor or estimate deforestation/ conversion footprint

<Not Applicable>

Forest risk commodity

Palm oil

Have you monitored or estimated your deforestation/conversion footprint?

No, and we do not plan to monitor or estimate our deforestation/conversion footprint in the next two years

Coverage

<Not Applicable>

Reporting deforestation/conversion since a specified cutoff date or during the last five years?

<Not Applicable>

Known or estimated deforestation/ conversion footprint (hectares)

<Not Applicable>

Describe methods and data sources used to monitor or estimate deforestation/ conversion footprint

<Not Applicable>

Forest risk commodity

Cattle products

Have you monitored or estimated your deforestation/conversion footprint?

No, and we do not plan to monitor or estimate our deforestation/conversion footprint in the next two years

Coverage

<Not Applicable>

Reporting deforestation/conversion since a specified cutoff date or during the last five years?

<Not Applicable>

Known or estimated deforestation/ conversion footprint (hectares)

<Not Applicable>

Describe methods and data sources used to monitor or estimate deforestation/ conversion footprint

<Not Applicable>

Forest risk commodity

Soy

Have you monitored or estimated your deforestation/conversion footprint?

No, and we do not plan to monitor or estimate our deforestation/conversion footprint in the next two years

Coverage

<Not Applicable>

Reporting deforestation/conversion since a specified cutoff date or during the last five years?

<Not Applicable>

Known or estimated deforestation/ conversion footprint (hectares)

<Not Applicable>

Describe methods and data sources used to monitor or estimate deforestation/ conversion footprint

<Not Applicable>

Forest risk commodity

Other - Coffee

Have you monitored or estimated your deforestation/conversion footprint?

No, and we do not plan to monitor or estimate our deforestation/conversion footprint in the next two years

Coverage

<Not Applicable>

Reporting deforestation/conversion since a specified cutoff date or during the last five years?

<Not Applicable>

Known or estimated deforestation/ conversion footprint (hectares)

<Not Applicable>

Describe methods and data sources used to monitor or estimate deforestation/ conversion footprint

<Not Applicable>

F2. Procedures

F2.1

(F2.1) Does your organization undertake a forests-related risk assessment?

Yes, forests-related risks are assessed

F2.1a

(F2.1a) Select the options that best describe your procedures for identifying and assessing forests-related risks.

Timber products**Value chain stage**

Direct operations
Supply chain

Coverage

Partial

Risk assessment procedure

Assessed in an environmental risk assessment

Frequency of assessment

More than once a year

How far into the future are risks considered?

3 to 6 years

Tools and methods used

Internal company methods
External consultants
Other, please specify ((Canopy Hot Button Report (Viscose)))

Issues considered

Availability of forest risk commodities
Impact of activity on the status of ecosystems and habitats
Regulation
Climate change
Tariffs or price increases

Stakeholders considered

Customers
Investors
Local communities
Other forest risk commodity users/producers at a local level
Regulators
Suppliers

Please explain

Deforestation risks are included as a component of the bi-annual business unit and group operating company reviews where performance is reviewed against incentive-based scorecard KPI's/goals/targets at which a member of the Sustainability Committee and the Head of Sustainability must be present. During these sessions, key risks and opportunities to the business are highlighted. Progress on the sustainable sourcing of deforestation-linked timber as well as its associated risks as identified is then reported to the Sustainability Board Committee. We also conduct more in-depth risk assessments with technical specialists from across the business (buying groups) and our partners such as WWF-South Africa. Risks identified feed into the WHL Group corporate risk framework reviewed by the Board Risk Committee on a quarterly basis.

Palm oil**Value chain stage**

Supply chain

Coverage

Partial

Risk assessment procedure

Assessed in an environmental risk assessment

Frequency of assessment

More than once a year

How far into the future are risks considered?

3 to 6 years

Tools and methods used

Internal company methods

External consultants

Issues considered

Availability of forest risk commodities

Quality of forests risk commodities

Impact of activity on the status of ecosystems and habitats

Regulation

Climate change

Tariffs or price increases

Brand damage related to forests risk commodities

Social impacts

Stakeholders considered

Customers

Investors

Local communities

NGOs

Other forest risk commodity users/producers at a local level

Regulators

Suppliers

Please explain

Deforestation risks are included as a component of the bi-annual business unit and group operating company reviews where performance is reviewed against incentive-based scorecard KPI's/goals/targets at which a member of the Sustainability Committee and the Head of Sustainability must be present. During these sessions, key risks and opportunities to the business are highlighted. Progress on the sustainable sourcing of deforestation-linked palm oil as well as its associated risks as identified are then reported to the Sustainability Board Committee. We also conduct more in-depth risk assessments with technical specialists from across the business (buying groups) and our partners such as WWF-South Africa. Risks identified feed into the WHL Group corporate risk framework reviewed by the Board Risk Committee on a quarterly basis.

Cattle products

Value chain stage

Supply chain

Coverage

Partial

Risk assessment procedure

Assessed in an environmental risk assessment

Frequency of assessment

More than once a year

How far into the future are risks considered?

3 to 6 years

Tools and methods used

Internal company methods

Issues considered

Availability of forest risk commodities
Quality of forests risk commodities
Impact of activity on the status of ecosystems and habitats
Regulation
Climate change
Tariffs or price increases
Brand damage related to forests risk commodities
Social impacts

Stakeholders considered

Investors
Local communities
NGOs
Other forest risk commodity users/producers at a local level
Regulators
Suppliers

Please explain

Deforestation risks are included as a component of the bi-annual business unit and group operating company reviews where performance is reviewed against incentive-based scorecard KPI's/goals/targets at which a member of the Sustainability Committee and the Head of Sustainability must be present. During these sessions, key risks and opportunities to the business are highlighted. Progress on the sustainable sourcing of deforestation-linked cattle products as well as their associated risks as identified are then reported to the Sustainability Board Committee. We also conduct more in-depth risk assessments with technical specialists from across the business (buying groups) and our partners such as WWF-South Africa. Risks identified feed into the WHL Group corporate risk framework reviewed by the Board Risk Committee on a quarterly basis.

Soy

Value chain stage

Supply chain

Coverage

Partial

Risk assessment procedure

Assessed in an environmental risk assessment

Frequency of assessment

More than once a year

How far into the future are risks considered?

3 to 6 years

Tools and methods used

Internal company methods

Issues considered

Availability of forest risk commodities
Quality of forests risk commodities
Impact of activity on the status of ecosystems and habitats
Regulation
Climate change
Tariffs or price increases
Brand damage related to forests risk commodities
Social impacts

Stakeholders considered

Please explain

Deforestation risks are included as a component of the bi-annual business unit and group operating company reviews where performance is reviewed against incentive-based scorecard KPI's/goals/targets at which a member of the Sustainability Committee and the Head of Sustainability must be present. During these sessions, key risks and opportunities to the business are highlighted. Progress on the sustainable sourcing of deforestation-linked soy as well as its associated risks as identified are then reported to the Sustainability Board Committee. We also conduct more in-depth risk assessments with technical specialists from across the business (buying groups) and our partners such as WWF-South Africa. Risks identified feed into the WHL Group corporate risk framework reviewed by the Board Risk Committee on a quarterly basis.

Other - Coffee

Value chain stage

Supply chain

Coverage

Partial

Risk assessment procedure

Assessed in an environmental risk assessment

Frequency of assessment

More than once a year

How far into the future are risks considered?

3 to 6 years

Tools and methods used

Please select

Issues considered

Availability of forest risk commodities

Quality of forests risk commodities

Impact of activity on the status of ecosystems and habitats

Regulation

Climate change

Brand damage related to forests risk commodities

Social impacts

Stakeholders considered

Customers

Investors

Local communities

NGOs

Other forest risk commodity users/producers at a local level

Regulators

Suppliers

Please explain

Deforestation risks are included as a component of the bi-annual business unit and group operating company reviews where performance is reviewed against incentive-based scorecard KPI's/goals/targets at which a member of the Sustainability Committee and the Head of Sustainability must be present. During these sessions, key risks and opportunities to the business are highlighted. Progress on the sustainable sourcing of deforestation-linked coffee as well as its associated risks as identified are then reported to the Sustainability Board Committee. We also conduct more in-depth risk assessments with technical specialists from across the business (buying groups) and our partners such as WWF-South Africa. Risks identified feed into the WHL Group corporate risk framework reviewed by the Board Risk Committee on a quarterly basis

F2.2

(F2.2) For each of your disclosed commodity(ies), has your organization mapped its value chains?

	Value chain mapping	Primary reason for not mapping your value chain	Explain why your organization does not map its value chain and outline any plans to introduce it
Timber products	No, but we plan to map the value chain within the next two years	Lack of internal resources	In line with our commitment to transparency, we are working to map our full value chain
Palm oil	No, but we plan to map the value chain within the next two years	Lack of internal resources	In line with our commitment to transparency, we are working to map our full value chain
Cattle products	No, but we plan to map the value chain within the next two years	Lack of internal resources	In line with our commitment to transparency, we are working to map our full value chain
Soy	No, but we plan to map the value chain within the next two years	Lack of internal resources	In line with our commitment to transparency, we are working to map our full value chain
Other - Rubber	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Coffee	No, but we plan to map the value chain within the next two years	Lack of internal resources	In line with our commitment to transparency, we are working to map our full value chain

F3. Risks and opportunities

F3.1

(F3.1) Have you identified any inherent forests-related risks with the potential to have a substantive financial or strategic impact on your business?

	Risk identified?
Timber products	Yes
Palm oil	Yes
Cattle products	Yes
Soy	Yes
Other - Rubber	<Not Applicable>
Other - Cocoa	<Not Applicable>
Other - Coffee	Yes

F3.1a**(F3.1a) How does your organization define substantive financial or strategic impact on your business?**

The Group's risk management approach is completely integrated with the overall business plans, and as such, a formalized and integrated system is used to identify and analyse risks and opportunities at both the strategic and operational levels, as well as their impact on the overall business strategy.

To WHL, a substantive impact would arise where the company was not able to complete its core function as a result of the impact in direct operations or the supply chain, or that a financial, reputational, regulatory or customer impact arises, as per the WHL Enterprise Risk Management Framework. The framework defines risks according to a sliding scale e.g. CRITICAL (substantive) risk is defined as an event with a "high" likelihood (>90%), through to a "possible" likelihood event with a potential to impact individual business unit profit by 15%. From a reputational perspective, a substantive change is defined as reputational damage that puts the company at risk of being affected by limited to persistent widespread negative comments or perceptions. The Group risk framework is reviewed on a yearly basis to ensure that it stays fully aligned with our governance philosophy and developing business requirements.

The Group's combined assurance framework uses the 'three lines of defence' concept as defined in King IV™ for defining the focus of assurance providers on major risks.

In the implementation, distinctions are made between assurance providers that own and manage risk, those who monitor risk, and those who give independent assurance. The Group's combined assurance report is tabled at both the Group Risk and Compliance and Audit Committees on an annual basis. In addition, the combined assurance report for each operating subsidiary is tabled with its Board. In their reviews, the Risk and Compliance Committee and the Audit Committee consider the completeness of risks assessed, the extent of the assurance coverage, and the outcomes of those reviews over the financial year.

F3.1b**(F3.1b) For your disclosed forest risk commodity(ies), provide details of risks identified with the potential to have a substantive financial or strategic impact on your business, and your response to those risks.****Forest risk commodity**

Timber products

Type of risk

Reputational and markets

Geographical scale

Global

Where in your value chain does the risk driver occur?

Supply chain

Primary risk driver

Availability of certified sustainable material

Primary potential impact

Brand damage

Company-specific description

In line with the global focus around packaging, materials used in packaging are under significant spotlight within our business. We continue to experience ongoing challenges with the availability and price of sustainable timber products, particularly when sourcing from China, India, and other international suppliers, and especially when we use alternative suppliers to our ongoing supplier base, for 'once-off limited edition ranges. In the local market, the number of suppliers able to offer FSC chain of custody products is still limited. Without necessary government, regulatory and fiscal support, this is unlikely to change. These factors mean that we may not progress as fast as we would like, and are a possible reputational risk for WHL. We are also facing similar challenges in regards to sustainable cellulosic fabric sourcing since only two of the world's major viscose producers have completed the CanopyStyle audit. Although Canopy is making good progress in terms of obtaining commitments from the top 10 viscose producers, progress in terms of auditing for compliance is slow, meaning that we are not able to drive responsible sourcing to the extent which we would like to see within the timeframes we initially anticipated.

Timeframe

1-3 years

Magnitude of potential impact

Medium

Likelihood

Unlikely

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact (currency)

<Not Applicable>

Potential financial impact figure - minimum (currency)

<Not Applicable>

Potential financial impact figure - maximum (currency)

<Not Applicable>

Explanation of financial**Primary response to risk**

Engagement in multi-stakeholder initiatives

Description of response

For timber, we are working to improve product specifications in order to enforce better procurement practices across the group. This goes hand in hand with the rolling out of buying group training as well as supplier engagement. In SA, FSC host both internal and supplier workshops on our behalf. Through close members with organisations like FSC and WWF, we hope to assist in the development of critical mass in the SA market to drive FSC as being the norm so we are also increasingly communicating with customers to drive demand for responsibly-sourced timber. Although only in the early stages, we are also investigating an option to develop our own local pipelines of sustainable timber. For cellulosic fabrics, we are working with Canopy to drive producers towards setting a deforestation commitment and having their sourcing practices audited by Canopy. We have sent letters to suppliers to indicate our intent to buy from only Canopy compliant suppliers in the future, and we have also communicated directly with producers to promote uptake of Canopy Audits. We try to reduce our requirement for new or virgin material as far as possible through promoting re-use of alternative fabrics e.g. recycled content in packaging, and recycled polyester in clothing.

Cost of response

200000

Explanation of cost of response

This is an estimation based on the annual costs of memberships, technical support, and training.

Forest risk commodity

Palm oil

Type of risk

Reputational and markets

Geographical scale

Global

Where in your value chain does the risk driver occur?

Supply chain

Primary risk driver

Shifts in consumer preference

Primary potential impact

Brand damage

Company-specific description

It is our policy to avoid the use of unsustainable and untraceable palm oil. Woolworths continues to support the RSPO and is driving the supply base towards sourcing 100% physical certified sustainable palm oil (CSPO) for our private label foods products and personal care products. The focus for the most recent year is to deliver a phase strategy to convert all palm derivatives (complex compounds commonly found in personal care products to certified sustainable palm oil. At this stage, our minimum requirements is Mass Balance (MB) RSPO palm oil.

Timeframe

1-3 years

Magnitude of potential impact

Medium

Likelihood

About as likely as not

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact (currency)

<Not Applicable>

Potential financial impact figure - minimum (currency)

<Not Applicable>

Potential financial impact figure - maximum (currency)

<Not Applicable>

Explanation of financial**Primary response to risk**

Engagement with suppliers

Description of response

We have been working with our suppliers and local refiners to both create the demand and develop the market for sustainable palm oil. To overcome challenges with auditing capacity we facilitated the training of a local auditor to undertake RSPO audits. In addition one of our internal technical specialists is a member of the RSPO complaints panel and is thereby gaining expert industry insight in finding solutions to overcome challenges associated with securing supply in South Africa in the context of long and often interrupted supply chains. We continue to purchase Book and Claim certificates to offset the remainder of our palm oil footprint and drive the market for sustainable palm oil.

Cost of response

200000

Explanation of cost of response

This is an estimate based on costs of memberships, technical support, and training, book, and claim costs

Forest risk commodity

Cattle products

Type of risk

Reputational and markets

Geographical scale

Global

Where in your value chain does the risk driver occur?

Direct operation

Supply chain

Primary risk driver

Shifts in consumer preference

Primary potential impact

Reduced demand for products and services

Company-specific description

With increasing NGO, activist and consumer-led campaigns, and increasing consumer pressure around leather sourcing around deforestation, as well as animal welfare and chemical usage there, is a reputational risk for our business should our business/ direct/indirect supply chain be linked to contributing towards deforestation. This risk is heightened in our Australian businesses, where we have seen an increase in consumer concern around leather sourcing. An industry-wide challenge has been the lack of programs that support responsible leather sourcing from a traceability perspective, as typically the focus has been on environmental impact at the tannery. Although programs such as the Leather Working Group are promoting traceability in their membership base; those achieving the "A" grade in traceability to slaughterhouse remains limited and traceability to the farm is currently not possible. In addition to this, only a small proportion of the world's leather production is currently LWG audited

Timeframe

1-3 years

Magnitude of potential impact

Medium

Likelihood

About as likely as not

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact (currency)

<Not Applicable>

Potential financial impact figure - minimum (currency)

<Not Applicable>

Potential financial impact figure - maximum (currency)

<Not Applicable>

Explanation of financial**Primary response to risk**

Increased use of sustainably sourced materials

Description of response

We have committed to 100% responsible sourcing of all key risk commodities and remain transparent about the challenges we are facing. Working in partnership with credible NGOs (e.g. WWF-SA), sustainability standards and certification bodies such as the LWG and Beef and Leather initiative will be important, as there is a lot of interest among retailers and brands to develop appropriate management measures. WHL has the opportunity to shape and influence this process.

Cost of response

500000

Explanation of cost of response

This is an estimate based on costs of memberships and management

Forest risk commodity

Soy

Type of risk

Reputational and markets

Geographical scale

Global

Where in your value chain does the risk driver occur?

Supply chain

Primary risk driver

Availability of certified sustainable material

Primary potential impact

Brand damage

Company-specific description

Whilst soy has not yet become a consumer pressure point in our areas of operations we do expect it to become so in the next few years, as awareness around the commodity's impact grows. With increasing media coverage and business exposés around the issue of deforestation and other impacts associated with soy production, there is a reputational risk for our business should we be found to be contributing to, or not making the necessary commitments in to eliminate soy linked to deforestation

from our supply chain. With only 3% of global soy production certified sustainable, we foresee possible risks associated with challenges in accessing a limited supply in the future (similar to challenges experienced with palm oil). Soy is a key input into animal feeds, therefore shifting to a sustainable supply does not only require shifting our own suppliers but also the animal feed industry - in a way that does not increase input costs for our suppliers. The risk is a possible brand reputation risk should we not manage to meet consumer requirements.

Timeframe

4-6 years

Magnitude of potential impact

Medium-low

Likelihood

About as likely as not

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact (currency)

<Not Applicable>

Potential financial impact figure - minimum (currency)

<Not Applicable>

Potential financial impact figure - maximum (currency)

<Not Applicable>

Explanation of financial

Primary response to risk

Engagement with suppliers

Description of response

We have completed a soy footprint assessment, and have identified that 99% is consumed within the animal feed associated with the production of our fish, dairy, pork, and poultry. We have identified numerous challenges in the traceability of soy (being imported via commodity traders), and so have started to investigate (early stages) possible options for developing a local supply of South African Soy. WHL is a member of the Round Table on Responsible Soy (RTRS), and through this hopes to collaborate with leading brands and NGO's to explore the opportunities available for supporting and increasing demand for certified sustainable soy. We have also been engaging with other organizations in SA, including Soy SA and are looking at local (South African) Soy opportunities, but this appears to be limited due to non-GMO soy offerings locally.

Cost of response

350000

Explanation of cost of response

This is an estimate based on costs of memberships and management

F3.2

(F3.2) Have you identified any forests-related opportunities with the potential to have a substantive financial or strategic impact on your business?

	Have you identified opportunities?
Timber products	Yes
Palm oil	Yes
Cattle products	Yes
Soy	Yes
Other - Rubber	<Not Applicable>
Other - Cocoa	<Not Applicable>
Other - Coffee	Yes

F3.2a

(F3.2a) For your selected forest risk commodity(ies), provide details of the identified opportunities with the potential to have a substantive financial or strategic impact on your business.

Forest risk commodity

Timber products

Type of opportunity

Products & services

Where in your value chain does the opportunity occur?

Direct operation

Supply chain

Primary forests-related opportunity

Increased brand value

Company-specific description & strategy to realize opportunity

Across our operations, there is an opportunity to be a market leader in offering responsibly sourced products. By taking this leadership position we are able to differentiate ourselves in the marketplace and thereby increase the value of our brand through attracting customers, employees, and shareholders which share our value proposition. Through engaging with customers via various communication channels we are also able to respond to their concerns and demand for sustainable product offerings. This helps to inform our responsible sourcing strategy and drive new product offerings. e.g. In the last fin year, Country Road is the first major Australian retailer to launch a range of jeans made refibra™ branded lyocell fibers, made from a blend of recycled cotton scraps and wood sourced from responsibly managed forests:

Estimated timeframe for realization

Current - up to 1 year

Magnitude of potential impact

Medium-low

Likelihood

Likely

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

Forest risk commodity

Palm oil

Type of opportunity

Products & services

Where in your value chain does the opportunity occur?

Supply chain

Primary forests-related opportunity

Increased supply chain transparency

Company-specific description & strategy to realize opportunity

By working closely with our suppliers and directly with palm oil refineries, to map our supply chain and work towards sourcing a physical supply of certified sustainable palm oil, we are now able to be more transparent about our products and supply chain. We have identified palm oil refiners who are able to trace palm oil back to the crushing mill in SE Asia. We are now encouraging our suppliers to only work with those refiners who have traceability.

By committing to using responsibly sourced and certified sustainable materials for our products and operations, we are steadily increasing traceability throughout our supply chain and are therefore able to be more transparent about our products. We have also chosen to participate in the CDP Forests Disclosure for the past five years as a way of remaining transparent about our use of forest risk related commodities.

Estimated timeframe for realization

Current - up to 1 year

Magnitude of potential impact

Medium-low

Likelihood

More likely than not

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

Forest risk commodity

Palm oil

Type of opportunity

Products & services

Where in your value chain does the opportunity occur?

Direct operation

Primary forests-related opportunity

Increased brand value

Company-specific description & strategy to realize opportunity

While Woolworths minimum requirement is currently mass balance RSPO palm oil, 44 of our supplier sites are now RSPO members. This means that they are bound by the RSPO Code of Conduct, and are required to publicly report their progress towards achieving 100% certified sustainable palm oil (CSPO). At present, 89% of the volume of palm oil that Woolworths uses in food each year is certified as sustainable by the RSPO through supply chain audits. Of all the private label food products containing palm oil, 97% is produced with physical (mass balance) RSPO palm oil. Woolworths continues

to purchase PalmTrace RSPO certificates to contribute towards the sustainable palm oil industry. This year, for the first time, we purchased RSPO book and claim credits from smallholder farmers (IS-CSPO), equivalent to 100 tonnes, to cover the small portion (3%) of our usage that has not yet been converted to CSPO.

Partnering with credible organizations helps us to drive initiatives forward at a faster pace.

Estimated timeframe for realization

Current - up to 1 year

Magnitude of potential impact

Medium-low

Likelihood

More likely than not

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

Forest risk commodity

Cattle products

Type of opportunity

Products & services

Where in your value chain does the opportunity occur?

Direct operation

Primary forests-related opportunity

Increased brand value

Company-specific description & strategy to realize opportunity

The extraordinary complexity of leather sourcing due to multi-tier supply chains is a global challenge that we, along with many other brands worldwide, are seeking to solve. At present, 85% of Country Road Group products containing leather are sourced from LWG-accredited tanneries, and all leather for Witchery's leather handbags is sourced from LWG-certified tanneries. The Group is conducting a baseline assessment of all our tanneries to understand their LWG certification levels, i.e. which of them are being audited against the LWG environmental auditing protocols, and which have a traceability rating (leather that is physically marked and traceable).

Estimated timeframe for realization

Current - up to 1 year

Magnitude of potential impact

Medium-low

Likelihood

About as likely as not

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

Forest risk commodity

Soy

Type of opportunity

Products & services

Where in your value chain does the opportunity occur?

Direct operation

Primary forests-related opportunity

Increased brand value

Company-specific description & strategy to realize opportunity

During the year, Woolworths created an internal working group to unpack the risks and opportunities related to soya. We found that there may be much higher usage of locally produced soya than we anticipated, with the majority of imported soya coming from Argentina. Woolworths has engaged an external consultant to conduct a survey around soya origins and volumes, directly with farmers.

Woolworths also conducted an exercise to re-establish its soya baseline, based on the amount of protein we sell and on average global inclusion rates. We are planning to use the information collected in the survey to further refine this for the South African context. We estimate that local animal feed equates to 96 to 98% thereof, with just 2 to 4% estimated in the form of embedded soya in imported products.

For the fourth consecutive year, Woolworths has purchased 9 750 RTRS credits. The credits are only purchased from growers who are certified as meeting the RTRS standard for responsible soya production. One credit is equivalent to one tonne of soya. In this way, we are supporting responsible production.

Estimated timeframe for realization

1-3 years

Magnitude of potential impact

Medium-low

Likelihood

More likely than not

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

F4. Governance

F4.1

(F4.1) Is there board-level oversight of forests-related issues within your organization?

Yes

F4.1a

(F4.1a) Identify the position(s) of the individual(s) (do not include any names) on the board with responsibility for forests-related issues.

Position of individual	Please explain
Director on board	The Woolworths Holdings Board oversees the work of the Sustainability Committee. The Sustainability Committee, a sub-committee of the WHL Board, provides a single point of view and direction for all WHL sustainability focus areas and meets half-yearly to oversee progress in achieving all aspects of the Good Business Journey, as well as addressing any sustainability-related risks to the business. The committee ensures that the sustainability strategy positions the Group as a leader in responsible retailing in the countries in which it trades. It further oversees that the sustainability initiatives and objectives are effectively integrated into the business and that the Group operates in an environmentally responsible manner.

F4.1b

(F4.1b) Provide further details on the board's oversight of forests-related issues.

	Frequency that forests-related issues are a scheduled agenda item	Governance mechanisms into which forests-related issues are integrated	Please explain
Row 1	Scheduled - some meetings	Monitoring implementation and performance Providing employee incentives Reviewing and guiding annual budgets Reviewing and guiding business plans Reviewing and guiding corporate responsibility strategy Reviewing innovation / R&D priorities Setting performance objectives	The role of the Sustainability Committee is to ensure that the Group's sustainable development strategy positions the Group as a sustainability leader. It further ensures that the sustainability initiatives and objectives are effectively integrated into the business and that the Group operates in an environmentally responsible manner, while meeting societal needs. Progress towards meeting targets and goals, are monitored at an operational level by the executive committee and championed by the Group Director: Marketing and Sustainability. FOCUS AREAS FOR 2021 - Reviewed the refreshed sustainability strategy, known as Vision 2025+ and its related goals - Approved the scope of the limited assurance engagement and readiness review exercise for the 2021 Good Business Journey Report - Monitored the ethical sourcing strategy, as well as actions implemented to prevent risks of forced labour and modern slavery occurring in our supply chains (including direct and indirect sourcing of raw materials, yarn, fabrics, trims, or finished goods) - Considered management's presentation on the phasing in of Task Force on Climate-related Financial Disclosures (TCFD) disclosures in the Group annual reporting suite pursuant to global reporting initiatives to provide investors with consistent, comparable and clear information on the financial implications of climate-related risks and opportunities - Monitored international developments in climate change and sustainable development

F4.1d

(F4.1d) Does your organization have at least one board member with competence on forests-related issues?

Row 1

Board member(s) have competence on forests-related issues

Not assessed

Criteria used to assess competence on forests-related issues

<Not Applicable>

Primary reason for no board-level competence on forests-related issues

<Not Applicable>

Explain why your organization does not have at least one board member with competence on forests-related issues and any plans to address board-level competence in the future

<Not Applicable>

F4.2

(F4.2) Provide the highest management-level position(s) or committee(s) with responsibility for forests-related issues (do not include the names of individuals).

Name of the position(s) and/or committee(s)	Responsibility	Frequency of reporting to the board on forests-related issues	Please explain
Other C-Suite Officer, please specify (Director: Group Head of Marketing)	Both assessing and managing forests-related risks and opportunities	Half-yearly	Group Head of Sustainability reports into the Group Head of Marketing.
Sustainability committee	Both assessing and managing forests-related risks and opportunities	Half-yearly	The sustainability committee meets half-yearly to assess progress against our commitments.

F4.3

(F4.3) Do you provide incentives to C-suite employees or board members for the management of forests-related issues?

	Provide incentives for management of forests-related issues	Comment
Row 1	Yes	Incentivising forest-related issues, including the attainment of targets, is linked to the individual scorecards, which is linked to the Group's balanced scorecard. The Board reviews the Group's balanced scorecard quarterly to monitor the performance of the six strategic focus areas at the Group and operating entity level. In order to focus on the achievement of the Group's or entity's strategy, up to 60% of an individual's performance measurement (IPM) includes objectives aligned with the achievement of the operating entity's strategic focus areas.

F4.3a

(F4.3a) What incentives are provided to C-Suite employees or board members for the management of forests-related issues (do not include the names of individuals)?

	Role(s) entitled to incentive?	Performance indicator	Please explain
Monetary reward	Corporate executive team	Achievement of commitments and targets	To achieve a performance-based culture and an alignment with shareholders, through value creation, the total reward mix is geared towards a high percentage of pay "at risk" for the achievement of stretched goals which are aligned to company performance, individual performance and employee behavior. This is to motivate executives and senior management to achieve short-term strategic, financial and non-financial objectives in the one-year business plan.
Non-monetary reward	Corporate executive team	Achievement of commitments and targets	To achieve a performance-based culture and an alignment with shareholders, through value creation, the total reward mix is geared towards a high percentage of pay "at risk" for the achievement of stretched goals which are aligned to company performance, individual performance and employee behavior. This is to motivate executives and senior management to achieve short-term strategic, financial and non-financial objectives in the one-year business plan.

F4.4

(F4.4) Did your organization include information about its response to forests-related risks in its most recent mainstream financial report?

No, and we have no plans to do so

F4.5

(F4.5) Does your organization have a policy that includes forests-related issues?

Yes, we have a documented forests policy that is publicly available

F4.5a

(F4.5a) Select the options to describe the scope and content of your policy.

	Scope	Content	Please explain
Row 1	Company-wide	Commitment to eliminate deforestation Commitment to protect rights and livelihoods of local communities Commitment to transparency	As part of our Good Business Journey, Woolworths is dedicated to selling products that cause minimum harm to the natural environment, help maintain biodiversity and help improve the lives of workers in the supply chain. Woolworths is committed to reducing and eventually, removing deforestation and forest degradation from our direct operations and supply chain. We have a publicly available companywide Deforestation Position Statement, published in September 2015 (refreshed in November 2016). We also have a corporate Palm Oil Position Statement (refreshed November 2016). These are available on the Woolworths Good Business Journey website. http://www.woolworths.co.za/store/fragments/corporate/corporate-index.jsp?content=../article/article&contentId=cmp206026

F4.5b

(F4.5b) Do you have commodity specific sustainability policy(ies)? If yes, select the options that best describe their scope and content.

	Do you have a commodity specific sustainability policy?	Scope	Content	Please explain
Timber products	No	<Not Applicable>	<Not Applicable>	Incorporated as part of our overall deforestation policy.
Palm oil	Yes	Selected facilities, businesses or geographies only	Commitment to eliminate deforestation Commitment to protect rights and livelihoods of local communities Commitments beyond regulatory compliance Commitment to transparency Description of business dependency on forests Recognition of potential business impact on forests and other natural ecosystems Description of forest risk commodities, parts of the business, and stages of value-chain covered by the policy List of timebound commitments and targets Description of forests-related standards for procurement	http://www.woolworths.co.za/images/elasticera/New_Site/Corporate/Woolworths_Palm_Oil_Position_Statement_2018.pdf
Cattle products	No	<Not Applicable>	<Not Applicable>	Incorporated as part of our overall deforestation policy.
Soy	No	<Not Applicable>	<Not Applicable>	Incorporated as part of our overall deforestation policy.
Other - Rubber	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Coffee	No	<Not Applicable>	<Not Applicable>	Incorporated as part of our overall deforestation policy.

F4.6

(F4.6) Has your organization made a public commitment to reduce or remove deforestation and/or forest degradation from its direct operations and/or supply chain?

Yes

F4.6a

(F4.6a) Has your organization endorsed any of the following initiatives as part of its public commitment to reduce or remove deforestation and/or forest degradation?

Other, please specify (Vancouver Declaration, CanopyStyle Pledge)

F4.6b

(F4.6b) Provide details on your public commitment(s), including the description of specific criteria, coverage, and actions.

Forest risk commodity

Timber products

Criteria

- Zero net deforestation
- Avoidance of negative impacts on threatened and protected species and habitats
- No conversion of High Conservation Value areas
- No sourcing of illegally produced and/or traded forest risk commodities
- No sourcing of forest risk commodities from unknown/controversial sources
- Restricting the sourcing and/or trade of forest risk commodities to credible certified sources

Operational coverage

Direct operations and supply chain

% of total production/ consumption covered by commitment

100%

Cutoff date

2016

Commitment target date

No target date

Please explain

Whilst our deforestation position statement does not specifically set out timeframes, we have publicly stated in our position statement we are committed to reducing and eventually, removing deforestation and forest degradation from our direct operations and supply chain. This commitment includes systematically removing commodities from our supply chain that cannot be traced from a sustainable source. Through this, our goal is to avoid the use of any forest commodities illegally harvested; from ancient and endangered forests; from an area of high conservation value; endangered species habitat; that have contributed to the conversion of forest into non-forest use; obtained in violation of traditional, civil and indigenous rights; or from other controversial sources.

In May 2016, WHL committed publicly to a set of 2020 sustainability commitments which includes 100% responsible sourcing of all key commodities material to Group business', including timber. As part of this commitment, we have been working to gain a better understanding of where commodities (including wood products, palm oil, soy, and leather) sourced for our products or used in our business come from, and how we can work together with our suppliers and partners to improve traceability and meet

our deforestation commitments. As part of our Vision 2025+ strategy, we have set ourselves a tougher goal – that by 2025, all our key commodities will be responsibly sourced and traceable. See our reports here <https://www.woolworthsholdings.co.za/sustainability/reports/>

Forest risk commodity

Palm oil

Criteria

Zero net deforestation
No conversion of High Carbon Stock forests
No sourcing of illegally produced and/or traded forest risk commodities
No sourcing of forest risk commodities from unknown/controversial sources
Restricting the sourcing and/or trade of forest risk commodities to credible certified sources

Operational coverage

Supply chain

% of total production/ consumption covered by commitment

100%

Cutoff date

2016

Commitment target date

2020

Please explain

Whilst our Deforestation position statement does not specifically set out timeframes, we have publicly stated in our position statement we are committed to reducing and eventually, removing deforestation and forest degradation from our direct operations and supply chain. This commitment includes systematically removing commodities from our supply chain that cannot be traced from a sustainable source. Through this, our goal is to avoid the use of any forest commodities illegally harvested; from ancient and endangered forests; from an area of high conservation value; endangered species habitat; that have contributed to the conversion of forest into non-forest use or plantations established after 1994; obtained in violation of traditional, civil and indigenous rights; or from other controversial sources.

As per our Palm Oil Position statement, It is our policy to avoid the use of unsustainable and untraceable palm oil. We always declare the type of oil used in our products in the ingredients panel of the packaging. As part of our Vision 2025+ strategy, we have set ourselves a tougher goal – that by 2025, all our key commodities will be responsibly sourced and traceable.

Forest risk commodity

Cattle products

Criteria

Zero net deforestation
No conversion of High Conservation Value areas
No sourcing of illegally produced and/or traded forest risk commodities
No sourcing of forest risk commodities from unknown/controversial sources
Restricting the sourcing and/or trade of forest risk commodities to credible certified sources

Operational coverage

Supply chain

% of total production/ consumption covered by commitment

100%

Cutoff date

2016

Commitment target date

No target date

Please explain

Whilst our Deforestation position statement does not specifically set out timeframes, we have publicly stated in our position statement we are committed to reducing and eventually, removing deforestation and forest degradation from our direct operations and supply chain. This commitment includes systematically removing commodities from our supply chain that cannot be traced from a sustainable source. Through this, our goal is to avoid the use of any forest commodities illegally harvested; from ancient and endangered forests; from an area of high conservation value; endangered species habitat; that have contributed to the conversion of forest into non-forest use; obtained in violation of traditional, civil and indigenous rights; or from other controversial sources.

In May 2016, WHL committed publicly to a set of 2020 sustainability commitments which includes 100% responsible sourcing of key commodities material to operating business, including leather. As part of this commitment, we have been working to gain a better understanding of where commodities (including wood products, palm oil, soy, and leather) sourced for our products or used in our business come from, and how we can work together with our suppliers and partners to improve traceability and meet our deforestation commitments. As part of our Vision 2025+ strategy, we have set ourselves a tougher goal – that by 2025, all our key commodities will be responsibly sourced and traceable. See our GBJ Reports here <https://www.woolworthsholdings.co.za/sustainability/reports/>

Forest risk commodity

Soy

Criteria

Zero net deforestation
No conversion of High Conservation Value areas
No sourcing of illegally produced and/or traded forest risk commodities
No sourcing of forest risk commodities from unknown/controversial sources
Restricting the sourcing and/or trade of forest risk commodities to credible certified sources

Operational coverage

Supply chain

% of total production/ consumption covered by commitment

100%

Cutoff date

2016

Commitment target date

No target date

Please explain

Whilst our Deforestation position statement does not specifically set out timeframes, we have publicly stated in our position statement we are committed to reducing and eventually, removing deforestation and forest degradation from our direct operations and supply chain. This commitment includes systematically removing commodities from our supply chain that cannot be traced from a sustainable source. Through this, our goal is to avoid the use of any forest commodities illegally harvested; from ancient and endangered forests; from an area of high conservation value; endangered species habitat; that have contributed to the conversion of forest into non-forest use or plantations established after 1994; obtained in violation of traditional, civil and indigenous rights; or from other controversial sources.

In May 2016, WHL committed publicly to a set of 2020 Good Business Journey commitments which includes 100% responsible sourcing of all key commodities material to operating companies, including soy. As part of this commitment, we have been working to gain a better understanding of where commodities (including wood products, palm oil, soy, and leather) sourced for our products or used in our business come from, and how we can work together with our suppliers and partners to improve traceability and meet our deforestation commitments. As part of our Vision 2025+ strategy, we have set ourselves a tougher goal – that by 2025, all our key commodities will be responsibly sourced and traceable. See our latest GBJ report here <https://www.woolworthsholdings.co.za/sustainability/reports/>

F5. Business strategy**F5.1****(F5.1) Are forests-related issues integrated into any aspects of your long-term strategic business plan, and if so how?**

	Are forests-related issues integrated?	Long-term time horizon (years)	Please explain
Long-term business objectives	Yes, forests-related issues are integrated	5-10	Management of forest commodities is a component of our sustainability programme and embedding sustainability this across our operations is a long term business objective. Our sustainability strategy is developed with a 5 year time horizon - however identification of long term risk management strategies extends far beyond this time horizon. As part of our Vision 2025+ strategy, we have set ourselves a tougher goal – that by 2025, all our key commodities will be responsibly sourced and traceable.
Strategy for long-term objectives	Yes, forests-related issues are integrated	5-10	Our sustainability strategy is developed with a 5 year time horizon - however identification of long term risk management strategies extends far beyond this time horizon. As part of our Vision 2025+ strategy, we have set ourselves a tougher goal – that by 2025, all our key commodities will be responsibly sourced and traceable.
Financial planning	No, forests-related related issues were reviewed but not considered as strategically relevant/significant	5-10	Only to the extent that budgetary requirements for sustainability targets and commitments are considered in financial planning for each business unit prior to the start of each financial year.

F6. Implementation**F6.1****(F6.1) Did you have any timebound and quantifiable targets for increasing sustainable production and/or consumption of your disclosed commodity(ies) that were active during the reporting year?**

Yes

F6.1a**(F6.1a) Provide details of your timebound and quantifiable target(s) for increasing sustainable production and/or consumption of the disclosed commodity(ies), and progress made.****Target reference number**

Target 1

Forest risk commodity

Timber products

Type of target

Third-party certification

Description of target

Woolworths signed the Vancouver Declaration in 2017, making a commitment to work towards more sustainable sourcing of forest products and endorsing the Forest Stewardship Council (FSC) as the supplier of choice for the certification of forest products. As part of our Vision 2025+ strategy in 2020, we have set ourselves a tougher

goal – that by 2025, all our key commodities will be responsibly sourced and traceable.

Linked commitment

Zero net/gross deforestation

Traceability point

<Not Applicable>

Third-party certification scheme

FSC Chain of Custody
FSC Controlled Wood
FSC Recycled
PEFC Chain of Custody

Start year

2020

Target year

2025

Quantitative metric

<Not Applicable>

Target (number)

<Not Applicable>

Target (%)

100

% of target achieved

90

Please explain

Although we always specify FSC paper and board, this is not always viable since not all suppliers are chain of custody certified. We are currently consolidating paper and board packaging suppliers, and have made great strides in driving FSC membership across our preferred supplier base. By the end of December 2020, we aimed to have a comprehensive list of FSC-certified suppliers who will supply Woolworths' paper board packaging exclusively. Currently, 43% of Country Road Group's products containing timber are made from recycled or certified timber. 98% of Woolworths Food paper and board packaging is responsibly sourced.

Target reference number

Target 2

Forest risk commodity

Palm oil

Type of target

Third-party certification

Description of target

As part of our Vision 2025+ strategy in 2020, we have set ourselves a tougher goal – that by 2025, all our key commodities will be responsibly sourced and traceable.

Linked commitment

Zero net/gross deforestation

Traceability point

<Not Applicable>

Third-party certification scheme

RSPO Mass Balance

Start year

2020

Target year

2025

Quantitative metric

<Not Applicable>

Target (number)

<Not Applicable>

Target (%)

100

% of target achieved

97

Please explain

As a member, Woolworths continues to support the Roundtable on Sustainable Palm Oil (RSPO). From the end of 2020, Woolworths has committed that 100% certified sustainable palm oil (CSPO) from physically certified supply chains will be sourced for our private label food and personal care products.

Target reference number

Target 3

Forest risk commodity

Cattle products

Type of target

Third-party certification

Description of target

As part of our Vision 2025+ strategy in 2020, we have set ourselves a tougher goal – that by 2025, all our key commodities will be responsibly sourced and traceable.

Linked commitment

Zero net/gross deforestation

Traceability point

<Not Applicable>

Third-party certification scheme

Other, please specify (Leather Working Group)

Start year

2020

Target year

2025

Quantitative metric

<Not Applicable>

Target (number)

<Not Applicable>

Target (%)

100

% of target achieved

85

Please explain

The Country Road Group accessories teams completed their second annual supply chain mapping exercise to get a better understanding of where the leather comes from. We know the hide origin of 100% of our leather products and each year we gain more insight into our sources to help us grow our purchasing into tanneries that support our sustainability goals. With 85% of leather products containing leather sourced from LWG-accredited tanneries, Country Road Group is supporting tanneries that are committed to reducing environmental impact, including water and energy reduction, chemical management, and wastewater treatment. The Leather Working Group certification also assesses the ability of leather manufacturers to trace the material back to the slaughterhouse. Witchery's leather handbags are also currently LWG certified.

Target reference number

Target 4

Forest risk commodity

Soy

Type of target

Third-party certification

Description of target

As part of our Vision 2025+ strategy in 2020, we have set ourselves a tougher goal – that by 2025, all our key commodities will be responsibly sourced and traceable.

Linked commitment

Other environmental commitments

Traceability point

<Not Applicable>

Third-party certification scheme

RTRS Credits

Other, please specify (Direct local sourcing (South Africa))

Start year

2020

Target year

2025

Quantitative metric

<Not Applicable>

Target (number)

<Not Applicable>

Target (%)

100

% of target achieved

33

Please explain

Woolworths became a member of the Roundtable for Responsible Soy (RTRS) in 2015. Because of considerable complexity in converting soy used in animal feeds to a responsibly sourced variety, we have started purchasing RTRS credits to promote the uptake and development of the responsible soy industry. Based on the last soy footprint conducted in the 2019 financial year, Woolworths uses nearly 25 000 tons of soy annually, but 99% is used indirectly in animal feed for our dairy (41%), chicken (24%), pork (20%), eggs (11%), beef (2%), and fish (1%) products.

Woolworths purchased 9 750 RTRS credits, equivalent to 33% of the total soy footprint at that time (offsetting the use of soy in chicken, eggs, beef, and fish products). The

credits are only purchased from growers who are certified as meeting the RTRS standard for responsible soy production. One credit is equivalent to one ton of soy. In this way, we are supporting the responsible production of soy.

F6.2

(F6.2) Do you have traceability system(s) in place to track and monitor the origin of your disclosed commodity(ies)?

	Do you have system(s) in place?	Description of traceability system	Exclusions	Description of exclusion
Timber products	Yes	Cellulose: This is an ongoing supply chain mapping exercise. Currently, Woolworths is sourcing 75% deforestation-free viscose with Country Road Group sourcing 32%. This is an ongoing (manual) supply chain mapping exercise. Timber: In Australia, we have high levels of traceability due to legislative requirements. In South Africa, we rely on manual tracking systems from buyers and technologists as internal system capability is limited.	Business activity	
Palm oil	Yes	Currently, we have 97% traceability to mill through the use of the Web-based system for tracing RSPO certified palm oil. This is a manual exercise involving direct requests to suppliers and is an ongoing supply chain mapping exercise.	Country/geographical area Business activity Facility	
Cattle products	Yes	We have completed a supply chain mapping exercise on all key leather accessories across Woolworths, Country Road, MIMCO, Trener, and MIMCO, with varying levels of traceability. WHL currently supports the LWG as the primary mechanism under which we intend to obtain traceability. Our internal systems allow for rudimentary capturing of sustainable product attributes and are one of the main constraints to being able to record and analyze consumption figures. We have formal systems in place to capture the supplier and country of origin for all products we sell but do not necessarily capture the point of origin of the components. We currently have dedicated projects in place across the Group that is specifically looking at increasing traceability in our supply chain. As we use such a large range of raw materials that are associated with a number of environmental and social issues (broader than deforestation-related issues), we are working to address traceability in the key risk commodities, however, a system of prioritization of efforts is required.	Country/geographical area Business activity Facility	
Soy	No	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Coffee	Yes	During the past year, Woolworths has been working to refine and launch our responsible sourcing programme for coffee. 100% of the coffee we sell in our WCafés and Woolworths pods and coffee carts is sourced from smallholder farmers in Tanzania and Ethiopia. Thus, the primary focus of our responsible sourcing programme is to support coffee quality and sustainability initiatives that ultimately improve the long-term viability of coffee production among these smallholder farmers. We have developed a five-year action plan for the programme in conjunction with our supply chain partners to deliver against our four key objectives.	Country/geographical area Business activity	Currently data is only available, tracked for our Food Services in South Africa.

F6.2a

(F6.2a) Provide details on the level of traceability your organization has for its disclosed commodity(ies).

Forest risk commodity	Point to which commodity is traceable	% of total production/consumption volume traceable
Timber products	Country	90
Palm oil	Mill	97
Cattle products	Tannery	85
Other - Coffee	Country	100

F6.2b

(F6.2b) Why do you not have system(s) in place to track and monitor the origin of your disclosed commodity(ies) and what are your plans to develop these in the future?

Forest risk commodity

Soy

Primary reason

We are planning to track and monitor the origin of forest risk commodities within the next two years

Please explain

We are still in the process of defining our strategy to address soy and as such will look to develop the necessary transparency system once this is bedded down. During the year, Woolworths created an internal working group to unpack the risks and opportunities related to soya. We found that there may be much higher usage of locally produced soya than we anticipated, with the majority of imported soya coming from Argentina. Woolworths has engaged an external consultant to conduct a survey around soya origins and volumes, directly with farmers. This survey will be finalised in the next financial year. Woolworths also conducted an exercise to re-establish its soya baseline, based on the amount of protein we sell and on average global inclusion rates. We are planning to use the information collected in the survey to further refine this for the South African context. We estimate that local animal feed equates to 96 to 98% thereof, with just 2 to 4% estimated in the form of embedded soya in imported products.

For the fourth consecutive year, Woolworths has purchased 9 750 RTRS credits. The credits are only purchased from growers who are certified as meeting the RTRS standard for responsible soya production. One credit is equivalent to one tonne of soya. In this way, we are supporting responsible production.

F6.3

(F6.3) Have you adopted any third-party certification scheme(s) for your disclosed commodity(ies)?

	Third-party certification scheme adopted?	% of total production and/or consumption volume certified
Timber products	Yes	90
Palm oil	Yes	97
Cattle products	Yes	85
Soy	Yes	33
Other - Rubber	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>
Other - Coffee	Yes	100

F6.3a

(F6.3a) Provide a detailed breakdown of the volume and percentage of your production and/or consumption by certification scheme.

Forest risk commodity

Please select

Third-party certification scheme

Other, please specify (RTRS Mass Balance)

Chain-of-custody model used

Not applicable

% of total production/consumption volume certified

33

Form of commodity

Please select

Volume of production/ consumption certified

9750

Metric for volume

Other, please specify (tonnes)

Is this certified by more than one scheme?

No

Please explain

For the fourth consecutive year, Woolworths has purchased 9 750 RTRS credits. The credits are only purchased from growers who are certified as meeting the RTRS standard for responsible soya production. One credit is equivalent to one tonne of soya. In this way, we are supporting responsible production.

Forest risk commodity

Palm oil

Third-party certification scheme

Other, please specify (CSPO)

Chain-of-custody model used

Not applicable

% of total production/consumption volume certified

97

Form of commodity

Refined palm oil

Volume of production/ consumption certified

Metric for volume

Please select

Is this certified by more than one scheme?

Don't know

Please explain

This year, for the first time, we purchased RSPO book and claim credits from smallholder farmers (IS-CSPO), equivalent to 100 tonnes, to cover the small portion (3%) of our usage that has not yet been converted to CSPO.

F6.4

(F6.4) For your disclosed commodity(ies), do you have a system to control, monitor, or verify compliance with no conversion and/or no deforestation commitments?

	A system to control, monitor or verify compliance	Comment
Timber products	Yes, we have a system in place for our no conversion and/or deforestation commitments	<Not Applicable>
Palm oil	No, but we plan to develop one within the next two years	
Cattle products	Yes, we have a system in place for our no conversion and/or deforestation commitments	<Not Applicable>
Soy	No, but we plan to develop one within the next two years	
Other - Rubber	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>
Other - Coffee	No, but we plan to develop one within the next two years	

F6.4a

(F6.4a) Provide details on the system, the approaches used to monitor compliance, the quantitative progress, and the non-compliance protocols, to implement your no conversion and/or deforestation commitment(s).

Forest risk commodity

Timber products

Operational coverage

Supply chain

Description of control systems

Woolworths and County Road Group are both signatories to the CanopyStyle pledge, and as such we are aiming to only source deforestation-free cellulosic fibers.

Woolworths also signed the Vancouver Declaration in 2017, making a commitment to work towards more sustainable sourcing of forest products, and endorsing the Forest Stewardship Council (FSC) as the supplier of choice for the certification of forest products.

In line with legislation, Country Road Group and David Jones purchase all timber, and products with timber inputs, from legally harvested sources.

Monitoring and verification approach

Third-party verification

Other, please specify (CanopyStyle / Rainforest Alliance audit)

% of total volume in compliance

81-90%

% of total suppliers in compliance

Don't know

Response to supplier non-compliance

Retain & engage

Procedures to address and resolve non-compliance with suppliers

Developing time-bound targets and milestones to bring suppliers back into compliance

Providing information on appropriate actions that can be taken to address non-compliance

Re-integrating suppliers back into supply chain based on the successful and verifiable completion of activities

Please explain

We work with our suppliers to assist them in aligning with our requirements within a stipulated time-frame and conduct follow-ups to ensure that corrective actions have been taken. This could include ensuring that policies and procedures are updated, investment is made in proper equipment or adequate training of employees and factory management takes place. While we aim to continue working with our suppliers to resolve all audit findings, we do reserve our right to suspend or discontinue our trading relationship with them if we do not see corrective actions being taken, particularly when it comes to business critical findings. Certain findings are common national or international issues, such as invalid or expired work permits, and our suppliers continue to engage with governments to address these.

Forest risk commodity

Cattle products

Operational coverage

Supply chain

Description of control systems

The WHL Group is also a participant in the Textile Exchange Beef and Leather Working Group. The LWG is an environmental standard that promotes best practices in chemical management and wastewater treatment. LWG certification also assesses the ability of leather manufacturers to trace the material back to the slaughterhouse.

Procurement standard - Woolworths specify that leather comes from tanneries that are REACH (Registration, Evaluation, Authorisation, and Restriction of Chemicals)

approved or abide by all the ISO 14000 standards.

Monitoring and verification approach

Other, please specify (manual tracking process)

% of total volume in compliance

81-90%

% of total suppliers in compliance

Please select

Response to supplier non-compliance

Retain & engage

Procedures to address and resolve non-compliance with suppliers

Developing time-bound targets and milestones to bring suppliers back into compliance

Providing information on appropriate actions that can be taken to address non-compliance

Re-integrating suppliers back into supply chain based on the successful and verifiable completion of activities

Please explain

We work with our suppliers to assist them in aligning with our requirements within a stipulated time-frame and conduct follow-ups to ensure that corrective actions have been taken. This could include ensuring that policies and procedures are updated, investment is made in proper equipment or adequate training of employees and factory management takes place. While we aim to continue working with our suppliers to resolve all audit findings, we do reserve our right to suspend or discontinue our trading relationship with them if we do not see corrective actions being taken, particularly when it comes to business critical findings. Certain findings are common national or international issues, such as invalid or expired work permits, and our suppliers continue to engage with governments to address these.

F6.6

(F6.6) For your disclosed commodity(ies), indicate if you assess your own compliance and/or the compliance of your suppliers with forest regulations and/or mandatory standards.

	Assess legal compliance with forest regulations	Comment
Timber products	No, we do not assess legal compliance	No, we use third-party certification schemes to assess and guard against our supply chain impacts.
Palm oil	No, we do not assess legal compliance	We use third-party certification schemes to assess and guard against our supply chain impacts.
Cattle products	No, we do not assess legal compliance	We use third-party certification schemes to assess and guard against our supply chain impacts.
Soy	No, we do not assess legal compliance	No, we use third-party certification schemes to assess and guard against our supply chain impacts.
Other - Rubber	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>
Other - Coffee	No, we do not assess legal compliance	No, we use third-party certification schemes to assess and guard against our supply chain impacts.

F6.7

(F6.7) Are you working with smallholders to support good agricultural practices and reduce deforestation and/or conversion of natural ecosystems?

	Are you working with smallholders?	Type of smallholder engagement approach	Smallholder engagement approach	Number of smallholders engaged	Please explain
Timber products	No, not working with smallholders	<Not Applicable>	<Not Applicable>	<Not Applicable>	WHL works either directly with suppliers or are signatories to certification standards to support and encourage best practice in the sourcing of key commodities.
Palm oil	No, not working with smallholders	<Not Applicable>	<Not Applicable>	<Not Applicable>	WHL works either directly with suppliers or are signatories to certification standards to support and encourage best practice in the sourcing of key commodities.
Cattle products	No, not working with smallholders	<Not Applicable>	<Not Applicable>	<Not Applicable>	WHL works either directly with suppliers or are signatories to certification standards to support and encourage best practice in the sourcing of key commodities.
Soy	No, not working with smallholders	<Not Applicable>	<Not Applicable>	<Not Applicable>	WHL works either directly with suppliers or are signatories to certification standards to support and encourage best practice in the sourcing of key commodities.
Other - Rubber	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Coffee	No, not working with smallholders	<Not Applicable>	<Not Applicable>	<Not Applicable>	WHL works either directly with suppliers or are signatories to certification standards to support and encourage best practice in the sourcing of key commodities.

F6.8

(F6.8) Are you working with your direct suppliers to support and improve their capacity to comply with your forests-related policies, commitments, and other requirements?

	Are you working with direct suppliers?	Type of direct supplier engagement approach	Direct supplier engagement approach	% of suppliers engaged	Please explain
Timber products	Yes, working with direct suppliers	Capacity building	Organizing capacity building events Encourage suppliers to work collaboratively on sector, landscape, or jurisdictional initiatives	21-30%	Woolworths runs regular workshops with FSC which are open to internal technical teams and also interested suppliers/ producers, and have also upskilled staff internally on FSC as a traceability system and packaging communications. We have also been engaging with clothing suppliers to determine traceability of cellulosic fabrics and have communicated our intent to them as part of the CanopyStyle pledge around responsible viscose sourcing. In addition, we hold supplier conferences on an annual basis, where we reiterate our responsible sourcing strategies to suppliers and seek to feedback in terms of progress. We communicate major developments with suppliers (e.g. Woolworths signing the Vancouver Declaration), and participate in communication campaign partnerships.
Palm oil	Yes, working with direct suppliers	Capacity building	Disseminating technical materials Organizing capacity building events	61-70%	Over the past few years we have been engaging and working closely with our suppliers to ensure that they understand our commitment and procurement specifications around sourcing certified sustainable palm oil. We have sent out questionnaires to help map our supply chain as well as run workshops. We have requested that our suppliers develop plans and time-bound commitments for sourcing certified sustainable palm oil. In addition, we hold supplier conferences on an annual basis, where we reiterate our responsible sourcing strategies to suppliers and seek to feedback in terms of progress.
Cattle products	Yes, working with direct suppliers	Capacity building	Disseminating technical materials Organizing capacity building events	51-60%	We engage with suppliers in supply chain mapping exercises. This has not only led to increased traceability, but has played a positive role in increasing awareness and support for Leather Working Group accreditation within our supplier base. In addition, we hold supplier conferences on an annual basis, where we reiterate our responsible sourcing strategies to suppliers and seek to feedback in terms of progress.
Soy	Yes, working with direct suppliers	Capacity building	Disseminating technical materials Organizing capacity building events	21-30%	At this stage, our engagement has been limited to our first tier of suppliers in meat and poultry departments to understand the challenges associated with obtaining traceability in soy supply chains. In addition, we hold supplier conferences on an annual basis, where we reiterate our responsible sourcing strategies to suppliers and seek to feedback in terms of progress.
Other - Rubber	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Coffee	No, not working with direct suppliers	<Not Applicable>	<Not Applicable>	<Not Applicable>	

F6.9

(F6.9) Are you working beyond your first-tier supplier(s) to manage and mitigate deforestation risks?

	Are you working beyond first tier?	Type of engagement approach with indirect suppliers	Indirect supplier engagement approach	Please explain
Timber products	No, not working beyond the first tier	<Not Applicable>	<Not Applicable>	We do not have visibility beyond our first tier.
Palm oil	No, not working beyond the first tier	<Not Applicable>	<Not Applicable>	We do not have visibility beyond our first tier.
Cattle products	No, not working beyond the first tier	<Not Applicable>	<Not Applicable>	We do not have visibility beyond our first tier.
Soy	No, not working beyond the first tier	<Not Applicable>	<Not Applicable>	We do not have visibility beyond our first tier.
Other - Rubber	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Coffee	No, not working beyond the first tier	<Not Applicable>	<Not Applicable>	We do not have visibility beyond our first tier.

F6.10

(F6.10) Do you engage in landscape (including jurisdictional) approaches to progress shared sustainable land use goals?

	Do you engage in landscape/jurisdictional approaches?	Primary reason for not engaging in landscape and/or jurisdictional approaches	Please explain why your organization does not engage in landscape/jurisdictional approaches, and describe plans to engage in the future
Row 1	No	Important, but not an immediate priority	

F6.11

(F6.11) Do you participate in any other external activities and/or initiatives to promote the implementation of your forests-related policies and commitments?

Forest risk commodity

Timber products

Do you participate in activities/initiatives?

Yes

Activities

Involved in industry platforms

Country/Area

Please select

Subnational area

Not applicable

Initiatives

<Not Applicable>

Please explain

We continue engaging with Canopy, with regards to how we can work towards a deforestation-free supply of viscose and other cellulosic fibers. We are also engaging with suppliers of paper, pulp, and timber products around sustainable timber sourcing, and our commitments for which we require their support.

Forest risk commodity

Palm oil

Do you participate in activities/initiatives?

Yes

Activities

Involved in industry platforms

Country/Area

South Africa

Subnational area

Not applicable

Initiatives

<Not Applicable>

Please explain

For the past few years, we have worked with the six major palm oil refiners in South Africa to help physically secure a sustainable source of palm oil for our suppliers. We hold regular (annual) workshops with the various role players in the value chain and offered training on RSPO chain of custody. We also engage with the industry more broadly through our technical specialists participation in the RSPO complaints panel.

Forest risk commodity

Cattle products

Do you participate in activities/initiatives?

Yes

Activities

Involved in industry platforms

Country/Area

Please select

Subnational area

Not applicable

Initiatives

<Not Applicable>

Please explain

WHL became a member of the Leather Working Group in April 2017 and through Country Road Group, is also a participant in the Textile Exchange Beef and Leather working group. This is still in its infancy, with the objective of bringing together a diverse range of stakeholders to address issues within the leather and beef supply chain. In South Africa we have been engaging with the Department of Trade and Industry and a national cluster of factories to try and encourage an alternative source of local hide for our suppliers through imposing export duties. This alternative local supply would increase our ability to ensure traceability within our supply chain.

Forest risk commodity

Soy

Do you participate in activities/initiatives?

Yes

Activities

Involved in industry platforms

Country/Area

South Africa

Subnational area

Not applicable

Initiatives

<Not Applicable>

Please explain

We are a member of the RTRS, although engagement with the organization to date has been limited. We have been in initial engagements with Soy SA around the development of a local sustainable soy market.

F6.12

(F6.12) Is your organization supporting or implementing project(s) focused on ecosystem restoration and protection?

No

F7. Verification

F7.1

(F7.1) Do you verify any forests information reported in your CDP disclosure?

No, we do not verify any forests-related information reported in our CDP disclosure, and there are no plans to do so

F8. Barriers and challenges

F8.1

(F8.1) Describe the key barriers or challenges to eliminating deforestation and/or conversion of other natural ecosystems from your direct operations or from other parts of your value chain.

Forest risk commodity

Timber products

Coverage

Supply chain

Primary barrier/challenge type

Limited public awareness and/or market demand

Comment

To date we have not seen significantly high levels of interest from customers, the government, or other retailers in pursuing FSC certified materials with the chain of custody. While it remains the right thing to do, we do experience challenges in converting our supply base to certification due to this lack of demand and perceived value for the additional cost and low volumes. When it comes to working with international suppliers, we have even less oversight and control over our supply chain and are often unable to find suppliers who have a full chain of custody back to the source, or who understand our procurement specifications. We are a relatively small procurer, therefore, we have limited influence in being able to shift suppliers towards certification, to ensure a full chain of custody.

Forest risk commodity

Palm oil

Coverage

Supply chain

Primary barrier/challenge type

Limited public awareness and/or market demand

Comment

As we have progressed our suppliers towards Mass Balance palm oil, we would eventually like to see a segregated supply of RSPO palm oil entering South Africa at an affordable rate. However due to very limited demand so far, the economics are currently not viable. Given that there is no regulation, there is only limited pressure on manufacturers to use CSPO.

Forest risk commodity

Cattle products

Coverage

Supply chain

Primary barrier/challenge type

Inexistent or immature certification standards

Comment

Lack of influence: Woolworths is a very small market player and in most cases, we are unable to develop leathers. Most leathers we work with are stock leathers. For our bigger programs such as leather pumps, we are able to influence the leather but yet again our volumes are extremely small. Lack of traceability and difficulty in tracing products back to the raw material source. I.e. - In many cases, particularly with leather, we need to first improve traceability within our supply chains, to get a better understanding of where we are currently sourcing raw materials from, where the key risks are, and opportunities to move towards more sustainable sources. Unfortunately, establishing the internal systems, management tools, and systems to do this still remains a challenge. Lack of skills: development of local industry (e.g. leather processing) in South Africa is identified as one way in which we can considerably improve traceability but also reduce costs/risks to business associated with exchange rate fluctuations. Skills availability in the leather industry is a limiting factor to the development of a local leather cluster.

Forest risk commodity

Please select

Coverage

Supply chain

Primary barrier/challenge type

Limited public awareness and/or market demand

Comment

Soy is a key input into animal feeds, therefore shifting to a sustainable supply does not only require shifting our own suppliers but also the animal feed industry - in a way that does not increase input costs for our suppliers. This will require coordination and transformation across an entire industry that we are only indirectly linked to. As there is limited concern around the use of Soy in South Africa still from a consumer and government perspective, creating this shift may be challenging.

F8.2

(F8.2) Describe the main measures that would improve your organization's ability to manage its exposure to deforestation and/or conversion of other natural ecosystems.

Forest risk commodity

Timber products

Coverage

Supply chain

Main measure

Greater enforcement of regulations

Comment

In South Africa, there is no legislation pertaining to requirements for responsible materials sourcing. Regulation to improve traceability of timber products into SA (for example) would provide the necessary pressure to create a chain of custody systems locally to enable to sourcing of sustainable and traceable raw materials.

Forest risk commodity

Timber products

Coverage

Supply chain

Main measure

Other, please specify (Costs of memberships and conferences)

Comment

Applicable to all commodities: Differentiated and localized membership and certification costs to enable access to the market for suppliers located in countries such as South Africa, where membership and audit costs may be significant given weak exchange rates. More conferences and workshops are held in regional hubs. Most of the international conferences and working group meetings for key deforestation risk commodities are held in Europe, Asia, and America, which means that African business is to some extent excluded from attending such meetings and gaining access to key global / deforestation management stakeholders.

F17 Signoff

F-FI

(F-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

F17.1

(F17.1) Provide the following information for the person that has signed off (approved) your CDP forests response.

	Job Title	Corresponding job category
Row 1	Group Head of Sustainability	Business unit manager

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I understand that my response will be shared with all requesting stakeholders	Response permission
Please select your submission options	Yes	Public

Please confirm below

I have read and accept the applicable Terms

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Please contact GoodBusinessJourney@woolworths.co.za*