

WOOLWORTHS HOLDINGS LIMITED

ABRIDGED GOOD BUSINESS JOURNEY REPORT

2023

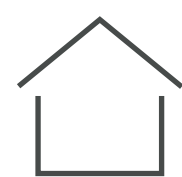
START

NAVIGATING OUR REPORT

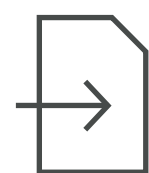
ICONS USED THROUGHOUT THIS REPORT

NAVIGATING OUR REPORT

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



Back to contents page



Useful links for more detail



More information on the web

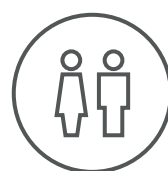
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OUR STAKEHOLDERS

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



Customers



Employees



Suppliers



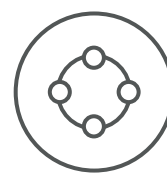
The Media



Shareholders



Debt Funders



Communities and Other



Industry Organisations



Academic Institutions



Government and Regulators

OUR GOOD BUSINESS JOURNEY FOCUS AREAS

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

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OUR GROUP

Our Group consists of two omnichannel trading divisions, targeting mid- to upper-income customers who value quality, innovation, value, and sustainability.

Woolworths South Africa comprises Fashion, Beauty, and Home (FBH) and Food businesses, and Country Road Group is an Australian house of brands, including the Country Road, Witchery, Trenergy, Mimco, and Politix brands.

Each company provides customers compelling loyalty benefits and valuable communications through dedicated loyalty programmes which are key to building customer engagement and loyalty and driving personalisation, customer acquisition, frequency, and spend.

Financial services are offered for WSA customers through Woolworths Financial Services (WFS), a joint venture with Absa Group Limited.

WOOLWORTHS

Fashion, Beauty and Home

OFFERING:

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



BASED IN:

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

432 000m²
trading space across 268 store locations



20.2%
Group turnover and concession sales

28.6%
Group aEBIT

4.3%
Online sales contribution, with sales fulfilled from dedicated distribution facility, available for home delivery and Click-and-Collect

3.2M
Active loyalty members, tracking 88% of revenue

32 675
Employees

86.2%
Targets achieved on sustainability scorecard

Food

OFFERING:

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



60.0%
Group turnover and concession sales

43.5%
Group aEBIT

BASED IN:

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



278 000m²
trading space across 479 store locations

3.8%
Online sales contribution, with sales fulfilled from physical stores, available for scheduled, Click-and-Collect or on-demand delivery



COUNTRY ROAD GROUP

OFFERING:

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

BASED IN:

Australia and trading in Australia, New Zealand, and South Africa

98 000 m²
trading space across
607 store locations



19.8%

Group turnover and
concession sales



26.4%

Group aEBIT



27.1%

Online sales contribution, with
sales fulfilled from dedicated
Omni-channel Fulfilment Centre,
available for scheduled delivery
or Click-and Collect

2.6M

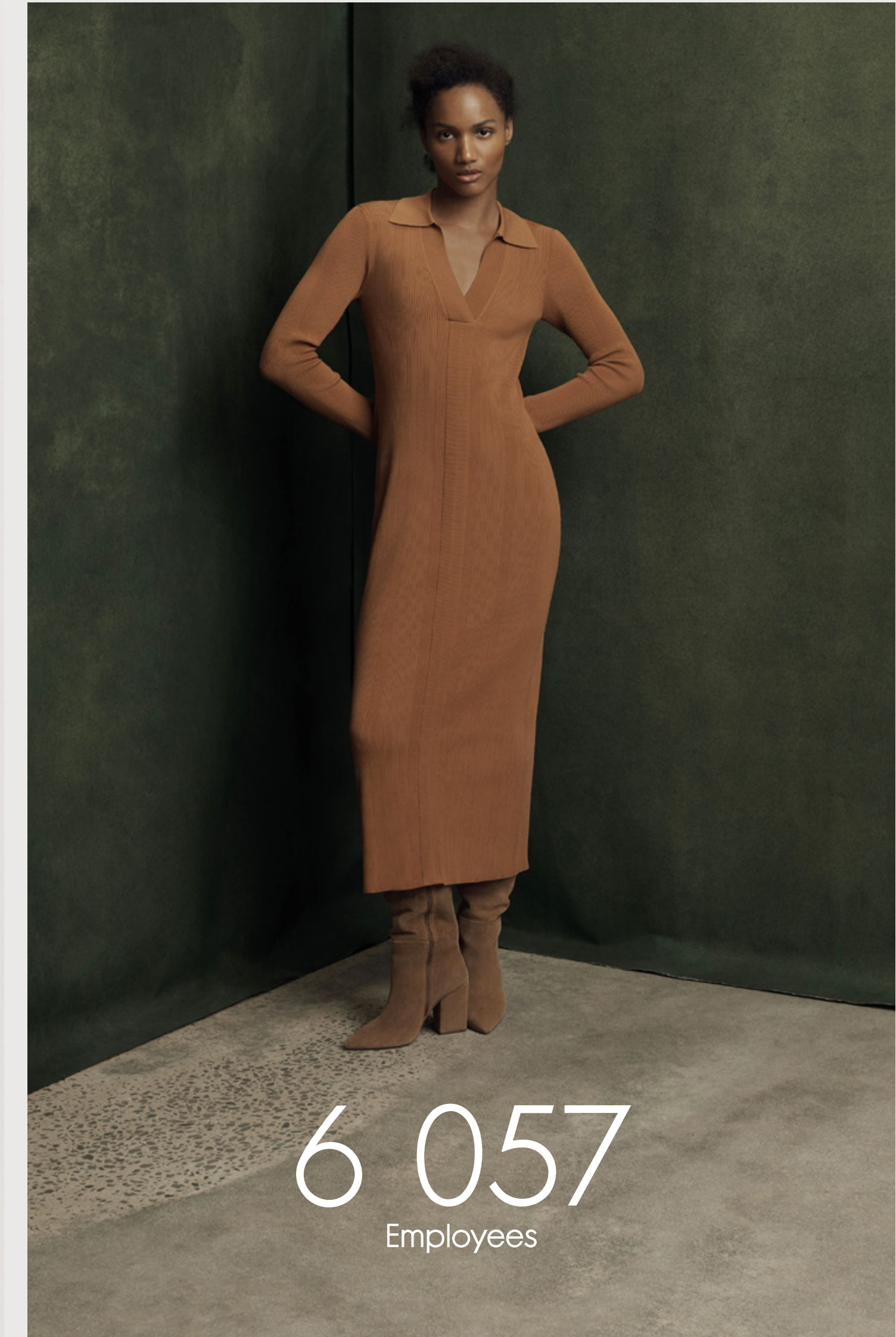
Active loyalty members,
tracking 82% of sales



6 057
Employees

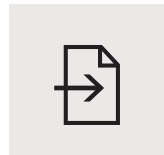
80.0%

Targets achieved on
sustainability scorecard



OUR VALUE CHAIN

As a multi-national food, fashion, beauty, and home retailer with a multi-tiered and geographically dispersed supply chain, our sustainability impacts cut across the entire value chain, from raw material production to customers and communities. More information on our material issues and risks in our value chain can be found in the Risk and Materiality section of this report.



THE GOOD BUSINESS JOURNEY

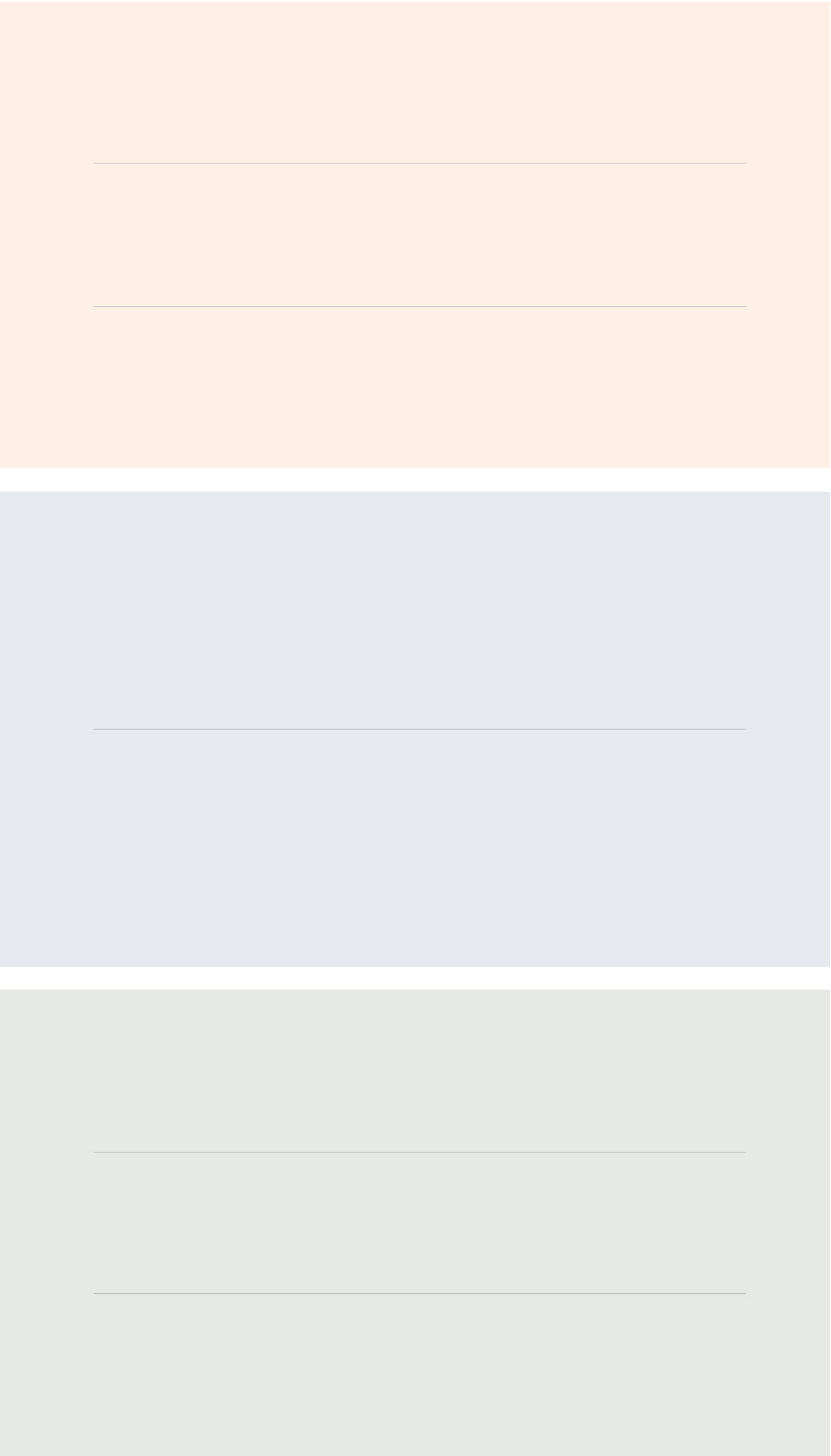
The GBJ is central to the Group’s strategy, and supports our vision to be one of the world’s most responsible retailers. More information on the Group’s strategic framework is available in the Integrated Annual Report.

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

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

The Woolworths Holdings Limited (WHL) Board approved Vision 2025+ and its underlying goals in 2021.

GBJ is our commitment to care for our environment, people, and communities.



UNDERLYING PRINCIPLES: TRANSPARENCY, CIRCULARITY, INNOVATION, COLLABORATION



SUSTAINABILITY COMMITTEE CHAIRMAN & GROUP CEO'S REPORT

Sustainability is a business imperative. It ensures that the Group is not only resilient and adaptable to change but also secures our longer-term viability. Our Good Business Journey (GBJ) is a critical component of who we are, what we do, and what we stand for as an organisation.

We are deeply committed to creating shared value for all our stakeholders and delivering on our responsibility to empower our people and protect our planet. Testament to this commitment is the fact that the Group's capital management has been linked to sustainability through various sustainability-linked loans and bonds; and in a first for us, sustainability measures are now included as one of the performance conditions of our executive long-term incentive scheme, ensuring a direct link between our GBJ and how management is incentivised and rewarded.

With this deep level of commitment, we continued to make a real and meaningful difference to our people, our communities, and the planet this year through our Vision 2025+ strategy:

INCLUSIVE JUSTICE

Our Inclusive Justice Initiative (IJI) sets out to acknowledge the extent to which certain groups in our society are marginalised and to help shape an inclusive society in which everyone is accepted, protected, and respected.

The Group has chosen women's empowerment and gender equality as our lead corporate advocacy issue while also taking action on a number of other social justice issues, including racism, gender-based violence, and fair and responsible pay. As a signatory to the UN Women's Empowerment Principles, we undertook the UN Women Gender gap analysis to do a baseline assessment of our policies, strategies, and practices in our value chain. We were rated as 'Improver' and aim to progress to 'Achiever' by 2025.

In line with our IJI vision, we endeavour to create lasting positive social impacts in our communities. Working towards a #ZEROHUNGER future continues to be a focus. Woolworths donated R856 million in surplus food to charities and supported the development of Black farmers through the Living Soils Community Learning Farm. Woolworths also continued to focus on supporting education-related charities. We believe that no child should be left behind – they should have access to quality education in a safe environment. One of our flagship programmes in this regard, MySchool MyVillage MyPlanet, celebrated its 25th anniversary of making a difference in September 2022. Country Road Group continues to focus on supporting communities' physical and mental health and wellbeing and partners with recognised charities and causes, such as the Ovarian Cancer Research Foundation, Our Watch, and Movember.

ETHICAL AND FAIR

The Group remains committed to mitigating and managing the diverse social and environmental risks we face in our supply chain through our ethical sourcing programmes. The strength of these programmes continues to be recognised externally. Country Road Group was ranked in the top 20% of brands assessed in the Baptist World Aid Ethical Fashion Report; Woolworths was ranked in the top category, 'Leading', in Textile Exchange's Material Corporate Fibre and Materials Benchmark; and Woolworths was the top-ranked South African fashion retailer in the 2023 Fashion Transparency Index.

Woolworths also makes a concerted effort to increase local sourcing to stimulate the growth of an inclusive economy and contribute to the meaningful development and sustainability of Black-owned and Black-women-owned SMMEs. We contributed over R7 billion towards the revenues of 32 small and medium enterprises in the Woolworths supplier value chain this year.

THRIVING AND RESILIENT

We continue to track well towards our net zero goal, with the Group's 2022 Scope 1 and 2 carbon emissions decreasing by 16% against our 2019 baseline. As we continue to strive towards sourcing all our electricity from renewable sources, Woolworths financed its first solar PV installation at a leased store location; it will produce up to 40% of the store's energy requirements.

In a South African retail first, Woolworths rolled out 42 electric vehicles for online deliveries. These are expected to save over 400 000 kilogrammes of tailpipe carbon emissions. In another notable achievement, we reached a significant milestone in the phasing out of single-use plastic shopping bags – all Woolworths Foodmarkets are now plastic-shopping-bag-free, and all Woolworths Fashion, Beauty and Home stores are expected to be plastic-shopping-bag-free in the next year.

Country Road Group is the only Australian fashion retailer publicly committed to achieving 5- or 6-star Green Star certification for stores. We're proud to say that three new Country Road Group stores were certified as Green Star this year.

UN SUSTAINABLE DEVELOPMENT GOALS (UN SDGs)

The Group continues to support the intent of the UN Sustainable Development Goals as a universal call to action for a better and more sustainable future for people and the planet by 2030. While our GBJ focus areas are aligned to most of the 17 UN SDGs, the seven priority goals that we believe we have the ability to make the greatest impact on through our GBJ Vision 2025+ strategy are:



LOOKING AHEAD

We will continue to ensure that the GBJ remains industry-leading, highly regarded, and embedded in all aspects of the business, in line with the Group's vision of being one of the world's most responsible retailers.

BELINDA EARL, Sustainability Committee Chairman

ROY BAGATTINI, Group Chief Executive Officer

A YEAR IN REVIEW

INCLUSIVE JUSTICE

The Group’s People Value Proposition was refreshed with a renewed focus on leadership, performance management, learning and development, remuneration, diversity and inclusion, and wellbeing



The Group invested R207 million in employee training and development

Woolworths contributed R7 billion (2022: R5.9 billion) in revenues of Black and Black-women-owned suppliers in our supplier base



R856M

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

The Woolworths Staying Strong Programme received the HR Excellence Award at the 66th Institute of People Management (IPM) Convention¹

¹The Staying Strong Programme was designed in response to the Covid-19 pandemic, and focuses on building individual resilience and a culture of self-care.

ETHICAL AND FAIR



The Group became a foundation member of the Ethical Trading Initiative, an alliance of companies, trade unions, and NGOs working together to promote respect for workers’ rights in supply chains collectively



100%

of Woolworths’ palm oil, cocoa, cotton, and timber are responsibly sourced

100% of Woolworths Food and 85% of Woolworths FBH private-label products have at least one sustainability attribute

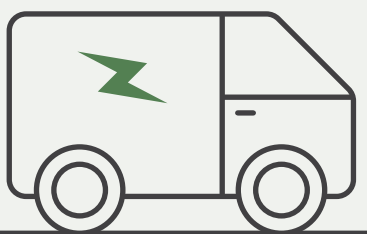
THRIVING AND RESILIENT

100% of Woolworths Foodmarkets are plastic-shopping-bag-free. Woolworths Food also rolled out a bag share stand and a reusable bag recycling initiative



Eight Country Road stores achieved 5-star Green Star certification








Country Road launched a Climate Fund to provide A\$1.5 million in grant funding over three years to entities working on projects to mitigate climate change and build climate resilience



In a South African retail first, Woolworths rolled out 42 electric vehicles for its online delivery fleet



MEASURING OUR PROGRESS AGAINST VISION 2025⁺

 INCLUSIVE JUSTICE	PROGRESS	READ MORE	 ETHICAL AND FAIR	PROGRESS	READ MORE	 THRIVING AND RESILIENT	PROGRESS	READ MORE
Achieve BBBEE level 4 by 2025	<div><div></div><div></div><div></div><div></div></div>		Have a fully transparent, traceable, and ethical supply chain by 2025	<div><div></div><div></div><div></div><div></div></div>		Achieve net zero carbon impact by 2040	<div><div></div><div></div><div></div><div></div></div>	
Complete the UN Women Empowerment Principles gap analysis by 2023	<div><div></div><div></div><div></div><div></div></div>		Develop a roadmap by 2022 for achieving a living wage for all workers across our supply chain	<div><div></div><div></div><div></div><div></div></div>		Source 100% of our energy from renewable sources by 2030	<div><div></div><div></div><div></div><div></div></div>	
Move from “Improver” to “Achiever” in the UN Women Empowerment Principles assessment by 2025	<div><div></div><div></div><div></div><div></div></div>		Responsibly source all key commodities from traceable sources by 2025	<div><div></div><div></div><div></div><div></div></div>		Work with our suppliers and partners to create net positive water impact in water-stressed basins in our value chain by 2050	<div><div></div><div></div><div></div><div></div></div>	
Complete our Just Wage journey to exceed retail and legislative minimum rates	<div><div></div><div></div><div></div><div></div></div>		All private-label products can be reused, repaired, resold or recycled by 2025	<div><div></div><div></div><div></div><div></div></div>		All our packaging will be reusable or recyclable by 2022	<div><div></div><div></div><div></div><div></div></div>	
Implement our Employment Equity Plan for the period until 2025 and achieve compliance status	<div><div></div><div></div><div></div><div></div></div>		All private-label clothing, beauty, and home products to contain at least one renewed, reused or recycled product material input by 2030	<div><div></div><div></div><div></div><div></div></div>		Halve food loss and waste in our own operations and across our top 30 suppliers by 2030	<div><div></div><div></div><div></div><div></div></div>	
						All private-label products to support regenerative farming practices by 2030	<div><div></div><div></div><div></div><div></div></div>	
Related UN SDGs			Related UN SDGs			Related UN SDGs		
<div><div><div>1</div><div>NO POVERTY</div><div></div></div><div><div>4</div><div>QUALITY EDUCATION</div><div></div></div><div><div>5</div><div>GENDER EQUALITY</div><div></div></div><div><div>8</div><div>DECENT WORK AND ECONOMIC GROWTH</div><div></div></div><div><div>10</div><div>REDUCED INEQUALITIES</div><div></div></div></div>			<div><div><div>1</div><div>NO POVERTY</div><div></div></div><div><div>12</div><div>RESPONSIBLE CONSUMPTION AND PRODUCTION</div><div></div></div><div><div>15</div><div>LIFE ON LAND</div><div></div></div></div>			<div><div><div>2</div><div>ZERO HUNGER</div><div></div></div><div><div>6</div><div>CLEAN WATER AND SANITATION</div><div></div></div><div><div>7</div><div>AFFORDABLE AND CLEAN ENERGY</div><div></div></div><div><div>12</div><div>RESPONSIBLE CONSUMPTION AND PRODUCTION</div><div></div></div><div><div>13</div><div>CLIMATE ACTION</div><div></div></div></div>		

PROGRESS KEY



NOT YET STARTED



BEHIND



ON TRACK



AHEAD / ACHIEVED



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

GOVERNANCE AND MANAGEMENT OF OUR GOOD BUSINESS JOURNEY

The WHL Board is ultimately responsible for the GBJ. The WHL Board Sustainability Committee and the WHL Board Social and Ethics Committee support the Board in this regard. The Board delegates operational responsibility for the GBJ to the WHL Chief Executive Officer, and the WHL, Woolworths and CRG Executive Committees (ExcOs). The Group Head of Sustainability, Director of Corporate Affairs, Group People Director, and the ExcOs are responsible for implementing the GBJ strategy and performance. They are supported by teams across the business who integrate GBJ into day-to-day operations and report twice yearly against sustainability and corporate scorecards on the business’s GBJ performance.

Various policies, position statements, and internal reporting systems for data and information collection and reporting are supporting these teams in delivering the GBJ programme across the Group.

























DIRECTOR TRAINING ON GBJ-RELATED MATTERS

DURING THE YEAR:

- Internal subject matter experts provided the Board with insights on key sustainability issues affecting the Group and the broader retail industry
- The full Board attended a dedicated climate change training session facilitated by external climate change specialists and academics from the Sustainability Institute and the Climate Risk Lab in the African Climate and Development Initiative based at the University of Cape Town

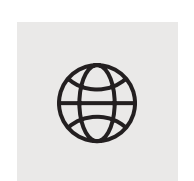
For more information, refer to the Governance and Management section on our website.

VISION 2025+ PILLARS COVERED

BOARD OVERSIGHT	1	WHL Board			
	2	WHL Board Sustainability Committee			
		WHL Board Social and Ethics Committee			
MANAGEMENT OVERSIGHT	3	Executive Committees (ExcOs)			
	4	Group Head of Sustainability			
		Director of Corporate Affairs and Group People Director			
CO-ORDINATION & IMPLEMENTATION	5	Sustainability, Corporate Affairs, and Human Resources teams			
	6	Scorecards			
	7	Policies and position statements			
	8	Reporting systems			

“Our value as a business and our values as a Group are inextricably linked. It’s only through combining business performance with responsible social conduct that we’ll drive sustainable growth, strengthen our brands, and keep our people and customers inspired and engaged.”

– ROY BAGATTINI,
GROUP CHIEF EXECUTIVE OFFICER



VISION 2025+ PILLARS

 INCLUSIVE JUSTICE

 ETHICAL AND FAIR

 THRIVING AND RESILIENT

RISK AND MATERIALITY

Vision 2025⁺, and the material issues we include in this report, are informed and refreshed annually based on the results of our sustainability risk assessment and materiality determination process.

SUSTAINABILITY RISKS

We follow a robust risk assessment approach to determine our sustainability risks, aligned to the Group's integrated risk assessment and management approach. Risk registers are developed for key business areas to ensure we document all identified risks, weighted and prioritised according to the agreed risk assessment method, and identify action plans to mitigate the risks.

For more information on the Group's integrated risk assessment and management approach, refer to the Enterprise Risk Management section of the Integrated Annual Report.

MATERIALITY DETERMINATION

IDENTIFICATION AND REFRESH

Material sustainability issues are identified and assessed annually across the Group through internal stakeholder engagement, the risk assessment process, and a desktop review of peer sustainability reports, media and news articles, global collective commitments, and global sustainability and reporting tools and indices. This is supplemented by a formal external stakeholder engagement process every three to five years.

During the year, we performed a materiality refresh exercise in which we conducted internal stakeholder engagement, selected external engagement with key stakeholders, and a desktop review.

MATERIAL ISSUES





The exercise revealed that our material issues, reflected in the table that follows, remain relevant and complete.

THE FOLLOWING ISSUES HAVE, HOWEVER, BEEN FURTHER EMPHASISED OR ELEVATED DURING THE YEAR:

- Climate change – including the need for a just transition, having clear roadmaps to achieve net zero, enhanced disclosures in annual reporting suites, loss and damage funding, plant-based diets
- Biodiversity loss – including its link to agriculture, deforestation, and climate change
- Packaging, plastic, and circularity
- Presence of forever chemicals in water
- Food security, loss, and waste
- Responsible sourcing – support of local suppliers, ensuring appropriate working conditions, protection of human rights, payment of living wages

The WHL Board Sustainability Committee reviewed and approved the materiality determination process in February 2023.



MATERIAL ISSUES	CLIMATE CHANGE <div>Climate change will have far-reaching impacts across our value chain, presenting physical and transition risks to our business. Therefore, to ensure the long-term sustainability of the Group, climate change adaptation and mitigation while working to ensure a just transition are necessary.</div>	WATER <div>A large portion of our supply chain, our customers, and our direct operations are based in areas where water quality and availability are at significant risk. Therefore, we need to address water challenges in these areas to ensure the continuity of our operations and product supply, and conserve and protect this precious resource for our customers and communities.</div>	BIODIVERSITY <div>Nature is declining globally at unprecedented rates, and the extent of species extinction is accelerating. This increasing biodiversity loss is a critical risk to our business, the health and wellness of our customers and employees, and the economy as a whole.</div>	PACKAGING, WASTE, AND THE CIRCULAR ECONOMY <div>The world has finite resources. We cannot continue to operate a linear take-make-waste approach. We must fundamentally rethink how we design, use, and reuse products, plastics and other packaging to transition towards a more circular economy approach to business.</div>	RESPONSIBLE SOURCING, TRANSPARENCY, AND TRACEABILITY <div>Multi-tiered and geographically dispersed supply chains like ours can have significant negative social impacts. We need to ensure we operate in a way that respects human rights and protects the environment and the welfare of animals.</div>
RISKS	<ul style="list-style-type: none">Threat to supply, quality, and availability of raw materialsSupply chain and logistics disruptionsFood insecurity and food price inflationLack of availability and increased cost of electricity and/or low-emission technologyFailing governmental and municipal infrastructureBusiness disruption due to energy interruptions and/or extreme weather eventsReduced customer demand for unsustainable products	<ul style="list-style-type: none">Food insecurity and food price inflationContamination of available water resources through pollutionChanging weather patterns resulting in regional droughtsThreat to supply, quality, and availability of raw materialsFailing governmental and municipal infrastructureReduced customer demand for unsustainable products	<ul style="list-style-type: none">Threat to supply, quality, and availability of raw materialsFood insecurity and food price inflationReduced customer demand for unsustainable products	<ul style="list-style-type: none">Lack of widely available recycling infrastructure and technologyLack of cost-effective and recyclable substrates and fibre alternativesFood waste sent to landfill due to inappropriate packagingReduced customer demand for unsustainable productsIncreased demand for customer take-back optionsIncreased regulations and cost of compliance with applicable laws and regulationsThreat to supply of non-renewable raw materials	<ul style="list-style-type: none">Poor working conditions in the supply chainWorkers in the supply chain paid below minimum wageHuman rights abuses in the supply chain, such as modern slavery, forced labour or child labourPoor animal welfare
MITIGATIONS	<ul style="list-style-type: none">Implementation of energy-efficiency initiatives in direct operationsRenewable energy installationsImplementation of energy-efficient logistics and rollout of electric vehicles	<ul style="list-style-type: none">Implementation of water-efficiency initiatives in direct operationsImplementation of a detox strategy to remove harmful chemicals from clothing manufactureInvolvement in water stewardship projects in key sourcing regionsInstallation of water tanks and handwashing stations at various schools	<ul style="list-style-type: none">Implementation and support of sustainable and/or regenerative farming and fishing programmesUse of alternative fibres	<ul style="list-style-type: none">Implementation of waste reduction and circular economy initiatives such as phase-out of non-recyclable single-use plastic, use of recycled or renewed content in products, and donation of surplus productsImplementation of circular fashion models, such as rental and resaleProvision of customer take-back facilities at stores	<ul style="list-style-type: none">Sourcing commodities through recognised international responsible sourcing programmes and certification schemesMandatory compliance by suppliers with our policies and position statements monitored through regular auditsLiving wage roadmap and modern slavery reporting
CROSS-CUTTING MITIGATIONS	Implementation of the Factories of the Future Programme with Woolworths suppliers Working to ensure each private-label product has a sustainability attribute Ongoing training of staff and suppliers on sustainability-related topics Proactive stakeholder engagement with governments, regulators, and industry Membership in sustainability-related global organisations				
PORTION OF THE VALUE CHAIN IMPACTED	<div><div> RAW MATERIALS, PROCESSING, AND MANUFACTURING</div><div> DIRECT OPERATIONS</div><div> CUSTOMERS AND COMMUNITIES</div></div>				<div><div> RAW MATERIALS, PROCESSING, AND MANUFACTURING</div></div>
RELATED VISION 2025+ PILLARS	THRIVING AND RESILENT	THRIVING AND RESILENT	THRIVING AND RESILENT	THRIVING AND RESILENT	ETHICAL AND FAIR
RELATED FOCUS AREAS					

STAKEHOLDER ENGAGEMENT

Our vision is to be one of the world's most responsible retailers, and effective stakeholder management is a key enabler of our achieving the vision.

We are committed to developing and maintaining quality relationships with our stakeholders to create shared value for all in the short, medium, and long term.

Our philosophy is to engage authentically, openly, and inclusively with our stakeholders, enabling us to better understand them, benefit from their insights, focus on their priorities, and address their concerns. It also allows us to seek areas of potential partnership, mitigate risks to the business, and create mutual trust and respect. This is integral to the ongoing daily management of the Group, and key to identifying the material issues that could significantly impact our performance and sustainability.

THE ROLE OF STAKEHOLDER ENGAGEMENT

Our stakeholder engagement programme helps the Group better navigate the complex regulatory, legislative, and political landscape, provides ongoing insights, develops goodwill ambassadors, holds us accountable to our promises, and ultimately ensures our sustainability. This is particularly true when we need to adapt and react quickly to rapidly evolving social, technological, and environmental events which we can identify through regular and constructive stakeholder engagement.

STAKEHOLDER GOVERNANCE AND MANAGEMENT

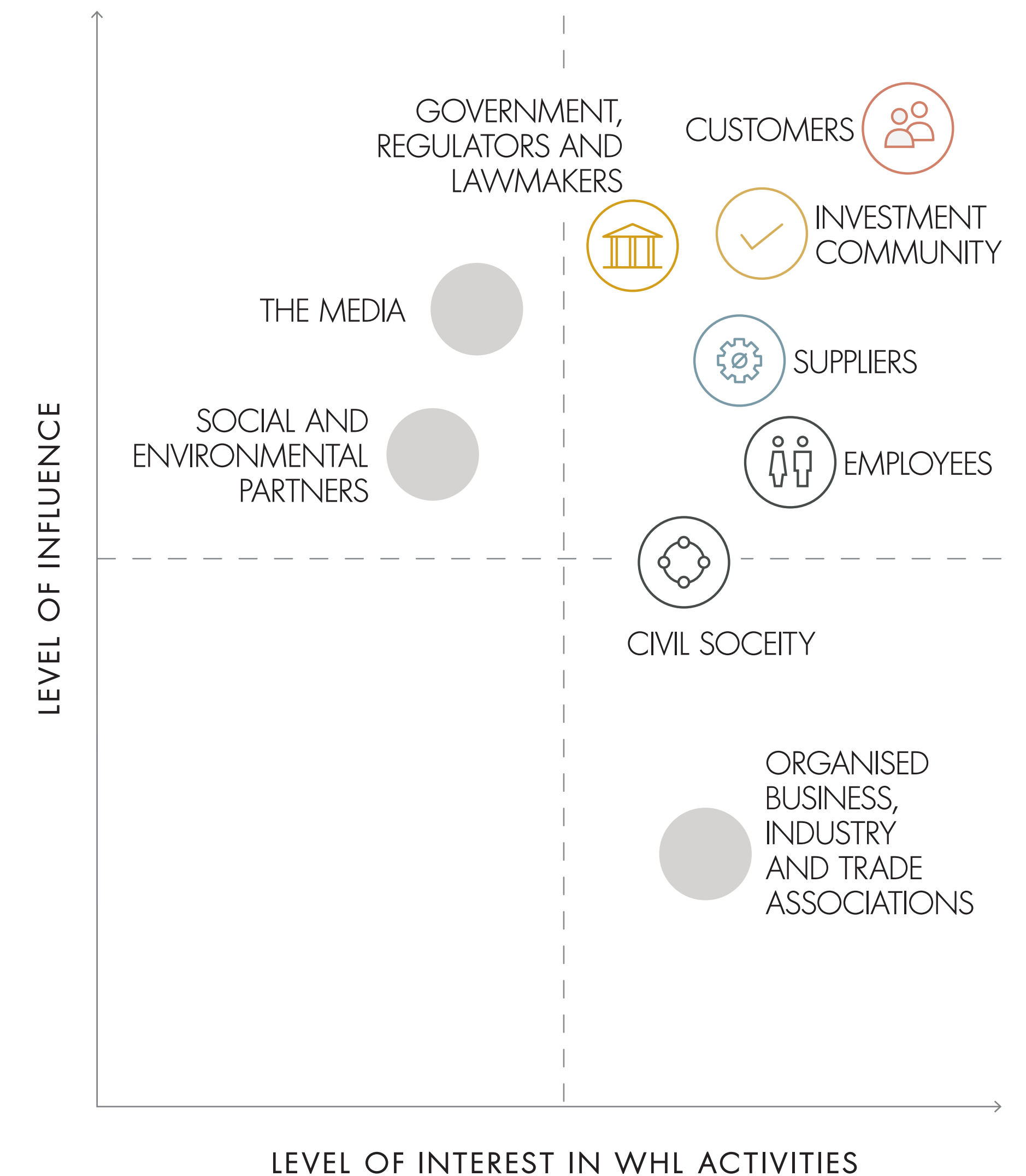
The Board is committed to strong, ethical, and transparent stakeholder engagement. Our management teams are empowered by the Board to ensure that we remain accessible to our stakeholders and that we identify, monitor, and address their needs and concerns, as well as the related material issues, risks, and opportunities.

WHL Board's oversight is managed through the WHL Board's Social and Ethics Committee (SEC), tasked with overseeing the Group's approach to stakeholder management. One of the key focus areas of the SEC is to ensure that the stakeholder management approach is ethical and above reproach and supports the Group's commitment with regard to being a responsible corporate citizen. The Board receives regular reports from stakeholder engagements, with the Social and Ethics Committee conducting annual stakeholder engagement self-assessment reviews.

Our GBJ plays an important role in stakeholder engagement. We endeavour to meet the demands of our current stakeholders without compromising the ability of future generations to also fulfil their wants and needs.

OUR STAKEHOLDER GROUPINGS

Our stakeholders, their interests, and their level of influence in our operations vary according to geographical location, business area, and the nature of their interest. The manner, level, and extent of our engagements are driven by their influence, interests, expectations, and concerns. These relationships are depicted in the accompanying graph. This graph outlines the level or power or influence of the material stakeholders versus their interest in our Group. This assessment is reviewed annually and adjusted based on our assessments, interactions, and feedback with the various stakeholder groupings.



Our GBJ plays an important role in stakeholder engagement. We endeavour to meet the demands of our current stakeholders without compromising the ability of future generations to also fulfil their wants and needs.





PEOPLE

WHY IS THIS FOCUS AREA IMPORTANT?

Our vision of being one of the world’s most responsible retailers requires that we continue to evolve and develop our People policies and practices. Through the reset of our People Strategy and People Value Proposition (PVP) – our ‘People Promise’ – and the delivery of key, strategic people initiatives, we have created a framework against which we will continue to progress and improve the lived experience of our people.

In this focus area

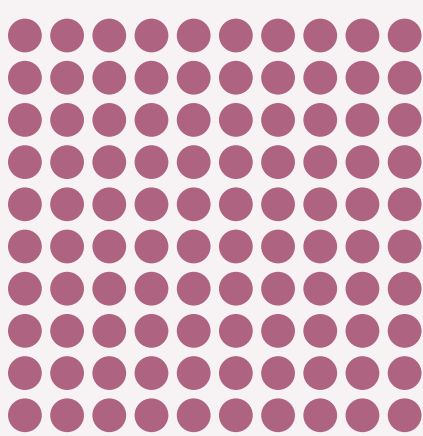
STRATEGY & MANAGEMENT APPROACH



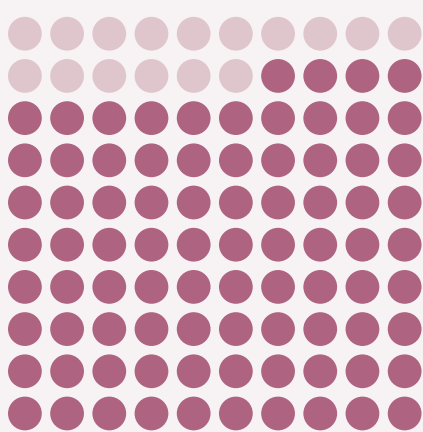
OVERVIEW

OVERVIEW

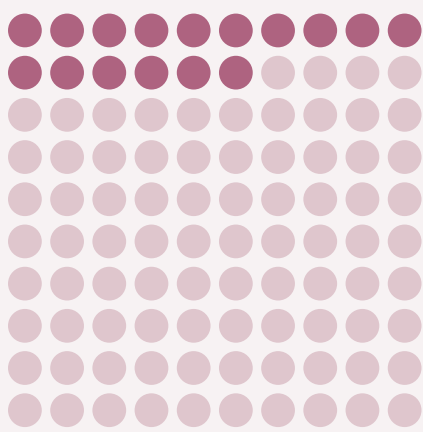
HEADCOUNT



WHL
38 732
2022: **37 746**



Woolworths SA
32 675
2022: **32 019**



Country Road Group
6 057
2022: **5 727**

TRAINING SPEND

R161M
Woolworths SA
2022: **R144.5M** 2021: **R67.5M**

R46M
Country Road Group
2022: **R18.1M** 2021: **R14.2M**

PEOPLE WITH DISABILITIES

490 | **92%**
Total | Black
2022: **Total 532, Black 93%**
2021: **Total 563, Black 94%**

HIGHLIGHTS

- Assessment of Group application of UN Women’s Empowerment Principles
- Rated 1st in the Retail Employer of Choice for graduates South African Graduate Employers Association awards 2022
- Development of People Value Proposition (PVP) and ‘People Promise’

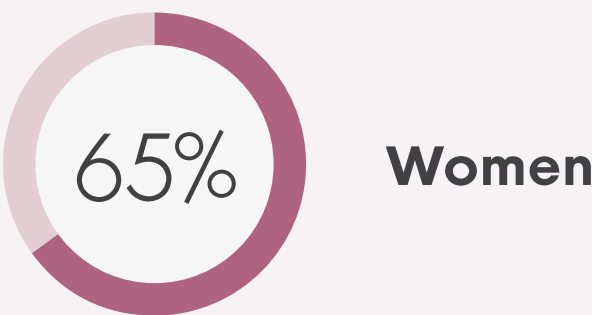
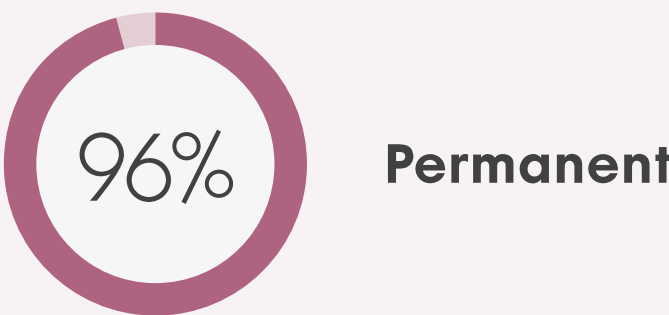
LOWLIGHTS AND CHALLENGES

- War for talent resulting in slower employment equity target achievement
- Evolving employee expectations
- Increase in labour turnover
- Turbulent hyper-competitive labour market

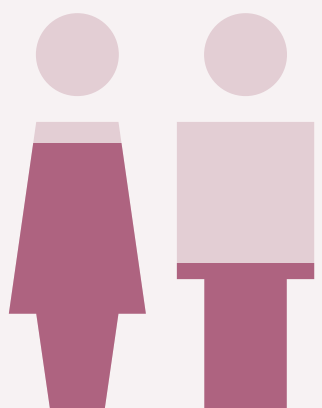
LOOKING AHEAD

- Develop action plans to improve from ‘improver’ status to ‘achiever’ status in the UN Women’s Empowerment Principles by 2025
- Launch PVP
- Commence rollout of digital learning platform
- Embed our Leadership Way

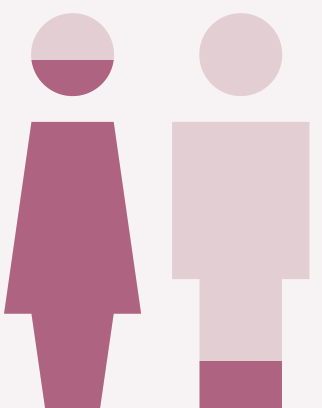
EMPLOYMENT EQUITY EMPLOYEES IN WOOLWORTHS SA



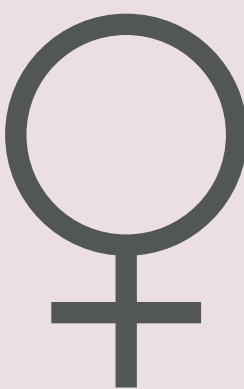
GENDER REPRESENTATION



Woolworths SA
Female: **67%**
Male: **33%**



Country Road Group
Female: **88%**
Male: **12%**



WOMEN IN TOP AND SENIOR MANAGEMENT

Woolworths SA: **44%**
Country Road Group: **33%**

SOCIAL DEVELOPMENT

WHY IS THIS FOCUS AREA IMPORTANT?

As a responsible corporate citizen, and in line with our commitment to Inclusive Justice, we have a responsibility to play a meaningful role in addressing the economic and societal needs and expectations of the communities in which we operate.

We can only grow and sustain long-term profit in an equitable and inclusive economy that has a sufficiently skilled, educated, thriving, and healthy community.

In this focus area

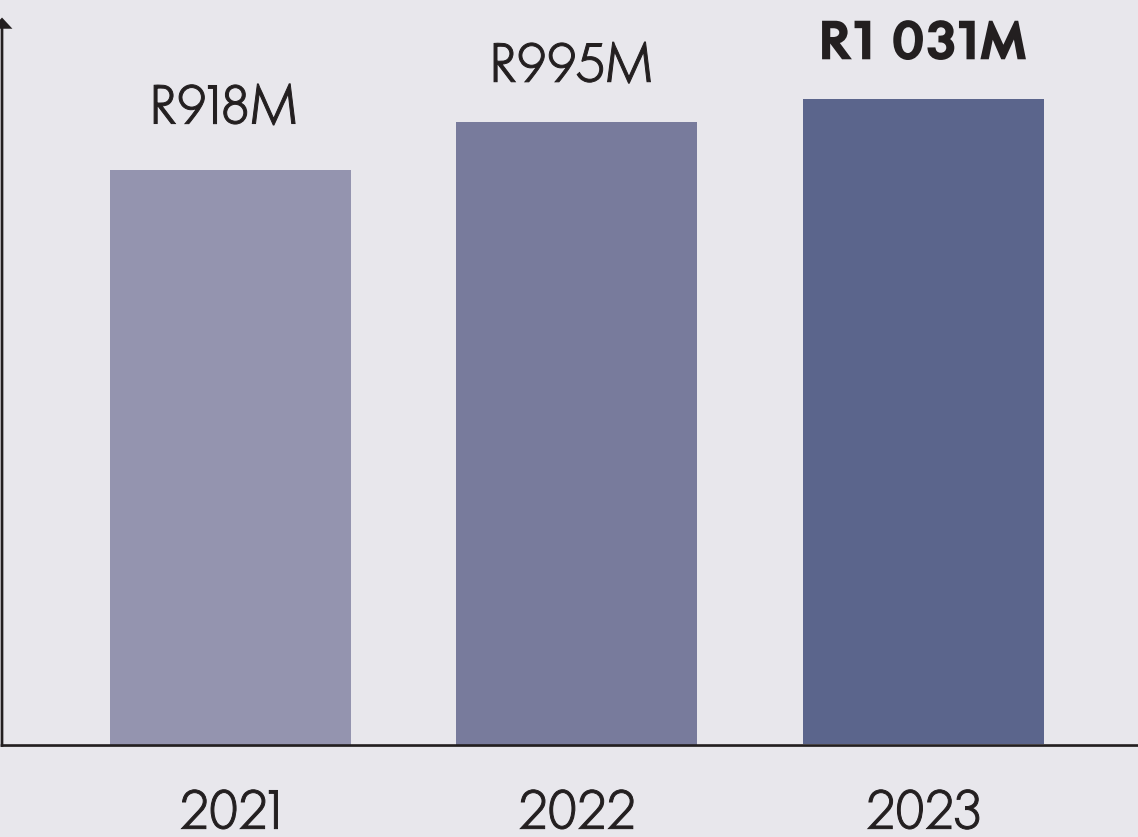
STRATEGY & MANAGEMENT APPROACH



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TOTAL GROUP CORPORATE
SOCIAL INVESTMENT CONTRIBUTION



A\$0.7M

donated by Witchery to the Ovarian Cancer Research Foundation from the annual White Shirt Campaign

2022: A\$0.5M 2020: A\$0.3M



R65M

to MySchool

2022: R64M 2021: R66M

R11M

to MyVillage

2022: R10M 2021: R9M

R14M

to MyPlanet

2022: R12M 2021: R13M

HIGHLIGHTS

- MySchool celebrated 25 years of making a difference
- Over the year, funds raised by Mimco for Our Watch were used for programmes, including leadership programmes, for young migrant and refugee women

56% of the total tonnage of surplus food distributed by FoodForward SA (FFSA) attributed to Woolworths, equivalent to 48.2 million meals

LOWLIGHTS AND CHALLENGES

- Learners cannot register directly on the Woolworths Making the Difference Programme digital platform, only parents and educators. This has limited the uptake and distribution of the platform

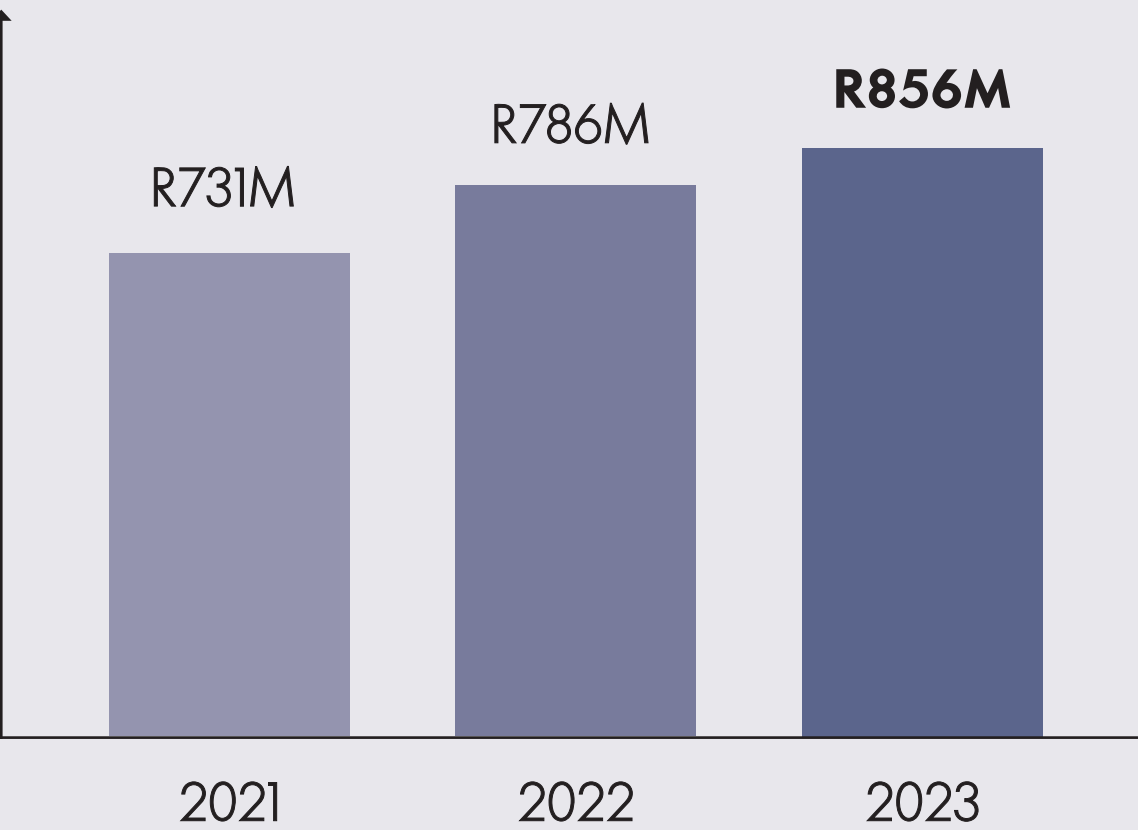
LOOKING AHEAD

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

MORE SPECIFICALLY, WE WILL:

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

RAND VALUE OF SURPLUS FOOD DONATED
BY WOOLWORTHS





HEALTH AND WELLNESS

WHY IS THIS FOCUS AREA IMPORTANT?

We need to create a supportive working environment that enables employees to thrive. A strong focus on employee wellbeing is also integral to our Inclusive Justice Initiative.

As a food retailer, we should inspire our customers to make healthy choices by providing a wide range of healthy food options.

In this focus area

STRATEGY & MANAGEMENT APPROACH	
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OVERVIEW



100%

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

Woolworths' employees accessed training on the updated Sexual Harassment Policy over 30 000 times

ZERO

employee fatalities across the Group

Implemented a digitally enabled Employee Assistance Programme (EAP) model for Woolworths employees. This greatly improved access to information, education, and direct one-on-one support for employees to manage mental health and other matters affecting them. The service is available in multiple South African languages and is also open to employees' immediate family members.

9

Employee Health Practitioners

HIGHLIGHTS

The Woolworths Staying Strong Programme received the HR Excellence Award at the 66th Institute of People Management (IPM) Convention. The award recognised our efforts to empower our people and provide added support through our employee wellness services

- Woolworths launched a 'Food for Thought' podcast series aimed at engaging customers on topics such as veganism, dieting, and packaging

LOOKING AHEAD

Health and wellness of our employees and our customers will continue to be a priority focus for us.

LOWLIGHTS AND CHALLENGES

- The socio-economic conditions in South Africa have seen an increase in mental illness, and gender-based violence and femicide
- Impending South African regulatory restrictions on the use of meat-like naming conventions for plant-based products resulted in lost sales from products removed from the shelf and increased costs for amending packaging and labelling
- Woolworths initiated three product recalls after routine tests detected cross-contamination of milk proteins

ETHICAL SOURCING

WHY IS THIS FOCUS AREA IMPORTANT?

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

In this focus area

STRATEGY & MANAGEMENT APPROACH



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OVERVIEW

PERFORMANCE SUMMARY: VISION 2025+ GOALS

Have a fully transparent, traceable, and ethical supply chain by 2025	
2023	WSA FBH tier 2 supplier list mapped but not yet published
2022	WSA FBH tier 1 supplier list mapped and published ¹
BASELINE	<ul style="list-style-type: none">• CRG tier 1 supplier list published¹• WSA no supplier lists published
PROGRESS	<div><div></div><div></div><div></div><div></div></div>

Develop a roadmap by 2022 for achieving a living wage for all workers across our supply chain	
2023	Roadmap developed
2022	Roadmap in development
BASELINE	No roadmap in place
PROGRESS	<div><div></div><div></div><div></div><div></div></div>

Responsibly source all key commodities from traceable sources by 2025	
% of commodities responsibly sourced	Refer to details in the Responsible Sourcing section that follows
BASELINE	Refer to 2020 GBJ Report
PROGRESS	<div><div></div><div></div><div></div><div></div></div>

% of commodities responsibly sourced and traceable	Refer to details in the Responsible Sourcing section that follows
BASELINE	0%
PROGRESS	<div><div></div><div></div><div></div><div></div></div>

¹ Coverage of tier 1 suppliers: WSA FBH: 56%; CRG: 100%.

HIGHLIGHTS

- The Group became a foundation member of the Ethical Trading Initiative
- Country Road Group was ranked in the top 20% of brands assessed in the 2022 Baptist World Aid Ethical Fashion Report
- Woolworths was ranked in the top category, ‘Leading’, in Textile Exchange’s Corporate Fibre and Materials Benchmark
- 100% of Woolworths palm oil, cocoa, cotton, and timber is responsibly sourced

Woolworths was the top-ranked South African fashion retailer in the 2023 Fashion Transparency Index

LOOKING AHEAD

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

WE AIM TO:

- Publish the Woolworths FBH tier 2 supplier list
- Continue developing our strategies and approach for going beyond social and ethical compliance audits to identify and manage risks in our supply chain
- Continue working on commodity roadmaps for traceability to facilitate the publication of the Group’s full supply chain in future

LOWLIGHTS AND CHALLENGES

- Loadshedding, global supply chain disruptions, extreme weather events, and the war in Ukraine, have, in certain instances, caused delays, impacted our ability to source commodities or resulted in steep price increases
- A social and ethical compliance audit noted an instance of a Country Road Group supplier paying recruitment fees. This was immediately addressed. Due to persistent audit findings that remained un-remediated over two years, we terminated our relationship with the supplier.
- Multi-tier supply chains make the traceability of our key commodities back to source challenging



PROGRESS KEY



NOT YET STARTED



BEHIND



ON TRACK



AHEAD / ACHIEVED



SUSTAINABLE FARMING

WHY IS THIS FOCUS AREA IMPORTANT?

Nature is declining globally at unprecedented rates, and the extent of species extinction is accelerating. This increasing biodiversity loss is a significant risk to our business, the health and wellness of our customers and employees, and society.

In addition, food systems globally have been affected by climate change and related extreme weather events, soil degradation, and worsening water quality and availability. To address these challenges and enhance the resilience of our supply chain, we need to contribute to creating a more sustainable food system. We do this through our regenerative agriculture programmes, actively managing environmental impacts, and prioritising the welfare and dignity of people and animals in our supply chain.

In this focus area

STRATEGY & MANAGEMENT APPROACH



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OVERVIEW

PERFORMANCE SUMMARY: VISION 2025+ GOAL

All private-label products to support regenerative farming practices by 2030

WSA FOOD:

2023	79% of private-label produce, horticulture, wine, and dairy on the Farming for the Future Programme
2022	80%
BASELINE	52% (2019)
PROGRESS	<div><div></div><div></div><div></div><div></div></div>

WSA FBH, AND CRG:

2023	Researching regenerative farming programmes
2022	
BASELINE	Still to be determined
PROGRESS	<div><div></div><div></div><div></div><div></div></div>

WOOLWORTHS’ SEAFOOD BY VOLUME THAT MEETS OUR WILD-CAUGHT AND AQUACULTURE SUSTAINABILITY COMMITMENTS¹



2022: **99%** 2021: **98%**

¹ Our commitment is that all our wild-caught seafood and aquaculture species are to be either WWF-SASSI green-listed, caught from MSC or ASC (or equivalent; Woolworths considers GSSI recognised certification as equivalent) certified fisheries and aquaculture operations, or sourced from suppliers who are undertaking credible, time-bound improvement projects.

HIGHLIGHTS

- We extended Woolworths’ Farming for the Future Programme to our fresh dairy suppliers after our success with the long-life dairy suppliers
- The rollout of cloud-based data collection and reporting platforms for the Farming and Fishing for the Future Programmes commenced
- Country Road Group updated its Animal Welfare Policy
- We brought two additional farms onto the Biodiversity Project with Landcare in Australia



LOOKING AHEAD

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

MORE SPECIFICALLY, WE WILL:

- Add a further two new farms onto the Biodiversity Project with Landcare
- Onboard additional protein categories onto Farming for the Future
- Continue the rollout of cloud-based management systems for the Farming and Fishing for the Future Programmes
- Finalise the Woolworths Sustainable Seafood Procurement Policy

LOWLIGHTS AND CHALLENGES

- Flooding affected a few of the Biodiversity Project with Landcare projects, resulting in the need for replanting
- Loadshedding continues to be a massive challenge for all our South African suppliers

PACKAGING AND WASTE

Pellets made from recycled plastic

WHY IS THIS FOCUS AREA IMPORTANT?

A significant amount of product and packaging produced globally ends up in landfill, is incinerated, or leaks back into the environment. This is a waste of precious natural resources and a source of pollution.

We aim to reduce waste sent to landfills across our value chain, minimise the use of non-renewable resources, and drive a market for recycled materials by using them in our operations, packaging, and products. We also encourage the recycling, reuse, repair or repurposing of our products and packaging. We reduce the negative environmental impacts of landfilled products and packaging through this.

In this focus area

STRATEGY & MANAGEMENT APPROACH



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PERFORMANCE SUMMARY: VISION 2025+ GOALS

All our packaging will be reusable or recyclable by 2022	
2023	WSA Food: 98% WSA FBH: 50%*
2022	WSA Food: 98% WSA FBH: Baseline in progress
BASELINE	Not established before reporting commenced
PROGRESS	<div><div></div><div></div><div></div><div></div></div>

All our private-label products can be reused, repaired, resold or recycled by 2025	
2023, 2022	Work underway
BASELINE	Still to be determined
PROGRESS	<div><div></div><div></div><div></div><div></div></div>

Halve food loss and waste in our own operations and across our top 30 suppliers by 2030	
2023	2.7% food waste to landfill
2022	2.3% food waste to landfill
BASELINE	2022 (2% food waste to landfill)
PROGRESS	<div><div></div><div></div><div></div><div></div></div>

All our private-label clothing, beauty, and home products to contain at least one renewed, reused or recycled product material input by 2030	
2023, 2022	Work underway
BASELINE	Still to be determined
PROGRESS	<div><div></div><div></div><div></div><div></div></div>

* Estimated baseline.

HIGHLIGHTS



100%

of Woolworths Food stores are now plastic-shopping-bag-free

- Bring-a-Bag-Take-a-Bag stands for bag sharing were rolled out to all Woolworths Food stores
- Country Road Group’s Omni-channel Fulfilment Centre (OFC) introduced polystyrene waste recycling
- Woolworths donated R33.2 million in surplus clothing to Taking Care of Business
- Country Road Group collaborated with two small Australian businesses to create homeware items made entirely out of recycled waste plastic

LOWLIGHTS AND CHALLENGES

- The cost and shortage of new recyclable materials constrain the Group’s ability to shift to fully recyclable packaging more quickly
- Limited recycling technology and infrastructure restrict how much packaging gets recycled. The recycling industry needs more investment to address this challenge
- The collapse of the REDCycle soft plastics recycling programme in Australia resulted in Country Road Group’s soft plastic packaging being classified as not recyclable

LOOKING AHEAD

- The Group aims to reduce plastic use in packaging further and increase the use of post-consumer recycled plastic content
- Woolworths FBH will complete the phase-out of single-use plastic shopping bags
- Paper bag and cardboard box sizes for Woolworths Dash and FBH Online deliveries, respectively, will be optimised to reduce the amount of packaging used
- The rollout of the Woolworths take-back initiative for low-cost reusable bags will be completed



WATER

WHY IS THIS FOCUS AREA IMPORTANT?

The Group operates in areas where water stress remains a risk for the business and communities. Reports show that two-thirds of the world’s population may face water shortages by 2025.

Water is essential to our operations. It is vital for agriculture and manufacturing, the health and hygiene of our employees and our communities, and keeping our facilities operational.

In this focus area

STRATEGY & MANAGEMENT APPROACH	
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OVERVIEW

PERFORMANCE SUMMARY: VISION 2025+ GOAL

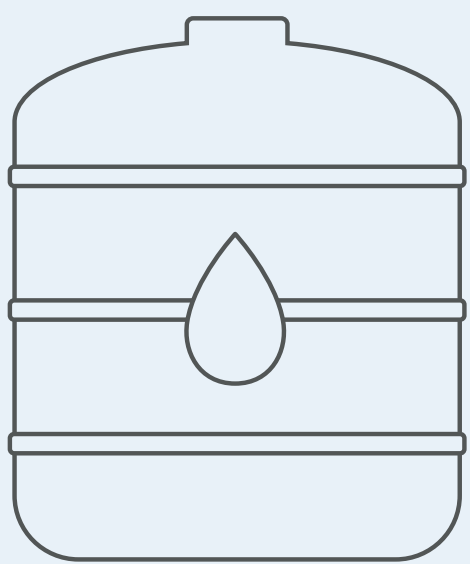
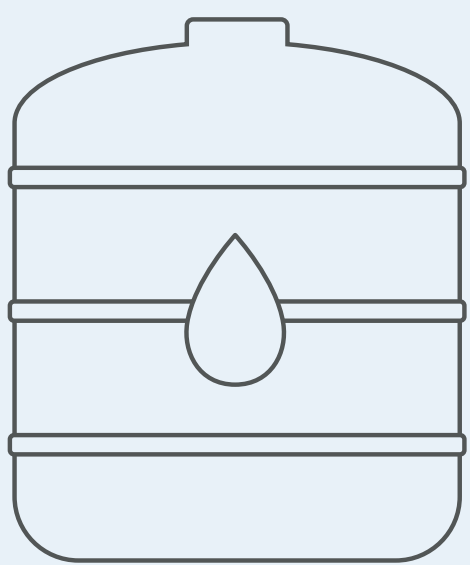
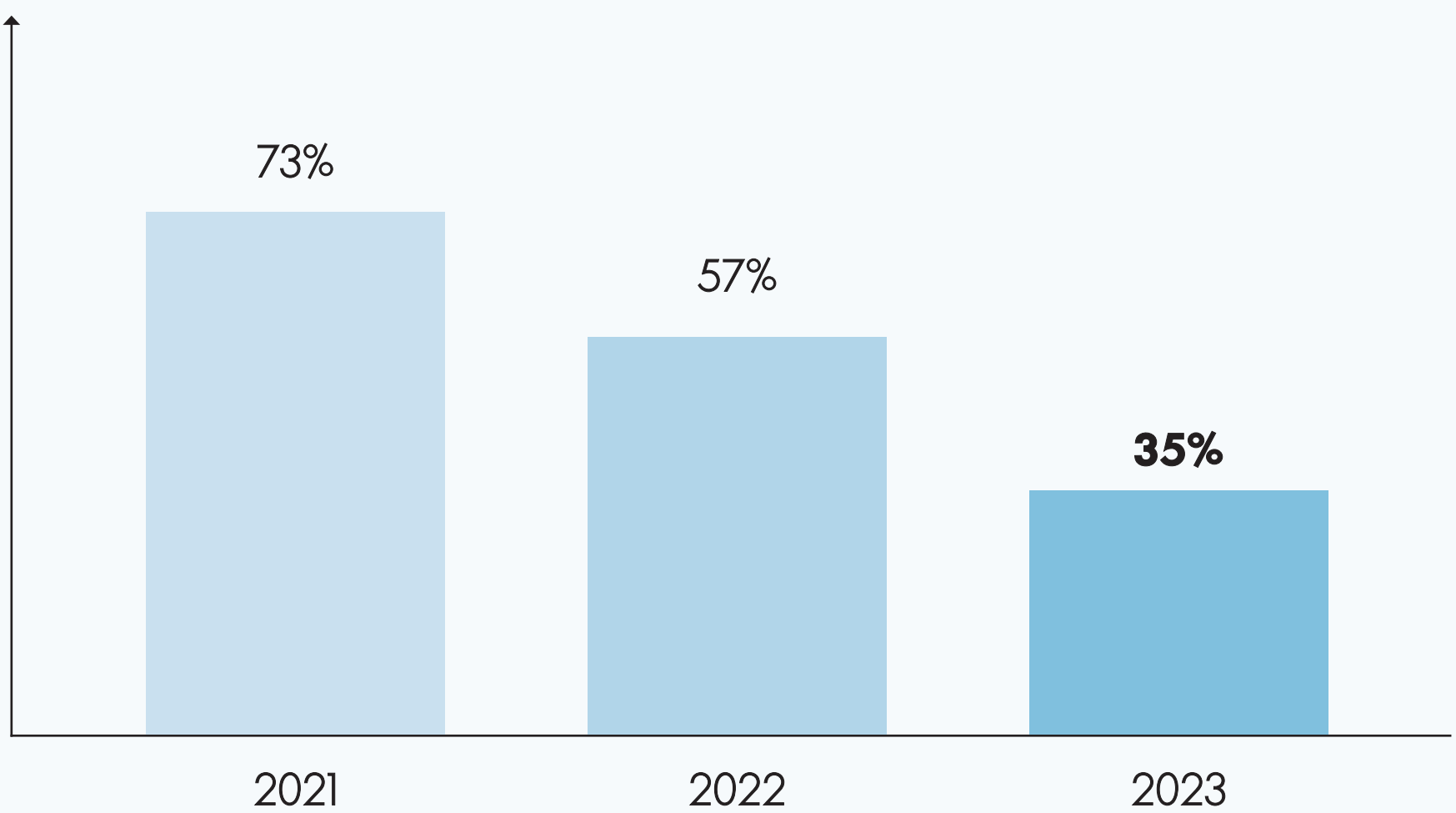
Work with our suppliers and partners to create net positive water impact in water-stressed basins in our value chain by 2050

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

PROGRESS



PERCENTAGE OF RELATIVE WATER CONSUMPTION SHIFTED TO GROUNDWATER IN WOOLWORTHS’ HEAD OFFICE



Since its inception in 2018, the Woolies Water Fund has donated

172

water tanks to schools. These have facilitated the supply of and capacity to store more than 1 million litres of water from rainwater harvesting. This will provide these schools and communities with ongoing access to water.

HIGHLIGHTS

97%*

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

2022: 97%* 2021: 70%

- Woolworths and WWF-SA have entered into a new five-year strategic partnership agreement. Water stewardship will continue to be a key pillar of this partnership

LOWLIGHTS AND CHALLENGES

- Loadshedding resulted in water pump failures at certain distribution centres. This negatively impacted recycled water measurement and usage
- Measuring and reporting supply chain water usage remains challenging

LOOKING AHEAD

WE WILL CONTINUE TO:

- Focus on improving our water efficiency, and reducing our reliance on municipal water in our direct operations
- Work with suppliers and other water users in the catchments where we operate and source our products to improve water resilience
- Install water tanks in additional schools through the Woolies Water Fund



81%

of Woolworths’ facilities are monitored on a real-time basis

2022: 83% 2021: 83%

PROGRESS KEY



NOT YET STARTED



BEHIND



ON TRACK



AHEAD / ACHIEVED

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

ENERGY AND CLIMATE CHANGE

WHY IS THIS FOCUS AREA IMPORTANT?

Our commitment to reducing our carbon footprint, working with suppliers to do the same, and driving greater energy efficiency is one of the ways we aim to mitigate the risk of climate change to our business, direct operations, and value chain.

In recognition of our collective responsibility, we are committed to contributing to the global efforts of limiting global temperature increases to 1.5 °C above pre-industrial levels. While climate change poses a great risk to our business, it also allows us to innovate as we adapt to a rapidly changing environment.

In this focus area

STRATEGY & MANAGEMENT APPROACH



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PERFORMANCE SUMMARY: VISION 2025+ GOALS

Achieve net zero carbon impact by 2040	
Achieve net zero carbon Scope 1 and 2 emissions by 2040, with 50% reduction by 2030; and work with our top suppliers, representing 25% of total procurement spend (in rand), to set their own reduction targets	
Reduction in Scope 1 and Scope 2 carbon emissions:**	
2022*	16% Three Woolworths Food suppliers have set their own science-based targets
2021	12%
2020	7%
BASELINE	2019 Scope 1 and Scope 2 emissions: 536 562 tCO ₂ e
PROGRESS	<div><div></div><div></div><div></div><div></div></div>

Source 100% of our energy from renewable sources by 2030	
2022*	3%
2021	0.64%
2020	0.61%
BASELINE	2019: 0.5%
PROGRESS	<div><div></div><div></div><div></div><div></div></div>

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

Country Road launched a Climate Fund to provide A\$1.5 million in grant funding over three years to entities working on projects to mitigate climate change and build climate resilience.

HIGHLIGHTS

- Woolworths rolled out 42 electric vehicles in its online delivery fleet, a first in South Africa
- Eight Country Road stores achieved 5-star Green Star certification
- A Woolworths team member was appointed to a cross-sectoral Energy Task Team of eight specialists to advise the new Electricity Minister on tackling loadshedding

LOWLIGHTS AND CHALLENGES

- Loadshedding in South Africa continues to be an obstacle to improving energy efficiency and reducing carbon emissions from direct operations. It is also increasing food waste going to landfill when products can no longer be refrigerated due to generator failure
- Challenges in increasing the percentage of energy sourced from renewables persist, including difficulties in installing solar PV at leased locations, and lack of wheeling infrastructure in South Africa

LOOKING AHEAD

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

SPECIFICALLY:

- We will continue to maximise the self-generation of electricity wherever we own properties or control roof space
- We will continue to engage with landlords around the installation of solar PV in leased locations, such as stores
- Woolworths will continue to explore further opportunities to expand on the electric vehicle launch. Woolworths also has ambitions to investigate and trial a more sustainable delivery option for Dash
- Country Road Group will continue targeting 5- or 6-star Green Star certification as a minimum for new Country Road and Trenery stores

214

Woolworths stores have LED lighting

2022: 153

To find out more about what we're doing, visit

For company-specific information, visit

 Country Road | Mimco | Trenery | Politix | Witchery

We appreciate any feedback on our Good Business Journey Report. Please contact GoodBusinessJourney@woolworths.co.za