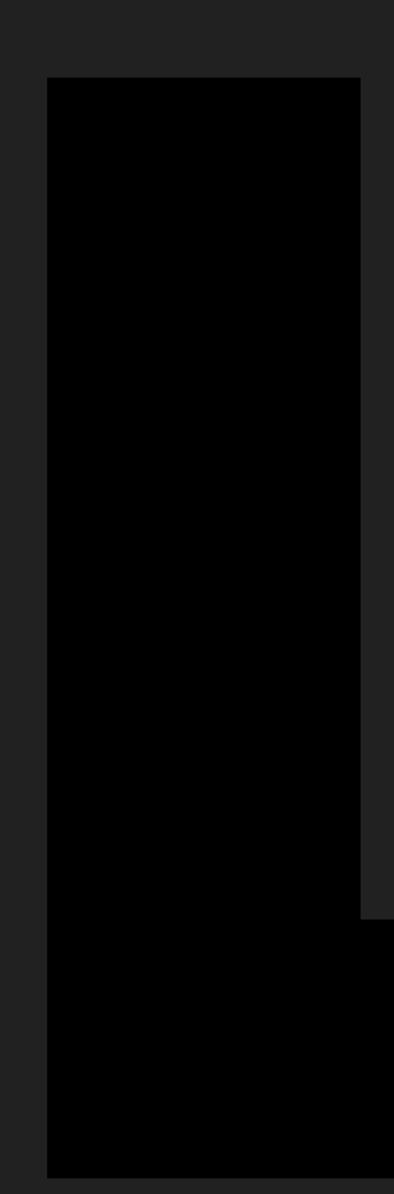
GOVERNANCE REPORT

As extracted from the 2023 Integrated Annual Report

WOOLWORTHS HOLDINGS LIMITED

2023

START





GOVERNANCE

CLICK ON BOX TO GO TO THAT SECTION

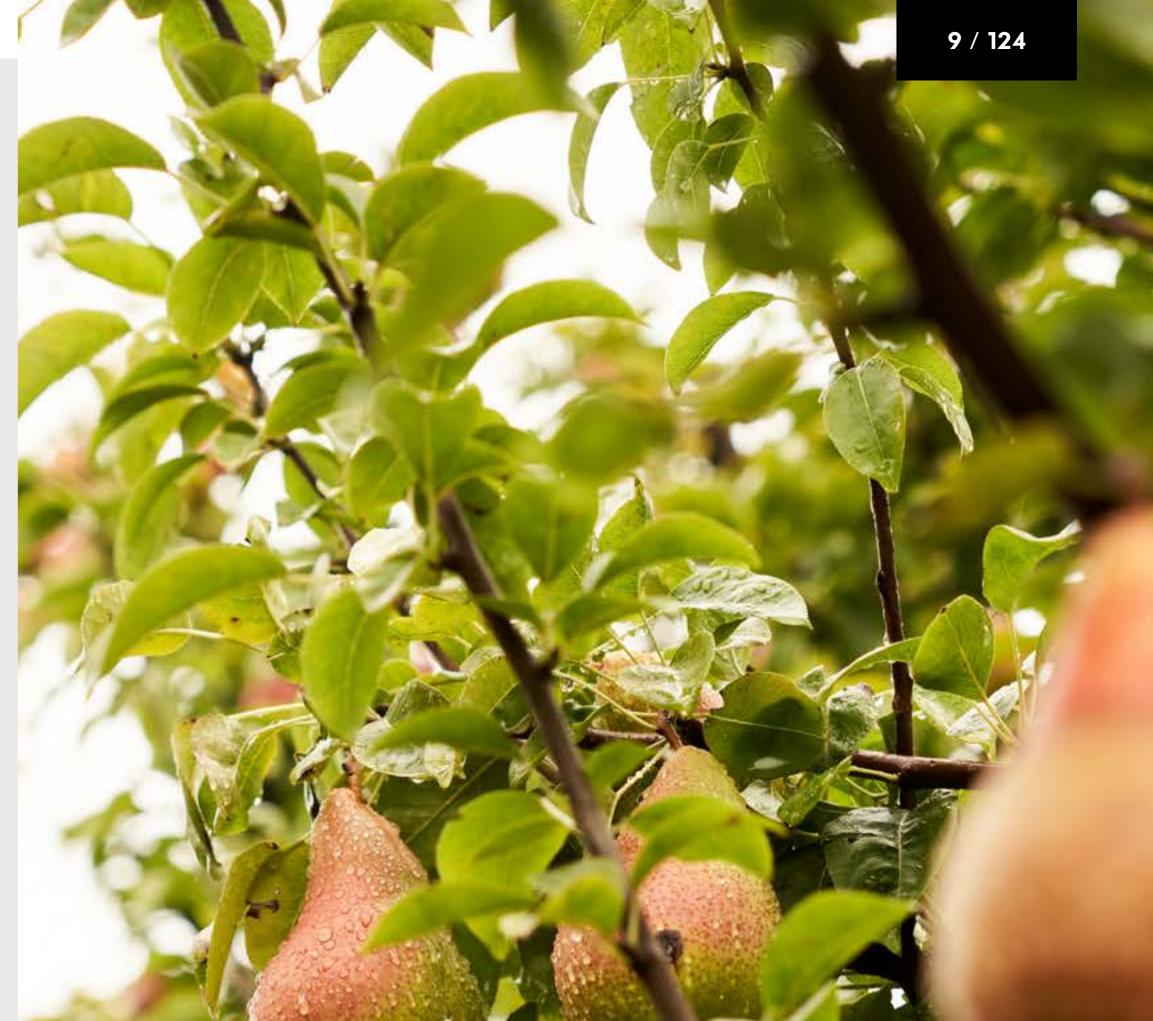


OUR CHAIRMAN'S REPORT



The performance of the Group throughout this year has been exceptional. Our talented and committed teams have traded the business hard and well in all our markets. In addition, our executive leadership was able to navigate the highly complex divestment of David Jones (DJ).

Last year, the business started to gain momentum and showed improved overall performance coming out of the COVID-19 pandemic. However, Australian inflation began recording highs not experienced in nearly three decades, resulting in high interest rates and weakening demand. The team was able to successfully navigate these challenges and concluded a timeous, suitable and accretive disposal of DJ, while at the same time robustly trading the rest of our businesses throughout 2023, driving very good structural progress across all businesses being Food, Fashion, Beauty, and Home (FBH) and Country Road Group (CRG). Overall, we have had an outstanding year, delivering on all key goals.



LOOKING AHEAD

Some of the Board's key priorities relate primarily to shaping the kind of company we should be in the future, and how we fit into a lower growth environment. However, our first priority is to be steeped in judicious capital management, which is being embedded across the Group and will continue to secure WHL's shareholder value.

Our best growth opportunities remain those aligned to the core of our business. We are, therefore, focused on playing the fields in which we're the acknowledged industry leader and doing what we do best. For this reason, we will not drift much away from our immediate adjacencies. Woolworths is known for quality, has significant Brand resonance and pricing power across the majority of our segments, and can, therefore, capitalise best in such areas.

Furthermore, we will be keeping the values and principles of our Good Business Journey at the heart of everything we do, as it is the value set that drives us.

CRG is performing well and provides a good balance to the Group's portfolio. Having a thriving business in the Southern African

market and also a meaningful part of our business exposed to the highly developed Australian market, brings with it a positive set of dynamics. The benefits to the Group are twofold. First, it provides us with a more diverse portfolio, and healthy portfolios result in balanced growth. Second, we are able to benchmark our offerings and people to the top-end of high quality, and a more refined fashion offer overall. This is, therefore, also good for our South African fashion business, customers, and staff, as it provides aspirational but accessible offerings in our Southern African stores, with meaningful crosspollination and inspiration between FBH and CRG.

In our stores and across digital, we focus on creating valuable and aspirational touch points which are welcoming in look and feel and innovative. We aspire to always sell relevant, quality products through the seasons, and to offer delightful direct and online interactions throughout the omni experience. We are not perfect and sometimes do disappoint our loyal customers, and, therefore, fast service recovery is an important priority as well.

WHL

AGILITY, OUR PEOPLE, AND OUR ROLE IN A LOW-GROWTH ECONOMY

Fitting into a low-growth economy, where there is a great deal of socio-economic transformation, doesn't mean that opportunities don't exist, but we need to be vigilant and agile and, therefore, geared to grasp them. We must be 'in-touch', able to adapt and innovate, and be very conscious of price points. This is well illustrated in the ongoing innovation of our Everyday WList, which represents consistent, competitive everyday pricing on 500 items across the Food spectrum. We've increased the basket of everyday essentials that our customers need, from chicken to long-life milk, to ensure that our customers can find value in items in their everyday shop, in a tough economic climate. Our innovative W Edit store model, furthermore, exemplifies this in-touch adaptability. These highly curated and smaller-format stores enable us to expand our footprint into the convenience space, as well as new markets, allowing us to become more accessible to more customers, and in a more profitable way.

INTERNAL DRIVERS FOR SUSTAINABLE GROWTH

There are essential internal drivers that are key to attaining our ambitious operational and financial goals. Talent development is the most fundamental. We have made significant advancements in this area, and it has been a top priority for Roy and the team, who have developed a new approach to ensure that our people are geared not just for incremental growth, but also for the Group's long-term sustainable and prosperous future. Our leadership teams are identifying key talent in the business and helping them develop into our future leaders. We look for smart people who will make us move fast and forward, and who really understand the context of our business, the social and business environment, as well as internal dynamics. This may mean taking people from one part of the business and moving them around so that they get exposure across the business. To really develop people, we need to create programmes through which our top talent are able to learn in the boardroom, while also learning on the job in our teams.

In my previous chairman's reports, I spoke about agility, which in our business has three essential considerations: quality, speed, and timing to market, or timing of adaptation and change. Designing our organisation for agility is an area Roy and the team have put a lot of thought into, and it is still evolving. Our absolute commitment to quality must live in the same universe, where speed to market is increasingly critical. It is a paradox that requires the organisational culture and its structures to be designed around this interplay. This is an area that we have struggled with in the past, but I am delighted to say that it is getting the emphasis that it deserves.

OUR COMMITMENT TO A THRIVING FUTURE

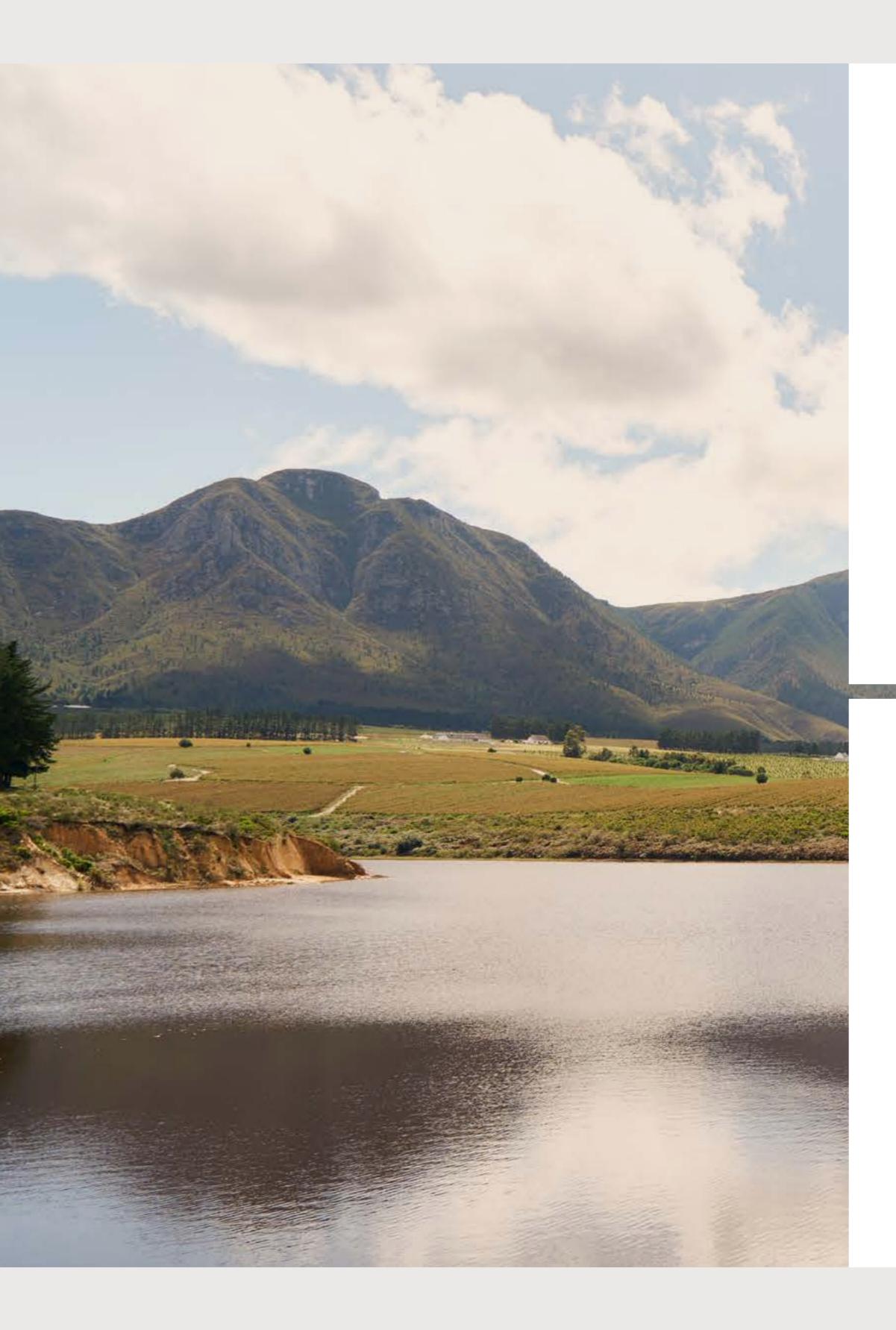
The highly curated and smaller format WEdit stores enable us to expand our footprint into the convenience space, as well as new markets, allowing us to become *more accessible to more customers,* and in a more profitable way.



A company's role in society is very different to what it was twenty years ago, and at Woolworths, being a responsible business has set us apart. The absolute cornerstone of all that we do is our Good Business Journey. Our commitment to sustainability began, in its current guise, fifteen years ago and has its genesis in the Food business and goes back decades, not because of pressure from our shareholders or customers, but because it was the right thing to do. It's part of our vision of being one of the world's most responsible retailers. We aim to ensure that every product we sell is responsibly sourced, from a people and a planet perspective. We entrench sustainability in every aspect of our business, from the way we develop and source our products, to how we run our stores and direct operations, and the way we engage with our customers and communities. We forge the right partnerships with suppliers, farmers, and NGOs to ensure a more sustainable, resilient, and inclusive value chain. And we set ourselves ambitious, long-term targets that are designed to stretch us. In retail sustainability, there is no doubt that we lead from the front.









Our Inclusive Justice Initiative (IJI) is our more recently launched commitment to shape a world in which everyone feels they belong. This initiative starts with our own people, and through IJI, we commit to embracing and celebrating diversity, fostering meaningful inclusivity, and striving for belonging for everyone. Last year, the Group committed to the United Nations Women's Empowerment Principles, a set of principles that offers guidance to businesses on how to advance gender equality and women's empowerment in the workplace, marketplace, and community. Our teams have done impressive work entrenching these principles into our business, from how we recruit to how we accommodate and advance women equitably. We have also progressed our Just Wage Initiative, a commitment to actively move away from minimum wage legislative requirements to providing a living wage. Our store staff now earn 21% above the retail sector minimum wage and 57% above the South African minimum wage. These are just a few of the projects we are implementing, with many more in the pipeline, to enhance the well-being of our employees, customers, and communities.

By advocating for the marginalised, as part of our IJI value set, we help create access to meaningful participation for many in our society who are left on the fringe. We appreciate that everyone may not always agree with our point of view on diversity and inclusion, but we will hold true to our commitment to be equitable, fair, respectful, and inclusive in our approach.

During the year, we welcomed Lwazi Bam, who joined the Board on 1 May 2023. We also bid farewell to Phumzile Langeni, who sadly had to step down from the Board on 31 December 2022 due to an unexpected increase in her personal business commitments. Lwazi is a valuable addition to our Board and Audit Committee and brings a wealth of business leadership and corporate finance skills. Lwazi has extensive expertise across various industries gained from his 29-year tenure at Deloitte. Our Board's experience and skill sets, in our view, are healthy and appropriate; however we are mindful of our voluntary targets for Black and female representation on the Board and continue to consider this in any new appointments. We will continue to expand our knowledge and insights through our ongoing Board development activities and focus on executing the Board's extensive workplan for the year - more details on this are provided in the following pages.

Thank you to the Board, Roy, and the executive team, as well as our staff, suppliers, and service providers, for their passion, unwavering commitment, and hard work over the past year. I am proud to be working with you for this magnificent, world-class company. Finally, thank you to our customers for your support and loyalty during the year.



WHL



EFFECTIVE LEADERSHIP

The Board is committed to leading the Group effectively and practising high standards of governance to promote sustained value creation for all our stakeholders. Leading by example and with integrity, the Board plays a vital role in shaping and embedding our corporate culture and steering us in fulfilling our purpose.

In the process of setting the strategic direction and monitoring the Group's operational activities and performance, the Board ensures an appropriate balance between the Group's interests as a responsible corporate citizen and the legitimate needs and expectations of stakeholders, balancing the relationship between the resources we use and affect and potential trade-offs inherent in strategic decision-making. We remain committed to obviating the negative impacts while creating positive impacts by leveraging our governance culture and market-leading sustainability credentials.

> These ambitions are realised by having a well-structured Board and deeply embedded governance principles throughout the Group.

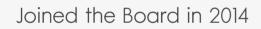
Details of our Board composition for the year under review are set out on the next page, and further commentary on the Board's approach to governance is provided in the section that follows. 12 / 124



Hubert Brody (59) South African

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Chairman Independent Non-executive Director Chairman of the Nominations Committee





Nombulelo (Pinky) Moholi (63) South African

Lead Independent Director Independent Non-executive Director

Joined the Board in 2014

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Roy Bagattini (60) South African

Executive Director and Group Chief Executive Officer, Chairman of WSA and CRG Boards

Joined the Board in 2020

Retiring by rotation at the 2023 AGM and is available for re-election



Reeza Isaacs (54) South African

Executive Director and Group Finance Director

Joined the Board in 2013 and resigned with effect from 30 June 2023 (post the reporting period)



Christopher Colfer (54) Canadian

Independent Non-executive Director

Joined the Board in 2019



Rob Collins (52) British _

Joined the Board in 2022



THE BOARD

Independent Non-executive Director



David Kneale (69) British

_

_

Independent Non-executive Director Chairman of the Remuneration and Talent Management and Risk, Information and Technology Committees

Joined the Board in 2019



Thembisa Skweyiya (50) South African _

Independent Non-executive Director Chairman of the Social and Ethics Committee

Joined the Board in 2019



Belinda Earl (61) British _

Committee

Joined the Board in 2019



Lwazi Bam (52) South African

Independent Non-executive Director

Joined the Board in May 2023 and did not attend any meetings during the reporting period

Standing for election at the 2023 AGM



Sam Ngumeni (55) South African

_

Executive Director and Group Chief Operating Officer

Joined the Board in 2014

Retiring by rotation at the 2023 AGM and is available for re-election



Chantel Reddiar (47) South African _ Group Company Secretary

Appointed in 2016

Independent Non-executive Director Chairman of the Sustainability



Clive Thomson (57) South African

Independent Non-executive Director Chairman of the Audit and Treasury Committees

Joined the Board in 2019

Retiring by rotation at the 2023 AGM and is available for re-election

FORMER DIRECTORS **DURING FY2023**

Phumzile Langeni Independent Non-executive Director, resigned 31 December 2022

BOARD SKILLS & EXPERIENCE

Our non-executive directors are selected to ensure the Board composition remains appropriate to the Group's strategic priorities and growth ambitions. The Board and Nominations Committee consider the skills, qualifications, industry knowledge, experience, technical expertise, business acumen, and diversity attributes in making Board appointments.

62%

GLOBAL RETAIL

Retail industry experience at a high executive level, including experience in or exposure to digital commerce and innovation and the operation of supply chains and distribution models in large, complex organisations.

100%

FINANCIAL LITERACY

High-level experience in financial accounting and reporting, internal financial and risk controls, corporate finance and/or restructuring, and corporate transactions, including ability to probe the adequacies of financial and risk controls.

100%

STRATEGIC THINKING

Clear ability to identify and critically assess strategic opportunities and threats across the value chain. Ability to develop and oversee implementation of successful strategies to achieve sustainable value creation and to critically assess and challenge performance against agreed strategic planning objectives.

77%

SUSTAINABILITY AND ENVIRONMENT

Experience in managing and driving environmental and social responsibility initiatives in large organisations. A developing or working knowledge of biodiversity loss and climate change and/ or insight into responsible sourcing strategies to minimise supply chain impacts on the environment.

85%

REMUNERATION AND PEOPLE MANAGEMENT

Understanding the

BUSINESS LEADE

Experience serving publicly listed or lar and senior leadersh in a large, complex publicly listed comp

GOVERNANCE

Knowledge of gove trends, as well as g Experience in implei standards of gover large organisation.

RISK AND OPPOR

Experience in overse integrated risk man in monitoring the im risk management fr and controls. Under risks and best-pract cybersecurity risk m

DIGITAL AND DA

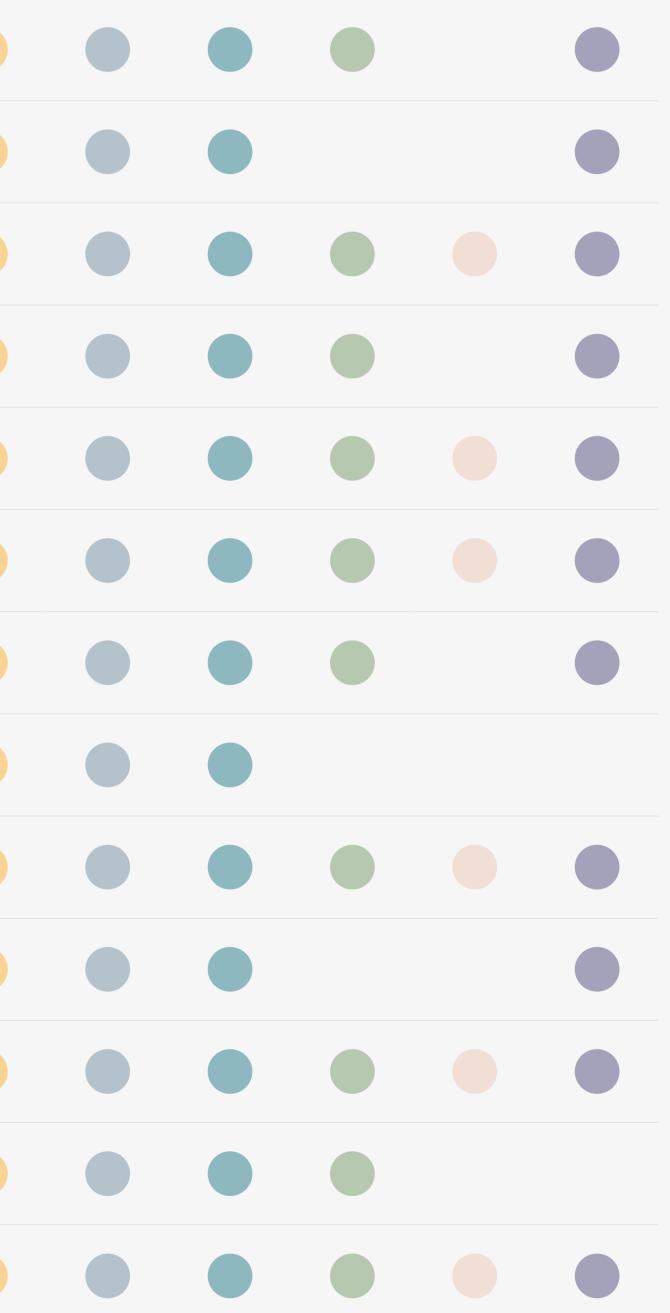
Expertise and/or ex and implementation including opportuni technology for busi analytics to drive p

Experience in developing and implementing remuneration policy with linkage betv creation, and in managing talent and executive succession at a high executive lev

GOVERNANCE PRINCIPLE

IND% EADERSHIP erving on boards of	Hubert Brody		
or large companies adership experience mplex organisation or company.	Pinky Moholi		
100% ICE	Roy Bagattini		
of governance practices and as global codes of governance.	Lwazi Bam		
implementing and practising high governance in a publicly listed or ation.	Christopher Colfer		
100% DPPORTUNITY MANAGEMENT	Rob Collins		
overseeing a group-wide k management process. Experience the implementation of appropriate	Belinda Earl		
nent frameworks and procedures Understanding of cybersecurity t-practice approaches to risk management.	Reeza Isaacs		
46% D DATA INNOVATION	David Kneale		
I/or experience in the adoption ntation of digital technologies, portunities to leverage digital	Phumzile Langeni		
or business advantage. g the use of data and frive performance.	Sam Ngumeni		
	Thembisa Skweyiya		
e between performance and value ive level in a large organisation.	Clive Thomson		





BOARD COMPOSITION

During the 2023 financial year



Independent *non-executive directors*

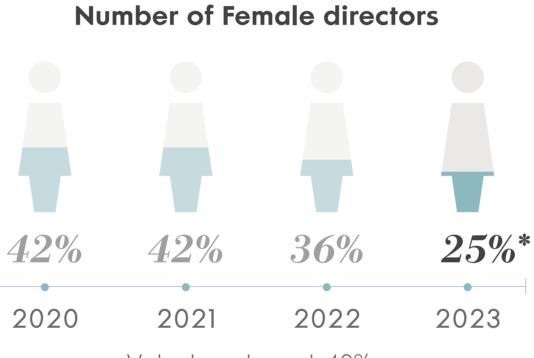


Executive directors

GOVERNANCE PRINCIPLES

- Appointments are formally conducted in line with the Appointment of Directors and Board Diversity Policies
- The Board comprises a majority of independent non-executive directors
- The independence of our non-executive directors is assessed annually
- Independence assessments are based on the King IV™ independence criteria, and the requirements of the Company's Memorandum of Incorporation (MOI)

GOVERNANCE PRINCIPLES



DIVERSITY

• The Board believes that its effectiveness is driven by the diversity attributes of its members, as well as their integrity and independence

• The Board's voluntary race and gender targets are to maintain female and Black member representation at 40% each, subject to interim variations

• The Board's aspirational goal is to achieve 50% female and Black member representation*

• The voluntary targets and aspirational goals are taken into consideration in the Board's succession planning

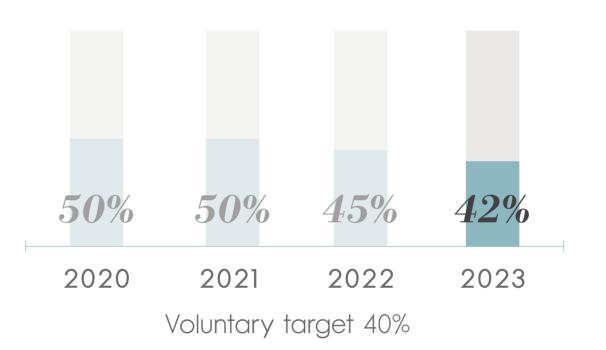
*NOTE ON THE BOARD'S ASPIRATIONS

When the Board revised its voluntary race and gender targets in 2020 from 33% to 40%, it also set an aspirational target to achieve 50% female and Black member representation on the Board. Even though we have fallen short of certain of the targets this year, the Board remains committed to advancing Black and female representation on the Board and has retained the 50% target as an ongoing aspiration.

Our Board's effectiveness is driven by the diversity, integrity, and independence of its members.

Voluntary target 40% * 33% during the first half of FY2023

Number of Black directors





Board age profile



50-59



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60-69
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• Non-executive directors are subject to a nine-year tenure limit, which may be extended in exceptional circumstances after a robust independence assessment in accordance with the MOI

• Executive directors do not have a tenure limit but are required to retire at the age of 63 and are eligible for early retirement from

• All directors are subject to retirement by rotation every three years and may, subject to continued eligibility in terms of the MOI and Board policy, make themselves available for re-election WHL

The Group commenced FY2023 with a strong balance sheet, improved liquidity, and significantly reduced debt. Conversely, the Group is facing serious external challenges, given the prevailing economic volatility and geopolitical instability along with rising inflation and interest rates.

In South Africa, the complexities of low economic growth, social insecurity, and rolling power outages (loadshedding) have added to the volatility. In addition, customer behaviour is in a state of change, driven by online and in-store optionality and heightened sensitivity to environmental, social, and ethical concerns. The Board acknowledges that in this context, the Group's growth journey must be predicated on operational excellence and execution, cost efficiencies, and innovation. Given these themes and the key focus areas outlined in our 2022 Integrated Report, the following areas received amplified focus during the year.

STRATEGIC FOCUS AREAS IN 2023



BOARD FOCUS AREAS IN 2023

STRATEGY EXECUTION

Against the macroeconomic and socio-political background described, which is also recognised as one of the Group's material risks, the Board deliberated on and provided input into the strategic focus areas for the year. Subsequently, the Board approved the Group's Integrated Business Plan (IBP), which is a rolling three-year plan that is also used to quantify the financial impact of the strategic focus areas.

Progress against the strategy was reviewed at each quarterly Board meeting based on the Group scorecard. The scorecard includes key metrics to quantify progress made on executing operating plans aligned to the strategic focus areas, and the Board monitors and deliberates on performance relative to the strategic focus areas at Group and operating entity levels. In addition, the Board undertakes biannual deep-dive strategy reviews in November and May, where items for discussion are guided by, and mapped against, the Company's strategic priorities and the top risks and opportunities. Where appropriate, key initiatives are reprioritised in line with operational realities – for example, the sale of David Jones at the end of March 2023 has necessitated the realignment of certain key functions and rationalisation of the cost structure to exclude David Jones. These considerations, as well as the effect of the significant value unlock on the Group's capital allocation ambitions, were key areas of discussion for the Board at the strategy deep-dive in May 2023.

The Board has also focused on the Group's key risks and opportunities and their potential impact on strategy execution. Through its collective membership of the Risk, Technology and Information Committee, which meets quarterly, the Board ensures that accountability for overseeing the key risks is clearly assigned and actively executed. In addition, the committee convened an annual strategic risk workshop, which was held in May 2023, for the purpose of formulating the Group's FY2024 risk profile. The Board took cognizance of the Group's existing risk profile, the Group Exco's risk analysis and proposals, the strategy presentations, relevant economic data for South Africa, Africa, and Australia, as well as global, local, and industry views on risks. Going forward, the focus will remain on the principal risks, with more time being set aside to consider the longer-term risk horizon in the context of the Group's growth journey.

For more on the Group's risk management process and principal risks, refer to pages 47 to 52 of this Report.

OUR PRINCIPAL RISKS

- ▲ 1. Macroeconomic and socio-political environment
- ♦ 2. Material cybersecurity incident
- ◆ 3. Reset the Food business to maintain and grow its market leadership position
- ◆ 4. Sustain and improve current Fashion, Beauty and Home performance
- ◆ 5a. Unlock and create value in David Jones (replaced by 5b during the year)
- 5b. Execution of the Country Road Group David Jones IT separation
- ▲ 6. Attraction, retention, development, ar upskilling of talent
- ♦ 7. Delivery of a differentiated omnichar customer experience
- \bullet 8. Investing in building our brands
- ♦ 9. Knowing and growing our customer base

p/	◀▶ 10.	Delivery of our strategic and financial obligations
nd	 11.	Becoming a digitally enabled and data- driven organisation
nnel		Sourcing and supply chain capability Drive and elevate our Good Business Journey as a core business imperative

WHL

In considering the tenure of the Board leadership, the committee reflected on the current operating context and the momentum of the strategic Growth Blueprint under Hubert's leadership. It further took Hubert's particular skill set, which is highly suitable on the Board, into account. The committee and the Board were unanimous that it would be in the Group's best interests for Hubert to remain as Board Chairman for at least a further year to ensure continuity in overseeing progress on the Group's agreed objectives.

The committee and Board further agreed that, given the valuable role that Pinky serves as the Lead Independent Director, her tenure be extended post-2023, subject to the Board's annual independence assessment.

Tenure extensions are permitted in accordance with WHL's MOI, provided that a deeper and more robust independence assessment is conducted annually to ensure the director's independence has not been compromised in any way. This approach is also supported by best-practice guidelines.

The committee is also focusing on identifying future skills and experience requirements in line with the Group's strategic trajectory and Board priorities, including its race and gender diversity, which is currently below the Board's voluntary targets. Given that a number of non-executive directors were appointed at the same time or in quick succession of each other in 2019, a long-term strategic Board renewal plan will negate potential disruption as director tenures expire.

Regarding executive succession, the committee undertook a detailed review of the Group CEO's succession plan for all executive leadership roles, including that of the Group CEO. Senior management succession has been reviewed by the Remuneration and Talent Management Committee. These reviews focused on the depth of skills, experience in key executive and senior management roles, high performance individuals, and potential development gaps. The committee also considered the initiatives in progress to invest in and retain top talent, as well as to grow talent internally to ensure continuity in the execution of the Group's growth strategy and to prevent any disruption or instability following leadership changes.

BOARD AND EXECUTIVE SUCCESSION

Board succession planning is an ongoing key focus area of the Board. The Nominations Committee undertook a considered review of the depth of skills and expertise on the Board, as well as director tenure, in line with the committee's terms of reference. Key priorities emerging from the review were the tenures of Hubert Brody and Pinky Moholi, who each reach their nineyear terms on the Board this year, and ongoing succession planning, given that the majority of non-executive directors are midway through their terms.

NON-EXECUTIVE DIRECTOR APPOINTMENT **PROCESS AND INDUCTION**

During the year, the Nominations Committee led the recruitment and appointment of two non-executive directors, Rob Collins and Lwazi Bam, who joined the Board on 1 October 2022 and 1 May 2023, respectively. The process is designed to ensure that the search for and appointment of our non-executive directors is thorough and inclusive and focuses on achieving the required balance of skills and experience with a variety of perspectives to facilitate constructive deliberations and balanced decision-making.

Appointments are formally conducted in line with the Appointment of Directors and Board Diversity Policies, which set out appointment and diversity parameters. The Policies also include principles to ensure a clear balance of power and authority is maintained at Board level, with collective decision-making to prevent dominance and any individual director from having unfettered powers. The policy also includes criteria to assess a candidate's independence and whether the candidate has any conflicts that cannot be managed satisfactorily. In addition, the demands of a candidate's other professional commitments are assessed to ensure the candidate has sufficient time and capacity to effectively execute his/her duties.

Induction of new directors focuses on supporting them in meeting their statutory obligations and gaining insight into our Group's strategic priorities. The induction programme includes engagements with the executive and management teams who are responsible for the day-today management of the businesses and a comprehensive immersion into the Group's operations. Visits to all key operations (stores, distribution centres, and head offices) across South Africa and one-on-one meetings with key levels of management are arranged. Similar visits and introductions are arranged in Australia, which take place as and when Board meetings are held there following the director's appointment.

The Appointment of Directors and Board Diversity Policies are available on our website, www.woolworthsholdings.co.za.

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OUR PEOPLE STRATEGY

The Board appreciates the immensely valuable role that our people play in enabling the effective execution of our strategies. The Board also recognises the importance of upweighting our Employee Value Proposition and embedding a high-performance culture with greater levels of accountability. During the year, the Board focused on the findings of management's holistic review of the Group people strategy, taking into account the needs of the Group, an external scan of global and local environments, and emerging people trends. This culminated in the development of a comprehensive people strategy to be executed over a three-year period, and the refresh of the former Employee Value Proposition into a more holistic People Value Proposition (PVP). The PVP, known as 'Our People Way', is an integrated framework focusing on leadership, talent and development, performance management, inclusivity, remuneration, and wellbeing.

The Board appreciates the immensely valuable role that our people play in enabling the effective execution of our strategies.



Our PVP provides an important frame of reference and anchor for the ongoing development of our people strategy and unifies our internal stakeholders in the shared vision to become the employer of choice in retail. The Board keeps abreast of progress regarding this important initiative through regular feedback from the Remuneration and Talent Management and Social and Ethics Committees, the Group CEO, and Group People Director.

At the talent workshop convened by the Remuneration and Talent Management Committee in November 2022, attended by all Board members, feedback was given on the biannual talent review process conducted in respect of talent at senior levels. The outcomes provided deeper insights into the talent landscape, highlighted gaps and development needs, and informed appropriate investment in talent development. Feedback was also given on progress in relation to defining 'Our Leadership Way' and refreshing the performance management system as 'Our Performance Way' (both components of the PVP). Our Leadership Way focuses on building leadership capacity to effectively execute the strategy, achieve business growth, and deliver greater alignment between customer and employee experiences.

KEY BOARD DISCUSSIONS AND MATTERS APPROVED IN 2023

In addition to the focus areas mentioned above, the Board has continued to support, challenge, and actively engage with executive leadership on governance, risk, and financial accountability. During the reporting period, the Board held scheduled quarterly meetings, with Board calls held six-weekly in between. Two scheduled meetings were held to approve the FY2022 Annual Financial Results and the FY2023 Interim Financial Results.

Director attendance at Board and committee meetings during the reporting period are set out in the table alongside, which excludes the Board and committee calls.

Quarterly Board meeting agendas regularly included detailed feedback by Board committee chairmen on the key matters dealt with by the committees, as well as recommendations on policy amendments. In addition, business updates were provided by the Group CEO as well as Group Exco members (who attend Board meetings to present their updates). The updates covered financial performance, progress on performance against the key performance indicators, stakeholder matters, competitor analyses, key risks and opportunities, governance matters, and key people matters. There were also presentations by the Group Finance Director and interim Chief Financial Officer on our financial results, forecasts and Treasury reports covering balance sheet efficiency and gearing metrics, debt covenants, liquidity, refinancing and hedges. Key discussions and approvals are covered on the next page.

BOARD ATTENDANCE FOR THE YEAR UNDER REVIEW

Strat – Strategy **AC** – Audit Committee

Name of director

Hubert Brody

Nombulelo Moholi¹

Roy Bagattini

Lwazi Bam²

Christopher Colfer

Rob Collins³

Belinda Earl

Reeza Isaacs⁴

David Kneale

Phumzile Langeni⁵

Sam Ngumeni

Thembisa Skweyiya

Clive Thomson

Appointed as Lead Independent Director on 7 July 2023 2. Appointed to the Board and the Audit and Risk, Information and Technology Committees on 1 May 2023 and was

NomCo – Nominations Committee **R&IT** – Risk, Information and Technology Committee **R&TMC** – Remuneration and Talent Management Committee **SEC** – Social and Ethics Committee

or	Date of appointment	Designation	Overall Attendance	BOARD	STRAT	AC	NOMCO	R & TMC	R&IT	SEC	SC	TC	Directors standing for election/
													re-election
	01/07/2014	Chairman & Independent Non-executive	100%	4/4	2/2	-	3/3	4/4	4/4	3/3	2/2	4/4	-
	01/07/2014	Lead Independent Non-executive	100%	4/4	2/2	-	3/3	4./4.	4./4.	3/3	2/2		_
	17/02/2020	Executive	100%	4/4	2/2	-	-	-	4/4	3/3	2/2	4/4	Re-election
	01/05/2023	Independent Non-executive	-	-	-	-	-	-	-	-	-	-	Election
	01/07/2019	Independent Non-executive	100%	4/4	2/2	3/3	3/3	4./4.	4/4	-	-	-	_
	01/10/2022	Independent Non-executive	100%	3/3	2/2	-	-	-	3/3	-	-	-	-
	01/07/2019	Independent Non-executive	100%	4/4	2/2	-	-	-	4/4	-	2/2	-	-
	26/11/2013	Executive	100%	4/4	2/2	-	-	-	4/4	-	-	4/4	-
	11/03/2019	Independent Non-executive	100%	4/4	2/2	-	3/3	4./4	4/4	-	-	-	-
ni ⁵	01/04/2022	Independent Non-executive	100%	2/2	1/1	1/1	-	-	2/2	-	-	-	-
	12/02/2014	Executive	100%	4/4	2/2	-	-	-	4/4	3/3	2/2	-	Re-election
	11/03/2019	Independent Non-executive	100%	4/4	2/2	3/3	-	-	4/4	3/3	2/2	4/4	-
	19/08/2019	Independent Non-executive	100%	4/4	2/2	3/3	-	-	4/4	3/3	-	4/4	Re-election

unable to attend the meetings held in May 2023 due to pre-existing commitments. 3. Appointed to the Board and the Risk, Information and Technology Committee on 1 October 2022

4. Resigned from the Board and the Audit, Treasury and Risk, Information and Technology Committees on 30 June 2023

5. Resigned from the Board and the Audit and Risk, Information and Technology Committees on 31 December 2022

SC – Sustainability Committee **TC** – Treasury Committee

WHL

QUARTER 1 July to September 2022

- Approved the appointment of Pinky Moholi as Lead Independent Director
- Approved the 2022 annual financial results and final ordinary dividend to shareholders
- Approved the 2022 suite of annual reports comprising the Integrated, Good Business Journey, Social and Ethics and Remuneration Reports
- Considered and agreed the directors for re-election to the Board and the non-executive directors for election to the Audit Committee at the 2022 AGM
- Reviewed, discussed, and approved the Group FY2023 budget and integrated business plan refresh
- Reviewed the composition of Board committees and major subsidiary boards
- Reflected on the Board's performance and the performance of the Board committees during the past financial year and confirmed that the Board and committees had fulfilled their obligations under the Board Charter and committee terms of reference, respectively
- Approved amendments to the Board committees' terms of reference arising from the committees' annual review
- Considered value optimisation and capital allocation initiatives aligned with the WHL Growth Blueprint
- Received feedback on the various investor engagements held post the year-end results and investor road shows attended in the United States of America and United Kingdom
- Concluded the FY2022 share repurchase programme in July 2022

QUARTER 3 January to March 2023

- Approved the 2023 Interim Financial Statements and interim ordinary dividend to shareholders
- Considered the year-to-date business performance update
- Noted the development of a longer-term business solution to address the impacts of rolling power outages in South Africa (loadshedding)
- Considered potential value optimisation initiatives as well as progress on business development projects underway
- Received feedback from the Sustainability Committee chairman on the reprioritisation of the Group's energy plan in the context of the rolling power outages





QUARTER 2

October to December 2022

- Convened the Board's biannual strategy session and quarterly Board meeting (November 2022) in Australia for the first time post Covid
- Considered the business update on key strategic initiatives and performance relative to the Group Strategic Framework, and approved the updated on-demand strategy for WSA
- Considered potential value optimisation initiatives as well as updates on business development projects underway
- Approved the renewal of a major logistics contract for WSA
- Received an update on sustainability trends and an overview of key topics at the Conference of the Parties (COP) 27 Conference, with particular reference to climate change
- Received feedback on the annual Good Business Journey investor engagement session held in November 2022
- Received detailed feedback on shareholder engagement held by the Chairman, Lead Independent Director and Group Company Secretary with institutional investors prior to the 2022 AGM
- Approved the Company's secondary listing on the A2X
- Approved a further share repurchase programme of R1.0bn
- Held the Group's third virtual AGM in November 2022 and agreed the transition to a hybrid meeting format for the 2023 AGM
- Considered the terms of the transaction to dispose of WHL's entire shareholding in David Jones to Anchorage Capital Partners and authorised management to finalise the transaction on the terms approved by the Board
- Finalised the strategic risk profile at the annual strategic risk workshop
- Attended retail-focused immersion sessions in Sydney and Melbourne

QUARTER 4April to June 2023

- Approved the appointment of Lwazi Bam as an independent non-executive director and member of the Audit and Risk, Information and Technology Committees
- Considered the Group CEO's update on business performance relative to the Group Strategic Framework, as well as progress updates from business units on key strategic initiatives at the biannual strategy session in May 2023
- Received confirmation of the legal completion of the David Jones transaction at the end of March 2023 and feedback on the completion accounts process and IT separation
- Reviewed and discussed the results of the 2023 independent Board and Board committee evaluations
- Approved the expansion of the Midrand Distribution Centre
- Reviewed the Board Charter and Group delegations of authority matrix to ensure business relevance and alignment with organisational changes
- Approved further share repurchase programmes with a value of R1.5bn, as well as the appointment of a repurchase broker and programme mandate due to the Company entering a closed period

REALIGNING THE GROUP'S STRATEGY WITH THE FUTURE GROWTH MODEL



BOARD AND EXECUTIVE SUCCESSION



REVIEWING THE LONGER-TERM (FIVE-YEAR) RISK HORIZON AS WELL RISKS FROM EMERGING TECHNOLOGY AND REPUTATIONAL CONSEQUENCES

BOARD TRAINING AND DEVELOPMENT

In addition to the regulatory and governance updates during the year, the following Board development activities took place during the quarterly Board meetings in FY2023:

- Visits to operations and stores in South Africa and, in November 2022, visited stores in Australia for the first time since 2019 (prior to the pandemic). The visits provided opportunities for the Board to interact with management 'on the ground' in both geographies and build deeper insights into the businesses
- Visits to David Jones' flagship stores and immersion in the Country Road Group omnichannel operating model
- On-site visit to the Living Soils Community Learning Farm* in Stellenbosch, where the Board engaged with farmers and observed our sustainable Farming for the Future principles in operation (aligned with our GBJ sustainability initiatives)
- On-site visit at a Stellenbosch wine estate to showcase the estate's partnership with WCellar
- Immersion in the FBH ethical sourcing process
- 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
- Received insights from internal subject matter experts on key sustainability issues affecting the Group and the broader retail industry
- Presentation by investment analysts on shareholder/market perception of WHL
- Immersion in Woolworths Food product sourcing strategy
- Various forms of Board interactions to facilitate less formal engagement with management outside the boardroom

To provide the Board with further insights into global retail trends and trends in technology, data, and human capital management, a Board Bulletin is published quarterly on the Board's digital platform (Diligent), comprising curated content/articles by thought leaders and leading experts on the topics mentioned.

*An initiative operated and funded in partnership between Woolworths South Africa, Spier, and the Sustainability Institute, which aims to empower a new generation of farmers to produce nutritious food using eco-friendly regenerative farming methods, and to serve as a viable model for community-based food security and the sustainable development of local livelihoods that can be replicated all over South Africa.

2024 BOARD IMMERSION FOCUS AREAS

Ethical sourcing/responsible use of environmental resources in product development; climate/ESG/Inclusive Justice Initiative; marketing and brands; people/talent and succession; digitisation/Al/advanced analytics

2023 BOARD AND COMMITTEE EVALUATIONS

The Board's policy is to conduct effectiveness evaluations annually, alternating between external and internally facilitated evaluations. The 2023 evaluations were undertaken independently by The Board Practice during March 2023, with feedback provided at the Nominations Committee and Board meetings in May 2023. The overall sentiment was that the Board is cohesive, professional, is functioning well in challenging circumstances, and is discharging its duties fully. In addition, the following feedback was received:

• Regarding Board composition and operation, the Board is seen to be skilled, both in breadth and depth, and diverse in many respects, such as the presence of retail, financial, and deep business skills, with good geographical representation. Recent additions to the Board have added certain critical skills. The size of the Board is considered to be appropriate under current circumstances. Board members are considered committed and acting with high integrity and in the interests of WHL at all times.

• From a Board leadership and structures perspective, Board members consider the Chairman effective, and there is a good 'high supporthigh challenge' relationship between him and the Group CEO. Both management and the Board are comfortable that the boundary between the work of the Board and that of management is appropriate, and management is empowered to execute the strategy as agreed with the Board. The Group CEO is considered to be highly effective and informs the Board of important developments, whether positive or negative. The Board committees are appropriately structured, function very effectively, and are critical support structures of the Board.

• Board meetings are well-led with appropriate agendas, and issues are fully ventilated before decisions are made. The information provided to the Board is of a high quality, and management is perceived to be open and transparent. Board and committee meeting packs are comprehensive but digestible, containing the right information. The cycle of Board and committee meetings over one week is effective, with sufficient time at Board meetings for committee feedback, which is thorough but succinct. The Board is clear that there are adequate checks and balances in Board governance at WHL.

• The strategy process is well developed, with clear plans presented to the Board by management. The strategy is seen as coherent and well-considered. The Board has appreciated the regular immersions (deep dives) and is in favour of more of these exercises, which also offer the Board a view of talent in the Group at levels below the Group Exco.

• Remuneration policy, structure, and processes are appropriate and regularly benchmarked. There are clear targets for the CEO and management with good metrics, and the CEO and management are held to account.

• Each of the Board committees is considered to have the required mix and depth of capability, skills, and experience to add value on key issues. They are also well-led to ensure focus on key matters, and highly effective in fulfilling and delivering value on their responsibilities/mandates.

GROUP COMPANY SECRETARY

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

The Group Company Secretary is responsible for engaging with the Board Chairman and committee chairs on meeting topics, ensuring compliance with Board and committee governance, terms of reference, and relevant legislation and regulations. The Board has assessed Ms Reddiar's competence and expertise and is satisfied that she has the appropriate qualifications, experience, and competence to perform the duties on behalf of a public company. In addition, feedback from the 2023 Board effectiveness evaluation describes the Company Secretary as very effective, and the function serves the Board well in all aspects of its work.

In addition to the company secretarial functions, the Group Company Secretary is responsible for the Group's governance, risk, compliance, and legal functions and is supported by a suitably qualified and experienced team.



OUR GOVERNANCE FRAMEWORK

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

The Board believes that effective governance is achieved through leadership and collaboration. To this end, the Board, together with the various Board committees, established a working framework that complements and supports the work of the Executive.

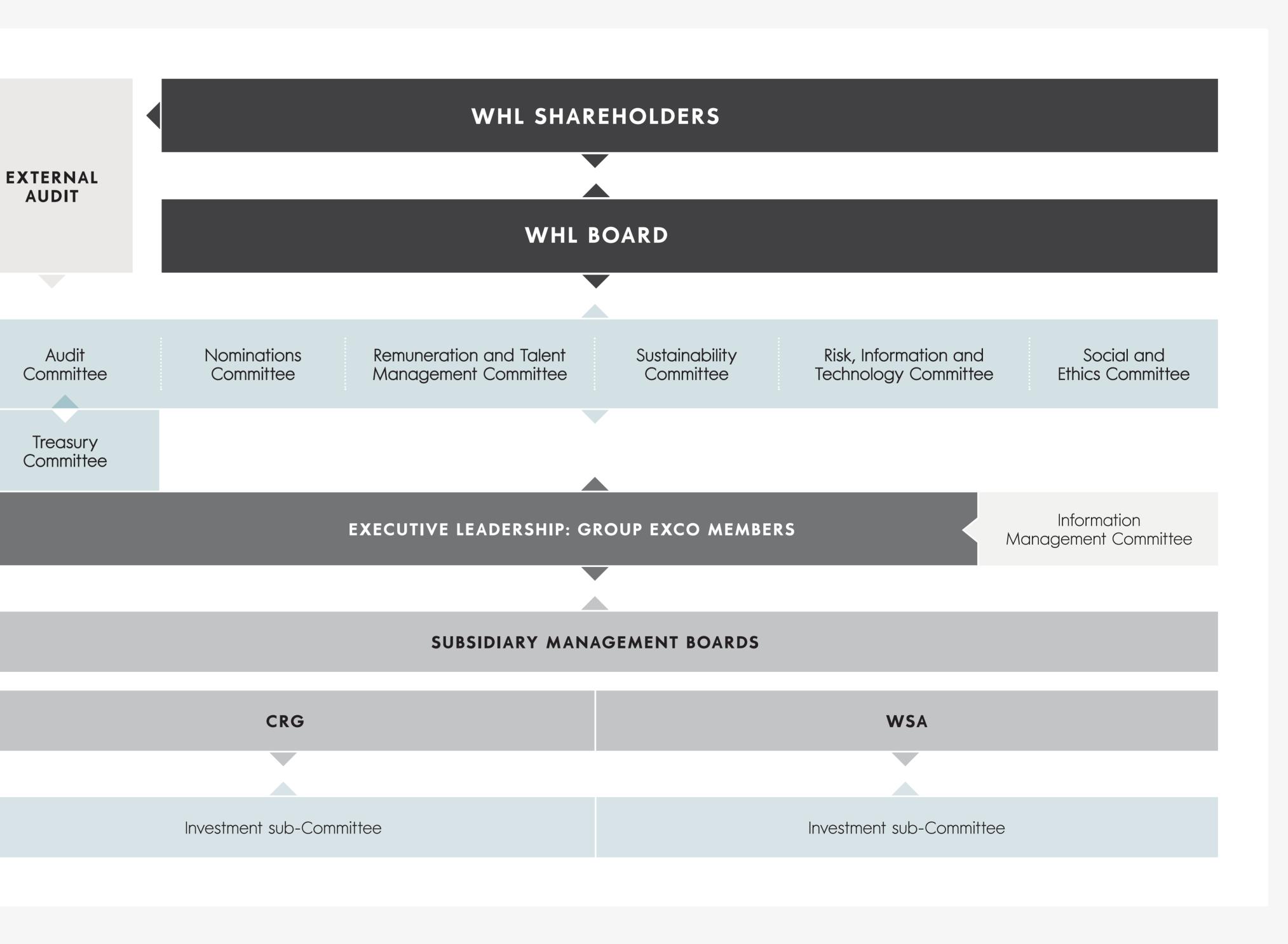
In addition, the Board has approved formal delegations of authority to the various Board committees, the Group Chief Executive Officer, and the subsidiary management boards. The delegations of authority are reviewed annually, and changes are approved as appropriate.

Further details on the governance framework and the supporting processes and policies, such as the Board Charter, committee terms of reference, and our governance policies, are available on our website, www.woolworthsholdings.co.za.

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Our formally constituted Board committees comprise an appropriate balance of executive and non-executive directors with the necessary combination and balance of skills.



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Members: Hubert Brody (Chairman), Christopher Colfer, David Kneale, and Nombulelo Moholi **Membership changes:** There were no changes during the year





INDEPENDENT **NON-EXECUTIVE** DIRECTORS

MANDATE

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

2023 GOVERNANCE OUTCOMES

- Considered the outcomes from, and provided feedback to the Board on, the independent Board and committee effectiveness evaluations, including the committee's evaluation, which found that the committee is highly effective and comprises the skills and capabilities necessary to execute its mandate
- Evaluated the Group CEO's performance for 2022 and agreed his 2023 key performance goals and measures
- Considered the tenure of the Board Chairman and Lead Independent Director (LID), who will both have served on the Board for nine years in November 2023, and deliberated on the benefit of retaining continuity in their roles given their experience on the Board against the rationale for applying a nine-year term limit
- Reviewed the Board succession plan to ensure the appropriate balance of skills, knowledge, and experience for effective leadership of the Group and progressed Board succession planning
- Reviewed the composition of the Board in relation to diversity as well as the voluntary targets (for race and gender) in terms of the Board Diversity Policy

NOMINATIONS COMMITTEE

- Proposed that the voluntary race and gender Board targets be maintained at 40% each, subject to variations to accommodate changes, with a view to increasing these to 50% over time
- Recommended the appointment of Mr Lwazi Bam to the Board for approval
- Considered the Group CEO's executive succession updates, proposals and emergency succession alternatives
- Reviewed the compositions of Board committees and recommended non-executive directors for appointment as Board committee members
- Focused on Board development with an emphasis on sustainability, data, technology, and human capital management in the global retail environment
- Assessed the independence and performance of non-executive directors to ensure a balanced and independent Board
- Reviewed the composition of the Audit Committee, the directors retiring by rotation, and nominated directors for election/re-election at the 2023 Annual General Meeting

Focused on identifying future skills and experience requirements on the Board in line with the Group's strategic trajectory and Board priorities.

- Ongoing review of the Board's composition to maintain bench strength in line with the Group strategy and value creation ambitions and alignment with the voluntary race and gender targets
- Search for a suitable candidate for appointment as a non-executive director on the Board
- Oversee Board and executive succession planning
- Monitor implementation of outcomes from the 2023 external effectiveness evaluations



REMUNERATION AND TALENT MANAGEMENT COMMITTEE



MEMBERS

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

Membership changes: There were no changes during the year





INDEPENDENT **NON-EXECUTIVE** DIRECTORS

MANDATE

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

2023 GOVERNANCE OUTCOMES

- Continued engagement with shareholders to gain insights into topical remuneration issues
- Continued to refine the Group's Remuneration Policy to ensure it supports business performance and remains balanced with the interests of stakeholders
- Workshopped and reset the variable pay scheme to ensure pay structures remain competitive, attractive and aligned to shareholder interests
- Approved the FY2024 performance measures and weightings for executives, including revised ESG performance measure threshold targets
- Approved the overall remuneration budget for all employees, as well as the remuneration paid to the Group Exco members
- Reviewed material skills retention risks and management's mitigation plans
- Reviewed the succession planning for senior management and the bench strength for the top 40 roles in the Group

- Reviewed the talent landscape and progress on the key talent initiatives implemented during the year
- Monitored the Group's approach to fair pay with focus on a Just Wage in South Africa and the evolution of the Group's Just Wage initiative
- Considered the results of the committee effectiveness evaluation, which found that the committee is highly effective and has the skills and capabilities necessary to execute its mandate

Undertook a detailed analysis of the Group's top talent and reviewed the outcomes of management's biannual senior management talent review process.

- Continue engagement with shareholders to ensure the Remuneration Policy remains relevant, appropriate and aligned to shareholder interests and good governance practice
- Continue to assess the Remuneration Policy in relation to the market and the Group's ability to attract and retain key talent to deliver its strategic outcomes
- Monitor the effectiveness of talent management and development strategies with particular reference to the Group Leadership Competency Framework



Members: Clive Thomson (Chairman), Lwazi Bam, Christopher Colfer, and Thembisa Skweyiya

Membership changes: Phumzile Langeni resigned with effect from 31 December 2022 and Lwazi Bam was appointed with effect from 1 May 2023







MANDATE

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

2023 GOVERNANCE OUTCOMES

- Monitored the integrity of the annual and interim financial statements and results announcements and recommended them to the Board for approval
- Reviewed quarterly finance reports, business performance reviews (including cost optimisation), the budget and integrated business plan, as well as solvency and liquidity and going concern assessments
- Monitored the effectiveness of the internal control framework on financial reporting to support the annual Chief Executive and Chief Financial Officer's attestation
- Reviewed reports from the Treasury Committee and considered and endorsed the Treasury Committee's recommendations relating to the 2022 final and the 2023 interim dividends, Group funding matters, and the implementation of share repurchases amounting in aggregate to R2.9 billion
- Received quarterly reports on the Group's tax position and status of tax compliance

AUDIT COMMITTEE



- Reviewed proposals for the refinancing of debt facilities across the Group and the required financial assistance resolutions and recommended the same to the Board for approval
- Monitored the ongoing alignment of financial decisions, as well as refinancing and banking facilities, with the Group's sustainability strategy
- Assessed whether the Integrated Annual Report presented a fair and balanced view of the Group, with any material issues reported appropriately, and recommended these to the Board for approval
- Managed the relationship with the external auditor (KPMG), including monitoring their independence and effectiveness in relation to their audit quality and expertise
- Evaluated the independence and effectiveness of the Internal Audit function in terms of its scope, execution of the audit plan, coverage, skills, resourcing, and overall performance
- Considered developments in sustainability reporting requirements, such as the framework for Climate-related Financial Disclosures
- Reviewed the JSE's Report Back on Pro-Active Monitoring of Financial Statements
- Reviewed the governance policies that fall within the committee's mandate (Price Sensitive Information, Insider Trading, External Auditor and Accounting and Audit Complaints Policies)
- Considered the appointment of the interim Chief Financial Officer
- Accepted responsibility for the role of Audit Committee of South African subsidiary companies
- Considered the results of the independent committee effectiveness evaluation, which found that the committee is highly effective and has the skills and capabilities necessary to execute its mandate

- Continue to monitor business and financial performance in line with anticipated strategic outcomes, including cost optimisation, growth, and business-turnaround strategies
- Monitor that capital allocation decisions are based on the principles embedded in the capital allocation framework
- Continue to ensure that financing decisions are aligned with maintaining a strong balance sheet, achieving targeted gearing levels per business entity, and incorporate ESG and sustainability principles
- Monitor reporting progress against the IFRS Sustainability Disclosure Standards



Members: Clive Thomson (Chairman), Roy Bagattini, Hubert Brody, Reeza Isaacs, Thembisa Skweyiya, and Ian Thompson (who is not a WHL Board member*)

Membership changes: Reeza Isaacs resigned with effect from 30 June 2023







MANDATE

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

2023 GOVERNANCE OUTCOMES

- Continued to monitor the liquidity positions, gearing, and debt covenants of the Australian and South African businesses against forecasts
- Considered the Group's longer-term dividend policy and recommended appropriate interim and final dividends
- Monitored progress with regard to the simplification of the Australian corporate structure, which was concluded at the end of H1
- Monitored the approvals required from the banking and tax authorities in Australia for the return of capital to South Africa prior to and post the sale of David Jones
- Considered the merits of and recommended the execution of share repurchase programmes with a total value of R2.9 billion
- Reviewed interest rate and foreign currency risks and levels of hedging and foreign exchange cover in the context of market conditions and prevailing volatility

TREASURY COMMITTEE



INDEPENDENT NON-EXECUTIVE DIRECTORS

- Monitored the ongoing conversion to sustainability-linked financing and banking facilities, the formulation of a new structure (a first of its kind in South Africa at the time) whereby enhanced deposit rates are applied if ESG key performance indicators are met, and the Group's delivery of its first set of ESG covenant results against the initial key performance indicators, which were all exceeded
- Reviewed the Group Treasury Policy and counterparty exposure limits and recommended certain amendments
- Considered the results of the committee effectiveness evaluation, which found that the committee is highly effective in fulfilling and delivering value on its mandate

Considered the merits of and recommended the execution of share repurchase programmes with a total value of



- Continue to monitor the Group's capital structure, liquidity positions, balance sheet risks inclusive of stress testing, and all treasury-related exposures and risks in line with Group Treasury Policy
- Continue to monitor the effectiveness of the capital allocation plan, ensuring that capital allocation decisions are based on the approved principles







Members: David Kneale (Chairman), Roy Bagattini, Lwazi Bam, Hubert Brody, Christopher Colfer, Rob Collins, Belinda Earl, Reeza Isaacs, Nombulelo Moholi, Sam Ngumeni, Thembisa Skweyiya, and Clive Thomson

Membership changes: Rob Collins and Lwazi Bam were appointed with effect from 1 October 2022 and 1 May 2023, respectively, and Phumzile Langeni and Reeza Isaacs resigned with effect from 31 December 2022 and 30 June 2023, respectively



MEETINGS





MANDATE

Assists the Board in the governance of risk and setting the direction for Enterprise Risk Management throughout the Group. Oversees and holds management accountable for the implementation of effective risk management, including risk impacts on the achievement of the Company's strategic objectives. In addition, the committee is responsible for determining that the Information and Technology roadmap and investments support the Group's strategic objectives.

2023 GOVERNANCE OUTCOMES

- Continued to monitor the Group's key risks and trends in the context of ongoing economic volatility and geopolitical instability
- Reviewed the key risk mitigation controls and regular adjustments to the controls to respond to changing operating conditions
- Finalised the strategic risk profile at the annual strategic risk workshop
- Reviewed the effectiveness of the risk management processes and the adequacy and effectiveness of the Group's Business Continuity Programme
- Reviewed the Information and Technology strategic roadmap and monitored implementation of the Group Information and Technology Strategy
- Monitored Information and Technology operational risk reporting and the appropriateness of risk management processes
- Monitored the effectiveness of information security governance, systems, controls, and procedure and noted that the Group's cyber defences had not been breached during the year

RISK, INFORMATION AND TECHNOLOGY COMMITTEE

INDEPENDENT NON-EXECUTIVE DIRECTORS

- Reviewed the Information Management Committee's activities relating to information and data governance frameworks, information and data security management, and related policies and procedures
- Reviewed the processes and systems in place to prevent and detect fraud
- Reviewed the Group's insurance programmes that moderate against key insurable risks
- Recommended the updated Group Enterprise Risk Management and Compliance Policies to the Board
- Reviewed and approved the Combined Assurance Model
- Considered the results of the committee effectiveness evaluation, which found that the committee functions effectively

Reviewed the key risk mitigation controls and regular adjustments to the controls to respond to changing operating conditions.

- Increased focus on scanning the risk horizon for emerging risks and opportunities as well as factors that could influence the Group's longer-term risk profile
- Continue to monitor the effectiveness of the risk management framework and measures to protect the Group against future disruptions
- Continue to monitor the execution of IT projects and efficacy of technology and digital delivery capabilities
- Continue to assess the efficacy of information security capabilities and business resilience practices
- Monitor data governance frameworks and controls in place to ensure ongoing privacy of information and the protection and ethical use of data



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







MANDATE

Assists the Board in setting the tone for an ethical organisational culture by overseeing the Group's conduct and approach and ensures that the manner in which the business is conducted supports the Group's intent to be a responsible corporate citizen. Carries out the statutory duties in terms of the Companies Act. In addition, oversees that the Group has an effective compliance programme covering compliance risk management, health and safety, and high-risk regulatory compliance areas.

2023 GOVERNANCE OUTCOMES

- Considered the corporate targets for the BBBEE scorecard in South Africa for the financial year and received updates on tracking against the scorecard
- Reviewed the framework for the operationalisation of the Inclusive Justice Initiative (IJI) across the Group and received updates on the implementation of the IJI transformation strategy
- Considered the report on the employee Pulse survey conducted across the Group during the year and proposals to enhance corporate culture
- Oversaw the continued evolution of the Group's stakeholder engagement strategy and considered detailed feedback of the stakeholder perception survey in WSA
- Continued to monitor the effectiveness of practices to promote employee mental health and wellness, and assessed the measures taken to protect employees' and customers' health and safety
- Monitored progress on employment equity plans and barriers to achieving equity and disability targets in South Africa, as well as actions to overcome these

SOCIAL AND ETHICS COMMITTEE



- Reviewed the Group's talent succession plans, which reflected good female representation across the Group
- Received regular updates on the Group's Social Development initiatives and their impacts
- Reviewed the Group Anti-Bribery and Corruption Policy (for alignment with the OECD recommendations and current legislation), the Group Whistle-blowing Policy, and the approach to ongoing training and employee engagement in relation to both policies
- Reviewed the analysis of the Group's employment and supply chain practices, noting alignment with global principles and best practice
- Reviewed country-specific regulatory requirements in relation to the protection of human rights and, after considering the Group Human Rights Declarations, confirmed that the Group supports the elimination and abolition of all forms of forced, compulsory, and child labour
- Reviewed updates on the goals and action plans in respect of David Jones' and Country Road Group's Modern Slavery Statements to ensure ongoing compliance with the Australian Commonwealth Modern Slavery Act
- Continued to collaborate with the Sustainability Committee on related matters
- Accepted responsibility for the role of Social and Ethics Committees of subsidiary companies
- Considered the results of the committee effectiveness evaluation, which found that the committee is highly effective in fulfilling and delivering value on its mandate
- Reviewed the regulatory Compliance Framework, processes, and updates on regulatory changes in the regions in which the Group operates
- Approved the annual compliance monitoring plans and reviewed the compliance monitoring reports, including details of mandatory compliance training provided

- Monitor performance against the Group's 2025 Transformation vision, including the impact of the Inclusive Justice Initiative and the Group's Social Development initiatives
- Continue to monitor the evolution of the Group's stakeholder engagement strategy and the outcomes of stakeholder engagements
- Continue to monitor the effectiveness of the compliance framework and the approach to regulatory compliance and mandatory compliance training





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







MANDATE

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

2023 GOVERNANCE OUTCOMES

- Continued to monitor the effects of climate change and the risks posed to our value chain
- Received updates on the evolving global sustainability reporting landscape, including the International Sustainability Standards Board sustainability disclosure standards published in June 2023
- Received updates on the Group's performance relative to the annual internal sustainability targets under the Vision 2025⁺ strategy
- Received feedback on progress with regard to the rollout of the combined assurance model on sustainability data and reviewed internal and external audit reports related to sustainability data
- Reviewed and approved the sustainability materiality determination process and material issues identified
- Approved the scope of the limited assurance engagement for the 2023 Good Business Journey Report
- Considered the results of the biannual corporate reputation survey (covering environmental and social elements), which tracks the reputations of Woolworths South Africa and Country Road Group relative to their competitors

SUSTAINABILITY COMMITTEE



- Received updates on local and global sustainability trends and news, as well as on environmentrelated legislation
- Oversaw ethical sourcing initiatives, as well as progress towards our zero-waste-to-landfill packaging commitments
- Continued to collaborate with the Social and Ethics Committee on related matters
- Reviewed key sustainability risks identified and reported to the Risk, Information and Technology Committee
- Reviewed and recommended the Sustainability Report (Good Business Journey Report) for 2023 to the Board for approval
- Considered the results of the committee effectiveness evaluation, which found that the committee is highly effective in fulfilling and delivering value on its mandate

Reviewed the Group's energy plan in the context of the Group's approved science-based target, renewable energy goal, and increased loadshedding in South Africa.

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





HOW WE EMBED ETHICS INTO OUR CULTURE

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

GOVERNANCE OF ETHICS

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



AWARENESS AND TRAINING

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

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

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

OUR GUIDING PRINCIPLES

Our actions are guided by the following principles:

- We are committed to complying with all national legislation and regulations applicable in the regions in which the Group operates. We have an established compliance process that is key to embedding a compliance culture across the Group - for more on compliance refer to the compliance function section below
- We avoid direct, perceived or potential conflicts of interest and our Conflicts of Interests Policies and regular Governance Conversations guide us to do the right thing when we face ethical dilemmas
- We do not trade in the Company's shares during closed or prohibited periods; and our directors, employees and any of their families and/ or associates are not permitted to use price-sensitive information to gain an advantage. Specific guidance in this regard is provided in the Insider Trading and Price Sensitive Information Policies
- Prior clearance to trade in the Company's shares during open periods must be obtained by all directors of the Company and subsidiaries, the Group Company Secretary, members of Group Exco, and their investment managers dealing on their behalf
- The giving of gifts or favours or making of facilitation payments in an effort to sell products or services or to influence business, labour or governmental decision-making is strictly prohibited. In addition, employees may not accept gifts or favours from any business partners, suppliers or other vendors. Our Group Anti-bribery and Corruption Policy and the Supplier Code of Business Principles provide guidance in this regard

- strictly forbidden
- by these forums
- context to these requirements
- Complaint Policies.

• Sponsorships or donations are managed strictly in accordance with the Group Sponsorship Policy and any direct or indirect contributions to any political party, committee or candidate for public office are

• We respect human rights and dignity and are intolerant of any form of discrimination and inequality. Our commitment to human rights is entrenched in our internal policies and practices. As signatories to the UN Women's Empowerment Principles and the United Nations Global Compact, we are committed to observing the principles advocated

• We hold our business partners, including suppliers, to the same standards and require them to respect human rights, practice high labour and safety standards, and exercise due care in the use of environmental resources and in their animal husbandry practices. They are also required to adhere to our zero tolerance for bribery and corruption, child labour, and slavery. Our Supplier Code of Business Principles, policy statements, and ethical sourcing guides give further

• We provide reporting channels for our employees or third parties to safely (anonymously or confidentially) report to an independent third-party service provider, without fear of retribution, any concern about or knowledge of fraud, a violation of Group practices, policies, laws or regulations. Details on how to report a concern are set out in the Group Whistle-blower and the Accounting or Audit Matters





COMPLIANCE

We remain committed to ensuring that the legal and regulatory requirements of the countries in which the Group operates are met. Our deeply embedded governance practices and mature compliance framework enable us to proactively identify and respond to regulatory changes. They also enable us to respond to unexpected changes with agility. The Board-approved compliance programme forms part of the risk management framework. Management is responsible for the design, implementation, and monitoring of compliance structures, as well as for integrating regulatory compliance into business processes. Each business has its own unique regulatory universe, which is assessed against defined risk criteria and informs the compliance monitoring plan for the relevant business. Compliance monitoring forms an essential component of the compliance process and is designed to examine business activities to enable management and the Board to ensure that business is conducted in compliance with relevant regulatory requirements.

Key regulatory items are monitored more frequently and reported to the Social and Ethics Committee every quarter. Oversight includes the level of regulatory compliance with the applicable legislation, regulations, standards, best practices and codes that have been identified to be of importance. Management continually strives to integrate compliance as a key component of organisational culture. This culture is further entrenched through ongoing training and awareness of regulatory modules, which are designed and administered by the compliance team, with training being coordinated by the Governance Academy via our digital channels, which reach beyond our head office employees to our store and distribution centre colleagues.

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

ANNUAL COMPLIANCE CERTIFICATE AND KING IV[™] COMPLIANCE

The Board endorses the holistic approach to corporate governance and the purposeful application of the practices recommended in association with the King IV[™] principles. These are incorporated into the Group's governance framework and related policies and practices. The Board is of the opinion that the Group currently complies with all governance principles contained in King IV[™], as well as with all requirements of the Company's Memorandum of Incorporation, the Companies Act, and the JSE Listings and Debt Listings Requirements. Details on the manner in which the King IV[™] governance principles have been applied in the Group are provided in our King IV™ Application Register, which is available on our website, www.woolworthsholdings.co.za.

The annual compliance certificate confirming the Company's compliance with the JSE Listings and Debt Listings Requirements for the reporting period was submitted to the JSE on 29 September 2023.



Key regulatory items are monitored more frequently and reported to the Social and Ethics Committee every quarter. **Oversight includes the level of** regulatory compliance with the applicable legislation, regulations, standards, best practices and codes that have been identified to be of importance.



ABBREVIATIONS USED IN THIS INTEGRATED ANNUAL REPORT

aPBT: Adjusted Profit Before Tax

aEBIT: Adjusted Earnings Before Interest and Tax

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

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

BPS: Basis Points

CEO: Chief Executive Officer

COO: Chief Operating Officer

CPI: Consumer Price Index

CPS: Cents Per Share

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

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

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

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

DJ: David Jones Proprietary Limited; Former wholly owned subsidiary of WHL based mainly in Australia. Was sold off during FY2023

dtic: Department of Trade, Industry and Competition

EBIT: Earnings Before Interest and Tax

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

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

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

FD: Group Finance Director

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

FY: Financial Year

G

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

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

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

Η

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

HDSA: Historically Disadvantaged South Africans

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

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

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

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

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

LID: Lead Independent Director

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

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

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

Μ

MTP: Medium-term Plan; Three-year financial strategic plan

0

OPEX: Operating expenses

R

ROCE: Return on Capital Employed

ROE: Return on Equity

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

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

S

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

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

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

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

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

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

W

WACC: Weighted Average Cost of Capital

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

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

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

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

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

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

We appreciate any feedback on our Integrated Report. Please contact <u>InvestorRelations@woolworths.co.za</u>

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

For company-specific information, visit



f <u>Country Road | Mimco | Trenery | Politix | Witchery</u>