

WOOLWORTHS HOLDINGS LIMITED

GOOD BUSINESS JOURNEY REPORT

2026 CLIMATE REPORT (IFRS S2)



START

INTRODUCTION TO THE 2026 WHL GROUP CLIMATE REPORTS

WHL Group recognises climate change as a systemic risk. It poses challenges to the operational and financial resilience of our diversified retail model. We keep abreast of the evolving physical and transition-related impacts of climate change. We know that doing so may reveal opportunities to capture operational efficiencies, access new markets, and provide goods and services demanded by our customers.

The increasing frequency and intensity of extreme weather events underscore the immediate physical risks to our operations and global supply chains. Such events include the catastrophic floods and prolonged droughts that have recently impacted our regions of operation. These disruptions affect our physical assets, drive volatility in the availability and pricing of commodities, and impact our counterparties across our value chain.

We think of climate change not as a standalone issue, but an actively managed pillar of the WHL Group’s risk register. We have operationalised our response through initiatives that represent our commitment to ensuring climate resilience is embedded in how we source materials, manage energy-intensive operations, and transition toward a lower-carbon economy.

Uncertainty is inherent to climate forecasting. WHL Group embarked on a journey in FY2025 to evaluate the impacts to our business under a range of “plausible climate futures” (scenarios). We are interrogating our current business models against divergent climate pathways: Net Zero orderly transition, “Business as Usual” (Current Policies), and “Rocky Road” (Fragmented) scenarios. We do this using:

- The Network for Greening the Financial System (NGFS) Phase V framework
- The Intergovernmental Panel on Climate Change (IPCC) physical and socio-economic drivers
- Other relevant sources

We have concluded this process for our stores, retail estate, and supply and logistics operations of Woolworths South Africa (WSA) and Country Road Group (CRG) operations in Australia. We are currently extending this into the WSA Food and Fashion, Beauty and Home (FBH) businesses. The objective is to:

- Assess our resilience against potential physical and transition shocks
- Identify opportunities arising from the shift to a low-carbon economy
- Quantify the anticipated financial impacts of prioritised risks and opportunities over the short, medium and long term

WSA and CRG have each produced a Climate Report detailing these findings. The WSA report is prepared in accordance with the International Financial Reporting Standards S2 (IFRS S2) – Climate-related Disclosures Standard. CRG has in parallel produced a Sustainability Report prepared in accordance with the Australian Corporations Act 2001 and the Australian Accounting Standards Board (AASB) S2 Climate-related Disclosures. This aligns language for risk disclosure across our international footprint. We invite readers to explore the full findings via the links below.

WOOLWORTHS SOUTH AFRICA

2026 CLIMATE REPORT (IFRS S2)

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INTRODUCTION

As a major international retailer listed on the Johannesburg Stock Exchange (JSE), striving to be one of the world’s most responsible companies, we recognise our responsibility to proactively respond to climate-related risks and opportunities (CRROs) that impact our operations. In this report, we transparently disclose our efforts and findings to our stakeholders, including our customers, employees, suppliers, and shareholders.

Woolworths Holdings Ltd Group (“WHL” or “the Group”) owns two operating entities: Woolworths South Africa (WSA) and Country Road Group (CRG). WHL’s Board oversees CRROs across the Group. However, WSA and CRG manage their climate processes separately at an operational level, due to differences in reporting standards and geography.

This report details WSA’s climate-related efforts during FY2026. CRG has published a separate climate report, which will be available on the Australian Securities and Investments Commission (ASIC) Connect portal from October 2026.

During FY2026, WSA developed climate change scenarios to engage its direct operations team, including store operations, real estate, and supply chain and logistics. We used these engagements to identify key CRROs and test resilience against potential realities. We also started rolling this work out to our Food division and Fashion, Beauty and Home (FBH) division.

This Climate Report is aligned with International Financial Reporting Standard (IFRS) S2, issued by the International Sustainability Standards Board (ISSB). It incorporates the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). This alignment is in accordance with the voluntary Climate Change Disclosure Guidance issued by the JSE.

Cross-references to additional information for each disclosure are provided throughout, linking to our annual reporting suite and website.

1. GOVERNANCE

At the highest governance level, the WHL Board is responsible for monitoring that the Group operates as a responsible corporate citizen. This includes considering CRROs as an integral issue when reviewing the Group’s strategy, enterprise-wide risk management processes, and financial planning. The Board meets at least four times a year.

- The WHL Board’s climate-related responsibilities include:
- Overseeing and monitoring the double materiality of the Group’s operations. They consider the impact that external environmental and social issues have on the Company as well as the impact that the Company has on its surrounding environment, communities, and other external stakeholders.
 - Appreciating that strategy, risk, performance, and climate change are inseparable, and giving effect to this by:
 - Governing and regularly evaluating the enterprise-wide risk management and compliance processes
 - Actively engaging on, reviewing, and approving the Group’s Climate Transition Plan and performance against climate-related targets
 - Identifying climate-related performance and risk areas
 - Considering climate change as a business risk and opportunity that guides strategy formulation, including keeping abreast of global sustainability trends

The Board is supported by two Board committees to address climate change:

1. THE WHL SUSTAINABILITY COMMITTEE (TWO MEETINGS PER YEAR)

- Its responsibilities include:
- Ensuring that impacts, risks, and opportunities relating to climate change are appropriately managed and integrated with financial, environmental and social sustainability risks
 - Approving the Group’s sustainability strategy (including those aspects related to climate change)
 - Monitoring and reviewing the strategy implementation and progress made against targets

2. THE WHL RISK, INFORMATION AND TECHNOLOGY COMMITTEE (FOUR MEETINGS PER YEAR)

- Its responsibilities include:
- Reviewing the Group’s risk framework and policy from a climate change perspective
 - Assessing whether there are appropriate processes/controls in place to manage all risks to an acceptable level, in line with the Board’s risk appetite and tolerance
 - Reviewing the effectiveness of the risk management processes
 - Overseeing that the executive team has identified and assessed all relevant risks and opportunities for the Group

1.1. BOARD EXPERIENCE

We regularly evaluate the Board and draw up a skills matrix. 75% of Board members have experience in managing and driving environmental and social responsibility initiatives in large organisations. This includes 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. More detail on the Board’s experience can be found in the Integrated Annual Report.

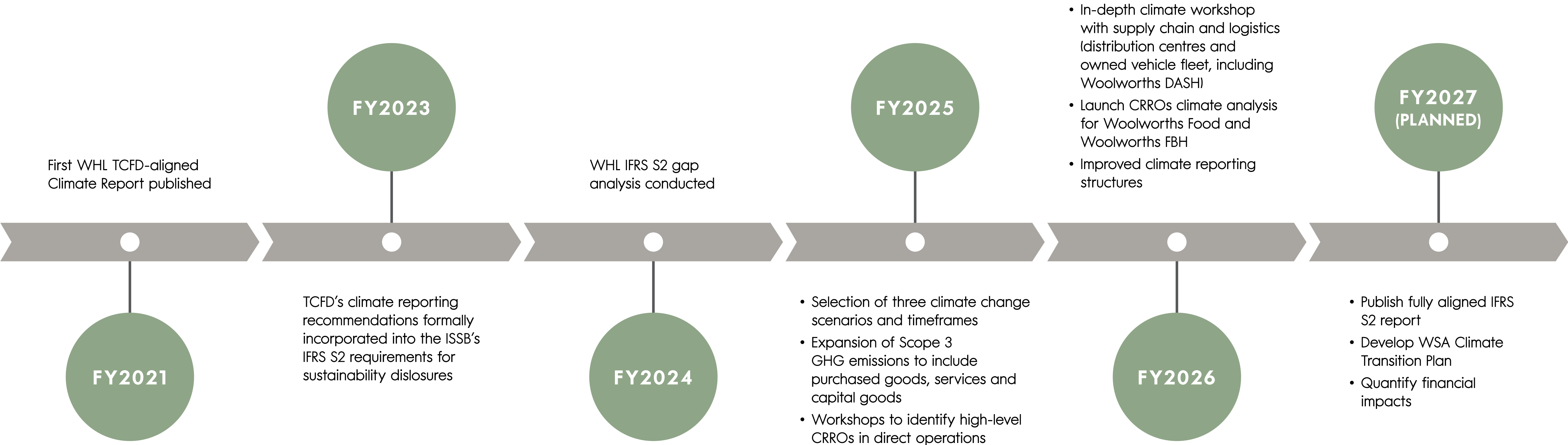
The Group CEO is responsible for the management of all sustainability issues. He delegates day-to-day responsibility to the Group Sustainability Officer, who reports to a member of the Executive Committee (Exco).

THE GROUP SUSTAINABILITY OFFICER:

- Is responsible, with Exco teams, for the Group’s sustainability strategy and performance. This includes the development of the WHL climate change strategy, based on appropriate and relevant climate change scenarios, CRRO identification and prioritisation, and IFRS S2-aligned reporting.
- Reviews performance, challenges, and learnings with sustainability champions across the Group twice yearly
- Reports twice yearly to the Sustainability Committee on sustainability and climate change strategy and performance
- Supports the risk team in identifying environmental and climate-related risks that could impact the Group

2. STRATEGY

STEPS IN THE DEVELOPMENT OF THE WHL CLIMATE STRATEGY¹



1. Timeline differs slightly from what was presented in the 2025 Climate Report

2.1. SOUTH AFRICA’S CLIMATE CONTEXT AND NATIONAL RESPONSE

South Africa faces material physical and transition risks from climate change. This is set against a backdrop of mounting regulatory and investor scrutiny over corporate environmental responsibility. International and local modelling indicate that southern Africa is warming at a faster rate than the global average. Extreme weather events (heatwaves, droughts, floods and wind) will increase in frequency and severity, impacting the economic resilience of the country. These national-level trends are mirrored in our own store network.

South Africa has made several national-level policy and institutional changes in recognition of the escalating climate impacts. The Climate Change Act took effect in March 2025. The country is committed to:

- Meet its Paris Agreement target of net zero greenhouse gas emissions by 2050.
- Maintain and escalate its carbon tax regime.
- Implement Sector Emissions Targets for high-emitting government departments.
- Allocate carbon budgets directly to large emitting sectors and companies.
- Establish the Presidential Climate Commission as an independent advisory body. Its mandate is to advise on the country’s climate change response, including mitigation, adaptation and the just transition to a low-carbon, climate-resilient economy.

The feasibility of mandating climate-related disclosure standards aligned to IFRS must be assessed. The JSE, Prudential Authority, Department of Trade, Industry and Competition, and Companies and Intellectual Property Commission are working together to do so. These standards remain voluntary for now. However, the direction of travel points toward mandatory adoption, and we continue to monitor developments closely.

2.2. WHY CLIMATE ACTION MATTERS TO OUR BUSINESS

As a major listed food and fashion retailer in South Africa and Africa, we have a responsibility to our stakeholders to respond. We continue to unpack and integrate climate considerations into our core business practices, in order to:

- Future-proof our value chain
- Reduce costs through energy and other efficiencies
- Provide safe and comfortable places of work
- Unlock competitive opportunities in climate-resilient innovation

Our approach continues to evolve across our value chain as we further develop the climate change scenarios used to evaluate CRROs in the business.

2.3. SCOPE, BOUNDARY AND TIMELINE OF THE WSA CLIMATE STRATEGY

We have adopted a manageable, time-driven approach in terms of scope and boundary of our South African climate strategy.

Our early focus has been on the immediate areas of influence within our direct retail and logistics operations.

In 2025, we selected three appropriate and relevant climate change scenarios over short-, medium- and long-term timeframes. These scenarios were informed by internationally recognised sources. These include the Network for Greening the Financial System (NGFS), the Intergovernmental Panel on Climate Change (IPCC), and the World Bank Data Knowledge Portal. The scenarios were “localised” with information from the South African Reserve Bank, the South African Treasury, the South African Prudential Authority, the CSIR and local municipal climate change response strategies.

These scenarios were then presented and used to identify high-level risks and opportunities for the following of our operations:

- Real estate, which oversees property acquisition, construction, and capital investment across our store portfolio
- Stores, which manages day-to-day store operations across food and fashion
- Our owned supply chain and logistics operations

In FY2027, we will develop a framework for evaluating the financial impact of climate change on our operations.



2.4. SCENARIOS AND TIMEFRAMES

Evaluating climate impacts requires multiple scenarios reflecting different levels of global warming. This is the clearest way to understand the materiality, scale, and timeframes of identified risks and opportunities. Scenarios are not predictions but, rather, plausible futures that could materialise if certain assumptions are realised.

We have developed three climate change scenarios, described below. They provide a sufficient range of potential outcomes for which robust information and supportive research is available. We applied these scenarios directly in workshops held with our real estate, store operations, supply chain and logistics, and enterprise risk management teams.

TIMEFRAMES USED TO EVALUATE IMPACTS	
SHORT TERM	Up to 2030
MEDIUM TERM	2030 to 2040
LONG TERM	2040 to 2050

OVERVIEW OF CLIMATE CHANGE SCENARIOS SELECTED BY WSA

	NET ZERO (ORDERLY) SCENARIO	BUSINESS AS USUAL SCENARIO ("CURRENT POLICIES")	ROCKY ROAD SCENARIO
SCENARIO DESCRIPTION	- Economic growth is initially slower due to decarbonisation of economy - Strong international and national climate policies - Rapid technology development - Global CO₂ emissions to net zero by around 2050 - Carbon pricing on transport fuels increases distribution costs - Supportive policies for electric fleets - Inclusive development through investments in education and health - Ecosystem services are protected and strengthened	- Investment allocation and energy mix in fossil fuels remain - Cost factors drive efficiencies in resource and energy use - No additional climate action, policies or technological solutions - Emissions rise through mid-century - Inequities in income and development persist - Ecosystem services degrade - High physical risks	- Slow economic growth - Continued dependence on fossil fuels - High adaptation challenges - Emissions continue to rise - Ecosystem services collapse - Regional conflicts and rising nationalism - Weakened global frameworks reduce access to climate finance and technology transfer
BUSINESS IMPLICATIONS	- Stores adapt successfully - Transition costs front-loaded but manageable - Premium positioning rewarded - Competitive advantage secured	- Slow erosion of economic growth - Moderate transition costs - Rising adaptation costs - Fragmented market requires different service models	- Concentrated operations - High adaptation costs - Poor employee retention - Insurers withdraw from high-risk regions - Greatly reduced customer base
ALIGNMENT WITH THE IPCC'S SSP-RCP SCENARIOS ¹	SSP 1 – 1.9 Sustainability-focused pathway limiting global warming to < 1.5°C	SSP2 – 4.5 Middle of the road pathway	SSP3 – 7.0 Fragmented / regional rivalry development pathway
GHG EMISSIONS TRAJECTORY	Net zero by 2050	Net zero not reached by 2050, but start to decline in later part of this century	Emissions continue to rise through 2100
MEDIAN AVERAGE GLOBAL TEMPERATURE BY 2100	< 1.5°C	2.7°C–3.6°C	3.6+°C
PHYSICAL IMPACT ²	Lowest	Moderate to high	High
TRANSITIONAL IMPACT ³	Highest	Moderate to low	Low

1. The Shared Socioeconomic Pathway – Representative Concentration Pathways (SSP-RCPs). The RCPs were developed by integrated assessment modelling teams led by institutions such as PBL (Netherlands), IIASA (Austria), NIES (Japan), and PNNL (USA). The SSPs were created later by research groups coordinated by IIASA, NCAR (USA), PIK (Germany), and OECD. The integration of SSPs and RCPs into a single SSP-RCP framework was carried out by these same scientific teams in 2014.

2. Physical risks and opportunities informed by: IPCC, International Energy Agency, World Bank Knowledge Data, CSIR.

3. Transition risks and opportunities informed by: Network for Greening the Financial System (NGFS) long and short-term scenarios, South African Prudential Authority, South African Reserve Bank, Institute for Security Studies, among others.

2.5 SUMMARY OF WSA RISKS AND OPPORTUNITIES IDENTIFIED

The following consolidates findings from three high-level workshops held with real estate, store operations, supply chain and logistics, and enterprise risk management teams. These workshops took place toward the end of FY2025 and beginning of FY2026.

HIGH-LEVEL CLIMATE-RELATED RISKS

CARBON TAX ESCALATION, INCLUDING POSSIBLE EXTENSION TO ELECTRICITY	Carbon tax is applied to liquid fuel emissions across our generators and distribution fleet. Under Phase 2 of the legislation (post-2030), carbon taxes are applied to electricity generation, with utilities passing these costs onto consumers. This increases grid-utility expenses across our store network and distribution centres.
WATER SECURITY AND MUNICIPAL RELIABILITY	Drought and degrading municipal water infrastructure threaten store and distribution centre operations. There is potential for closures, hygiene risks, and emergency procurement costs. Past disruptions (e.g. Cape Town’s “Day Zero”) illustrate the scale of exposure.
RISING TEMPERATURES AND COOLING DEMAND	Refrigeration and air conditioning systems across stores and distribution centres are designed for maximum temperatures of 34-36°C. Sustained temperatures above this threshold increase energy costs, strain equipment, and risk stock loss.
EXTREME WEATHER AND INFRASTRUCTURE DAMAGE	Increased frequency of flooding, high winds, and storms damages store and distribution centre infrastructure and roads, disrupting deliveries and trading continuity. International supply chain exposure also extends to port closures from adverse weather.
EMPLOYEE IMPACT AND ABSENTEEISM	Extreme weather and damage to employee housing can prevent staff from reaching work, with particular pressure in high-risk geographies. This places strain on existing employee support mechanisms.
INCREASED DISCLOSURE AND COMPLIANCE BURDEN	Growing climate-related reporting requirements (IIFRS S2, etc.) place additional resourcing demands on data collection and compliance processes.
INVESTOR AND REPUTATIONAL SCRUTINY	Increasing investor interest in the Board and executive team’s understanding of climate risk, alongside the prospect of rising insurance premiums tied to climate exposure.
SHIFTING CONSUMER DEMAND AND ONLINE DELIVERY GROWTH	Continued growth in online grocery delivery increases Scope 3 emissions from last-mile delivery, while changing consumer purchasing patterns (e.g. demand for bottled water during shortages) place new pressures on product ranges and logistics.
RENEWABLE ENERGY ADOPTION BARRIERS	Delays in municipal approvals and “wheeling” contracts limit the pace at which solar and other renewable energy capacity can be deployed at distribution centres and stores.

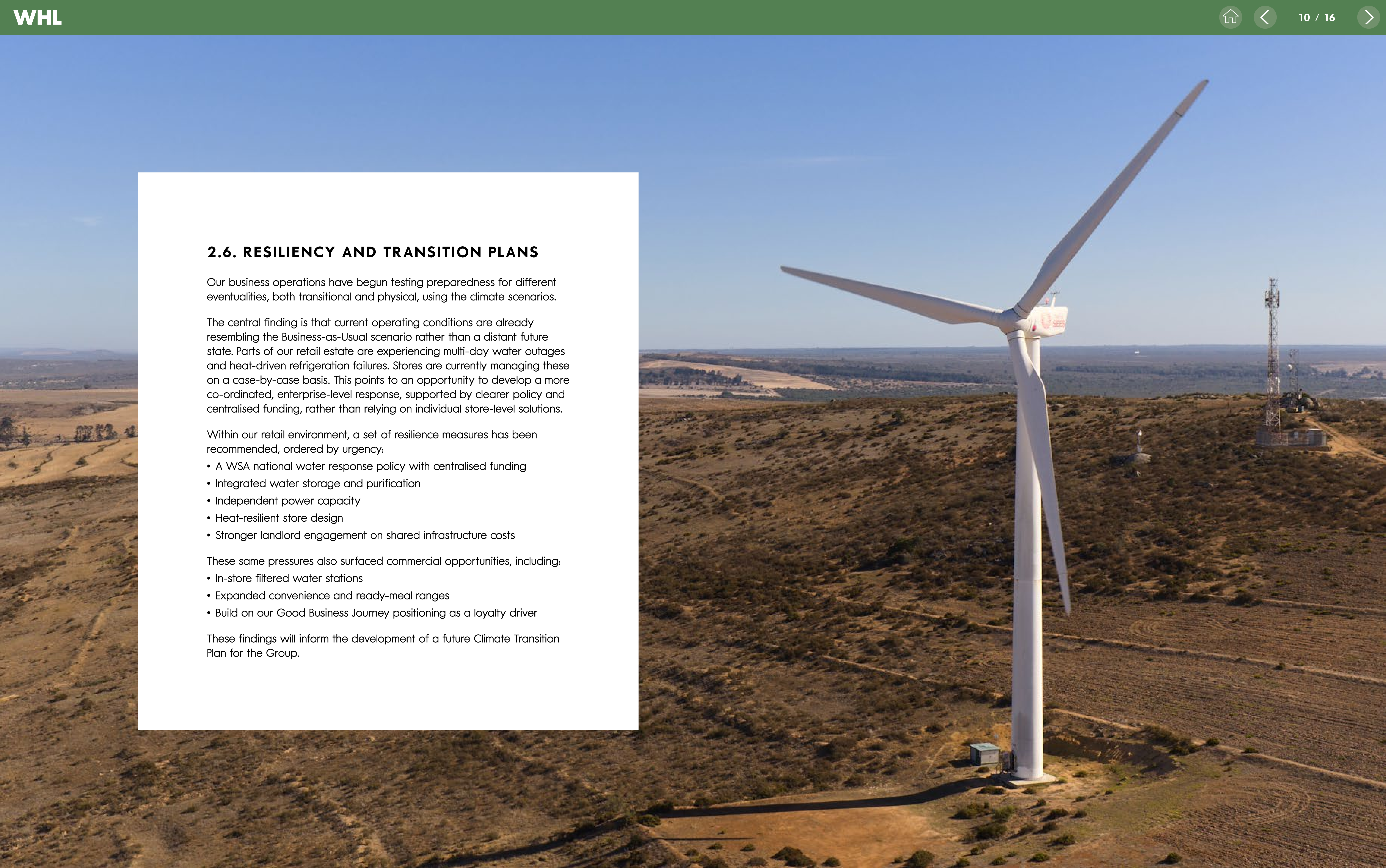
HIGH-LEVEL CLIMATE RELATED OPPORTUNITIES

ENERGY EFFICIENCY AND RENEWABLE ENERGY INVESTMENT	Continued investment in energy efficiency and on-site renewable energy (including landlord partnerships for leased stores) reduces operating costs and carbon tax exposure.
LOW-CARBON FLEET AND LAST-MILE DELIVERY OPTIMISATION	Expansion of electric vehicles, electric trucks, and energy-capturing trailer technology, combined with route optimisation and delivery incentives, reduces fuel costs and emissions across the distribution fleet and Woolworths DASH.
WATER RESILIENCE INVESTMENT	Water tanks, augmentation systems, and water-use efficiency measures reduce dependence on municipal supply. This creates a competitive advantage in water-stressed regions.
PRODUCT AND SERVICE INNOVATION	Opportunities exist to develop product ranges that respond to climate-driven shifts in consumer demand, including water-efficient products and expanded online offerings.
CARBON CREDIT PURCHASING	Verified carbon credits offer a (potential) cost-effective mechanism to offset a portion of carbon tax liability.
REVERSE LOGISTICS	Retrieving packaging from customers and stores for return to suppliers offers a resource efficiency opportunity, though store-level compliance and storage remain a practical challenge.
GROUP DECARBONISATION TARGETS	WHL’s commitments to net zero carbon by 2040 anchor the Group’s broader transition opportunity.

Our real estate and store divisions have embarked on further analysis and considered climate materiality across four relevant stakeholder groups: stores, customers, service providers, and employees.

Head office leadership and regional managers drew on their operational experience to rate each risk and opportunity on a scale of 1 (low) to 4 (critical) for each stakeholder group. Qualitative descriptions and response strategy assessments supported these responses.

We will follow a similar process with our supply chain and logistics operations during the latter part of 2026, and within the Food and FBH environments. Findings from each phase of work will be used to inform and refine our business strategy and ERM framework.



2.6. RESILIENCY AND TRANSITION PLANS

Our business operations have begun testing preparedness for different eventualities, both transitional and physical, using the climate scenarios.

The central finding is that current operating conditions are already resembling the Business-as-Usual scenario rather than a distant future state. Parts of our retail estate are experiencing multi-day water outages and heat-driven refrigeration failures. Stores are currently managing these on a case-by-case basis. This points to an opportunity to develop a more co-ordinated, enterprise-level response, supported by clearer policy and centralised funding, rather than relying on individual store-level solutions.

Within our retail environment, a set of resilience measures has been recommended, ordered by urgency:

- A WSA national water response policy with centralised funding
- Integrated water storage and purification
- Independent power capacity
- Heat-resilient store design
- Stronger landlord engagement on shared infrastructure costs

These same pressures also surfaced commercial opportunities, including:

- In-store filtered water stations
- Expanded convenience and ready-meal ranges
- Build on our Good Business Journey positioning as a loyalty driver

These findings will inform the development of a future Climate Transition Plan for the Group.

3. RISK MANAGEMENT

3.1. CLIMATE RISK MANAGEMENT AT A GROUP LEVEL

We have embedded climate change risk in the Group’s integrated risk management approach, aligned to international best practice. Business units conduct annual bottom-up reviews to identify, manage and assess risks at all levels of the Group.

We continuously monitor emerging risks and opportunities, including climate-related risks, and have incorporated them into strategic decision-making. Targeted deep dives on selected topics support informed decisions.

Prioritised risks go through quarterly top-down review by the Board and management to ensure effective mitigation. A “three lines of defence” model ensures oversight by the Board and Group Executive:

- Group Executive Management identifies and responds to risks;
- Group Governance, Risk and Compliance evaluates them; and
- Internal and external audit confirm responses are appropriate

3.2. CLIMATE RISK MANAGEMENT AT BUSINESS LEVEL

Climate change is a material issue under our Good Business Journey strategy with energy and climate change as one of its focus areas. The Group Sustainability Officer works with sustainability teams and champions across the Group to implement and report on related programmes. We measure Woolworths business units twice yearly against a sustainability scorecard of key performance indicators (KPIs) and targets aligned to the GBJ focus areas and goals.

KPIs cover climate change, renewable energy, water, biodiversity, responsible sourcing, sustainable farming, packaging and waste, health and wellbeing, community impact, and people. Each business unit’s score, and WSA’s overall score, is the weighted average of KPI performance against target.

These KPIs also feature in employees’ and management’s personal performance scorecards across the Group. They cover carbon emissions, electricity, waste, packaging, water reduction and responsible sourcing. Woolworths’ overall sustainability score feeds into Group strategy performance measurement and the Group CEO and executive directors’ variable pay. Scores are reported to the Sustainability Committee twice a year.

3.3. MANAGING CLIMATE RISKS IN OUR OPERATIONS

The Group manages its energy footprint and climate impacts systematically across the value chain. In direct operations, we focus on metering, energy efficiency and emissions reduction as part of a low-carbon transition. In our supply chain, we work with suppliers to understand, measure and reduce environmental impact through our Farming for the Future, Factory for the Future, Fishing for the Future and water stewardship programmes.

We continue building relationships with industry bodies for collective action on climate change, respond annually to organisations such as CDP, and meet all mandatory reporting obligations.

3.4. USING CLIMATE SCENARIOS IN RISK MANAGEMENT

The Group ERM function participates in strategic climate scenario analysis, feeding insights into our Combined Assurance Management Framework. This framework incorporates assurance findings and risks across all three lines of defence and forms part of our Group Enterprise Risk Management Framework.

4. METRICS AND TARGETS

4.1. KEY PERFORMANCE INDICATORS AND EXECUTIVE REMUNERATION

As part of the GBJ, WSA business units maintain a sustainability scorecard against which their sustainability performance is measured twice yearly. The scorecards include sustainability KPIs and associated targets that are climate change-relevant, including: renewable energy, water, biodiversity, responsible sourcing, sustainable farming, packaging and waste, health and wellbeing, community impact, and people. A sustainability score is determined for WSA overall and each WSA business unit by calculating the weighted average of each KPI’s performance against its associated target.

Sustainability scorecard scores for WSA are one of the indicators used to measure the performance of the Group strategy. They thereby influence the calculation of the Group CEO and executive directors’ variable pay. The scores are reported to the Sustainability Committee twice a year.

The Group has implemented a systematic approach to managing our energy footprint and the impacts of climate change across our value chain. In our direct operations, we focus on metering, energy efficiency, and emissions reduction, and have embarked on a low-carbon transition journey.

In our supply chain, we work with our suppliers to understand, measure, and reduce their environmental impacts.

We continue to build relationships with industry bodies for collective action on energy and climate change. We voluntarily respond annually to organisations such as the CDP and meet all mandatory reporting obligations in the areas in which we operate.

4.2. CARBON FOOTPRINT

We began reporting our carbon footprint in 2013 to align our disclosures with global best practice and meet growing stakeholder expectations for transparency on climate impacts. This reporting has allowed us to track progress against our emissions reduction targets, strengthen internal data processes, and benchmark our performance externally.

1. Totals may differ slightly due to rounding
2. Scope 2 market-based emissions incorporate the procurement of renewable energy sources, resulting in emissions lower than location-based emissions, which represent average grid consumption only

4.2.1. WSA FY2026 SCOPE 1 AND 2 CARBON FOOTPRINT

Reported below are our FY2026 Scope 1 and 2 GHG emissions. For underlying data and comparison to previous years, please see our 2026 Key Sustainability Indicators Report.

SUMMARY WSA SCOPE 1 AND 2 EMISSIONS 2026 (TONNES CO ₂ e) ¹	
Stationary fuel emissions	3 636
Fugitive emissions	37 373
Mobile fuel emissions	1 505
TOTAL SCOPE 1	42 514
SCOPE 2 (LOCATION-BASED)	296 114
SCOPE 2 (MARKET-BASED) ²	294 449
TOTAL SCOPE 1 AND 2 EMISSIONS (LOCATION-BASED)	338 628
TOTAL SCOPE 1 AND 2 EMISSIONS (MARKET-BASED)	336 963
Direct Outside of Scopes – non-Kyoto refrigerants	11 408



4.2.2. WSA FY2025 SCOPE 3 CARBON FOOTPRINT

Due to the complexity and delays involved in obtaining third-party data, we report Scope 3 (indirect) emissions with a one-year lag. For underlying data and comparison to previous years, please see our 2026 Key Sustainability Indicators.

SUMMARY WSA SCOPE 3 EMISSIONS 2025 (TONNES CO ₂ e) ¹	
Purchased goods & services	5 104 632
Capital goods	132 782
Fuel and energy-related activities	83 927
Upstream transportation and distribution	116 570
Waste generation in operations	1 098
Business travel	5 888
Employee commuting (+ working from home)	21 361
Use of sold products	17 124
End-of-life treatment of sold products	209 431
Investments	151
TOTAL SCOPE 3	5 692 964
Indirect Outside of Scopes – Biogenic	13 461

1. Totals may differ slightly due to rounding

4.2.3. PROTOCOL, SCOPE AND BOUNDARY

We report our emissions in accordance with the GHG Protocol Corporate Reporting Standard. We apply the operational control approach, allowing us to report the full emissions over which we have direct control. These comprise the Scope 1 and 2 emissions from our offices, stores, distribution centres (DCs) and distribution fleet for WSA and the Rest of Africa (RoA) operations.

We report selected value chain emissions as Scope 3.

EXCLUSIONS

Within our Scope 1 and 2 boundary for our African operations, emissions relating to fugitive GHG emissions, associated with refrigerant gas refills of HVAC systems, are missing. This is due to limited available data.

Scope 3 specific exclusions comprise emissions associated with new acquisitions, including: Absolute Pets (WSA), upstream and end-of-life emissions for sold third-party branded products and franchise stores at Engen forecourts (WSA). Refer to the GHG Verification Statement for more details.

4.2.4. CALCULATION AND VERIFICATION

Our carbon footprint is accounted for by independent carbon and climate change consultancy Carbon Calculated.

Although it is not a mandatory requirement, all the Company’s GHG emissions (Scope 1, 2, and 3) have been verified by an independent third party using the ISO 14064–3:2019 methodology, with limited assurance and an unqualified opinion.



4.3. CARBON TAX

South Africa remains the only market in which we operate that applies a carbon tax. The regime has been in place since 2019 and continues to be structured so that it becomes more punitive over time, both through the headline price and a narrowing basic tax-free threshold.

In the South African national budget of 2026, the carbon tax rate was increased by 30.51% from R236 to R308 per tonne of CO₂e, effective 1 January 2026. This was the biggest increase since the implementation of the tax in 2019. This marked the start of Phase 2 of the carbon tax, running from 1 January 2026 to 31 December 2030. Phase 2 has been confirmed with the following parameters, departing in places from the proposals set out in National Treasury’s November 2024 discussion paper:

- The basic tax-free allowance has been maintained at 60% until 2030, without implementation of the proposed 10% reduction in 2026 or the further 2.5% annual reductions from 2027 to 2030
- The carbon offset allowance has been increased by 5 percentage points to 10% in Phase 2, rather than to the 25% originally proposed
- Mandatory carbon budgets are now in effect, with a higher tax rate of R640 per tCO₂e applying to emissions exceeding an entity’s carbon budget
- The carbon fuel levy increased to 19 cents per litre for petrol and 23 cents per litre for diesel, effective 1 April 2026

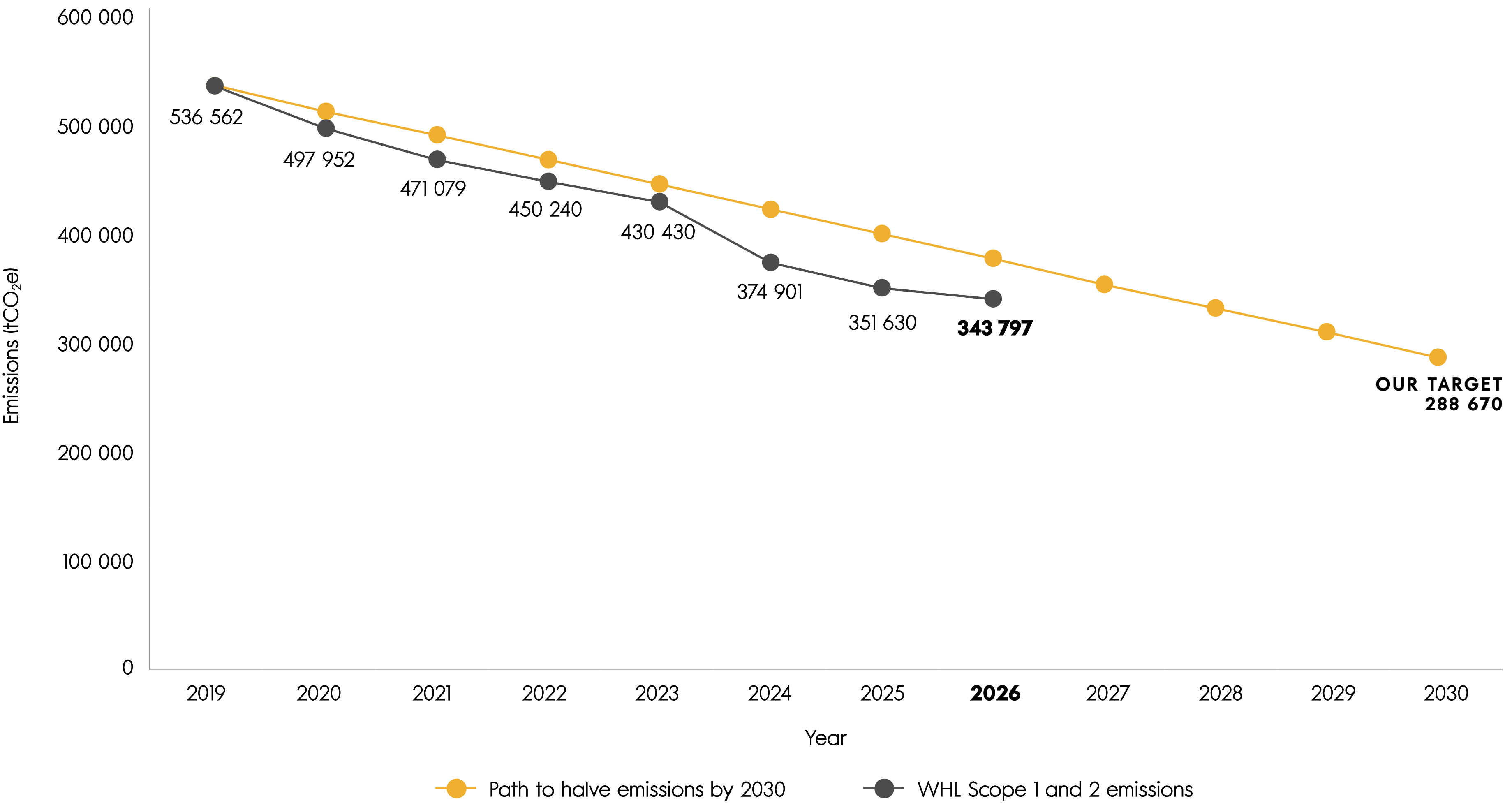
Woolworths’ carbon tax for the 2025 calendar year was R99 844 (2024: R68 564, 2023: R45 633)

4.4. APPROVED SCIENCE-BASED TARGETS

WSA is the WHL Group’s largest contributor to carbon emissions. It is central to the Group’s SBTi-approved target (2020) to cut absolute Scope 1 and 2 emissions by 50% by 2030. In 2026, Scope 1 and 2 emissions for the group were 36% below the 2019 baseline, ahead of the SBTi trajectory, aided by the David Jones divestment.

To meet the Group’s net zero Scope 3 target, we’re engaging our top suppliers, accounting for 25% of total procurement spend, to set their own science-based targets. So far, 99 Woolworths Food suppliers have committed.

WHL EMISSIONS TREND AND TARGETS



ABBREVIATIONS AND ACRONYMS

CDP	Carbon Disclosure Project	HVAC	Heating, Ventilation and Air Conditioning
CIPC	Companies and Intellectual Property Commission	IFRS	International Financial Reporting Standard
CRG	Country Road Group	IPCC	Intergovernmental Panel on Climate Change
CRROs	Climate-Related Risks and Opportunities	ISO	International Organization for Standardization
CSIR	Council for Scientific and Industrial Research	ISSB	International Sustainability Standards Board
DCs	Distribution Centres	JSE	Johannesburg Stock Exchange
DTIC	Department of Trade, Industry and Competition	KPIs	Key Performance Indicators
ERM	Enterprise Risk Management	NGFS	Network for Greening the Financial System
Exco	Executive Committee	SBTi	Science Based Targets initiative
FBH	Fashion, Beauty and Home	tCO₂e	Tonnes of Carbon Dioxide Equivalent
FY	Financial Year	TCFD	Task Force on Climate-related Financial Disclosures
GBJ	Good Business Journey	WHL	Woolworths Holdings Limited
GHG	Greenhouse Gas	WSA	Woolworths South Africa

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

WOOLWORTHSHOLDINGS.CO.ZA

For company-specific information, visit



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