



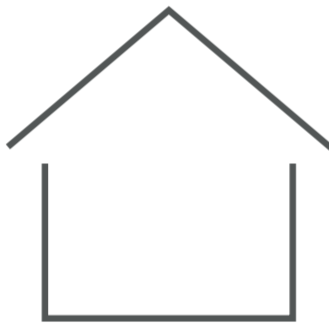
WOOLWORTHS HOLDINGS LIMITED
2021 Abridged Good Business Journey Report

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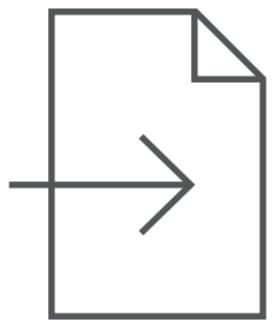
NAVIGATING OUR REPORT

*IN COMMITMENT TO OUR GOOD BUSINESS JOURNEY,
THIS REPORT IS ONLY AVAILABLE DIGITALLY.*

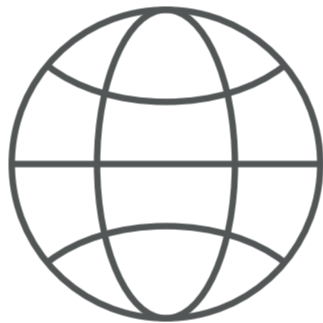
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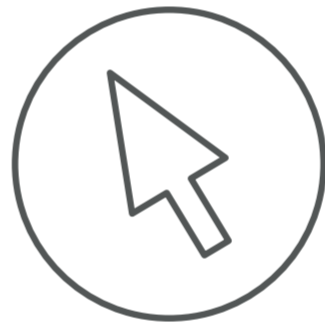
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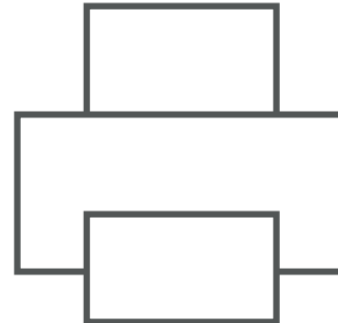
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OUR GROUP

WOOLWORTHS HOLDINGS LIMITED (WHL) IS ONE OF THE TOP COMPANIES LISTED ON THE JSE SECURITIES EXCHANGE.

It consists of three trading divisions, Woolworths South Africa (WWSA) a leading South African retailer offering a range of primarily private label products, David Jones (DJ) one of Australia's leading premium department stores, and Country Road Group (CRG), a leading Australian speciality retailer. Woolworths Financial Services Proprietary Limited (WFS) is a joint venture with Absa Bank, which holds the controlling interest. From an operating perspective, Woolworths is the biggest contributor to Group turnover, profit, employee headcount, and carbon emissions, and thus has the largest sustainability impact across the Group.

The businesses all retail quality, innovative products that are responsibly sourced and conveniently available to our target markets. Through our shared Group purpose, vision and values, we share resources, skills and expertise, while driving synergies and facilitating efficiencies to responsibly and sustainably create value for all our stakeholders.

* The weighted average of performance against all the sustainability targets tracked

R85.9bn

turnover and concession sales

R5.2bn

profit before tax

ADJUSTED EBIT BY GEOGRAPHY



AFRICA
60.7%



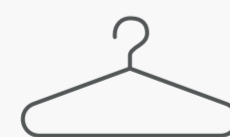
AUSTRALIA
39.3%

WHL

ADJUSTED EBIT BY CATEGORY



FOODS **43.4%**



APPAREL, BEAUTY AND HOMEWARE **54.9%**



FINANCIAL SERVICES **1.7%**

OFFERING

A selected range of quality fashion, beauty, homeware and food products. Financial services are provided through Woolworths Financial Services (WFS)



BASED IN

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



91% OF TARGETS ACHIEVED ON SUSTAINABILITY SCORECARD*

CONTRIBUTION

- 60.2% of Group turnover and concession sales
- 60.7% of Group adjusted eBIT
- 63% of Group carbon emissions
- 74% of Group employees



TRADING SPACE
FBH: 453 000 M²
FOOD: 264 000M²

OFFERING

Leading international and local apparel, accessories, beauty and homeware brands



BASED IN

Australia and trading in Australia and New Zealand



94% OF TARGETS ACHIEVED ON SUSTAINABILITY SCORECARD*

CONTRIBUTION

- 25.8% of Group turnover and concession sales
- 13.8% of Group adjusted eBIT
- 29% of Group carbon emissions
- 14% of Group employees



TRADING SPACE
442 000 M²

OFFERING

Stylish, high-quality apparel, accessories, footwear and homeware



BASED IN

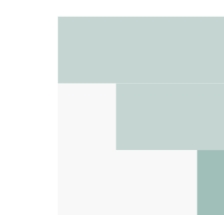
Australia and trading in Australia, New Zealand and South Africa



81% OF TARGETS ACHIEVED ON SUSTAINABILITY SCORECARD*

CONTRIBUTION

- 14.0% of Group turnover and concession sales
- 25.5% of Group adjusted eBIT
- 8% of Group carbon emissions
- 12% of Group employees



TRADING SPACE
111 000 M²

PERFORMANCE HIGHLIGHTS

174%

improvement in the Group's energy productivity (m²/MWh) from a 2005 baseline (4% improvement year-on-year)



DAVID JONES LAUNCHED THE 'MINDFULLY MADE' HUB, ALLOWING CUSTOMERS TO SHOP ACCORDING TO FIVE SUSTAINABILITY ATTRIBUTES: 'AUSTRALIAN MADE', 'COMMUNITY MINDED', 'SOURCED WITH CARE', 'REDUCE AND RECYCLE', AND 'KIND TO ANIMALS'

R731M

worth of surplus food donated by Woolworths

2020: R643M
2019: R611M

A\$125 000

donated to Landcare Australia by Country Road as part of a partnership aimed at supporting the regeneration of Australian farmlands, with a focus on increasing biodiversity in cotton-growing regions

200 WOOLWORTHS AND ALL COUNTRY ROAD STORES ARE PLASTIC SHOPPING BAG-FREE



58%

of private label produce and horticulture lines on the Woolworths Farming for the Future programme

2020: 54%
2019: 52%



UPDATED THE WHL SUPPLIER CODE OF BUSINESS PRINCIPLES, AND PUBLISHED IT ON THE GROUP'S WEBSITE



LAUNCHED THE INCLUSIVE JUSTICE INITIATIVE

A\$100 000 & NZD10 000

donated to the Australian and New Zealand Red Cross respectively by David Jones from the Christmas Appeal campaign

COUNTRY ROAD GROUP AND DAVID JONES SUBMITTED THEIR FIRST MODERN SLAVERY STATEMENT

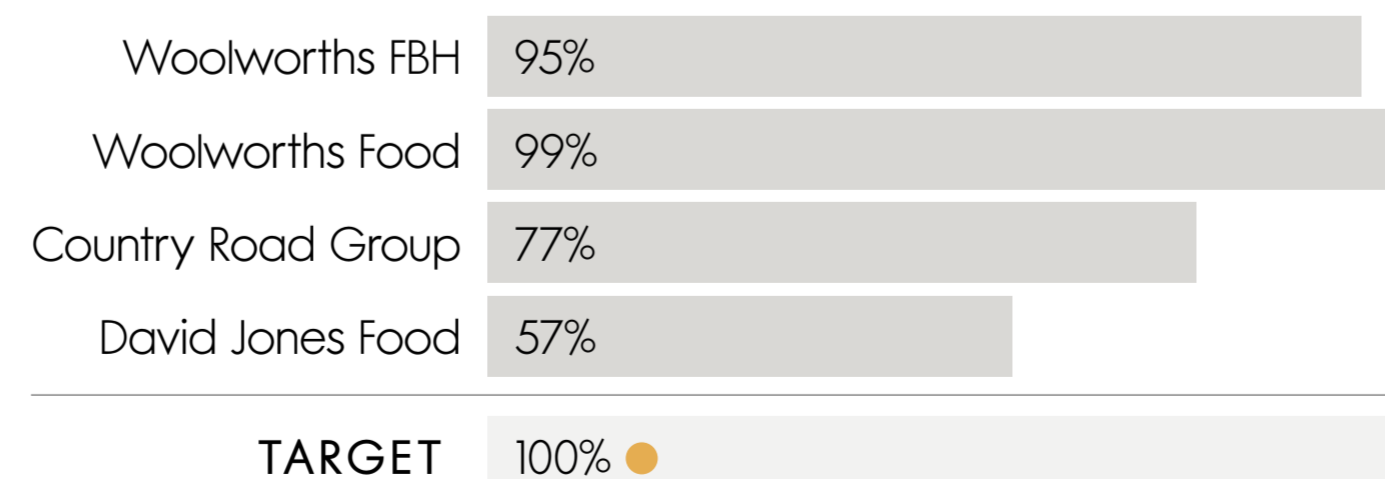
98%

of Woolworths seafood by volume meets our wild-caught and aquaculture sustainability commitments

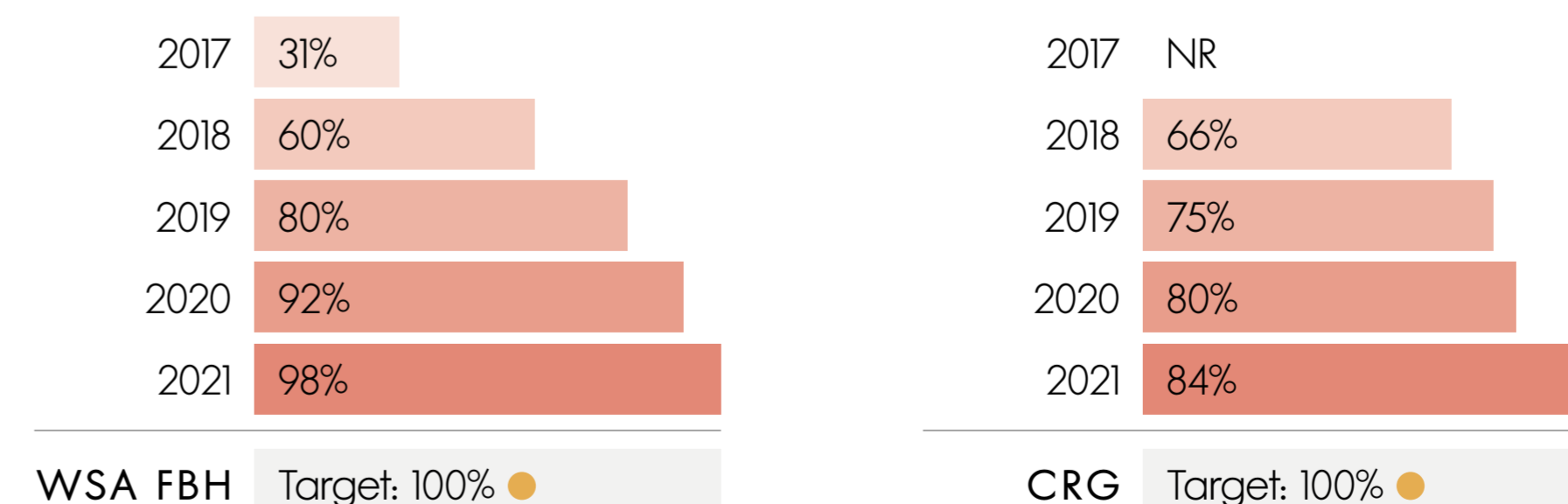
2020: 98%
2019: 84%



PERCENTAGE OF PRIVATE LABEL PRODUCTS CONTAINING SUSTAINABILITY ATTRIBUTES



PERCENTAGE OF RESPONSIBLY SOURCED COTTON



6

renewable energy installations across WHL to date



OVERVIEW OF THE GOOD BUSINESS JOURNEY

THE GROUP'S VISION IS TO BE ONE OF THE WORLD'S MOST RESPONSIBLE RETAILERS

The Good Business Journey facilitates our vision to be one of the world's most responsible retailers. It is our Group-wide plan to make a difference for our people, our communities, and the environment. It is one of the Group's strategic enablers.

Roll over our focus areas below for more information 

SUSTAINABILITY RISKS

The Group is faced with a multitude of sustainability-related risks to our direct operations and our value chain, which may impact our business and the GBJ programme.

In order to identify sustainability-related risks, including climate risks, across the Group, sustainability risk assessment is included in the Group's overall integrated risk assessment and management approach.

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

For more information on the sustainability-related risks identified for the Group, refer to the Sustainability Risks section in the GBJ Report.

MATERIALITY DETERMINATION

A wide range of current and emerging economic, social, environmental, and ethical issues has an impact on the Group, either directly or through our global supply chain. Consequently, through our GBJ, we have to manage a continually evolving set of issues.

IDENTIFICATION AND REFRESH

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

In the 2020 financial year, we conducted both internal and formal external stakeholder engagement, and a desktop review. As such, for the purpose of this report, a materiality refresh exercise was performed in which only internal stakeholder engagement and a desktop review were conducted.

REPORT

The refresh exercise determined that the material issues identified in 2020 remain relevant and complete, and were used to inform the content of this report.

- Climate Change
- Biodiversity
- Packaging
- Circular Economy
- Responsible Sourcing
- Diversity and Inclusive Growth
- Waste
- Water
- Transparency and Traceability
- Health, Safety, and Wellbeing

These material issues were reviewed and approved by the WHL Board Sustainability Committee.

GBJ STRATEGY

DURING THE YEAR, WE LAUNCHED OUR REFRESHED GBJ STRATEGY TO 2025 AND BEYOND. THE UPDATED STRATEGY, ITS THREE PILLARS, AND THE UNDERLYING GOALS AND TARGETS WERE INFORMED BY THE MATERIAL ISSUES IDENTIFIED.

For more information, refer to the Vision 2025+ section in this report.

FOCUS AREAS

Implementation of our refreshed GBJ strategy to 2025 and beyond will occur through eight GBJ focus areas and their associated programmes.

Each of our focus areas is broadly aligned to the UN Sustainable Development Goals (SDGs), and has specific individual strategies and management approaches. The Vision 2025+ goals and targets will be tracked and reported under the relevant focus area.

MILESTONES IN OUR GOOD BUSINESS JOURNEY



2007

GBJ PROGRAMME OFFICIALLY LAUNCHED BY WOOLWORTHS

2021
 • Launched refreshed Group GBJ strategy, Vision 2025+, with Group-wide goals to 2025 and beyond

2007 - 2014

• GBJ strategy embedded in Woolworths

2015 - 2020

• GBJ strategy rolled out to Country Road Group and David Jones and for the first time, Group-wide goals to 2020 announced

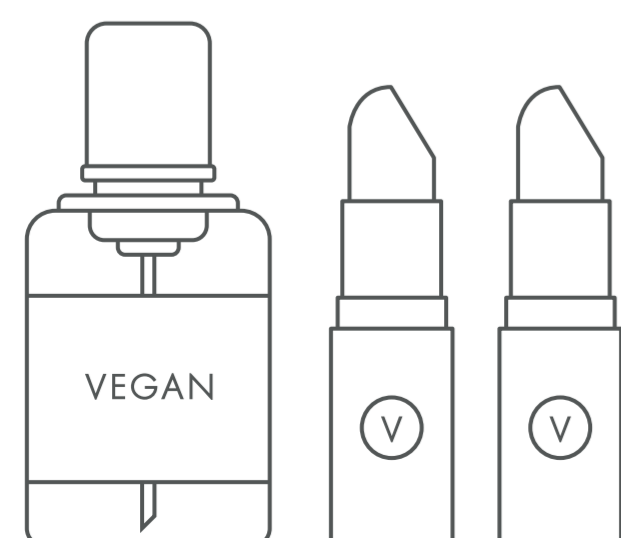


2007
 WSA: Launched the BEE Employee Share Option Scheme, with the intention of empowering and benefiting Woolworths employees

2008
 WSA: Launched Farming for the Future and Fishing for the Future programmes
 WSA: Launched Enterprise and Supplier Development programme

2009
 WHL: Winner of the World Retail Congress Responsible Retailer of the Year Award. Won again in 2009 and 2012 (finalist in 2016 and 2017)

2010
 WSA: Beauty Without Cruelty approved the entire Woolworths private label range of cosmetics and toiletries. In 2019, the WBeauty range became vegan



2011
 WHL: Named as one of the 16 Sustainability Champions in the Developing World by the World Economic Forum



2012
 CRG: Launched the Fashion Trade partnership with the Australian and New Zealand Red Cross

2013
 WSA: Launched the internal green stores model

2014
 WSA: Launched the Clothing Bank, enabling previously disadvantaged women to use donated clothes to start sustainable clothing micro-businesses

2015
 WSA: First South African company to become a member of the Roundtable on Sustainable Palm Oil (RSPO)

2016
 WSA: Recognised as one of the 10 Most Innovative Companies in Africa in 2012 by Forbes

2017
 WSA: Chosen as the winner in the Supplier Development category of the Oliver Top Empowerment Awards

2018
 WSA: Launched a partnership with the World Wide Fund for Nature South Africa (WWF-SA) – the first initiative of its kind for African retail

2019
 WSA: Launched Discovery HealthyFood™ programme to promote healthy eating
 WSA: Joined the Better Cotton Initiative (followed by CRG in 2016)

2020
 WSA: Initiated and introduced a new on-pack recycling label (OPRL), intended to assist recycling efforts in South Africa by making it easier for customers to recycle correctly. This has now been adopted by most major retailers in SA

2021
 WSA: Joined SEDEX – a unique, innovative, not-for-profit web-based platform that helps companies to manage ethical supply chain risk, and streamline the challenging process of engaging with multi-tier supply chains. CRG and DJ subsequently joined too

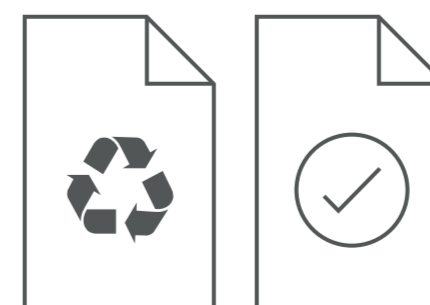


2015
 WHL: Joined Canopy and the Leather Working Group

2016
 WSA: First South African member of the Round Table on Responsible Soy (RTRS)

2017
 CRG: The Omni-channel Fulfilment Centre becomes the first facility in Victoria to receive a 5 Star Green Star Industrial As Built v1 rating from the Green Building Council Australia. Across the Group, there are currently two stores and two distribution centres that are Green Star-rated

2018
 DJ: Finalist in UN Association of Australia (Victorian Division) World Environment Day Awards in the Sustainability Leadership Awards category (large organisations)



2019
 WHL: Listed at #40 in Fortune's third annual 'Change the World' List of Companies That Are Doing Well By Doing Good

2020
 WHL: First retailer to sign up to EPI00 initiative to double energy productivity by 2020, a target we significantly outperformed

2021
 CRG: Finalist for Sustainability Leadership in the Large Business category in the 2017 Banksia Sustainability Awards

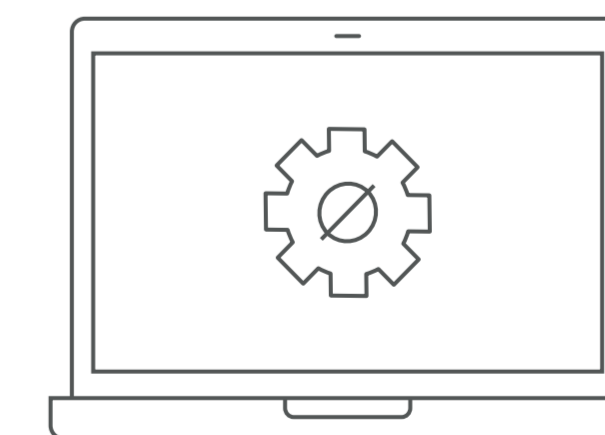
2022
 WSA: Launched outcomes-based programme for animal welfare

2023
 WHL: One of the top two African companies in the GlobeScan-SustainAbility Survey

2024
 WHL: First African retailer to have an approved science-based target for carbon emissions reduction

2025
 WHL: First African company to sign the Ellen MacArthur Foundation's New Plastics Economy Global Commitment

2026
 CRG and DJ: Published Tier 1 supplier details on their websites



2027
 WHL: Launched Inclusive Justice Initiative (IJI) programme

2028
 WHL: Entered into the first sustainability-linked loan in the retail sector in South Africa

2029
 WSA: Implemented the first phase of salary adjustments for store employees, in line with our Just Wage initiative to close the remuneration gap

VISION 2025+

Vision 2025+, our new Good Business Journey (GBJ) strategy, is intended to enable the Group to be a leading, purpose-driven, truly connected retailer, by aiming to address the complex and interconnected sustainability challenges and opportunities we face now and into the future. It is also intended to ensure that our GBJ continues to keep us at the forefront of sustainability leadership, pushing us to innovate and collaborate with others.

WHEN SETTING THE GOALS AND TARGETS FOR THIS NEW STRATEGY, WE AIMED TO ACHIEVE THE FOLLOWING:

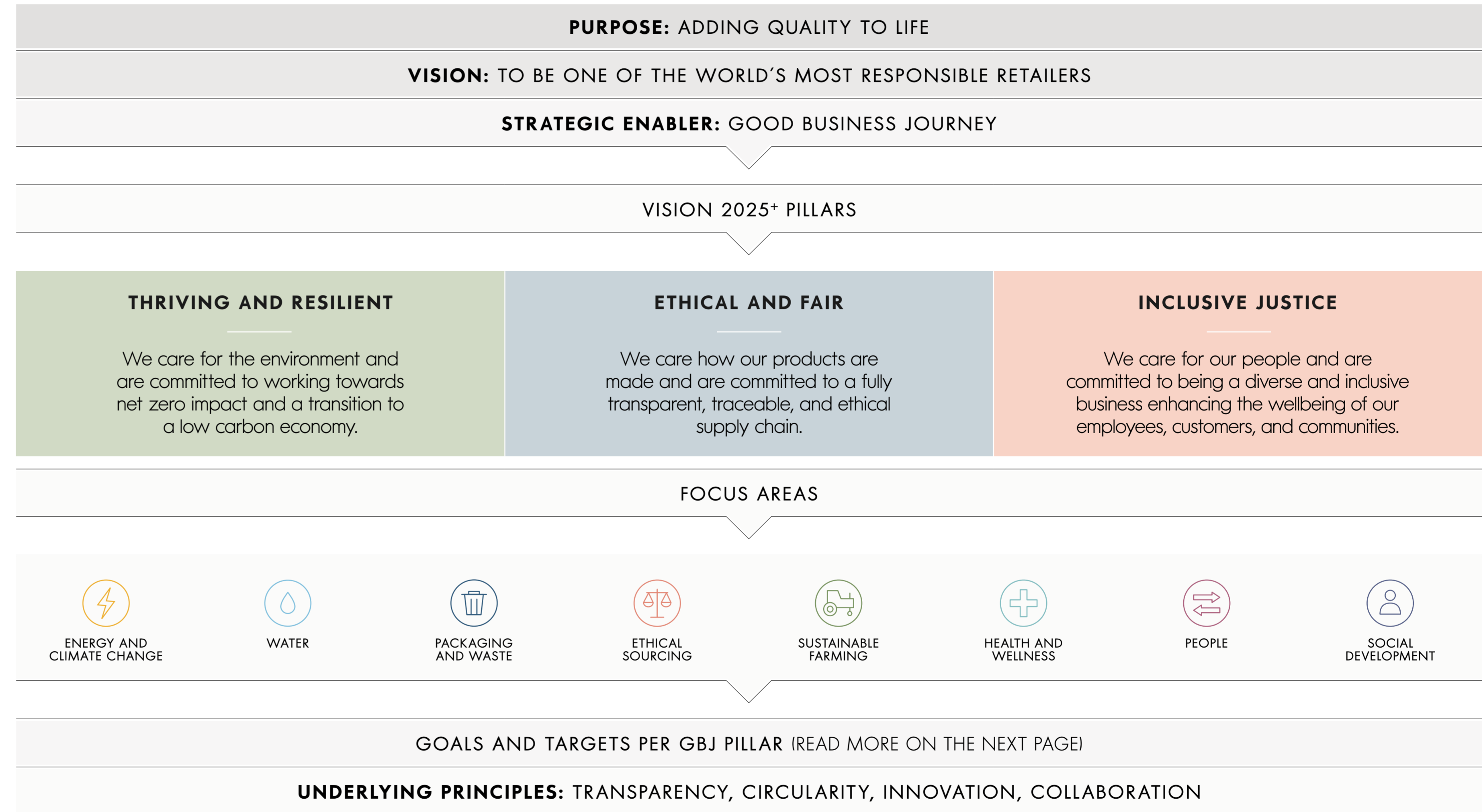
- Bold and ambitious targets
- Short-, medium-, and long-term targets set against baselines
- Science- or context-based targets where possible
- Alignment with global collective sustainability initiatives and commitments

“Our vision is to be one of the world’s most responsible retailers and to achieve this, sustainability is a key driving force across our business. It not only influences every aspect of what we do, it also shapes our culture and defines who we are as an organisation.

Since its inception in 2007, our Good Business Journey has been built around a range of ambitious commitments, targeted on the one hand at reducing our business’s environmental impact and on the other, increasing the positive social and economic impact we have throughout our entire value chain. As we continue our journey, we must ensure that we keep challenging and stretching ourselves to achieve even more significant goals.

Vision 2025+ outlines our sustainability strategy to 2025 and beyond. Within this strategy, we have set ourselves ambitious goals that will result in us having a real impact on various critical social, environmental, and supply chain issues and thereby making a meaningful difference to the world around us.”



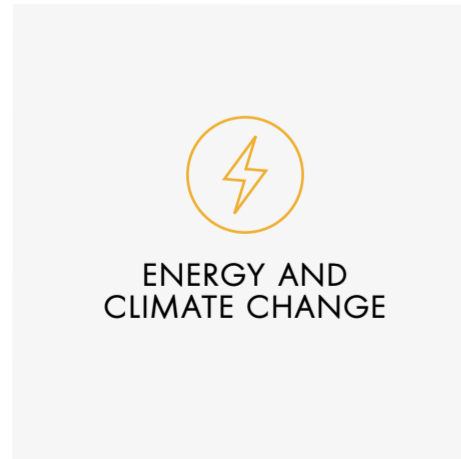



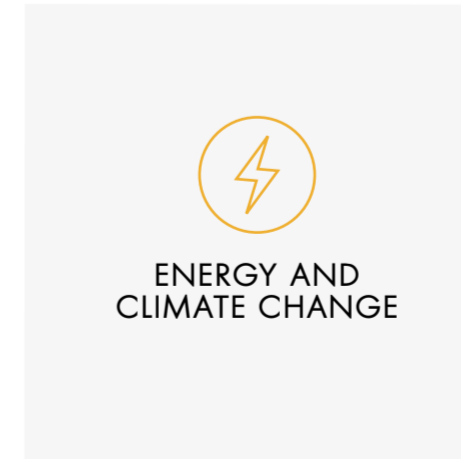

– ROY BAGATTINI
Group Chief Executive Officer



In the section that follows, while we report on our current year performance against our new targets, it is important to acknowledge that this is our first year of implementation of Vision 2025+. Our performance will be thus reflective of the fact that we are still in the early stages of our Vision 2025+ journey. Our performance against these targets will improve over the coming years.



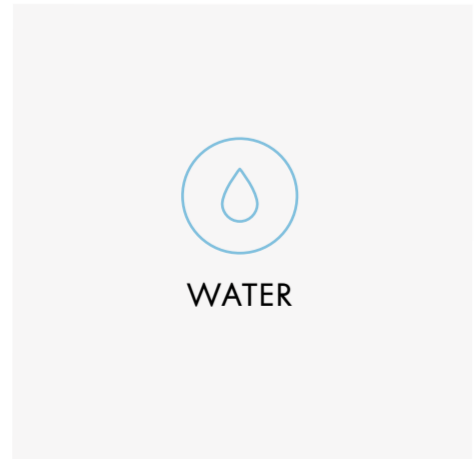

For some of the bold targets, there is currently uncertainty with regards to the pathway to achieve them. We will need to conduct groundwork to identify relevant certifications, programmes, technologies, and emerging innovation; put in place new or improved measurement and reporting processes and systems; set aside additional budget to support the business in implementation; and identify peers, NGOs, and other organisations with whom we can collaborate.

VISION 2025+ GROUP GOALS: THRIVING AND RESILIENT

 Achieve net ZERO CARBON IMPACT by 2040					DEFINITION: Achieve net zero Scope 1 and 2 carbon emissions by 2040, with 50% reduction by 2030, and work with our top suppliers, representing 25% of total procurement spend (in rand), to set their own reduction targets.				
WHY Climate change will have far-reaching impacts on our value chain, and presents both physical and transition risks to our business. We know that, in order to ensure the long-term sustainability of the Group and its operations, climate change adaptation and mitigation are absolutely necessary. According to the Intergovernmental Panel on Climate Change (IPCC), in order to limit global warming to 1.5 °C above pre-industrial levels and avoid the most catastrophic impacts of climate change, the world must halve CO ₂ emissions by around 2030, and reach net zero CO ₂ emissions by mid-century. Recognising the importance of keeping global warming limited to 1.5 °C, we have adopted a science-based target for our direct operations, and have committed to working with our suppliers to set their own reduction targets.		HOW We will continue on our low-carbon transition journey, implementing energy-efficiency initiatives in our direct operations, increasing renewable energy sourced, and transitioning our fleet of delivery vehicles to being electric and/or employing more energy-efficient technologies. CHALLENGES FACED The electricity-efficiency gains to be achieved in our direct operations are close to being maximised using the technology available, as we have made significant investments therein since 2007, including rolling out the green stores model, and installing online metering, fridge doors, and LED lighting in stores. In order to increase our fleet of energy-efficient and electric vehicles, road and transport infrastructure needs to be put in place, and relevant technology needs to become more widely available at a reasonable cost. Reducing our Scope 1 and 2 carbon emissions, particularly in South Africa, is dependent on our ability to source renewable energy, and on whether load-shedding continues into the foreseeable future.							
RELATED SDG 	RELATED FOCUS AREA 	ASSOCIATED KPI Percentage change in Scope 1 and 2 carbon emissions	BASELINE FY19: 536 562 tonnes of CO ₂ e	FY20* PERFORMANCE 4% reduction against the science-based target projection 					
 Source 100% of our energy from RENEWABLE SOURCES by 2030					DEFINITION: Source 100% of our grid electricity from renewable sources by 2030.				
WHY AS PART OF OUR CLIMATE CHANGE RISK ADAPTATION AND MITIGATION EFFORTS, WE NEED TO TRANSITION TO CLEAN ELECTRICITY SOURCES OVER TIME.		HOW We aim to achieve this goal by, as far as possible, installing solar panels on our own head office buildings and distribution centres, through renewable contracts in our Australian and New Zealand operations; and by working with landlords across the Group to access renewable energy installed in our leased store locations. CHALLENGES FACED In Africa, most of the electricity currently available is obtained from coal, and in Australia from coal and gas. In addition, there are currently no renewable energy contracts in South Africa, wheeling is not allowed, and the installation of or sharing in renewable energy generated by the building or mall where our stores are located is subject to negotiation with the landlord.							
RELATED SDG 	RELATED FOCUS AREA 	ASSOCIATED KPI Percentage of electricity sourced from renewable sources	BASELINE FY19: 0.5%	FY20* PERFORMANCE 0.6% 					

*Energy and carbon footprint data is reported annually in arrears




VISION 2025+ GROUP GOALS: THRIVING AND RESILIENT




 <p>Work with our suppliers and partners to create net POSITIVE WATER IMPACT in water-stressed basins in our value chain by 2050</p>		<p>DEFINITION: This will be a context-based water target aligned to the Water Resilience Coalition goal, the detail of which is still to be confirmed. Refer to the 'How' column.</p>		
<p>WHY A large portion of our supply chain is based in areas where water quality and availability remain a critical risk. In addition, Africa and Australia, where our direct operations are located, are among the most at-risk regions globally in terms of water availability. We need to work collectively with others, across our value chain, to address water challenges in the various regions in which we operate and source from. By doing so, we will be contributing to the preservation of the freshwater resources in water-stressed basins that will ultimately ensure continued supply of our products.</p>		<p>HOW We are currently working with the UN Global Compact CEO Water Mandate's Water Resilience Coalition to unpack how this context-based goal will be defined, measured, and monitored. However, our work related to increasing water efficiency, availability, and quality across our value chain has continued. This includes working with our suppliers to reduce their water usage through the Farming for the Future programme, continuing with our water stewardship projects in conjunction with the WWF, and eliminating hazardous chemicals in our supply chain.</p>		
<p>RELATED SDG</p> 	<p>RELATED FOCUS AREA</p> 	<p>ASSOCIATED KPI</p> <p>Still to be determined</p>	<p>BASELINE</p> <p>Still to be determined</p>	<p>FY21 PERFORMANCE</p> <p>N/A</p> 

 <p>All our packaging will be REUSABLE OR RECYCLABLE by 2022</p>		<p>DEFINITION: All primary and secondary packaging on our private label products will be reusable* or recyclable* by 2022.</p>		
<p>WHY The world has finite resources. We cannot continue to operate in a linear take-make-waste approach in business.</p> <p><i>WE RECOGNISE THAT WE NEED TO FUNDAMENTALLY RETHINK THE WAY WE DESIGN, USE, AND REUSE PLASTICS AND OTHER PACKAGING IN ORDER TO TRANSITION TOWARDS A CIRCULAR ECONOMY FOR PACKAGING, IN WHICH IT NEVER BECOMES WASTE OR POLLUTION.</i></p>		<p>HOW In line with the work done to date, we will continue to identify packaging that is not reusable or recyclable, and will aim to remove and replace it. We will further drive packaging efficiencies by reviewing innovation opportunities for alternative sustainable packaging options or for packaging reduction. Cross-industry collaboration with key stakeholders in the retail and packaging industry, the inclusion of on-pack recycling labelling, and the provision of select takeback facilities in stores will continue.</p> <p>CHALLENGES FACED Some of our current packaging is technically recyclable; however, it is not effectively recyclable – i.e. there is no recycling infrastructure available in the country at scale to enable the recycling thereof. In other cases, there may be no commercially viable reusable or recyclable replacement options for certain packaging substrates. A challenge we will continue to face on our packaging journey is balancing the need for packaging to maintain quality and safety, and extend shelf-life, with the need for less packaging.</p>		
<p>RELATED SDG</p> 	<p>RELATED FOCUS AREA</p> 	<p>ASSOCIATED KPI</p> <p>Percentage of primary and secondary packaging of private label products that is reusable or recyclable</p>	<p>BASELINE</p> <p>In progress for WSA FBH, CRG, and DJ</p>	<p>FY21 PERFORMANCE</p> <p>WSA Food: 97% (technically recyclable) WSA FBH, CRG, and DJ: Work commenced on establishment of a baseline</p> 

*Our definitions for reusable and recyclable are aligned with the Ellen MacArthur Foundation New Plastics Economy Global Commitment definitions

VISION 2025+ GROUP GOALS: THRIVING AND RESILIENT

 HALVE FOOD LOSS AND WASTE in our own operations and across our top 30 suppliers by 2030		DEFINITION: Halve inedible food loss and waste** in our own operations (stores, head offices, and distribution centres) and across our top 30 suppliers by procurement spend (in rand) by 2030.***	
WHY It has been estimated that 1.3 billion tonnes of food goes to waste globally each year – around a third of all food produced. This is costing the global economy an estimated one trillion dollars annually (UN FAO). Not only is the food going to waste, but the resources used to produce the food are being wasted too. As a food retailer, we recognise that we have a responsibility to reduce food loss and waste in our value chain.		HOW We have already made great strides in reducing edible food waste to landfill through our value chain by: <ul style="list-style-type: none"> • Working with farmers and suppliers to reduce their edible food waste to landfill • Donating surplus food from stores to charities • Allowing store staff to purchase at discounted prices food that is past its 'sell by' date, but before its 'use by' date • Instituting packaging solutions to ensure maximum shelf-life, without compromising product quality and safety • Providing clear guidance on the preparation, cooking, and storage of the private label food products we sell These initiatives will continue, and will be supplemented as we work to achieve this target.	
RELATED SDG 	RELATED FOCUS AREA 	CHALLENGES FACED We need to establish accurate measurement and reporting processes and systems for food waste in our direct operations, so as to be able to quantify our baseline and future reductions. We also need to continue challenging our packaging options to remain fit-for-purpose and ensure food quality and safety while at the same time maximising shelf-life.	ASSOCIATED KPI Number of top 30 suppliers to sign the South African Food Loss and Waste Voluntary Agreement to halve food waste to landfill in their operations by 2030
ASSOCIATED KPI Percentage reduction in edible food waste to landfill in own operations BASELINE Still to be determined FY21 PERFORMANCE Work commenced on the establishment of a baseline		ASSOCIATED KPI WSA Food: Percentage of WSA private label produce and horticulture on the Farming for the Future programme BASELINE 52% FY21 PERFORMANCE 58%	
NOT YET STARTED BEHIND ON TRACK AHEAD		NOT YET STARTED BEHIND ON TRACK AHEAD	

 All private label products to support REGENERATIVE FARMING PRACTICES by 2030		DEFINITION: All private label apparel and primary produce, for which naturally derived raw materials or ingredients constitute more than 80% of the product, and which are linked to farming practice and/or land management, are to support regenerative farming practices by 2030.	
WHY Nature is declining globally at unprecedented rates, and the extent of species extinction is accelerating. This increasing biodiversity loss is a critical risk to our business, the health and wellness of our customers and employees, the economy as a whole, and the inputs used in our products.		HOW We consider our Woolworths Farming for the Future programme to be a regenerative farming programme. We will continue to improve and refine it over time, and increase coverage of our secondary suppliers. When it comes to apparel, we are just starting on the regenerative farming journey, and will need to align with best practices as it evolves over time. We aim to focus on cotton first; thereafter, we will phase in timber and leather.	
RELATED SDG 		RELATED FOCUS AREA 	
ASSOCIATED KPI WSA FBH, CRG, and DJ: Still to be determined BASELINE Still to be determined FY21 PERFORMANCE N/A		CHALLENGES FACED While we support many responsible-sourcing certification schemes for raw materials and commodities across our fashion, beauty, and home business – including for cotton, timber, and leather – we will need to research available regenerative farming programmes and engage with our existing certification programmes (e.g. BCI, Canopy, RWS, GOTS, etc.) to understand their plans to incorporate the principles of regenerative farming therein in the future, and/or explore alternative options available.	
NOT YET STARTED BEHIND ON TRACK AHEAD		NOT YET STARTED BEHIND ON TRACK AHEAD	

Definitions aligned with World Resources Institute's Food Loss & Waste Protocol *This goal only applies to Woolworths Food

VISION 2025+ GROUP GOALS: ETHICAL AND FAIR



Have a fully transparent, traceable, and **ETHICAL SUPPLY CHAIN** by 2025

WHY

We are committed to ensuring that we and our suppliers operate in a way that respects workers' rights, maintains safe working conditions, upholds local employment laws, and protects the environment and the welfare of animals. Not only is this what our customers expect, but we believe that suppliers and business partners who share our values, with safe, environmentally responsible, and fair working conditions, produce the best quality goods.

In recognition of the move towards radical transparency, having a fully transparent and traceable supply chain published on our corporate website(s) will hold us to account for ensuring an ethical supply chain, and provide visibility to our customers and other stakeholders on where our products come from.

DEFINITION: Publish the Group's supply chain for private label products on our corporate website(s) by 2025. The supply chain to be published for Fashion, Beauty and Home will include finished goods, fabrics, yarn, and farm. The supply chain to be published for food products will only be for specific commodities.***

HOW

Our approach to ethical sourcing includes:

- Internal processes and systems to document our suppliers
- A supplier Code of Business Principles, to which all suppliers are expected to adhere
- Monitoring of suppliers (including their factories and farms) through regular social and ethical compliance audits
- Partnering with best-in-class organisations and certification schemes to tackle complex and systemic issues
- Building awareness capacity internally and with our suppliers

CHALLENGES FACED

Obtaining full visibility of the various tiers in the supply chain will require additional investment in information collection and reporting systems. As our suppliers change over time in response to changing business requirements, keeping our published list of suppliers up to date will require focused effort. Furthermore, disclosing our supply chain may put our competitive advantage at risk in areas where we have built and established enduring relationships with key strategic suppliers.



Develop a roadmap by 2022 for achieving **A LIVING WAGE FOR ALL WORKERS** across our supply chain

DEFINITION: Develop a roadmap by 2022 for enabling a living wage for all workers in our supply chain.

A living wage is the remuneration received for a standard workweek by a worker in a particular place, which is sufficient to afford a decent standard of living for the worker and her or his family. Elements of a decent standard of living include food, water, housing, education, healthcare, transportation, clothing, and other essential needs, including provision for unexpected events. The regional living wages and living wage reference values developed using the Anker Methodology will be used as our benchmark for a living wage.

WHY

Governments of countries in which we source raw materials and manufacture goods generally set minimum wages for their workers. However, it is widely recognised by corporations, NGOs, academics, and industry bodies that these minimum wages are often insufficient for workers to afford a decent standard of living. We need to understand how we can mitigate some of the challenges associated with the provision of a living wage, and work with peers, industry partners, suppliers, NGOs, and the workers themselves to enable systemic change that will result in living wages being paid to workers.

HOW

We are still early in the journey towards enabling a living wage for workers in our supply chain, particularly from a Woolworths perspective. Both CRG and DJ have published living wage commitments on their websites, outlining steps being taken in this regard. Work is currently underway on developing a responsible purchasing practices framework for the Group, and training is being conducted internally with buying teams on ethical sourcing programmes. Across the Group, we will continue to work together on developing a roadmap.

CHALLENGES FACED

- There is currently no clear benchmark for what constitutes a living wage in every region from which we source raw materials and manufactured goods. Living wage is also a fluid benchmark that is specific to both time and location. Living wage benchmarks increase with economic development, and fluctuate due to factors such as commodity-cost changes, inflation, tax, government policies, and food and rental costs. These factors can differ and fluctuate between countries, regions, cities, and towns, so benchmarking a living wage in one country – let alone globally – is challenging.
- The nature of the global supply chain means that a retailer paying higher prices for goods doesn't necessarily translate to higher wages for workers. Retailers are reliant on suppliers passing on benefits to their own suppliers and, in turn, their workers.
- In addition, while collective bargaining is often a way for workers to push for better wages, it is not allowed in certain countries, and/or is impacted by the macro-environment.

RELATED FOCUS AREA	ASSOCIATED KPI	BASELINE	FY21 PERFORMANCE
	Publication of supply chain	Finished goods suppliers published by CRG and DJ No suppliers published by WSA	CRG and DJ private label finished goods suppliers published in prior years, with additional details published this year WSA FBH finished goods suppliers not yet published WSA Food finalised the list of commodities for which supply chains will be published <div style="display: flex; justify-content: space-between; width: 100%;"> NOT YET STARTED BEHIND ON TRACK AHEAD </div>

RELATED SDG	RELATED FOCUS AREA	ASSOCIATED KPI	BASELINE	FY21 PERFORMANCE
		Development of a group-wide roadmap for enabling a living wage for workers in our supply chain	No roadmap, but living wage commitments by CRG and DJ	Roadmap in development <div style="display: flex; justify-content: space-between; width: 100%;"> AHEAD ON TRACK BEHIND NOT YET STARTED </div>

***This excludes David Jones Food

VISION 2025+ GROUP GOALS: ETHICAL AND FAIR



RESPONSIBLY SOURCE ALL KEY COMMODITIES FROM TRACEABLE SOURCES by 2025

WHY

The diverse and often complex supply chains involved in producing the food, fashion, beauty, and homeware products we sell can have significant negative social and environmental impacts. Continuously strengthening our value chains through our ethical sourcing programmes is non-negotiable, so that we can mitigate where necessary and positively influence where possible, the outcomes and impacts of manufacturing and production.

DEFINITION: Responsibly source, under commodity-specific local or international programmes, roundtables, labelling or certification schemes, and/or internally developed programmes, all key commodities for private label products by 2025. A commodity is a raw material or primary agricultural product that can be bought and sold.

Key commodities for fashion, beauty, homeware, general merchandise: Cotton, man-made cellulose fibres, leather, timber, synthetics, and palm oil

Key commodities for food: Palm oil, cocoa, coffee, soy, fish and seafood***

HOW

We formally commenced responsible sourcing for key commodities in 2015, and have made significant progress since then. We have done so through partnering and working with labelling and certifications schemes, such as the FSC, RSPO, BCI, and others. We aim to continue with these, and also remain abreast of and investigate any other options and technologies that may become available in future to progress our responsible sourcing and traceability journey.

CHALLENGES FACED

Not all layers of our supply chains are certified from end-to-end through the current certification and labelling schemes we subscribe to or work with. We will need to evolve our traceability journey in line with best practice as it develops over time, and ensure appropriate investment in processes and systems that enable us to trace our commodities back to source.

RELATED SDG	RELATED FOCUS AREA	ASSOCIATED KPIS	BASELINE	FY21 PERFORMANCE	
		Percentage of commodity responsibly sourced Percentage of commodity responsibly sourced and traceable	For percentage of commodity responsibly sourced: refer to the Ethical Sourcing section For percentage of commodity responsibly sourced and traceable: 0%	Percentage of commodity responsibly sourced: refer to Ethical Sourcing section AHEAD ON TRACK BEHIND NOT YET STARTED	Percentage of commodity responsibly sourced and traceable: N/A AHEAD ON TRACK BEHIND NOT YET STARTED

***This excludes David Jones Food



Photo by Jijana Ordoñez on Unsplash

VISION 2025+ GROUP GOALS: ETHICAL AND FAIR



All our private label products can be REUSED, REPAIRED, RESOLD OR RECYCLED by 2025



All our private label clothing, beauty, and home products to contain at least ONE RENEWED, REUSED, OR RECYCLED PRODUCT MATERIAL input by 2030

DEFINITION: All private label clothing, fashion accessories, and home products are designed to be reused, repaired, resold or recycled at end of life.

Reuse: Product can be used again, in its existing form, via own or third-party systems

Repair: Product, in its existing form, can be (invisibly or visibly) repaired via own or third-party repair service

Repurpose: Product materials, in their existing form, are used to create/used in the creation of a new product via own or third-party systems

Recycle: Product materials are mechanically or chemically processed into new raw materials (for use in textiles or other industries)

DEFINITION: All private label clothing, beauty, and home products to contain at least one renewed, reused, or recycled product material input by 2030.

Renewed: Materials that are made from manipulating waste materials, in their existing form, into new and usable material

Reused: Materials requiring no intervention to be used again, in their existing form

Recycled: Materials made of raw materials/fibres derived from waste (pre- and/or post-consumer) that has been mechanically or chemically processed

WHY

As a fashion retailer, we have a responsibility to reduce the negative environmental impact of production and disposal of clothing, accessories, and home products. Ensuring that our products can be reused, repaired, resold, or recycled is one of the ways we can do this. In addition, by sourcing inputs and fibres that are renewed, reused or recycled, we are able to contribute to creating demand for circular inputs. Together, through both of these goals, we can progress towards a more circular fashion system.

HOW

While we have included recycled fibres in certain products and packaging for a few years now, and have focused on ensuring our packaging is renewable or recyclable, making a transition to a circular business model in our fashion and home business is still at an early stage. Training and upskilling of relevant teams and suppliers on circularity will be required to facilitate this transition.

CHALLENGES FACED

- We need to explore new business models, systems and partnerships to facilitate, track, and report on reuse, repair, and resale of our products
- Technology available for the recycling of fibres or the creation of alternative and renewed fibres is currently limited. In addition, these often do not necessarily have the same quality as virgin fibres, and are not being manufactured at scale as yet

RELATED SDG



RELATED FOCUS AREA



ASSOCIATED KPIs

Percentage of product that has been designed to be reused, repaired, repurposed or recycled

Percentage of product that contains at least one renewed, reused, or recycled material input

BASELINE

Still to be determined

FY21 PERFORMANCE

N/A



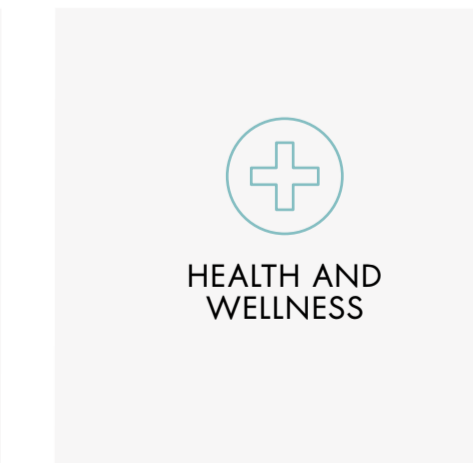
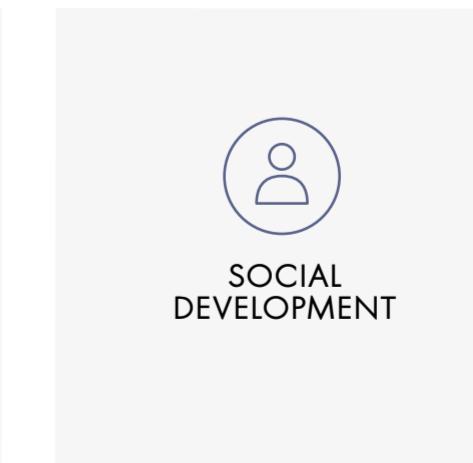
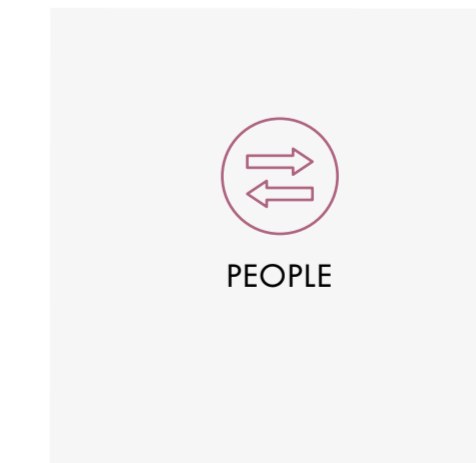
INCLUSIVE JUSTICE



inclusive justice
initiative

GUIDED BY THE INCLUSIVE JUSTICE INITIATIVE, SPECIFIC GOALS AND TARGETS WILL BE SET TO DRIVE THIS PILLAR FORWARD. ALTHOUGH THIS PILLAR IS SET TO EVOLVE AND SERVE AS THE ETHOS OF OUR ENTIRE BUSINESS, OUR IMMEDIATE PRIORITY IS ALIGNING OUR HUMAN RESOURCES TEAMS TO BE ALIGNED WITH THE GOALS, AND DRIVE MEANINGFUL IMPACT FROM WITHIN.

RELATED FOCUS AREAS



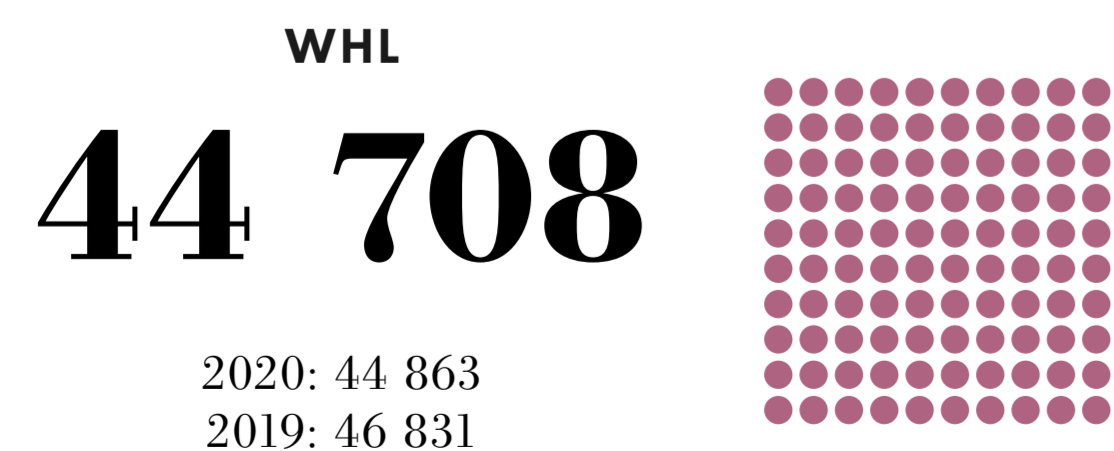
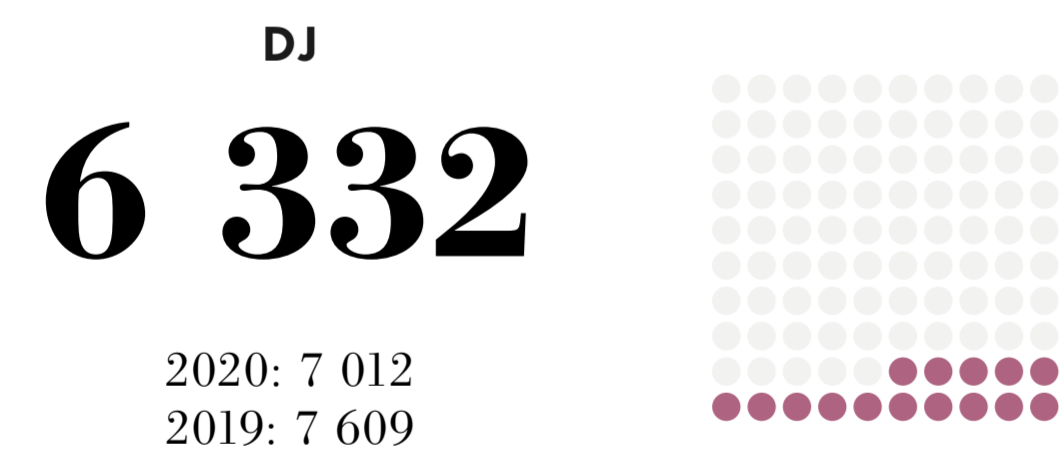
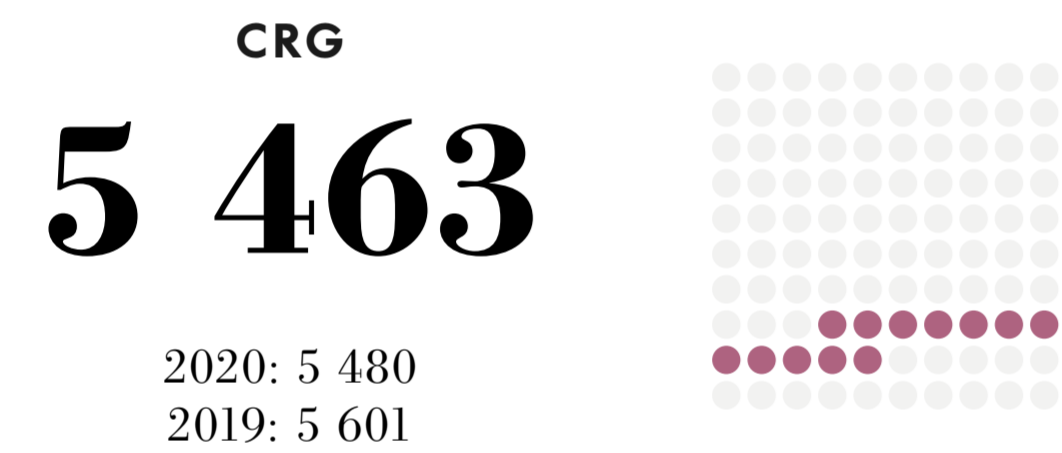
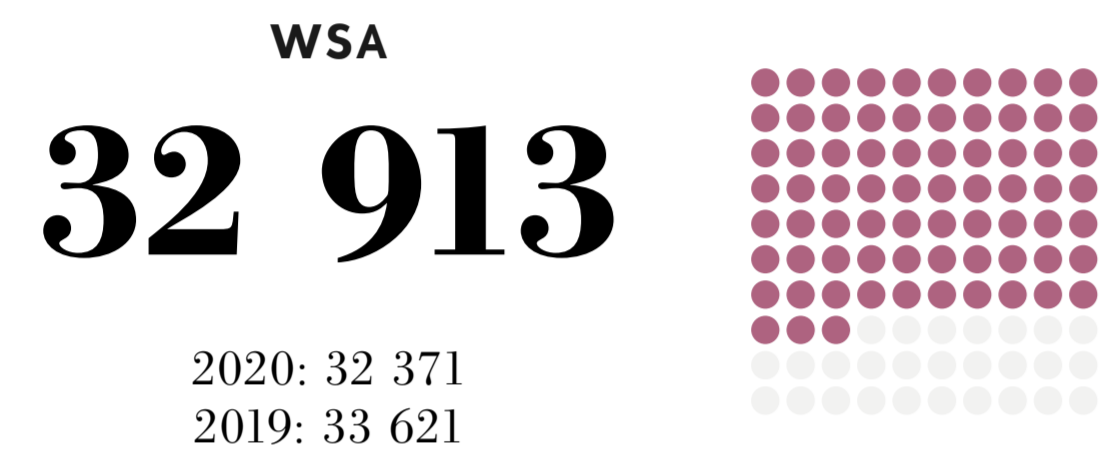
A photograph of two women standing in a field of tall grass under a clear blue sky. The woman on the left is wearing a light blue floral dress and is looking back over her shoulder. The woman on the right is wearing a darker blue floral dress and is looking towards the camera. The word 'PEOPLE' is overlaid in large white letters across the center of the image.

PEOPLE

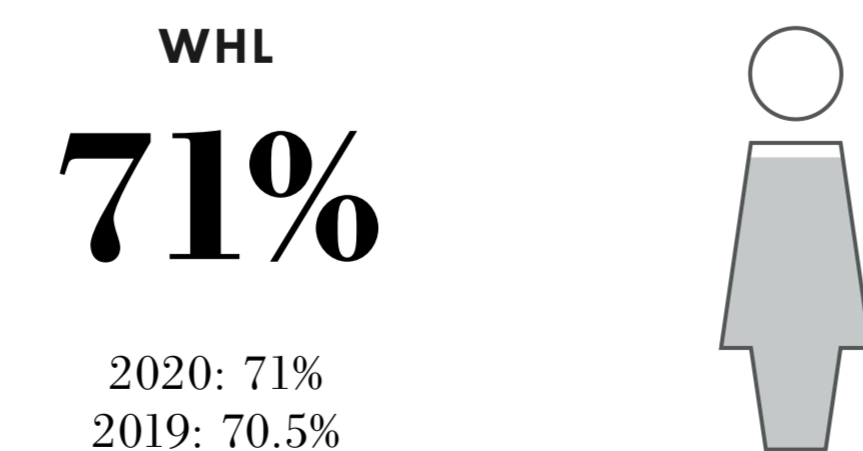
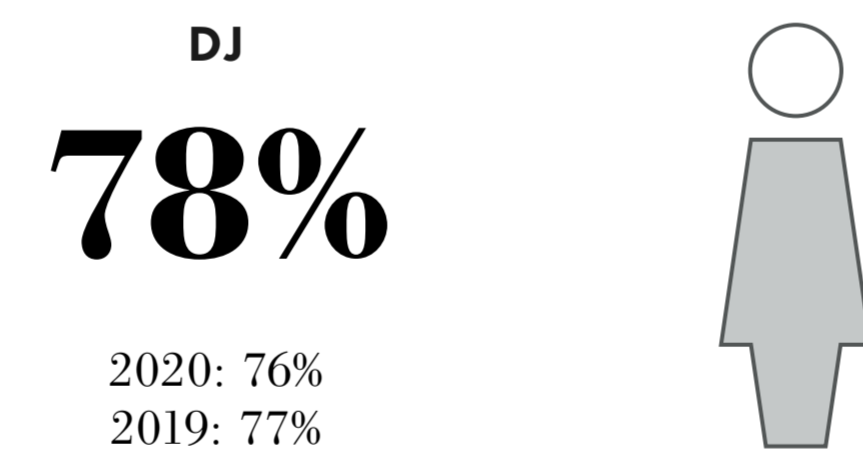
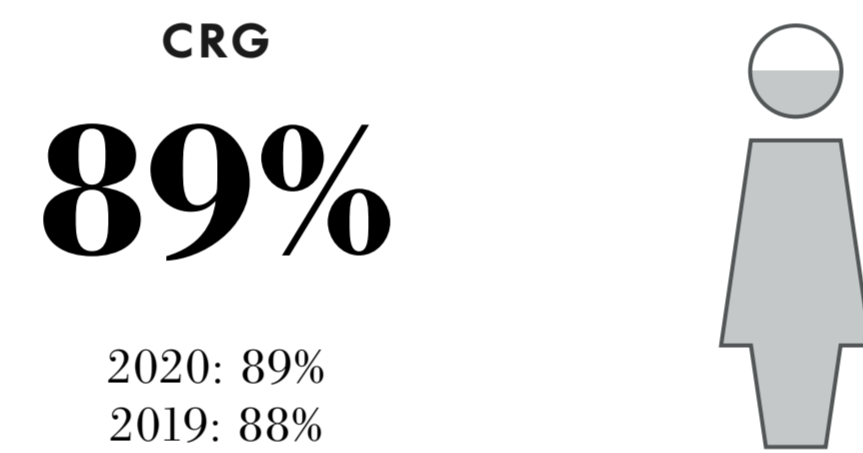
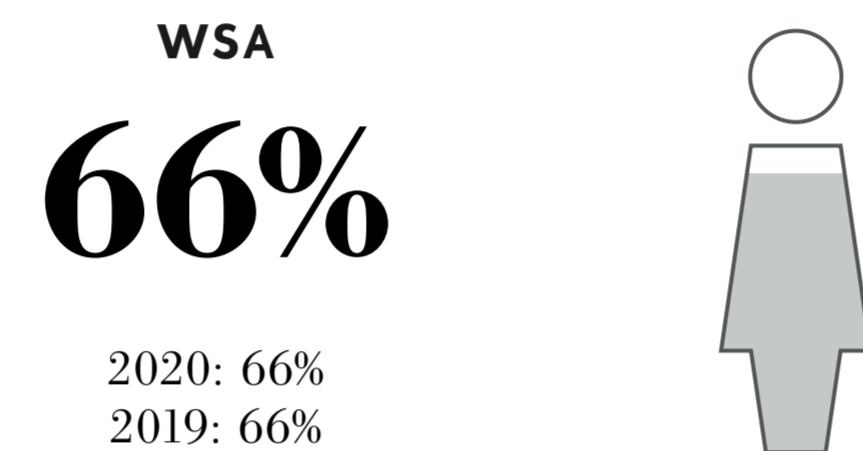
We remain focused on building an organisation in which our people can find meaning in their work, where the culture enables everyone to fulfil their potential, and where everyone works towards a better future.

PERFORMANCE SUMMARY

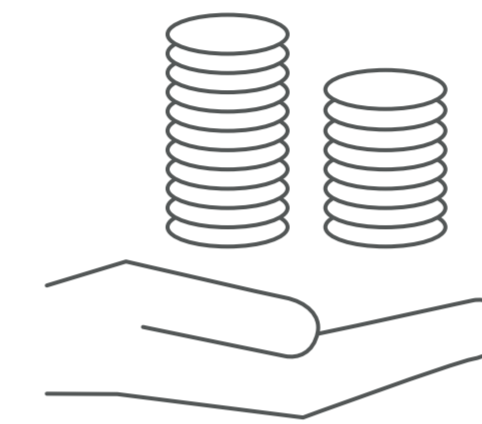
EMPLOYEE HEADCOUNT



FEMALE REPRESENTATION



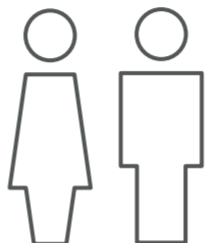







TRAINING SPEND



*The CRG value has been restated to include spend from all cost centres; previously it was just the human resources cost centre



STRATEGY AND MANAGEMENT APPROACH

STRATEGY	MANAGEMENT APPROACH	HIGHLIGHTS	LOOKING AHEAD
<p>Our Group purpose is to add quality to life. The fruition of this purpose is embedded in our people strategy, which is uniquely positioned for the different geographic regions in which we operate – Africa (referring to Woolworths South Africa in this chapter), and Australia and New Zealand (referring to David Jones and Country Road Group in this chapter). Its strategic intent remains anchored by our values, and is centred on delivering unique experiences for our people and our customers.</p> <p>As a Group, it is important for us to ensure that we employ and invest in people who share our brand purpose, values, and passion to help grow a future-fit business. Our Employee Value Proposition is aimed at attracting, developing, and retaining talent that enables us to create a diverse staff complement to deliver on our strategy. It is important that we implement an Employee Value Proposition that nurtures a unique employee experience. Through regional oversight of our people strategies, we are able to deliver a compelling value proposition that is customised towards meeting the unique employee needs in our areas of operation.</p> <p>The people strategies in Woolworths South Africa, David Jones and Country Road Group emphasise a people experience that will enable a differentiated customer experience, albeit in varying regional contexts. In Woolworths South Africa, the broader South African socio-economic and political context in which the organisation exists – and in which our people live – is considered. In David Jones and Country Road Group, the focus on business sustainability through ensuring the right culture and optimising processes to build a strong business in the region is a key focus.</p> <p>OUR GROUP PEOPLE STRATEGY HAS THREE STRATEGIC FOCUSES</p> <ol style="list-style-type: none"> 1. PROTECT Protecting our talent by attracting, developing, and retaining the talent 2. GROW Growing leadership competencies in order to shape an enabling culture 3. TRANSFORM By leveraging existing systems and talent, transforming the Group for alignment across both regions 	<p>While navigating the new ways of working presented by the Covid-19 pandemic, we have continued our focus on driving streamlined regional strategies for Australia, New Zealand, and South Africa. The pandemic highlighted the focus on our people, who continued to remain committed and passionate during exceptionally difficult times. The imperative for both regions has, therefore, been to provide support to our people through initiatives such as wellness offerings, and to adopt ways of working that position us for shared growth as the long-term impacts of Covid-19 are understood and addressed.</p> <p>In the past year, we continued to entrench our purpose and values through continuous employee engagement, building our organisational leadership capability, as well as investing in the wellbeing of our people. Our people are looking for a differentiated experience. We also appreciate that there is a direct link between the people experience and the customer experience – and, one step further, that the people experience is largely a function of how they experience their leaders. Therefore, at a Group level, we continue to focus on building our competitive advantage through our people, with a focus on a leading and integrated talent experience, improving our talent processes, and building leadership capability among our senior leaders.</p> <p>Our strategies are driven through various mechanisms, including the WHL Exco and the excos of our businesses, the People Leadership Teams, human resources forums, and Town Hall sessions. In addition, at WSA, a Connected People Council (CPC) – a collective forum of senior executives, chaired by the WSA CEO – was established in 2016 to deliver a modern and connected people experience to our employees. The main aim of the CPC has been to systematically address the issues that hinder us from living up to our promise of a unique employee experience. Having identified a few pain points, we have also focused on further entrenching our values, building leadership capabilities that are aligned to our values, and digitising our operations – not only for better delivery to our overall business strategy, but also to facilitate agile communication with our staff.</p> <p>From a talent-management perspective, our Group talent forums are embedded as part of our Group talent practices, focusing on senior management across the Group to attract, develop, and retain the best talent.</p> <p>In response to the Covid-19 pandemic, a crisis response plan was implemented in our businesses. Its aim was to develop a Covid-19 People Plan that continues to deliver on our Employee Value Proposition even in the midst of a crisis.</p>	<div style="display: flex; justify-content: space-between;"> <div style="width: 45%;">  <ul style="list-style-type: none"> We have established a cross-regional project team to review the way in which talent is segmented and managed across the Group  <ul style="list-style-type: none"> The Group is embarking on a leadership competency framework to ensure capability in future ways of working in times of complexity, as well as post-Covid-19 </div> <div style="width: 45%; text-align: center;">  <ul style="list-style-type: none"> The Woolworths launch of the Inclusive Justice Initiative (IJI) programme was a big strategic shift this year </div> </div> <p style="text-align: center;"><i>Woolworths was able to meet its contractual obligations towards its employees. We are extremely proud of the fact that we managed to pay all our employees (including all those prohibited from working) during the lockdown. This was supported by a strong collaboration within the business, as well as being able to effectively claim from the government's Temporary Employer/Employee Relief Scheme (TERS)</i></p> <div style="text-align: center; background-color: #f0f0f0; padding: 5px;">LOWLIGHTS AND CHALLENGES</div> <ul style="list-style-type: none"> With Covid-19 taking priority, resources were redirected towards crisis management and future ways of working projects. This led to decreased focus on projects that relate to improving Group analytics, data, and reporting As a result of the constant lockdowns related to the pandemic and the need to maintain health protocols, we have had to transition from classroom-based to virtual training to ensure that we continue to deliver on our people development goals across the Group 	<ul style="list-style-type: none"> We will be focusing on progressing the Inclusive Justice Initiative, with clear five-year targets and a Group position that will ensure that WHL lives up to an ethos anchored in inclusive thinking and action In response to the Covid-19 pandemic, the Group is working on plans to transition to a sustainable hybrid work model We are compiling a leadership competency framework that enables us to focus on the development of our leaders into the future An organisation-wide survey is scheduled in Australia and New Zealand. This will be a full engagement survey for both retail and support staff <div style="text-align: center; background-color: #800040; color: white; padding: 5px;">RELATED UN SDGs</div> <div style="display: grid; grid-template-columns: repeat(3, 1fr); gap: 10px;"> <div style="background-color: #e91e63; color: white; padding: 10px; text-align: center;"> <p>1 NO POVERTY</p>  </div> <div style="background-color: #e91e63; color: white; padding: 10px; text-align: center;"> <p>4 QUALITY EDUCATION</p>  </div> <div style="background-color: #e91e63; color: white; padding: 10px; text-align: center;"> <p>5 GENDER EQUALITY</p>  </div> <div style="background-color: #800040; color: white; padding: 10px; text-align: center;"> <p>8 DECENT WORK AND ECONOMIC GROWTH</p>  </div> <div style="background-color: #800040; color: white; padding: 10px; text-align: center;"> <p>10 REDUCED INEQUALITIES</p>  </div> <div style="background-color: #e0e0e0; padding: 10px; text-align: center;"> <p>Placeholder for SDG 17</p> </div> </div>





SOCIAL DEVELOPMENT




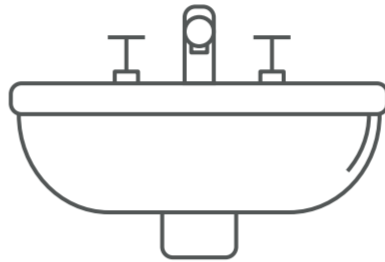









Covid-19 has been a disruptor to both our local communities and the economy as a whole, with impacts that have been strongly felt throughout our supply chain, direct operations and charity partners. These impacts will continue to be felt for some time. Sustained support of our communities via our social development programmes will continue to be important throughout the recovery period.

Living Soils Community Learning Farm interns. Standing from left to right: Phuthuma Mgu, Avuzwa Nongwe, Thandiwe Mtyingizani, Ntombizikhona Sahlulo, Ntandokazi Ntuku, Nasi Sandlana, Luyolo Vukuza, Nontombi Mtswazi, Bandile Baba and Sindiswa Maadana.

PERFORMANCE SUMMARY

 <p>R918M Total Group corporate social investment contribution</p> <p>2020: R854M 2019: R852M</p>	 <p>R731M worth of surplus food donated by Woolworths</p> <p>2020: R643M 2019: R611M</p>	 <p>R66M to MySchool</p> <p>2020: R64M 2019: R64M</p>	<p>MORE THAN 62 BAGS OF WASTE COLLECTED BY WOOLWORTHS MAURITIUS STAFF DURING A BEACH CLEAN-UP DAY</p>
<p>A\$71 092 donated by David Jones to the Australian Literacy and Numeracy Foundation's Literacy is Freedom campaign</p> <p>2020: A\$53 344 2019: A\$76 982</p>	<p>R6.8M raised by Woolworths through the sale of cause-related bags and bracelets</p> <p>2020: R6.4M 2019: R8.8M</p>	<p>R9M to MyVillage</p> <p>2020: R9M 2019: R8M</p> <p>R13M to MyPlanet</p> <p>2020: R12M 2019: R11M</p>	<p>A\$100 000 & NZD10 000 donated to the Australian and New Zealand Red Cross respectively by David Jones from the Christmas Appeal campaign</p>
<p>70 378 Number of learners reached through the Woolworths Educational Programmes</p> <p>2020: 72 121 2019: 251 455</p>	 <p>A\$119 729 donated by David Jones to the National Breast Cancer Foundation</p>	<p>A\$0.3M donated by Witchery to the Ovarian Cancer Research Foundation from the annual White Shirt Campaign</p> <p>2020: A\$1.4M 2019: A\$1.7M</p>	 <p>8 421 kg of produce harvested on the Living Soils Community Learning Farm</p>

STRATEGY AND MANAGEMENT APPROACH

STRATEGY	MANAGEMENT APPROACH	HIGHLIGHTS	LOOKING AHEAD
<p>Through our social development programmes, we aim to make a meaningful difference in our communities. Our strategy has four pillars that are informed by the UN SDGs and are aligned to our overall business strategy. They are also relevant to the national development priorities and key social issues in the markets in which we operate.</p> <p>EDUCATION Education is a national priority in many countries in which we operate. In addition, we can only grow and sustain long-term profit in an inclusive, equitable, growing economy that has a sufficiently skilled society and educated workforce.</p> <p>FOOD SECURITY Millions of people around the world are food insecure, yet an estimated 30% of food produced globally goes to waste. As a food retailer, we recognise that we have a role to play in working towards a food-secure future for all.</p> <p>COMMUNITY RESILIENCE A thriving and healthy community and workforce are key to the success of our business.</p> <p>EMPLOYEE COMMUNITY INVOLVEMENT Employee involvement allows us all to live our corporate values. It enables employees to make a difference to their communities and their environment while enhancing our Employee Value Proposition.</p>	<p>Our approach to social development is based upon meaningful collaboration with key partners. The complex challenges facing us require deep insights and a collective effort to make a difference. To this end, each programme or initiative we embark on is a collaboration between ourselves and one or more partners.</p> <p>Our approach is also tailored to the various countries in which we operate. They have different social contexts and, therefore, require customised approaches to making meaningful contributions to the communities we impact.</p> <p>Social development activities in South Africa are overseen by the Woolworths Trust. Established in 2003, this legal entity is managed by a Board of Trustees and reports on its activities to the WHL Social and Ethics Committee.</p> <p>Our Australian businesses manage their own strategic partners, relationships, and campaigns, with a focus on community resilience, as well as physical and mental health and wellness.</p>	<div style="display: flex; justify-content: space-between;"> <div style="width: 48%;">  <ul style="list-style-type: none"> • Development of a new digital platform for the delivery of the Woolworths Educational Programmes  <ul style="list-style-type: none"> • Multiple fundraising campaigns held by David Jones for the National Breast Cancer Foundation  <ul style="list-style-type: none"> • Donation of 100 000 books to Book Dash as part of the annual Santa Shoebox initiative by MySchool MyVillage MyPlanet </div> <div style="width: 48%;">  <ul style="list-style-type: none"> • Installation of eight handwashing stations, and training of 113 voluntary food handlers through the UNICEF WASH programme  <ul style="list-style-type: none"> • Creation of four youth internships on the Living Soils Community Learning Farm  <ul style="list-style-type: none"> • Donation of reusable face mask proceeds by Country Road, Witchery and Mimco to various charities, raising over A\$200 000 </div> </div>	<p>We will continue to support our existing programmes and partnerships, and to seek out and drive collaboration with other like-minded stakeholders towards enhancing delivery against our key social development pillars, enabling wider and deeper impacts and the creation of shared value. Furthermore, our Inclusive Justice Initiative will influence how we look at our social development responses going forward.</p> <p>MORE SPECIFICALLY, WE WILL:</p> <ul style="list-style-type: none"> • Expand the Living Soils Community Learning Farm concept to two additional farms over the next three years • Roll out the FoodForward SA FoodShare app to all Woolworths stores, enabling pre-selected beneficiaries to connect directly to the store for the collection and reporting of surplus food donated • Continue to unpack specific goals, targets, and implementation plans for the Inclusive Justice pillar under Vision 2025+ across the Group
LOWLIGHTS AND CHALLENGES			RELATED UN SDGs
 <p>The Covid-19 pandemic continued to impact many of our social development programmes. In certain instances, we needed to pause implementation for short periods, simplify campaigns, or transition to new, online or hybrid models of engagement and support.</p>			     



HEALTH AND WELLNESS

We aim to inspire healthy lifestyles for our customers through offering a variety of healthy, nutritious options. We also recognise that the overall health and wellbeing of our employees is critical in sustaining a thriving workforce. We, therefore, also offer a myriad of programmes to support the wellbeing of our employees.

PERFORMANCE SUMMARY

23
Health and Wellness Practitioners for WHL staff to access
2020: 23
2019: 19



2
tonnes of salt removed from Woolworths private label food
2020: 5.1 tonnes
2019: 6.7 tonnes



12.8
tonnes of sugar removed from Woolworths private label food
2020: 7.2 tonnes
2019: 1.2 tonnes




GROUP EMPLOYEE FOR EMPLOYEE FUND (E4E) LAUNCHED TO PROVIDE ONCE-OFF, SHORT-TERM FINANCIAL ASSISTANCE TO ELIGIBLE EMPLOYEES




IN EXCESS OF 40 000 CALLS MANAGED VIA THE WOOLWORTHS COVID-19 HELPLINE SINCE APRIL 2020



100%
of all Woolworths private label food (including pet food) is currently GMO-free
2020: 100%
2019: 98%

●

STRATEGY AND MANAGEMENT APPROACH

STRATEGY	MANAGEMENT APPROACH	HIGHLIGHTS	LOOKING AHEAD
<p>As a Group, we continue to be a strong advocate for the protection of employee and customer health and wellness. Our employees are central to our health and wellness strategy. We aim to create a safe and healthy environment, with the necessary support structures, to enable employees to thrive both at work and at home.</p> <p>We also realise that our customers’ family health and security are a top priority, so we aim to be a one-stop shop for all our customers’ health-and-wellness food needs.</p> <p>The Woolworths Health Manifesto and the David Jones Food and Health strategy outline ways in which we aim to encourage customers to make healthy choices and lead a more balanced, healthier lifestyle through the provision of a variety of healthy and nutritious food options, including plant-based meals, with appropriate product labelling to assist them in making informed choices.</p> <p>IN SUMMARY</p> <p>WOOLWORTHS Health Manifesto: Living Well Starts with Eating Well</p> <p>WE AIM TO</p> <ul style="list-style-type: none"> • INSPIRE healthy lifestyles by making healthy eating satisfying, delicious, and convenient across our product ranges • PROVIDE our customers with a variety of product options to meet their dietary needs • INNOVATE to improve the nutritional quality of our food • PROMOTE healthy and informed choices through clear nutrition labelling <p> WOOLWORTHS HEALTH MANIFESTO</p> <p>DAVID JONES Food and Health strategy: Inspire and enable customers to make healthy food choices</p> <p>WE HAVE FOUR FOCUS AREAS</p> <ul style="list-style-type: none"> • AVOIDERS – to develop food products that enable customers to make informed choices when avoiding certain ingredients • EAT WELL – to enable customers to choose food that is ‘best for you’ and nutritionally ‘well balanced’ • CLAIMS – to communicate nutritional benefits to customers • CALORIES – to assist customers with portion control by displaying calories on the front of the pack of single-serve items <p>The Group is also committed to providing a safe and healthy working environment for all employees. As an employer, we know there are many different aspects to our employees’ lives; therefore, providing them with relevant and accessible wellness and occupational health and safety programmes to meet their needs is fundamental, particularly as we continue to grapple with the Covid-19 pandemic.</p>	<p>Wellness for employees includes a well-established operational occupational health and wellness model across the Group. This model is based on three pillars: movement, nutrition, and mental wellbeing. Across our regions, we continue to monitor the usage of wellness services and the success of our programmes, and evolve and refine our offerings based on this feedback. We also continue to ensure that we partner with a network of service providers to offer assistance to our employees.</p> <p><i>CUSTOMER WELLNESS IS PREMISED ON ENSURING THAT THE WOOLWORTHS HEALTH MANIFESTO AND DAVID JONES FOOD AND HEALTH STRATEGY ARE IMPLEMENTED THROUGHOUT ALL STAGES OF PRODUCT DEVELOPMENT, AND THAT APPROPRIATE TRAINING IS PROVIDED TO BOTH THE FOOD AND MARKETING TEAMS.</i></p>	<div data-bbox="1685 505 1886 668"> </div> <ul style="list-style-type: none"> • The Group launched an Employee for Employee Fund (E4E), which will provide once-off, short-term financial assistance to certain eligible employees during an emergency or other unforeseen situation <div data-bbox="1685 968 1896 1127"> </div> <ul style="list-style-type: none"> • Covid-19 provided Woolworths with an opportunity to trial a digitally enabled Employee Assistance Programme model with a much wider range of services, and the ability to offer services in many more languages <div data-bbox="2036 505 2215 668"> </div> <ul style="list-style-type: none"> • In Australia, we launched a healthy body and mind dashboard, which is aimed at supporting all team members across the business on their own personal health and wellbeing journey <div data-bbox="2036 968 2151 1127"> </div> <ul style="list-style-type: none"> • Woolworths has initiated a trial to establish the feasibility of providing breastfeeding store employees with the resources to be able to express milk when at our facilities <div data-bbox="1643 1456 2365 1515" style="background-color: #e0e0e0; text-align: center;"> <p>LOWLIGHTS AND CHALLENGES</p> </div> <ul style="list-style-type: none"> • The year has been mentally challenging, especially because of Covid-19, as we dealt with the death, illness, and loss – of our people, or people closely connected to them. We have had to navigate ways of putting the health and safety of our people and our customers first, versus dealing with the reality of cost pressures due to trading challenges. • The closure of WCafés as a result of the lockdown in South Africa impacted the progression of the green programme at these stores. 	<p><i>HEALTH AND WELLNESS CONTINUES TO BE A PRIORITY FOCUS FOR OUR EMPLOYEES AND CUSTOMERS, ESPECIALLY NOW THAT WE ARE GRAPPLING WITH THE IMPACTS OF COVID-19.</i></p> <p>The South African Department of Health has confirmed the introduction of front-of-pack warning labels on packaged food that’s high in sugar, salt, and/or saturated fat. We look ahead to implementing this once the implementation dates have been confirmed by the Department.</p> <div data-bbox="2371 1250 3115 1299" style="background-color: #e0e0e0; text-align: center;"> <p>RELATED UN SDGs</p> </div> <div data-bbox="2438 1377 2633 1573" style="background-color: #2e8b57; color: white; padding: 5px;"> <p>3 GOOD HEALTH AND WELL-BEING</p> </div> <div data-bbox="2438 1593 2633 1789" style="background-color: #e0e0e0; width: 60px; height: 100px;"></div> <div data-bbox="2652 1377 2847 1573" style="background-color: #e0e0e0; width: 60px; height: 100px;"></div> <div data-bbox="2652 1593 2847 1789" style="background-color: #e0e0e0; width: 60px; height: 100px;"></div> <div data-bbox="2866 1377 3061 1573" style="background-color: #e0e0e0; width: 60px; height: 100px;"></div> <div data-bbox="2866 1593 3061 1789" style="background-color: #e0e0e0; width: 60px; height: 100px;"></div>



The Group aims to conduct its business in a manner that reflects its values and sustainability strategy, and is committed to understanding and managing social, ethical, and environmental issues along its supply chain in a responsible manner.

PERFORMANCE SUMMARY

VISION 2025+ GOALS



Have a fully transparent, traceable, and ETHICAL SUPPLY CHAIN by 2025

FY21

- CRG and DJ private label finished goods suppliers published in prior years, with additional details published this year
- WSA FBH finished goods suppliers not yet published
- WSA Food finalised the list of commodities for which supply chains will be published

BASELINE

- Finished goods suppliers published by CRG and DJ
- No suppliers published by WSA



Develop a roadmap by 2022 for achieving A LIVING WAGE FOR ALL WORKERS across our supply chain

FY21

- Roadmap in development

BASELINE

- No roadmap, but living wage commitments by CRG and DJ



RESPONSIBLY SOURCE ALL KEY COMMODITIES FROM TRACEABLE SOURCES by 2025

% OF COMMODITIES RESPONSIBLY SOURCED FY21

- Refer to detail in the Ethical Sourcing chapter in the GBJ Report

BASELINE

- Refer to 2020 GBJ Report



% OF COMMODITIES RESPONSIBLY SOURCED AND TRACEABLE FY21

- Not yet started

BASELINE

- 0%



LAUNCHED THE DAVID JONES MINDFULLY MADE HUB, ALLOWING CUSTOMERS TO SHOP ACCORDING TO FIVE SUSTAINABILITY ATTRIBUTES:



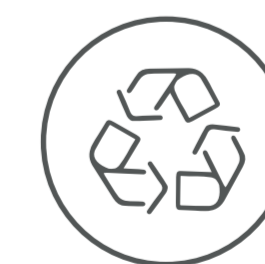
AUSTRALIAN MADE



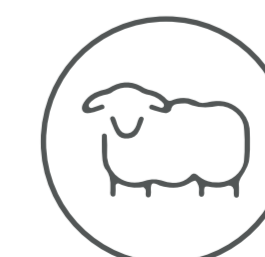
COMMUNITY MINDED



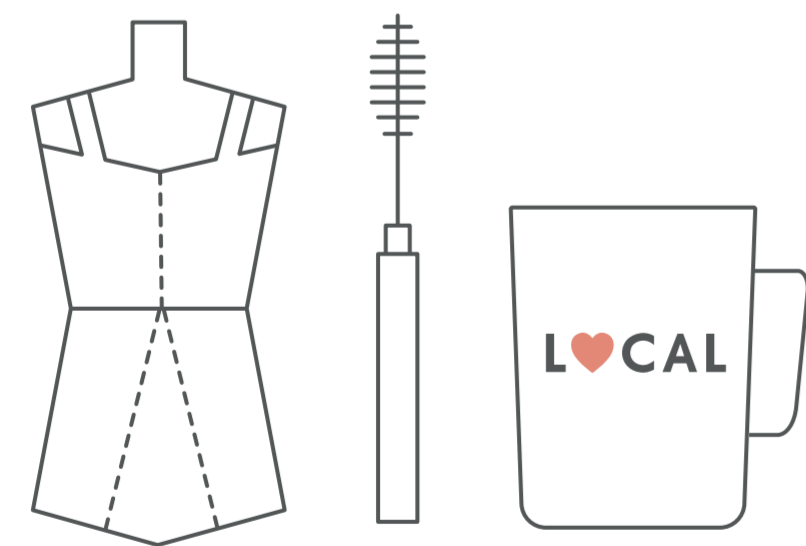
SOURCED WITH CARE



REDUCE AND RECYCLE



KIND TO ANIMALS



29%

of Woolworths branded fashion, beauty, and homeware locally sourced

(2020: 29%)

PERCENTAGE OF SUPPLIER SITES MEETING SOCIAL AND ETHICAL COMPLIANCE REQUIREMENTS



WW Food

58%

(2020: 71%)



WW FBH

95%

(2020: 92%)



CRG

91%

(2020: 90%)



DJ private label merchandise

98%

(2020: 95%)

STRATEGY AND MANAGEMENT APPROACH

STRATEGY	MANAGEMENT APPROACH	HIGHLIGHTS	LOOKING AHEAD
<p>The diverse and often complex supply chains involved in producing the food, fashion, beauty, and homeware products we sell can have significant social and environmental impacts. Continuously strengthening our value chains through our ethical sourcing programmes is non-negotiable to allow us to mitigate where necessary, and positively influence where possible, the outcomes and impacts of manufacturing and production.</p> <p><i>AWARENESS REGARDING THE TRANSPARENCY OF SUPPLY CHAINS AND THE TRACEABILITY OF PRODUCTS IS ALSO ON THE RISE, AND WE ARE WORKING ACTIVELY TO ENHANCE OUR PROGRAMMES TO ADDRESS THIS.</i></p>	<p>Ethical sourcing requires us to build meaningful and long-term value-sharing relationships with our suppliers and other key stakeholders in the supply chain. Our main focus is on our private label primary suppliers and supply chains. This is where we can exert the greatest influence for positive change, and more easily monitor performance. Where possible, we also engage with branded suppliers to ensure that our standards are understood and upheld.</p> <p>OUR APPROACH TO ETHICAL SOURCING COMPRISES:</p> <p>1. SUPPLIER CODES OF CONDUCT We expect our suppliers to share our vision for ethical sourcing. This is laid out in our Supplier Codes of Conduct and various ethical sourcing-related position statements, to which suppliers are required to adhere. These form part of the supplier onboarding process, are included in our supplier contracts and are made available on our supplier portals and customer-facing websites.</p> <p>2. MONITORING OF SUPPLIERS AND ETHICAL AUDITS We monitor our suppliers' performance through various social and ethical audit programmes. We are members of SEDEX, a web-based platform for sharing responsible sourcing data on supply chains. We are working on converting our suppliers, including their factories and farms, where relevant, to SEDEX Members Ethical Trade Audit (SMETA), one of the most widely used ethical audit formats in the world. We also mutually recognise several other audits to allow factories to focus on improvement rather than additional costs, audit fatigue, and disruptions.</p> <p>3. PARTNERING We partner with best-in-class organisations, standards, and certification schemes to tackle complex and systemic issues to further strengthen our responsible sourcing, as well as our relationships with our suppliers.</p> <p>4. BUILDING AWARENESS AND CAPACITY We ensure ongoing training of our staff and suppliers in human rights, ethics, and responsible commodity sourcing, to drive progress in our ethical sourcing commitments. Training is determined based on gaps and opportunities identified by staff or based on common risks found in audits.</p> <p>USEFUL LINK FOR MORE DETAIL</p>	<div data-bbox="1758 544 1991 707"> </div> <ul style="list-style-type: none"> Updated the WHL Supplier Code of Business Principles and published it on the Group's website <div data-bbox="1758 838 1959 1034"> </div> <ul style="list-style-type: none"> Woolworths scored the highest of any South African retailer in the 2021 Fashion Transparency Index <div data-bbox="1758 1172 1972 1368"> </div> <ul style="list-style-type: none"> Increased the use of Australian cotton in CRG collections <div data-bbox="1701 1458 2362 1515"> <p>LOWLIGHTS AND CHALLENGES</p> </div> <ul style="list-style-type: none"> Ethical audits in certain instances were delayed and impacted by Covid-19-related restrictions and lockdowns. This also delayed the transition of our suppliers onto SEDEX Additional work is required across the Group to address and facilitate living wages in our supply chain 	<p>In line with our new Vision 2025+ strategy, we are aiming to continue enhancing our focus on transparency, traceability, and responsible sourcing.</p> <p>WE AIM TO:</p> <ul style="list-style-type: none"> Improve traceability processes and tools in order to facilitate the publication of the Group's full supply chain in future Finalise a roadmap towards enabling a living wage in our supply chain <div data-bbox="2362 1250 3115 1307"> <p>RELATED UN SDGs</p> </div> <div data-bbox="2438 1377 3057 1785"> </div>



Through our sustainable farming, fishing and animal welfare programmes, we aim to ensure a more sustainable, resilient, and inclusive food system for our people, our communities, and the planet.

PERFORMANCE SUMMARY

VISION 2025+ GOAL



All private label products to support REGENERATIVE FARMING PRACTICES by 2030

WSA FOOD FY21

58% of private label produce and horticulture lines on the Farming for the Future programme

BASELINE

52% of private label produce and horticulture lines on the Farming for the Future programme



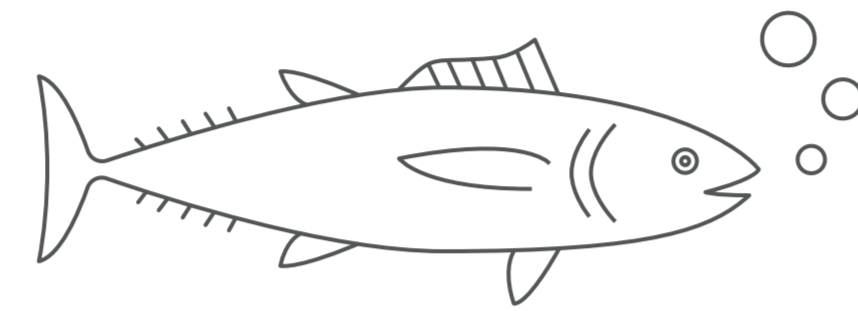
NOT YET STARTED BEHIND ON TRACK AHEAD

WSA FBH, CRG, AND DJ FY21
Not yet started

BASELINE

Still to be determined

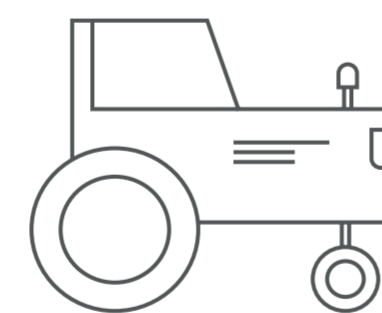
NOT YET STARTED BEHIND ON TRACK AHEAD



98%

of Woolworths seafood by volume meets our wild-caught and aquaculture sustainability commitments

2020: 98%
2019: 84%



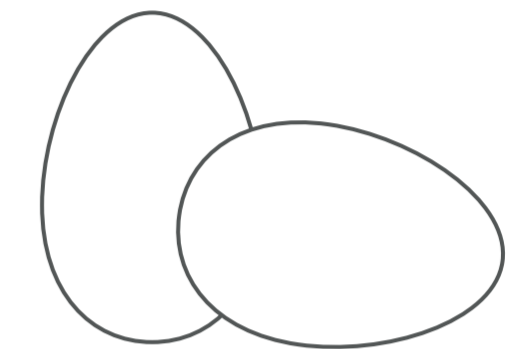
14

farming methods on the Woolworths outcomes-based measurement programme

2020: 9
2019: 4



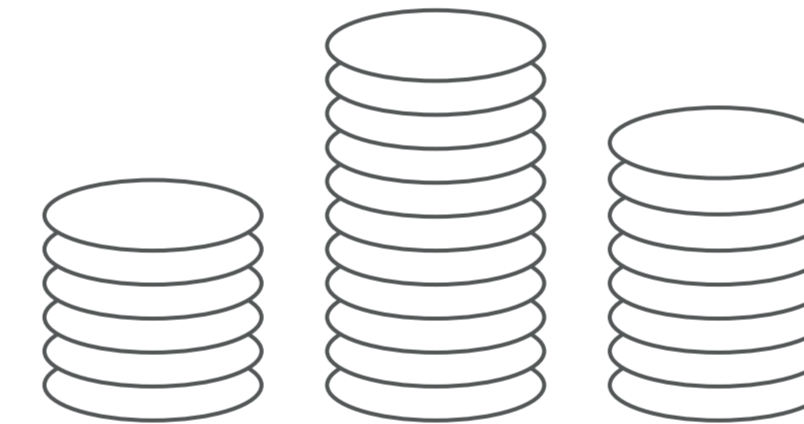
THE WHL GROUP DOES NOT PERMIT TESTING OF PRIVATE LABEL PRODUCTS ON ANIMALS



100%

of whole eggs sold by Woolworths Food and David Jones Food are free range

2020: 100%
2019: 100%



A\$125 000

donated to the Landcare Australian Biodiversity Project

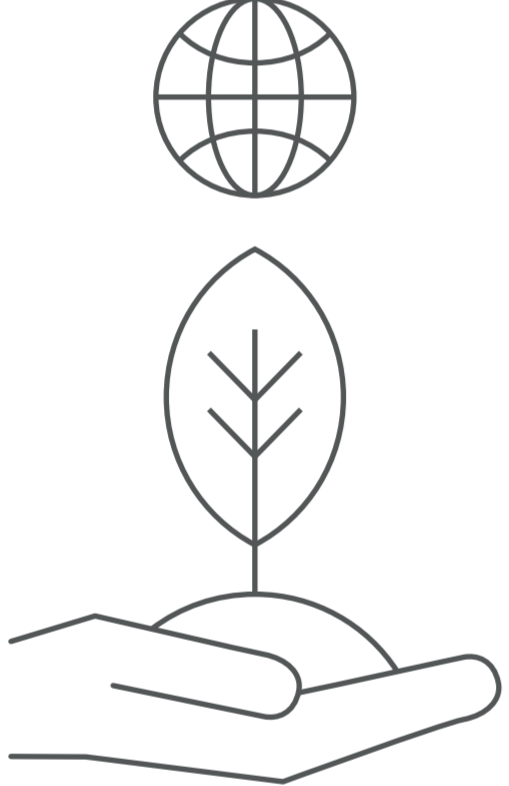
THE WHL GROUP DOES NOT PERMIT THE USE OF ANY NATURAL OR FARMED FUR IN PRODUCTS SOLD



100%

of Woolworths duck, lamb, and venison is free range

STRATEGY AND MANAGEMENT APPROACH

STRATEGY	MANAGEMENT APPROACH	HIGHLIGHTS	LOOKING AHEAD
<p>Over the last few decades, it has become abundantly clear that producing food and raw materials in a way that is at odds with natural and social systems is no longer a viable option. A high proportion of the environmental impact resulting from our operations is linked to the farming and processing of the products we sell. As a result, we make it a priority to work together with our suppliers on a long-term basis to minimise these impacts, and to positively influence the environmental and social outcomes of doing business.</p>  <p><i>We also recognise our ethical obligation to ensure that our farmers and suppliers are meeting our exacting requirements for animal welfare in the supply chain.</i></p>	<p>Our Farming for the Future, Fishing for the Future, and animal welfare programmes outline our management approach to sustainable and regenerative farming. This approach is strengthened through our partnerships with a range of organisations to drive further progress in sustainable farming and responsible sourcing.</p> <p><i>TO ENSURE THAT OUR SUPPLIERS UNDERSTAND OUR EXPECTATIONS, WE HAVE CREATED VARIOUS SUSTAINABLE FARMING, FISHING, AND ANIMAL WELFARE POLICIES AND GUIDELINES, TO WHICH OUR SUPPLIERS ARE EXPECTED TO ADHERE.</i></p>	<div data-bbox="1493 493 1698 682"> <ul style="list-style-type: none"> Criteria to include Woolworths Farming for the Future logo on product enhanced to ensure better coverage of secondary suppliers </div> <div data-bbox="1493 799 1653 987"> <ul style="list-style-type: none"> Partnership between Country Road and Landcare Australia launched to support the regeneration of Australian farmlands, with a focus on increasing biodiversity in cotton-growing regions </div> <div data-bbox="1493 1125 1698 1313"> <ul style="list-style-type: none"> Completed review and update of the Woolworths Fishing for the Future programme </div> <div data-bbox="1442 1458 2358 1515" style="background-color: #f2f2f2; text-align: center;"> <p>LOWLIGHTS AND CHALLENGES</p> </div> <div data-bbox="1493 1548 1621 1685"> <ul style="list-style-type: none"> Covid-19 continues to affect global food supply chains. This has resulted in the delay of some sustainability projects as well as planned supplier visits Ongoing drought and certain disease outbreaks continue to put pressure on the farming industry </div>	<p>We will continue to refine and renew our sustainable farming and animal welfare programmes to assist us in promoting resilience and regeneration in the supply chain, and to ensure that the programmes remain at the cutting edge of best practice.</p> <p>MORE SPECIFICALLY, WE WILL:</p> <ul style="list-style-type: none"> Finalise the pilot study for quantifying, in monetary terms, the value of adopting the Farming for the Future programme, and the resulting improvement actions both for Woolworths and the farmer Draft a new Sustainable Seafood Procurement Policy for Woolworths Continue to explore regenerative agriculture options, particularly for raw materials and commodities used in the Group's fashion and homeware products <div data-bbox="2358 1250 3115 1307" style="background-color: #668d4d; color: white; text-align: center; padding: 5px;"> <p>RELATED UN SDGs</p> </div> <div data-bbox="2438 1377 3057 1787"> </div>



PACKAGING AND WASTE

Our journey to ensuring zero packaging waste to landfill has not been immune to hurdles along the way. We have taken the approach of viewing these hurdles as learnings as we strive to meet our global commitments.

PERFORMANCE SUMMARY

VISION 2025+ GOALS

 All our packaging will be **REUSABLE OR RECYCLABLE** by 2022

FY21
WSA Food: 97% (technically recyclable)
WSA FBH, CRG and DJ
Work commenced on establishment of a baseline


NOT YET STARTED | BEHIND | **ON TRACK** | AHEAD

 **HALVE FOOD LOSS AND WASTE** in our own operations and across our top 30 suppliers by 2030

FY21
Work commenced on the establishment of a baseline

BASELINE
Still to be determined


NOT YET STARTED | BEHIND | ON TRACK | AHEAD

 All our private label products can be **REUSED, REPAIRED, RESOLD OR RECYCLED** by 2025

FY21
N/A

BASELINE
Still to be determined

NOT YET STARTED | BEHIND | ON TRACK | AHEAD

 All our private label clothing, beauty, and home products to contain at least **ONE RENEWED, REUSED, OR RECYCLED PRODUCT MATERIAL** input by 2030

FY21
N/A

BASELINE
Still to be determined

NOT YET STARTED | BEHIND | ON TRACK | AHEAD

COUNTRY ROAD LAUNCHED AN ONLINE CLOTHING RENTAL SERVICE THROUGH A PARTNERSHIP WITH GLAMCORNER



16.2M

Number of reusable bags sold in 2021 by Woolworths Food

CHANGE SINCE 2020: 414%*

*Increase due to plastic shopping bag phase-out and increased sales of the low-cost reusable bag

0.57

Average number of plastic bags per transaction in 2021 for Woolworths Food

CHANGE SINCE 2020: -33%

DAVID JONES, IN PARTNERSHIP WITH TERRACYCLE, LAUNCHED A RECYCLING INITIATIVE FOR BEAUTY PRODUCTS

200

Woolworths plastic shopping bag-free stores

2020: 5

SURPLUS PRODUCT DONATIONS

Clothing donated to the Clothing Bank

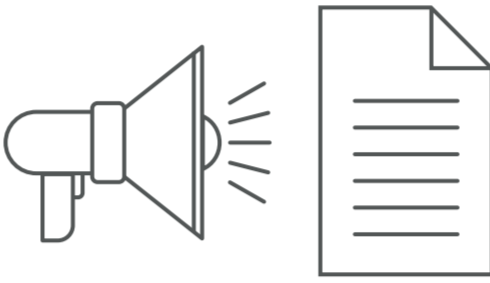
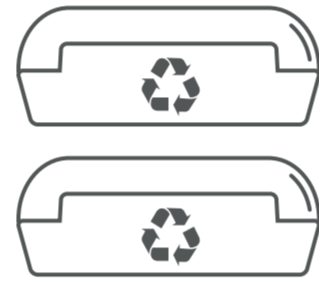

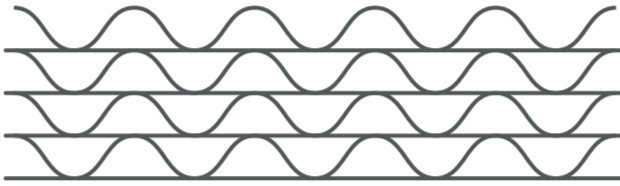
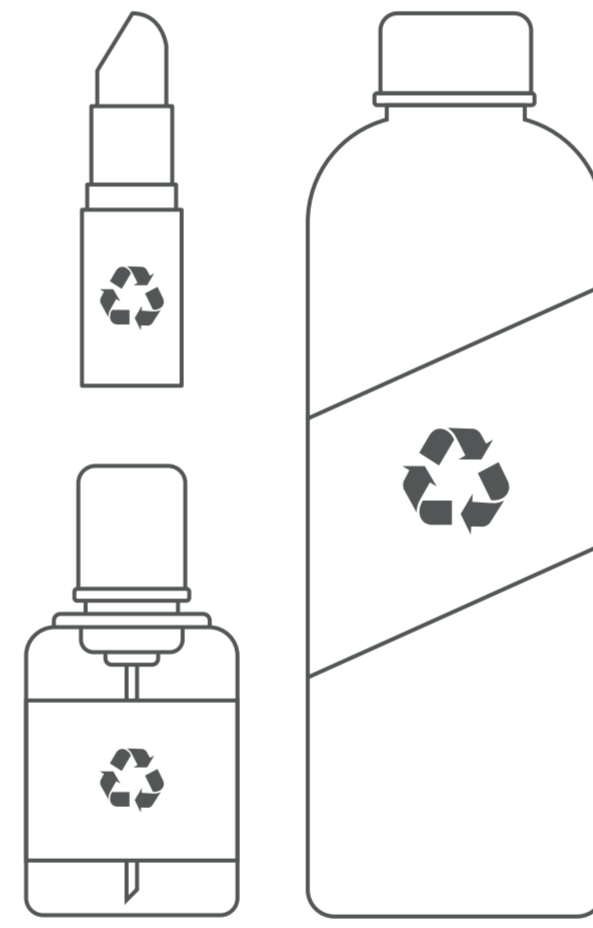



2021: R60.4M
2020: R49.7M

Food donated to charities

2021: R731M
2020: R643M

47 WOOLWORTHS STORES OFFERING PAPER BAGS FOR FASHION, BEAUTY AND HOME PURCHASES

STRATEGY AND MANAGEMENT APPROACH

STRATEGY	MANAGEMENT APPROACH	HIGHLIGHTS	LOOKING AHEAD
<p>The retail sector produces a lot of waste, from food packaging to textiles. It is with this in mind that we have established an approach that aims to address our impacts and also manage our waste across the value chain. The Group's strategic intent for the management of waste and packaging is premised on design thinking that takes into account the use of sustainable materials as well as circularity in both the food and textiles space. We have been on a journey to zero packaging waste to landfill as well as ensuring that all our packaging will be reusable or recyclable by 2022. Since embarking on this journey in 2018, we have made great progress, especially in the areas of eliminating single-use plastic shopping bags from our operations as well as finding innovative ways of incorporating post-consumer waste into new packaging and products. These commitments were also our way of cementing work that had already started on waste reduction at the beginning of our sustainability journey.</p> <p>Our customers have always held us accountable for excessive and non-recyclable packaging. Our strategy also takes into account the concerns of our customers as they are the end users of our products. Being involved in how waste from our products is handled at the customer level, therefore, becomes one of the biggest focuses of our waste management strategy. Not only do we design for reuse and recyclability but we aim to play a part in how excessive waste, whether directly through our product packaging or indirectly through how this packaging is discarded by customers, is managed. This impacts the procurement process for the materials used, and requires full integration across the business in order to enable us to direct our efforts both upstream and downstream in our value chain.</p> <p>WE HAVE EMBEDDED A SYSTEMATIC APPROACH TO PACKAGING AND WASTE WITH A STRATEGY THAT AIMS TO:</p> <ul style="list-style-type: none"> • Design packaging to enable a circular economy • Minimise the need for non-renewable resources in packaging • Encourage the recycling of our packaging <p>Our approach to packaging is aimed at achieving a balance between a number of important considerations, such as food safety, product labelling, and product quality, as well as waste minimisation.</p>	<p>Internal buy-in has been an important focus within the Group to ensure that we are able to embed a systematic approach towards achieving our waste and packaging goals. Working closely with our product technologists in our various product groups as well as business operations, we strive to improve our packaging through:</p> <ul style="list-style-type: none"> • Driving packaging efficiencies by reviewing innovation opportunities for alternative sustainable packaging options • Identifying where the troublesome packaging is and removing it from our product offering. Troublesome packaging refers to packaging with characteristics that are not in line with our sustainable packaging vision • Reducing the amount of waste sent to landfill from our own operations • Making it easier for customers to recycle by communicating recycling options on product packs as well as providing recycling facilities where we operate • Documenting and tracking progress and performance against our commitments <p>We also work very closely with our suppliers to ensure that these focuses filter through our entire value chain. Where solutions are complex and hard to implement, we focus on industry collaboration with key stakeholders that share our vision. This has helped us to build critical mass within the industry and also to bring overall systemic change.</p> <p>In addition, we continue to position the company as a responsible retailer through constant engagement with our customers. Taking our customers on this journey is key to meeting our commitments and, therefore, we continue to communicate using various platforms in order to shift customer perception when it comes to how we manage waste and packaging.</p>	<div style="display: flex; justify-content: space-between;"> <div style="width: 45%;">  <ul style="list-style-type: none"> • The Group has joined other global retailers in calling for a United Nations Treaty on Plastic Pollution  <ul style="list-style-type: none"> • Woolworths rolled out 100% recyclable packaging for its entire avocado range  <ul style="list-style-type: none"> • Over 200 Woolworths stores are now plastic shopping bag-free </div> <div style="width: 45%;">  <ul style="list-style-type: none"> • David Jones has transitioned its online distribution centre packaging from using plastic pillows as void fills to using recycled kraft paper  <ul style="list-style-type: none"> • David Jones has partnered with TerraCycle to recycle hard-to-recycle beauty packaging material </div> </div>	<p>We have made great progress against our targets, and will continue to ramp up our focus on zero packaging waste to landfill and a transition to a more circular approach in line with the Vision 2025+ goals. We have established strong internal alignment as well as buy-in from suppliers and industry partners, placing us in a strong position to deliver against these goals. More specifically, for the next year we plan to focus on:</p> <ul style="list-style-type: none"> • Establishing a baseline for food waste measurement and reduction in Woolworths operations • Rolling out of additional plastic shopping bag-free stores • Focusing on our response to the Extended Producer Responsibility (EPR) legislation in South Africa, which is going to fundamentally change the waste landscape. Woolworths is directly impacted as a producer, and we will be ramping up our efforts to ensure we adhere to this legislation. While we have been doing a lot voluntarily in the waste management space, this legislation calls on each affected entity to do more • Increasing the percentage of ratio pack orders for Country Road Group <p>USEFUL LINKS FOR MORE DETAIL</p> <p>.....</p>
		LOWLIGHTS AND CHALLENGES	RELATED UN SDGs
		<ul style="list-style-type: none"> • Slow commitment of Woolworths suppliers to South Africa's Food Waste Voluntary Agreement, but we need to recognise that companies go through their own processes to join (potentially having to make the commitment at board level) • Concern regarding the ability to report on waste and packaging management progress due to the lack of comprehensive measuring and reporting tools throughout the Group's value chain • The consolidation of hanger recycling from stores to the distribution centres was delayed because of lockdown restrictions 	<div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p>2 ZERO HUNGER</p> </div> <div style="text-align: center;">  <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p> </div> <div style="text-align: center;">  <p>17 PARTNERSHIPS FOR THE GOALS</p> </div> </div>

WATER

We operate in some of the most at-risk regions when it comes to water availability, and the efficient management of this resource remains pivotal to ensuring the continuity of our business. Collaborating with stakeholders across our value chain is important in dealing with water quality and availability challenges, as well as proactively implementing solutions to address these.

PERFORMANCE SUMMARY

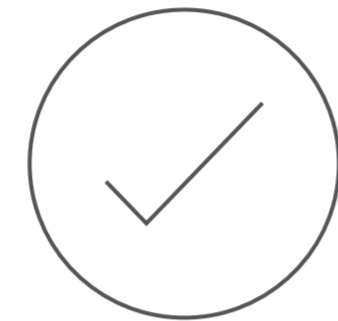
VISION 2025+ GOAL



Work with our suppliers and partners to create net **POSITIVE WATER IMPACT** in water-stressed basins in our value chain by 2050

WE ARE CURRENTLY WORKING WITH THE UN GLOBAL COMPACT CEO WATER MANDATE'S WATER RESILIENCE COALITION TO UNPACK HOW THIS CONTEXT-BASED GOAL WILL BE DEFINED, MEASURED, AND MONITORED.

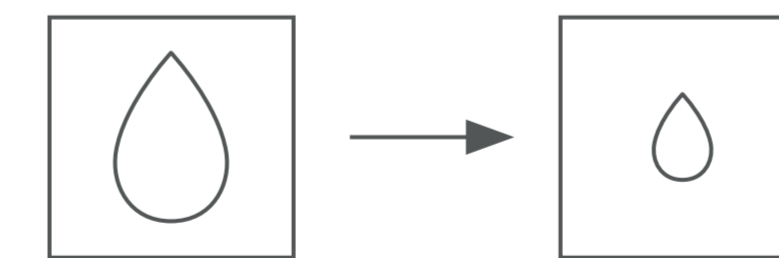
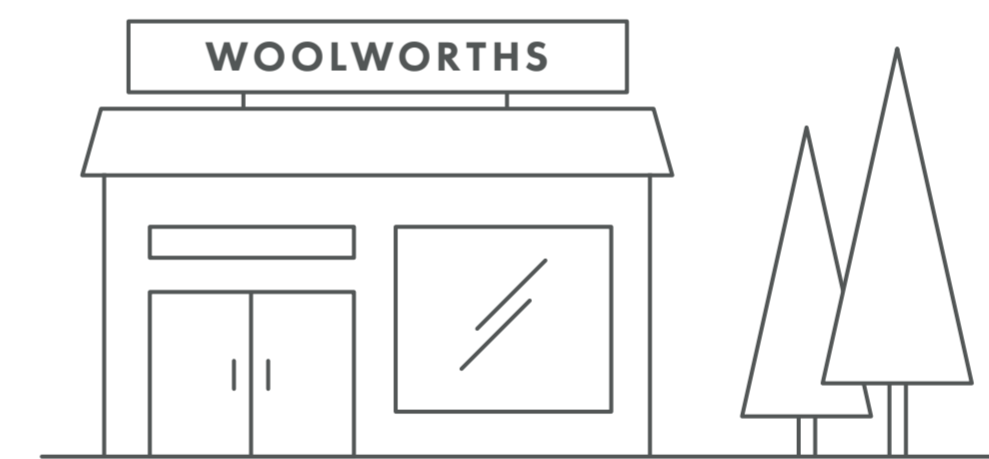
NOT YET STARTED BEHIND ON TRACK AHEAD



70%

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

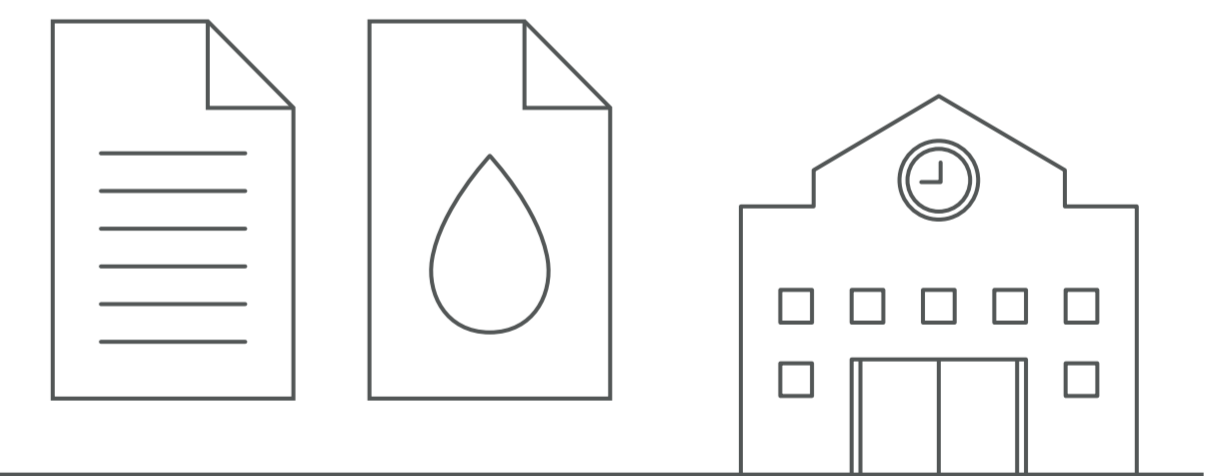
62 RAINWATER HARVESTING TANKS INSTALLED AT 114 SCHOOLS TO DATE BY WOOLWORTHS



63%

reduction in water consumption per square metre at Woolworths stores against a 2007 baseline

2020: 59.5%
2019: 56.6%



31

Schools

27 000

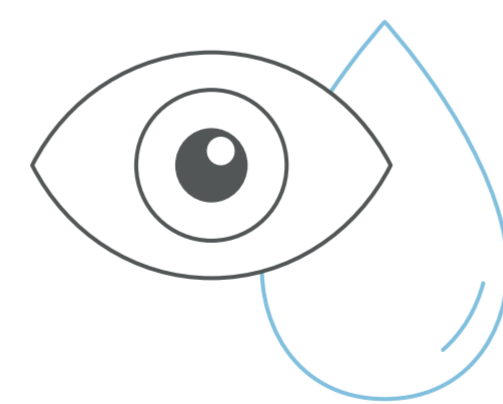
Learners

received water conservation-related lessons this year through the Woolworths Educational Programmes

73%

Percentage of relative water consumption shift to grey water in Woolworths corporate buildings

2020: 54%
2019: 66%



90%

of Woolworths facilities are monitored on a real-time basis

STRATEGY AND MANAGEMENT APPROACH

STRATEGY	MANAGEMENT APPROACH	HIGHLIGHTS	LOOKING AHEAD
<p>In the last year, we have come to really understand the importance of effective water governance in all areas of the economy. Water quality and availability were brought to the forefront as communities responded to calls for non-medical means of avoiding infection with the virus that causes Covid-19. Access to clean water for hand washing became an integral part of our shared survival. It is also vital to sustaining manufacturing and agriculture, to the health and hygiene of our employees and the communities we operate in, and to keeping our facilities operational. To maintain operations in areas where water remains a key risk in respect of both availability and quality, we continuously implement innovative ways of ensuring that we proactively mitigate against some of the negative impacts associated with our operations, while at the same time minimising the risk to our business. Understanding our water risk and impact is essential for the sustainability of our operations. We have also established a systematic process of managing water across our operations, and in the various communities we work with.</p> <p><i>WE FOLLOW A COLLABORATIVE APPROACH OF WORKING WITH SUPPLIERS, FARMERS, ACADEMIC INSTITUTIONS, COMMUNITY-BASED ORGANISATIONS, AND BODIES SUCH AS THE WWF AND THE UNITED NATIONS GLOBAL COMPACT CEO WATER MANDATE.</i></p> <p>OUR FOCUS WITH REGARDS TO WATER IS LARGELY ON:</p> <ul style="list-style-type: none"> • Reducing water consumption, and managing wastewater across our operations and in our supply chain • Partnering for collective action, research, and education • Creating awareness among our employees, suppliers, and customers, as well as at schools 	<p>The Group applies innovative solutions for monitoring and managing water consumption across our operations. With just over 60% of all water consumed by our direct operations (stores, distribution centres, and offices) in South Africa, this space has been one of our main focus points.</p> <p>Using our internal green building protocols to facilitate water-efficient design, we have implemented technologies, such as rainwater harvesting and use of alternate water supplies, such as groundwater, across our operations to help us use water efficiently. In a bid to save water, preference is given to the installation of air-cooled refrigeration and air conditioning systems. We continue to consider the conversion of the few remaining water-cooled systems in our facilities to air-cooled systems, based on commercial viability and their remaining useful lives. All Woolworths facilities have dual-flush ablution systems and timer taps on basins. Where possible, we have installed greywater systems that help to retain as much water as possible on-site for reuse. In areas experiencing a shortage of water supply, we install backup water tanks on a needs basis.</p> <p>Within the Group’s supply chain, water availability and quality impact the sourcing of our raw materials, as well as the processing of finished products. We have, therefore, invested in green infrastructure through water stewardship programmes. We also engage with our suppliers, helping to implement innovative solutions in their operations to monitor and manage water usage through programmes such as Farming for the Future, water stewardship, and green factories.</p> <p>Woolworths works with schools in impoverished communities, helping to educate children about the importance of water conservation, sanitation, and good hygiene. This is linked to the Woolworths Educational Programmes, which aims to support education, health, and wellbeing of children at South African schools. Aligned to this, we install water tanks at schools affected by drought, as well as those with inadequate infrastructure.</p>	<div data-bbox="1484 505 1653 676"> </div> <ul style="list-style-type: none"> • The Group has joined CEOs from 15 other corporations in signing the UN Global Compact’s World Water Day pledge <div data-bbox="1940 505 2100 676"> </div> <ul style="list-style-type: none"> • The Woolworths water stewardship programme received additional funding for alien-vegetation clearing activities <div data-bbox="1771 956 1995 1264"> </div> <p><i>WHL received a B score in the 2020 CDP assessment</i></p> <div data-bbox="1468 1548 1611 1675"> </div> <ul style="list-style-type: none"> • The Woolworths water stewardship project was delayed as a result of the Covid-19 lockdown • In Australia, the recent structural changes have impacted our water-management activities. We have very little water visibility due to the closure of some of our large David Jones sites 	<p>The focus on water continues as the Group transitions to the next phase of our sustainability strategy, Vision 2025+. Our goal is to work with our suppliers and partners to create net-positive water impact in water-stressed basins in our value chain by 2050.</p> <p>MORE SPECIFICALLY, WE WILL:</p> <ul style="list-style-type: none"> • Further engage with WWF-SA to continue work on existing water stewardship initiatives, and explore the feasibility of establishing more projects • Encourage our suppliers to set context-based water targets • Expand the Woolworths green factories assessment to include textile-processing plants in order to understand their water footprint <p>USEFUL LINKS FOR MORE DETAIL</p> <hr/> <div data-bbox="2362 1250 3115 1303"> <p>RELATED UN SDGs</p> </div> <div data-bbox="2441 1375 2633 1571"> </div> <div data-bbox="2655 1375 2847 1571"> </div> <div data-bbox="2866 1375 3057 1571"> </div> <div data-bbox="2441 1591 2633 1787"> </div>



ENERGY AND CLIMATE CHANGE

As a Group, we continue to make good progress against our targets to reduce greenhouse gas emissions across the value chain. Having approved, science-based targets has presented an opportunity to consolidate all our initiatives in order to determine where to reduce emissions. We are committed to ensuring that we continue to align to global best practice for reducing greenhouse gas emissions.

PERFORMANCE SUMMARY

VISION 2025+ GOALS

CO₂ Achieve net ZERO CARBON IMPACT by 2040

Achieve net zero carbon Scope 1 and 2 emissions by 2040, with 50% reduction by 2030; and work with our top suppliers, representing 25% of total procurement spend (in rand), to set their own reduction targets

FY20*: 4%** REDUCTION IN SCOPE 1 AND SCOPE 2 EMISSIONS***
FY19 BASELINE: 536 562 tCO₂e

NOT YET STARTED BEHIND ON TRACK AHEAD

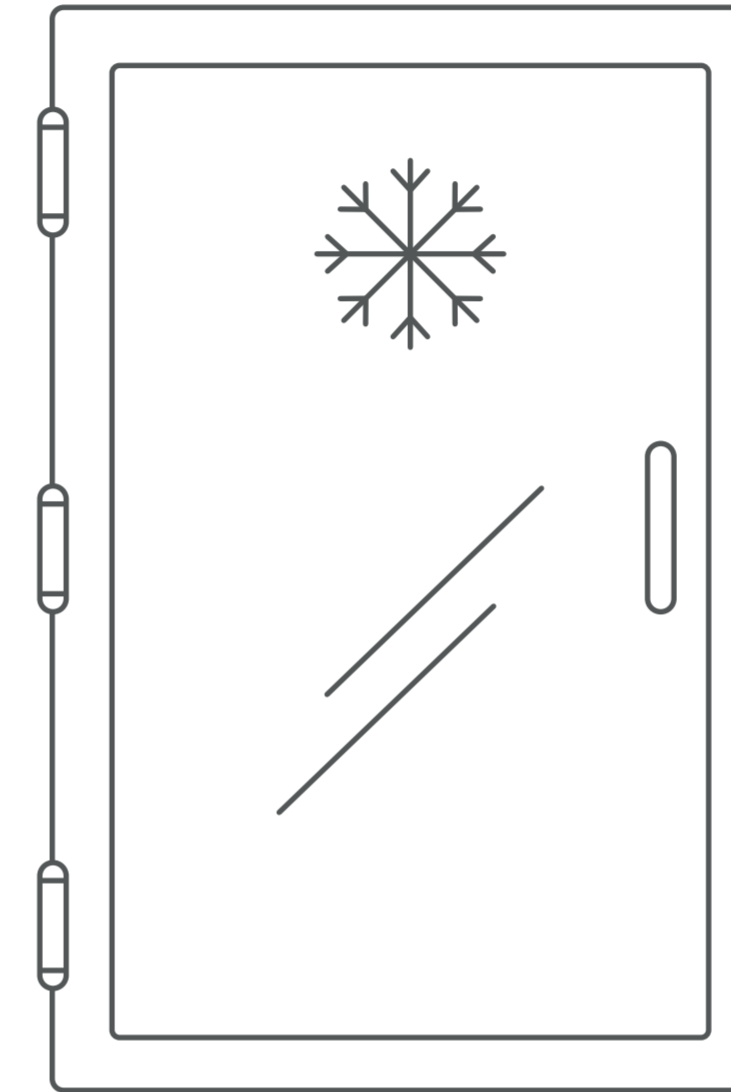
⚡ Source 100% of our energy from RENEWABLE SOURCES by 2030

Source **100%** of our electricity from renewable sources by 2030

FY20*: 0.61%
BASELINE: 0.5%

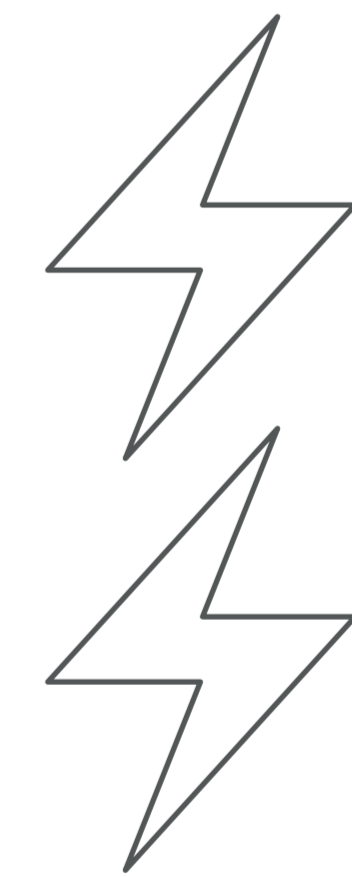
NOT YET STARTED BEHIND ON TRACK AHEAD

*Energy and carbon footprint data is reported annually in arrears **We missed the year-on-year target by 1.5% ***Reduction against the science-based target projection



230
Woolworths stores have had their fridges fitted with acrylic doors, reducing electricity use by approximately 25% upon installation

EP100
174%
improvement in the Group's energy productivity (m²/MWh) from a 2005 baseline (4% improvement year-on-year)

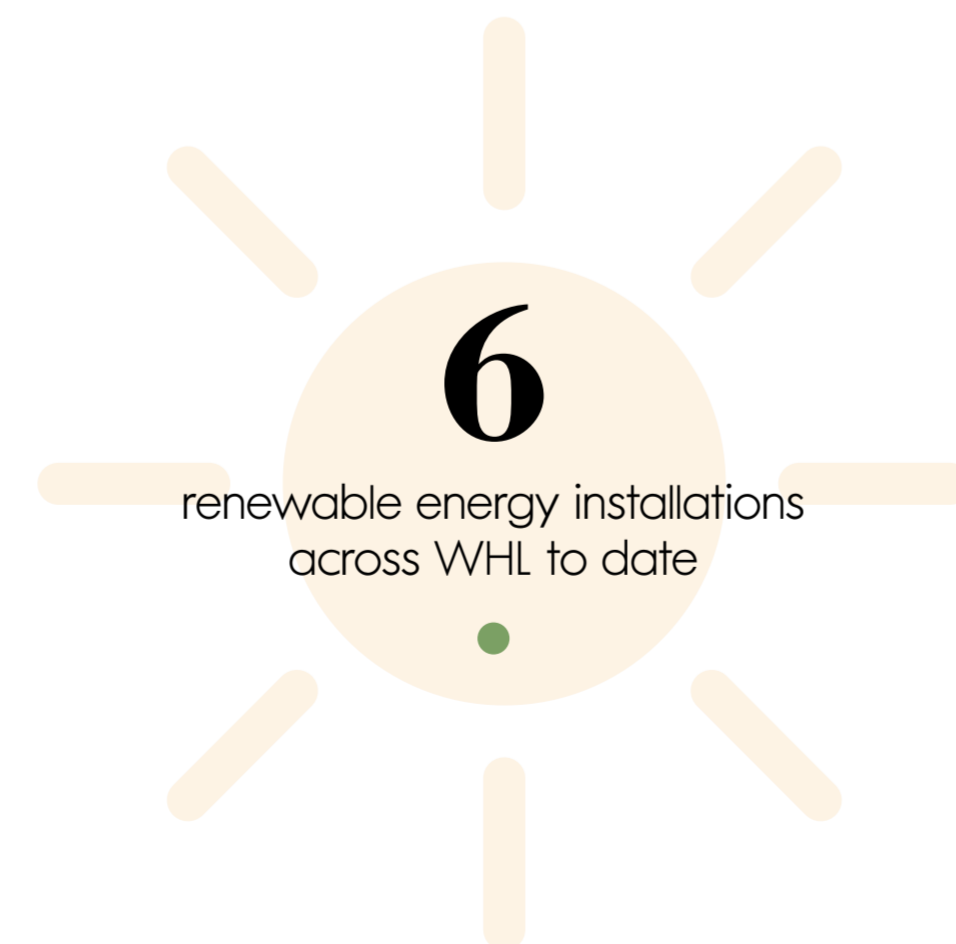


6%
decrease in WHL electricity intensity (kWh/m²) per general letting area
2020: -2%
2019: -0.2%

37%*
increase in absolute WHL emissions compared to previous year. However, like-for-like emissions decreased by 2% compared to previous year

2019: 6%
2018: 1%

*Additional activities included



60%
Woolworths stores have natural gas CO₂ refrigeration systems

STRATEGY AND MANAGEMENT APPROACH

STRATEGY	MANAGEMENT APPROACH	HIGHLIGHTS	LOOKING AHEAD
<p>Last year, we announced the approval of our science-based target. Having quantifiable and measurable targets is important in building credibility across our business, and with our stakeholders. Science-based targets afford us an opportunity to consolidate our efforts in addressing the impacts of climate change within our business. We recognise the importance of improving our energy performance and reducing our overall carbon emissions.</p> <p>The Covid-19 pandemic had a huge impact on the world economy, resulting in a decline in CO₂ emissions in 2020 as a result of the reduction in economic activities. This, however, was short-lived – emissions started to rise again as countries around the world began to ease restrictions on economic activity. Our strategy has remained the same; we continue to play our part in ensuring that our business is designed for resilience against climate change, while also reducing our climate impact.</p> <p>Over the years, the ability to maintain credible data in order to manage our footprint has allowed us to see consistent progress in our energy productivity. This has also become an enabler for new approaches or paradigm shifts in decision-making across the business. We cannot ignore the adverse impacts that our business has on the environment we operate in; therefore, decision-making that takes these impacts into account helps to ensure proactive change.</p> <p>We know that to ensure the long-term sustainability of the company and its operations, adapting to climate change should be at the centre of our energy-management strategy.</p> <p>Our commitment is, therefore, to reduce our overall emissions footprint across the value chain and to incorporate more renewable sources of energy across it.</p> <p>OUR COORDINATED ENERGY MANAGEMENT PROGRAMME INCLUDES THE FOLLOWING PILLARS:</p> <ul style="list-style-type: none"> • Energy efficiency • Reducing our carbon emissions • Low carbon transition 	<p>Without a bigger-picture view of our impact across the value chain, we will not be successful in achieving our emissions reduction targets. We have, therefore, implemented a systematic approach to managing our energy footprint and addressing the impacts of climate change across our entire value chain. Through programmes such as Farming for the Future, we bring together all stakeholders, suppliers, and subject matter experts from within the business to ensure that sustainable and climate-friendly solutions are sought and implemented. We have focused our efforts on more quantitative initiatives, including metering, energy efficiency, and emissions reduction, and have embarked on a low-carbon transition journey. These initiatives have helped us to measure, track, and manage our progress over time while also continuing to yield energy savings and financial benefits. This has been shaping the way we address the strategic risks posed by climate change, and build a business case for climate adaptation.</p> <p>Understanding our impact requires close monitoring and evaluation of our energy footprint. We have, therefore, focused on ensuring that we establish seamless processes for collating, evaluating, and managing data in this space. We have also conducted training and awareness programmes as part of capacity-building to encourage adoption and application of best practices in all our facilities, especially in stores and distribution centres.</p> <p><i>WOOLWORTHS CONTINUES TO BE TRANSPARENT THROUGH VOLUNTARY DISCLOSURE TO ORGANISATIONS SUCH AS THE CDP (FORMERLY KNOWN AS THE CARBON DISCLOSURE PROJECT), AS WELL AS MEETING ALL MANDATORY REPORTING OBLIGATIONS IN THE AREAS WHERE WE OPERATE.</i></p>	<div data-bbox="1503 525 1678 784"> </div> <ul style="list-style-type: none"> • Despite the restrictions posed by the lockdowns resulting from the Covid-19 pandemic, Woolworths was able to continue rolling out clear-view fridge doors as well as LED lighting at its facilities <div data-bbox="1503 1093 1736 1258"> </div> <ul style="list-style-type: none"> • Woolworths completed a 13-week virtual training programme for store staff that focused on energy and water usage reduction by the employees <div data-bbox="1493 1554 1694 1599"> <p>USEFUL LINK FOR MORE DETAIL</p> </div> <div data-bbox="1445 1648 2362 1705"> <p>LOWLIGHTS AND CHALLENGES</p> </div> <ul style="list-style-type: none"> • The installation of solar PV technology remains a challenge from a legislative perspective, as we are limited by the size of installations allowed. Nevertheless, we continue to explore options for generating renewable energy across our network 	<div data-bbox="2362 409 3115 466" style="background-color: #f4a460; color: white; text-align: center; padding: 5px;"> <p>LOOKING AHEAD</p> </div> <p>We will continue to explore initiatives that will contribute towards the reduction of our energy use and carbon emissions across the Group.</p> <p>SPECIFICALLY, WE WILL BE FOCUSING ON</p> <ul style="list-style-type: none"> • Conducting electric vehicle trials for online deliveries to increase our share of electric refrigeration in Woolworths delivery vehicles • Further rollout of LEDs with every new facility, as well as retrofitting existing stores • Ramping up efforts to increase the installation of renewable energy systems across the Group • Implementing the next phase of our science-based targets commitment. This will also involve exploring ways to get our suppliers to join in the second part of the commitment, which is to have suppliers, representing 25% of total procurement spend (in rand), to set their own reduction targets <div data-bbox="2362 1250 3115 1307" style="background-color: #f4a460; color: white; text-align: center; padding: 5px;"> <p>RELATED UN SDGs</p> </div> <div data-bbox="2438 1377 3057 1787"> </div>

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

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