

WOOLWORTHS HOLDINGS LIMITED

2023 CDP Water security submission for the 2022 financial year

START

W0. Introduction

W0.1

(W0.1) Give a general description of and introduction to your organization.

Woolworths Holdings Limited (WHL) is a southern hemisphere retail Group that has been listed on the Johannesburg Stock Exchange Limited (JSE) since 1997. It is one of the top 40 JSE-listed companies with operations in Sub-Saharan Africa, Australia, and New Zealand and has a market capitalization of R 87.0 billion as at 28 June 2022. Approximately 35% of its turnover is derived from Australian operations. WHL employs about 44 129 employees across 13 countries and trades in about 1 386 store locations. The Group trades through three operating subsidiaries, which include Woolworths Proprietary Limited (Woolworths or WSA which operates in South Africa and 10 other African countries), Country Road Group Proprietary Limited (Country Road Group or CRG) and David Jones Proprietary Limited (David Jones or DJ), the latter of which was acquired on 1 August 2014 and formerly listed on the Australian Securities Exchange (ASX). In addition, Woolworths holds a minority interest in Woolworths Financial Services Proprietary Limited (WFS), in a joint venture with Barclays Africa Group which holds the controlling interest.

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

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

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

Water

Water remains an overarching focus area of our overall Good Business Journey strategy. We recognize that as a business we have a responsibility not only to conserve water but to promote equitable use of available water resources. We are committed to improving water efficiency, and where possible reducing our water consumption and managing wastewater across our own operations and supply chain through collective action, partnerships, research, and education. Water stewardship continues to be an ongoing strategic focus for Woolworths as we continue to look deeper into how we can contribute to the resilience of others, including our suppliers and communities through collective action initiatives and by promoting sustainable production methods. It is due to the aforementioned reasons that collaborative efforts with suppliers and key strategic partners such as WWF-South Africa, the National Business Initiative, and the United Nations CEO Water Mandate remain crucial.

W0.2

(W0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date
Reporting year	July 1 2021	June 30 2022

W0.3

(W0.3) Select the countries/areas in which you operate.

- Australia
- Botswana
- Eswatini
- Kenya
- Lesotho
- Mauritius
- Mozambique
- Namibia
- New Zealand
- South Africa
- Uganda
- United Republic of Tanzania
- Zambia

W0.4

(W0.4) Select the currency used for all financial information disclosed throughout your response.

ZAR

W0.5

(W0.5) Select the option that best describes the reporting boundary for companies, entities, or groups for which water impacts on your business are being reported.

Companies, entities or groups over which operational control is exercised

W0.6

(W0.6) Within this boundary, are there any geographies, facilities, water aspects, or other exclusions from your disclosure?

Yes

W0.6a

(W0.6a) Please report the exclusions.

Exclusion	Please explain
Water Accounting data (volumetric data) for David Jones and Country Road in Australia and New Zealand.	The water flowing into the organizational boundaries (withdrawals) for both David Jones and Country Road is not measured. 100% of the water used in these facilities is discharged to respective local municipal sewer systems. Water is only consumed for WASH services in these facilities, and therefore water quality parameters for wastewater discharge are not monitored. While we currently do not have robust monitoring in place for water crossing the organizational boundaries of the two trading subsidiaries, we have invested in water efficiency improvements and water-related innovation in product design.

W0.7

(W0.7) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

Indicate whether you are able to provide a unique identifier for your organization.	Provide your unique identifier
Yes, an ISIN code	ZAE000063863

W1. Current state

W1.1

(W1.1) Rate the importance (current and future) of water quality and water quantity to the success of your business.

	Direct use importance rating	Indirect use importance rating	Please explain
Sufficient amounts of good quality freshwater available for use	Important	Vital	<p>Direct use of water in admin buildings, distribution centres (DCs), and stores for consumption, sanitation, cleaning, and occasionally irrigation is essential for the functioning of the facilities and the health and safety of employees. We strongly believe access to water, sanitation, and hygiene (WASH) services for the general well-being of employees is intrinsically linked to productivity (in both our direct operations and supply chains). Henceforth, the availability of sufficient and good quality water is paramount to our business success.</p> <p>With regards to WHL suppliers, access to good quality freshwater is critical for the business to continuously source fresh produce and commodities required in our Food, fashion, beauty, and homeware businesses. At Woolworths, we source over 90% of our food, including fresh produce in Southern Africa — a water-stressed region. Therefore, our business success and sustainability are intertwined and intrinsically linked to the availability of good quality (fit for purpose) water resources for our primary and secondary suppliers.</p> <p>We also recognize that our business success is also linked to the continuous and adequate access to WASH services by the communities within which we operate. Local communities are the backbone of our continued business success. WHL recognizes the importance of good quality and sufficient water availability for human well-being and for the functioning of ecosystem services.</p>
Sufficient amounts of recycled, brackish and/or produced water available for use	Important	Important	Whilst our direct operations (stores, DCs and admin buildings) use predominantly municipal water, we are trying to reduce our dependence on treated water by supplementing water use with grey water and recycled water in our DCs for non-potable water uses. This has been a growing focus area as uncertainty of water supply and water tariffs continue to increase. The use of recycled water is considered important for both our foods and clothing supply chains, particularly in the face of increasing water scarcity and rising water tariffs in South Africa.

W1.2

(W1.2) Across all your operations, what proportion of the following water aspects are regularly measured and monitored?

	% of sites/facilities/operations	Frequency of measurement	Method of measurement	Please explain
Water withdrawals – total volumes	76-99	Continuously	Remote online monitoring, manual reading in some cases.	Where non municipal water source is present, an additional meter may be installed to record grey water harvested/produced at the site. When volume of grey water is small in relation to facility's total consumption, a manual meter may be installed instead.
Water withdrawals – volumes by source	76-99	Continuously	Remote online monitoring	Water use in our direct operations is monitored and measured by a real-time pulse-meter network installed in 99% of Woolworths sites which monitors municipal water use across our facilities, including groundwater withdrawals at the head office. The water consumption reports from the online metering system are generated on a monthly basis. Country Road Group and David Jones in Australia are still in the early stages of installing water meter meters across their facilities, thus excluded in the water accounting
Entrained water associated with your metals & mining and/or coal sector activities - total volumes [only metals and mining and coal sectors]	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Produced water associated with your oil & gas sector activities - total volumes [only oil and gas sector]	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Water withdrawals quality	Not monitored	<Not Applicable>	<Not Applicable>	We largely use municipal water and we are confident in the quality delivered, as such, we do not directly measure municipal water quality. The groundwater water which is withdrawn in our head offices and Montague Gardens Food DC is treated by reverse osmosis on-site, and we monitor Electric Conductivity, Total Dissolved Solids, pH concentration, and temperature to determine the water's fitness for the purpose daily.
Water discharges – total volumes	Not monitored	<Not Applicable>	<Not Applicable>	Our water discharge volumes are estimated from the municipal invoices.
Water discharges – volumes by destination	Not monitored	<Not Applicable>	<Not Applicable>	All water from our direct operations is discharged via sewer to the relevant local municipal treatment facility.
Water discharges – volumes by treatment method	Not relevant	<Not Applicable>	<Not Applicable>	All water from our direct operations is discharged via sewer to the relevant local municipal treatment facility. Volumes are tracked against water meter data and estimated against effluent disposal costs.
Water discharge quality – by standard effluent parameters	Not relevant	<Not Applicable>	<Not Applicable>	Water is largely utilized for WASH services in our facilities, and we are working to improve our wastewater quality. David Jones has started trialing electrolyzed water (e-water) technology, an organic, less toxic, and sustainable solution for cleaning. It works by using electrolysis technology. This reduces the need to use harmful chemicals for cleaning
Water discharge quality – emissions to water (nitrates, phosphates, pesticides, and/or other priority substances)	Not relevant	<Not Applicable>	<Not Applicable>	Water is largely utilized for WASH services in our facilities, and we are working to improve our wastewater quality. David Jones has started trialing electrolyzed water (e-water) technology, an organic, less toxic, and sustainable solution for cleaning. It works by using electrolysis technology. This reduces the need to use harmful chemicals for cleaning
Water discharge quality – temperature	Not relevant	<Not Applicable>	<Not Applicable>	Water is largely utilized for WASH services in our facilities.
Water consumption – total volume	76-99	Continuously	Remote online monitoring	+99% of our sites have online check-meters installed continuously recording our water consumption and helping us ensure that leaks and bad practices are swiftly identified and corrected. Stores review & report at least weekly to the regional operations manager.
Water recycled/reused	26-50	Continuously	Remote online monitoring	Where non municipal water source is present, an additional meter may be installed to record grey water harvested/produced at the site. When volume of grey water is small in relation to facility's total consumption, a manual meter may be installed instead.
The provision of fully-functioning, safely managed WASH services to all workers	Not relevant	<Not Applicable>	<Not Applicable>	As a signatory to the WASH4WORK initiative (formerly known as the WBCSD WASH workplace pledge), we do not only acknowledge, but uphold the human right to access safe water, sanitation, and hygiene services at an appropriate level of standard. We continue to ensure that all of our facilities maintain strict standards for hygiene and that all WHL employees have access to adequate, and safe WASH services. We complete occupational hygiene audits in all of our facilities on an annual basis which ensures that all of our facilities provide fully functioning WASH services for all workers.

W1.2b

(W1.2b) What are the total volumes of water withdrawn, discharged, and consumed across all your operations, how do they compare to the previous reporting year, and how are they forecasted to change?

	Volume (megaliters/year)	Comparison with previous reporting year	Primary reason for comparison with previous reporting year	Five-year forecast	Primary reason for forecast	Please explain
Total withdrawals	631.03	Higher	Increase/decrease in business activity	Higher	Increase/decrease in business activity	Increase in consumption is linked with business activity, we are comparing against a low base due to lingering COVID-19 effects.(i.e. the decline in water demand for WASH services in the previous reporting period)
Total discharges	567.92	Higher	Increase/decrease in business activity	Higher	Increase/decrease in business activity	This is due to the decline in water demand for WASH services in the previous reporting period as a result of COVID-19 lingering effects. The discharge figure was estimated based on the effluent disposal consumption from the municipal invoices which is equivalent to 90% of the total withdrawals.
Total consumption	631.03	Higher	Increase/decrease in business activity	Higher	Increase/decrease in business activity	Increase in consumption is linked with business activity, we are comparing against a low base due to lingering COVID-19 effects.(i.e. the decline in water demand for WASH services in the previous reporting period)

W1.2d

(W1.2d) Indicate whether water is withdrawn from areas with water stress, provide the proportion, how it compares with the previous reporting year, and how it is forecasted to change.

	Withdrawals are from areas with water stress	% withdrawn from areas with water stress	Comparison with previous reporting year	Primary reason for comparison with previous reporting year	Five-year forecast	Primary reason for forecast	Identification tool	Please explain
Row 1	Unknown	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<p>South Africa is generally a water-scarce country, but water scarcity is most severe in the Western Cape Province and the Eastern Cape. Our corporate buildings and some of our DCs and stockrooms are located in Cape Town and we also have up to 60 retail stores located in the Eastern Cape.</p> <p>From 2016 to 2018 the Cape Town City faced a severe drought widely reported as the "Day Zero" crisis. This water crisis not only presented a climate change and demand-side driven acute shock but called for attention to the major vulnerabilities in the City's water supply system.</p> <p>From 2019 Eastern Cape was hit by the same drought wave and have since struggled to recover with levels averaging at 32% capacity. The increasing water stress indicates an increasing competition among water users in the province especially in the industrial and densely populated coastal metropole, while agriculture irrigation and livestock largely drive water consumption in the hinterland.</p> <p>We are unable to quantify the extent at which Woolworths is impacted at this stage, but we are closely monitoring the consumption levels in the two metros</p>

W1.2h

(W1.2h) Provide total water withdrawal data by source.

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Primary reason for comparison with previous reporting year	Please explain
Fresh surface water, including rainwater, water from wetlands, rivers, and lakes	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	We do not measure the rainwater harvested in our sites. However we continue to rollout water tanks installation for stores in high-risk areas in South Africa for business continuity.
Brackish surface water/Seawater	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	Not applicable to Woolworths Operations.
Groundwater – renewable	Relevant	0.01	Much lower	Increase/decrease in business activity	57% of relative water consumption shift to groundwater in Woolworths corporate buildings. The Groundwater consumption decreased due to low occupancy as a result of remote working.
Groundwater – non-renewable	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	Not applicable to Woolworths Operations.
Produced/Entrained water	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	Not applicable to Woolworths Operations.
Third party sources	Relevant	631.02	Higher	Increase/decrease in business activity	Increase in consumption is linked with business activity, we are comparing against a low base due to lingering COVID-19 effects. (i.e. the decline in water demand for WASH services in the previous reporting period)

W1.3

(W1.3) Provide a figure for your organization's total water withdrawal efficiency.

	Revenue	Total water withdrawal volume (megaliters)	Total water withdrawal efficiency	Anticipated forward trend
Row 1	10000000	631.03		Anticipate an increase as return to office becomes more prevalent.

W1.4

(W1.4) Do any of your products contain substances classified as hazardous by a regulatory authority?

	Products contain hazardous substances	Comment
Row 1	Yes	<Not Applicable>

W1.4a

(W1.4a) What percentage of your company's revenue is associated with products containing substances classified as hazardous by a regulatory authority?

Regulatory classification of hazardous substances	% of revenue associated with products containing substances in this list	Please explain
Other, please specify (e Oeko-Tex® Standard 100 and Bluesign®)	Don't know	We are unable to provide the % of revenue generated from the products containing harmful substances however to date Woolworths has eliminated 97 % hazardous chemicals from its Fashion, beauty and home products excluding footwear and slippers, accessories. We use the Oeko-Tex® Standard 100 for due diligence and testing, we aim to ensure that the chemicals used in our products are not harmful to the environment, and that they meet our detox commitments. We have also added Bluesign® as an accreditation body. Bluesign® provides sustainable solutions for the processing and manufacturing of products, and offers continuous monitoring of company progress against this.

W1.5

(W1.5) Do you engage with your value chain on water-related issues?

	Engagement	Primary reason for no engagement	Please explain
Suppliers	Yes	<Not Applicable>	<Not Applicable>
Other value chain partners (e.g., customers)	Yes	<Not Applicable>	<Not Applicable>

W1.5a

(W1.5a) Do you assess your suppliers according to their impact on water security?

Row 1

Assessment of supplier impact

Yes, we assess the impact of our suppliers

Considered in assessment

Supplier dependence on water
Supplier impacts on water availability
Procurement spend

Number of suppliers identified as having a substantive impact

% of total suppliers identified as having a substantive impact

Unknown

Please explain

Every year, we ask our suppliers to complete a holistic self assessment that considers sustainability management, water, among others. Suppliers who have been participating since the inception of this assessment have indicated significant improvements in operational efficiency.

At this stage we have not started to assess their impact but we are only collecting their water consumption at factory level.

W1.5b

(W1.5b) Do your suppliers have to meet water-related requirements as part of your organization's purchasing process?

	Suppliers have to meet specific water-related requirements	Comment
Row 1	Yes, suppliers have to meet water-related requirements, but they are not included in our supplier contracts	<Not Applicable>

W1.5c

(W1.5c) Provide details of the water-related requirements that suppliers have to meet as part of your organization's purchasing process, and the compliance measures in place.

Water-related requirement

Complying with going beyond water-related regulatory requirements

% of suppliers with a substantive impact required to comply with this water-related requirement

1-25

% of suppliers with a substantive impact in compliance with this water-related requirement

Unknown

Mechanisms for monitoring compliance with this water-related requirement

Off-site third-party audit
Supplier self-assessment

Response to supplier non-compliance with this water-related requirement

Retain and engage

Comment

While we aim to continue working with our suppliers to resolve all audit findings and non conformances, we do reserve the right to suspend or discontinue our trading relationship with them if we do not see corrective actions being taken, particularly when it comes to business-critical findings.

W1.5d

(W1.5d) Provide details of any other water-related supplier engagement activity.

Type of engagement

Incentivization

Details of engagement

Water management and stewardship is featured in supplier awards scheme
Offer financial incentives to suppliers improving water management and stewardship across their own operations and supply chain

% of suppliers by number

51-75

% of suppliers with a substantive impact

51-75

Rationale for your engagement

Coverage applies to Woolworths SA food suppliers. The focus for Woolworths is the primary farming and processing supply base in South Africa as they supply over 95% of our fresh produce. Their access or lack thereof to good quality freshwater resources is of high strategic importance to Woolworths (since they operate in a water-scarce country).

Impact of the engagement and measures of success

We integrate sustainability into Woolworths food suppliers using the Green Factory and Farming for the Future programs into overall supplier scorecards - alongside elements including quality, delivery, cost, etc. Good performance on these programs is incentivized, we are likely to build long business relationships with high-scoring companies as we use these scores in the overall evaluation of a supplier. Both initiatives have a strong water focus.

Suppliers who are part of Farming for the Future score higher using our Green Factory Assessment are further rewarded with sustainability attributes for their products. We are observing a positive response from our customers towards Farming for the Future labeled products.

Comment

Type of engagement

Innovation & collaboration

Details of engagement

Encourage/incentivize innovation to reduce water impacts in products and services

% of suppliers by number

51-75

% of suppliers with a substantive impact

26-50

Rationale for your engagement

Significant amounts of water and chemicals are used throughout the fashion supply chain, from the farming and production of raw materials to the wet processing, dyeing, and manufacturing of garments. All Country Road Group manufacturers are required to adhere to our high ethical, social, and environmental standards and sign the Environmental Code of Practice for the dyeing, printing, and finishing of merchandise supplied. This code aims to ensure that within existing technology, no dye or chemical used in the production of garments, fabrics, leather, and/or textile-related products present unacceptable health or environmental risk during manufacturing, use, or disposal. This engagement makes it obligatory for effluent from each textile wet processing facility to be treated prior to discharge to a receiving water system either on-site or at an effluent treatment plant whose discharge content limits are regulated by a local and/or national governmental authority

Impact of the engagement and measures of success

All the foregoing requirements naturally form part of an environmental impact review undertaken as part of a supplier's environmental management system. This is increasingly taking form through the implementation of informal internal systems that are built into the operating procedures of the suppliers to minimize the environmental impacts of the supplied products. With regards to addressing our water footprint associated with the sourcing of key strategic raw commodities, Country Road Group has partnered with tanneries that are accredited to the Leather Working Group – an environmental standard that promotes best practice in chemical management and wastewater treatment. While cotton is the largest material used across Country Road Group and David Jones private label collections, the businesses have focused on supporting sustainable cotton farming practices which use less water and chemicals in the production process.

Comment

W1.5e

(W1.5e) Provide details of any water-related engagement activity with customers or other value chain partners.

Type of stakeholder

Customers

Type of engagement

Education / information sharing

Details of engagement

Run an engagement campaign to educate stakeholders about the impacts on water that (using) your products, goods, and/or services entail

Rationale for your engagement

As a business, we have an important role to play in promoting good behavior with regard to resource use. We recognize that water is a limited and finite resource and water has no substitute. Water is essential for well-functioning ecosystem services upon which our business and local communities interdepend. Our strategic posture is gradually shifting from a 'stakeholder view' (i.e., shared value or triple bottom line thinking) to a 'systems view'. We are adopting a 'systems view' because we recognize that our operations are embedded within, and bounded by the social, economic, and environmental systems.

Our main objective through these engagements is building capacity in the supply chain for continuous improvement of resource efficiency and management, as a means of improving social and environmental outcomes and to ensure non-negotiable adherence to our businesses Codes of Practices. We are committed to ensuring that our business and suppliers operate in a way that respects and protects the environment. We believe that suppliers and business partners that share our values, and adhere to social and environmental standards are important for our business sustainability and brand equity. We also communicate regularly through various media platforms and in-store on our water, commitments, and progress to customers, employees, and suppliers via our marketing and communication channels to help grow awareness among these stakeholders.

Impact of the engagement and measures of success

We have not quantified the impact of these engagements

W2. Business impacts

W2.1

(W2.1) Has your organization experienced any detrimental water-related impacts?

No

W2.2

(W2.2) In the reporting year, was your organization subject to any fines, enforcement orders, and/or other penalties for water-related regulatory violations?

	Water-related regulatory violations	Fines, enforcement orders, and/or other penalties	Comment
Row 1	No	<Not Applicable>	In the reporting years, there were no water regulatory violations recorded against Woolworths.

W3. Procedures

W3.1

(W3.1) Does your organization identify and classify potential water pollutants associated with its activities that could have a detrimental impact on water ecosystems or human health?

	Identification and classification of potential water pollutants	How potential water pollutants are identified and classified	Please explain
Row 1	Yes, we identify and classify our potential water pollutants	<p>Supply chain management is complex for our Fashion, Beauty and Home business because we do not always have exclusive suppliers. Also, the suppliers vary considerably year-on-year. For suppliers that we onboard, we have codes of practice that outline our expectations in terms of conducting sustainable business. These are communicated to all our suppliers and, at a minimum, we expect that they be adhered to. Country Road Group expects all private label suppliers to adhere to the contents of its Environmental Code of Practice, which outlines the restrictive substances in the supply chain.</p> <p>There are many hidden chemicals in the manufacturing of textiles, which also pose a danger to the consumers and the environment. As part of our detox strategy, Woolworths has committed to eliminating 11 key priority chemicals from our clothing supply chain in recognition of their harmful impacts on water resources. Using the Oeko-Tex® Standard 100 for due diligence and testing, we aim to ensure that the chemicals used in our products are not harmful to the environment, and that they meet our detox commitments.</p> <p>We have also added Bluesign® as an accreditation body. Bluesign® provides sustainable solutions for the processing and manufacturing of products, and offers continuous monitoring of company progress against this.</p>	<Not Applicable>

W3.1a

(W3.1a) Describe how your organization minimizes the adverse impacts of potential water pollutants on water ecosystems or human health associated with your activities.

Water pollutant category

Other, please specify (Eliminating Hazardous Chemicals in our Fashion, Beauty and Home product line)

Description of water pollutant and potential impacts

Supply chain management is complex for our Fashion, Beauty and Home business because we do not always have exclusive suppliers. Also, the suppliers vary considerably year-on-year. For suppliers that we onboard, There are many hidden chemicals in the manufacturing of textiles, which also pose a danger to the consumers and the environment.

Value chain stage

Supply chain

Actions and procedures to minimize adverse impacts

Reduction or phase out of hazardous substances

Please explain

There are many hidden chemicals in the manufacturing of textiles, which also pose a danger to the consumers and the environment. As part of our detox strategy, Woolworths has committed to eliminating 11 key priority chemicals from our clothing supply chain in recognition of their harmful impacts on water resources. Using the Oeko-Tex® Standard 100 for due diligence and testing, we aim to ensure that the chemicals used in our products are not harmful to the environment, and that they meet our detox commitments.

We have also added Bluesign® as an accreditation body. Bluesign® provides sustainable solutions for the processing and manufacturing of products, and offers continuous monitoring of company progress against this. To date 97% of Woolworths private label products are free from harmful substances/chemicals.

W3.3

(W3.3) Does your organization undertake a water-related risk assessment?

Yes, water-related risks are assessed

W3.3a

(W3.3a) Select the options that best describe your procedures for identifying and assessing water-related risks.

Value chain stage

- Direct operations
- Supply chain
- Other stages of the value chain

Coverage

- Partial

Risk assessment procedure

Water risks are assessed as part of an established enterprise risk management framework

Frequency of assessment

- More than once a year

How far into the future are risks considered?

- More than 6 years

Type of tools and methods used

- Enterprise risk management

Tools and methods used

- Enterprise Risk Management

Contextual issues considered

- Water availability at a basin/catchment level
- Water quality at a basin/catchment level
- Stakeholder conflicts concerning water resources at a basin/catchment level
- Implications of water on your key commodities/raw materials
- Water regulatory frameworks
- Status of ecosystems and habitats
- Access to fully-functioning, safely managed WASH services for all employees

Stakeholders considered

- Customers
- Employees
- Investors
- Local communities
- NGOs
- Regulators
- Suppliers
- Water utilities at a local level

Comment

We recognize Woolworths's responsibility as a business to conserve and promote equitable access to available water resources in all locales in which we operate. Our approach is premised on fostering partnership for collective action, through partnerships, research, and education. Collaborating with local stakeholders is essential in dealing with water availability and quality-related challenges as well as in our efforts to proactively implement solutions to address these challenges across our value chain.

W3.3b

(W3.3b) Describe your organization's process for identifying, assessing, and responding to water-related risks within your direct operations and other stages of your value chain.

	Rationale for approach to risk assessment	Explanation of contextual issues considered	Explanation of stakeholders considered	Decision-making process for risk response
Row 1	We recognize Woolworths's responsibility as a business to conserve and promote equitable access to available water resources in all locales in which we operate. Our approach is premised on fostering partnership for collective action, through partnerships, research, and education. Collaborating with local stakeholders is essential in dealing with water availability and quality-related challenges as well as in our efforts to proactively implement solutions to address these challenges across our value chain.	Food security and food price inflation <ul style="list-style-type: none"> • Contamination of available water resources through pollution • Changing weather patterns resulting in regional droughts • Threat to supply, quality, and availability of raw materials • Failing governmental and municipal infrastructure 	Customers Employees Investors Local communities NGOs Regulators Suppliers Water utilities at a local level	Working to ensure each private label product has a sustainability attribute <ul style="list-style-type: none"> • Implementation of a detox strategy to remove harmful chemicals from clothing manufacture • Involvement in water stewardship projects in key Woolworths sourcing

W4. Risks and opportunities

W4.1

(W4.1) Have you identified any inherent water-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes, both in direct operations and the rest of our value chain

W4.1a

(W4.1a) How does your organization define substantive financial or strategic impact on your business?

To WHL, a substantive impact would arise where the company was not able to complete its core function as a result of the impact indirect operations or the supply chain, or that a financial, reputational, regulatory or customer impact arises, as per the WHL Enterprise Risk Management Framework. The framework defines risks according to a sliding scale e.g. CRITICAL (substantive) risk is defined as an event with a "high" likelihood (>90%) and a loss in BU profit of between 2.5 - 7.5%, through to a "possible" likelihood (31-50%) event with a potential to impact individual business unit profit by 15%. From a reputational perspective, a substantive change is defined as reputational damage that puts the company at risk of being affected by limited to persistent widespread negative comments or perceptions.

WHL's combined assurance endeavors to maximize risk and governance oversight, maximize control efficiencies and optimize overall assurance to the audit and risk committee. The defined risk universe is reviewed and updated annually by the WHL Risk and Governance teams taking into account existing management controls, reviews, and self-assessment, the reviews conducted by internal assurance providers, compliance monitoring, key risk profile changes, reviews conducted by external assurance providers, management reviews and self-assessment and extent of assurance coverage.

W4.1b

(W4.1b) What is the total number of facilities exposed to water risks with the potential to have a substantive financial or strategic impact on your business, and what proportion of your company-wide facilities does this represent?

	Total number of facilities exposed to water risk	% company-wide facilities this represents	Comment
Row 1	124	26-50	This applies to buildings fundamental to business continuity: Foods distribution centers, head-office as well as our stores in the Western Cape Province (the Cape Town Metropole in particular) and the Eastern Cape metros. The regions has been declared disaster areas recently due to drought, the impacts of which are expected to pervade over the next few years.

W4.1c

(W4.1c) By river basin, what is the number and proportion of facilities exposed to water risks that could have a substantive financial or strategic impact on your business, and what is the potential business impact associated with those facilities?

Country/Area & River basin

South Africa	Berg-Olifants
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Number of facilities exposed to water risk

84

% company-wide facilities this represents

1-25

Production value for the metals & mining activities associated with these facilities

<Not Applicable>

% company's annual electricity generation that could be affected by these facilities

<Not Applicable>

% company's global oil & gas production volume that could be affected by these facilities

<Not Applicable>

% company's total global revenue that could be affected

Unknown

Comment

While the drought conditions vary temporally and spatially in the Western Cape province, the overall drought status outlook of the province has been on the decline, this is according to the drought status overview published by the Department of Water and Sanitation (DWS). In the Western Cape, these facilities are mainly located within 'drainage basin G' in the Berg-Olifants catchment area. As of June 2019, this drainage area has been identified to be of high risk in terms of water availability and water quality based on the Woolworths Farming for the Future annual water availability and quality risk assessment.

Country/Area & River basin

South Africa	Not known
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Number of facilities exposed to water risk

60

% company-wide facilities this represents

1-25

Production value for the metals & mining activities associated with these facilities

<Not Applicable>

% company's annual electricity generation that could be affected by these facilities

<Not Applicable>

% company's global oil & gas production volume that could be affected by these facilities

<Not Applicable>

% company's total global revenue that could be affected

Unknown

Comment

The Eastern Cape region is also experiencing drought, with dam levels dropping due to lack of rainfall impacting up to 60 Woolworths retail stores. We did not assess the impact in this reporting year but we monitored the consumption levels as per local restrictions.

W4.2

(W4.2) Provide details of identified risks in your direct operations with the potential to have a substantive financial or strategic impact on your business, and your response to those risks.

Country/Area & River basin

South Africa	Berg-Olifants
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Type of risk & Primary risk driver

Acute physical	Drought
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Primary potential impact

Disruption to sales

Company-specific description

This applies to buildings that are fundamental to business continuity: distribution centers, head-office as well as our stores in the Western Cape. The region experienced severe drought in the recent past, the impacts of which are expected to pervade over the next few years. Disruptions in operations following water supply interruptions and/or increased water restrictions would cause disruption to business operations and sales. This can potentially hinder access to safe and adequate WASH services and this is likely to compromise the health and safety of Woolworths employees and that of our customers. This situation is likely to be significantly worsened by the effects of climate change under the business as usual scenario. As highlighted in South Africa's National Climate Response paper — current projections suggest that the limits of economically viable land-based water resources will be exceeded by 2050 and the downscaled climate modeling suggests that the western and interior parts of the country will be more prone to drought. Climate Change and the increasing population growth will further exacerbate water stress in the Berg-Olifants. The inability of Woolworths stores, plus several strategic admin buildings in the Western Cape to trade would have a severe impact on the Woolworths brand and profitability.

Timeframe

More than 6 years

Magnitude of potential impact

Medium-high

Likelihood

More likely than not

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure - minimum (currency)

<Not Applicable>

Potential financial impact figure - maximum (currency)

<Not Applicable>

Explanation of financial impact

We have not quantified the financial impact.

Primary response to risk

Establish site-specific targets

Description of response

The consequence of a persistent multi-year drought in the city's catchment areas presented one of the most significant risks ever faced by Woolworths, which is headquartered in Cape Town. To deal with this risk, Woolworths invoked an emergency task force, led by senior business management, to develop requisite business continuity plans. While we remain at maintaining the required levels of hygiene, the following processes were incorporated into operating plans: Installation of backup supply tanks for all stores in the Western Cape region so as to harness and store rainwater.; Incorporation of Greywater recycling and re-use in our Distribution Centers (reclaimed water is not measured); We continue to roll out smart metering systems to monitor water consumption in real-time and other water efficiency measures through our internal green building protocol to reduce our water withdrawals in the catchment. We also developed a formalized cleaning procedure to maintain hygiene in stores, minimizing the use of potable water. We developed a groundwater abstraction system. We are continuing to replace the water-cooled refrigeration system at our Food DC with the air-cooled system. This is to manage higher operating costs due to the increased water tariffs and to remain competitive.

Cost of response

Explanation of cost of response

The cost of management for this risk lies in the provision of capacity for continuous monitoring of these regulatory changes. This will be done by dedicated personnel either from the sustainability team for continuous landscape benchmarking or from the compliance and risk enterprise teams to ensure adherence to changes. This cost is an average of around R467,442 (median management salary) for a dedicated resource. Management means senior, middle, and junior management & skilled staff lumped together.

W4.2a

(W4.2a) Provide details of risks identified within your value chain (beyond direct operations) with the potential to have a substantive financial or strategic impact on your business, and your response to those risks.

Country/Area & River basin

South Africa	Breede-Gouritz
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Stage of value chain

Supply chain

Type of risk & Primary risk driver

Acute physical	Drought
----------------	---------

Primary potential impact

Increased production costs due to changing input prices from supplier

Company-specific description

Water is central to everything we do. We rely on a steady and clean supply of water across our entire value chain to grow, process, and manufacture our clothing and food products. As the climate changes freshwater resources are becoming increasingly scarce and insufficient in terms of both water quality and availability to meet agricultural, industrial, and domestic water needs and to maintain ecosystems. It follows therefore that water scarcity in the Breede Gauritz Catchment area will not only impede local economic development but human health and livelihoods. In the Cape Town metropole, water tariffs have been increased following the implementation of punitive charges for high water users. This has resulted in a significant increase in operating costs relating to the purchase of water for Woolworths suppliers. Higher water tariffs also put additional cost pressures on our customers, who are already fighting the escalating cost of living. To our suppliers, water will remain a key economic input. As the water supply becomes more erratic and uncertain, it will impact food price inflation, product quality, safety, and availability to Woolworths customers.

Timeframe

More than 6 years

Magnitude of potential impact

High

Likelihood

Likely

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure - minimum (currency)

<Not Applicable>

Potential financial impact figure - maximum (currency)

<Not Applicable>

Explanation of financial impact

We have not quantified the financial impact.

Primary response to risk

Supplier engagement	Promote greater due diligence among suppliers
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Description of response

The Annual Water Footprint Index Assessments, as part of the Farming for the Future audits, are conducted with aim of decreasing suppliers' water footprints over time and to determine any inherent risk to the supply of products to Woolworths. This assessment covers 116 parameters, including irrigation water usage and quality, wastewater, and legal compliance. There are currently 483 farmers on the Farming for the Future program, of which 304 are secondary suppliers (all in all, providing coverage of 84% of Woolworths private label produce and horticulture lines).

An annual Green Factory assessment is conducted whereby currently 68 supplier sites (all of whom are our large, strategic, exclusive, local, private label suppliers) self-assess and report on key sustainability issues including water management and risk, freshwater, and wastewater usage, and water quality.

Cost of response

Explanation of cost of response

Not quantified

W4.3

(W4.3) Have you identified any water-related opportunities with the potential to have a substantive financial or strategic impact on your business?

Yes, we have identified opportunities, and some/all are being realized

W4.3a

(W4.3a) Provide details of opportunities currently being realized that could have a substantive financial or strategic impact on your business.

Type of opportunity

Efficiency

Primary water-related opportunity

Cost savings

Company-specific description & strategy to realize opportunity

Through roll out of Improved monitoring via real-time metering, focus on water awareness and training with employees, and investment in water harvesting, storage, and recycling technologies we have reduced the amount of water used in our operations since 2007, and have also improved the accuracy of billing thereby leading to significant savings from billing recoveries.

Water management KPIs have also been incorporated into the balanced scorecards (linked to financial incentives) of our real estate, stores, distribution centers, and sustainability teams regarding operational water reduction targets in all Group companies. Woolworths sends detailed reports to every facility on a monthly basis indicating how the store/ DC/ admin building is performing against its specific format benchmark (per m2). Supplier water efficiency targets are built into the scorecards of our Food and Clothing sourcing and technology teams. The influence of KPIs has led to greater visibility and focus on water as a key material issue, with the outcome being progressed towards our water reduction commitments.

Estimated timeframe for realization

Current - up to 1 year

Magnitude of potential financial impact

Medium

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)**Potential financial impact figure – minimum (currency)**

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact

This figure is an estimate based on the municipal water savings that have been realized across our buildings in South Africa, as derived on the metering data.

Type of opportunity

Products and services

Primary water-related opportunity

Sales of new products/services

Company-specific description & strategy to realize opportunity

Our Good Business Journey is a source of innovation in our products. In 2015, we have set a target to ensure that every product we sell has at least one sustainability attribute, which may include, inter alia: production in an energy and water-efficient factory, made with eco-chemicals, new manufacturing processes that reduce water use, inclusion of recycled content, among others. We have developed a number of 'water-friendly' products such as Farming for the Future products, recycled polyester clothing (which uses less water); recycled polyester jeans made with eco-chemicals (and free from sandblasting) as well as phosphate-free washing detergents, among many others.

We believe that the high levels of sustainability awareness amongst our customers, coupled with concerns about water scarcity and quality challenges in SA, will create a strong market for water-efficient products.

Estimated timeframe for realization

Current - up to 1 year

Magnitude of potential financial impact

Medium

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact

We have not quantified the financial impact.

Type of opportunity

Markets

Primary water-related opportunity

Stronger competitive advantage

Company-specific description & strategy to realize opportunity

We have done significant research on water-related risks in certain key catchments, and the on-the-ground information found that our suppliers were up to three times more water-efficient than the global average for certain products (e.g. peaches). This enables us to work with the suppliers on a broader catchment level rather than divest from risky regions. We are also looking at longer-term water impacts on regions to identify other sourcing opportunities in water-rich areas elsewhere in Africa.

Through working with suppliers to reduce water use, improve wastewater management; and address wider-catchment level risks through collective action in water stewardship initiatives we are able to improve the resilience of our supply chain against future supply risks and therefore materially benefit the future of our business.

Estimated timeframe for realization

1 to 3 years

Magnitude of potential financial impact

High

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact

We have not quantified the financial impact.

Type of opportunity

Other

Primary water-related opportunity

Other, please specify (To make strides against SDG 6 through collaborative efforts)

Company-specific description & strategy to realize opportunity

Water is not only central to our business continuity but is large of strategic importance in our supply chains, to the functioning of ecological systems, a driver of local economies, and also a prerequisite for human well-being. Given the increasing competing water need, it has become clearer to us that isolated and unilateral approaches are inadequate towards addressing the inherent complexities in water challenges. Instead, actions to address water-related problems require collective and concerted efforts between the communities, both private and public sector including civil society organizations and local stakeholder representatives at all levels. This proposition has given us an opportunity to forge working relationships with broader society. As a signatory of the UN-Global Compact, Woolworths has been proactive in supporting and participating in various stakeholder alliances so to encourage collective action towards addressing complex water challenges and realize positive water outcomes at scale and in line with global goals i.e., SDG6

We are working with WWF-SA, UN CEO Water Mandate, and the National Business Initiative (NBI) for the advancement of context-based water targets in South Africa. In 2017 we funded an NBI study to identify cross-sectoral and cross-country water stewardship linkages between large SA corporations. We are also engaging the WRI on enterprise-wide water targets.

Estimated timeframe for realization

More than 6 years

Magnitude of potential financial impact

Medium

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact

We have not quantified the financial impact.

W5. Facility-level water accounting

W5.1

(W5.1) For each facility referenced in W4.1c, provide coordinates, water accounting data, and a comparison with the previous reporting year.

Facility reference number

Facility 1

Facility name (optional)

Head office complex

Country/Area & River basin

South Africa	Berg-Olifants
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Latitude

-33.9

Longitude

18.4

Located in area with water stress

Yes

Primary power generation source for your electricity generation at this facility

<Not Applicable>

Oil & gas sector business division

<Not Applicable>

Total water withdrawals at this facility (megaliters/year)

11.15

Comparison of total withdrawals with previous reporting year

Higher

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

0

Withdrawals from brackish surface water/seawater

0

Withdrawals from groundwater - renewable

0.01

Withdrawals from groundwater - non-renewable

0

Withdrawals from produced/entrained water

0

Withdrawals from third party sources

11.15

Total water discharges at this facility (megaliters/year)

10.03

Comparison of total discharges with previous reporting year

Higher

Discharges to fresh surface water

0

Discharges to brackish surface water/seawater

0

Discharges to groundwater

0

Discharges to third party destinations

10.035

Total water consumption at this facility (megaliters/year)

11.16

Comparison of total consumption with previous reporting year

Higher

Please explain

The water consumption/ withdrawal figures were higher in comparison last year because the water demands increased as we partially returned to the office after the COVID restrictions were relaxed.

Facility reference number

Facility 2

Facility name (optional)

Montague Gardens Distribution Centre

Country/Area & River basin

South Africa	Berg-Olifants
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Latitude

-33.882708

Longitude

18.515391

Located in area with water stress

Yes

Primary power generation source for your electricity generation at this facility

<Not Applicable>

Oil & gas sector business division

<Not Applicable>

Total water withdrawals at this facility (megaliters/year)

23.41

Comparison of total withdrawals with previous reporting year

Higher

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

0

Withdrawals from brackish surface water/seawater

0

Withdrawals from groundwater - renewable

0

Withdrawals from groundwater - non-renewable

0

Withdrawals from produced/entrained water

0

Withdrawals from third party sources

23.41

Total water discharges at this facility (megaliters/year)

21.06

Comparison of total discharges with previous reporting year

Higher

Discharges to fresh surface water

0

Discharges to brackish surface water/seawater

0

Discharges to groundwater

0

Discharges to third party destinations

21.069

Total water consumption at this facility (megaliters/year)

23.41

Comparison of total consumption with previous reporting year

Higher

Please explain

We recycle and re-use water for 'tray washing' at Montague Gardens Distribution Centre. There was an increase in consumption following low base of Covid-19, now our consumption is back in line with 2019 usage

Facility reference number

Facility 3

Facility name (optional)

82 stores (division 4) in the Western Cape Province (down from 83 stores)

Country/Area & River basin

South Africa	Breede-Gouritz
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Latitude

-33.2278

Longitude

21.8569

Located in area with water stress

Yes

Primary power generation source for your electricity generation at this facility

<Not Applicable>

Oil & gas sector business division

<Not Applicable>

Total water withdrawals at this facility (megaliters/year)

100.7

Comparison of total withdrawals with previous reporting year

Higher

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

0

Withdrawals from brackish surface water/seawater

0

Withdrawals from groundwater - renewable

0

Withdrawals from groundwater - non-renewable

0

Withdrawals from produced/entrained water

0

Withdrawals from third party sources

100.7

Total water discharges at this facility (megaliters/year)

90.36

Comparison of total discharges with previous reporting year

Higher

Discharges to fresh surface water

0

Discharges to brackish surface water/seawater

0

Discharges to groundwater

0

Discharges to third party destinations

90.63

Total water consumption at this facility (megaliters/year)

100.7

Comparison of total consumption with previous reporting year

Higher

Please explain

There was an increase in consumption following low base of Covid-19, now our consumption is back in line with 2019 usage.

W5.1a

(W5.1a) For the facilities referenced in W5.1, what proportion of water accounting data has been third party verified?

Water withdrawals – total volumes

% verified

76-100

Verification standard used

Our water withdrawals are independently audited as part of our Carbon Footprint report by the Global Carbon Exchange. The verification is carried out in accordance with the International Standard ISO 14064-3 (2006) 'Specification with guidance for the validation and verification of greenhouse gas assertions.

Please explain

<Not Applicable>

Water withdrawals – volume by source

% verified

76-100

Verification standard used

Our water withdrawals are independently audited as part of our Carbon Footprint report by the Global Carbon Exchange but the verification statement only reflects total volumes. The verification is carried out in accordance with the International Standard ISO 14064-3 (2006) 'Specification with guidance for the validation and verification of greenhouse gas assertions.

Please explain

<Not Applicable>

Water withdrawals – quality by standard water quality parameters

% verified

Not verified

Verification standard used

<Not Applicable>

Please explain

Water withdrawals – quality by standard water quality parameters were not covered in the assurance scope

Water discharges – total volumes

% verified

Not verified

Verification standard used

<Not Applicable>

Please explain

Water discharges – total volumes

Water discharges – volume by destination

% verified

Not verified

Verification standard used

<Not Applicable>

Please explain

Water discharges – volume by destination

Water discharges – volume by final treatment level

% verified

Not verified

Verification standard used

<Not Applicable>

Please explain

Water discharges – volume by final treatment level-

Water discharges – quality by standard water quality parameters

% verified

Not verified

Verification standard used

<Not Applicable>

Please explain

Water discharges – quality by standard water quality parameters

Water consumption – total volume

% verified

Not verified

Verification standard used

<Not Applicable>

Please explain

W6. Governance

W6.1

(W6.1) Does your organization have a water policy?

No, but we plan to develop one within the next 2 years

W6.2

(W6.2) Is there board level oversight of water-related issues within your organization?

Yes

W6.2a

(W6.2a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for water-related issues.

Position of individual or committee	Responsibilities for water-related issues
Director on board	The Woolworths Holdings Board oversees the work of the Sustainability Committee as well as our Risk and Compliance Committees. The Sustainability Committee, a sub-committee of the WHL Board, provides a single point of view and direction for all WHL sustainability focus areas, including water and meets half-yearly to oversee progress in achieving all aspects of the Good Business Journey, as well as addressing any sustainability-related risks to the business. The main purpose of the committee is to ensure that the sustainability strategy and objectives are effectively integrated into the business. The Sustainability Committee is chaired by a non-executive director. The Group CEO is a member of the committee, together with three independent directors, one of whom chairs the Social and Ethics committee. These independent directors each have significant expertise and experience in a range of corporate sustainability issues.

W6.2b

(W6.2b) Provide further details on the board's oversight of water-related issues.

	Frequency that water-related issues are a scheduled agenda item	Governance mechanisms into which water-related issues are integrated	Please explain
Row 1	Scheduled - all meetings	Monitoring implementation and performance Overseeing major capital expenditures Providing employee incentives Reviewing and guiding annual budgets Reviewing and guiding business plans Reviewing and guiding corporate responsibility strategy Reviewing and guiding major plans of action Reviewing and guiding risk management policies Reviewing and guiding strategy Reviewing innovation/R&D priorities Setting performance objectives	The role of the Sustainability Committee is to ensure that the Group's sustainable development strategy positions the Group as a leader in retail where it has operational presence. It further ensures that the sustainability initiatives and objectives are effectively integrated into the business and that the Group operates in an environmentally responsible manner, while meeting societal needs. Progress towards meeting climate-related targets and goals, are monitored at an operational level by the executive committee and championed by the Group Director: Marketing and Sustainability.

W6.2d

(W6.2d) Does your organization have at least one board member with competence on water-related issues?

	Board member(s) have competence on water-related issues	Criteria used to assess competence of board member(s) on water-related issues	Primary reason for no board-level competence on water-related issues	Explain why your organization does not have at least one board member with competence on water-related issues and any plans to address board-level competence in the future
Row 1	Not assessed	<Not Applicable>	<Not Applicable>	<Not Applicable>

W6.3

(W6.3) Provide the highest management-level position(s) or committee(s) with responsibility for water-related issues (do not include the names of individuals).

Name of the position(s) and/or committee(s)

Chief Executive Officer (CEO)

Water-related responsibilities of this position

Assessing future trends in water demand
 Assessing water-related risks and opportunities
 Managing water-related risks and opportunities

Frequency of reporting to the board on water-related issues

Half-yearly

Please explain

Progress towards meeting water targets and goals are monitored at an operational level by the executive committee and championed by the Group Director: Marketing and Sustainability. The management and coordination of sustainability across all our operations sit with the Group Head of Sustainability., who reports to the Group Director: Marketing and Sustainability.

Name of the position(s) and/or committee(s)

Sustainability committee

Water-related responsibilities of this position

Assessing future trends in water demand
 Assessing water-related risks and opportunities
 Managing water-related risks and opportunities

Frequency of reporting to the board on water-related issues

Half-yearly

Please explain

The Sustainability Committee, a sub-committee of the Woolworths Holdings Board, has oversight of the Group's sustainability strategy. The committee is chaired by a non-executive director and meets twice a year to review the progress of our sustainability program, as well as to approve strategic matters arising for the continuity of the program. The Group Chief Executive Officer is a member of the committee, together with three independent directors. These independent directors each have significant expertise and experience in a range of corporate sustainability issues. The David Jones and Country Road Group Executive Committees review Good Business Journey progress on a regular basis as well. Both David Jones and Country Road Group Boards also receive Good Business Journey progress updates at each Board meeting.

W6.4

(W6.4) Do you provide incentives to C-suite employees or board members for the management of water-related issues?

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

W6.4a

(W6.4a) What incentives are provided to C-suite employees or board members for the management of water-related issues (do not include the names of individuals)?

	Role(s) entitled to incentive	Performance indicator	Contribution of incentives to the achievement of your organization's water commitments	Please explain
Monetary reward	Corporate executive team	Improvements in water efficiency – direct operations Improvements in water efficiency – supply chain	These performance indicators are linked to our vision 2025+ goals and our Good business journey strategy. They are also incorporated as measurables against Business unit heads and individuals impacted in to Corporate Scorecards	To achieve a performance-based culture and an alignment with shareholders, through value creation. The total reward mix is geared towards a high percentage of pay "at risk" for the achievement of stretched goals which are aligned to company performance, individual performance and employee behavior. This is to motivate executives and senior management to achieve short-term strategic, financial and non-financial objectives in the one-year business plan. Annual performance bonus paid on the achievement of one year financial targets. Share schemes designed to incentivize Group CEO, executive directors, execs and senior- to middle-management levels across the Group, on delivery of long-term strategic goals aligned with shareholder expectations.
Non-monetary reward	Please select	Please select		

W6.5

(W6.5) Do you engage in activities that could either directly or indirectly influence public policy on water through any of the following?

- Yes, direct engagement with policy makers
- Yes, trade associations
- Yes, funding research organizations

W6.5a

(W6.5a) What processes do you have in place to ensure that all of your direct and indirect activities seeking to influence policy are consistent with your water policy/water commitments?

WHL is a member of the United Nations Global Compact CEO Water Mandate. Through this, we have become a participant in a pilot project for setting context-based targets for water. This pilot project will also assist us in re-framing our water targets into more contextual targets. This will help in not only enhancing the existing water stewardship work we are engaged in but also frame our work within a more holistic view in addressing the unique challenges and needs of those areas in managing water resources. In the last year, together with the NBI, Woolworths hosted the CEO Water Mandate in South Africa to initiate discussions on setting context-based water targets in the countries. Woolworths has formed research-based partnerships with NGOs, WWF-SA, and has been engaging with the national South African Department of Water and Sanitation in water policy. We are a signatory to the We Mean Business Water commitment and are working with the CEO Water Mandate, National Business Initiative, and the Alliance for Water Stewardship to drive water stewardship awareness and work in South Africa. Woolworths is a member of various public policy and trade association groups including, inter alia: Business Unity South Africa, Consumer Goods Council of South Africa. We engage at a public policy level with various government departments (e.g. Department of Water and Sanitation) through our stakeholder engagement directorate.

W6.6

(W6.6) Did your organization include information about its response to water-related risks in its most recent mainstream financial report?

- Yes (you may attach the report - this is optional)
- WHL Integrated_Annual_Report_2022.pdf
- WHL Integrated_Annual_Report_2022.pdf

W7. Business strategy

W7.1

(W7.1) Are water-related issues integrated into any aspects of your long-term strategic business plan, and if so how?

	Are water-related issues integrated?	Long-term time horizon (years)	Please explain
Long-term business objectives	Yes, water-related issues are integrated	11-15	Sustainability and embedding the Good Business Journey across our operations is a long term business objective.
Strategy for achieving long-term objectives	Yes, water-related issues are integrated	11-15	Water is identified as a key risk to WHL's long term business objectives, therefore has been considered seriously in the strategy for achieving long term business objectives. Investment in initiatives like the Woolworths Farming for the Future program have been developed on the back of this strategic approach.
Financial planning	Yes, water-related issues are integrated	5-10	Key Good Business Journey/ Water CAPEX requirements are included in financial planning cycles, as are programmes such as Farming for the Future. In addition, further budgetary needs for business unit level Good Business Journey targets and commitments are considered in financial planning for each business unit prior to the start of each financial year.

W7.2

(W7.2) What is the trend in your organization's water-related capital expenditure (CAPEX) and operating expenditure (OPEX) for the reporting year, and the anticipated trend for the next reporting year?

Row 1

Water-related CAPEX (+/- % change)

0

Anticipated forward trend for CAPEX (+/- % change)

15

Water-related OPEX (+/- % change)

0

Anticipated forward trend for OPEX (+/- % change)

15

Please explain

In the reporting year, we observed an 11% increase in our overall withdrawal volumes, as staff gradually returned to the office. We anticipate the water demands to return to pre-Covid levels in the next years to come as we return to full operation.

We did not focus on water-related capital projects in 2022. Our focus will be on training and awareness to proactively detect leaks and change employee behaviors. The installation of backup water tanks will be rolled out on ad-hoc bases where required.

W7.3

(W7.3) Does your organization use scenario analysis to inform its business strategy?

	Use of scenario analysis	Comment
Row 1	No, and we do not plan to do so within the next two years	We acknowledge its importance but it is not a priority at the moment

W7.4

(W7.4) Does your company use an internal price on water?

Row 1

Does your company use an internal price on water?

No, and we do not anticipate doing so within the next two years

Please explain

We acknowledge its importance but it is not a priority at the moment

W7.5

(W7.5) Do you classify any of your current products and/or services as low water impact?

	Products and/or services classified as low water impact	Definition used to classify low water impact	Primary reason for not classifying any of your current products and/or services as low water impact	Please explain
Row 1	Yes	As cotton is the material most used across our private label collections, the business is focused on supporting sustainable cotton farming practices through organisations such as Better Cotton, which promote the usage of less water and fewer chemicals when growing and harvesting the cotton. Additionally, the Group recognises Leather Working Group (LWG) accredited tanneries to promote best practices in chemical management and wastewater treatment	<Not Applicable>	

W8. Targets

W8.1

(W8.1) Do you have any water-related targets?

Yes

W8.1a

(W8.1a) Indicate whether you have targets relating to water pollution, water withdrawals, WASH, or other water-related categories.

	Target set in this category	Please explain
Water pollution	Yes	<Not Applicable>
Water withdrawals	Yes	<Not Applicable>
Water, Sanitation, and Hygiene (WASH) services	No, and we do not plan to within the next two years	
Other	No, and we do not plan to within the next two years	

W8.1b

(W8.1b) Provide details of your water-related targets and the progress made.

Target reference number

Target 1

Category of target

Water withdrawals

Target coverage

Site/facility

Quantitative metric

Reduction of water withdrawals from municipal supply or other third party sources

Year target was set

2021

Base year

2020

Base year figure

73

Target year

2025

Target year figure

75

Reporting year figure

57

% of target achieved relative to base year

Target status in reporting year

Underway

Please explain

Woolworths is headquartered in Cape Town, Western Cape Province. The city is geographically located in the Berg-Olifants water management area (WMA), one of the most water-stressed WMAs in South Africa, making Cape Town one of the most urban stressed economic hubs. The city's catchment area presents significant water risks for Woolworths with regard to business continuity, the same applies to our suppliers, local communities, and the functioning of ecosystem services. In recognition of these competing water uses, Woolworths is proactively working towards reducing municipal water consumption in this water-stressed catchment by augmenting its water supply with renewable groundwater.

The target is to shift 75% our municipal consumption towards groundwater. The target was based on annual ratios between the total ground water renewable and the total usage for head office campus, therefore it cannot be compared to baseline year as it is only based on figures of the current year. In 2022, 57% of the total water consumption for head office was derived from ground water renewable. The target was not achieved due to changes in occupancy levels (i.e. drop in demand for sanitation and car wash services which is provided by ground water renewable), but the total consumption for the campus increased as the business used to cook meals for orphanages during COVID.

Target reference number

Target 2

Category of target

Water withdrawals

Target coverage

Business activity

Quantitative metric

Reduction of water withdrawals from municipal supply or other third party sources

Year target was set

2021

Base year

2020

Base year figure

0.33

Target year

2025

Target year figure

0.19

Reporting year figure

1.12

% of target achieved relative to base year

Target status in reporting year

Underway

Please explain

This incremental water consumption target is aimed at driving water efficiency in Woolworths DCs (Maxmead, Midrand, Race Course Gardens, and Montague Gardens DC).

In 2022 our water intensity per Distributable unit was 1.12 kl/m2 against the 0.33 kl/m2 target. We did not meet the target due to the increase in consumption from a low base as a result of Covid-19 lockdowns.

W9. Verification

W9.1

(W9.1) Do you verify any other water information reported in your CDP disclosure (not already covered by W5.1a)?

Yes

W9.1a

(W9.1a) Which data points within your CDP disclosure have been verified, and which standards were used?

Disclosure module	Data verified	Verification standard	Please explain
W1 Current state	Water withdrawals	Other, please specify (ISO14064-3 (2006))	Water usage at our direct operation is verified as part of Scope 3 GHG emission in the annual carbon footprint verification process.
W1 Current state	Water withdrawals	Other, please specify (Limited Assurance by Ernst and Young: Water usage for Woolworths head office, stores, and distribution centres)	The Group has always looked at obtaining an independent opinion on our progress as a crucial part of gaining and maintaining credibility with our stakeholders. ERM was also engaged to perform a limited assurance engagement for certain quantitative information contained in this current report as follows: - Water usage for Woolworth's head office, stores, and distribution centers

W10. Plastics

W10.1

(W10.1) Have you mapped where in your value chain plastics are used and/or produced?

	Plastics mapping	Value chain stage	Please explain
Row 1	Yes	Direct operations Supply chain Product use phase	

W10.2

(W10.2) Across your value chain, have you assessed the potential environmental and human health impacts of your use and/or production of plastics?

	Impact assessment	Value chain stage	Please explain
Row 1	Yes	Direct operations Supply chain Product use phase	As signatories to the South African Plastics Pact, this is included in the scope of working groups convened by the South African Plastics Pact.

W10.3

(W10.3) Across your value chain, are you exposed to plastics-related risks with the potential to have a substantive financial or strategic impact on your business? If so, provide details.

	Risk exposure	Value chain stage	Type of risk	Please explain
Row 1	Yes	Direct operations Supply chain Product use phase	Regulatory Reputational Technology	The organisation is a signatory to various initiatives as part of efforts to phase out problematic materials and to reduce consumption of plastic packaging. We are also obliged in terms of recently implemented EPR regulations to meet government set targets, which do include penalties for non-compliance. There are also reputational risks inherent in not responding to consumer sentiment with regard to use of recyclable materials and formats coupled with a reduction in impact our operations have on the environment.

W10.4

(W10.4) Do you have plastics-related targets, and if so what type?

	Targets in place	Target type	Target metric	Please explain
Row 1	Yes	Plastic polymers Plastic packaging Microplastics Waste management	Reduce the total weight of virgin content in plastic polymers Increase the proportion of post-consumer recycled content in plastic polymers Increase the proportion of renewable content from responsibly managed sources in plastic polymers Reduce the use of plastics additives Reduce the total weight of plastic packaging used and/or produced Eliminate problematic and unnecessary plastic packaging Reduce the total weight of virgin content in plastic packaging Increase the proportion of post-consumer recycled content in plastic packaging Increase the proportion of renewable content from responsibly managed sources in plastic packaging Increase the proportion of plastic packaging that is recyclable in practice and at scale Eliminate the primary use of microplastics and plastic particles Increase the proportion of recyclable plastic waste that we collect, sort, and recycle Increase the proportion of recyclable plastic waste that is collected, sorted, and recycled in the community	We have set plastic reduction and elimination targets as part of our broader sustainability program. Additionally, as signatories to the Ellen MacArthur Foundation's new plastics economy as well as the South African Plastics Pact we actively participate in the setting of industry-wide reduction targets.

W10.5

(W10.5) Indicate whether your organization engages in the following activities.

	Activity applies	Comment
Production of plastic polymers	No	
Production of durable plastic components	No	
Production / commercialization of durable plastic goods (including mixed materials)	No	
Production / commercialization of plastic packaging	No	
Production of goods packaged in plastics	No	
Provision / commercialization of services or goods that use plastic packaging (e.g., retail and food services)	Yes	We retail packaged products in the following categories: Protein Vegetable Garments Cosmetics Toiletries Household Care/Cleaning

W10.8

(W10.8) Provide the total weight of plastic packaging sold and/or used, and indicate the raw material content.

	Total weight of plastic packaging sold / used during the reporting year (Metric tonnes)	Raw material content percentages available to report	% virgin fossil-based content	% virgin renewable content	% post-industrial recycled content	% post-consumer recycled content	Please explain
Plastic packaging sold	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Plastic packaging used	20197.92	% virgin fossil-based content % virgin renewable content % post-industrial recycled content % post-consumer recycled content	88.3	0.28	4.4	7	% virgin renewable content is based on PET bottles.

W10.8a

(W10.8a) Indicate the circularity potential of the plastic packaging you sold and/or used.

	Percentages available to report for circularity potential	% of plastic packaging that is reusable	% of plastic packaging that is technically recyclable	% of plastic packaging that is recyclable in practice at scale	Please explain
Plastic packaging sold	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Plastic packaging used	% technically recyclable % recyclable in practice and at scale	<Not Applicable>	97	31	We use the SA Plastics Pact which reference EMF methodology but it also uses local intelligence on industry outputs.

W11. Sign off

W-FI

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

The attached documents provide context as to how Woolworths Holding Limited respond and positions itself with regards to Harmful substance containing in their products. These attachments also support the commentary mention in W3.1 & W3.1a
 DJS_Guiding_PrinciplesForHarmfulSubstances.pdf
 Woolworths_Clothing_Position_Statement.pdf
 CRG-Environmental-Code-of-Practice.pdf

W11.1

(W11.1) Provide details for the person that has signed off (approved) your CDP water response.

	Job title	Corresponding job category
Row 1	Group Head of Sustainability	Chief Sustainability Officer (CSO)

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

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

Please indicate your consent for CDP to share contact details with the Pacific Institute to support content for its Water Action Hub website.

No

Please confirm below

I have read and accept the applicable Terms

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

For company-specific information, visit

 [Country Road](#) | [Mimco](#) | [Trenery](#) | [Politix](#) | [Witchery](#)

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