

WOOLWORTHS HOLDINGS LIMITED

GOOD BUSINESS JOURNEY REPORT

2024

START

OUR INTEGRATED ANNUAL REPORT SUITE

OUR INTEGRATED ANNUAL REPORT SUITE COMPRISES THE FOLLOWING REPORTS, WHICH ARE AVAILABLE ON OUR WEBSITE AT WOOLWORTHSHOLDINGS.CO.ZA.

	WHAT YOU CAN FIND IN THESE REPORTS	KEY REGULATORY AND REPORTING FRAMEWORKS	
<ul style="list-style-type: none"> • 2024 Integrated Report 	<p>Our Integrated Report communicates how our strategy, governance, and performance created value for our stakeholders in the current year, and will continue to do so over the short, medium, and long term. This Report focuses primarily on the requirements of current and prospective investors, including debt providers; however, when read with the following reports, the interests of all stakeholders are addressed.</p>	<ul style="list-style-type: none"> • International Integrated Reporting Council’s International <IR> Framework • Companies Act of South Africa (71 of 2008), as amended (Companies Act) • JSE Listings and Debt Listings Requirements • King IV™ Report on Corporate Governance (King IV™ Report) • United Nations Sustainable Development Goals (SDGs) 	
<ul style="list-style-type: none"> • 2024 Group Annual Financial Statement • 2024 Analyst Presentation booklet and webcast 	<p>Our financial reporting provides information relating to the Group’s financial position and performance. These reports are of interest primarily to our equity and debt investors, credit rating agencies, regulators, and various other stakeholders. The information disclosed can be used to assess the Group’s financial performance and strength, and includes risk and regulatory disclosures. The Analyst Presentation and accompanying webcast provide a summary of the financial results, as well as a strategic update, and outlook and targets for the medium term.</p>	<ul style="list-style-type: none"> • International Financial Reporting Standards (IFRS) • Companies Act • JSE Listings and Debt Listings Requirements 	
<ul style="list-style-type: none"> • 2024 Good Business Journey (GBJ) Report 	<p>The GBJ is central to the Group’s strategy, and supports our vision to be one of the world’s most responsible retailers. The GBJ Report addresses the complex and interconnected sustainability challenges and opportunities we face now and into the future. This includes how we create positive economic, societal, and environmental impacts, including those aligned with the SDGs. It is primarily of interest to existing and prospective investors, existing and prospective employees, NGOs, ESG rating agencies, and customers who associate with values-aligned companies.</p>	<ul style="list-style-type: none"> • The Global Reporting Initiative (GRI) Standards • Task Force on Climate-related Financial Disclosures (TCFD) • SDGs 	
<ul style="list-style-type: none"> • Part of the 2024 Integrated Report, with extracts published separately online 	<p>Our Governance Report details our Group’s governance structures, processes and policies, as well as our Group’s approach to ethics, integrity, transparency, and accountability. The disclosures aim to demonstrate how our good governance enhances value creation. The reports are of interest to a broad range of stakeholders, including investors, ESG rating agencies, employees, regulators, suppliers, and members of society.</p>	<ul style="list-style-type: none"> • King IV™ Report • The GRI Standards • Companies Act • JSE Listings and Debt Listings Requirements • Other applicable laws, regulations, and best-practice principles 	
<ul style="list-style-type: none"> • Notice of AGM • Summarised Group results • Shareholding disclosures • Shareholder calendar • Proxy form 	<p>The Notice of AGM and supporting information is intended for shareholders who want to participate in the Group’s AGM. In addition, the Notice of AGM provides the summarised Group results for the 2023 financial year.</p>	<ul style="list-style-type: none"> • JSE Listings and Debt Listings Requirements • Companies Act • King IV™ Report 	

REPORT ASSURANCES

Integrated Annual Report: Financial content aligned to AFS; reviewed by directors and management but not externally assured

Financial information: Extracted financial content and AFS audited with an unmodified opinion expressed

Non-financial performance metrics: Accredited service providers and agencies have verified certain metrics, including carbon footprint and BBBEE rating; management has put in place internal controls and risk and compliance programmes for other metrics as appropriate and where relevant.

OUR GOOD BUSINESS JOURNEY REPORT

Woolworths Holdings Limited (WHL) is pleased to present its 2024 annual sustainability report, for the 52 weeks ended 23 June 2024. It provides an overview of our GBJ.

SCOPE AND BOUNDARY OF THIS REPORT

This report covers Woolworths and Country Road Group (CRG). The report provides an overview of our sustainability strategy, progress, and future plans. It should be read with the 2024 Integrated Annual Report (IAR) and 2024 Annual Financial Statements (AFS) as a compendium of our strategy and performance. The principles that underline the precautionary approach inform our governance, enterprise risk framework, and strategy.

REPORTING FRAMEWORK

The sustainability and reporting frameworks applied and/or referenced in this report include:

- GRI Standards
- JSE Sustainability and Climate Disclosure Guidance
- TCFD
- UN SDGs
- King IV™

A mapping of our disclosures against these can be found [here](#).

FORWARD-LOOKING STATEMENTS

Certain statements in this report may constitute forward-looking statements that, by their nature, involve risk and uncertainty because they relate to future events and circumstances that may be beyond the Group's control. The directors, therefore, advise readers to use caution when interpreting any forward-looking statements in the report.

APPROVAL AND ASSURANCE

The Group considers it crucial to obtain an independent opinion on our progress to maintain credibility with our stakeholders. Accordingly, we engaged Environmental Resources Management Southern Africa (ERM) to perform a 'Moderate' Type II level assurance engagement following the AccountAbility AA1000 Assurance Standard (AA1000AS v3) for selected information contained in this report:

- AccountAbility AA1000 Principles of Inclusivity, Materiality, Responsiveness, and Impact
- Assertions of the governance and management disclosures and management approach disclosures on social development, ethical sourcing, packaging and waste, water and energy and climate change
- Selected key performance indicators (KPIs). The basis of measurement of these KPIs can be found [here](#)

The scope of information assured by ERM is set out in their [Independent Moderate Assurance Statement](#) and is also denoted with the following symbol in this report: ^{MA}

We obtain other verifications and assurances through various audit, technical, and scientific experts over different aspects of our GBJ. We have documented these in an assurance summary in an [appendix](#) to this report. We feel that the combination of internal management controls, risk and compliance programmes, and verification and assurance processes provide appropriate combined assurance coverage for our material focus areas.

This report was reviewed and approved by the Sustainability Committee on 27 September 2024



NAVIGATING OUR REPORT

ICONS USED IN THIS REPORT

NAVIGATING OUR REPORT

This report is only available digitally as a commitment to our GBJ. It is interactive and can be navigated using the tools depicted below:



Back to contents page



Useful links for more detail



More information on the web

Click to download or update



OUR STAKEHOLDERS

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



Customers



Employees



Suppliers



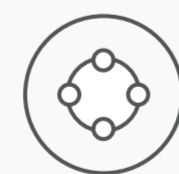
The Media



Shareholders



Debt Funders



Communities and Other



Industry Organisations



Academic Institutions



Government and Regulators

OUR GBJ FOCUS AREAS

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

OUR REPORTING SUITE

Our sustainability reporting suite consists of this report and accompanying appendices which can be found on our website. Our full suite is listed below:

- 2024 Good Business Journey Report
- 2024 Good Business Journey Abridged Report
- 2024 Task Force on Climate-Related Financial Disclosures Report
- 2024 GRI Index
- 2024 JSE Sustainability and Climate Change Guidance Index
- 2024 ERM Independent Moderate Assurance Statement
- 2024 Good Business Journey Assurance Criteria
- 2024 Assurance Summary
- 2024 External Recognition
- 2024 Key Sustainability Indicators
- 2024 Mapping of Vision 2025+ goals to UN SDGs
- 2024 Position Statements, Guidelines, and Policies
- 2024 Glossary
- 2024 BBBEE Certificate
- Carbon Footprint Verification Statement for the 2024 financial year
- 2023 CDP Climate submission for the 2022 financial year
- 2023 CDP Water submission for the 2022 financial year
- 2023 CDP Forests submission for the 2022 financial year
- 2024 Good Business Journey Investor Presentation
- 2024 Good Business Journey Investor Presentation Video
- 2024 Ellen MacArthur Foundation submission for the 2023 financial year

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JOINT SOCIAL & ETHICS AND SUSTAINABILITY COMMITTEES' REPORT

Sustainability is a business imperative. It ensures the Group's resilience and adaptability to change and secures our longer-term viability. Our Good Business Journey (GBJ) is a critical component of who we are, what we do, and what we stand for as an organisation.

Our GBJ programme continues to thrive in the 17th year of its existence. It remains deeply embedded at the core of our business, driven by a strong set of values dating back to the inception of Woolworths South Africa (WSA). We have long understood our duty to create shared value for all our stakeholders and to deliver on our responsibility to empower our people and protect our planet.

We operate in an increasingly complex global landscape, amid economic headwinds, the escalating impacts of climate change, and shifting consumer preferences around health and wellness. We also recognise the need to address widening inequality and promote inclusive justice.

Extreme weather events, which are occurring at an unprecedented scale and frequency, add pressure to our food production systems and global supply chains, underscoring the fragility of the systems we have long been reliant on. At the same time, our customers are placing greater emphasis on health, sustainability and ethical business practices.

Adapting to these evolving expectations, while managing increasingly complex operational challenges requires us to remain focused and resolute in upholding our responsibilities to all stakeholders. It is within this context that the Social and Ethics and Sustainability Committees present this joint report.

During the past year, the Social and Ethics Committee executed its broad statutory mandate, inclusive of overseeing and monitoring the steps taken to realise the vision embodied in our Inclusive Justice Initiative. We record below some of the highlights with more comprehensive details provided in the following chapters of this report.

INCLUSIVE JUSTICE

As reported previously, women's empowerment and gender equality remain our universal lead advocacy issue, and we are pleased to report a slight increase in our rating in the UN Women Empowerment Principles Gender Gap Analysis. This keeps us firmly on track to achieve our goal of attaining 'leader' status in this important benchmark by 2025. In addition, the respected Equileap organisation ranked us among the

top 20 companies for gender equality in emerging markets. We were one of only four South African corporates to make the list, and the only retailer represented.

Alongside our focus on gender equity, we also made meaningful strides in our ambition to uplift small, youth-owned businesses and improve the socio-economic reality for the youth in our communities. This is a meaningful step towards building a more inclusive future for all. To this end, we announced the 15 winners of our Youth Makers competition. These young entrepreneurs will be provided with a year's mentorship from internal experts, valuable industry insights, and cash grants to help take their brands to the next level. Their businesses will also be showcased in flagship stores in the Western Cape, Gauteng and KwaZulu-Natal.

We completed our Just Wage journey to exceed retail and legislative minimum rates and will continue to explore other meaningful ways in which to improve the lives of all our people. We were also delighted to have been named the 2023 Employer of Choice in the retail sector by the South African Graduate Employers Association (SAGEA). This recognition highlights our commitment to developing diverse talent and creating meaningful opportunities for our people.

An additional step in our ambitions to grow sustainable SMMEs and create a deeper socio-economic impact through sustainable job creation, WSA registered an Enterprise IJI NPC that will be structured and resourced to deliver the ESD Programme. The entity is expected to be operational in the next financial year. It will administer and disburse enterprise development (ED) and supplier development (SD) funds and provide beneficiaries with pre- and post-investment business development support in line with Broad-Based Black Economic Empowerment regulations on behalf of WSA.

Turning to the remaining two pillars of the Vision 2025+ strategy, the Sustainability Committee has continued to monitor and oversee our Group's ambitious sustainability goals. While full details on the Group's progress in this regard

are provided in the relevant chapters of this report, we highlight certain notable achievements below.

ETHICAL AND FAIR

In keeping with our undertaking to mitigate and manage the diverse social and environmental risks we face in our supply chain; we have recommitted to regenerative agriculture practices as a core focus of our Vision 2025+ strategy. In this context, we have continued to expand our pioneering Farming for the Future programme which not only promotes sustainable farming, but also contributes towards a #ZEROHUNGER future.

A noteworthy milestone this year was the achievement by our first coffee supplier of Farming for the Future status. In addition, we provided agricultural training on regenerative coffee farming practices to farmers, equipping them with the knowledge to drive positive change.

We remain committed to continuously improving our work with our suppliers to enhance animal welfare. As a testament to our efforts, WSA received a special recognition award from Compassion in World Farming for our 20 years of leadership in championing cage-free systems for laying hens.

Responsible sourcing remains a key priority for the Group, and we are committed to making sourcing choices that have a net positive impact. In keeping with this approach, Country Road Group developed and published an internal responsibly sourced materials manual to guide its brands in selecting more sustainable fibres and materials.

THRIVING AND RESILIENT

We have continued to make strides in our efforts to reduce waste sent to landfills across our value chain. WSA has commenced a trial to remove plastic barrier bags from its stores and has been recognised for its initiative in circular design, being awarded the 2024 PETCO best design award for its iced tea range. This achievement marks a first in South Africa, as the

recyclable polyolefin shrink sleeve now allows for the bottle and sleeve to be recycled.

We are also tracking well towards our net zero goal. In 2024, the Group's Scope 1 and 2 carbon emissions decreased by 30% against the 2019 baseline (2023: 20%). In addition, 23 of WSA's Food suppliers have set their science-based target (2023: 3). In Australia, Country Road Group is the only fashion brand publicly committed to achieving Green Star certification for its stores with two achieving 6-star certification this past year.

As a first for the Group, we launched our first-ever axle-powered refrigeration, which uses the truck's axle to power refrigeration. The technology uses sustainable kinetic power harvested from the truck's axle that results in zero trailer carbon emissions. The trailer will operate on WSA's long-haul route between Johannesburg and Cape Town to maximise the technology and sustainability benefits. We anticipate a reduction of 27 tonnes of carbon emissions on this route over the year and will continue to explore initiatives that will contribute towards further reductions in our energy use and carbon emissions.

LOOKING AHEAD

Our commitment to the Vision 2025+ goals will remain foremost in our efforts. We will also continue to ensure that the GBJ maintains its industry-leading position and that sustainable practices are integrated across all aspects of the business to further our overarching ambition of being recognised as one of the world's most responsible retailers.

We thank our executives and management for their strong and consistent leadership and our colleagues on the Board and the other committees that contribute to our collective efforts in driving our Vision 2025+ sustainability strategy.

Sincerely



THEMBISA SKWEIYIYA

Social and Ethics
Committee Chairman



BELINDA EARL

Sustainability
Committee Chairman

OUR GROUP

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

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

Each company provides customers with compelling loyalty benefits and offers through dedicated loyalty programmes, which are key to building customer engagement and loyalty, and driving personalisation, customer acquisition, frequency, and spend. Financial services are offered for WSA customers through Woolworths Financial Services (WFS), a joint venture with Absa Group Limited.



WOOLWORTHS

Fashion, Beauty and Home

OFFERING:

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



BASED IN:

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



431 000M²

trading space across 290 store locations



20%

contribution to Group turnover and concession sales

30%

contribution to Group aEBIT

5.6%

online sales contribution to SA sales, with sales fulfilled from dedicated distribution facility, available for home delivery and Click-and-Collect

Food



OFFERING:

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



BASED IN:

South Africa, and trading in South Africa and a further 6 countries in southern Africa



308 000M²

trading space across 651 store locations

62%

contribution to Group turnover and concession sales

56%

contribution to Group aEBIT

5.5%

online sales contribution to SA sales, with sales fulfilled from physical stores, available for scheduled, Click-and-Collect or on-demand delivery



3.4M

 active loyalty members, tracking 89% of revenue

33 020

 employees

89%

 targets achieved on sustainability scorecard

COUNTRY ROAD GROUP

OFFERING:

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



BASED IN:

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



102 000M²

trading space across 653 store locations

18%

contribution to Group turnover and concession sales

10%

contribution to Group aEBIT

27.6%

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

2.4M

 active loyalty members, tracking 74% of sales

5 603

 employees

THE GOOD BUSINESS JOURNEY

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

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

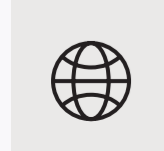
Vision 2025+ has three main pillars, which we address through eight focus areas. Each pillar and focus area has ambitious goals that deliver the overall strategic intent of Vision 2025+. It also delivers clearly defined strategies and management approaches.

The WHL Board approved Vision 2025+ and its underlying goals in 2021.

GBJ IS OUR COMMITMENT TO CARING FOR OUR ENVIRONMENT, PEOPLE, AND COMMUNITIES



UNDERLYING PRINCIPLES: TRANSPARENCY, CIRCULARITY, INNOVATION, COLLABORATION



A YEAR IN REVIEW

INCLUSIVE JUSTICE



Formed the Community Inclusive Justice Institute (CIJI) NPC, which will be responsible for implementing the CSI strategy for Woolworths.



Successfully launched the Our Leadership Way Programme with the top 70 leaders in South Africa through a two-day immersion session.



Woolworths donated R816M worth of surplus food to needy communities and charities.



Woolworths Holdings Limited was ranked in the Top 20 companies for gender equality in emerging markets. We were one of four South African corporates in the ranking and the only retailer to make the list.



Woolworths supported 15 young entrepreneurs through our Youth Makers programme.



Woolworths contributed R7 billion (2023: R7 billion) in revenues of Black and Black women-owned suppliers in our supplier base.

ETHICAL AND FAIR



Woolworths received a Special Recognition Award from Compassion in World Farming for its 20 years of leadership in championing cage-free systems for laying hens.



85% of Woolworths Food products are part of the Farming for the Future programme.



Through Country Road's support of the Landcare Biodiversity Project, 59.6 hectares of farmland have been restored in New South Wales in Australia. Country Road has also extended the partnership agreement for the project until 2026.



100% of Woolworths Food and 87.28% of private label FBH products have at least one sustainability attribute.



100% of Woolworths' palm oil, cocoa and timber are responsibly sourced.



90% of Woolworths Food and 33% of Woolworths FBH products are locally sourced from South Africa.

THRIVING AND RESILIENT



The first two Country Road sites received 6-star Green Star certification.



Woolworths South Africa launched the first axle-powered truck refrigeration in Africa, which uses kinetic energy harvested from the truck's axle to power the refrigeration and reduce carbon emissions.



100% of all Woolworths FBH stores are now plastic shopping bag free, meaning all stores across the Group have phased out plastic shopping bags.



Woolworths trialled the removal of plastic barrier bags in stores, with plans to roll out the initiative nationally. This will be a first in South Africa.







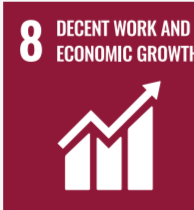











Woolworths successfully hosted its first in-person Good Business Journey Week, engaging employees through insightful guest talks and an interactive exhibition showcasing our sustainability partners.

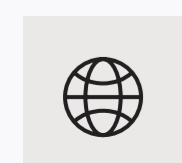


Woolworths was awarded the 2024 PETCO Best Design for Circularity for our iced tea range, for our first-in-South Africa recyclable polyolefin shrink sleeve ensuring both bottle and sleeve can now be recycled.

MEASURING OUR PROGRESS AGAINST VISION 2025+

 INCLUSIVE JUSTICE PROGRESS READ MORE	 ETHICAL AND FAIR PROGRESS READ MORE	 THRIVING AND RESILIENT PROGRESS READ MORE
Achieve BBBEE level 4 by 2025 <div style="text-align: right;">●●●●</div>	Have a fully transparent, traceable, and ethical supply chain by 2025 <div style="text-align: right;">●●○○</div>	Achieve net zero carbon impact by 2040 <div style="text-align: right;">●●●○</div>
Move from "Improver" to "Achiever" in the UN Women's Empowerment Principles Analysis by 2025 <div style="text-align: right;">●●●○</div>	Develop a roadmap by 2022 for achieving a living wage for all workers across our supply chain <div style="text-align: right;">●●●●</div>	Source 100% of our energy from renewable sources by 2030 <div style="text-align: right;">●●○○</div>
Complete our Just Wage journey to exceed retail and legislative minimum rates <div style="text-align: right;">●●●●</div>	Responsibly source all key commodities from traceable sources by 2025 <div style="text-align: right;">●●●○</div>	Work with our suppliers and partners to create net positive water impact in water-stressed basins in our value chain by 2050 <div style="text-align: right;">●●●○</div>
Implement our Employment Equity Plan for the period until 2025 and achieve compliance status <div style="text-align: right;">●●●○</div>	All private label products can be reused, repaired, resold or recycled by 2025 <div style="text-align: right;">●●○○</div>	All our packaging will be reusable or recyclable by 2022 <div style="text-align: right;">●●●○</div>
Related UN SDGs <div style="display: flex; justify-content: space-around; margin-top: 5px;">      </div>	Related UN SDGs <div style="display: flex; justify-content: space-around; margin-top: 5px;">    </div>	Related UN SDGs <div style="display: flex; justify-content: space-around; margin-top: 5px;">      </div>

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



PROGRESS KEY



GOVERNANCE AND MANAGEMENT OF OUR GOOD BUSINESS JOURNEY

The WHL Board is ultimately responsible for the GBJ. The WHL Board Sustainability Committee and the WHL Board Social and Ethics Committee support the Board in this regard. The Board delegates operational responsibility for the GBJ to the WHL Chief Executive Officer, and the WHL, Woolworths and CRG Executive Committees (Excocos).

The Group Head of Sustainability, Director of Corporate Affairs, Group People Director, and the Excocos are responsible for implementing the GBJ strategy and performance. They are supported by teams across the business who integrate GBJ into day-to-day operations. They report twice yearly against sustainability and corporate scorecards on the business's GBJ performance. These teams also participate in an internal Sustainability Steering Committee that meets quarterly to share progress updates and GBJ-related trends and content.

There are various policies, position statements, and internal reporting systems for data and information collection and reporting that support these teams in delivering the GBJ programme across the Group.

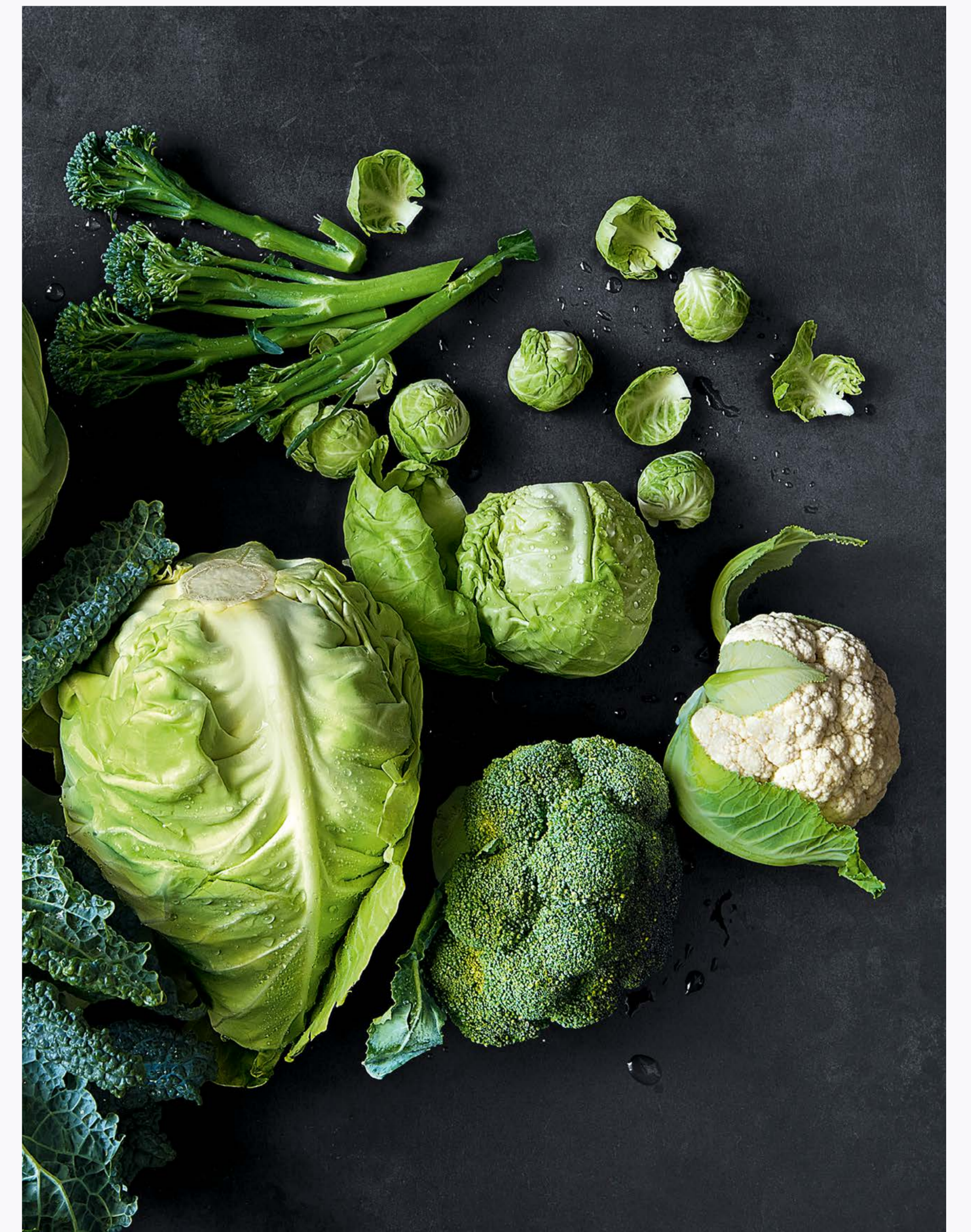
DIRECTOR TRAINING ON GBJ-RELATED MATTERS

During the year, internal subject matter experts took the Board through a textile circularity immersion to gain more insights into the sourcing and manufacturing processes of our FBH products. The Board also attended a panel discussion on the role of corporates in driving social justice during our GBJ week.

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

VISION 2025+ PILLARS COVERED

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



RISK AND MATERIALITY

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

SUSTAINABILITY RISKS

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

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

MATERIALITY DETERMINATION

IDENTIFICATION AND REFRESH

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

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

MATERIAL ISSUES

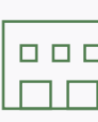
The exercise revealed that our material issues, reflected in the table that follows, remain relevant and complete.

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

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

The WHL Board Sustainability Committee reviewed and approved the materiality determination process in February 2024.



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

For more information on the material issues: HEALTH, SAFETY AND WELLBEING and DIVERSITY AND INCLUSIVE GROWTH refer to the Material Matters section of the Integrated Annual Report.

THE ROLE OF STAKEHOLDER ENGAGEMENT

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

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

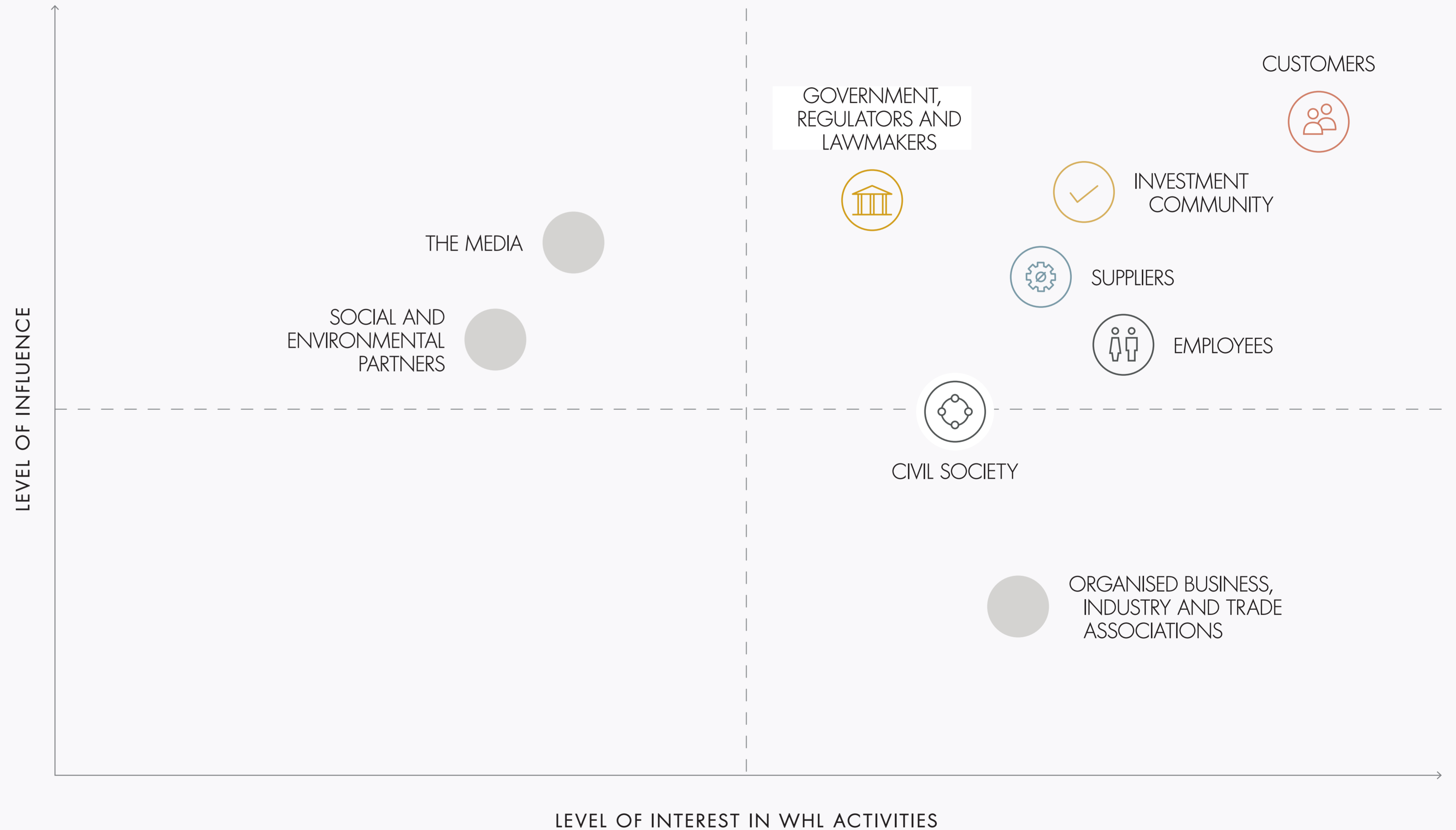
THE ROLE OF STAKEHOLDER ENGAGEMENT

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

The Board is committed to strong, ethical, and transparent stakeholder engagement. Our management teams are empowered by the Board to ensure that we remain accessible to our stakeholders, and that we identify, monitor, and address their needs and concerns as well as the related material matters, risks, and opportunities. The Board receives regular reports from these stakeholder engagements, with the Social and Ethics Committee conducting annual stakeholder engagement self-assessment reviews.

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

Our stakeholders, their interests, and their level of influence in our operations vary according to geographical location, business area, and the nature of their interest. The manner, level, and extent of our engagements are driven by their influence, interests, expectations, and concerns. These relationships are depicted in the accompanying graph, which is reviewed annually. This graph outlines the influence of the material stakeholders versus their interest in our Group.



During the year, we actively and frequently engaged with our material stakeholders to gain valuable insights from them, which inform our material matters, our related strategies and GBJ focus areas. This also allows us to address their needs, expectations, and concerns, and create sustainable value for them and, in turn, for our Group as a whole.

STAKEHOLDER ENGAGEMENT

CASE STUDY

ENGAGING OUR EMPLOYEES

From 21 to 23 May 2024, we invited employees at the Woolworths head office campus to our first in-person Good Business Journey week.

This internal employee engagement programme, offered us the opportunity to:

- Drive high performance that delivers results
- Focus on the customer and balance quality and speed

We themed the three days to align with our GBJ pillars. It included live panel discussions featuring internal subject matter experts and influential external organisations. We had exhibitions from key partners with live demonstrations and mini masterclasses on how employees can incorporate GBJ into their own lives. We also had a sustainability tour to expose employees to the sustainability initiatives within head office, and a Woolworths FBH expo showcasing its sustainability efforts.

The events were very well attended, with employees participating both in person and virtually. We were particularly pleased with the number of store-based staff who participated in the sessions virtually.



CASE STUDY

ENGAGING OUR SHAREHOLDERS

On 18 September 2023, we held our third annual investor summit dedicated to GBJ to provide deeper insights to our shareholders into the Group's sustainability strategy and performance.

Presentations were conducted by Roy Bagattini (Group CEO) on our approach to sustainability and Vision 2025+ targets, Zyda Rylands (CEO Woolworths Food) on the Good Business Journey of the food business, Chan Pillay (Commercial Director: Woolworths Food) on the new Woolies quality standard and Latiefa Behardien (Chief Technical Sustainability Officer: Woolworths Food) showcasing these efforts.





INCLUSIVE JUSTICE

We care for our people and are committed to being a diverse and inclusive business, enhancing the wellbeing of our employees, customers, and communities.

Focus areas in this pillar

PEOPLE	14
SOCIAL DEVELOPMENT	27
HEALTH AND WELLNESS	36

Related UN SDGs

- 1 NO POVERTY
- 4 QUALITY EDUCATION
- 5 GENDER EQUALITY
- 8 DECENT WORK AND ECONOMIC GROWTH
- 10 REDUCED INEQUALITIES



PEOPLE

WHY IS THIS FOCUS AREA IMPORTANT?

To be one of the world’s most responsible retailers, we must evolve and develop our People policies and practices. In developing our People Value Proposition – our ‘People Promise’ – and delivering key, strategic people initiatives, we have created a framework against which we will continue to progress and improve the lived experience of our people.

RELATED UN SDGs

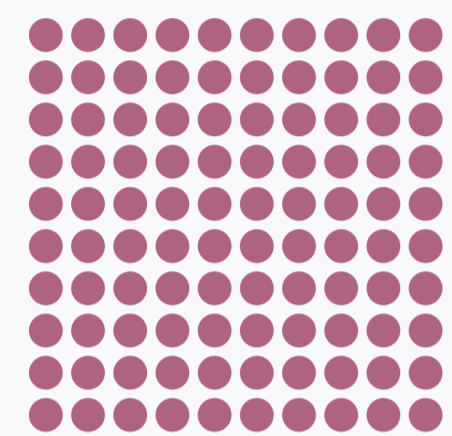


In this focus area

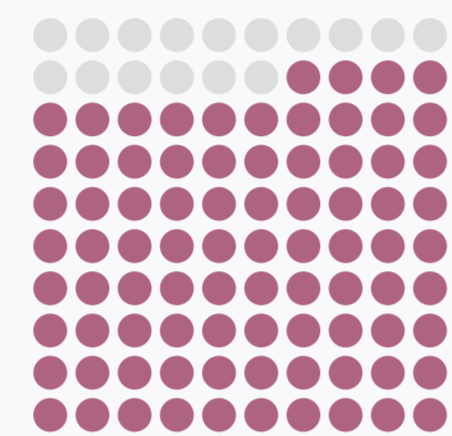
STRATEGY & MANAGEMENT APPROACH	
OVERVIEW	15
OUR PEOPLE	16
OUR PEOPLE STRATEGY AND PEOPLE VALUE PROPOSITION	16
PEOPLE POLICIES	24
COMPLIANCE WITH LABOUR STANDARDS	26

OVERVIEW

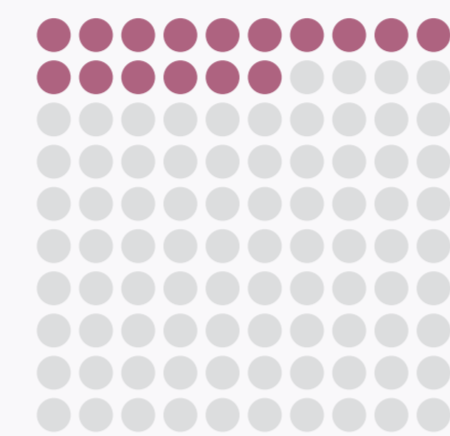
HEADCOUNT



WHL
38 642
 2022: **37 746**,
 2023: **38 732**



Woolworths SA
33 034
 2022: **32 019**,
 2023: **32 675**

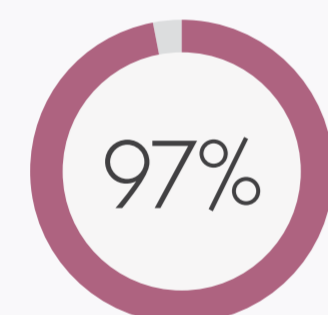


Country Road Group
5 608
 2022: **5 727**,
 2023: **6 057**

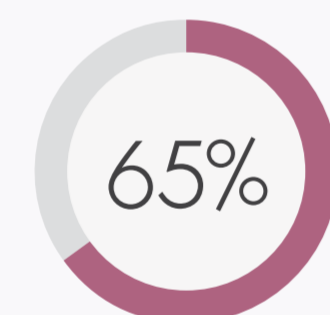
HIGHLIGHTS

- Successfully launched the Our Leadership Way Programme with the top 70 leaders in South Africa through a two-day immersion OLW session
- Launched the inaugural Woolworths CEO Excellence Awards, which recognises exceptional employees and places even greater emphasis on delivering extraordinary outcomes
- Woolworths was ranked in the top 20 (and was the only South Africa retailer) among companies advancing gender equality in emerging markets
- We have made incremental shifts in African Black representation with the opportunities that have become available in recruitment and promotions, while managing the stretched sectoral targets

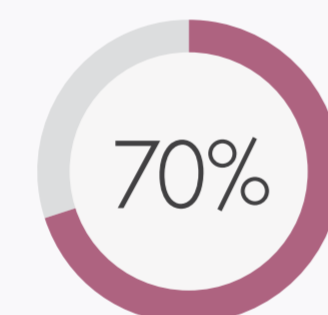
EMPLOYMENT EQUITY EMPLOYEES IN WOOLWORTHS SA



Permanent



Women



Top and middle management

PEOPLE WITH DISABILITIES

529

Total

92%

Black

2022: **563 total, 94% black** 2023: **490 total, 92% black**

LOWLIGHTS

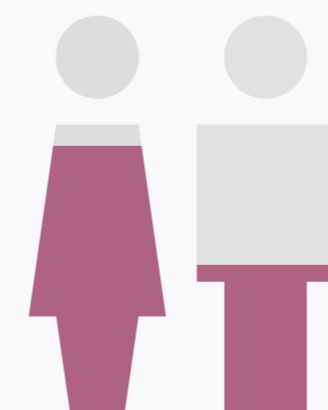
- Competition for key talent across retail and other sectors in South Africa
- Retention efforts continue to be a challenge, specifically in the Black African cohort

WOMEN IN TOP AND SENIOR MANAGEMENT



Woolworths SA: **43%** Country Road Group: **58%**

GENDER REPRESENTATION



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



Country Road Group
 Female: **88.5%** Male: **11.5%**

LOOKING AHEAD

- We will continue to cascade our Our Leadership Way Programme to the next cohort of leaders in our Group
- We will roll out our digital learning platform, WLearn, to all head office areas
- We will cascade our Re-imagine Freedom campaign across leadership groups as part of Our Inclusive Way

OUR PEOPLE STRATEGY AND PEOPLE VALUE PROPOSITION

OUR PEOPLE

The Group has integrated its regional people strategies across South Africa, Australia, and sub-Saharan Africa. The post-pandemic era has changed the relationship between people and their work. Therefore, our aspiration is to become a retail employer of choice.

Our workforce comprises predominantly permanent employees, supplemented by third-party partners and service providers. Our 38 642 employees are all directly employed in our operations, stores and distribution centres, including the central buying, product development, planning and business areas that support the effective running of the Group.

Aligned with international trends, we have experienced an increase in labour turnover rate. Therefore, our increased focus is on actively managing retention as competition for key talent intensifies.

The absenteeism rate in the Woolworths store environment continues to show improvement/decline. The Woolworths store employee absenteeism rate was 2.83%, an improvement/decline from the 3% reported last year. Our overall LTO rate is 18.1%, marginally up from 17.6% last year.

The Country Road Group is experiencing intensifying competition for key talent. Increasing opportunities within the fashion sector in online and traditional fashion businesses, including active headhunting from our competitors, have increased our LTO. Overall LTO is 21.8% and has increased compared to June 2023 (21%)

Where third parties provide services, these parties are bound by strict service level agreements, codes of practice, and contracts. The service providers must abide by minimum standards as applicable in the relevant legislation. Inspections and reviews occur to ascertain adherence.

In Woolworths, our distribution centres use outsourced labour to assist with supply chain operations. These facilities employ 3 500 outsourced people (10.6% of Woolworths employees).

During the year, we started implementing our people strategy, OUR PEOPLE WAY, which set us off on a journey to become an employer of choice within retail.

Shifting employee expectations post-Covid-19, adopting hybrid work models, and a hyper-competitive labour market have dramatically altered employee preferences and the levers to attract, motivate and retain employees.

The Group's strategic objective is to deliver a compelling and differentiated PVP, enabling us to retain and engage our people and attract the right talent in the market. Therefore, we created a bespoke People Value Proposition (PVP) – Our People Way. It expresses our Group's commitment to our people (current and future) in terms of a compelling and differentiated PVP.

It is an integrated approach supported by six key levers, each with promises and descriptions of what employees' lived experience should feel like while employed in the Group.

Our People Way provides an important frame of reference and anchor for developing and delivering our People Value Proposition and experience. It further aligns our leaders, people, and human resources team behind an inspirational, clear, future-focused, and ambitious aspiration to be the employer of choice in retail.

We have embarked on an engagement process to embed the People strategy. One of the Group's material risks is to attract, develop, retain, and upskill talent for future ways of working and the strategic demands of the Group. We are confident that implementing to our people strategy and People Value Proposition will enable us to mitigate this risk and fulfill our vision of becoming an employer of choice in retail.





LEADERSHIP

The volatile, uncertain, complex, and ambiguous nature of our operating environment has irrevocably redefined The Group’s leadership requirements. We have taken stock of our changing business conditions and vision for the future. We redefined the leadership behaviours and competencies to set us up for success in this competitive retail landscape.

One of our commitments in delivering a compelling PVP is to provide a consistent, best-in-class leadership experience for our people by developing and nurturing leadership that delivers results underpinned by our values. Therefore, we have developed a Group-wide leadership capability framework, which outlines a set of behaviours that define what (for us) great leadership looks like, and what it feels like in the experience of our people – Our Leadership Way. This framework includes five competency clusters across four levels of work, including managing self, others, leaders, and business.

The Exco and their teams have been exploring what this means for them and their role in embedding these behaviours in our business. This is deliberately a leader-led initiative. We focused on an immersive learning and leadership development journey to ensure our leaders build confidence and competence to embed the shifts in leadership behaviours required.

The journey began with a launch event for the top 70 leaders in South Africa. The leaders were invited on a journey of discovery to explore and adopt Our Leadership Way as a leadership team, be the change our business needs us to be, and ignite new energy in the rest of the organisation. The programme is being cascaded to the rest of the organisation. Quarterly leadership summits are also being held with the top leaders. The leadership summits serve as a platform to engage with the senior leaders in The Group on critical business issues.

Our Leadership Way provides us with guiding principles for leadership behaviours and will be embedded across the employee life cycle to unlock value for our people.



PERFORMANCE MANAGEMENT

Performance management is a component of Our People Way. It is expressed as Our Performance Way.

Our key objective as we evolve our expectations of our people is to:

- Drive high performance that delivers results
- Focus on the customer and balance quality and speed

To create a culture of ownership and accountability, we are shifting our approach to performance management and creating more deliberate linkages to our reward strategy. This aims to enable all employees and teams to take ownership to deliver impact, value, and excellence and our people to perform at their fullest potential.

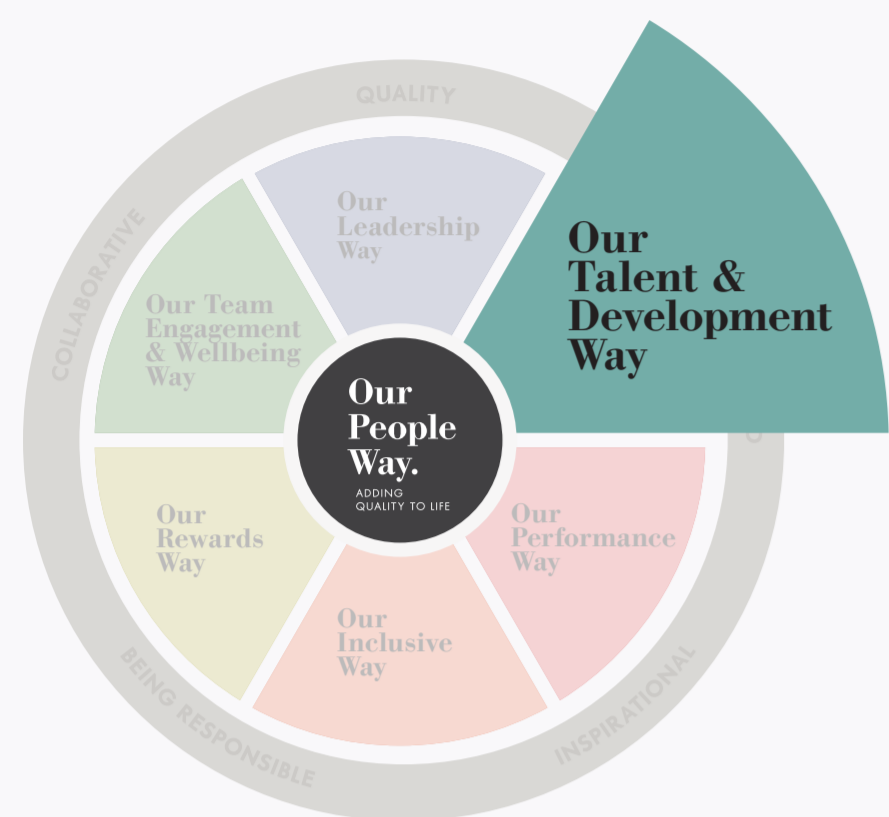
We aim to drive and enable behaviour change and create greater alignment between The Group and individual goals to achieve this. The introduction of Our Performance Way across all levels in the organisation will assist in clarifying expectations and highlight the behaviours required to embed a high-performance culture. Linking these to an updated, easily understood reward strategy and approach will enhance the ongoing focus on delivering a high-performance and delivery culture.

We have developed a combined approach to goal setting and development planning and simplified the early stages of the annual performance cycle. The cascade is supported by an Our Performance Way playbook and tools to guide employees as they adjust to this new approach.

Having identified a clear vision and the shifts needed to drive and enable high performance, we have continued to improve our approach to performance management this year.

Key focus areas, for which we introduced initiatives and actionable guidance to support and enable the change, include the following:

- Better quality, more considered goal setting linked to a strategy to create greater alignment between individual/team and business performance
- Calibration and alignment of team goals upfront in the goal-setting process
- Focus on more frequent, performance-focused, quality conversations between line manager and employees/peers, ensuring employees receive ongoing, timely feedback to encourage and support positive, output-focused delivery and productive employee-manager relationships
- Emphasis on empowering employees to take ownership for execution, with and through others, to deliver impact and value



LEARNING AND DEVELOPMENT

The retention and development of our people are critical components of Our People Way. They are expressed as Our Talent and Development Way.

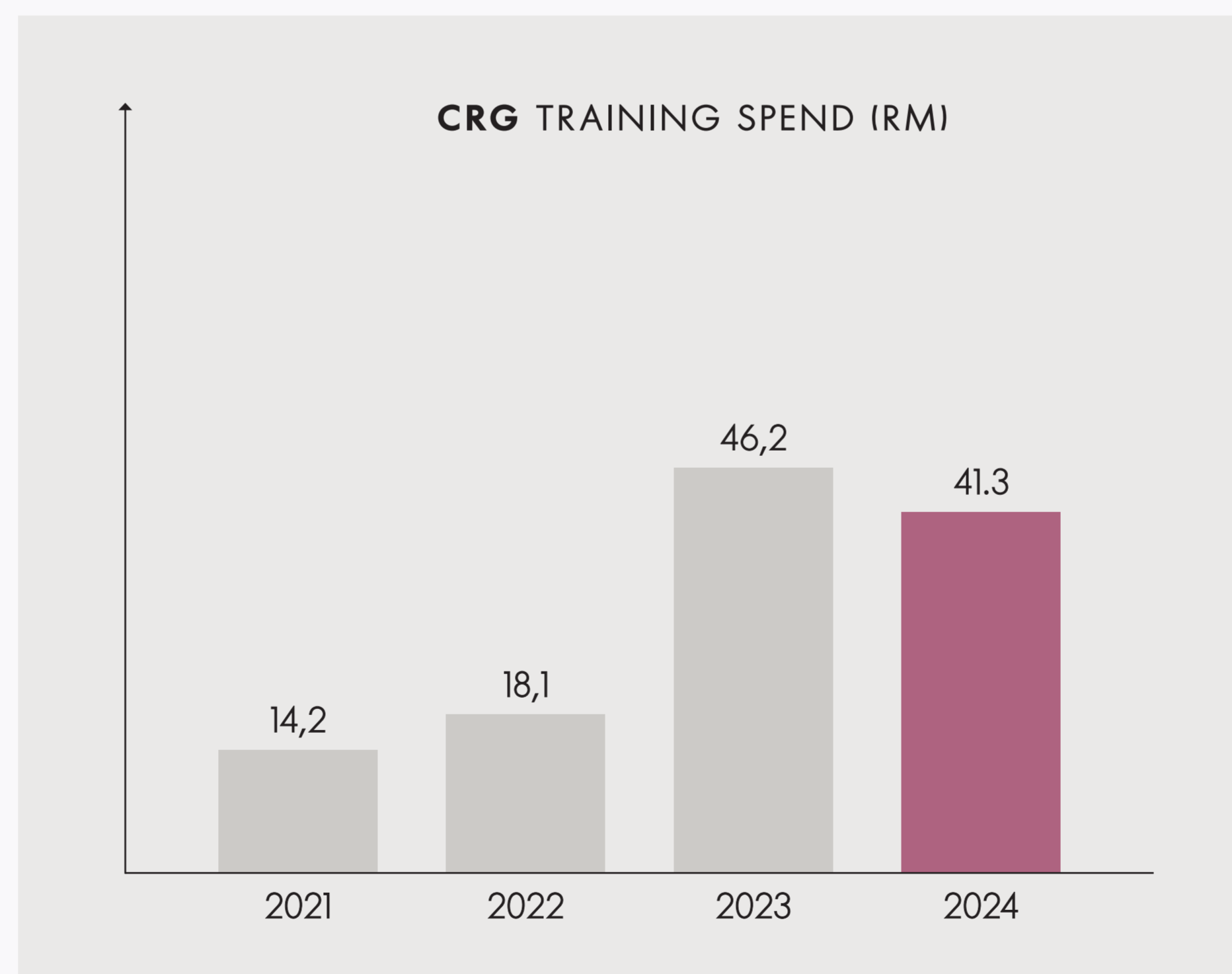
Our key objective is to:

- Embrace the diverse strengths of our employees, focus on their development, and enable and empower them to do their best

We are evolving our expectations of our people, supported by a refreshed approach to learning and development. We continue to design and deliver learning and development programmes to foster the growth and development of our people and equip them with vital skills and experience. Skills and capability development are key to each employee’s performance plan. The Group offers various internal and external accredited training and tertiary studies designed to help employees deliver on our business strategies and equip them with the skills required in the retail environment. Specific external learning interventions are provided to senior leadership to expand their business and leadership capacity.

Our People Way is central to improving talent retention and using available talent data to inform, refine, and review our integrated talent experience. There has been an increased focus on establishing robust and integrated talent discussions across the Group.

Individual entity and business unit talent review forums are embedded in our cyclical process and involve the Group CEO and People director. These engagements and the combined WHL Group Exco talent forum remain critical to enable our leaders to execute our agreed talent-management strategies and actively manage talent and succession in the Group.



WOOLWORTHS SOUTH AFRICA

We remain committed to upskilling and reskilling our people to deliver our business strategies and encourage employees to grow their careers with us. New ways of working and the disruptive nature of the retail industry require us to be innovative and commercial in executing our learning and development strategies.

PIPELINE DEVELOPMENT



BURSARIES 2024:

217 (2023: 206, 2022: 226) employees received funding for tertiary education.

Funding for **37** (2023: 77, 2022: 76) employee dependents to study for qualifications in the retail industry.

We offer our qualifying employees and their dependents bursaries to obtain matric and post-matric qualifications. We prioritise funding to address retail-related qualifications that align with our core and scarce skills, plus future retail skills.



LEARNERSHIPS ACROSS THE BUSINESS:

901 (2023: 983, 2022: 2 339) employees were enrolled on learnerships.

114 (2023: 230, 2022: 580) unemployed youths were enrolled on learnerships targeting people with disabilities.

We deliver several learnerships across the levels of work. Our learnership programmes offer our people the much-needed development to bridge the skills gap while obtaining a qualification. It also helps to build our pool of ready-now people we can promote.



FIRST TIME MANAGER SERIES

The First Time Manager Series (FTMS) supports our philosophy of growing our own and developing future leaders from within. FTMS has been positively received after its launch and we are excited to see a 56% increase in the uptake of this innovative programme.



GRADUATE DEVELOPMENT PROGRAMME:

71 participants commenced 2024 programme
41 participants graduated from the 2023 programme



RETAIL MANAGEMENT DEVELOPMENT PROGRAMME (WRSETA)

Several of our top talent managers have been registered for the Retail Management Development Programme (RMDP). The programme aims to address skills gaps within the middle management component of the Wholesale and Retail sector by equipping middle managers, supervisors, and team leaders with relevant skills to become effective managers.

The RMDP focuses on developing employees drawn from historically disadvantaged groups in line with the Employment Equity Act.



LIVING SOILS

We are hosting interns at the Living Soils Learning Farm in partnership with Spier and the Sustainability Institute. The interns will also augment their farming studies and immerse themselves in the world of retail. This unique opportunity will see the interns spending time at our flagship store, where they will delve into the intricacies of the food supply chain and customer service.



SAICA TOPP PROGRAMME

We offer Training Outside of Public Practice (TOPP), the financial management training route that offers prospective chartered accountants (CAISAs) an alternative to the conventional auditing route to qualifying as a CAISA. Aspirant CAISAs are equipped with multidisciplinary skills crucial in today's competitive economy.

All the candidates recruited on the programme have successfully qualified as CAs and have remained in the business. Our enrollment comprises three African female candidates.



DIGITAL LEARNING FOCUS

In a fast-changing, increasingly more digitally focused world, we must upskill our people more efficiently and effectively to achieve our strategic objectives. We are shifting the organisation's learning culture and implementing a digital learning solution. This will help us to deliver high-impact learning at the speed of business change while appreciating that our current employees need to be re-, up-, multi- and out-skilled as the face of the business changes.

Where practical, we have adjusted our delivery channels for learning. Internal communication platforms such as SharePoint and our MyWoolies App facilitate and deliver more access to learning material and workshops. In some instances, we also deploy WhatsApp as a communication tool.

We launched our new digital learning platform, WLearn, to head office employees. WLearn will be available to stores and supply chain employees in future. This enables us to deliver our vision of omnichannel learning experiences. Our people will have access to learning in the flow of work once the roll-out to stores and supply chain has been completed.

COUNTRY ROAD GROUP

Learning and development remain key priorities in Country Road Group. We completed a learning diagnostic outlining key capabilities and focus areas on growing team member capability to deliver on our strategic objectives. We developed and ran a pilot of two leadership programmes. Following the successful pilot, we are rolling out the Ignite and Inspire Leadership development programmes across Country Road Group. We also reintroduced values-based learning after the Covid-19-induced hiatus.

We have upgraded our learning management system (LMS), giving us a more accurate and holistic view of training across our team members. The LMS also enables self-service and enrolment across the learning calendar.

In a fast-changing, increasingly more digitally focused world, we must upskill our people more efficiently and effectively to achieve our strategic direction

INTERNAL APPOINTMENTS

	2022	2023	2024
WOOLWORTHS SOUTH AFRICA	87%	84%	81%
COUNTRY ROAD GROUP	64%	81%	64%





REMUNERATION

Remuneration is a key element of Our People Way and is expressed as Our Rewards Way.

Our key objective is to:

- Offer competitive, performance-based rewards based on fair and responsible pay principles and flexible benefits

Through this commitment, the Group has designed a remuneration framework of guaranteed pay (GP) (the annual adjustment to base salary and benefits), and variable pay made up of short- and longer-term performance-based incentive schemes (STI and LTI).

We designed the remuneration policies to promote and reward the right behaviours that drive a high-performance culture and aligns performance and reward. We designed these policies to recognise and reward individual responsibility, performance, and behaviour in achieving business goals. These policies apply to all Group employees, and participation in short- and long-term incentive schemes depends on an individual's role and work level within the Group.

These policies also focus on achieving a fair and deliberate balance between fixed and variable pay.

VARIABLE REMUNERATION

Woolworths updated elements of the store employees' variable pay scheme. To support a sales and service culture, we increased the weighting of these measures. We changed the store manager gain-share scheme, including closer alignment to our corporate STI scheme. Simple and targeted communications help employees understand the schemes and how they can maximise their rewards.

Based on external feedback, current remuneration practices, and input from scheme participants, we updated the management short- and long-term incentive schemes. We have separated our LTI performance measures into specific measures for Country Road Group and Woolworths to create more line-of-sight for participants. We have introduced a forfeiture share plan (FSP) for Woolworths and will retain the performance share plan (PSP) for Country Road Group.

Simple and targeted communications help employees understand the schemes and how they can maximise their rewards.

CASE STUDY

WOOLWORTHS LAUNCHES ITS INAUGURAL CEO EXCELLENCE AWARDS

At the heart of our Woolworths difference are our people. Recognising and acknowledging the extraordinary achievements of our people and how they have made our Woolworths difference exceptional is a critical element of building a high-performance culture.

As such, we launched a new recognition programme, the Woolworths CEO Excellence Awards, which aims to highlight the individuals and teams within the organisation who consistently go above and beyond to deliver extraordinary outcomes, setting new standards of excellence within the business.

The programme allows employees to nominate their colleagues or teams for consideration for one of the four awards categories:

- Outstanding performance award
- Game changer award
- Living our values award
- Extraordinary achievement

Nominees were invited to a gala event in November 2023 where the winners were given their awards and prizes.

Tumelo Molutsi's exemplary achievements as manager of the Woolworths Goldfields store earned him the ultimate accolade at the event. The CEO Excellence award, came with the prize of an all-expenses-paid holiday at a destination of his choice, anywhere in the world.

This is one of the many ways we recognise and reward high performance among our people.





DIVERSITY, EQUITY AND INCLUSION

We are committed to an inclusive culture where everybody belongs.

Our Inclusive Justice Initiative (IJI), launched in 2021, is an integral part of our Good Business Journey, underpinned by the ethos of inspiring, inclusive growth for all people and at the heart of our commitment.

IJI sets out to acknowledge that certain groups in our society are marginalised. We have committed to shaping an inclusive society where everyone feels they belong, particularly at work, where they are accepted, protected, safe and respected. The other areas where we are determined to effect social justice are in:

- our supplier base
- our customer base
- communities

Inherent in our Inclusive Justice intent is how we are being deliberate about achieving our Inclusive Way promise and our commitment to leave no one behind.

We believe it is our collective responsibility as individuals and as an organisation to actively engage with inequality, discrimination and marginalisation, work towards positive change and make a broader contribution to the world.

Therefore, we take our responsibility to build diverse, inclusive and safe environments for all our people, seriously.

Considering the nuances of our diverse geographic, demographic, and legislative landscapes, executing our IJI strategies and priority focus areas will differ in distinct contextual settings.

In Australia, there is a growing need for the recognition and inclusion of Aboriginal and Torres Strait Islander communities in all aspects of their population. Country Road Group has responded by developing a diversity, equality and inclusion (DEI) strategy as an enabler to shift our culture to be more diverse and inclusive.

COUNTRY ROAD GROUP

We conducted a culture diagnostic of Country Road Group, and the outcomes informed our DEI strategy. The leadership structure endorsed several critical action plans for future development.

We are implementing the strategy using a layered approach over time to ensure a sustainable culture shift and develop the maturity level of our DEI.

Initially, we established a joint allyship with David Jones to support three pillars of diversity – accessibility and inclusive experience, identity, and First Peoples. Following the Group’s divesting of David Jones, we have moved our attention from broad allyship to focused employee resource groups (ERGs). Engaging directly with our team members provides richer feedback and understanding.

We are rolling out changes to our Inclusive Policies after an external party reviews them.

We designed inclusive leadership training with our DEI in mind. To date, we have trained 80 leaders at our CRG quarterly senior leadership forums. The training and updating of our policies are critical foundations in the emerging stages of our DEI maturity.

Our first targeted ERG for the LGBTQIA+ community and allies has commenced, enabling a more focused agenda and deliverables for this community and the business. The dedicated steering committee is in its final stages of developing a charter. This charter will help us educate, celebrate, create community, and advocate for LGBTQIA+ team members and beyond.



INCLUSIVE JUSTICE INITIATIVE (IJI): LEAVE NO ONE BEHIND

IJI, as one of the key strategic pillars of GBJ, provides a strategic direction for Our Inclusive Way, an aspect of Our People Way

Our key objective is to:

- Create and enable an inclusive culture where everybody belongs

To advance our IJI commitment, we have proactively addressed several critical social justice concerns affecting our people, encompassing racism, women’s empowerment, gender equity, gender-based violence, diversity, inclusion, and equitable, fair and responsible pay.

Our overarching goal is to foster a society where everyone can freely embrace their uniqueness and experience acceptance, respect, and belonging.

As part of our unwavering commitment to inclusive justice, we have initiated targeted efforts within the People component of our IJI.

This includes measures to combat gender-based violence and promote fairness and inclusivity in our workplaces.

To ensure the effectiveness of these initiatives, we have appointed an executive responsible for DEI who will champion our DEI strategy for people, a pivotal element of our broader IJI strategy.

The table below represents how our people-focused initiatives align with the overarching directional themes of our IJI. Our primary directional theme, ‘non-discrimination and equal opportunity’, sets the fundamental tone for our Inclusive Justice agenda. Our commitment to women’s empowerment and gender equality is our universal lead advocacy issue across the Group.

IJI DIRECTIONAL THEMES

OVERARCHING THEME: NON-DISCRIMINATION AND EQUAL OPPORTUNITY				
SUPPORTING THEMES	Economic Inclusion	Women’s Empowerment and Gender Equality	Empowerment	Leadership and Culture
PEOPLE INITIATIVES	Just Wage	Employment equity targets	Training and development	Values
	Gain-share scheme	Gender-neutral working wardrobe	Bursaries for employees and dependants	Our Leadership Way training
	Redeployment of employees from closed stores	Marginalised communities awareness and sensitisation	Learnerships	Refresh policies to be more inclusive
			Employee Assistance Programme	Employee resource groups

STRATEGIES, GUIDING PRINCIPLES, COMPLIANCE, INTERNAL AND EXTERNAL COMMUNICATIONS

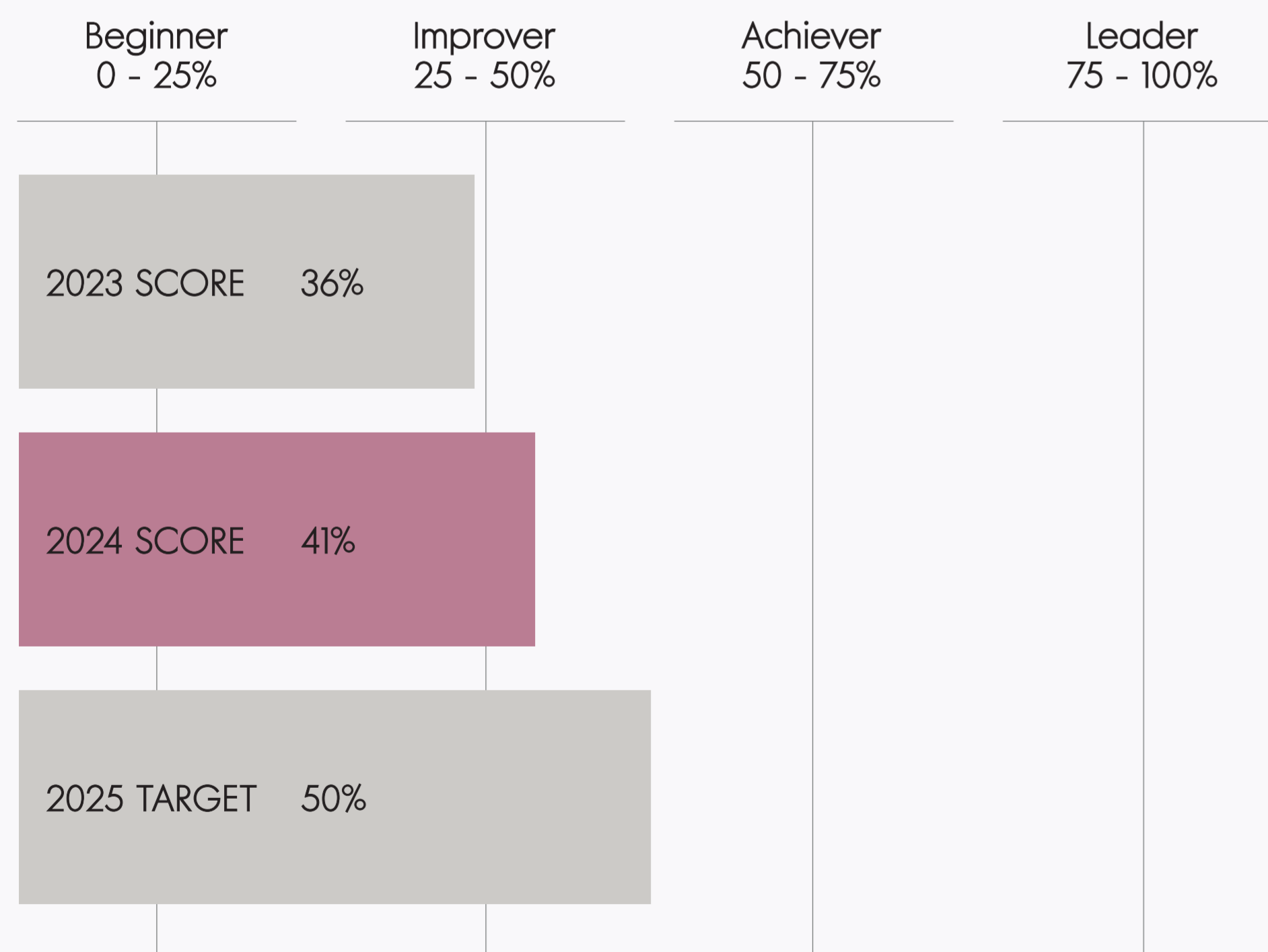
WOMEN'S EMPOWERMENT AND GENDER EQUALITY

Our approach to promoting women's empowerment begins with strong leadership that advocates gender equality at all levels, transcending corporate boundaries and treating every individual with fairness and respect, regardless of gender.

We prioritise the wellbeing and safety of all our employees, both women and men, ensuring they can thrive in a supportive environment.

We are a proud signatory to the United Nation's Women's Empowerment Principles (WEP) and have achieved 'Improver' status for our first submission. In the year under review, we achieved a score of 41% against a target of 42%. We aim to score 50% next year. This aligns with our goal to reach 'Achiever' status by the end of the 2025 financial year and ultimately obtain the highest status of 'Leader.'

Woolworths South Africa was a finalist in two categories at the Gender Mainstream Awards. In the first category, community engagement and partnerships, finalists are recognised for promoting gender equality through community engagement and partnerships. The second category, leadership commitment and action, recognises leaders who advance the pursuit of gender equality in their organisations.

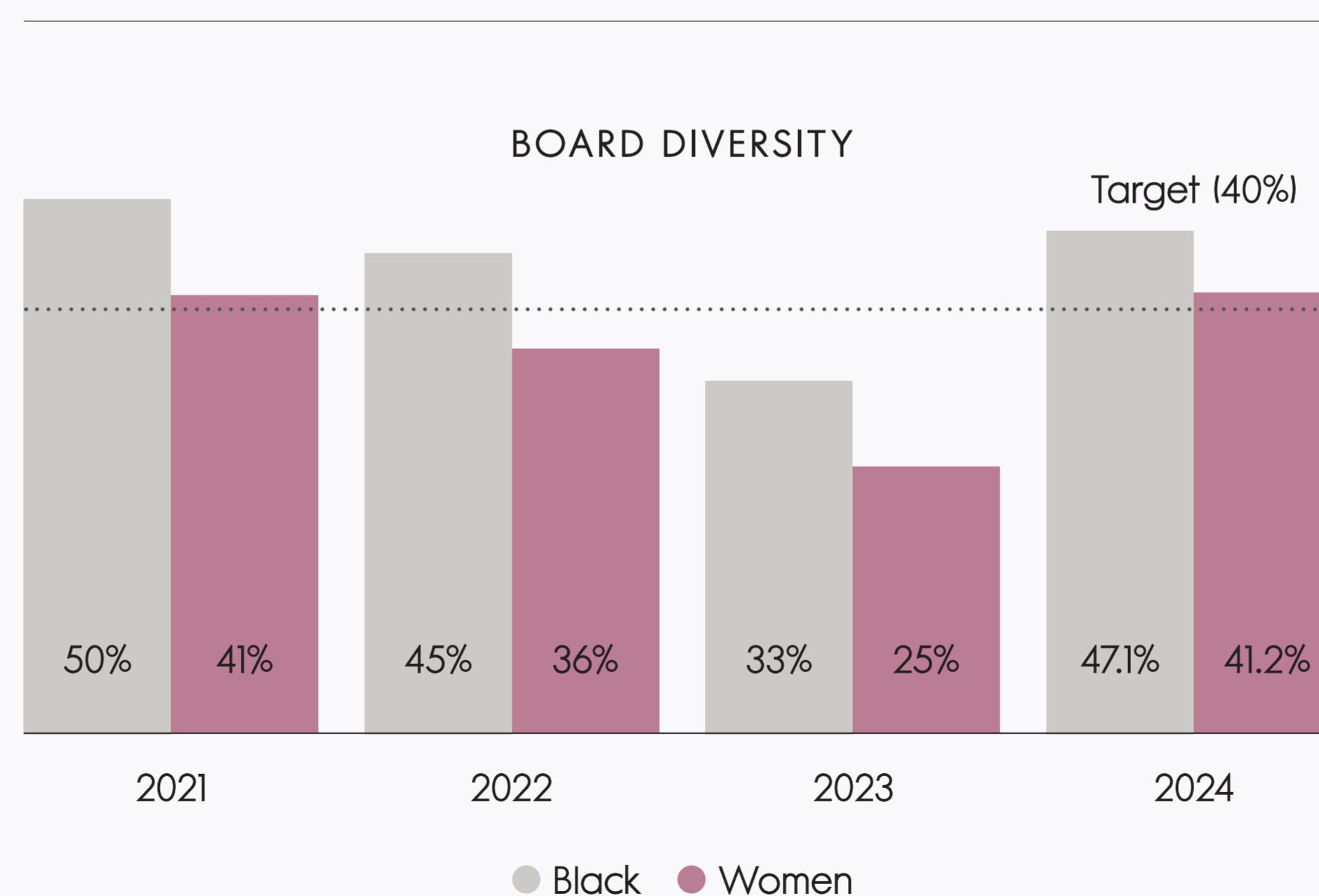


WHL was ranked in the Top 20 companies for gender equality in emerging markets by Equileap. We were one of just four South African corporates in the ranking and the only retailer to make the list.

REPRESENTATION

The Board Diversity Policy guides the Nominations Committee and the Board in setting targets regarding race and gender, skills, retail experience, country-specific business knowledge, and expertise. Our target is 40% for Black and 40% for female directors. The three-year Board rotation and nine-year tenure rules strongly influence the increase/decline against our targets for the year, compounded by a scarcity of highly qualified non-executive directors.

Our progress in achieving these targets is illustrated below:



WOOLWORTHS SOUTH AFRICA – EMPLOYMENT EQUITY

In the context of our Inclusive Justice Initiative and South African statutory legislation requiring companies to set employment equity targets to drive transformation, diversity, and equality in the workplace, we continue to implement and strive to achieve the commitments made in our EE plan.

Our EE plan reflects our strategy to transform our employee base as we continue to work towards aligning the national economically active population and the representation of our workforce within Woolworths.

The plan considers the following objectives:

- Building an enabling, values-based culture that creates access, promotes inclusion, embraces diversity, therefore fostering a sense of belonging
- The continued implementation of our Leadership Development programme through Our Leadership Way to ensure we continuously build the leadership skills and create the mindset shift and culture that supports Woolworths transforming into a more representative, diverse and inclusive workforce
- Continuously upskilling and retaining key talent, particularly our talent from designated groups within the context of the fierce war for talent in the retail landscape
- Continue our focus on building our internal talent pipelines for people to grow within our business, in line with our strategy of growing and developing from within
- Focus on the identified barriers and the plans to address these, which have been integrated with business organisational development strategies and practices for sustainable impact
- Monitor and evaluate progress against the plan to ensure we deliver our commitments

To support our EE plan, we have a national EE Committee, Business Unit Diversity Committees in head office and Diversity Committees in stores and distribution centres.

Committees are representative across race, gender, and different job levels at Woolworths. The committees are important in supporting the organisation in promoting fairness and diversity within the workforce and monitoring and advocating for implementing employment equity policies and practices. They also foster an inclusive and equitable work environment, benefiting employees and the organisation.

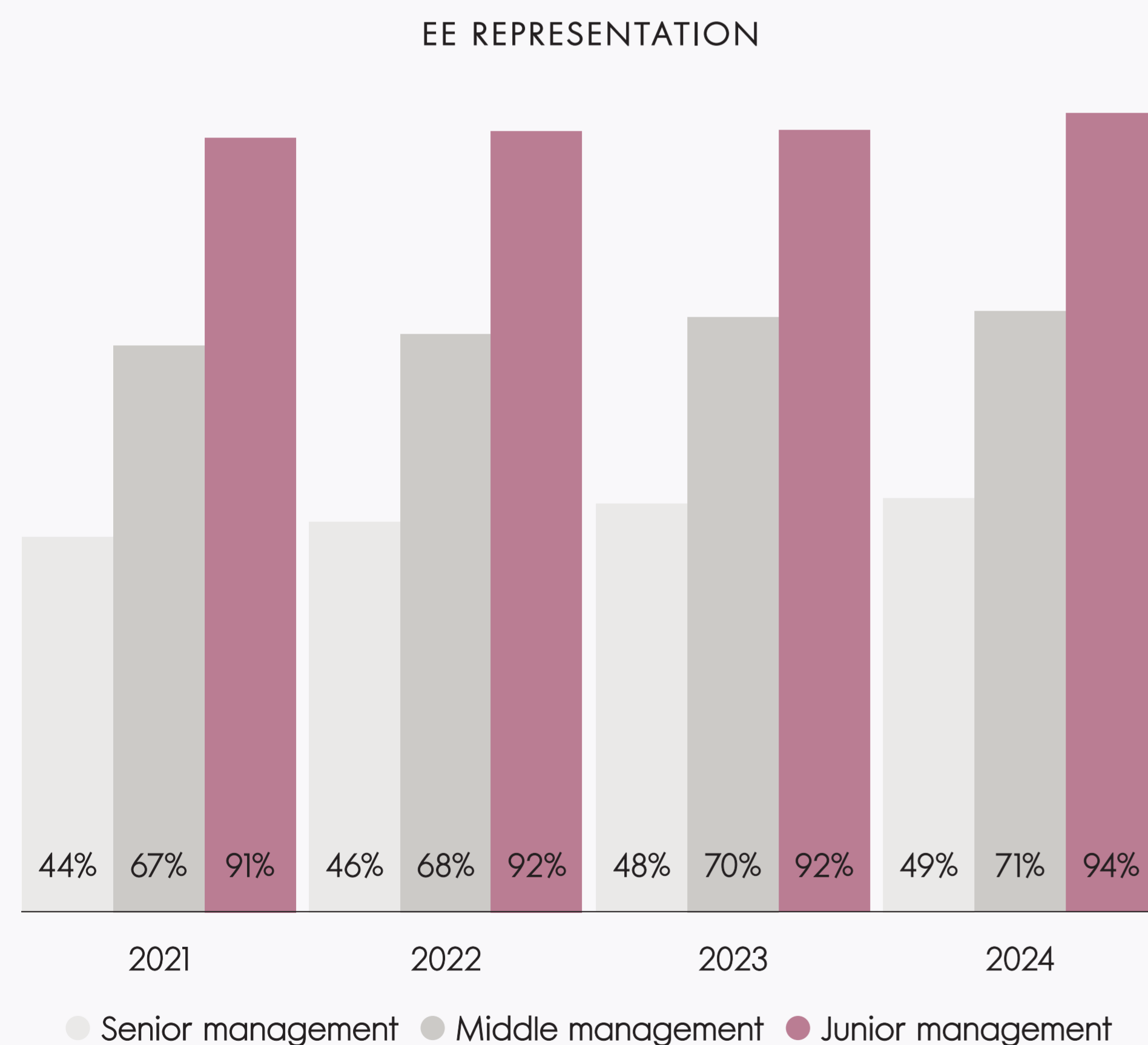
To further support the delivery of our commitments, we have embedded the delivery of our EE Plans in our goals and rewards.

Our Social and Ethics Board Committee oversees our EE plans and the progress made against them.



EE employees represent 97% (2023: 96%, 2022: 96%) of total Woolworths permanent employees, of which 70% (2023: 68%, 2022: 66.4%) are in middle- to top-management positions. Women represent 65% (2023: 65%, 2022: 64.6%) of EE permanent employees.

We are pleased to have increased the EE representation across all categories since 2021.



DISCRIMINATION

In the regions where we operate, codes of ethics and conduct guide the business in determining what is expected to prevent discrimination in the workplace. This also extends to our suppliers through the Woolworths supplier code of business principles and Country Road Group’s code of labour practice.

WOOLWORTHS SOUTH AFRICA

While the plan focuses on an organisational level, we have various policies to eradicate discrimination at an individual level.

Our people can access online learning material to gain insight into and learn about discrimination, diversity and inclusion topics.

We are developing measures to provide an alternative reporting mechanism for employees to report discrimination and harassment. These external independent reporting opportunities will supplement our current internal processes.

Drafting a Non-discrimination and Equal Opportunity Policy will support the inclusion and advancement of marginalised groups.

COUNTRY ROAD GROUP

Momentum continues to build toward our DEI agenda. In Country Road Group we created greater awareness in support of First Nations through an Acknowledgement of Country Workshop held with 90 senior leaders. We have also rolled out training through online learning to our support centre and retail teams.

In celebrating NAIDOC week, our Witchery brand hosted a breakfast for 250 people in Naarm (Melbourne). Country Road is also proud to offer a biennial mentorship and exhibition programme that pairs emerging Australian First Nations artists and designers with an esteemed industry mentor across each state and territory.

PEOPLE WITH DISABILITIES (PWD)

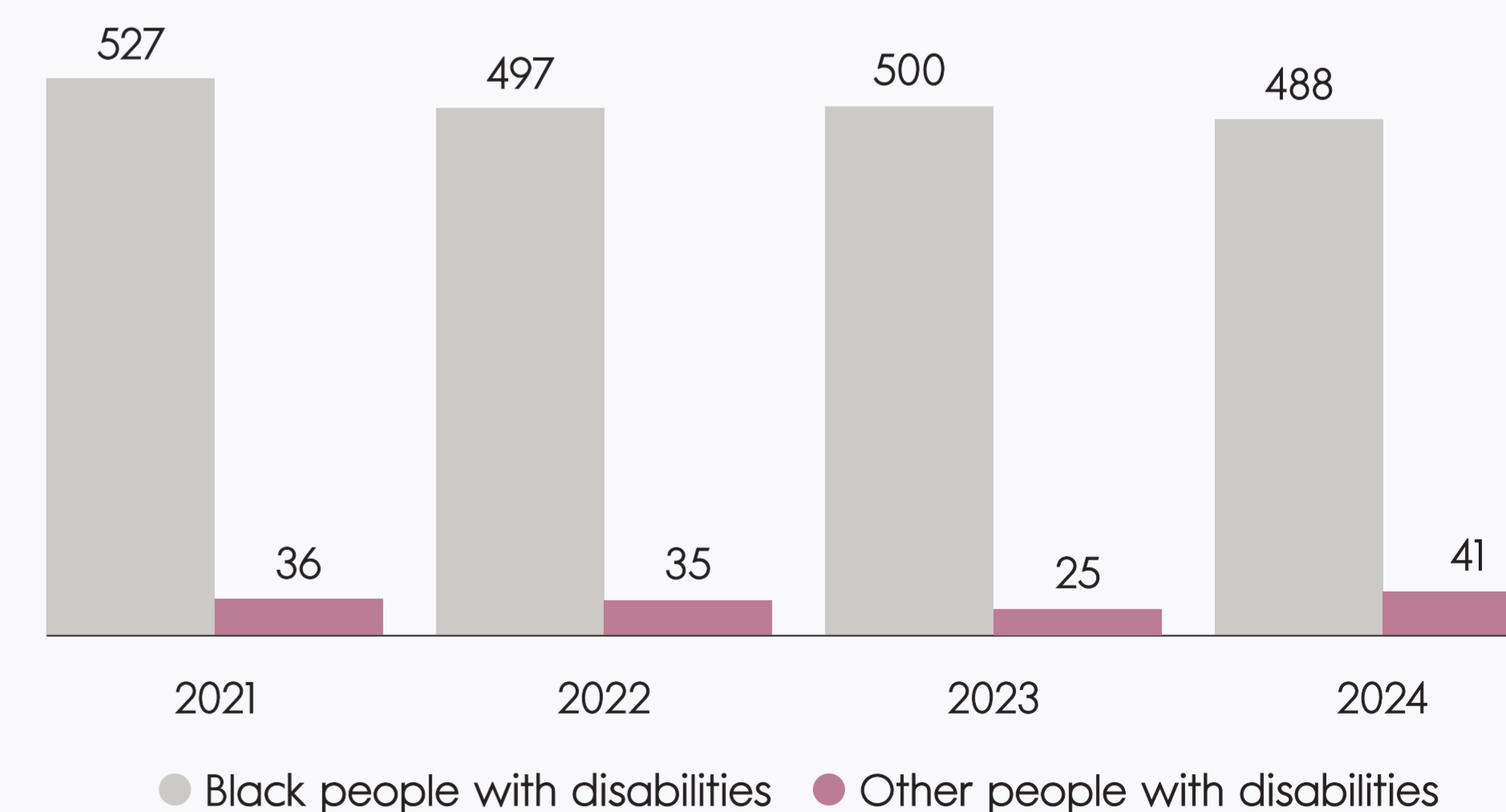
To authentically embrace our commitment to Inclusive Justice, we continuously grow our understanding of the experiences, challenges, and triumphs of colleagues with disabilities. However, this community continues to experience disability-related biases and marginalisation at work and in society.

Aligned with our efforts to create a more inclusive environment, we developed an internal awareness campaign. It was launched on 3 November 2022 to align with National Disability Rights Awareness Month in South Africa and continued a month later on 3 December 2022 to commemorate the International Day of Persons with Disabilities.

This campaign was our first notable initiative for the PWD community. It provided an opportunity to honour and acknowledge our colleagues living with visible or invisible disabilities across our value chain, all of whom have unique experiences in the workplace.

We will continue to focus and act on critical employment-related issues and challenges unique to PWD. As we advance, we will create a safe space for robust and transparent engagements with our PWD to assist us in identifying areas that need attention and support.

In addition, transformation legislation in South Africa requires 2% of a company’s workforce to be Black PWD. We currently employ 529 (2023: 490, 2022: 532) employees living with disabilities, of whom 92% (2023: 92%, 2022: 93%) are from previously disadvantaged communities.



PEOPLE POLICIES

Several people policies have been reviewed and updated to be more inclusive regarding gender, social identity, race, religious beliefs, and culture.

Previous policies were more formal, did not necessarily consider current trends, and used legal language, making them difficult to understand and less accessible. They also did not address and support the IJI theme of gender equality. This led to potential bias and a lack of understanding of the impact of not implementing them.

We strive to ensure that our policies are available and accessible to all our people in a format that is easily understood. We review our policies on a regular basis, to ensure that they meet these requirements

WOOLWORTHS' WORKING WARDROBE POLICY

Previously, employee uniforms for our stores and distribution centres were gender-specific, very prescriptive, used outdated terminology and language, and did not fully consider the need to be inclusive.

We held meetings with our employees to get feedback on the previous uniforms. A pilot of the new uniforms in one of the stores provided input to understand how the items would perform and their durability and usability. We have renamed the policy to our Working Wardrobe Policy. It is more inclusive and has been co-created with the employees working in stores and distribution centres.

The policy is now gender-neutral and considers specific religious beliefs and cultural needs. Employees can choose how items fit regardless of gender identity or expression. Some items ensure we meet the health and safety requirements that protect employees working in certain business operations and customers shopping with us.

Outsourced areas operating in our stores have garments that apply the new policy and present a consistent brand image.

PARENTAL LEAVE POLICY

Parental leave, as compared to maternity leave, considers that caregivers should be allowed to take off work to care for a new baby. It also includes adopted children and babies born from surrogacy. Parental leave policies vary by country and company.

WOOLWORTHS SOUTH AFRICA

The IJI theme of gender equality is met through our Maternity Leave policy. We provide for partners who are both employed by Woolworths to share maternity leave apart from a stipulated period of absence for the birth parent. This policy applies to cases of employees giving birth or adopting. The other parent is also accommodated through parental leave.

Recent legislation in South Africa now includes an adopted child (agreed by a court order) under the age of three and a baby born from a surrogacy arrangement. We have incorporated this in our Maternity Leave policy.

COUNTRY ROAD GROUP

As part of our 2022 employment engagement survey results, team members raised the point that there should be a greater focus on positioning the business competitively in the market, particularly regarding our Parental Leave Policy. Industry best practice showed us that the average paid parental leave (PPL) was 16 to 18 weeks, and we provided our team members with only six weeks.

Upon review of a sample of 21 prominent Australian companies (retail and non-retail) and a more general view of market practice data, we understood their PPL practices and what they offer their team members.

Based on that analysis, we adjusted our PPL. We initially increased the PPL from six weeks to 12 and have subsequently increased it to 18 weeks. This sees us becoming a leader in the retail industry.

We will continue to engage with return-to-work parents about their transition back into the workforce to find out what other levers we can employ to support greater flexibility.



EMPLOYEE ENGAGEMENT

The Group uses several strategies and initiatives to engage employees and get regular feedback to inform our understanding of how our people experience the working environment, how we measure against their expectations, and where we can improve.

These initiatives include biannual enterprise-wide surveys, regular, institutionalised communication and engagement mechanisms in our stores and distribution centres, and focused listening strategies. Employees' comments and feedback provide valuable insight into how the organisation can respond to trends and issues and improve Our People Way.

We engage with our employees through regular communication mediums sent Company-wide. We also host Exco Chats, where our employees can engage with an Exco member over breakfast. It is our way of keeping the communication lines open and transparent. Employees can ask questions and receive a response in real time.

In Australia, the CEO hosts regular Town Hall sessions, which are important regular touchpoints for our people. For stores, there are regular roadshows in place to ensure we connect with our store employees.

WOOLWORTHS SOUTH AFRICA EMPLOYEE SURVEY

Every alternate year, we conduct an organisation-wide employee engagement survey that is open to permanent employees. Last year, we had the highest participation rate, an overall total response rate of 90%, up from 84% in 2021. We use a specialist employee and customer research business to conduct the survey. Their research shows that participation rates of similar-sized companies average at 60%.

This year, we are focusing on gaining a deeper understanding of the issues the survey surfaced through focus group discussions across the organisation.

Bespoke action plans are developed in business units to address employee concerns in their respective business units effectively.

Last year, we included a new set of questions on wellbeing, given our increasing focus on this element of our PVP as a core enabler of employee engagement and organisational performance.

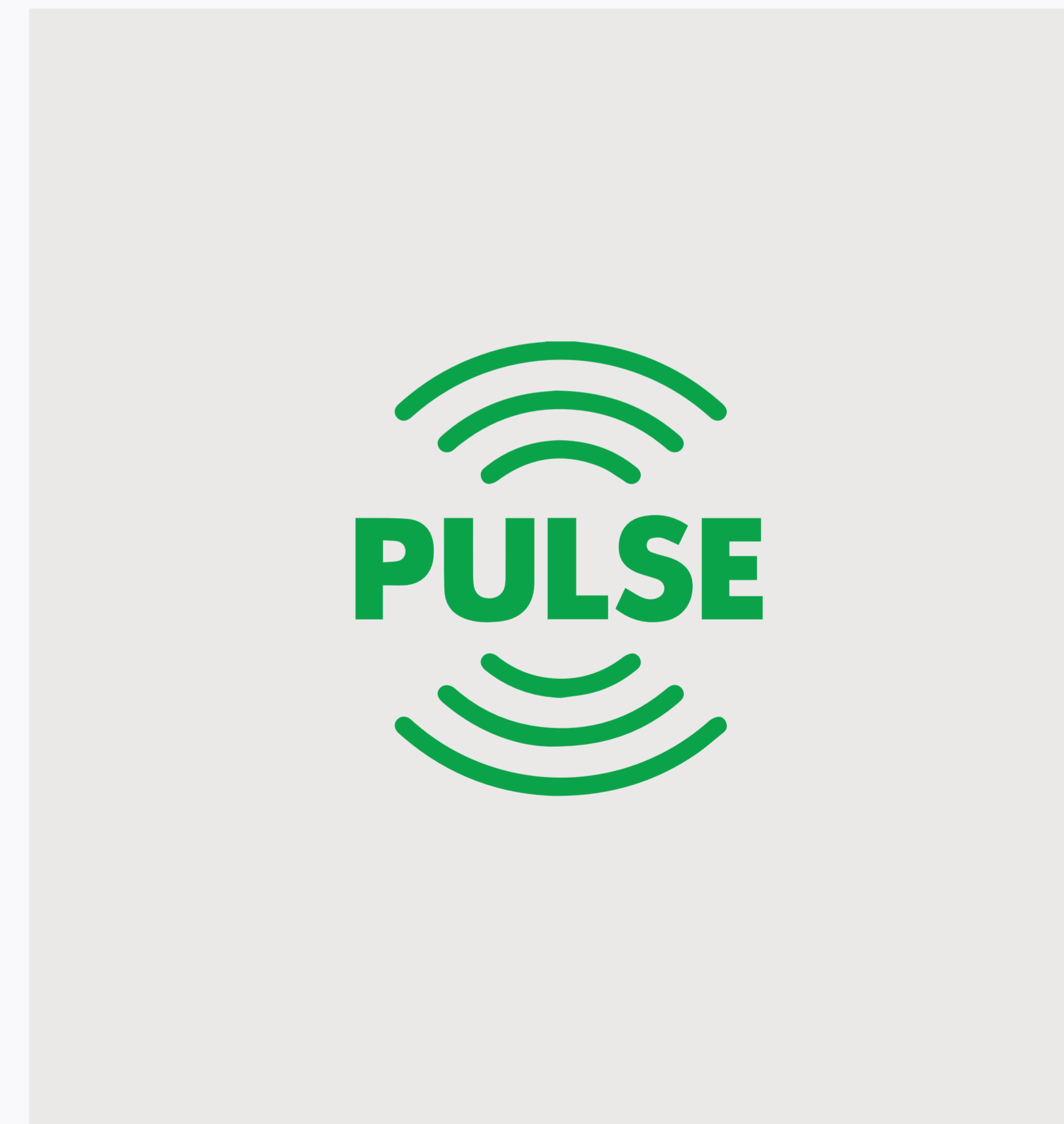
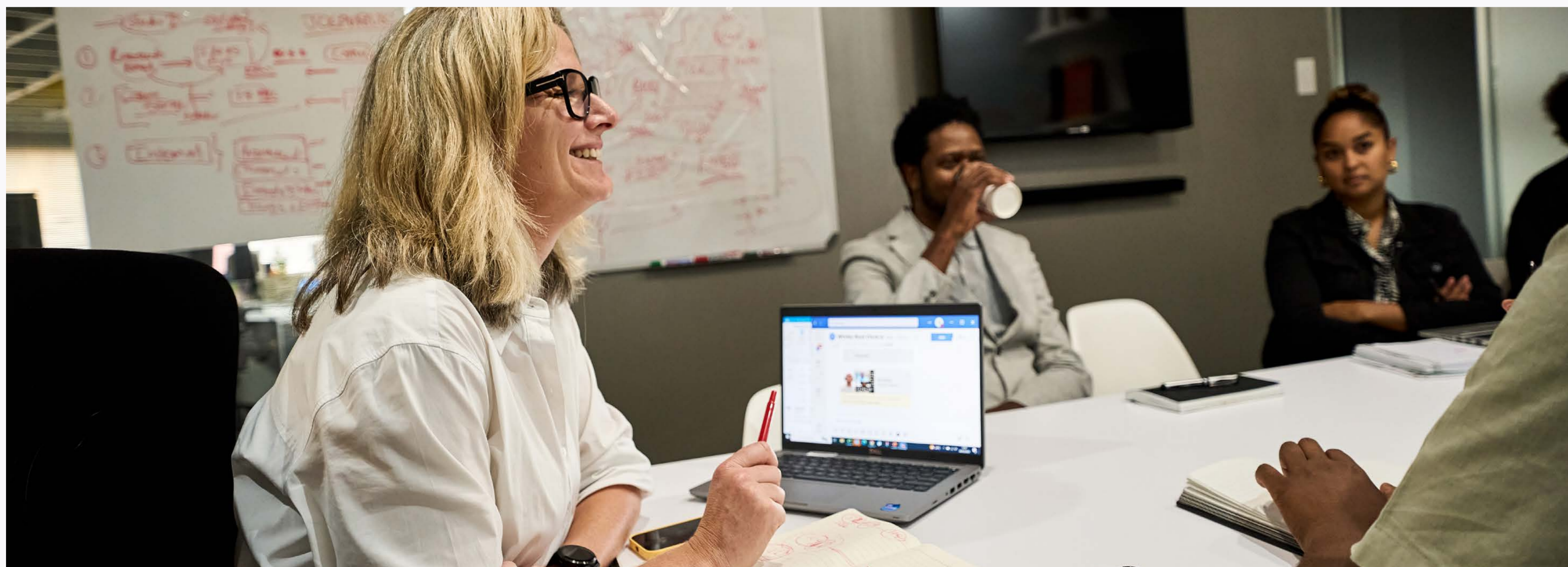
We are reviewing our employee engagement strategy to incorporate more frequent pulse surveys and a more focused listening strategy.

COUNTRY ROAD GROUP

Our existing continuous listening strategy remains. It is about going beyond just the engagement surveys and moving towards other opportunities to engage in listening to our people.

Our focus is on:

- Full engagement and pulse surveys
- Formalised listening moments (on- and off-boarding)
- Leader non-negotiables of regular one-on-ones



COMPLIANCE WITH LABOUR STANDARDS

We investigate any compliance matters thoroughly and resolve them with the labour departments in the countries where we operate. There were no outstanding cases against The Group at the end of this year.

CHILD AND FORCED LABOUR

Legislation provides for rules regarding child employment, including the minimum age, maximum hours of work per week, and when a school-aged child may work. We do not employ anyone below 18 years of age permanently. During peak trade (December/January) in South Africa, students are offered employment at ages 16 and higher, but only with parental consent. While no specific policy exists, we actively manage this approach.

WHISTLE-BLOWING

The Group is committed to conducting business with integrity and honesty. We encourage a culture of intolerance to wrongdoing and speaking up so we can take appropriate action.

Woolworths has a confidential reporting channel known as the Tipoff line, which Deloitte, an independent accounting partnership, manages. The scope of the Tipoff line is aimed mainly at fraud, theft, and corruption reporting. However, employees can use it for confidential bullying or harassment complaints, which are identified and resolved. An independent reporting service has been set up specifically to address sexual harassment. However, it is now open to other forms of harassment, including bullying, in line with new codes on workplace harassment.

The Country Road Group hotline is open for all matters that a team member may wish to report confidentially.

COLLECTIVE BARGAINING AND FREEDOM OF ASSOCIATION

As a signatory to the United Nations Global Compact, we subscribe to freedom of association and the effective recognition of the right to collective bargaining.



At Woolworths, we recognise freedom of association, support internal collective forums, and direct one-on-one employee relationships. Collective bargaining agreements exist in some African countries where we operate. Union membership in stores was 3% (2023: 1.09%, 2022:1.30%).

The South African Commercial Catering and Allied Workers Union (SACCAWU) is the predominant union in the retail industry. Numbers have increased/decreased in our distribution centre division. While we are not yet in a collective bargaining space, SACCAWU engaged us regarding appropriate organisational rights in that business unit.

Country Road Group's union memberships are 0.61% (2023: 0.58%, 2022: 0.49%). Consultation regarding major change is a mandatory provision for Australian collective agreements.



SOCIAL DEVELOPMENT

WHY IS THIS FOCUS AREA IMPORTANT?

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

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

RELATED UN SDGs



In this focus area

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CUSTOMER INVOLVEMENT	35

OVERVIEW

HIGHLIGHTS

- Formation of the Community Inclusive Justice Institute (CIJI) NPC, which will enable Woolworths to have a sustainable Inclusive Justice community impact

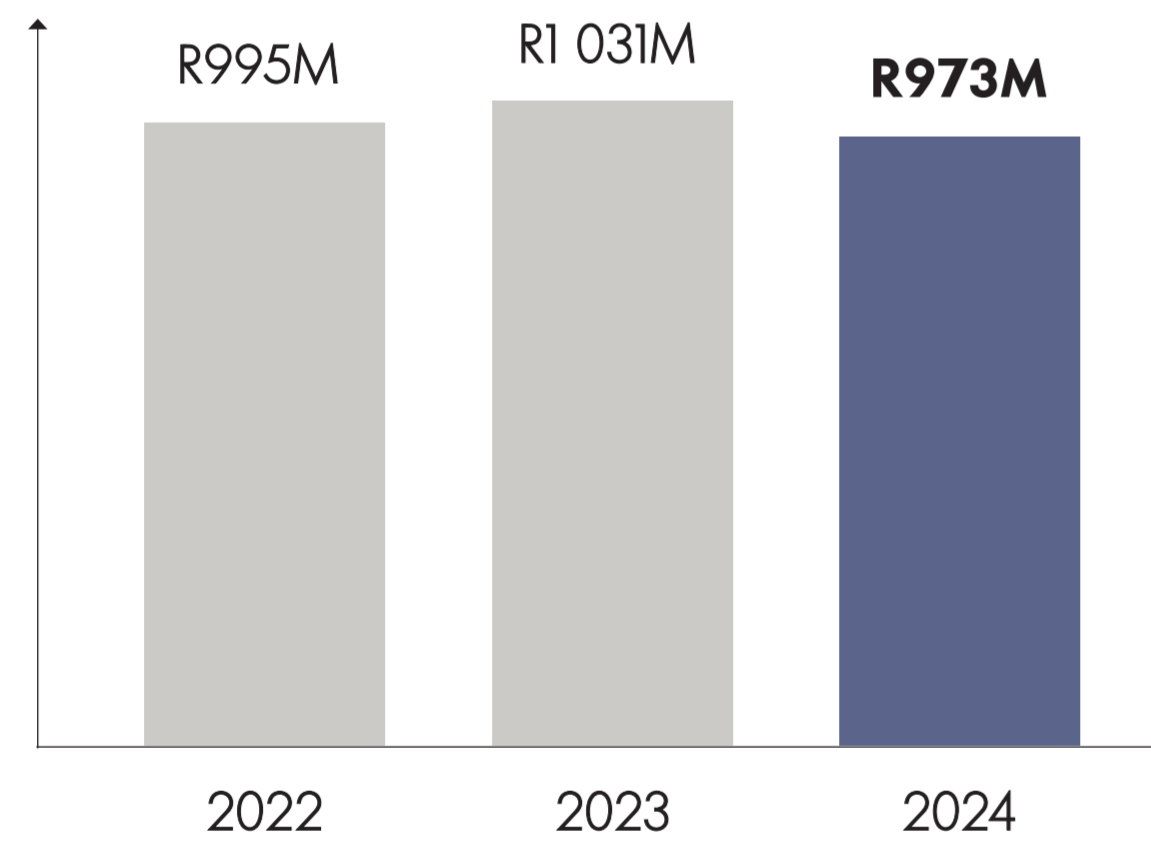
LOWLIGHTS

- Floods in the Western Cape negatively impacted the harvest of the Living Soils Community Learning Farm

LOOKING AHEAD

- We will grow the number of registered users of the Making the Difference Online Platform to 100 000
- We will continue to support the work of our #ZeroHunger partners and conduct an impact assessment of their work in the next financial year

TOTAL GROUP COMMUNITY IMPACT CONTRIBUTION



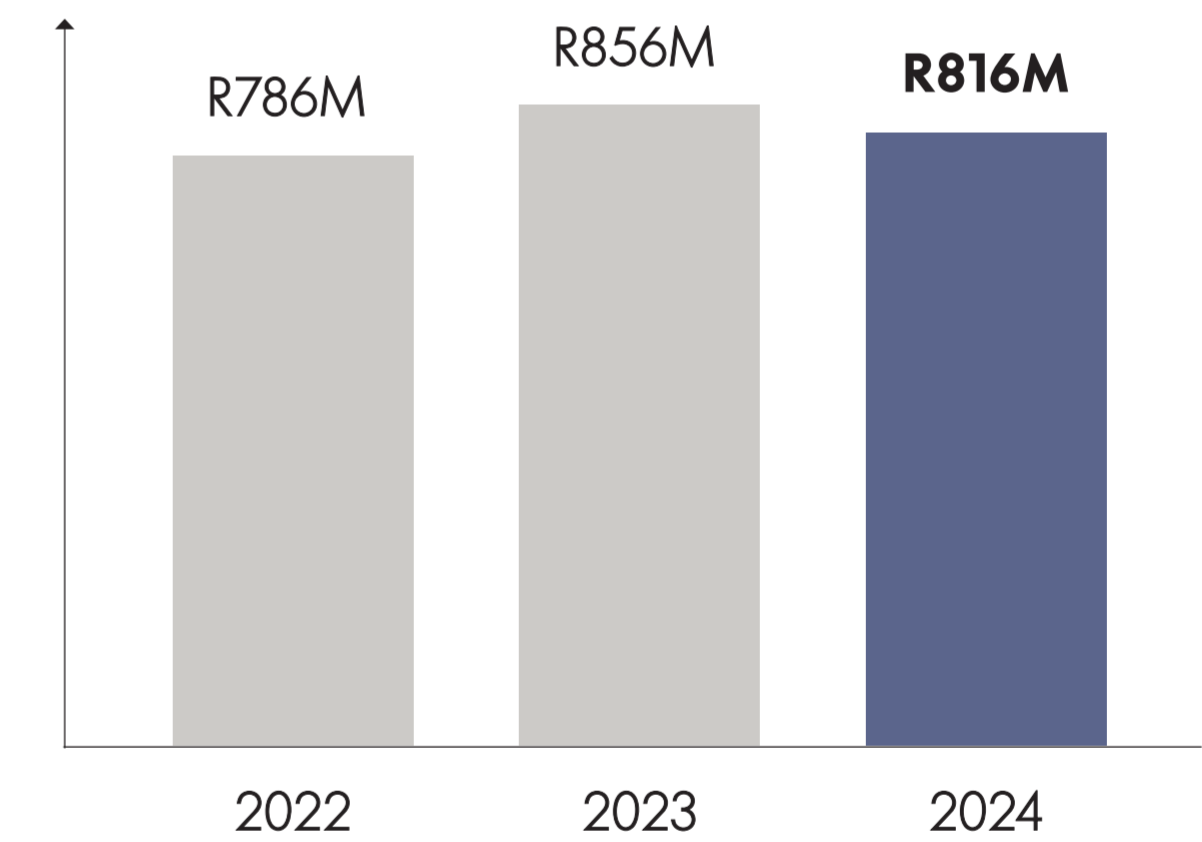
A\$1.2M

Donated by Witchery to the Ovarian Cancer Research Foundation from the annual White Shirt Campaign¹

2021: A\$0.5M 2022: A\$0.7M

¹ Witchery reports donations to OCRF a year in arrears

RAND VALUE OF SURPLUS FOOD DONATED BY WOOLWORTHS



R73M

TO MYSCHOOL

2022: R64M 2023: R65M

R13M

TO MYVILLAGE

2022: R10M 2023: R11M

R16M

TO MYPLANET

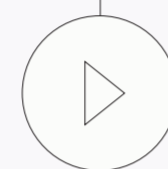
2022: R12M 2023: R14M

EDUCATION

We commit to adding value to children's lives through education.

WOOLWORTHS INTENDS TO CONTRIBUTE TOWARDS GIVING EVERY CHILD:

- Access to quality education
- The right to grow, learn and flourish in a safe environment
- Dignity, hope, and pride in their commitment to education

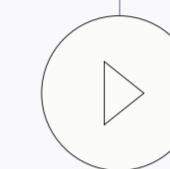


Leave No Child Behind

Impact through education

INITIATIVES TO SUPPORT OUR INTENT:

- Making the Difference programme
- Partnership with the National Education Collaboration Trust



WHICH RESULTS IN:

- Improved educational outcomes
- Measured upliftment of education
- Improved sense of dignity and pride

WOOLWORTHS MAKING THE DIFFERENCE PROGRAMME



PARTNERS: Department of Basic Education, various subject matter experts



SUPPORT: R1.3m spent (2023: R1.6 million); 73 467 registrations on digital platform (2023: 35 445); 489 780 learners reached (2023: 219 552)

This programme is a conduit through which Woolworths uses its expertise to enhance the education, health and wellbeing of South African children through schools, educators, parents and households.

The programme provides comprehensive, curriculum-aligned educational content in social sciences, life skills, natural sciences, and technology, which supplements the fundamental theoretical principles taught in the classroom. It also aims to support the overall wellbeing of children by providing content on healthy eating habits to them, their teachers, and parents.

The digital platform showcases innovative, value-adding, relevant, and engaging content with high-end design and animation applicable to its audience. Registrations on the platform have increased by 107%. This can be attributed to the competition where schools could win R100 000 by encouraging parents and community members to register on the platform under the respective school's name.

Despite this increase, the programme has seen slower engagement rates from the parents. Since age restrictions prevent direct registration by learners, the programme relies on registrations from parents and educators to indirectly benefit them. Increasing engagement rates with content will be a key focus going forward.

KEY ACTIVITIES DURING THE YEAR:

- Developed and produced foundation phase modules, virtual store and farm experiences packaged under a theme per grade and subject
- Updated activity sheets and case studies from the foundation and intermediate phase resources
- Refreshed recipe cards, now adapted for all South Africans and include stews and customer favourites
- Launched the Woolworths School Water Hero competition challenge, which focused on the benefits of incorporating stone fruit into a healthy plate
- Continued the partnership with the Department of Basic Education on the Teacher's Day campaign

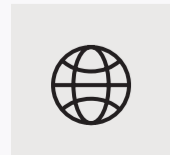
NATIONAL EDUCATION COLLABORATION TRUST (NECT)



PARTNERS: Government, business, labour, civil society



SUPPORT: R2 million donated annually (R22.5 million to date)



FOOD SECURITY

Woolworths has worked for many years to create a positive, sustainable impact to alleviate hunger in South Africa. Food security and access to food are fundamental human rights. The absence of these truly highlights inequalities in society. No one should be left behind when it comes to access to nutritious and sufficient food. Our alignment with the UN SDG goal of a #ZEROHUNGER future by 2030 further expresses our commitment to Inclusive Justice through lasting impacts.

WOOLWORTHS INTENDS TO:

- Meaningfully contribute to the alleviation of current food insecurity and reduce food wastage
- Co-create sustainable solutions with food-vulnerable communities
- Create food systems beyond subsistence farming
- Support education efforts that lead and drive sustainable nutrition, create experiential learning opportunities that promote healthy living



WOOLWORTHS' SOCIAL DEVELOPMENT PROGRAMMES TO ACHIEVE THIS:

- Surplus food donations
- Partnership with FFSA
- Seven organisations supported nationally to give effect to our #ZEROHUNGER aspiration
- The Living Soils Community Learning Farm to give effect to our #ZEROHUNGER aspiration



WHICH RESULTS IN:

- The creation of food-secure and resilient communities
- Improved sustainable food production processes
- Improved livelihoods or economic inclusion
- Improved health



SURPLUS FOOD DONATIONS



PARTNERS: FoodForward SA (FFSA)¹



SUPPORT: R816 million in surplus food donated (2023: R856 million), R1 million in cash donated (2023: R1 million)

We have continued our strategic partnership with FFSA, which aims to contribute to the alleviation of hunger in local communities and reduce food waste to landfill from our operations. The organisation serves a network of 2 500 vetted organisations that reach 920 000 beneficiaries daily (2023: 985 000). Over the course of the year FFSA, through its due diligence processes, removed a number of non-compliant beneficiary organisations from its network, resulting in the drop of beneficiaries reached.

Our stores continue to use the FoodShare platform, which connects beneficiary organisations to our stores and improves the efficiency of collecting and reporting surplus food donated.

1. FFSA's financial year: March 2023 – February 2024.

FOODSHARE STATS

- Number of Woolworths Food stores on FoodShare platform: 363 (2023: 360)
- Percentage of total tonnage of surplus food distributed by FFSA attributed to Woolworths: 65% (2023: 56%)
- Number of meals attributed to Woolworths FoodShare: 56.6 million (2023: 48.2 million)
- Carbon emissions saved through Woolworths FoodShare: 73 632 tCO₂e (2023: 62 717 tCO₂e)

FFSA serves a network of 2 500 vetted organisations that reach

920 000
beneficiaries daily (2023: 985 000).

#ZEROHUNGER INITIATIVES



PARTNERS: ForAfrika, INMED South Africa, Siyazisiza Trust, Social Change Assistance Trust, Thanda, Timbali Technology Incubator and Rhiza Babuyile



SUPPORT: R2.45 million donated (2023: R2.7 million)

The Woolworths Christmas Give campaign continued for Christmas 2023. This campaign invites customers and employees to donate funds, and swipe their MySchool MyVillage MyPlanet cards to support the campaign. The funds are donated via the Woolworths Trust to seven local organisations, each of which empowers communities to grow more food and build livelihoods. For the next financial year, we aim to assess these organisations' impact using the theory of change we developed in the previous year.

CASE STUDY

INMED SOUTH AFRICA: HELPING UNEMPLOYED YOUNG PEOPLE START CLIMATE-SMART FOOD BUSINESSES

PARTNERS: INMED South Africa; Department of Agriculture and Rural Development: Free State; Social Employment Fund

Poor nutrition and food insecurity are widespread throughout the Free State Province. It is even more prevalent in marginalised communities where extreme poverty leaves families struggling to survive. Further compounding the risk of poverty are the limited economic opportunities for youth and the high youth unemployment rate in the province. With few other economic opportunities in their rural and peri-urban townships, many youths drop out of school and migrate to cities to look for work. The loss of this next generation of agricultural leaders threatens the area's ability to address the growing concerns of food security, climate change and economic development.

To help reshape the future for these vulnerable youth, INMED South Africa has been working with the Woolworths Trust to implement its Adaptive Agriculture Programme targeting vulnerable youth in the Free State.

The programme aims to increase awareness of climate-smart agriculture and supply production inputs to 30 vulnerable youth in the Free State region, two-thirds of whom are persons with disabilities. The aim is to improve food security and self-sufficiency through innovative, climate-adaptive agricultural methods and intensive training in improved agriculture techniques that conserve water and protect the landscape and other resources.

Key achievements this year:

- An additional 102 participants in targeted locations have received temporary employment in collaboration with the Industrial Development Corporation and the Presidential Employment Stimulus. Through this collaboration, all targeted initiatives received additional support through PPE and seeds
- Provided technical support to five youth-led climate-smart food systems and 21 home-based gardens. This resulted in an improved yield of 6 309 kg of fresh food, valued at R189 270, improving access to food for 568 individuals
- Conducted participatory training on climate-smart agriculture involving all 30 project beneficiaries and 102 social employment participants. The training is designed to equip participants with technical knowledge and skills in plant production, including exposure to climate-smart technologies such as aquaponics

By the end of 2025, the project aims to:

- Increase and sustain annual production generated from these initiatives to 25 tonnes
- Work with participants to develop brand identity and launch the Kasi Seller Network to strengthen revenue generation potential by selling fresh produce directly to household and public sector markets such as schools and clinics
- Assist targeted youth participants in completing the Agri-Seta accredited national certificate in mixed farming systems

CASE STUDY

YOUTH MAKERS

In June 2023, we launched our Youth Makers competition to empower young entrepreneurs, under the auspices of the Inclusive Justice Initiative. The competition centred around fifteen youth-owned businesses winning a cash grant of over R130 000 each, mentorship from experts for a year, and the exclusive opportunity to market directly to our customers.

The competition attracted over 150 entries across a broad spectrum of product categories. While apparel was dominant, entrants included accessories, food products, farming and jewellery. Through a comprehensive evaluation process, thirty-two semi-finalists were identified and converged in Johannesburg in early October to deliver their in-person pitches to the panel of internal and independent judges.

Fifteen winners were selected from across South Africa representing products across apparel, fashion, food, gifting, accessories, jewellery and fresh produce farming.



#ZEROHUNGER INITIATIVES



PARTNERS: Spier Wine Farm, Sustainability Institute, CIJI NPC



SUPPORT: 16 internships created (2023: 16), 5 031 kg of produce harvested (2023: 6 926 kg), 1 392 kg donated to at-risk households

LIVING SOILS COMMUNITY LEARNING FARM

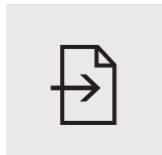
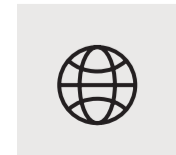
Since the launch of the Living Soils Community Learning Farm in 2019, the programme has grown in strength. This year's focus was strengthening the operational systems required to run the programme. There was also a transition in implementation partners from the Sustainability Institute to the CIJI NPC, Woolworths' newly formed initiative responsible for implementing our CSI strategy.

The programme has further contributed towards regenerative farming and food security knowledge and practice in the Western Cape. This is evidenced by the increase in understanding of the regenerative farming principles the programme has been teaching.

- Reduction in water usage:
45% (1 265.5 kl/month in 2022 to 692.7 kl/month in 2023)
- Reduction in food waste:
4.5% (265 kg/year in 2022 to 253 kg/year in 2023)

The programme continued to donate food boxes to at-risk households in partnership with Lynedoch Valley Collaborative and sold subsidised food to Helping Hands, which supports the Vlothenburg soup kitchen.

The programme was not without challenges. The floods due to the heavy rains in the Western Cape in 2023 caused disruptions to the programme. Students also had accommodation issues in their university residences, impeding their ability to be on the farm for some time. This reemphasised our understanding that the farm is influenced by the social context where it operates. As a result of these challenges, the harvest for the year was 22.6% lower than the previous year.



COMMUNITY RESILIENCE

We aim to contribute to the improvement of the physical and mental health of communities.

MIMCO OUR WATCH IWD



PARTNER: Our Watch



SUPPORT: A\$140 000 donated (2023: A\$179 293)

Research shows that violence against women is intertwined with gender inequality. Violence against women is a cause and, at the same time, a symptom of gender inequality. That is why it is so important to raise awareness for gender equality at a very early age. Since 2016, Mimco has supported Our Watch – a not-for-profit organisation dedicated to driving change to prevent violence against women.

On every International Women’s Day, Mimco donates all gross profits from the day’s sales to Our Watch. This has helped change lives by raising awareness of gender equality and helping Our Watch continue its work to prevent violence before it starts.

The funding has also enabled Our Watch to run leadership programmes for young women with a refugee background in collaboration with the Centre for Multicultural Youth in Melbourne and Ballarat.

Looking forward, we intend to expand the partnership beyond just IWD. Work on this has already begun, with Mimco hosting a panel discussion for key internal stakeholders in collaboration with Our Watch. The event was streamed live, extending its reach to staff beyond those in the head office.

Looking forward, we intend to expand the partnership beyond just International Women’s Day. Work on this has already begun

WITCHERY WHITE SHIRT CAMPAIGN



PARTNER: Ovarian Cancer Research Foundation (OCRF)



SUPPORT: A\$1 228 284 donated in 2023 (2022: A\$677 832)

Witchery’s annual White Shirt Campaign, now in its 16th year, raises awareness and vital funds for the Ovarian Cancer Research Foundation (OCRF) to support the development of an early detection test for ovarian cancer. For every OCRF White Shirt sold, 100% of the gross proceeds are donated to the OCRF.

The OCRF was a proud recipient of a World Ovarian Cancer Coalition (WOCC) Impact Award in the ‘Inspiring Collaborations’ category in December 2023, for this partnership.



For every OCRF White Shirt sold, 100% of the gross proceeds are donated to the OCRF.

2. NAIDOC Week is an Australian observance lasting from the first Sunday in July until the following Sunday. The acronym NAIDOC stands for National Aborigines’ and Islanders’ Day Observance Committee.

WITCHERY IWD AND NAIDOC² WEEK EVENTS



PARTNER: Future Women



SUPPORT: A\$60 000

Witchery was proud to partner with Future Women for the second year on a NAIDOC Week event amplifying the voices of Australia’s First Nations women. The breakfast included a panel of First Nations leaders, changemakers and creatives who discussed the importance of speaking truth to power and putting words into action to ensure a more equitable country for all. 10% of ticket and table sales was donated to the Australian Indigenous Education Fund and Worawa Aboriginal College, supporting the education of First Nations girls.

Additionally, Witchery held a breakfast event in March 2024 that brought together 480 people in Gadigal Country. They heard from a panel of prominent First Nations voices who shared their stories, experiences and insights as they moved the conversation forward for First Nations equality. They donated 10% of every ticket and table sold to the Australian Indigenous Education Foundation. Alysha Menzel, a proud Samsep woman, commissioned the artwork.



10% of ticket and table sales was donated to the Australian Indigenous Education Fund and Worawa Aboriginal College



COMMUNITY RESILIENCE

We aim to contribute to the improvement of the physical and mental health of communities.

COUNTRY ROAD AND NATIONAL GALLERY OF VICTORIA



PARTNER: National Gallery of Victoria (NGV)

In July 2023, Country Road announced a first-of-its-kind initiative in partnership with the NGV. The Country Road and NGV First Nations Commissions is a biennial mentorship and exhibition programme designed to celebrate emerging First Nations artists. Through this series, First Nations artists and designers are paired with esteemed industry mentors who support and guide the artists to create their most ambitious works to date.

The Commission series aims to acknowledge and nurture the creative relationships between artists and their mentors nationwide. The mentorship is structured to reflect and champion the storytelling and knowledge-sharing systems within First Nations communities.



POLITIX MOVEMBER



PARTNER: Movember

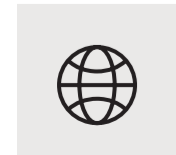


SUPPORT: Donated A\$173 000 (2023: A\$120 000)

This year marked the sixth year of Politix's partnership with Movember. The partnership has raised A\$770 000, with this year's donation being the largest yet. This year's increase in sales can be attributed to various factors:

- The 'A Fashion Statement of Support' campaign, which contributed A\$130 000 through jacket sales
- An increase in internal team fundraising donations from A\$15 000 to A\$44 000
- The hosting of two internal events – a shave down with Country Road Group stakeholders alongside a 'Move for Movember' 4km walk and BBQ

We are looking to explore new opportunities to support the new Movember Men's Health Institute. This initiative will save lives and accelerate progress in men's health.



EMPLOYEE COMMUNITY INVOLVEMENT

We encourage our employees to get involved in their communities to foster a culture of community involvement, give deeper meaning to our Inclusive Justice ethos, and extend the Group’s social development reach.

We continued to support and involve employees in the communities where they live through several giving initiatives. This is in line with the new CIJI NPC. This year presented with more opportunities for face-to-face involvement with communities.

Funds invested in Employee Community Involvement: R516 000

Some of the key activities during the year:

- We matched funds raised by employee groups in support of causes that are important to them and their communities
- Woolworths Mozambique donated 12 mattresses and written-off clothes to two children’s homes
- For Mandela Day, Woolworths supported 67 employee-nominated charities with a donation of R5 000 each and facilitated the volunteering of the nominated charities by employee groups. At our head office, employees helped pack 1 000 winter warmer bags for school kids, which were distributed via Gift of the Givers (GoTG)
- Once again, for World Food Day, Woolworths employees volunteered at some of our #ZEROHUNGER partners
- Witchery continued to donate aged stock twice during the year to Fitted for Work and Dress for Success New Zealand. These organisations support women in need of professional attire to return to work

DISASTER RELIEF

Woolworths continues to support Gift of the Givers with disaster relief when the government has declared a national or provincial disaster:

SEPTEMBER 2023

R100 000 to support under-resourced communities affected by the severe floods in the Western Cape

APRIL 2024

R250 000 to assist those affected by the various storms, strong winds, rain and fires occurring in multiple South African provinces

JUNE 2024

R150 000 towards relief efforts after the severe floods in the Eastern Cape

CUSTOMER INVOLVEMENT

Building connections with our customers and communities is crucial for sustained business success. We aim to make giving back easy, trusted, and sustainable for our customers and partners.

MYSCHOOL MYVILLAGE MYPLANET (MYSCHOOL)



PARTNERS: Other retailer partner stores, our customers, charities



SUPPORT: R103 million donated (2023: R90 million)

MySchool acknowledges the significance of being a socially responsible entity and the beneficial role the programme and its partners play in South Africa’s social development agenda. The programme and its partners recognise that building connections with the community where they operate is crucial for sustained business success. The programme continues to invest and grow its impact across four key focus areas: education, community, animal and environmental protection.

- Number of causes supported: 8 389 (2023: 8 474)
- Number of customers supporting the programme: 1.3 million (2023: 1.3 million)
- Number of schools supported: 7 007 (2023: 7 073)
- Number of charities supported: 1 095 (2023: 1 112)
- Number of charities supporting animal- and environment-related causes: 287 (2023: 289)



MySchool MyVillage MyPlanet
MAKE EVERY SWIPE COUNT

Awards won by the myschool programme at the 2023 SA Loyalty Awards:

- Best Loyalty Programme of the Year (for the fifth year in a row)
- Best Loyalty Community Campaign

KEY ACTIVITIES DURING THE YEAR

- Through a strategic partnership between MySchool and BookDash, we nurtured budding readers by providing books in their homes
- Provided 10 new classrooms to five ECD centres, supporting 243 children and 10 female ECD practitioners. This generated employment opportunities for 20 local contractors, on-site labourers, and building materials suppliers
- Supported 10 primary schools from KwaZulu-Natal by providing educational resources. We have also provided essential workshops and in-class coaching and mentoring sessions to 60 foundation phase teachers
- Continued supporting the School Leadership Forum, where we coach 180 educators monthly, benefiting 5 750 learners
- Our partnership with Operation Smile provided cleft lip surgery to an additional 30 patients, with the upskilling of five trainee doctors
- Awarded 47 teaching bursaries, bringing us to a milestone tally of 100 bursaries awarded to 100 students aspiring to be teachers
- Sponsored an additional 10 data science and data engineering learnerships

CAUSE-RELATED MARKETING

Woolworths raised R866 717 (2023: R6.9 million) for charities and NGOs by selling cause-related bags and bracelets. We have changed our range architecture for these bags and are now selling less bags a year. This explains the significant decrease in this figure.





HEALTH & WELLNESS

WHY IS THIS FOCUS AREA IMPORTANT?


We need to create a supportive working environment that enables employees to thrive. A strong focus on employee wellbeing is also integral to our People Value Proposition.

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

RELATED UN SDGs



In this focus area

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OVERVIEW



**ZERO EMPLOYEE FATALITIES
ACROSS THE GROUP**

75

**NUMBER OF PRODUCT LINES IN OUR
PLANTLOVE RANGE (2023: 64)**



**EXPANDED THE EMPLOYEE
WELLNESS DAY TO THREE DAYS**



*We will transition
to a digital tool for
reporting and managing
sexual harassment
and grievance cases
to improve employee
experience and
case management*

HIGHLIGHTS

- Successful wellness days completed nationally in South Africa
- Improved data on employee wellness from Pulse survey and wellness information, which give direction to focused support on stress and burnout
- Introduced a Harassment at Work policy, with well-accessed training material

LOWLIGHTS

- Woolworths Food initiated a product recall after levels of aflatoxins were discovered to exceed legal limits
- Country Road Group recalled a product after a customer discovered a defect

LOOKING AHEAD

- We plan to conduct a harassment survey
- We will commence the rollout of our staff wellbeing strategy

EMPLOYEE WELLBEING AND HEALTH



Our promise: We prioritise the wellbeing of our employees

How

- Access to information, benefits, and services that support wellbeing
- The environment contributes to wellbeing

Employee health and wellbeing is one of the six strategic levers of Our People Way. We tailor our wellbeing initiatives to the specific needs and requirements of the geographies where we trade. The IJL main themes also inform economic inclusion initiatives, women’s empowerment and gender equality, and empowerment. More details about Our People Way and IJL can be found in the People chapter.

SOUTH AFRICAN CONTEXT

Our wellbeing way is an important component of Our People Way

Its inclusion in Our People Way shows our commitment to employees to provide a fair and comprehensive PVP. Therefore, the wellness strategy addresses many aspects that contribute to the PVP.

Our Woolworths wellbeing programmes support every aspect of our employees’ lives. In South Africa we must provide more than the typical approach of focusing only on health and safety. Therefore, we have developed our strategy to assist and support employees in managing their wellbeing. These include counselling services on financial and legal matters, nutrition and health, mental health, and GBV.

Wellness services and standard health and safety operating procedures are available at all stores, distribution centres, and head office. There are clinics in most of our distribution centres and head office, with occupational health practitioner services available in stores.

We continue to monitor the usage of wellness services and the success of our programmes. These are continually refined based on the feedback from our employees to keep them relevant to the changing conditions. The programmes’ data enabled us to identify employees at high risk, from a wellness perspective, and allowed us to provide them with focused assistance.

Our latest annual pulse survey included questions relating to wellbeing and work stress. The feedback gave us a measurement of the success of our wellbeing programmes. We provide wellness screening at stores and distribution centres. We hosted a well-attended Wellness Week in the head office, with the intent to do this annually in future.

AUSTRALIAN CONTEXT

Australia and New Zealand are recognised as highly developed economies. Developed economies are experiencing a phenomenon of ‘quiet quitting’ – completing one’s minimum work requirements without going above and beyond or bringing work home after hours.

Therefore, Country Road Group’s wellbeing strategy and focus areas are different from Woolworths’.

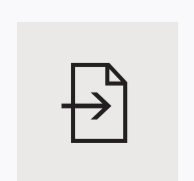
One of the Australian government’s national focus areas is mental health and psychological wellbeing – driven by the National Mental Health and Suicide Plan. This has informed Country Road Group’s wellbeing vision.

Country Road Group’s wellbeing vision is ‘to foster a wellbeing culture that supports and empowers people to thrive’. Country Road Group has taken a more holistic and integrated approach to their wellbeing programme, with the following pillars:



Our wellbeing pillars are geared towards supporting ‘thriving vs surviving’. The following focus areas support the four pillars:

MENTAL FITNESS	Implement mental health wellbeing training for managers to increase capability and support for other teams.	Ensure leaders and managers across all levels provide health and wellbeing support as part of their everyday practices with themselves and their teams.
COMMUNICATION	Provide clear and consistent communication to raise awareness of wellbeing and the available support.	Provide proactive intervention and services that empower our people to manage their health and wellbeing.
HEALTHY ROUTINES	Implement, communicate, and action a calendar of activities and events that includes a holistic approach to wellbeing.	Support the calendar by providing teams with services such as EAP, and learning and development to support our health and wellbeing framework.



GENDER-BASED VIOLENCE AND FEMICIDE (GBVF)

GBVF is a scourge of South African society – mainly driven by challenging socio-economic conditions. Some commentary describes it as being South Africa’s second pandemic. Levels of gender-based violence are increasing, with the LGBTQIA+ community increasingly being targeted as the most marginalised, particularly in the African Black population.

Woolworths’ wellness data shows that an average of 20 employees contact our counselling line regarding GBV-related matters every month. The feedback indicates that most of the counselling relates primarily to experiences outside of work.

As a responsible corporate citizen, we are responsible for actively managing and preventing GBVF towards employees. The Group has zero tolerance for sexual harassment in the workplace.

We revised our Statement on Harassment and Sexual Harassment Policy to be more relevant to the fluid environment. This includes incorporating the Code of Good Practice on Harassment in the Workplace, issued by the Department of Labour, into our new policy.

Training on the revised Sexual Harassment Policy has been conducted for all Woolworths employees. We conducted a more intensive training focused on leadership last year, which has continued this year. We have completed this training for management at our distribution centres. We are focusing on completing the training of store management and leaders in our head office.

All employees can access detailed training material using our MyWoolies app. 3 000 instances have been logged by employees accessing the training through the app.

We provide employee relations support to staff and management for all types of harassment to ensure that fair and decisive action is taken when necessary. Independent reporting lines are available for reporting sexual harassment. We provide trauma counselling in cases of sexual assault and other forms of harassment.

We will shortly roll out our digital tool for reporting and managing harassment and grievances. This rollout was delayed due to budgetary constraints.

Engagement with our employees aligns with external public discourse on GBVF during ‘16 days of activism’ in November/ December, culminating on South Africa’s Human Rights Day.

Despite our best efforts to curb this, these cases still do occur. At Woolworths, there were 13 cases of dismissal due to sexual harassment (2023: 9, 2022: 14).

UN WOMEN’S EMPOWERMENT



As a signatory to the United Nations Women’s Empowerment Principles, we have addressed the gaps we identified to improve current policies regarding women’s rights and elevate them. We plan to develop new policies for the identified gaps.

EMPLOYEE ASSISTANCE PROGRAMME

Our EAP programme is designed to help our employees identify and resolve personal concerns that may or may not impact productivity, or work performance.

These concerns include but are not limited to health, marital, family, financial, alcohol, drug, legal, emotional, GBV, social, or work stress problems that may adversely affect employee job performance, productivity or safety.

Employees can access our digitally-enabled EAP model via a toll-free service, WhatsApp, web, and a dedicated app. This has greatly improved access to information, education, and direct one-on-one support for employees in managing mental health and other matters that affect them. Support is available in multiple South African languages. The service is also available to the direct family of the employee, improving accessibility.

The enhancement of this model to provide app-based wellbeing services is currently being developed. This year, we focused on servicing employees identified as high risk from store and distribution centre wellness testing. This approach is being used as the forerunner of the broader project on app-based individual wellness.

We partner with a network of specialised service providers to assist our employees, providing the following health and wellbeing programmes:

- EAP
- Mental health programme
- Basic primary health services and advice
- Monitoring of chronic illnesses
- Wellness screening, including voluntary HIV testing



This year

2 865

employees have used the EAP, with 2 402 of the cases being related to mental health issues

PANIC BUTTON TRIAL

Last year, Woolworths conducted a trial on a panic button where a Woolworths employee can alert support services in cases of potential or actual harassment or assault, mainly in transit to and from work, where many of these cases occur.

We conducted this trial in a store in Soweto, where we used one actual incident and test incidents to understand the response and management of reported cases. The trial was considered successful; however, the rollout of this project has been paused due to budget constraints.



EMPLOYEE FOR EMPLOYEE FUND (E4E)

We set up E4E to provide staff-level employees with specific, once-off or short-term support during unforeseen circumstances or emergencies. It is primarily funded and driven by employee contributions and fundraising activities.

Eligible employees do not have any other support mechanism to turn to and are experiencing financial difficulties because of natural disasters and other unforeseen events.

To date, 2 691 employees across the Group have applied successfully for support from the fund. Employees sought assistance for various reasons, including increased living costs and natural disasters such as flooding.



It is primarily funded and driven by employee contributions and fundraising activities.

DEALING WITH PERVASIVE CONTAGIOUS AND VIRAL DISEASES

TUBERCULOSIS (TB) AND HIV/AIDS

TB is one of the leading causes of death in South Africa. While there has been a steady decline in HIV infections, South Africa remains one of the countries with high infection levels. TB combined with HIV provides greater health risks.

To address some of the challenges of HIV/Aids and TB, Woolworths identifies cases during wellness days conducted in all stores and distribution centres annually and provide counselling support for employees. Regarding employees living with HIV and Aids, we treat the disease no differently than any other life-threatening or chronic disease.

The Occupational Health Practitioners team monitors chronic illnesses and, where appropriate, evaluates and assists employees in applying for either temporary or permanent disability benefits through our insurers.

WORKPLACE INJURIES

Legislative requirements may differ depending on the countries where we trade. However, the overarching principles applied across the Group are prevention and adherence to health and safety guidelines.

In South Africa, most of our employees either work in our stores or our distribution centres. Our stores, distribution centres, and head office buildings are designed following stringent health and safety guidelines. Operating procedures support and reinforce adherence to these guidelines.

We appoint health and safety representatives in each area of our operations. They are supported by Health and Safety Committees comprising employees across the different departments within the location.

The Group has had 0 reported fatalities in the last five years.

We include health and safety procedures in the employee induction programme and conduct ad hoc training on new procedures when necessary.

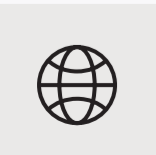
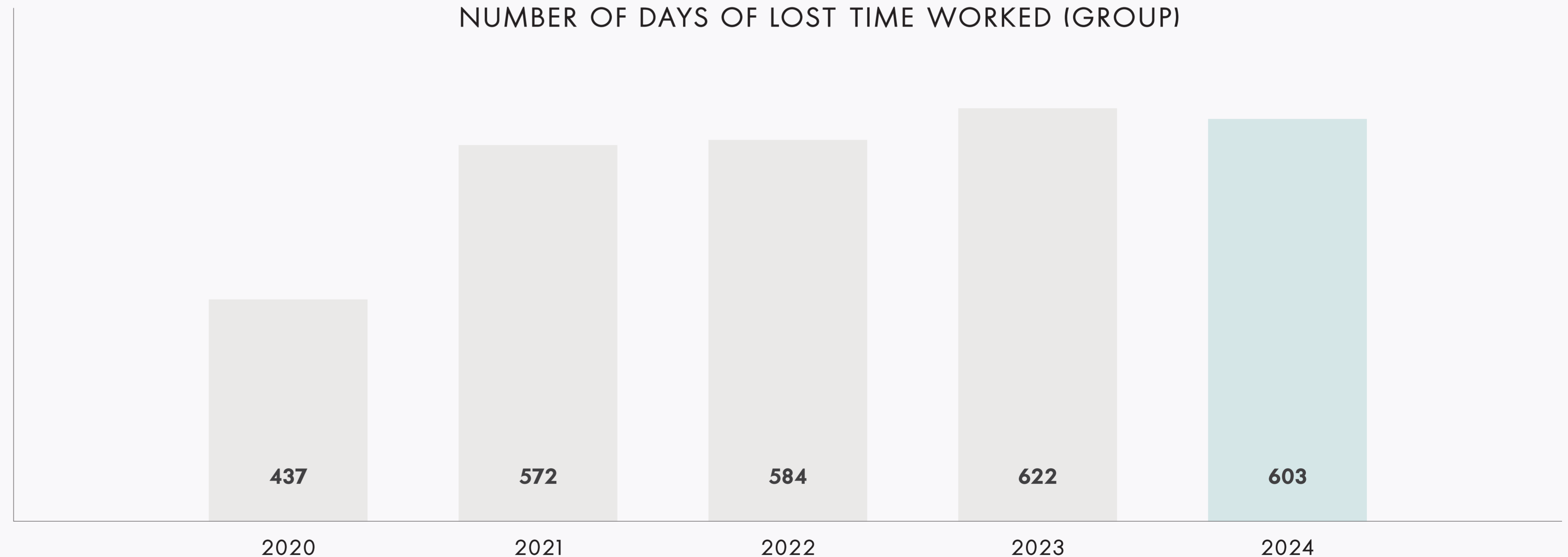
Rotational, internal audits assess our stores' and distribution centres' compliance with operational health and safety procedures. This ensures that risks are being managed appropriately. Any non-compliance is subject to reporting and remediation.

WEARING TECHNOLOGY TO REDUCE INJURIES

Manual handling injuries are the most common at Country Road Group's Omni-channel Fulfilment Centre (OFC). We rolled out a project to understand manual handling movement within CRG's OFC to address this. The project gathered 1 400 hours of manual handling data from 30 team members across 5 areas of the OFC to assist with improvements. The annual manual handling training conducted at the OFC has since been updated to reflect the insights from the project.

In the previous financial year, we launched a glove manual handling project at the OFC which aimed to prevent hand and wrist injuries from occurring. 1 574 hours of data was collected for two departments analysing 1.6 million movements from 13 participants. The most common manual handling risks identified were team members using doorknob movement, waxing movement, and painting movement. This data has been used to better understand operational manual handling impacts. Job rotation and rosters have been introduced to reduce the risk of manual handling injuries.

NUMBER OF DAYS OF LOST TIME WORKED (GROUP)



OUR GOOD FOOD JOURNEY

The Good Food Journey is the name we have given to Woolworths' ongoing commitment to offering our customers food that is better for them, better for the environment, and better for the people who produce it.

SUSTAINABLE NUTRITION

We aim to equip our customers with the right information to make it easier for them to access healthy food options. We want to inspire a healthy lifestyle by making healthy eating satisfying, delicious, and convenient across our product ranges while innovating and improving nutritional quality via reformulation. In all Woolworths' food categories, we aim to promote the consumption of less sugar, salt, and saturated fats, and more diverse whole grains, lentils, pulses, and vegetables. Product development aligns with internally defined nutrient profile goals and targets.

The Good Food Journey covers everything from avoiding additives like tartrazine and other azo dyes, MSG, aspartame, saccharin, and cyclamate in our food, to using natural colourants and flavourants, providing more organic and free range options, looking after the wellbeing of animals and encouraging healthy eating as part of a healthy lifestyle.

We assist customers in making informed dietary choices through transparent ingredients and nutritional labelling on our products. We have also introduced portion control on-pack guides. In pursuit of this, we developed an online wellbeing shop for our customers to use, showcasing our plant-based and wellbeing range. The product selection is curated to be customer friendly and limited to dietary lifestyle needs.

Number of active users in the online wellbeing shop:

38 982

PLANT-FORWARD DIETS

Woolworths has incorporated plant-based eating into our brand values and nutrition standards. We want to keep creating more plant-based choices as part of our aim to promote sustainable nutrition.

Our plant-based innovation continues to grow across all categories. Our plant-based food range, PlantLove, covers all lifestyle choices, including dairy alternatives, drinks, snacks, desserts, dairy free cheeses, and vegan and vegetarian ready-made meals and meal accompaniments. We also provide customers with recipes that have plant-based basics like whole grains, legumes, nuts, seeds, and vegetables.

Our PlantLove range has grown from 64 products in 2023 to 75 this year.

VITALITY HEALTHYFOOD™

By continuing to partner with the Discovery Vitality HealthyFood™ Programme, Woolworths encourages and rewards customers for buying healthy food and avoiding unhealthy eating habits associated with diabetes, high cholesterol, and high blood pressure, among others.

Customers who have linked their Woolworths loyalty cards to Vitality are rewarded when they purchase Vitality HealthyFood™ linked products. There are 2 000 Vitality HealthyFood™ items.

STAFF TRAINING ON NUTRITION

All new employees joining Foods must undergo a nutrition introductory session for their skills development. The training covers an overview of the wellbeing strategy, responsible marketing, and affordable health.



WCAFÉS GREEN PROGRAMME

The WCafés Green Programme is a tool that helps define key objectives and encourage ongoing progress each year based on these principles: responsible sourcing, healthy food choices, packaging and food waste, ethics, people, and the environment.

There were no changes to the programme this year. We will roll out any changes in the future.

INDUSTRY ENGAGEMENT

Woolworths is a member of the Consumer Goods Council of South Africa Healthy Food and Food Safety Initiative working groups. These groups aim to provide a platform for engagement between members, policymakers, and other relevant stakeholders.

We attended the Nutrition Congress 2023, whose purpose is to bring together dietitians and nutrition specialists for engagement on nutrition-related challenges and solutions that impact the health and quality of life of individuals in the southern African region. We also provided an exhibition and tastings of our plant-based products.



RESPONSIBLE MARKETING AND ADVERTISING

Although not a member, Woolworths adheres to the prescripts of the Advertising Regulatory Board (ARB) Code of Advertising Practice.

FOOD

The South African Department of Health published draft regulations relating to the advertising of foodstuffs, which require front-of-pack warning labels on packaged foods high in added sugar, salt and/or saturated fat, and which contain artificial sweeteners. They included several restrictions on health-related claims in the draft regulations.

The regulations have not yet taken effect; however, we will adhere to them once they are finalised.

ALCOHOLIC BEVERAGES

We supplement our alcoholic beverage range with a de-alcoholised wine range. We provide a nutrition profile and drinking guidelines for all our wines.

We recognise the possible damage to public health and gender-based violence due to alcohol. Therefore, we are a part of the Association for Alcohol Responsibility and Education (AWARE), a non-profit organisation that focuses on preventing the negative consequences of alcohol abuse.

At present, Woolworths does not have a formal statement on the responsible use of alcohol but abides by:

- The South African Liquor Brand Owners Association (SALBA) codes
- AWARE's Code of Commercial Communications which sets out guidelines for the marketing of alcohol products in a socially responsible manner

We include warnings on all wine labels, which aligns with the regulations relating to wine. We also include similar warning messages as part of our marketing where relevant.



PRODUCT SAFETY AND INTEGRITY

We are committed to maintaining the highest possible levels of product safety throughout the business. Mechanisms are in place to ensure we offer consumers products that have undergone thorough testing and rigid process control to make them as safe as possible.

CLOTHING SAFETY

Woolworths provides all clothing manufacturers with a Safety Manual detailing our safety policy and requirements for ensuring our products are safe for customers during the production, processing, and finishing stages.

Country Road Group suppliers can access a portal with product safety and performance testing guidelines.

CHILD SAFETY

Country Road Group collaborated with retail peers to publish safety standards and guidelines for designing and developing apparel, accessories, and footwear for young children. The requirements are captured within the Country Road Group's Children's Apparel Safety Standard.

Woolworths is committed to maintaining the highest possible level of product safety through the design and manufacturing of our baby and children's clothing.

WE DO OUR UTMOST TO ENSURE OUR BABY AND CHILDREN'S CLOTHING IS SAFE VIA PRACTICES SUCH AS:

- Running all clothing through metal detectors before it leaves a factory to ensure there are no pins or needles left in the product
- Putting a bar tack behind all draw cords of children's clothing to ensure they cannot be pulled out
- Placing a protective flap over zippers of baby rompers to avoid skin getting caught by the zipper
- Putting anti-slip silicone prints on baby socks to prevent slipping
- Designing selected school items with fabric that has built-in UV protection
- Putting reflective strips on school bags, rain jackets, and shoes to make children more visible

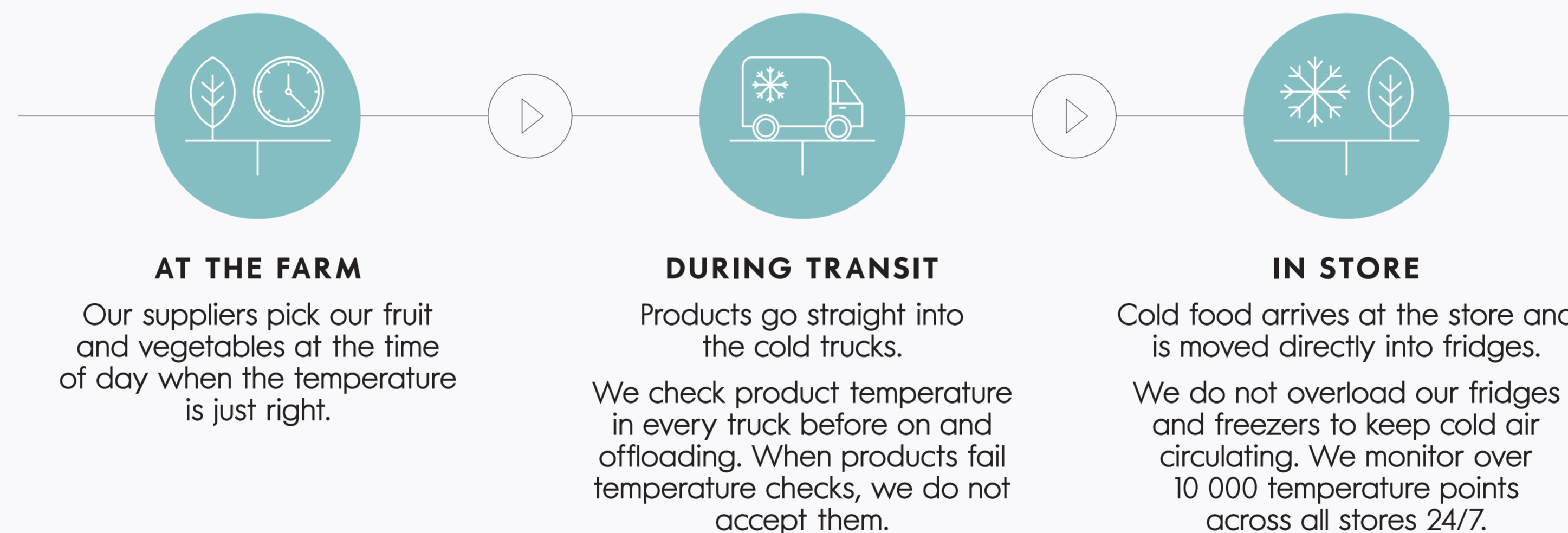
We ensure that any site supplying us with baby products undergoes an initial baby safety audit, which we pay for.

FOOD SAFETY

Our rigorous hygiene, food, and housekeeping code of practice applies to all Woolworths food production supplier sites that make private label food.

All Woolworths' food labels contain detailed information on ingredients, nutritional values, and allergens.

We take great care to maintain a strict cold chain, as the safety of numerous food products depends on optimal storage temperatures. The correct temperature must be maintained throughout this process, from the producer to the customer, as any disruptions to the cold chain drastically shorten product life and could potentially cause temperature-sensitive products to become harmful.



We continuously strive to improve our food safety systems and processes. Some of the activities we engage in include:

- A food safety workgroup that continuously assesses processes for improvements
- A quarterly governance forum that keeps up to date on trends and best practices in the industry
- Supplier webinars where we share our learnings
- After every product recall, we review the process and amend if necessary

In the year under review, we updated our allergen calculation methodology as per the recommendations of the Ad hoc joint FAO/WHO expert consultation on risk assessment of food allergens.

PRODUCT RECALLS

Woolworths has a robust product recall process, whereby we remove products posing a potential safety risk. Once the instruction is given to stores to remove the products in question, it is actioned within two hours.

In February 2024, Woolworths Food discovered that aflatoxins¹ levels in our peanut butter dairy ice cream exceeded legal limits. In response, we recalled this product.

All factories manufacturing products for Woolworths are audited independently by various inspection services. The Woolworths technical teams also visit factories regularly to ensure the highest standards are maintained.

Country Road Group also has robust internal processes to assess product safety risks and to initiate a product recall when warranted.

In May 2024, we identified a safety hazard on Country Road's Two-Tone Demm Mug. A defect in the mugs was causing them to break unexpectedly when filled with hot liquid. It was deemed that this posed a significant risk after a customer alerted us to burns they had sustained due to this, which triggered a product recall.

There were no product recalls for Woolworths FBH this year.

¹ Aflatoxins are a family of toxins produced by certain fungi that are found on agricultural crops such as maize (corn), peanuts, cottonseed, and tree nuts.



ETHICAL AND FAIR

We care how our products are made, and are committed to a fully transparent, traceable, and ethical supply chain.

Woolworths
SUPPORTING SUSTAINABLE COTTON
MADE IN SOUTH AFRICA
/ SLIM FIT / COTTON
S

Focus areas in this pillar

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Related UN SDGs



ETHICAL SOURCING

WHY IS THIS FOCUS AREA IMPORTANT?

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

RELATED UN SDGs



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OVERVIEW

PERFORMANCE SUMMARY

VISION 2025+ GOAL:

HAVE A FULLY TRANSPARENT, TRACEABLE, AND ETHICAL SUPPLY CHAIN BY 2025

Baseline CRG: tier 1 supplier list published
WSA: no supplier lists published

2022 WSA FBH tier 1 supplier list mapped and published¹

2023 WSA FBH tier 2 supplier list mapped

2024 WSA FBH tier 2 supplier list mapping continues

Progress

VISION 2025+ GOAL:

DEVELOP A ROADMAP BY 2022 FOR ACHIEVING A LIVING WAGE FOR ALL WORKERS ACROSS OUR SUPPLY CHAIN

Baseline no roadmap in place

2022 roadmap in development

2023 roadmap developed

2024 roadmap in place

Progress

VISION 2025+ GOAL:

RESPONSIBLY SOURCE ALL KEY COMMODITIES FROM TRACEABLE SOURCES BY 2025

% of commodities responsibly sourced refer to details in the Responsible Sourcing section that follows

Baseline refer to 2020 GBJ Report

Progress

% of commodities responsibly sourced and traceable refer to details in the Responsible Sourcing section that follows

Baseline 0%

Progress

HIGHLIGHTS

- Country Road Group developed and published its internal Responsibly Sourced Materials Manual
- Our first coffee supplier has been given Farming for the Future status

LOWLIGHTS

- Loadshedding remains a challenge for local suppliers as prolonged use of generators increased input costs
- The drought in Tanzania caused severe damage to 20% of the seedlings we donated to smallholder farmers

LOOKING AHEAD

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

We aim to:

- Maintain ongoing engagement with industry partners, including making progress toward becoming a full member of ETI
- Continue internal training and engagement in responsible and ethical sourcing practices
- Continue working on commodity roadmaps for traceability to facilitate the publication of the Group's full supply chain in future

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



TRANSPARENCY AND TRACEABILITY

SUPPLY CHAIN TRANSPARENCY

We continue developing improved traceability processes and tools to increase our supply chain transparency. This aligns with our Vision 2025+ strategy. Tracing a product to its source enables us to support improved working conditions in the supply chain and reduce environmental impact.

We have published our suppliers as follows²:

- 2019: Country Road Group – tier 1 suppliers
- 2022: Woolworths FBH private-label products – tier 1 suppliers

Woolworths FBH continues to map its tier 2 supplier list. These are the mills that manufacture fabrics used in our private-label apparel and homeware products. The list was not published during the year as originally intended. We anticipate publishing the list in the next financial year. Woolworths Food continues its rollout of a digital platform to facilitate publishing its key commodities' supply chains.

2. Coverage of tier 1 suppliers: WSA FBH – 56%; CRG – 100%.
 3. % sourced based on units (GRN) – GRN: units ordered and received.
 4. Other countries include Pakistan, Portugal, Italy, Slovakia, Czech Republic, Macedonia, Netherlands, Vietnam, Thailand, Sri Lanka, Turkey and Belgium. For each of these other countries we have eight or less suppliers therein, and they each supply less than 1% of our product (GRN).
 5. Other countries include India, Italy, Pakistan, Portugal, Slovakia, Spain, Sri Lanka, Taiwan and Thailand. Each of these other countries supply less than 2% of our product (GRN).

SUPPLIERS BY REGION³

WOOLWORTHS FBH		COUNTRY ROAD GROUP	
 <p>CHINA Tier 1: ● 42%</p>	 <p>SOUTH AFRICA Tier 1: ● 33%^{MA}</p>	 <p>CHINA Tier 1: ● 87.38%</p>	 <p>AUSTRALIA Tier 1: ● 0.47%</p>
 <p>SADC (EXCL. SA) Tier 1: ● 17%</p>	 <p>INDIA Tier 1: ● 3%</p>	 <p>BANGLADESH Tier 1: ● 4.54%</p>	 <p>INDONESIA Tier 1: ● 3.16%</p>
 <p>BANGLADESH Tier 1: ● 3%</p>	 <p>OTHER COUNTRIES⁴ Tier 1: ● 2%</p>	 <p>VIETNAM Tier 1: ● 1.48%</p>	 <p>OTHER COUNTRIES⁵ Tier 1: ● 2.97%</p>



● | % sourced based on units (GRN)*

FIBRE TRACEABILITY

Country Road continues to work with Oritain⁶. We are expanding the programme to test a larger range of products within the Country Road brand.

Country Road launched the Australian-made T-shirt with Good Earth Cotton⁷ and FibreTrace⁸ in August 2023. Using technology such as FibreTrace⁸ enables us to follow the journey of our cotton and support better working conditions and farming best practice.



2024 was a record breaking year for Country to Couture with 22 collections showed, making it the largest collection of contemporary First Nations fashion to be shown in Australia

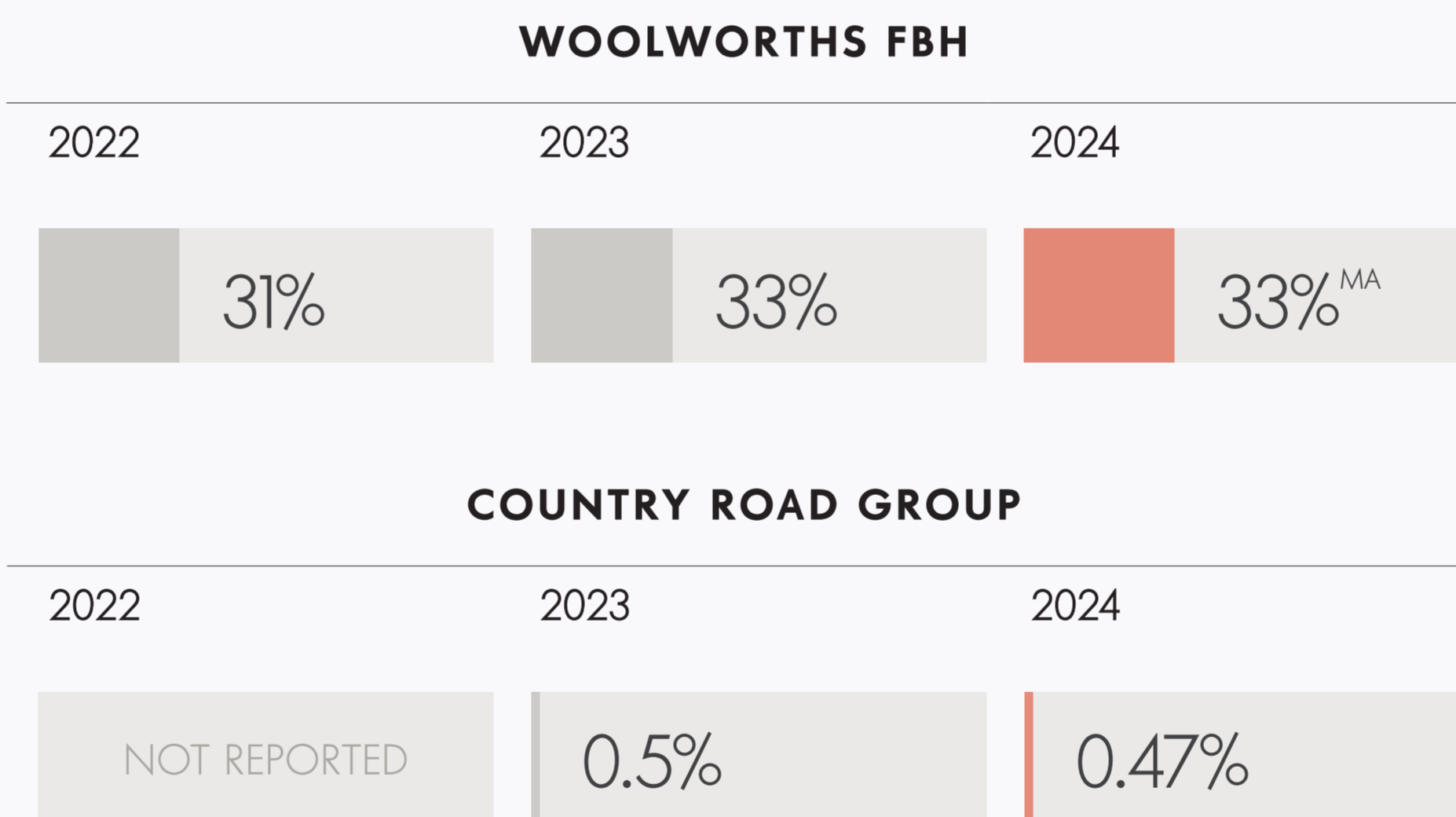
6. Oritain takes a scientific approach to traceability by verifying where the fibres in a garment originate based on the 'origin fingerprint' of the fibres. Soil composition, climate, altitude and other environmental factors all reveal the details of a product's origin.
 7. Good Earth Cotton[®] is a cotton farming program established in Moree, on Kamilaroi Country in New South Wales, Australia. The programme is certified climate-positive, meaning it captures and stores more carbon than it emits through its growth life cycle.
 8. FibreTrace[®] is a luminescent pigment bonded to fibre, which can be scanned along the supply chain to map and verify it from farm to finished garment.

LOVE LOCAL

We focus on supporting local suppliers to drive our goal of increasing the percentage of our private-label products that we source locally. We offer various forms of support to suppliers, including favourable payment terms and technical support to enhance capabilities and fulfil volume commitments.

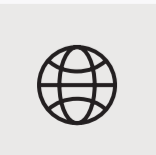
Loadshedding has remained a challenge for local suppliers in the year under review as the prolonged use of generators has increased input costs. This has negatively impacted the financial stability of some of our suppliers. Therefore, the Woolworths FBH business has assisted these suppliers by granting them loans to pay for raw materials.

PERCENTAGE OF PRIVATE-LABEL PRODUCTS LOCALLY SOURCED (BASED ON GRN UNITS)



Country Road continued its partnership with the Darwin Aboriginal Art Fair Foundation for the fourth year. Through this we support Country to Couture, an annual showcase of First Nations fashion, and the National Indigenous Fashion Awards, Fashion Designer category, this year won by Lillardia Briggs-Houston.

Country Road launched our First Nations co-design with Kieren Karritpul. Our relationship with Kieren grew over several years, resulting in an eight-piece dining range, influenced by the organic forms in Kieren's artworks. Each design was crafted in Australia in collaboration with local suppliers.



HUMAN RIGHTS AND ETHICS

SUPPLIER CODES OF CONDUCT

Regardless of location, all WHL Group suppliers and service providers are bound by our supplier codes of conduct. These align with the International Labour Organisation's conventions concerning ethical trade and the Ethical Trading Initiative Base Code.

The codes outline our requirements for human rights, labour practices, health and safety standards, environmental stewardship, animal welfare, and our zero tolerance for bribery and corruption. The codes are supplemented by several supporting policies and position statements.

Our social and ethical compliance audits monitor suppliers' compliance with our codes.

DUE DILIGENCE ON NEW SUPPLIERS

We conduct due diligence before accepting new suppliers to identify and mitigate risks. The nature and extent of due diligence depends on risk, including:

- Whether suppliers and their factories are local or international
- The nature of the supplier
- Whether they are known to us
- The nature of the industry where they operate

Before any orders are placed, suppliers to the Group must sign supplier agreements, which include acceptance of our supplier codes of conduct, and submit a social and ethical compliance audit. Low-risk or small suppliers must submit a self-assessment questionnaire.

SOCIAL AND ETHICAL COMPLIANCE AUDITS

The Group has developed social and ethical compliance audit protocols and programmes to ensure suppliers meet our requirements and supplier codes of conduct. These programmes include protocols related to audit approach, frequency, and grading.

Suppliers of Woolworths Food and FBH receive incentives for performing well on the audits. As the number and classification of findings drive audit frequency, more findings equate to more regular audits.

All suppliers' factories undergo regular audits against the codes. These audits are conducted by independent auditors commissioned by Woolworths South Africa. Alternatively, suppliers must supply audit reports from an approved list of independent auditors or complete and submit a self-assessment.

There is an expectation that branded suppliers have their own policies and systems in place to ensure their supply chains comply with our codes. This also applies to all primary suppliers and those from whom they source, i.e. our secondary suppliers. This is outlined in our contractual arrangements with them.

The Group has been encouraging suppliers to sign up for the SEDEX platform to enhance consistency across the Group. SEDEX is a global platform that helps companies manage ethical supply chain risk and streamline the challenges of engaging with multi-tier supply chains by providing a single platform for ethical audit report storage, enabling performance transparency, greater efficiency, and consistency.

A Group-wide process is underway to convert our supply base, where relevant, from our existing social and ethical compliance audit protocol to SMETA, SEDEX's ethical audit methodology. SMETA audits suppliers' performance against labour, health and safety, environment, and business ethics.



SOCIAL AND ETHICAL AUDITS 2024

	Percentage of supplier sites on SEDEX	Number of supplier sites audited	Percentage of supplier sites audited during the year	Percentage of supplier sites meeting social and ethical compliance requirements (TARGET: 100%)	Number of business-critical audit findings	Percentage of audits announced	Percentage of audits unannounced	Percentage of audits where workers interviewed
WOOLWORTHS FOOD	70%	112	34%	75.89% ^{MA}	0	100%	0%	100%
WOOLWORTHS FBH	47%	321	57%	99.82% ^{MA}	0	100%	0%	98.6%
COUNTRY ROAD GROUP	79%	62	28%	91.74% ^{MA}	0	92%	8%	100%

We strive to resolve all audit issues with our suppliers, but we may suspend or end our relationship if there is a serious breach of our code of conduct or recurring business critical non-compliances.

We established a continuous improvement programme to assist Woolworths Food suppliers in improving their social and ethical audit compliance results. This programme includes mandatory training for suppliers due for an audit. It will also include mandatory site support visits to assess gaps and audit preparedness.

We established a continuous improvement programme to assist Woolworths Food suppliers in improving their social and ethical audit compliance results.

CATEGORY OF AUDIT FINDINGS	ENVIRONMENTAL ISSUES	HEALTH & SAFETY ISSUES	LABOUR, ETHICS, HUMAN RIGHTS ISSUES
WOOLWORTHS FOOD	5	30	30
WOOLWORTHS FBH	65	690	524
COUNTRY ROAD GROUP	5	82	58

NATURE OF FINDINGS

The majority of the findings were gaps in management systems related to labour and health and safety practices.

<p>LABOUR PRACTICES</p> <p>Excessive overtime, non-statutory deductions without employers' approval, workers paid below minimum wage, undue threats of dismissal, social insurance not provided</p>	<p>HEALTH AND SAFETY PRACTICES</p> <p>Lack of fire alarms, fire drills or fire-fighting equipment, emergency exit doors blocked or locked, lack of or inconsistent use of safety equipment and personal protective equipment</p>
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REMEDIAL ACTION

<p>BUSINESS-CRITICAL FINDINGS</p> <p>Any business-critical findings arising from the audits, such as payment below minimum wage or forced or child labour and modern slavery practices, are escalated to senior management within the Group, and our suppliers are requested to correct them immediately.</p>	<p>OTHER FINDINGS</p> <p>For other findings, the buying teams work with our suppliers to assist them in aligning with the requirements within a stipulated time frame and conduct follow-ups to ensure corrective actions have been taken.</p> <p>This could include updating policies and procedures, investing in proper equipment or adequate employee and factory management training.</p>
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Woolworths South Africa audit results and findings are summarised and reported quarterly to the Internal Audit and the WHL Group Risk, Information and Technology Board Committee.

HUMAN RIGHTS DUE DILIGENCE

Woolworths FBH conducted human rights due diligence audits on several factories in high-risk areas. These factories were subject to unannounced SMETA audits using an approved third-party audit company to confirm no findings related to human rights or modern slavery. The results confirmed no findings.

Woolworths FBH will look to develop a human rights due diligence strategy and investigate opportunities for worker voice engagement mechanisms.

RECRUITMENT FEES

The Group does not permit the payment of recruitment fees. Should the social and ethical audits detect payment of recruitment fees, it is raised as a business-critical finding. We will engage with the supplier to rectify this immediately.

GRIEVANCE MECHANISMS AND REMEDIATION

Our internal and external grievance channels for employees in our direct operations and supply chain remain intact.

Our employees can raise their concerns directly with Human Resources teams. Our internal grievance and dispute-resolution policies describe what issues constitute a grievance and explain the process for a grievance to be assessed, verified, and remediated.

Employees or workers in the supply chain can raise concerns anonymously through external, third-party-run whistle-blowing hotlines, which are accessible by phone and email. We investigate any grievances raised in this manner confidentially and in line with the approach outlined in our whistle-blowing policies.

Many of the Group's social and ethical compliance audits also evaluate suppliers' grievance mechanisms. For Country Road Group, grievances can be raised by workers in the supply chain using an email address listed in the publicly available supplier codes of conduct.

We are committed to providing for or co-operating in remediation where we identify that we have caused, contributed to, or been linked to a grievance raised.

CASE STUDY

COUNTRY ROAD GROUP CONDUCTS WORKER SENTIMENT SURVEY



PARTNERS: LRQA

Country Road Group collaborated with a third-party sustainability and supply chain solutions provider to implement a worker sentiment survey to explore and trial an effective grievance mechanism for workers. The survey, which engaged five strategic factories in our supply chain, was designed to gather worker insights and sentiment on several key areas, including:

- Grievance mechanisms
- Wages
- Work atmosphere
- Safety and productivity
- Workforce stability
- Workforce demographics

The survey was open for at least seven days, allowing workers to respond at their convenience. Workers could access these surveys by scanning QR codes using their mobile phones or via a link. Participation was entirely voluntary.

Country Road Group and LRQA analysed the results and discussed the next steps to enhance this grievance mechanism. We will continue to explore and trial different grievance mechanism approaches.

We received 731 completed responses from five engaged factories

All five received scores above 90%

ETHICAL SOURCING TRAINING

To ensure we source our products responsibly, we actively create opportunities to build capacity on ethical sourcing-related topics internally and with our suppliers.

We conducted the following training during the year:

- Based on the previous year's trial with Country Road Group's Exco, our modern slavery e-learning module expanded to Country Road Group teams. The module is voluntary for team members to complete; however, only 2% of Country Road staff have participated. Given this low uptake, we will investigate methods to encourage more engagement with the module to better equip teams with modern slavery awareness in our industry.
- Woolworths FBH conducted social and ethical compliance training for our sourcing specialists responsible for procuring products
- Ethical sourcing team members from Woolworths Food, Woolworths FBH and Country Road Group participated in the Ethical Trade Initiative's (ETI) human rights essential training, further developing our internal capability to assess and mitigate human rights risks.
- Country Road Group held a greenwashing webinar for internal marketing, design and product development teams. The webinar provided teams with an overview of our expectations and best practice for making sustainability claims on products that align with Australian Competition and Consumer Commission (ACCC) guidelines.



Ethical Trading Initiative

The ETI is an alliance of companies, trade unions, and NGOs that collectively promote respect for workers' rights. It tackles challenges related to ethical trade, such as living wage, modern slavery, workers' access to grievance mechanisms, and remediation. Members from the Woolworths Foods, Woolworths FBH and Country Road Group teams have participated in a few training sessions to enable our progression to full-fledged members.



LIVING WAGE

We have developed a roadmap towards enabling a living wage for workers in our supply chain. It includes specific activities we plan to undertake, including deliverables, milestones, provisional timelines, and resources. This roadmap will evolve as we progress with our living wage journey. Specific activities across varying timeframes include:

ACTIVITIES	STATUS
ONGOING	
Identifying credible organisations to partner with on our living wage journey.	Started
Conducting training with internal teams and suppliers.	Started Living wage is part of FBH's compliance training
SHORT TO MEDIUM TERM (1 TO 3 YEARS)	
Building up a database of current wages being paid.	Started
Identifying appropriate benchmarks for living wages, taking cognisance of regional variation and being clear on assumptions made. We will use the Global Living Wage Coalition ⁹ and its Anker Methodology ¹⁰ as far as practically possible.	Started, very early stages
Calculating the wage gap and quantifying the impact on product costing.	Started
Updating as necessary and ensuring wider distribution of our Supplier Codes of Conduct, translated into local languages, directly to workers.	Not yet started
Development of a responsible purchasing practices framework.	Not yet started
Continued rollout of worker voice and improvement of grievance mechanisms.	Started, pilot projects only
Identifying relevant worker empowerment projects.	Started, pilot projects only
LONG TERM (4 TO 5 YEARS)	
Engagement with internal and external stakeholders and finalisation of our approach to enable payment of living wages in our supply chain.	Not yet started

9. The Global Living Wage Coalition (GLWC) brings together Fairtrade International, GoodWeave International, the Rainforest Alliance, and Social Accountability International, in partnership with the ISEAL Alliance and international living wage experts Dr Richard Anker and Martha Anker. The GLWC's mission is to see continuous improvement in workers' wages in the farms, factories, and supply chains participating in their respective certification systems and beyond, and with the long-term goal for workers to be paid a living wage. The GLWC aims to develop living wage benchmark estimates in many countries, based on a single definition and methodology to calculate living wage, and as a critical step to enable industries and companies to move towards paying a living wage.

10. The Anker Methodology is a methodology used to measure a decent but basic standard of living in different countries, and how much workers need to earn to support themselves and their families. This information allows researchers to estimate comparable living wages around the world, and determine gaps between living wages and prevailing wages, even in countries with limited secondary data.

INCLUSION IN THE SUPPLY CHAIN

Woolworths South Africa acknowledges our privilege and opportunity as a large business in developing small, Black- and Black-women-owned businesses, contributing meaningfully to job creation, access to the mainstream economy, and inclusive economic growth.

Woolworths' Enterprise and Supplier Development (ESD) Programme expresses the intent of the IJI and is our contribution to stimulating the inclusive growth of the South African economy. At the heart of our ESD Programme is unlocking market opportunities for Black- and Black-women-owned SMMEs while providing capital and relevant capacity building to meet Woolworths' procurement expectations and to grow them to become sustainable businesses.

Woolworths understands the need and the deeper impact creating meaningful access in the mainstream for SMMEs has on the economy. In the context of IJI, offering small businesses a viable procurement opportunity, supported by a compelling business case for long-term growth and tailored support to realise the growth and value of the opportunity, is important. Market access is the most meaningful contribution to small enterprises, achieving more diversity in our supplier base and aspiration of inclusive economic growth.

Woolworths' approach to SMME support acknowledges that every SMME is a unique business with dynamics unique to the lead entrepreneur and/or owner and unique to the industry.

We offer tailored support in every way possible. This can entail innovative means such as facility sharing, cash flow support, or linkages with other enablers such as partnering with established suppliers, SMME financiers or other like-minded partners.

Our procurement and buying teams also offer their skills to support a vision of SMME growth and sustainability. The tailored support is underpinned by needs-based assessments, gap analysis, ongoing mentoring, and monitoring over time.

Woolworths South Africa has registered an Enterprise IJI NPC that will better enable the delivery of the ESD Programme. This entity is expected to be operational in the next financial year. It will administer and disburse enterprise development (ED) and supplier development (SD) funds and provide beneficiaries with pre- and post-investment business development support in line with Broad-Based Black Economic Empowerment regulations on behalf of Woolworths South Africa.

In the context of Inclusive Justice, this entity will have a more focused and human-centred approach to ESD that ensures the growth and sustainability of SMMEs and creates a deeper socio-economic impact through sustainable job creation.

Woolworths has a range of beneficiaries within the ESD Programme, all in varying stages of growth and development.

We contributed:

- R4 billion (2023: R2.8 billion, 2022: R2.9 billion) towards revenues of small and medium enterprises participating in our supplier base
- R7 billion (2023: R7 billion, 2022: R5.9 billion) in revenues from Black- and Black-women-owned suppliers in our supplier base
- The 15 (2023: 32, 2022: 34) SMME beneficiaries of our ESD Programme accessed procurement opportunities to the value of R235 million (2023: R391.7 million, 2022: R453.4 million) because of tailor-made support provided by Woolworths and its partners

After more than 14 years on this journey, Woolworths prides itself in ongoing learnings from the successes and failures of small businesses in different sectors of the economy. We are consolidating these learnings into a future programme that will step up our contribution to inclusive and sustainable economic growth through SMME development in the future.



MODERN SLAVERY

We recognise that modern slavery does not occur in isolation and often connects to other breaches of human rights.

TYPES OF MODERN SLAVERY RISKS IN OUR SUPPLY CHAIN INCLUDE:

- Forced labour
- Bonded labour
- Deceptive recruiting
- Child labour



THESE RISKS ARISE FROM A RANGE OF UNDERLYING FACTORS, INCLUDING:

- The use of migrant or unskilled labour in supply chains where workers are more vulnerable to exploitation
- Unauthorised subcontracting, which could lead to unknown actors involved in the provision of goods or services who may be engaged in modern slavery
- Potential involvement of children in extended supply chains (including in hazardous or harmful work)
- Extreme working conditions such as excessive overtime or lack of rest days
- Underpayment of wages or social insurances

We acknowledge that modern slavery can be challenging to recognise and address. We are committed to implementing practical approaches to identify, assess, and address modern slavery and broader human rights risks.

The WHL Group is a signatory to the UN Global Compact. Being a signatory means committing to operating in ways that, at minimum, meet fundamental human rights, labour, environment, and anti-corruption responsibilities.

ACTIONS WE TAKE:

- Mandatory adoption of our supplier codes of conduct by suppliers
- Regular supplier social and ethical compliance audits and follow-up of critical remedial action taken to address findings
- Termination or suspension of supplier relationships where audits reveal business-critical findings that are not remediated
- Capacity-building, training and engagement, internally and with suppliers
- Establishment of internal cross-functional teams in Woolworths South Africa regarding modern slavery and living wage to discuss key topics that may affect our business and to facilitate working together towards improving conditions for workers in our supply chain
- Establishment of mechanisms to understand worker sentiment on the ground through surveys
- Development of responsible purchasing practice guidelines for Woolworths South Africa buying teams
- Connecting with industry peers, NGOs, and multi-stakeholder initiatives to remain abreast of the ever-changing risk landscape
- Keeping abreast of global news regarding human rights, forced labour, and modern slavery

Under Australia’s Modern Slavery Act, Country Road Group submitted its fourth modern slavery statement, covering the period 1 July 2022 to 30 June 2023.



Country Road Group and Woolworths are signatories to the new International Accord for Health and Safety in the Textile and Garment Industry (new Accord). It replaces the Bangladesh Accord, which officially expired in August 2021. The new Accord intends to protect workers’ safety and improve supply chain conditions. The new Accord will continue supporting the current operations in Bangladesh by funding fire and building safety work.

RESPONSIBLE SOURCING

The key commodities in our business are palm oil, cocoa, coffee, soya, seafood, cotton, leather, man-made cellulose fibres (MMCF), timber, and synthetics. As part of our Vision 2025+ strategy, we have set a goal for our key commodities to be responsibly sourced and traceable by 2025.

This goal aims to contribute to:

- Creating demand for commodities that are produced in ways that responsibly manage environmental impacts such as biodiversity loss, deforestation, land-use change, climate change and water usage, and that are also good for the farmers, suppliers, and their local communities, protecting human rights and enabling good working conditions
- Providing visibility to our stakeholders of the provenance of our products through the entire supply chain



All our commodities stated below are currently responsibly sourced mass balance unless explicitly stated otherwise. We are identifying solutions and developing roadmaps to enable traceability before reporting on the percentages of our traceable key commodities.

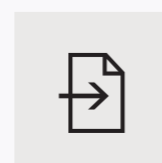
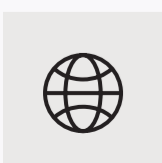
PERCENTAGE OF RESPONSIBLY SOURCED (WSA)	PROGRESS	2024 TARGET	2022	2023	2024
PALM OIL (WSA FOOD)	●●●●	100%	100%	100%	100%
COCOA	●●●●	100%	100%	100%	100%
COFFEE	●●●●	80%	92%	75%	94.2%
COTTON (WSA)	●●●○	100%	100%	100%	99%
MMCF (WSA)	●●●○	97%	96%	95%	92%
TIMBER (WSA)	●●●●	100%	98%	100%	100%
LEATHER (WSA)	●●●○	75%	32%	53%	60%
SYNTHETICS	●●○○	15%	18%	12%	10.89%

HOW WE MANAGE COMMODITY SOURCING IN FOOD

PALM OIL	COCOA	COFFEE	SOYA
<p>Woolworths is a Roundtable on Sustainable Palm Oil (RSPO) member.</p> <p>We source 100% certified sustainable palm oil (CSPO) from physical supply chains for our private-label food and personal care products.</p> <p>Our minimum requirement is mass balance RSPO palm oil. We currently achieve that requirement in 100% of our products using palm oil or palm oil derivatives.</p> <p>We are continuing with our supply chain mapping. The local demand and infrastructure needed to enable sourcing segregated palm oil remains low, creating a significant cost premium.</p> <p>For the fourth consecutive year, we have purchased RSPO credits to the equivalent of 100 tonnes from smallholder farmers to support their inclusion into the mainstream market.</p> <p>We continue to increase awareness among our customers and the industry to address this challenge and support a widespread shift to sustainable palm oil in South Africa.</p>	<p>Woolworths aims to source 'responsibly sourced' cocoa, including cocoa certified by Rainforest Alliance, Fairtrade International, Puratos Cacao Trace, and Cocoa Horizon.</p> <p>Woolworths is the only major retailer in South Africa that uses 100% responsibly sourced cocoa in its core chocolate and sweets lines and sells it as an ingredient.</p> <p>We are working with our suppliers on a supply chain mapping exercise. This will give us full traceability of our cocoa supply chain back to farm level.</p> <p>We are developing an A-list for cocoa suppliers to ensure a consistent supply of quality cocoa that will satisfy our customers while meeting our standards. To be eligible for this list, our suppliers must have, or should be working towards sustainability, transparency, and responsible sourcing in line with our commitments.</p> <p>In December 2023, the Rainforest Alliance re-endorsed Woolworths for responsibly sourced cocoa.</p>	<p>Woolworths is one of the largest coffee retailers in South Africa. Our current approach to coffee is to source organic coffee beans.</p> <p>We have completed our onboarding of tier 1 and tier 2 coffee bean suppliers on our digital traceability platform and are working towards onboarding tier 3 suppliers.</p> <p>In collaboration with Project Canopy, we have assisted 662 smallholder farmers in Tanzania by providing them with 120 000 seedlings to yield coffee cherries and increase the farmers' household income. A challenge to this initiative was the drought between December 2023 and March 2024, which caused a loss of 20% of the seedlings, bringing the number of viable seedlings down to 96 000.</p> <p>Increased political conflict and economic pressure continue to impact global coffee prices. Therefore, we continue investigating solutions and opportunities to reduce processing costs.</p> <p>In the next year, we aim to conduct baseline environmental impact and social compliance assessments in two of our coffee regions. We will use these learnings to create a consolidated coffee strategy and accompanying operational plan.</p>	<p>Woolworths is a Round Table on Responsible Soy (RTRS) member and supports the development of a sustainable soya market in major producing regions through the purchase of RTRS credits¹¹.</p> <p>98% of the soya used by Woolworths is used in animal feed by our protein suppliers.</p> <p>We are engaging with the feed production industry in South Africa to gain an understanding of their sourcing strategies, which are changing dynamically, and approaches to soy certification and sustainability. This will inform which areas within the industry we influence most and which areas affect us. We will also use these learnings to draft a soya policy, which will guide us in the use of this commodity and its sources in our supply chain.</p> <p>For the seventh consecutive year, Woolworths has purchased RTRS credits. We purchase credits from certified growers who meet the RTRS standard for responsible soya production. One credit is equivalent to one tonne of soya. In this way, we are supporting responsible production.</p> <p>The volatility of soya prices presents a challenge to our goal of responsibly sourcing soya. When the costs of locally sourced soya are too high, our suppliers opt for cheaper alternatives, reducing the quantity of soya sourced responsibly.</p>

FOR INFORMATION ON THE RESPONSIBLE SOURCING OF SEAFOOD, REFER TO THE FISHING FOR THE FUTURE SECTION.

11. RTRS's certification scheme is widely recognised as the system that promotes responsible production. Certified farms must be approved by auditors and meet the requirements for sustainable production. The RTRS standard sets forth important social environmental (zero deforestation) requirements with clear criteria pertaining to human and labour rights. Because of considerable complexity in converting soya used in animal feeds to a responsibly sourced variety, we have started purchasing RTRS credits to promote the uptake and development of the responsible soya industry.



HOW WE MANAGE COMMODITY SOURCING IN FASHION, BEAUTY, AND HOME

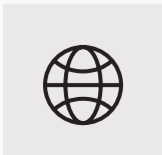
COTTON	MMCFs ¹²	TIMBER	LEATHER	SYNTHETICS
<p>Cotton is the most used fibre across our private-label clothing collections. Woolworths and Country Road Group are members of Better Cotton and support locally grown, certified organic cotton or recycled cotton.</p> <p>One of the challenges we face regarding the traceability of cotton is that the Better Cotton scheme is a mass balance scheme, making it difficult to trace the cotton back to farm level. We continue to engage with Better Cotton and other organisations to improve the traceability of the supply chain.</p> <p>Woolworths continued to source 99% responsibly sourced cotton.</p> <p>In the period 1 July 2023 - 30 June 2024 an estimated 4.5 million litres of water were saved and 2 772 kg of pesticides were avoided, and Better Cotton Farmers benefited from an estimated \$962 839 million additional profit¹³ thanks to our sourcing of Better Cotton.</p> <p>The Group sourced an estimated 6 877 tonnes of Better Cotton this year.</p>	<p>The Group partnered with Canopy and 150 other brands as part of the CanopyStyle Initiative to promote the uptake of responsible sourcing policies among the top 10 global producers (responsible for 70% of global supply).</p> <p>The Group also aims to drive engagement with our suppliers and producers of MMCFs to mitigate risk that the production of fabrics does not result in illegal forest degradation or deforestation. We achieve this through our association with Canopy. Additionally, Woolworths FBH sources MMCFs that are Forest Stewardship Council (FSC) certified.</p> <p>Country Road Group priorities sourcing from Green Shirt-rated¹⁴ MMCF suppliers.</p> <p>MMCF suppliers are audited and ranked by Canopy on their Hot Button Report. Green Shirt rated suppliers have the lowest risk of sourcing from ancient and endangered forests, as well as score points for investment in next generation fibres, chemical management and environmental commitments. Full traceability of our MMCFs continues to be a challenge, as FSC certification is cost-prohibitive for many companies in the clothing value chain.</p> <p>Woolworths’ percentage of responsibly sourced MMCFs remained stable. The only remaining challenge is where blends are used. We will also drive suppliers’ requirement to use responsibly sourced MMCFs in blends as we advance.</p>	<p>Woolworths is a signatory to the Vancouver Declaration, committing to work towards more sustainable sourcing of forest products and endorsing the FSC as the supplier of choice for the certification of forest products.</p> <p>In line with legislation, Country Road Group strives to design and develop timber and products with timber inputs from legally harvested sources.</p> <p>Full traceability of timber continues to be a challenge, as FSC certification is cost-prohibitive for many companies in the homeware value chain.</p> <div data-bbox="1354 910 1449 999" style="text-align: center;"> </div> <p><i>Woolworths maintained its percentage of 100% responsibly sourced timber this year.</i></p>	<p>The extraordinary complexity of leather sourcing and traceability due to multi-tier supply chains is a global challenge that we, along with many other brands worldwide, seek to solve.</p> <p>The Group is a member of Leather Working Group (LWG), an environmental standard promoting chemical management and wastewater treatment best practice. We continue to encourage tanneries we source from to join the LWG.</p> <p>We are conducting a baseline assessment of all our tanneries to understand their LWG certification levels, i.e., which are being audited against the LWG environmental auditing protocols, and which have a traceability rating (leather that is physically marked and traceable).</p> <p>Woolworths continues to work with its suppliers to increase the use of responsibly sourced leather. This is reflected in the year-on-year increase in the percentage of responsibly sourced leather.</p>	<p>We aim to source recycled synthetics through globally recognised recycling programmes such as the Global Recycle Standard (GRS) and Recycled Claims Standard (RCS). In pursuit of this, we focus our efforts on petroleum-based synthetics such as polyester and nylon/ polyamide.</p> <p>While Woolworths’ percentage of responsibly sourced synthetics has decreased, we continue to work towards increasing the amount of recycled polyester in our ranges.</p> <p>However, we face significant challenges in the premium price associated with recycled polyester and the limited local availability thereof.</p>

Woolworths FBH developed a sustainability analysis reporting platform to improve sustainable commodity data maintenance in our product lifecycle management tool. Our fabric technologists were trained in using the software and its dashboard.

Country Road Group developed and published its internal Responsibly sourced materials manual to guide brands in selecting more sustainable fibres and materials. The document is a compiled list of standards, certifications, and branded fibres that we are currently classifying as ‘responsibly sourced.’

The first chapter outlines the sustainability attribute (e.g. organically grown) and its approved certifications, standards, or brands for each fibre type. Future chapters will guide how to source, substantiate and make claims for each standard.

12. MMCFs are fibres derived from wood, such as viscose, rayon, lyocell, tencel and modal.
 13. Better Cotton Farmers experience profit increases for a variety of reasons, most commonly due to increased yields and/or optimised use of inputs (such as irrigation water, pesticides or synthetic fertiliser).
 14. MMCF suppliers are audited and ranked by Canopy on their Hot Button Report. Green Shirt rated suppliers have the lowest risk of sourcing from ancient and endangered forests, as well as score points for investment in next generation fibres, chemical management and environmental commitments.



SUSTAINABILITY ATTRIBUTES

We aim to have all our private-label products contain one or more sustainability attributes. Sustainability attributes are product characteristics that minimise a product’s social and/or environmental impacts at one or more stages in the value chain. These are tailored to each business and cover several material issues across our value chain. These include energy and climate change, waste (including packaging and food waste), sustainable farming and fishing.

There are several more detailed individual attributes underlying each of these material issues.

Individual sustainability attributes are outlined in definition and guidance documents to support the business when making sustainability attribute claims for reporting or marketing purposes.

MATERIAL INNOVATION

One of the Group’s Vision 2025+ goals is for all private-label clothing, beauty, and homeware products to contain at least one renewed, reused or recycled product material input by 2030.

We continue to drive innovation and sustainability in product development and monitor the progress and commercial viability of alternative, vegan, renewed, reused or recycled fibres.

Alternative fibres currently used across the Group include recycled polyester, recycled natural fibres such as wool and cotton, and vegan leather from plant-based sources.

Please refer to the Packaging and Waste chapter for more information on products containing reused or recycled material content.





SUSTAINABLE FARMING

WHY IS THIS FOCUS AREA IMPORTANT?

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

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

RELATED UN SDGs



In this focus area

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OVERVIEW

HIGHLIGHTS

- Country Road extended the partnership agreement of the Biodiversity Project with Landcare Australia to 2026
- Woolworths received a Special Recognition Award from Compassion in World Farming for its 20 years of leadership in championing cage-free systems for laying hens

LOWLIGHTS

- Permit approval processes have resulted in a delay to installing a native fish passage on Biodiversity Project 3
- Floods and loadshedding impacted the Farming for the Future scores of our suppliers

LOOKING AHEAD

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

More specifically, we will:

- Expand the Biodiversity Project to a new cotton farming region
- Aim to complete the onboarding of our seafood supply chain companies onto our traceability platform

PERFORMANCE SUMMARY VISION 2025+ GOAL:

All private label products to support regenerative farming practices by 2030

WSA FOOD:

Baseline:	52% (2019) ²
2022:	80%
2023:	79%
2024:	100% of private label produce and horticulture lines on the Farming for the Future Programme
Progress	●●●○

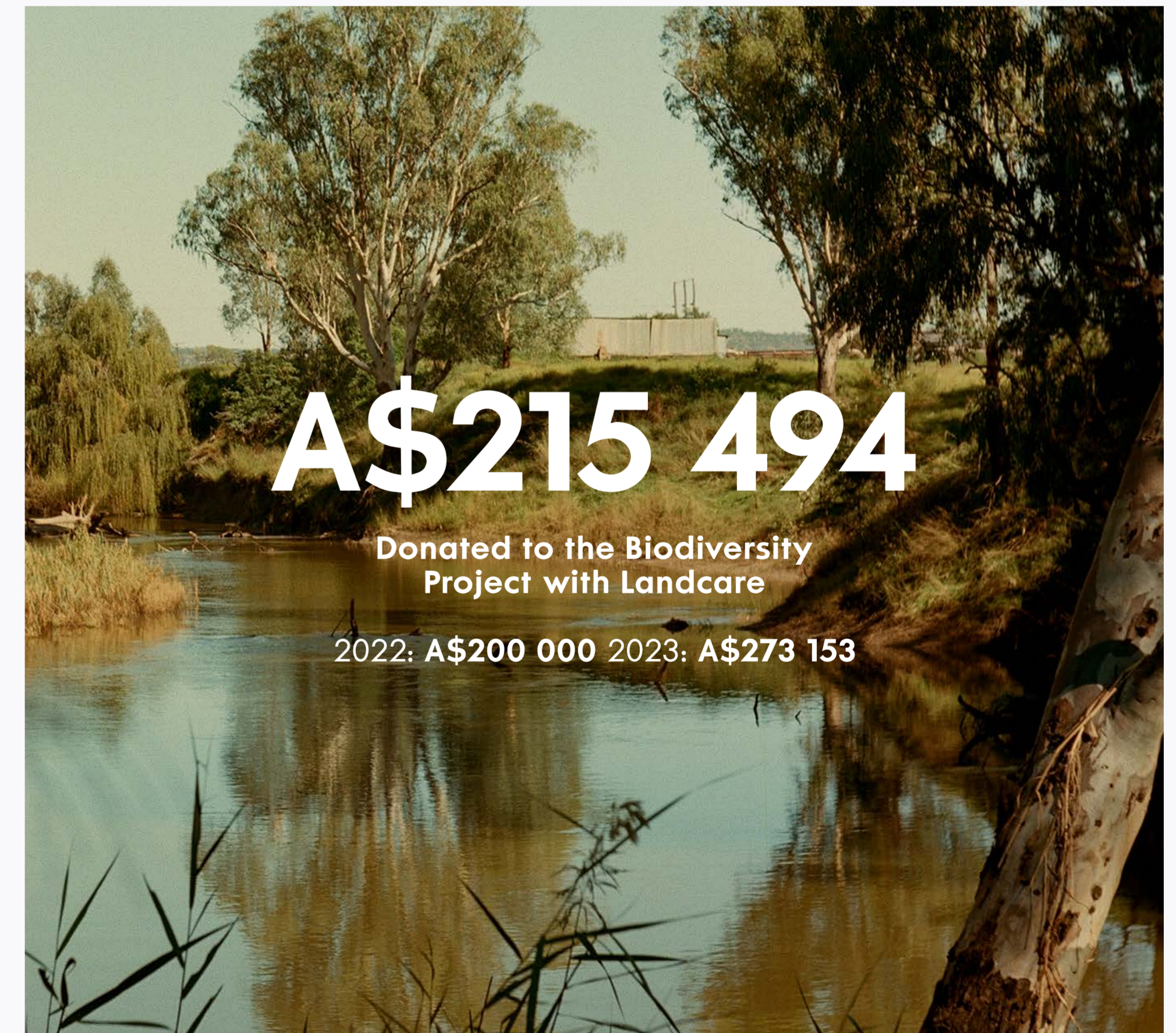
WSA FBH, AND CRG:

Baseline:	still to be determined
2022 – 2024:	researching regenerative farming programmes
Progress	●●○○

98.98% OF WOOLWORTHS SEAFOOD BY VOLUME MEETS OUR WILD-CAUGHT AND AQUACULTURE SUSTAINABILITY COMMITMENTS¹



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



SUSTAINABLE FARMING AND FISHING

Through our sustainable farming and fishing programmes, we aim to contribute towards a more sustainable, resilient, and inclusive food system with our farmers and suppliers.

REGENERATIVE AGRICULTURE

As part of our Vision 2025+ strategy, we have formally committed to supporting regenerative agriculture practices. We define regenerative agriculture as science-based farming practices that, among other benefits, mitigate climate change by rebuilding soil organic matter and restoring biodiversity, resulting in carbon drawdown and an improved water cycle.

We are just starting the regenerative agriculture journey regarding the raw materials and key commodities used in the Group’s fashion and homeware businesses. We will align with best practice as it evolves. We are researching available regenerative farming programmes. We also engage with the programmes and certifications we already partner with or accept under our responsible commodity-sourcing programmes to understand their approach to incorporating regenerative farming principles. Our initial focus is cotton, the most used fibre across our private label clothing collections.

Our Food business launched its Vision Zero Programme this year. The intent is to have zero pesticide residue on our products by 2035. We have improved our Integrated Pest Management (IPM) protocol to assist our farmers to reach this goal.

The intent is to have

ZERO

pesticide residue on our products by

2035

FARMING FOR THE FUTURE

The Farming for the Future Programme is Woolworths’ pioneering approach to growing food in a sustainable, regenerative, and harmonious way. The programme is a scientific, data-based approach to farming that aims to manage a farm as part of its broader ecosystem. It also aims to enable farmers to produce more food with fewer natural resources. It is geared to improve each farm’s resilience and yield while enhancing its ecosystem’s capacity over time.

We have continuously improved the programme over the years to allow for the changing operating context, changes in sustainable farming best practice, and to challenge farmers to improve their farming practices.

The programme comprises various modules for which data points are measured at a farm level, including data related to:

- Soil health
- Water-use and irrigation efficiency
- Waste-water management
- Crop protection

An independent specialist environmental company assesses these data points for each farm and certifies the related results. Targets are set for each data point for each farm to facilitate continuous improvement over time. We provide a recommended action plan to each farmer upon completion of their assessment to support them in meeting their targets.

The Farming for the Future Programme covers fresh produce, horticulture, wine, and dairy. We aim to onboard more protein categories in the future.

At least 80% of products supplied to us by primary suppliers must be from farms that are part of the programme for those products to feature the Farming for the Future logo on their packaging. The remaining percentage must come from farms that are SIZA members. Suppliers who do not achieve their continuous improvement targets may not use the Farming for the Future logo on their products.

The rollout of a cloud-based platform to capture the data points needed for the assessment is progressing steadily. We have added seven data points to the assessment, giving us a total of 154. The resulting increase in these data points has reduced the number of primary suppliers eligible for assessment, explaining the drop this year. We held 14 training sessions with supplier groups over the past year, and 69 farmers attended. We will continue with our rollout in the year ahead. Once complete, the platform will save time, allow Woolworths and the farmers to easily and transparently access data and reports, and show improvements over time.

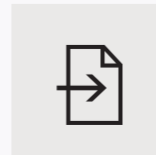
We continue to work towards quantifying Farming for the Future’s return on investment to support a formalised and robust business case for the programme.

We also continue to engage with banks and insurers to work towards participating farmers obtaining better financing arrangements or lower insurance premiums.

We began integrating Farming for the Future content in the curriculum of two schools in the Overberg of the Western Cape. The aim is to expose schoolchildren to the programme in their existing curriculum to educate them on the importance of regenerative agriculture.

One challenge is the increased cost associated with scaling up the programme and related assessment and certification costs. Increased input costs, flooding, civil unrest, ongoing drought, loadshedding, and uncertainty regarding land reform remain difficult for farmers, particularly affecting their capacity for investment in sustainability projects, which often have long-term payback periods.

	2022	2023	2024
NUMBER OF PRIMARY SUPPLIERS ASSESSED	149	151	128
NUMBER OF SECONDARY SUPPLIERS ASSESSED	283	194	200
FARMERS’ PASS RATE AGAINST ACHIEVING THEIR ANNUAL CONTINUOUS IMPROVEMENT TARGETS	97.8%	98.3%	99.2%
NUMBER OF DATA POINTS ASSESSED		147	154



THE BIODIVERSITY PROJECT WITH LANDCARE AUSTRALIA

	2023	2024
CUMULATIVE DONATION SINCE 2020	A\$150 000	A\$200 000
FUNDS RAISED FROM HERITAGE SWEAT SINCE 2020	A\$612 745	A\$778 238
NUMBER OF FARMS SUPPORTED	6	6
FARMLAND RESTORED	62.5 ha	59.6 ha
RIVERBANK PLANTED	11.6 km	11.6 km

In October 2023, Country Road celebrated the third anniversary of the Biodiversity Project with Landcare Australia. Since October 2020, Country Road has proudly partnered with Landcare Australia to support the regeneration of Australian farmlands, focusing on increasing biodiversity in cotton-growing regions. The partnership is designed to enrich Australia’s biodiversity by assisting local cotton farmers in protecting soil health, providing natural habitats for threatened species, and improving water quality across river systems. This funding provides Landcare Australia with the means to deliver multiple biodiversity projects across local farming landscapes and invite more farmers to participate in the unique programme.

Through this project, 11 800 seedlings have been planted, with 1 500 seedlings replanted after the flooding in 2022.

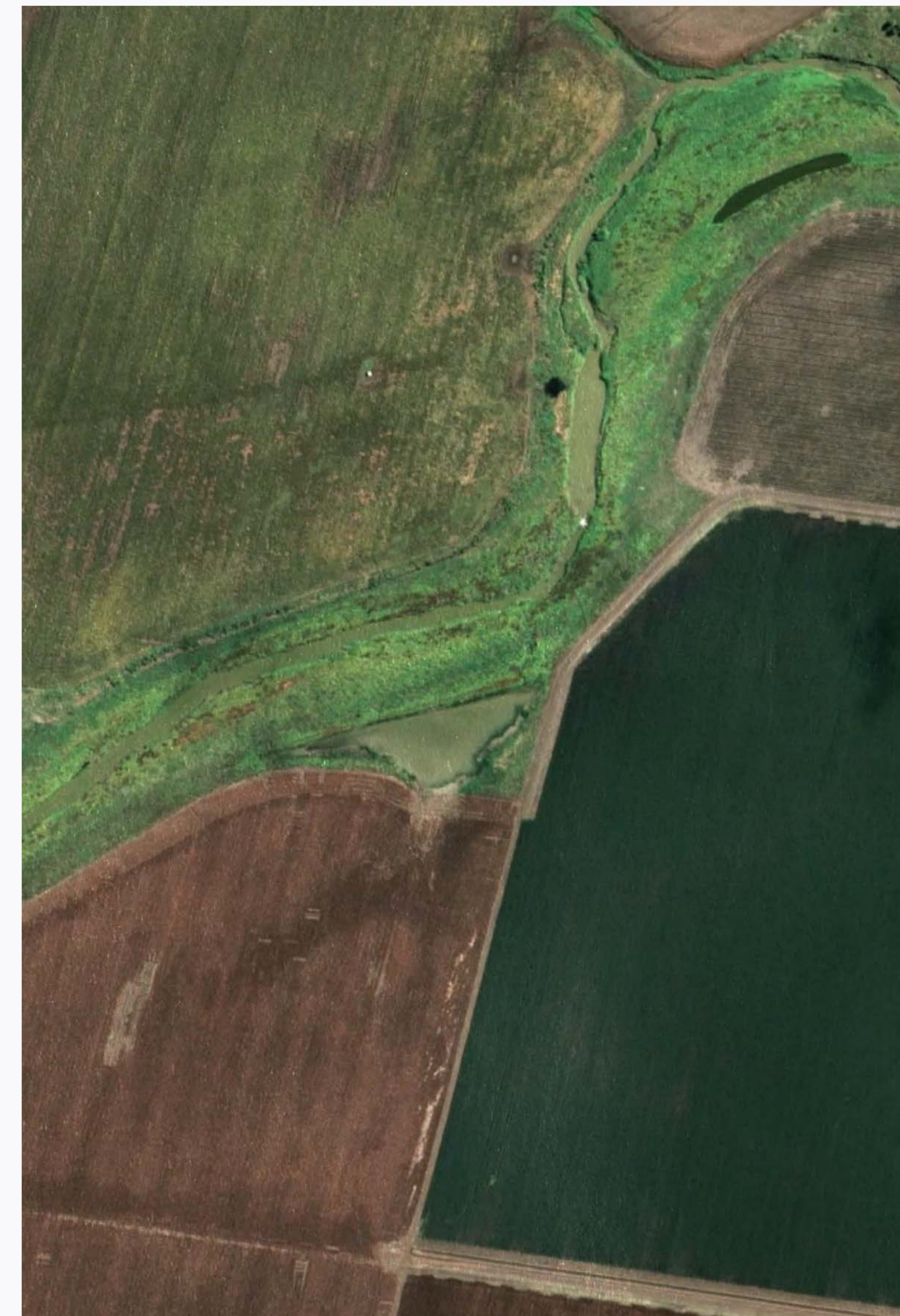
The project has encountered challenges in the past year. The weather conditions in our targeted areas have impacted the timing and ability of project participants to plant. The impacts of flooding have also resulted in the reduction of hectares of farmland restored since some of the plantings were washed away. Additionally, the process of awaiting permit approvals for project 3’s native fish passage has caused delays in the project’s progress.

In September 2023, Country Road hosted the Biodiversity Project panel at the Country Road Group head office. Farmers from projects 2 and 3 joined two Landcare Australia representatives in a discussion aimed at educating staff on how the project began, the work done to date, and the long-term aims of the project.

Biodiversity baseline assessments were conducted in 2024 on the first six farms to measure impact of the project over time. We intend to expand the project to a new cotton farming region, with two additional cotton farming families in 2025. We will also explore opportunities for First Nations on-ground engagement.

59.6HA
farmland restored in 2024

11.6KM
riverbank replanted in 2024



FISHING FOR THE FUTURE

Fishing for the Future, our dedicated seafood sustainability programme, ensures we source our seafood responsibly for better food choices, thriving communities and healthy oceans.

Across the value chain, Fishing for the Future incorporates a comprehensive seafood sustainability narrative that includes considerations of climate change, waste management, ecosystem health, resource efficiency, and social justice issues. Fishing for the Future also extends responsibility for sustainability to all stakeholders in our seafood value chains, including service/input providers, producers, processors, distributors, retail operations, and our customers.

We source 42 species from 32 countries. We obtain seafood from some of the world’s leading and most innovative fisheries and aquaculture companies.

We consistently assess our seafood supply chains to adhere to our responsible seafood procurement policies and align with Fishing for the Future goals. This includes a review of seafood certification scheme audits and surveillance reports, NGO seafood rating guidelines, progress in improvement projects, and various seafood benchmarking indices. These comprehensive programmes and guides measure sustainability performance against hundreds of auditing criteria.

98.98% of Woolworths’ seafood by volume meets our wild-caught and aquaculture responsible sourcing commitments (2023: 99%).

FISHING FOR THE FUTURE CONTRIBUTES TO THE GLOBAL SUSTAINABLE SEAFOOD MOVEMENT AGENDA AND BROADER UN SDGs BY:

- Inspiring and enabling our customers to responsibly consume healthy seafood
- Sourcing seafood that has the most positive environmental, social, and economic impacts possible and that strives to minimise adverse impacts
- Promoting ethical behaviour throughout our seafood supply chains, including respecting international human rights and implementing exemplary labour practices
- Ensuring the highest standards of fish health and welfare, built on the ‘Five Freedoms of Animal Welfare’, are adhered to
- Ensuring all our seafood suppliers go beyond compliance and integrate sustainability into everything they do



KEY ACTIVITIES THIS YEAR INCLUDE:

<p>Onboarded 100% of our tier 1 seafood suppliers onto Sourcemap, our cloud-based supplier traceability and transparency engagement platform.</p>	<p>Woolworths’ aquaculture and fisheries specialist was appointed to the steering board of the Global Sustainable Seafood Initiative.</p>
<p>Katse Fish Farms, our main rainbow trout supplier, has implemented a leading fish health and welfare programme. They also received Best Aquaculture Practices (BAP) certification.</p>	<p>In October 2023, a Woolworths representative participated in panel discussions at the IFFO³ Annual Conference in Cape Town. The panel discussions addressed how sustainability certification and ESG issues can protect and create value in the marine ingredients value chain.</p>
<p>Commenced implementation of three fishery improvement projects in collaboration with WWF South Africa. These projects provide a sustainability pathway for fisheries that do not currently meet our sustainability standards.</p>	<p>In February 2024 Woolworths attended the Community Catch workshop held in Jakarta, Indonesia. Community Catch is a new seafood sustainability scheme aimed at small-scale fisheries.</p>
<p>In May 2024, Woolworths attended an International Pole and Line Foundation think tank held in Indonesia. The two-day think tank aimed to rethink how technological innovations can be integrated into small-scale vessel design. The think tank also addressed onboard cold chain management to maintain fish quality to meet food safety, crew safety, and greenhouse gas emissions requirements.</p>	

We aim to complete onboarding our seafood supply chain companies onto our traceability platform. This will enable us to provide consumer-facing transparency for our seafood supply chains.

We will also implement a supply chain scoring system to optimize supply chain performance and reduce risks for our seafood suppliers. The scoring system incorporates various criteria and metrics that reflect our responsible seafood procure policy requirements and Fishing for the Future programme needs.

3. The Marine Ingredients Organisation, previously known as the International Fishmeal and Fish Oil Organisation, is a trade group that represents the interests of the marine ingredients industry.

IMPROVING ANIMAL WELFARE STANDARDS

We believe our ethical obligation is to ensure our suppliers treat the animals in our supply chain respectfully and humanely. This is not only what our customers expect but is also directly linked to the quality of the foods we sell.

We expect our suppliers to adhere to relevant national and international animal welfare standards and legislation. We are committed to continuous improvement and work with our suppliers to improve animal welfare and minimise potential harm, stress, or pain.

In addition, we engage with the retail industry as a member of recognised multi-stakeholder organisations and initiatives to contribute to improving animal welfare standards.

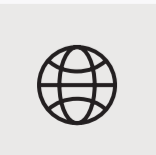
In the unlikely event that we become aware of stocking a product that breaches legislation of our animal welfare policies and standards, we promptly remove this item from the shelf and take the necessary steps to ensure future compliance.

Independent bodies regularly visit, inspect, and audit suppliers to ensure compliance with our animal welfare requirements.

Woolworths' Animal Welfare Policy aligns with the Five Freedoms. Country Road Group's updated Animal Welfare Policy aligns with the Five Domains of Animal Welfare. Both aim to ensure that animals have lives worth living, from birth to death. They essentially cover the same five elements:

Independent bodies regularly visit, inspect, and audit suppliers to ensure compliance with our animal welfare requirements.

FIVE FREEDOMS	FIVE DOMAINS OF ANIMAL WELFARE
<p>1 FREEDOM FROM HUNGER AND THIRST: Through ready access to fresh water and a diet to maintain health and vigour</p>	<p>1 NUTRITION: Good nutrition with access to the right amount of fresh water and food for their needs and happiness</p>
<p>2 FREEDOM FROM DISCOMFORT: By providing an appropriate environment, including shelter and a comfortable resting area</p>	<p>2 ENVIRONMENT: Good environment by providing appropriate spaces to rest and find shelter</p>
<p>3 FREEDOM FROM PAIN, INJURY, OR DISEASE: By prevention or rapid diagnosis and treatment</p>	<p>3 PHYSICAL HEALTH: Good health by attempting to prevent disease or injury and providing prompt treatment when needed</p>
<p>4 FREEDOM TO EXPRESS NORMAL BEHAVIOUR: By providing sufficient space, proper facilities, and company of the animal's own kind</p>	<p>4 BEHAVIOURAL INTERACTIONS: Appropriate behaviour by providing space, facilities, company, and opportunity for decision-making</p>
<p>5 FREEDOM FROM FEAR AND DISTRESS: By ensuring conditions and treatment which avoid mental suffering</p>	<p>5 MENTAL STATE: Positive mental experience by giving comfort and positive emotional experiences while trying to eliminate or reduce negative experiences</p>



ANIMAL WELFARE IN FOOD (FOR PRIVATE LABEL PRODUCTS)

PERCENTAGE OF PRODUCTS THAT ARE FREE RANGE⁴:

WHOLE EGGS, LIQUID, AND POWDERED EGG INGREDIENTS:



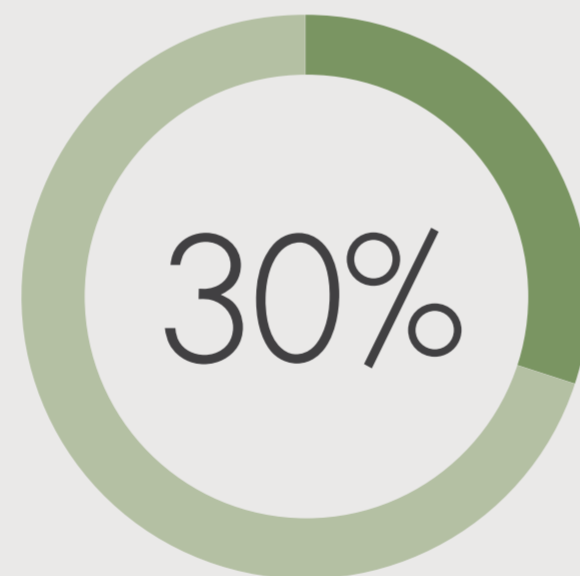
DUCK, LAMB AND, VENISON:



CHICKEN



BEEF



ALL MILK IS rBST FREE (EXCLUDING GOAT AND PLANT-BASED)

KINDER TO SOWS PORK IS USED FOR FRESH PORK PRODUCTS, PORK RIBS, AND ALL BACON AND GAMMON LINES



4. Free range means the animals can roam freely, eat a natural diet, and do not receive routine antibiotics or growth stimulants.



CASE STUDY

**WOOLWORTHS MARKS 20-YEAR MILESTONE:
CHAMPIONING CAGE-FREE LAYING HENS**

Woolworths received a Special 20-year Recognition Award from Compassion in World Farming for its leadership in championing cage-free systems for laying hens for over two decades.

In 2004, Woolworths switched to selling exclusively cage-free eggs as part of our commitment to animal welfare and ethical sourcing. Two decades later, we sell 140 million free range eggs a year as whole eggs, in baked and prepared foods, and as liquid eggs.

Another significant milestone in our cage-free hens journey was the investment by one of our egg suppliers in a R20 million facility dedicated to producing pasteurised liquid eggs from free range eggs for Woolworths Food products in 2012. All Woolworths Food products that contain eggs as an ingredient are made with free range eggs.

Commending Woolworths on their achievement, Compassion's Global CEO Philip Lymbery remarked, "I am delighted to extend my congratulations to Woolworths for their outstanding commitment. As farm animal welfare gains global momentum, this award underscores Woolworths' pivotal role in Africa, championing improved conditions for laying hens. It symbolises their dedication to addressing customer concerns about animal welfare, ensuring that the hens under their care are raised to elevated standards of welfare."



Zyda Rylands, Woolworths Food CEO receiving 20-year recognition award from Philip Lymbery, Compassion's Global CEO



OUTCOMES-BASED MEASUREMENT PROGRAMME

We strive to drive continuous animal welfare improvement within our supplier base. We continue to work with the FAI to build better agricultural programmes and strengthen our approach to animal welfare, sustainable livestock, and aquaculture farming practices across the supply chain by using outcomes-based measures.

We have developed the programme by incorporating the outcome measures report into the supplier business plan initiative. We generate a quarterly report for each supplier's outcome measures dataset.

We have collected data on the lives and welfare of 16 million animals across 16 (2023: 17) farming methods. We will continue to enhance this over time.

We have expanded the programme to include more of our ostrich, lamb, and beef suppliers. We have reduced the number of farming methods due to the discontinuation of Jersey milk as a product range. However, we have supplemented this by including more of our long-life milk farmers in the programme.

FARMING METHODS CURRENTLY ON OUR OUTCOMES-BASED MEASUREMENT PROGRAMME:

1 FREE RANGE CHICKEN	9 WAGYU BEEF
2 COMMERCIAL CHICKEN	10 REGULAR MILK
3 FREE RANGE EGGS	11 AYRSHIRE MILK
4 ORGANIC EGGS	12 KINDER TO SOWS PORK
5 FREE RANGE DUCK	13 FREE RANGE LAMB
6 FREE RANGE BEEF	14 RAINBOW TROUT
7 COMMERCIAL BEEF	15 FREE RANGE VENISON
8 ANGUS BEEF	16 OSTRICH

ANTIBIOTICS

Woolworths promotes the responsible use of antibiotics and is on a journey to reduce their use in our supply chain – particularly those critical to human health.

The use of antibiotics in animals in our supply chain is informed by our Antimicrobial Guideline, which sets out five principles regarding antibiotics: record, reduce, replace, refine, and remove.

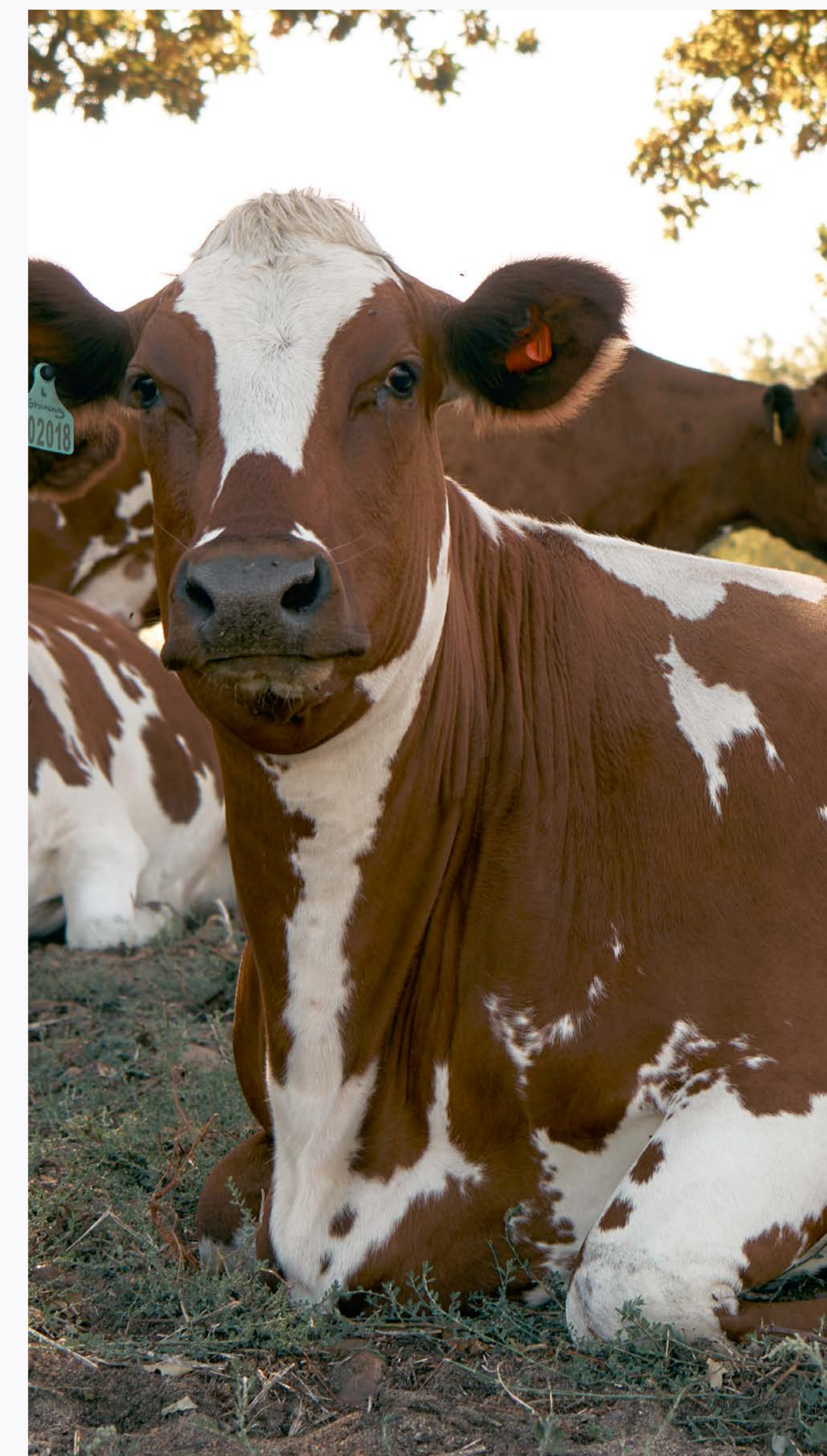
We are recording the amount and type of antibiotics our suppliers use through the outcomes-based programme, with additional suppliers monitored this year.

The data shows an overall reduction in antibiotic usage.

SUPPLIER TRAINING

Most of Woolworths' protein and dairy suppliers have attended training on animal welfare. The training content covers topics such as animal welfare at the farm level and during transport and slaughter. We require our suppliers to undergo this training at least every three years to remain current with global best practice.

Woolworths incentivises and rewards suppliers for having an assigned animal welfare officer who has attended this training programme by allocating a sustainability attribute to their products.



ANIMAL WELFARE OFFICER

All Woolworths' product technologists working in the protein category are trained animal welfare officers. There are animal welfare officers at all our red meat and poultry abattoir suppliers.

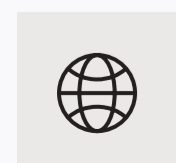


ANIMAL WELFARE IN FASHION, BEAUTY, AND HOME (FOR PRIVATE LABEL PRODUCTS)

<p>ANIMAL TESTING 100% of FBH products not tested on animals, certified by Beauty Without Cruelty</p>	<p>CASHMERE Aim to source responsibly in line with the Good Cashmere Standard®</p>
<p>VEGAN 100% of the WBeauty range is vegan</p>	<p>MOHAIR Aim to source responsibly in line with the Responsible Mohair Standard</p>
<p>FEATHERS AND DOWN No live plucking permitted for products, and aim to source in line with the Responsible Down Standard, Global Traceable Down Standard or Downpass</p>	<p>ALPACA Aim to source responsibly in line with the Responsible Alpaca Standard</p>
<p>FUR No natural fur or farmed fur permitted in products⁵</p>	<p>EXOTIC SKINS No exotic skins, such as snake, alligator, crocodile, or lizard permitted in products</p>
<p>WOOL Aim to source non-mulesed, local wool⁶</p>	<p>ENDANGERED SPECIES No endangered species that appear on the Convention on International Trade in Endangered Species of Wild Fauna and Flora or the IUCN Red List of Threatened Species permitted in products</p>
<p>ANGORA No angora products sold since 2014</p>	

Woolworths is also increasingly looking towards synthetic alternatives for animal-derived materials, where appropriate, viable, and aligned with our GBJ strategy.

5. Our definition of fur is aligned with that of the Fur Free Alliance. It includes any fur from animals bred and farmed purely for their skins, such as mink, sable, chinchilla, fox, muskrat, racoon dog, rabbit, astrakhan, and karakul, but excludes by-products of the meat industry, such as shearing and sheepskin.
6. Country Road Group has a responsible wool strategy.



THRIVING AND RESILIENT

We care for the environment, and are committed to working towards net zero impact and a just transition to a low carbon economy.

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Related UN SDGs

2 ZERO HUNGER

6 CLEAN WATER AND SANITATION

7 AFFORDABLE AND CLEAN ENERGY

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

13 CLIMATE ACTION

PACKAGING AND WASTE

WHY IS THIS FOCUS AREA IMPORTANT?


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

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

RELATED UN SDGs



In this focus area

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OVERVIEW

PERFORMANCE SUMMARY

VISION 2025+ GOAL

ALL OUR PACKAGING WILL BE REUSABLE OR RECYCLABLE BY 2022

Baseline Not established before reporting commenced

2022 WSA Food: 98%, WSA FBH: Baseline in progress

2023 WSA Food: 98%, WSA FBH: 50%¹

2024 WSA Food: 98.7%, WSA FBH: 93.8%

Progress

VISION 2025+ GOAL

HALVE FOOD LOSS AND WASTE IN OUR OPERATIONS AND ACROSS OUR TOP 30 SUPPLIERS BY 2030

Baseline 2022 (2.3% food waste to landfill)

2022 2.3% food waste to landfill

2023 2.7% food waste to landfill

2024 3.2% food waste to landfill

Progress

VISION 2025+ GOAL

ALL OUR PRIVATE LABEL PRODUCTS CAN BE REUSED, REPAIRED, RESOLD, OR RECYCLED BY 2025

Baseline Still to be determined

2022, 2023 Work underway

2024 Work underway

Progress

VISION 2025+ GOAL

ALL OUR PRIVATE LABEL CLOTHING, BEAUTY, AND HOME PRODUCTS TO CONTAIN AT LEAST ONE RENEWED, REUSED, OR RECYCLED PRODUCT MATERIAL INPUT BY 2030

Baseline Still to be determined

2022, 2023 Work underway

2024 Work underway

Progress

HIGHLIGHTS

- 100% of all Woolworths FBH stores are now plastic shopping bag free, meaning all stores across the Group have phased out plastic shopping bags
- Woolworths Foods conducted a successful 12-store trial to test the removal of plastic barrier bags² and is using the learnings to plan a phase-out in all stores
- 12 tonnes of Country Road textile waste has been recycled in the past two years through the Towards Circularity programme

LOWLIGHTS

- Introducing recyclable packaging remains a financial challenge, with new solutions often costing more than existing ones. We expect to see these costs drop over time as adoption rates increase

LOOKING AHEAD

- Woolworths will continue to work on finding solutions for the 2% of its Food packaging with no global recyclability solutions, like floss capsules, polony casings, stacker crisps tubes and others
- We are exploring the desirability and feasibility of deploying a packaging returns process for Woolworths Dash paper bags. This will give customers an easy and convenient way of recycling them

1. Estimated baseline.

2. Barrier bags are classified as an unnecessary and problematic plastic type – the bags are technically recyclable, but not effectively recycled.

PROGRESS KEY

NOT YET STARTED

BEHIND

ON TRACK

AHEAD / ACHIEVED

A SELECTION OF WOOLWORTHS PACKAGING MILESTONES IN THE PAST YEAR

Woolworths FBH phased out plastic bags from all stores.



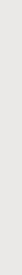
JULY 2023

All Woolworths milk bottles and caps shifted from white bottles and coloured caps to colourless packaging. This improves the recyclability of the materials and is an example of designing for circularity.



JAN 2024

Commenced a trial on barrier bag removal in 12 stores.



APRIL 2024



Woolworths FBH converted packaging for duvet covers, kitchen towels and candles to card belly bands.

JULY 2023



Woolworths became the first brand in South Africa to replace non-recyclable PETG shrink sleeves on iced tea bottles with the new fully recyclable PP sleeve.

FEB 2024

CASE STUDY

PETCO DESIGN FOR CIRCULARITY AWARD

In June 2024, Woolworths South Africa won the 2024 PETCO award for our innovative iced tea packaging.

In the past, the PET shrink sleeve on the PET bottle made the entire bottle unrecyclable as the sleeve could not separate from the PET flakes during the recycling process. To address this challenge, Woolworths pioneered a recyclable polyolefin shrink sleeve, making the bottle and sleeve recyclable.

This significantly reduces waste sent to landfill and contributes to the circular economy.

In June 2024, Woolworths South Africa was granted the 2024 PETCO award for our innovative iced tea packaging.



CASE STUDY

ONE SHOE IS AS GOOD AS TWO

Woolworths FBH's sampling process requires us to return one shoe of a pair to the supplier for use in its range production. This leaves us with many odd shoes, posing a unique problem. These shoes have value, and to avoid unnecessary waste, we donate these shoes to benefit those who have lost a limb.

The sample shoes are given to Qhakaza Disability Group, which distributes the shoes to beneficiaries in care packages that include essential goods to ease the burden of people with disabilities.



ZERO PACKAGING WASTE TO LANDFILL

We have committed to ensuring our packaging is reusable or recyclable. We aim to minimise or, where possible, eliminate the environmental impact of our packaging by adopting circular design and reuse.

TOTAL PACKAGING	2022	2023	2024
Woolworths Food	15 717 tonnes ³	35 210 tonnes	44 467 tonnes
Woolworths FBH	4 231 tonnes	5 239 tonnes	5 214 tonnes
PERCENTAGE OF PACKAGING THAT IS REUSABLE OR RECYCLABLE			
Woolworths Food	98%	98%	98%
Woolworths FBH	Baseline in progress	50% ⁴	93.8%

EXTENDED PRODUCER RESPONSIBILITY

Woolworths fully supports and continues to comply with the Extended Producer Responsibility (EPR) regulations in South Africa. These regulations ensure we collectively address better management of post-consumer packaging waste, improve the collection of recyclables, and enhance overall recycling rates.

We have joined and are active participants in all the relevant Producer Responsibility Organisations (PROs). This includes holding board seats in several of them. We pay the annual EPR fees to all the PROs. We also participate in industry forums and engagements with the Department of Forestry, Fisheries and the Environment (DFFE), responsible for the EPR regulations.

More sustainable packaging helps us reduce our environmental impact and meet customer demand for packaging and products made using recycled or responsibly-sourced materials that are able to be diverted from landfill.

Packaging protects our products, ensuring quality and safety for our customers. It also reduces damage and spoilage of products, resulting in less waste. We work continuously to understand how to balance meeting this need with reducing our packaging.

Woolworths does this by driving packaging innovation and revisiting our product and packaging design processes to increase recyclability, increase the use of recycled content, and remove unnecessary packaging from our value chain.

Where we use forest products such as wood, paper, and board for packaging, we aim to source them from sustainably managed forests certified by the Forest Stewardship Council (FSC).

Making these packaging shifts often requires our suppliers to learn to work with new materials. Sometimes, it also means acquiring new machinery or retrofitting existing machinery. However, product quality must never be compromised, or food waste increased.

The cost and shortage of new recyclable materials sometimes constrains our ability to shift to fully recyclable packaging more quickly. Limited recycling technology and infrastructure limit how much packaging gets recycled.

Woolworths continually aims to reduce the volume of virgin plastic used in our packaging by increasing use of post-consumer recycled plastic in new packaging.

ON-PACK RECYCLING LABELS

Woolworths continues to ensure that our packaging has on-pack recycling labels showing what is recyclable and what is not.

By clarifying this information for customers, we trust that more packaging waste will be recycled, less contamination will occur in recycling streams, and there will be more investments in recycling infrastructure.



Our packaging has on-pack recycling labels showing what is recyclable and what is not.

INDUSTRY MEMBERSHIPS AND ASSOCIATIONS

Country Road Group participates in government and industry developments regarding packaging sustainability and compliance through its membership in the Australian Packaging Covenant Organisation (APCO).

Woolworths is a founding member of the South African Plastics Pact (SAPP), a collaborative initiative to create a circular economy for plastic packaging.

Woolworths is also a member of 6 PROs in fulfilment of its EPR obligations.

³. Calendar year.
⁴. Estimated baseline.

SINGLE-USE PLASTIC SHOPPING BAG PHASE-OUT

We are committed to phasing out unnecessary single-use plastic, including single-use plastic bags. While we offer alternatives, our primary focus is encouraging customers to use their reusable bags.

<p>WOOLWORTHS FOOD</p>	<ul style="list-style-type: none"> All stores are plastic shopping bag free, a key milestone achieved in October 2022 Reusable bag alternatives are offered: <ul style="list-style-type: none"> Low-cost bags, consisting of a minimum of 70% post-consumer PET plastic waste⁵ Colourful fabric bags made from 85% post-consumer recycled PET plastic waste Cause-related marketing bags 109 stores also offer a locally made, reusable produce mesh bag as a sustainable alternative to the thin plastic barrier bag traditionally used for loose fruit and vegetables A plastic barrier bag phase-out trial was successfully conducted in 12 stores, laying the foundations for a broader phase-out across the business
<p>WOOLWORTHS FBH</p>	<ul style="list-style-type: none"> Plastic shopping bags are being phased out and replaced with a fully recyclable FSC-certified paper bags made from recycled content All stores are plastic shopping bag free
<p>WOOLWORTHS ONLINE</p>	<ul style="list-style-type: none"> Woolworths Food products are no longer delivered in plastic shopping bags unless specifically requested by customers Woolworths FBH products are delivered in either: <ul style="list-style-type: none"> Recyclable cardboard boxes with 100% recycled and recyclable paper void fill and fully recyclable hologram stickers on the accompanying dispatch documentation Plastic flyer bags <p>We continue optimising the cardboard sizes to accommodate different delivery sizes and reduce cardboard consumption per order. We are working to find a sustainable and viable replacement for the plastic flyer bags</p>
<p>WOOLWORTHS CLICK & COLLECT</p>	<ul style="list-style-type: none"> Woolworths Food products are no longer packed in plastic shopping bags unless specifically requested by customers Paper bags, cardboard boxes, or plastic flyer bags are used for FBH <p>Where plastic is used, we continue to explore more sustainable options that are also commercially viable</p>
<p>WOOLIES DASH⁶</p>	<ul style="list-style-type: none"> The delivery bags are fully recyclable FSC-certified paper bags made from recycled content We have introduced an additional, smaller paper bag to complement the existing large-size paper bag to reduce the paper used for smaller deliveries
<p>COUNTRY ROAD GROUP</p>	<ul style="list-style-type: none"> All stores are plastic shopping bag free Paper bags are offered

39.2m – Number of reusable bags sold in 2024 by Woolworths Food (change since 2023: 0.87%^{MA})

BRING-A-BAG-TAKE-A-BAG

In 2022, we trialled Bring-a-Bag-Take-a-Bag stands in Woolworths Food stores. The stands enabled customers to drop off their extra reusable bags in stores where other customers could use them. This minimised the need to buy new bags at the till. After a successful trial, we rolled out the stands at all Food stores.

The stands are made from plastic that would otherwise end up at landfill, such as yoghurt tubs, toothpaste tubes, and chip packets. They are produced by a Black-owned local supplier, who is part of Woolworths’ ESD Programme.

WOOLWORTHS REUSABLE BAGS TAKE-BACK

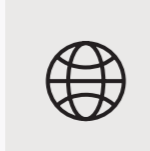
We have initiated a reusable bags take-back initiative at all Woolworths Food stores, allowing customers to recycle our low-cost reusable bags once they have reached end-of-life. The bags collected are recycled into a substrate used in pet bed mattresses.

ELLEN MACARTHUR FOUNDATION (EMF) NEW PLASTICS ECONOMY GLOBAL COMMITMENT (COMMITMENT)

As a signatory to the EMF Commitment, the Group submits an annual report on our packaging data. The submission provides details of the tonnes of packaging used.

5. Made from recovered plastic bottles, and manufactured by local Black-owned suppliers, part of Woolworths Enterprise and Supplier Development (ESD) Programme.

6. Dash, available at selected stores, is Woolworths’ same-day delivery service that caters for customers within a five-kilometre radius.



WASTE REDUCTION IN DIRECT OPERATIONS

HEAD OFFICE

Waste at our head offices in South Africa and Australia is collected, sorted, and sent for recycling when possible.

An online system tracks Woolworths head office’s waste streams on a ‘real-time’ basis and identifies where challenges exist. Waste is collected from recycling bins strategically placed around the buildings to encourage staff to sort at the source.

65% of waste by weight and 77% of waste by volume is currently recycled from Woolworths’ head office

STORES

SECONDARY AND TERTIARY PACKAGING⁷

Most of Woolworths stores’ waste, including secondary and tertiary packaging, is returned via reverse logistics to our distribution centres for sorting and recycling. This allows us to drive up the recycling rates of these types of packaging via our dedicated sorting and baling infrastructure at the distribution centres. We dispose of wet waste in stores through the shopping centres’ waste collection processes.

HANGER RECYCLING

Country Road, Trenergy, and Woolworths collect hangers from stores for reuse and recycling.

Woolworths’ hangers are made from a minimum of 50% recycled material. Used hangers are collected from all Woolworths stores using reverse logistics processes and returned to our distribution centres. Hangerman collects them from the distribution centres, refurbishes or recycles them if damaged, and returns them to suppliers for reuse.

Previously, Hangerman did the collection directly from stores. However, our reverse logistics approach has enabled us to increase the number of hangers recovered for reuse and recycling. Woolworths is also working to consolidate and reduce the number of hanger types to enable wider and easier reuse in stores.

NON-HAZARDOUS WASTE (TONNES)

	2022	2023	PERCENTAGE	2024	PERCENTAGE
WOOLWORTHS					
RECYCLED	32	71	60%	83	65%
LANDFILL	47	47	40%	45	35%
TOTAL	79	118	100%	128	100%

	2022	2023	2024
AVERAGE HANGER REUSE RATE – COUNTRY ROAD	40%	47%	35%
AVERAGE HANGER REUSE RATE – TREENERY	13%	45%	10%
NUMBER OF WOOLWORTHS FBH HANGERS	10.1 million	8.6 million	5 million

⁷ Secondary packaging is packaging used to collate individual units for storage or display on shelves. Tertiary packaging is packaging used for the protection, handling, and transport of a series of units.

COFFEE CUP AND GROUNDS RECYCLING

Woolworths collects disposable coffee cups from stores and head office using our reverse logistics processes, returning them to distribution centres. They are then collected and processed by a third-party recycler.

Coffee grounds from coffee carts and WCafés are sent to organic waste recyclers for use in compost and mushroom farming. These grounds are also available to customers on request for use in their home composting.

In the past year, we conducted a trial using coffee grounds from our cafés in Woolworths beauty products.

STORE DESIGN

The Woolworths store design team has developed a sustainability checklist to ensure materials used in-store come from sustainable sources, are manufactured more sustainably, and/or can be upcycled or recycled.

DISTRIBUTION CENTRES

Woolworths’ distribution centres manage waste from several sources, including transit packaging, waste generated at stores, and waste generated on-site.

In the Western Cape, limited landfill site availability prompted our Cape Town distribution centres to:

- Redirect non-recyclable waste to a facility that turns this waste into bricks for low-cost housing
- Redirect wet waste to composting. Bokashi is added to the wet waste that an external waste service provider collects to break it down into a dry mixture that can be used as compost. The waste service provider sells this compost to landscapers and businesses, and donates a portion to community gardeners

We continue to reuse imported cartons and cartons returned from stores until they become unusable. This reduces the number of boxes we need to buy, resulting in significantly less waste. We have a carton bailing machine in various distribution centres, where cartons or carton boxes at end-of-life are bailed and sent for recycling.

Country Road Group’s Omni-channel Fulfilment Centre (OFC) introduced polystyrene waste recycling. Cling wrap also continues to be separated and recycled.

DISTRIBUTION CENTRES

	2022	2023	2024
WOOLWORTHS			
WASTE RECYCLED	7 631 tonnes	7 807 tonnes	8 952 tonnes
WASTE TO LANDFILL	1 044 tonnes	306 tonnes	683 tonnes
TOTAL	8 675 tonnes	8 113 tonnes	9 635 tonnes
NON-RECYCLABLE WASTE CONVERTED INTO BRICKS	216 tonnes	7 tonnes	3 tonnes
WET WASTE CONVERTED TO COMPOST	116 tonnes	98 tonnes	153 tonnes
WASTE REBATE RECEIVED FOR RECYCLING	R8.7 million	R7.2 million	R 7.2 million ^{MA}
COUNTRY ROAD GROUP			
WASTE RECYCLED	218 tonnes	230 tonnes	173 tonnes
WASTE TO LANDFILL	40 tonnes	33 tonnes	46 tonnes
TOTAL	258 tonnes	263 tonnes	219 tonnes

CUSTOMER RECYCLING

Customers are essential to our circularity vision. As the end-users, what they do with products at the end of their lifespan is important.

We have various customer take-back initiatives at our facilities, including:

- Clothing collection facilities at 49 Woolworths stores, where customers can drop off pre-loved clothing, which we donate to Taking Care of Business
- Battery and lightbulb collection facilities at all Woolworths stores. We have delegated the responsibility for this service to our PRO partner as part of our EPR obligations. However, we continue to host the collection bins in stores
- 8 reverse vending machines (RVMs) at selected stores nationwide and 1 at the Woolworths head office in Cape Town

We also encourage customers to reuse or recycle the cardboard boxes and paper bags used for Woolworths FBH and Dash deliveries.



FOOD WASTE

Woolworths is one of the founding members of the SA Food Loss and Waste Initiative (FLWI). This is a voluntary food waste initiative led by the Consumer Goods Council of South Africa (CGCSA) and the Department of Trade, Industry and Competition (DTIC), together with the Department of Forestry, Fisheries and the Environment (DFFE).

Woolworths participates in the Friends of Champions network that brings together like-minded businesses to work towards Sustainable Development Goal 12.3: to halve food loss and waste. As part of this network, we must quantify food loss and waste and monitor progress against the goal.

We have committed to a 50% reduction in edible food waste going to landfill by 2030. We have incorporated this goal into our Vision 2025+ strategy.

Woolworths submitted comments towards the South African Department of Forestry Fishing and the Environment's draft Strategy for Reducing Food Loss and Waste. We also collaborated with the CGCSA to compile comments on behalf of the food industry.

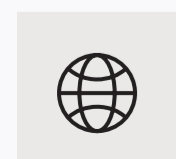


DIRECT OPERATIONS

To reduce food loss and waste in Woolworths' operations, we have adopted the following approach:

PREVENTION	DONATION TO CHARITY	REUSE, RECYCLING, AND RECOVERY	LANDFILL
<ul style="list-style-type: none"> • Monitoring, forecasting, and managing our stock • Appropriate packaging • Superior cold chain processes • End-of-day discount in stores for certain meat products 	<ul style="list-style-type: none"> • Food that is past its 'sell by date' but not past its 'use by date' is sold to staff at a reduced rate or is donated to charity in line with our #zerohunger initiative 	<ul style="list-style-type: none"> • Any remaining food is diverted where possible for use in animal feed, biodiesel, compost, or for use in anaerobic digestion⁸ 	<ul style="list-style-type: none"> • If diversion is not possible, food is sent to landfill as a last resort

8. Anaerobic digestion is a sequence of processes by which microorganisms break down biodegradable material in the absence of oxygen. The process is used to manage waste or to produce fuels.



DESTINATION OF FOOD WASTE	2023 ⁹
CHARITY	13 086
LANDFILL*	460
ANIMAL FEED	78
COMPOST*	147
ANAEROBIC DIGESTION*	528
BIODIESEL*	242
EFFLUENT*	55
TOTAL SURPLUS FOOD REDISTRIBUTED TO ALL DESTINATIONS	14 596
TOTAL FOOD LOSS AND WASTE (SUM OF*)	1 432
FOOD LOSS AND WASTE SENT TO LANDFILL AS A PERCENTAGE OF ALL SURPLUS FOOD REDISTRIBUTED	3.2%

9. Calendar year.



SUPPLY CHAIN

As part of our commitment to the Food Loss and Waste Initiative (FLWI) and in line with our Vision 2025+ goals, we have engaged our suppliers to commit to it themselves. 56 (2023: 52) Woolworths suppliers have signed up. Most core signatories that have signed up to the Voluntary Agreement are Woolworths suppliers, a fact that we are very proud of.

Suppliers who have signed up will need to use the WRI Protocol to quantify and report their food loss and waste data, and demonstrate progress towards halving their food loss and waste.

77% of signatories to the FLWI are Woolworths and its suppliers

CUSTOMERS

Woolworths is increasing communication with customers to reduce food waste in their homes. For example, on International Food Waste Day in September, we held an annual customer communications campaign focused on food security and food waste.

The campaign aims to:

- Educate our customers on why food waste is an important issue to address
- Provide general tips on how to avoid food wastage at home
- Explains our 'sell by' and 'use by' dates on products so customers better understand when our food can or should not be consumed

ADDRESSING SURPLUS PRODUCT

Manufacturing our products requires extracting natural resources, energy, and other chemicals. Therefore, surplus product destruction means all these resources get wasted, and the destruction process negatively impacts the environment. A more circular way to redirect surplus products from any form of destruction prevents these negative environmental impacts.

SURPLUS CLOTHING

Textile waste sent to landfill seeps harmful chemicals into the soil, polluting our ecosystems. To reduce the amount of surplus¹⁰ clothing going to landfill, our Group companies collect and distribute clothing through four partner organisations: Taking Care of Business¹¹ (Woolworths), Red Cross Fashion Trade (Country Road), Fitted For Work¹² and Dressed for Success¹³ (Witchery).



10. Surplus clothing is clothing that either has not been sold, was returned by customers because of defects, or was damaged while in transit.
 11. Taking Care of Business empowers unemployed women from disadvantaged areas in South Africa through a programme of life skills, and financial and career development to start sustainable clothing microbusinesses.
 12. Fitted For Work Australia is dedicated to helping women experiencing disadvantage regain their confidence, and secure and maintain employment.
 13. Dressed for Success New Zealand empowers women to achieve economic independence by providing a network of support, professional attire, and the development tools to help women thrive in work and in life.
 14. Approximately.

	2022	2023	2024
VALUE OF CLOTHING DONATED TO TAKING CARE OF BUSINESS	R78.2 million	R33.2 million	R18.9 million
VALUE OF CLOTHING SOLD TO MYRUNWAY	R5 million	R8 million	R9 million
VALUE OF CLOTHING DONATED TO RED CROSS	A\$ 231 579	A\$280 901 ¹⁴	A\$75 316
WEIGHT OF GARMENTS DONATED TO RED CROSS	-	16 127 kg	17 438 kg
VALUE OF CLOTHING DONATED TO FITTED FOR WORK	-	A\$285 632	A\$653 001
VALUE OF CLOTHING DONATED TO DRESS FOR SUCCESS	A\$16 638	A\$100 000	A\$53 171

Woolworths historically donated surplus clothing from stores and garments donated by customers to Taking Care of Business. We now also sell surplus clothing to MyRunway, an online discount reseller of local and international brands.

Country Road Group donate faulty or returned goods not suitable for resale to the Red Cross. In addition, Country Road customers can donate their pre-loved clothes in store as part of Fashion Trade. This program rewards customers with a A\$10 gift voucher when donating pre-loved items, helping to keep wearable garments in use.

Red Cross sale proceeds from Country Road Group and customer donated garments support Red Cross to fund various programs, including support for people and communities affected by extreme weather events, emergencies, conflict, and isolation.

Next year, Country Road will retrain our retail teams and provide them with updated resources to continue supporting the Red Cross partnership in stores. We will also work closely with Red Cross to strengthen the partnership and develop a team volunteering guide.

Witchery donated new clothing, shoes, and accessories to Fitted For Work Australia and Dress for Success New Zealand. These organisations support women who need professional attire to return to work.

SURPLUS FOOD

Refer to the Food Waste and Social Development sections for more information on our surplus food donations.



CIRCULAR FASHION AND HOMEWARE

CIRCULAR FASHION AND HOMEWARE

Our Vision 2025+ circularity targets have proven difficult to progress due to a lack of technology, infrastructure, and overall standards and definitions in the fibre reuse and recycling industry.

However, we continue to:

- Remain abreast of global trends, initiatives, and pilots underway
- Investigate and trial the use of renewed, reused, or recycled substrates where commercially viable
- Conduct training on designing for circularity with relevant teams

TOWARDS CIRCULARITY

In celebration of Country Road's 50th anniversary, we released an anniversary capsule of the Towards Circularity range. Each garment is made using 30% recycled cotton sourced from Country Road off-cuts and factory seconds, which are shredded, re-spun and blended with virgin cotton to give them a new life.

Throughout the garment production process, valuable fabric is lost due to cutting or faults that occur during sewing. We have worked with our largest supplier, Kashion, to create a more circular process that brings new value to these waste fabrics, blending them with virgin cotton fibres to make something new through the programme.

Since 2022, we have recycled 12 tonnes of Country Road textile waste





WATER

WHY IS THIS FOCUS AREA IMPORTANT?

The Group operates in areas where water stress remains a risk for the business and communities.

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

RELATED UN SDGs



In this focus area

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OVERVIEW

PERFORMANCE SUMMARY

VISION 2025+ GOAL:

WORK WITH OUR SUPPLIERS AND PARTNERS TO CREATE NET POSITIVE WATER IMPACT IN WATER-STRESSED BASINS IN OUR VALUE CHAIN BY 2050.

Our work with the UN Global Compact CEO Water Mandate's Water Resilience Coalition continues with the aim to unpack how to define, measure, and monitor this context-based goal.

Progress

74%

of Woolworths facilities are monitored on a real-time basis

2022: 83% 2023: 81%

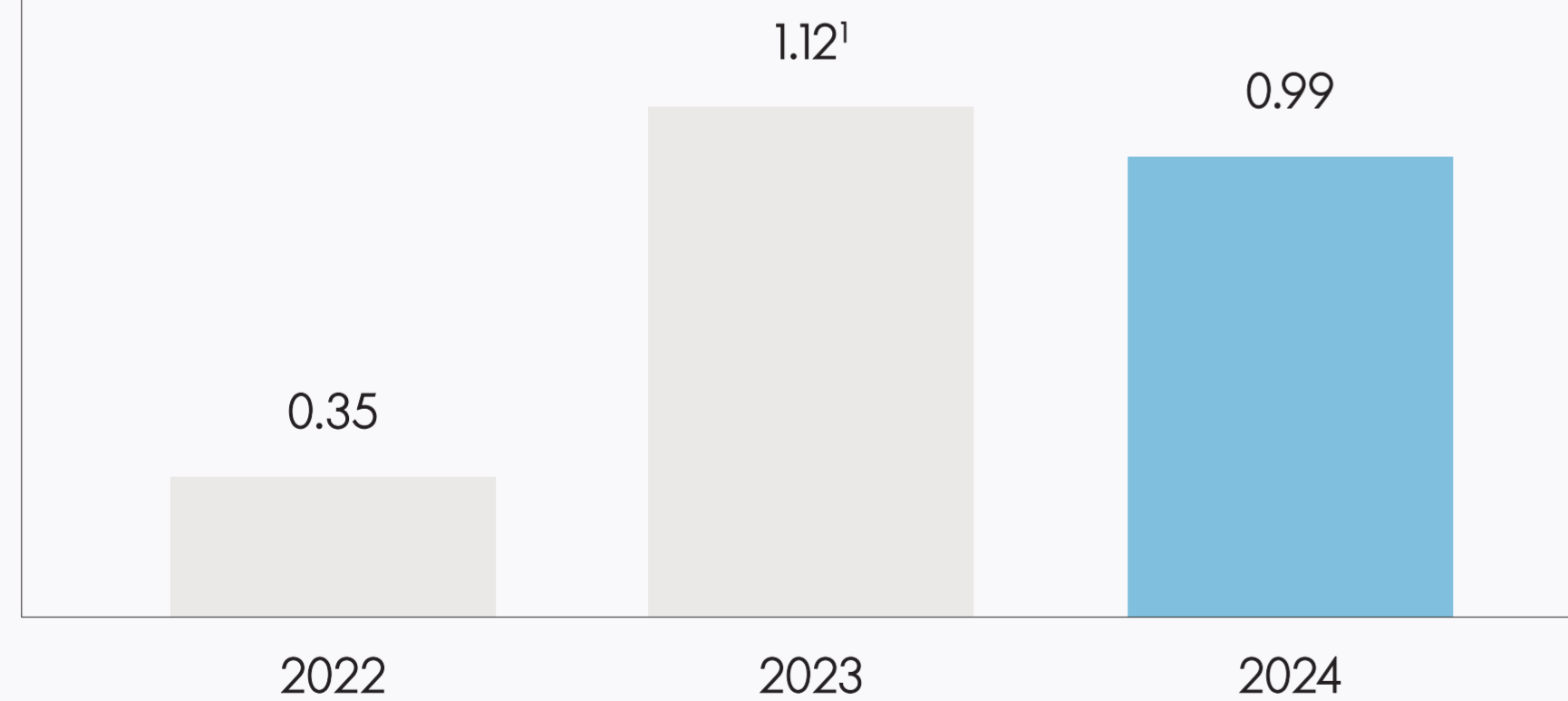
HIGHLIGHTS

- Woolworths FBH has updated its Environmental and Chemical Policy to include restricted chemicals
- The Woolies Water Fund launched the 'Water Hero' competition, which encourages schools to save water

LOWLIGHTS

- Heatwaves in South Africa have impacted water consumption through the need to hose down generators
- Water supply interruptions have resulted in the need to reinstall emergency water tanks in stores
- Construction work at our Midrand distribution centre has increased our water consumption

WATER CONSUMPTION INTENSITY AT DISTRIBUTION CENTRES (KL/M²)



The Woolies Water Fund has donated 34 water tanks to schools this year. These have facilitated the supply and capacity to store 34 000 litres of water from rainwater harvesting.

LOOKING AHEAD

We will continue to:

- Roll out emergency backup water tanks to stores
- Eliminate hazardous chemicals from our Woolworths FBH products
- Install water tanks in additional schools through the Woolies Water Fund

1. Intensity increased due to loss of borehole pumps due to loadshedding, and damages to the sprinkler system (at Midrand distribution centre).

WATER EFFICIENCY IN OUR OPERATIONS

Water plays a critical role in keeping our business operational.

With many of our operations located in water-constrained areas, we need to reduce our dependency on municipal water. We do this by increasing our water usage efficiency and using greywater, rainwater, or recycled water where possible.

DIRECT OPERATIONS

We have implemented various water efficiency initiatives to ensure responsible water consumption in our direct operations.

These include:

- Installation of rainwater tanks
- Water recycling
- Use of groundwater where possible
- Installation of air-cooled refrigeration and air-conditioning systems
- Dual-flush toilets
- Timer taps on basins

Our online water meters provide real-time water usage data, which helps us detect leaks, reduce water usage, and prevent total damage.

The decrease in this percentage is as a result of new small line shop formats, such as WCellar and WEdit, that do not get water meters installed. Percentage of direct operations with online water meters: 74% (2023: 81%, 2022: 83%)

Due to minimal water usage within its direct operations, Country Road Group does not measure water consumption.

HEAD OFFICE

The Woolworths head office uses an underground water supply as greywater for an estimated 45% of its daily consumption needs.

The percentage of relative water consumption shifted to groundwater at head office: 45% (2023: 35%, 2022: 57%)

In the previous year, the reduction in our shift to greywater consumption was as a result of damage to the greywater system. We have since repaired the system and have increased greywater consumption this year.

WATER CONSUMPTION (KILOLITRES)	2022	2023	2024
ADMINISTRATION BUILDINGS ²	10 109	17 004	12 684 ^{MA}
DISTRIBUTION CENTRES	167 212	196 566	180 061 ^{MA}
STORES	438 468	439 809	449 691 ^{MA}
TOTAL	438 468	653 379	642 436



2. Includes head office campus, a learning centre, and divisional offices.

STORES

Stores represent the bulk of Woolworths' water usage. Water consumption in our stores has increased compared to the previous year. The heat waves experienced in the summer months of South Africa impacted water consumption as they precipitated a need to hose down condensers and generators to prevent their systems from tripping.

In South Africa, the persistent water supply interruptions in the upper regions of the country have resulted in us needing to recommission previously decommissioned water tanks. We have also rolled out emergency water tanks in Gauteng and KwaZulu-Natal stores, the areas hardest hit by these interruptions.

We have installed emergency backup water tanks in 23 stores in Pretoria and 7 in Durban.

We will continue this rollout to stores in Johannesburg.

Our training sessions to raise awareness and share best practice with store teams on water efficiency are still occurring regularly.

DISTRIBUTION CENTRES

Complications due to loadshedding resulted in damage to our borehole pumps and sprinkler systems in our Midrand distribution centre, causing a spike in water consumption intensity at our distribution centres in the previous year. However, we have succeeded in reducing our intensity to its lowest in recent years.

Routine maintenance and repairs of the reverse osmosis systems across all our distribution centres have increased our ability to purify borehole water. This allows us to reduce our reliance on municipal water. However, loadshedding continues to present a challenge through its effects on our equipment. We are monitoring this closely.

The work to expand the Midrand distribution centre has increased water consumption at the site. We expect this to normalise once construction is completed.

Country Road Group continues to use rainwater in cold water taps, hose taps, irrigation, and urinals at its Omni-channel Fulfilment Centre in Melbourne, where 100 000-litre tanks collect this water.

We use recycled water in our distribution centres through Woolworths Food distribution centres' tray washing process and for gardening and ablutions. We have seen a reduction in the use of recycled water at the Midrand distribution centre. This water was mainly used to wash lugs on site. The reduction is commensurate with the reduction in washing of lugs.

Water consumption intensity at distribution centres (kl/m²):
0.99 (2023: 1.12, 2022: 0.35)

WATER EFFICIENCY IN OUR SUPPLY CHAIN

Our suppliers' operations rely heavily on the availability and quality of water. Therefore, we continue to expand our focus beyond our direct operations. Working with our suppliers is critical in building water resilience in our supply chain.

Climate change can impact water quality and availability through changes in the water cycle. This will ultimately impact the growth of our food products, the sourcing of key commodities, and the product manufacturing process.

CONTEXT-BASED WATER TARGETS AND COLLECTIVE ACTION

We have become a participant in a pilot project for setting context-based targets for water through the United Nations Global Compact CEO Water Mandate (CEO Water Mandate).

Having a context-based water target allows us to customise our approach to addressing water challenges in the regions we operate and source from, based on the challenges they present. This will enable us to mitigate long-term water risks as we address water challenges.

We continue to participate in this project actively.



WOOLWORTHS FARMING FOR THE FUTURE WATER FOOTPRINT INDEX AND FACTORIES OF THE FUTURE

Programmes such as Farming for the Future and Factories of the Future are well established within the Woolworths Food supply chain. They enable us to engage with our suppliers on water usage and wastewater management. Farmers involved have seen the benefits of implementing these programmes, including increased water efficiency and improved wastewater management.

Farming for the Future has a Water Footprint Index (WFI) that tracks and assesses the progress of 116 parameters year-on-year. These include water usage efficiency, wastewater, alien vegetation, and soil quality. Through the WFI, we work with farmers to decrease their water footprint over time and determine if there are any water-related risks to the supply of products.

Through the WFI, we work with farmers to decrease their water footprint over time and determine if there are any water-related risks to the supply of products.

Farmers are facing challenges regarding water on two fronts:

- Wastewater management: This is a complex issue requiring investment, which we will focus on in the future
- Loadshedding: Most farmers irrigate according to the loadshedding schedule and not according to science. This, in turn, negatively affects their water use efficiency

Through the Woolworths Factories of the Future Programme, we understand how our processing factories manage water usage. We also collect their water usage data.



WATER STEWARDSHIP WITH FOOD SUPPLIERS

Our Water Stewardship Programme covers two catchments in South Africa. Our strategic partnership with WWF-SA has been integral in maintaining the momentum of this programme. We have renewed this partnership for another five years. The Alliance for Water Stewardship has also supported this partnership by providing standards and tools to address water-related risks in the supply chain.

We will continue to work with WWF-SA and multiple other stakeholders, such as local communities, farmers, water bodies, and non-governmental organisations, to monitor progress on our journey to achieve water security in our catchments.

THE UPPER BREEDE RIVER CATCHMENT PROGRAMME

We established the Upper Breede River Catchment Water Stewardship Programme as part of our ongoing partnership with WWF-SA.

We focus on collective action to address major water issues in the area, mainly affecting the Ceres region of the Western Cape. In this region, issues of groundwater, coupled with recurring drought, are increasingly becoming a problem for farmers. They use groundwater as emergency water in this area and depend on this resource for irrigation during droughts due to the shortage of surface water. Many farmers have installed boreholes, and the risk of depleting this resource is high because the extraction rate remains undetermined.

Woolworths, the Titus Irrigation Board, the Breede-Gouritz Catchment Management Agency (BGCMA), the LandCare Programme, and WWF-SA commissioned a study to understand groundwater at the Breede River source. The Upper Breede River Catchment Water Stewardship Programme has pioneered water stewardship in South African agriculture. It has created a more resilient Upper Breede River catchment area. However, it is difficult to quantify the achievements, as they are non-tangible, such as raising awareness, changing mindsets, and relationship building. The project has contributed to testing and developing various water stewardship initiatives in the Breede area, South Africa, and internationally. The learnings from this project will be invaluable for other catchment areas.

In the rural areas of the Witzenberg Municipality – Prince Alfred Hamlet and Nduli townships, outside Ceres – community volunteers have formed the ‘Witzenberg Water Savers’. This has been an important step in building a bottom-up initiative to empower rural-urban residents to tackle water quality issues in their residential areas. The Water Savers conduct door-to-door awareness campaigns to speak to residents about the importance of water conservation. Woolworths supports this initiative through WWF-SA, which engaged with other water users in the catchment area to enable the initiative.

THE CROCODILE AND SABIE CATCHMENT

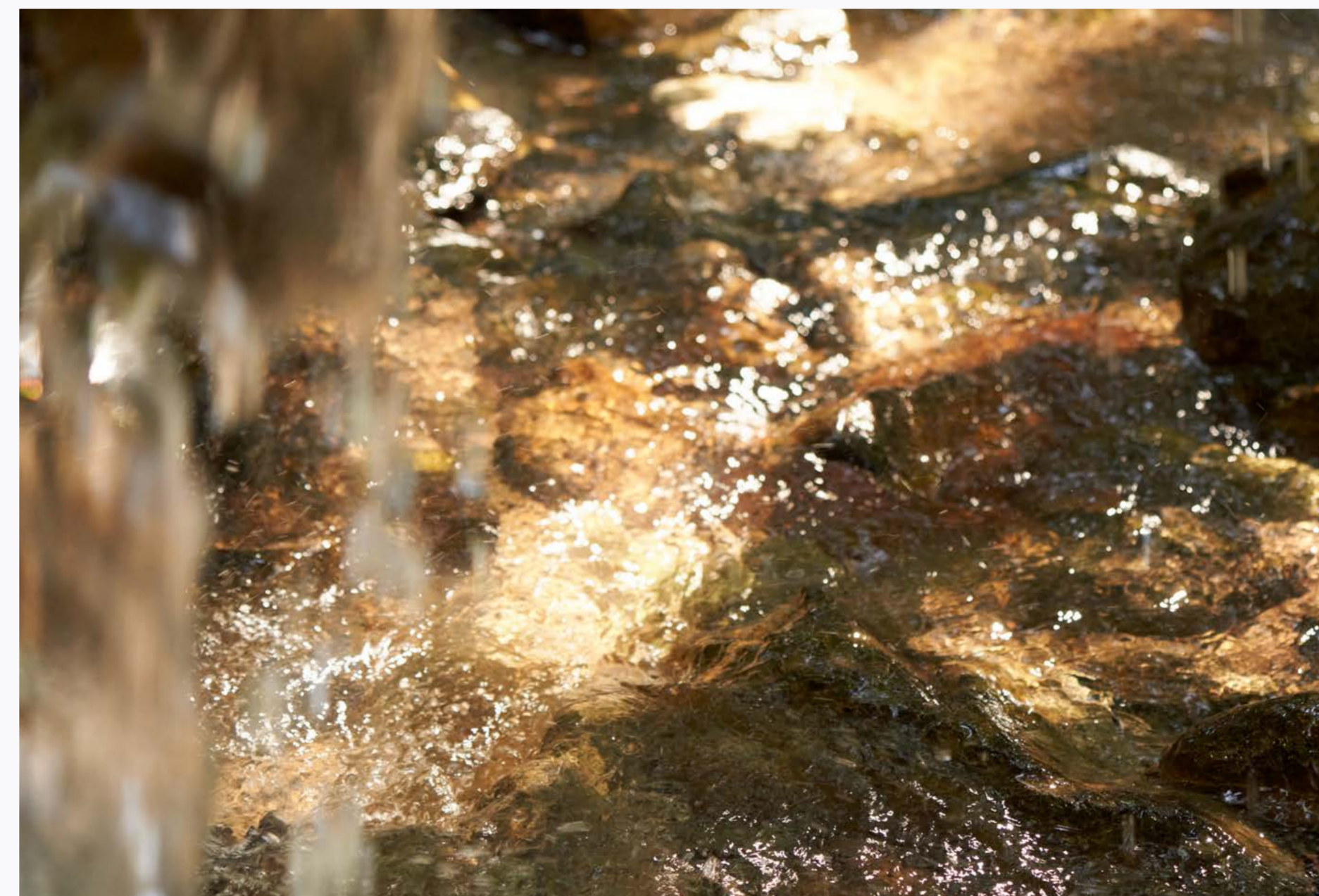
In 2019, we expanded our engagement to the water-scarce Sabie and Crocodile catchment area in the Mpumalanga province of South Africa. This area is strategically important for sourcing citrus fruit and nuts. The key concern from the engagements relates to the catchment’s water quality.

We funded a study through WWF-SA to assess the faecal pollution and food production water quality risks in the two catchment areas. The study aimed to understand the health risks and economic implications that faecal pollution poses to the irrigated agriculture sector in the area. Results of the study showed increased faecal pollution, which impacts water quality.

However, there are tangible opportunities to continue stewardship work with affected parties in the area to mitigate the risks. Farmers in the catchment areas mitigate some of the risks through targeted farming practices such as:

- Using groundwater
- Pre-treating irrigation water
- Washing the crop post-harvest
- Using buffer crops to avoid contamination of commercial crops

We are working with our farmers to influence other farmers in the catchment area to implement processes to ensure safe food production. Multi-sector and multi-stakeholder collaboration are critical to improve water quality in this area. We are optimistic that this case study will serve as a blueprint for other catchments as we expand the programme.



REHABILITATING WATER CATCHMENTS

Invasive alien plant species are not native to the ecosystems they invade. They spread rapidly and consume all the resources from endemic species. Their proliferation is possible because they do not have any natural enemies in the areas they invade, making them more competitive for resources. WWF-SA reports that a single large invasive alien plant can use up to 1 000 litres of water daily. This is more than plants that occur naturally in the same environment use. Droughts and other water-related risks have recently threatened the sustainability of South Africa’s water catchment areas. Allowing invasive alien plants to flourish only exacerbates the problem.

As part of our work to meet the CEO Water Mandate commitments, Woolworths has been working with WWF-SA and other partners to aid the restoration and protection of South Africa’s water resources by clearing invasive alien plants in the Boland and Grootwinterhoek water source area.

Rehabilitating water catchments involves clearing alien vegetation to restore the pristine nature of each catchment. Rehabilitation is necessary to ensure the catchments thrive and can sustain the ecosystem services they provide.

Over the years, the Upper Breede-Gouritz catchment area in the Western Cape has been a major focus. A local co-ordinator was employed to manage the rehabilitation of this area. An indirect benefit of clearing alien vegetation is its positive effect on the fight against runaway veld fires and water availability in this area.

Woolworths is working with WWF to continue and expand our Water Stewardship commitments within our priority supplying regions in the Western Cape. By co-funding the operational costs of the Water Stewardship coordinator within the Wolseley and Ceres area, this funding will leverage multiple levels of support from various implementing partners.

Several projects that are being implemented include follow-up alien vegetation clearing along 500 hectares of the Breede River as well as supporting a local indigenous nursery team to propagate and replant up to 20,000 indigenous plants to kick-start biodiversity returns in the catchment.

The expansion of the groundwater monitoring work will be supported in the Ceres and Hex rivers through partnerships with local governance institutions and technical experts. The ongoing capacity building within the partner organisations and community member associations is critical for the long-term management of catchment scale initiatives and this will be done through various training sessions with the Water Stewardship coordinators as well as implementing partners.



WATER STEWARDSHIP IN TEXTILE FACTORIES

We promote water stewardship in the textile value chain via our responsible sourcing programmes for key commodities:

	<p>COMMODITY</p>	<p>RESPONSIBLE SOURCING CERTIFICATION SCHEME THAT INCLUDES PRINCIPLES OF WATER STEWARDSHIP</p>
	<p>COTTON</p>	<p>BETTER COTTON: Promotion of less water usage and fewer chemicals</p>
	<p>LEATHER</p>	<p>LEATHER WORKING GROUP: Promotion of best practice in chemical management and wastewater treatment</p>
	<p>MAN-MADE CELLULOSE FIBRES</p>	<p>CANOPY: Promotion of water recycling and reduction of wastewater</p>

WATER STEWARDSHIP IN OUR PRODUCTS (PRIVATE LABEL)

In 2017, we removed plastic microbeads from our Woolworths Beauty and body care products. Microbeads are among the most common pollutants found in oceans and freshwater systems.



Our RE: denim products are manufactured using ozone washing technology, which takes air from the atmosphere and transforms it into ozone, which is used to wash down denim and remove excess dyestuff. This process uses significantly less water.



Country Road's men's jeans are manufactured by Saitex, where denim is washed using a closed-loop system that recycles approximately 98% of water through an on-site treatment plant. By recycling water in-house, Saitex can reduce the need for fresh water in the washing process.



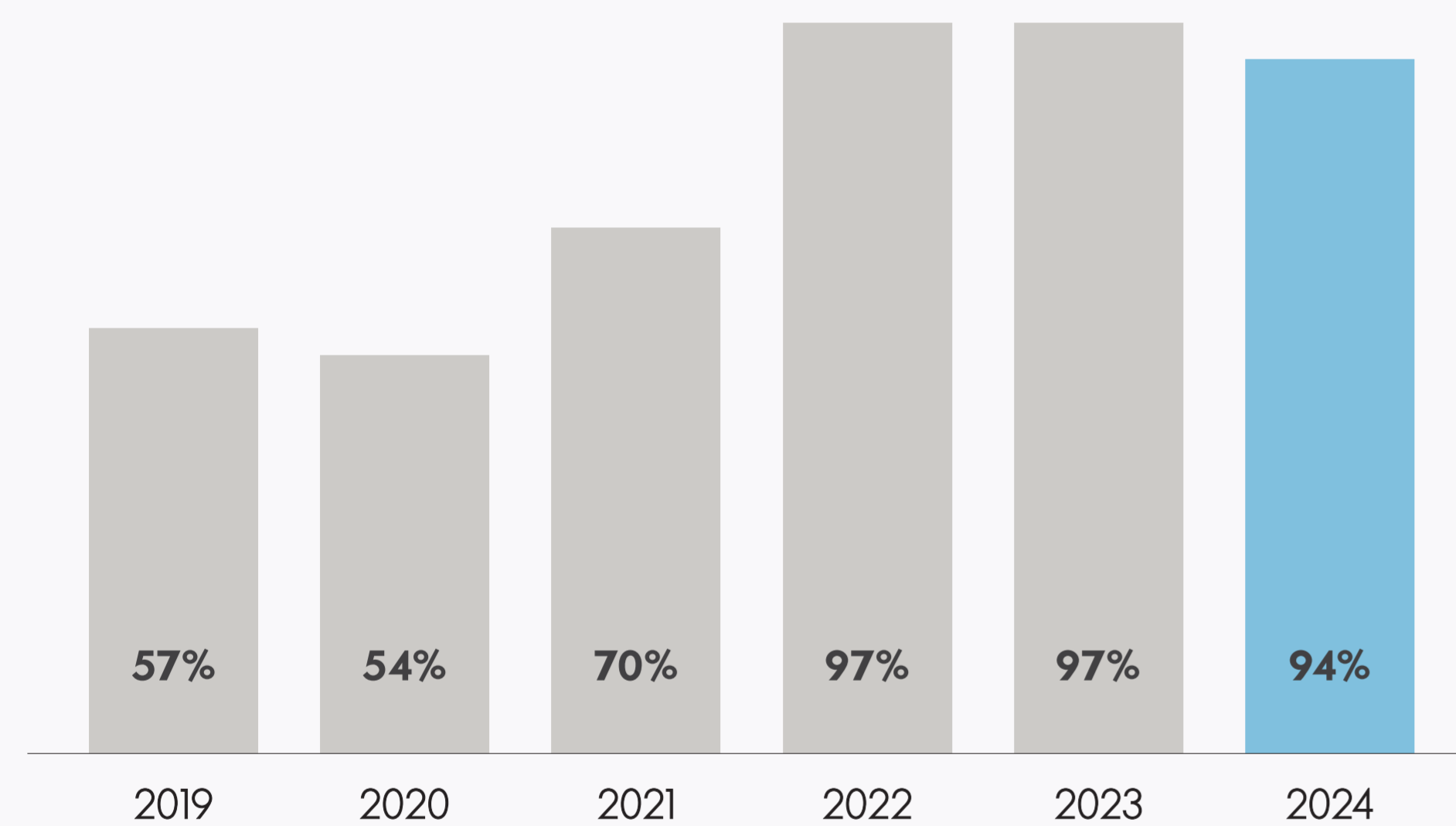
DETOX – ELIMINATION OF HAZARDOUS CHEMICALS

There are many hidden chemicals used in manufacturing textiles that can harm water resources and pose a danger to consumers and the environment.

Woolworths FBH is eliminating 12 harmful chemicals from our clothing value chain as part of our detox strategy.

To ensure chemicals used in our products are not harmful to the environment and meet our detox commitments, we use Bluesign^{®3} and OEKO-TEX[®] STANDARD 100⁴ for due diligence and testing. This means we source our textiles from mills that are compliant with either Bluesign[®] or OEKO-TEX[®].

PERCENTAGE OF WOOLWORTHS FBH UNITS BOUGHT FROM OEKO-TEX[®] OR BLUESIGN[®] COMPLIANT MILLS



This year, we have expanded our detox journey to include footwear and accessory softs. As a result, the cumulative percentage of products from which we have eliminated hazardous chemicals stands at 94%. We will work to increase this percentage and include the remaining item categories⁵ in the detox journey.

3. Bluesign[®] is a sustainability standard for the use of healthy and safe chemicals.
 4. OEKO-TEX[®] STANDARD 100 is a label for textiles tested for harmful substances.
 5. Excludes footwear and slippers, accessories, home hards, and beauty.

HAZARDOUS CHEMICALS ELIMINATED BY WOOLWORTHS FBH	
HAZARDOUS CHEMICAL	PURPOSE
AZO DYES	66% of all dyestuff contain azo compounds
ORGANOTIN COMPOUNDS	Preservative that is also used as an anti-microbial on socks
PERFLUORINATED CHEMICALS	Water resistance
CHLOROBENZENES (ORGANIC SOLVENTS)	Solvents used to clean print screens and equipment
CHLOROPHENOLS (BIOCIDES)	Preservative for cotton and viscose
SHORT-CHAINED CHLORINATED PARAFFINS	Produced during manufacturing and used as metalworking fluids
ALKYLPHENOLS APOE	Chemical wetting agents for preparation and dyeing
PHTHALATES	PVC softeners
DIMETHYL FUMARATE (DMFU)	Silica gel sachets to stop mould growth in transit
HEAVY METALS	Dyes and pigments
CHLORINATED SOLVENTS	Very sparsely used unless used to clean 'dirt' off rejected fabrics
AROMATIC HYDROCARBONS	Carriers in the dyeing process of polyester

To improve the annual process of collecting the certification data of mills, we have enhanced our tracker to include a built-in dashboard providing the necessary information.

To align with Country Road Group's Environmental Code of Practice (ECoP) for the dyeing, printing, and finishing of supplied merchandise, Woolworths FBH has updated its Environmental and Chemical Policy (ECP) to include a restricted chemicals list. The ECoP and ECP aim to ensure that, within existing technology, no dye or chemical used in producing garments, fabrics, leather, and/or textile-related products presents an unacceptable health or environmental risk during manufacturing, use or disposal. Suppliers are required to comply with the relevant policy.



WATER STEWARDSHIP IN OUR COMMUNITIES

According to UNICEF, one in five children globally does not have enough water to meet their everyday needs. This is because more than 1.42 billion people, including 450 million children, live in areas of high, or extremely high, water vulnerability.

Although there is progress in making clean water accessible, we believe there are opportunities to ensure basics such as access to clean water and sanitation do not keep children out of school.

WOOLIES WATER FUND

We established the Woolies Water Fund (Fund), a partnership between Woolworths and MySchool, to ensure schools and communities can access a sustainable water supply.

The Fund does this by:

- Installing rainwater harvesting infrastructure and tanks
- Installing sturdy handwashing stations
- Upgrading borehole pumps and filtration systems to benefit the entire community

We have also upgraded the piping, guttering, and filtration systems to ensure schools and the surrounding communities have sustainable access to clean and fresh water.



KEY ACTIVITIES DURING THE YEAR

R1.5 million worth of water intervention solutions donated to schools

34 rainwater storage tanks donated to 16 schools

34 000 litres under storage

160 handwashing stations built at schools

We raise money for the Fund through MySchool and by selling Woolworths-branded water bottles or canned water. Looking ahead, the Fund aims to complete 30 projects annually.

“WE NO LONGER HAVE TO BE CONCERNED ABOUT HAVING NO WATER OR CLOSING THE SCHOOL FOR THE DAY AND CAN NOW ONLY FOCUS ON OUR CORE BUSINESS, WHICH IS TEACHING AND LEARNING. YOUR CONTRIBUTION TO THE EDUCATION OF PREVIOUSLY DISADVANTAGED LEARNERS IS RECOGNISED AND ACKNOWLEDGED.”

Dr Virginia Didloft: Principal – Sancto Primary School in Gqeberha.

“IT HAS HELPED OUR SCHOOL A LOT. WE HAVE BEEN USING IT FOR AGRICULTURE AS WELL AS HELPING OUR LEARNERS THAT HAVE WATER OUTAGES AT THEIR HOMES. OUR LEARNERS AND STAFF TAKE WATER HOME DAILY WHICH HELPS EVERYONE A LOT.”

Happydale Special School in Gqeberha

The Making the Difference Platform provides educational content focusing on the importance of water. They also provide tips and guidelines that people can implement at home, at school, and within communities.

Between February and March 2024, Making The Difference launched the Water Hero Competition, which acknowledged schools in South Africa actively working to save water. Schools were encouraged to describe how they save water, with the winning school earning a water tank with filtration and a handwashing station.



ENERGY & CLIMATE CHANGE

WHY IS THIS FOCUS AREA IMPORTANT?


We aim to mitigate the risk of climate change to our business, direct operations, and value chain by reducing our carbon footprint, working with suppliers to do the same, and driving greater energy efficiency.

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

RELATED UN SDGs



In this focus area

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OVERVIEW

PERFORMANCE SUMMARY

VISION 2025+ GOAL:

ACHIEVE NET ZERO CARBON IMPACT BY 2040

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

Reduction in Scope 1 and Scope 2 emissions:¹

Baseline 2019 Scope 1 and Scope 2 emissions: 536 562 tCO₂e

2022 16%

2023 20%
Three Woolworths Food suppliers have set their science-based targets

2024 30%
23 Woolworths Food suppliers have set their science-based targets

Progress ●●●○

VISION 2025+ GOAL:

Source 100% of our energy from renewable sources by 2030

2022 3%

2023 6%

2024 3%

Progress ●●○○

171

Woolworths stores have natural gas refrigeration systems

2022: 138, 2023: 155

Country Road's Climate Fund committed

A\$547 000

to our first three beneficiaries working on projects to mitigate climate change and build climate resilience

HIGHLIGHTS

- For the first time, two Country Road sites received six-star Green Star certification
- Launched our first-ever axle-powered truck, which uses the truck's engine to power refrigeration

LOWLIGHTS

- Resistance of electricity supplying authorities (Eskom/municipalities) in enabling large-scale renewable energy systems connection
- Far-reaching impacts of loadshedding, from increased operating costs to numerous breakdowns, and implications for renewable energy projects viability

LOOKING AHEAD

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

Specifically:

- Country Road Group will review requirements for and applicability of the future Green Star fit-outs tool to our portfolio
- We will continue ongoing strategic engagements with landlords to source renewable energy
- We will continue to maximise the self-generation of electricity wherever we own properties or control roof space
- We will aim to expand our fleet of axle-powered trucks

ENERGY EFFICIENCY

Electricity remains the largest component of our energy consumption across the Group.

We focus on improving energy efficiency (mainly on electricity usage) in all direct operations as one of the areas to accelerate progress towards attaining our energy and carbon reduction targets. Our stores and distribution centres contribute the most to our energy footprint. Therefore, this is where we have invested most of our efforts.

We are also switching to low-carbon technology where possible, which includes increasing the sourcing of renewable energy as part of our energy mix.

Accurate data measurement and tracking are integral to understanding our overall footprint and identifying areas of improvement. Therefore, we actively monitor electricity usage across our facilities using online electricity meters in most of our facilities.

PERCENTAGE OF DIRECT OPERATIONS WITH REAL-TIME ONLINE METERING	2022	2023	2024
WOOLWORTHS	95%	95%	95%
COUNTRY ROAD GROUP	Not reported	26 sites ²	33 sites

In Australia, small-market electricity metres do not come with automatic online metering, requiring us to install additional meters of our own.

We previously reported consolidated Group energy and carbon footprint data a year in arrears. We have amended this approach this year and will report this data for the financial year under review (1 July 2023 to 1 June 2024). That means in this report we will report on two years' energy and carbon footprint data, the financial year under review and the previous financial year (1 July 2022 to 30 June 2023). We will report this data for the financial year under review in the future.

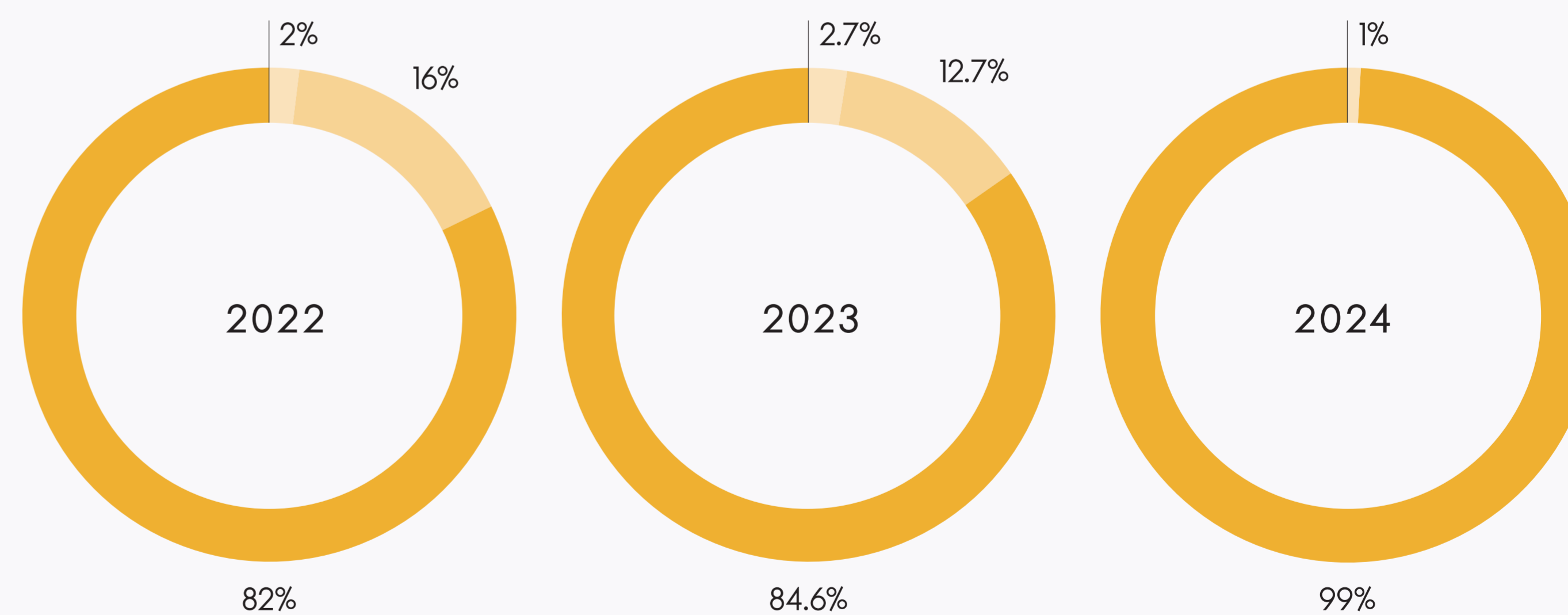
In 2024, WHL's general letting area (GLA) was 1 502 494 m² (2023: 2 101 051 m², 2022: 2 127 487 m²). This large decrease is attributable to the removal of David Jones data following its sale by WHL. In the year under review, total grid electricity across the business was 326 542 585 kWh (2023: 358 977 107 kWh, 2022: 395 255 118 kWh). This represents an absolute reduction of 9% from the previous year (2023: 9%, 2022: 7.7%).

The Group's relative grid electricity intensity per square metre of GLA (kWh/m²) was 217 kWh/m² (2023: 171 kWh/m², 2022: 186 kWh/m²). As we continue to expand, the average absolute electricity consumed will increase. However, with our improvement in efficiency and productivity, the absolute amount used per square metre should decrease.

We have prioritised retrofitting energy-efficient equipment to old facilities when the opportunity arises. We ensure that using energy-efficient equipment is standard for new facilities. The benefits include improved energy productivity, reduced maintenance costs, and other energy-efficiency savings.

Our strategy has also limited the impact of the energy crisis on our operations with a two-thirds reduction in Woolworths South Africa's stores' energy intensity, from 745 kWh/m² to 232.19 kWh/m².^{MA} in the last 16 years.

BREAKDOWN OF ELECTRICITY CONSUMPTION ACROSS THE GROUP



● Country Road Group
● David Jones
● Woolworths South Africa

² Previous figure of 26 sites was erroneously stated as 25% of facilities.

REFRIGERATION AND LIGHTING IN STORES

Refrigeration and lighting significantly contribute to our energy use, particularly in stores. To assist in mitigating this energy use, we continue to roll out:

- Closed-door refrigeration in new and existing Woolworths Food stores, resulting in an average energy saving of 25% in-store
- Natural gas refrigeration systems³ across Woolworths Food stores. This number will continue to rise as we upgrade the systems reaching end-of-life
- LED lighting in stores and distribution centres across the Group

NUMBER OF WOOLWORTHS STORES WITH:	2022	2023	2024
Closed-door refrigeration	336 (89%)	348 (91%)	359 (93%)
Natural gas refrigeration systems ³	138 (37%)	155 (40%)	171 (44%)
LED lighting	153 (33%)	214 (44%)	264 (52%)

WOOLWORTHS CUMULATIVE SPEND TO DATE:

Retrofit of closed-door refrigeration	R111 million	R113 million	R113 million
Installation or upgrading to LED lighting	R77 million	R109 million	R134.2 million

3. The use of natural gas (CO₂) instead of synthetic gases for refrigeration in stores has also contributed to the gradual decrease in both our absolute Scope 1 and 2 greenhouse gas emissions (tCO₂e) over the years. Unlike conventional synthetic refrigeration gases, CO₂ has virtually no impact on the earth's protective ozone layer, and has low global-warming potential and less effect on climate change. Although we are unable to isolate the energy savings associated with these installations in our stores, we know they have numerous benefits in terms of the ozone layer, as they reduce the release of the ozone-depleting R22 gas (freon) into the atmosphere.

4. Savings at like-for-like stores, i.e., where there have been no format changes, no changes larger than 10% in GLA, and no known metering problems, and at least 80% of the electricity data was measured through the metering online system.

COSTS AND SAVINGS RELATED TO ENERGY-EFFICIENCY INITIATIVES

Investing in our energy-efficiency initiatives has yielded energy reduction benefits and enabled us to quantify long-term financial gains.

WOOLWORTHS SOUTH AFRICA	2022	2023	2024
s12L tax rebate	R2.6 million	R1.8 million	R1.75 million
Total electricity savings (head office and stores)	R311 million	R368 million	R449.3 million
Recoveries from incorrect billings and tariff optimisation (stores)	R13.5 million	R4.9 million	R1.3 million
Energy saved due to energy-efficiency initiatives ⁴	10 966 626 kWh	5 001 712 kWh	3 715 861.75 kWh
Rand spend on renewable energy installations	–	R2.3 million	R8.2 million



Photo by davidgomes on Pexels

LOADSHEDDING

The energy crisis in South Africa continues to impact our operations. Previously, we reported that loadshedding caused breakdowns in our equipment, including HVAC⁵ systems, refrigeration, UPS⁶ systems, and generators in stores. These generators were not built to withstand extended loadshedding sessions. The scarcity of parts and skilled generator technicians further strained our generator equipment.

Persistent loadshedding has also reduced the viability of some of our renewable energy projects in smaller leased locations. Some solar PV systems are grid-tied and do not operate during loadshedding. The system either needs an expensive battery backup system or should be linked to a diesel generator to generate electricity during loadshedding. This significantly increases the costs of installing and/or running a grid-tied solar PV system.

To ensure the health and safety of our customers, we have stringent temperature processes and controls regarding perishable products. When we cannot refrigerate our perishable food following these requirements, we cannot sell it to customers or donate it to charity, resulting in food waste in landfill.

To mitigate the loadshedding challenge, we aimed to invest R166 million to purchase 70 generators. Due to supply shortages, we only purchased 65 generators and targeted upgrading our top 50 stores and problem sites. These new generators are prime rated, meaning they can run for prolonged periods, enabling them to withstand higher stages of loadshedding. We have also employed a generator specialist to oversee repairs and maintenance. We have upgraded 54 generators in 54 stores this year.



This year, we piloted the installation of backup inverter solutions at our WEdit and small format Woolworths FBH stores. Using the landlord’s battery energy storage system at our Maluti Crescent FBH store eliminates the need to run our generator during peak hours. This enables us to reduce the store’s diesel costs and consumption by 40% during those hours. We are exploring a similar agreement for our store at Nonesi Mall.

Number of sites with backup inverter solutions: 17

TRAINING AND AWARENESS FOR EMPLOYEES

Through training sessions with store staff, Woolworths continues to raise awareness and share best practices on energy and water efficiency.

We provide training in sustainable building practices to Country Road Group shopfitting teams before starting any Green Star building project. Before opening, we brief the in-store teams on the sustainability attributes of all new Green Star stores. The information is also made available to all new staff who join the store after it has opened. The employee induction programme includes a simple but comprehensive user guide.

5. Heating, ventilation, and air conditioning.
 6. Uninterrupted power supply.

WHL CARBON FOOTPRINT

APPROVED SCIENCE-BASED TARGETS

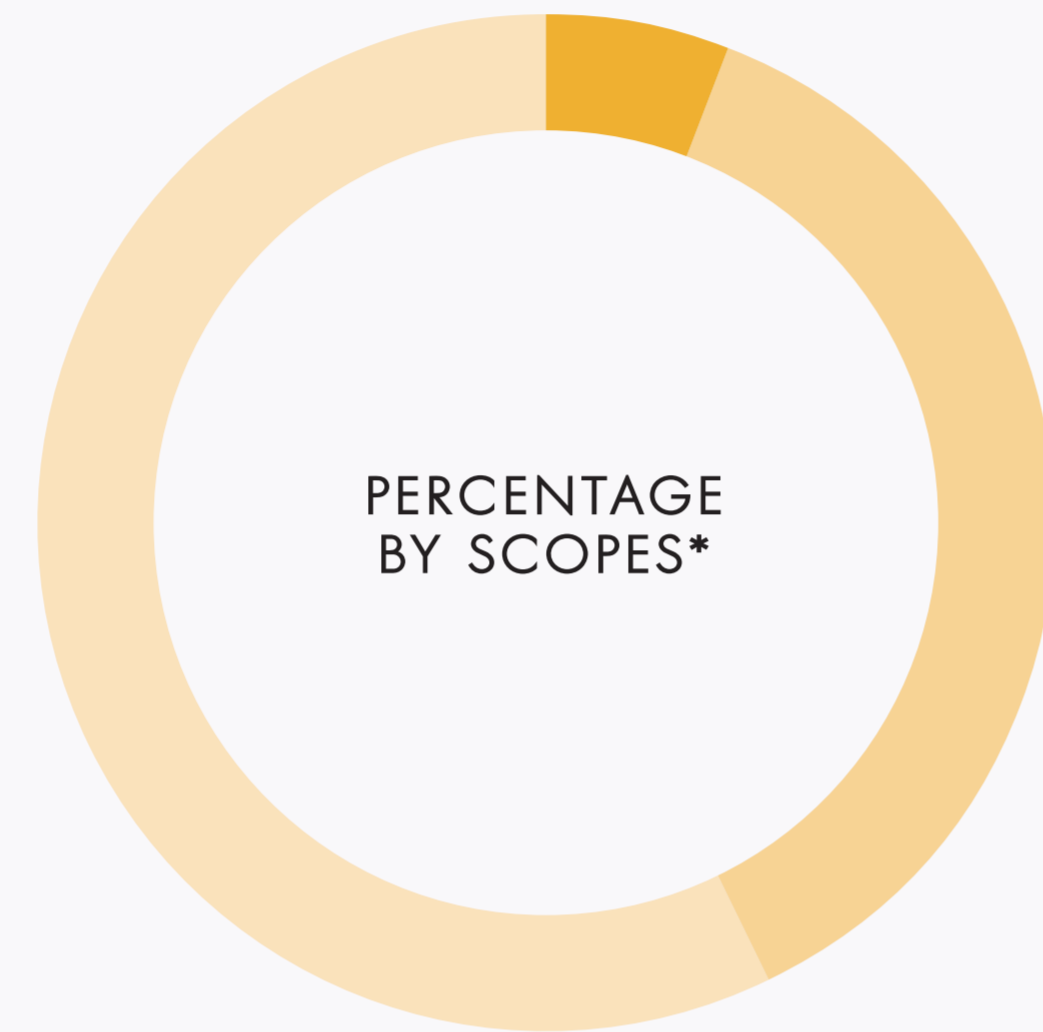
The Group is committed to being part of the collective action in combating global climate change. In addition to our goal to have a net zero carbon impact by 2040, we have approved science-based targets consistent with reductions required to keep warming to below 1.5 °C.

OUR SCIENCE-BASED TARGETS ARE TO:

1. Reduce absolute Scope 1 and 2 greenhouse gas emissions by 50% by 2030, from a 2019 baseline
2. For Scope 3, work with our top suppliers, representing 25% of total procurement spend (in rand), to set their reduction targets

According to the SBTi guidance, if Scope 3 emissions are more than 40% of total emissions, targets must include Scope 1, 2 and 3 emissions to get approval. Results from a high-level screening exercise of our Scope 3 emissions revealed that they constituted 75% of our total emissions. Therefore, we set a target covering Scope 1, 2 and 3.

Woolworths is working with our suppliers to set their reduction targets. There are currently 42 Woolworths Food suppliers with approved science-based targets.



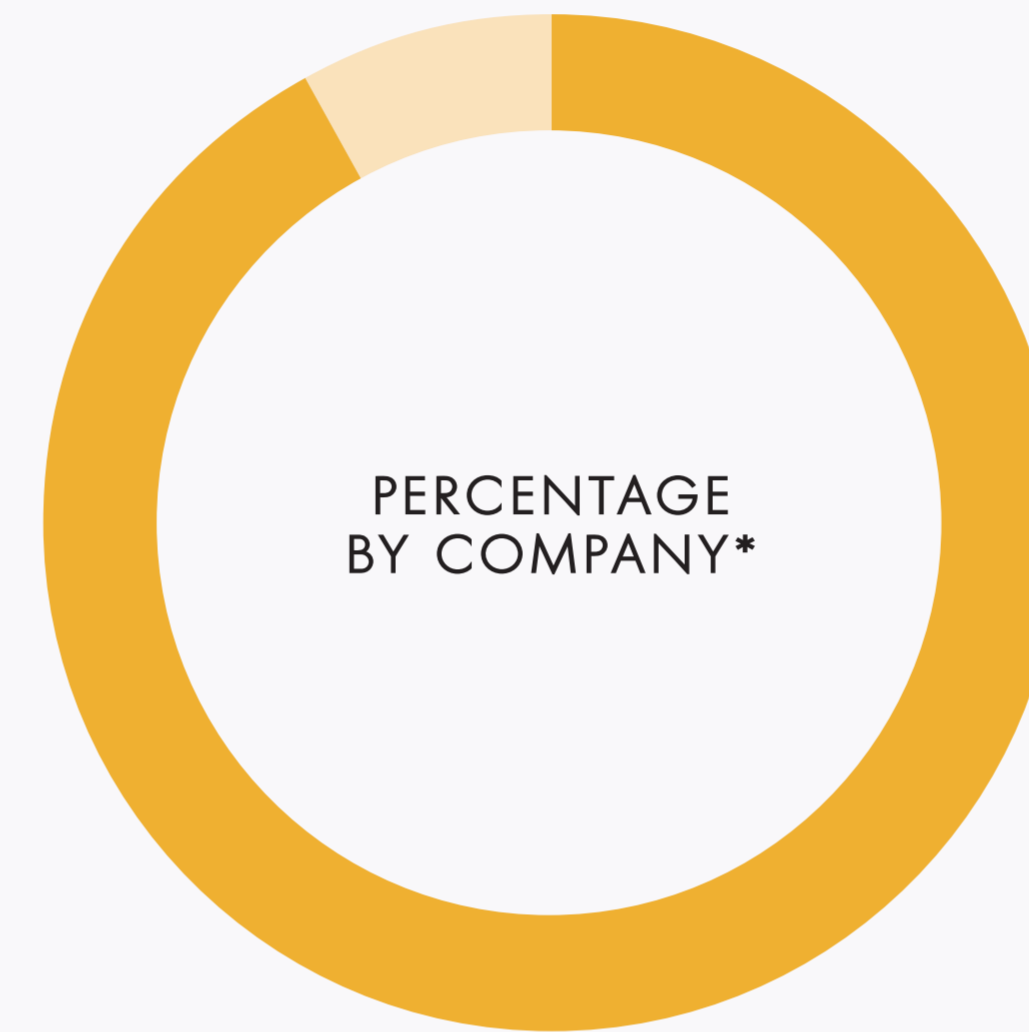
● Scope 1: 6% ● Scope 2: 37% ● Scope 3: 57%

ABSOLUTES

Scope 1: 57 227 tCO₂e
 2022: 56 515 tCO₂e
 2023: 73 311 tCO₂e

Scope 2: 317 674 tCO₂e
 2022: 393 701 tCO₂e
 2023: 357 119 tCO₂e

Scope 3: 490 383 tCO₂e
 2022: 433 336 tCO₂e
 2023: 458 166 tCO₂e



● Woolworths South Africa: 92%
 ● Country Road Group: 8%

ABSOLUTES

WSA: 799 107 tCO₂e
 2022: 677 816 tCO₂e
 2023: 783 408 tCO₂e

CRG: 66 177 tCO₂e
 2022: 92 630 tCO₂e
 2023: 70 733 tCO₂e

OVERVIEW OF EMISSIONS

We calculate our annual carbon footprint using the GHG Protocol Corporate Accounting and Reporting Standard for three scopes within our operational boundary.

We have received third-party limited assurance on our carbon footprint and intensity metrics, independently verified by the Global Carbon Exchange (GCX) for the period ending June 2024. The verification was carried out under ISO 14064 Part 3, 'Specification with guidance for the validation and verification of greenhouse gas assertions.' The verification process also followed the GHG Protocol Corporate Accounting and Reporting Standard guidelines.

We will report the Group's carbon footprint in line with the year under review. Therefore, our reporting and analysis will cover this year's carbon footprint (1 July 2023 to 30 June 2024) and the previous financial year (1 July 2022 to 30 June 2023).

The Group's carbon footprint will show variations from our previous carbon footprint for the period 1 July 2021 to 30 June 2022 due the change in our operational boundary as a result of the Group's divestment of David Jones in March 2023.

Between 2022 and 2023, total emissions (Scope 1, 2, and 3)* increased by 0.6%. 2024 reflects a 2.6% decrease over 2023.

- Scope 1 and 2 emissions decreased by 13% year-on-year (2023: 4%) and by 30% compared to the baseline for our science-based target
- Scope 3 emissions increased by 7% year-on-year (2023: 6%)

We are working on a comprehensive review of our Scope 3 emissions, to include all relevant and as yet unreported categories, which we will publish in our FY25 report. This will result in a new baseline against which future reporting will take place.

* Excluding outside of scopes.



BREAKDOWN OF WHL'S CARBON FOOTPRINT (EXPRESSED IN TCO₂E)

SCOPE 1 EMISSIONS	57 227	
STATIONARY FUEL: ⁷	16 492	
MOBILE FUEL: ⁸	1 483	
FUGITIVE EMISSIONS: ⁹	39 252	
SCOPE 2 EMISSIONS	317 674	
PURCHASED GRID ELECTRICITY	317 674	
SCOPE 3 EMISSIONS	490 383	
PURCHASED GOODS AND SERVICES: ¹⁰	103 334	
CAPITAL GOODS	126 826	
FUEL- AND ENERGY-RELATED ACTIVITIES (T&D LOSSES): ¹¹	117 023	
UPSTREAM TRANSPORT AND DISTRIBUTION: ¹²	107 923	
WASTE GENERATED IN OPERATIONS: ¹³	2 422	
BUSINESS TRAVEL: ¹⁴	7 651	
EMPLOYEE COMMUTING	25 204	

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

The Group recognises and supports the recommendations of the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD) to disclose clear, comparable, and consistent information on climate-related risks and opportunities. For the fourth year, we have reported against the TCFD recommendations. We have started unpacking our climate-related risks and opportunities across the Group in a robust manner. We are also working on our first scenario analysis. Refer to the TCFD report for more details.

CARBON TAX

Carbon tax of R 45 633 was payable by Woolworths for the 2023 calendar year.

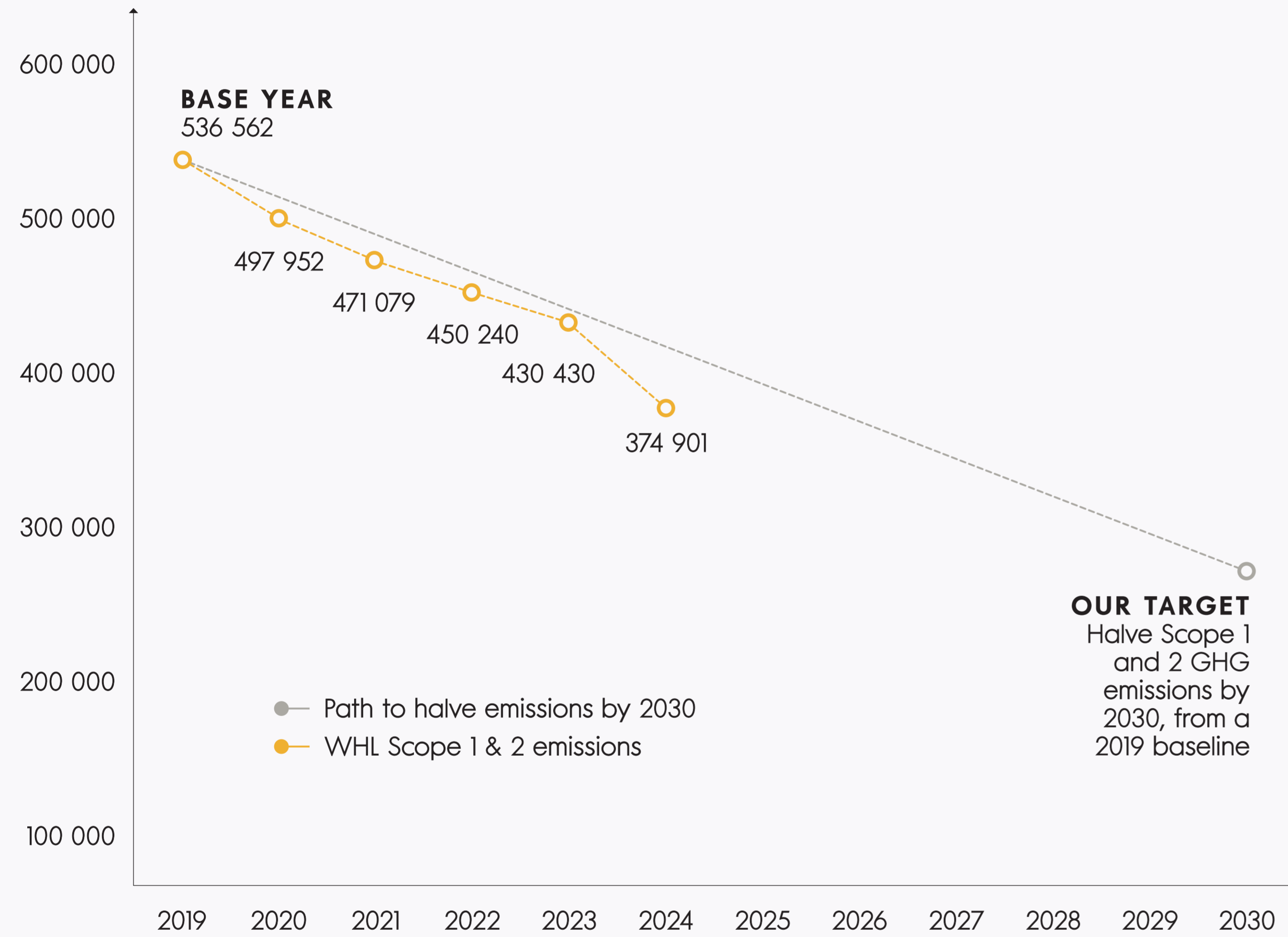
CARBON OFFSETS

The Group has not purchased any carbon credits.

7. Diesel for generators, liquified petrol gas (LPG), natural gas for energy.
 8. Company-owned vehicles.
 9. Air-conditioning and refrigerant gases.
 10. Paper, packaging, till rolls, municipal water consumption.
 11. Transmission and distribution (T&D) losses: generation of electricity consumed in a T&D system.
 12. Sea-, air-, and road-freight.
 13. Waste sent to landfill, recycled waste.
 14. Air travel, car hire, accommodation, travel claims.



TRACKING WHL SCOPE 1 AND 2 CARBON EMISSIONS AGAINST THE SBTi TRAJECTORY



WHL set its approved science-based targets in 2020. Based on our SBTi forecasted trajectory, our 2024 Scope 1 and 2 emissions should have been increased by 18% below the base year 2019. However, our Scope 1 and 2 emissions were 30% below the base year 2019. Therefore, we are 9% ahead of the SBTi projection as at 2024. The divestment of David Jones also influences this reduction.

We anticipate that the rate of reduction in our annual Scope 1 and 2 carbon emissions will vary year-on-year based on various factors, such as loadshedding in South Africa and the energy market regime in areas where we operate.



LOW-CARBON TRANSITION

Woolworths supports a transition pathway that will ensure we become resilient as a business as we achieve our net zero ambition. To us, resilience means:

1

We continue to proactively identify the risks and opportunities that climate change poses for our business

2

Our climate mitigation and adaptation strategy is agile enough to withstand unforeseen shock

3

We transition towards a low-carbon business and, therefore, reduce our reliance on fossil fuels

Reducing our overall carbon emissions is a strategic lever in this transition. We keep abreast of innovation in this space as new and affordable technologies are introduced to the market.

RENEWABLE ENERGY

We recognise renewable energy's pivotal role in building our resilience against climate change and the increased cost of fossil fuel-based energy. Our commitment is reflected by the gradual increase in the Group's percentage of energy sourced from renewables over time. Solar PV installations exist at Woolworths' head office campus and our Woolworths and Country Road Group distribution centres.

Where it has control of the electricity meter, Country Road Group sources most of its stores' electricity through GreenPower and the New Zealand Energy Certificate System (NZECS) in Australia and New Zealand. Where we do not have control of the meter, we engage landlords and explore opportunities for their own uptake of renewable electricity and subsequent attribution to our consumption.

Electricity suppliers in the state of Tasmania in Australia have removed the provision of renewable electricity to their commercial customers due to a lack of demand. This threatened Country Road Group's percentage of renewable electricity sourced in that area. We will investigate alternative renewable electricity suppliers in that region.

Through Eskom's renewable energy tariff programme, there were six Woolworths, including a distribution centre, that were powered by wind energy. In the year under review Eskom discontinued the project. There are therefore no Woolworths benefiting from this programme.

(EXPRESSED IN KWH)	2022	2023	2024
RENEWABLE ENERGY GENERATED – WHL	2 614 424	1 497 833	2 024 123
Woolworths	2 312 921	1 286 869	1 938 588
Country Road Group	301 503	210 964	85 535
RENEWABLE ENERGY PURCHASED – WHL	9 002 844	20 264 290	7 261 132
Woolworths	7 057 017	12 908 149	471 110
Country Road Group ¹⁶	1 945 827	7 356 141	6 790 021
PERCENTAGE OF ELECTRICITY SOURCED FROM RENEWABLE SOURCES – WHL	3%	6%¹⁷	3%
Woolworths	2%	4%	1%
Country Road Group	1%	2%	2%
NUMBER OF SOLAR PV ENERGY INSTALLATIONS – WHL	7	7	8
Woolworths	6	6	7
Country Road Group	1	1	1
NUMBER OF SITES POWERED BY WIND ENERGY – WOOLWORTHS	6	6	0

¹⁶ Country Road Group purchases GreenPower in Australia, an Australian government-managed electricity retail product supporting renewable energy generation. Equivalent energy attribute certificates (EACs) to GreenPower electricity are surrendered on Country Road Group's behalf by the electricity retailer.

¹⁷ Includes contribution of David Jones renewable energy.

The Group's ambition to expand its renewable energy percentage is not without challenges. Solar PV installations in stores where we are tenants depend on landlords' willingness for us to install our own solar PV systems and/or share their installations. Minimal infrastructure and suppliers for energy wheeling in South Africa limit our ability to scale this option for our operations.

We are also facing challenges relating to increasing our solar PV installations at our distribution centres. These include grid capacity constraints as well as protracted engagements with municipalities for approval to install solar PV.



CASE STUDY

PARTNERING WITH ENERGY TRADERS TO SOURCE OFF-SITE RENEWABLE ENERGY

Energy traders aggregate the energy demand and generation from multiple consumers/generators. They are, therefore, in a unique position to match electricity demand with a mix of renewable energy technologies.

We are targeting the procurement of renewable energy for 70% of our energy needs at two distribution centres on the Eskom grid from energy traders. We will purchase approximately 6 526 000 kWh from a mix of solar and wind energy sources. This will offset a large portion of our distribution centres' energy usage.

These are the only sites that qualify for this model. However, we are investigating the feasibility of applying a similar model to our other sites.

Nonetheless, the Group aims to maximise self-generation where we own properties:

- We are exploring the necessary structural upgrades for our buildings' roofs to prepare for future installations of solar PV systems. We will upgrade our Surprise Park distribution centre's roof structure first
- We will complete solar PV installation at three of our sites early in the next financial year

CASE STUDY

ROOFTOP SOLAR EXTENSIONS AT HEAD OFFICE CAMPUS (WW HOUSE & CTC)

Woolworths is extending the rooftop solar energy systems at our head office campus, reducing the building's reliance on the municipal grid. We completed our first two solar installations on the campus at the CTC building in 2013 and WW House in 2014.

Due to a decrease in panel costs, we can now expand the installation by using roof space that was previously not viable. The roof had to be repainted and treated before accommodating the panels, ensuring they would not be displaced throughout their 25-year lifetime.

Both systems will remain grid-tied (i.e., no batteries) to reduce our reliance on the constrained municipal electricity grid.

The final installation will be three times larger than the current installed capacity split across two buildings. It will generate approximately 770 000 kWh per annum, which is 12% of the campus' overall electricity consumption.

After the successful rooftop solar installation at our first leased facility in Phalaborwa, we secured a new partnership with a landlord at one of our stores in Namibia to source renewable energy. The landlord of our store at the Atrium in Swakopmund has invested in a solar system and has agreed to provide some of that energy to us. We sourced 41% of the store's energy from this system. This is the first agreement of its kind for us outside of South Africa. We continue to engage with landlords and malls to explore renewable energy options for more of our leased facilities.

GREEN BUILDINGS

The Group obtains third-party certification for our green stores and distribution centres using the Australian, New Zealand, and South African Green Building Council Green Star certifications.

Country Road Group continues to explore opportunities to target 5-star or 6-star Green Star certification for Country Road and Trenery stores. We are extending this certification to include store design concepts for Country Road stores in South Africa, with Country Road V&A Waterfront being the first South African store targeting a 5-star rating. Attaining this certification has proven challenging as the methodology used differs from how it is applied in Australia. We are engaging with the relevant stakeholders and expect to achieve this certification early next year.

Trenery in Brighton, Australia, will be the first store targeting a 5-star rating for the brand. Our Ballarat and Highpoint Country Road stores are the first to achieve a 6-star rating.

The Green Building Council of Australia (GBCA) is expected to release their new Green Star Fitouts tool in FY25, which will supersede the existing Green Star Interiors tool used by Country Road Group. Upon the tool's release, we will complete a gap analysis to understand the current positioning of the Country Road Group brands against the updated criteria.

“We commend Country Road for being the first Australian fashion retailer to commit to Green Star certification at scale and for having the largest retail footprint of Green Star-certified projects in the nation. Woven into this achievement is Country Road’s commitment to environmental innovation, a willingness to embrace responsible and recycled materials, and its respected relationships with local suppliers.”

DAVINA ROONEY, CEO, GREEN BUILDING COUNCIL OF AUSTRALIA

Woolworths South Africa uses an internal green stores model to ensure all stores operate in an energy-efficient way. This involves rating and classifying stores into three categories (Platinum, Gold, and Silver) according to their green design features. This rating system helps to allocate funding for future-proofing stores with the most energy-efficient technology. The measures we consider are listed in last year’s report.

GREEN STAR RATINGS	2021	2022	2023	2024
Woolworths South Africa				Head office building ★★★★
Country Road Group	Chadstone ★★★★ Southland ★★★★	Canberra ★★★★★ Kotara ★★★★★	Booragoon ★★★★★ Brighton ★★★★★ Camberwell ★★★★★ Carindale ★★★★★ Charlestown ★★★★★ Doncaster ★★★★★ Erina ★★★★★ Frankston ★★★★★ Newmarket ★★★★★ Penrith ★★★★★ St Ives ★★★★★	Ballarat ★★★★★ Highpoint ★★★★★ Castle Hill ★★★★★ Karrinyup ★★★★★ Townsville ★★★★★



ENERGY-EFFICIENT LOGISTICS

Woolworths works very closely with our logistics partners to improve the efficiency of our logistics operations.

Woolworths South Africa continues to work on optimising the usage of our delivery vehicles. We aim to collect stock directly from suppliers using the same vehicles servicing our stores. Our reverse logistics operation also assists us in this regard.

In our online delivery space, we continue to operate with our 42 electric vehicles across South Africa in our standard delivery channel. We have successfully used these vehicles with no downtime or range shortfall issues. We are continuously assessing opportunities to increase the efficiency of this fleet where viable. We still operate internal combustion vehicles in 40% of the fleet, as these routes are not optimal for operating electric vehicles. We have been unable to increase our electric vehicle fleet due to a demand shift from the standard delivery channel to our DASH service.

We are engaging our DASH service provider around conducting a limited trial of electric motorcycles in this channel. We will test these vehicles in our DASH channel for sustainability and viability. We are also engaging this supplier to provide emissions data for the DASH service.



CASE STUDY

WOOLWORTHS AND DP WORLD INTRODUCE AFRICA'S FIRST AXLE-POWERED REFRIGERATION TRAILER

In collaboration with DP World, Woolworths South Africa launched the first refrigeration trailer featuring AxlePower technology in Africa.

AxlePower is an advanced system that transforms ordinary road transport trailers into a source of clean and efficient electricity. Kinetic energy is converted into electricity through a specially adapted axle, powering the refrigeration unit. This technology offers tractor-independent, 100% electric cooling for trailers, using free and sustainable power that results in zero trailer carbon emissions.

The trailer will operate on Woolworths' long-haul route between Johannesburg and Cape Town to maximise the technology and sustainability benefits. We anticipate a reduction of 27 tonnes of carbon emissions on this route over the year.



SUPPLIER ENGAGEMENT

FACTORIES OF THE FUTURE

We continued rolling out the Factory of the Future Programme to our suppliers. This programme supports our suppliers through the various maturity levels in their sustainability journey by enabling risk or gap analyses, data reporting, and the development of action plans based on a continual improvement process. This programme, alongside Farming for the Future and Fishing for the Future, constitutes our three main supplier initiatives in Woolworths Food.

Every year, we ask our suppliers to complete a holistic assessment regarding sustainability management, water, energy, waste, human rights, employee wellbeing, lean manufacturing, transformation, and responsible sourcing. The assessment helps suppliers identify their areas of improvement and guides them in setting appropriate sustainability targets. We onboard our suppliers onto the programme through site visits and workshops.

Woolworths Fashion, Beauty, and Home commenced the rollout of an eco-factory questionnaire to its top 20 suppliers. The questionnaire aligns with the Woolworths Food Factories of the Future questionnaire to ensure consistency in data and information obtained from suppliers.

In Australia, Country Road Group is reviewing existing policies and procedures, including its Supplier Code of Labour Practice, to identify opportunities to embed energy and climate considerations into existing business processes.

We are building a stronger and more resilient supply base through this process.

SUPPLIERS ASSESSED		
68 2022	63 2023	90 2024



INDUSTRY COLLABORATION

The transition to a low-carbon future requires collective effort. Therefore, we are committed to partnering with organisations that share our vision, where feasible.

COUNTRY ROAD CLIMATE FUND

In October 2022, Country Road launched the Climate Fund, an annual climate impact grant programme to incubate and accelerate climate solutions within the Australian fashion industry. This is an Australian fashion industry first.

COUNTRY ROAD HAS COMMITTED A\$1.5 MILLION IN GRANT FUNDING IN ITS FIRST THREE YEARS FOR PROJECTS THAT MITIGATE CLIMATE CHANGE AND BUILD CLIMATE RESILIENCE ACROSS FOUR KEY PILLARS:

- 1 BIODIVERSITY**
Protecting and restoring nature
- 2 FIRST NATIONS**
Supporting Aboriginal and Torres Strait Islander-led projects and partnerships
- 3 INNOVATION**
Driving industry change
- 4 CIRCULARITY**
Reimagining the textile lifecycle

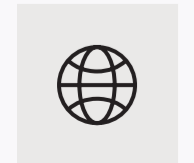
The fund will provide cash grants to recipients, as opposed to making equity investments. Those recipients will range from entrepreneurs working on the proof-of-concept for their project, to established climate solutions that are now looking to scale:

The incubator stream will offer grants of up to A\$30 000 to for-profit and not-for-profit entities that are developing seed-level projects. To be eligible for this stream, businesses must have fewer than 15 employees, less than A\$250 000 in net assets, and less than A\$ 250 000 in annual sales.

More mature projects will be able to apply for the accelerator scheme, which will offer grants of up to A\$200 000 to not-for-profits, co-operatives, and social enterprises.

In July 2023, we announced our first three grant recipients: Landcare Australia, Trust for Nature, and Full Circle Fibres. We have committed A\$547 000 to these projects.

	TRUST FOR NATURE	MUD TO MARLE (FULL CIRCLE FIBRES)	LANDCARE AUSTRALIA
BENEFICIARIES	<p>Working with wool growers in Victoria’s Southern Mallee region, this project increases the area of permanently protected grassland habitat essential to the survival of the plains-wanderer, a critically endangered bird. Working closely with landholders in the Northern Plains, including Merino wool graziers, Trust for Nature partners with farmers on native grassland management to ensure production can occur alongside conservation. Currently, 76 hectares of land have been covenanted.</p> <p>The learnings will enable other farmers and organisations to learn, adopt, and adapt the findings from this project.</p>	<p>The Mud to Marle project demonstrates Australia’s end-to-end textile manufacturing capability. The project uses low-impact production methods to transform low-value Australian wool into a high-value yarn suitable for the textile and fashion industry. Everything will be done in Australia, from growing and processing the fibre to sewing the garment.</p> <p>Results thus far show low-value wool as a potential input into garments through production processes that use solar power and local end-to-end production.</p>	<p>Landcare Australia will build a toolkit to help local farmers engage in the emerging ‘green economy’. The project will build a toolkit to help wool and cotton growers understand the potential benefits of planting native vegetation on their property to sequester carbon and enhance biodiversity, limiting soil erosion and improving the overall health of their land.</p> <p>Two demonstration project farms will be enrolled in the pilot project, and learnings from there will be used for further rollout to other farms.</p>



NATIONAL AUSTRALIAN BUILT ENVIRONMENT RATING SYSTEM (NABERS)¹⁸ ACCELERATE PROGRAMME

Country Road Group continued participating in the NABERS Accelerate Programme, which seeks to introduce a voluntary energy benchmarking tool for retail stores in Australia. The tool will assess the annual operational performance of a store year-on-year, compared to similar stores within the retail industry. We entered two stores in this trial in March 2024, with findings used by NABERS to test and validate their rating tool ahead of launch. We also sit on the advisory panel for NABERS Accelerate Retail to provide feedback and insights to inform the programme's rollout.

ALLIANCE FOR CLIMATE ACTION IN SOUTH AFRICA

Woolworths is a signatory to the Alliance for Climate Action South Africa. This is a network of committed organisations working with local and national government and research institutions to collectively achieve a net carbon-neutral economy for South Africa by 2050.

Members are expected to:

- Produce plans that show how net zero emissions will be achieved by 2050
- Translate the plans into actions, and embed these within their organisation, or by collaborating with others on mutually beneficial climate actions
- Influence and champion an economy-wide transition to net zero carbon by 2050 with national government
- Encourage other organisations to join the Alliance

OTHER ENGAGEMENTS

We participated in workshops to review and comment on the draft Integrated Resource Plan (IRP 2023), published in January 2024. We also participated in the National Energy Crisis Committee's (NECOM) working group, focusing on demand, side management, and technical aggregation of energy demand in April 2024.

¹⁸ NABERS is a national built environment rating system that focuses on the day-to-day operations of a building, rather than design. A building is rated out of 6 stars for its performance against similar buildings.

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