

WOOLWORTHS HOLDINGS LIMITED

GOVERNANCE REPORT

2024

As extracted from the 2024 Integrated Annual Report

START



OUR GOVERNANCE



CLICK ON BOX TO GO TO THAT SECTION

OUR CHAIRMAN'S REPORT

I'm pleased to share my last Chairman's Report for Woolworths Holdings, reviewing another dynamic year for the Group. The year has seen a number of challenges and successes and, despite the headwinds, we have continued our relentless drive towards value creation.



Performance over the past year was overall below our expectations and reflected the cyclicality of apparel retail against the backdrop of tough structural and macroeconomic challenges, particularly in Australia.

Our Food business delivered strong, above-market growth, reinforcing its strength and resilience. Our Fashion, Beauty and Home business continues to make steady progress despite being impacted by the weak macroenvironment, poor availability, and increased competition from the disruptive entry of low-cost retailers. For the second year in a row, Australian interest rates remained prohibitive as a result of record high inflation. The Country Road Group (CRG) battled in this environment of low consumer spending, and the effect of the economic downturn is evident through the operating leverage impact on our bottom line.

Notwithstanding a disappointing bottom-line performance, the WHL Group relentlessly continued to drive, and generated, significant economic value. We maintained our drive of innovation; our capital management and allocation was exemplary; and we continued to be international leaders in retail industry sustainability, across various dimensions. Furthermore, investment in our people continued through Just Wage and other important programmes driven through our People management function.



REFLECTING ON THE YEAR

The stellar performance of our Food business is testament to the team's hard work, and their quest for innovation. The board had the pleasure of visiting our Store of the Future formats, a premium store environment that showcases our commitment to sustainability and enhances our customers' experience. This will be our template going forward. The business has also made positive steps in communicating the value of Woolies products to our customers. Notably, through the WList and the Daily Difference, combined with well-targeted price investment, sentiment around pricing and, more importantly, our value proposition, is much improved. These factors, among many others, were drivers in what was a tremendous year for the division.

Our Food business has benefited from the visionary leadership of Zyda Rylands for the last 24 years, and her legacy is a well-loved brand that thrived under her watch. With gratitude for her commitment to excellence, we wish Zyda a happy retirement and bid her farewell after 29 years with the Group. We welcome Sam Ngumeni as the new CEO of Woolworths Food. Sam is an Executive Director of the Group and has been with Woolies for over 28 years. He is a highly regarded leader known for his extensive experience and impressive track record, most recently in the role of Group Chief Operating Officer. The smooth transition in leadership leaves Woolies Food in very able hands, and we look forward to this new chapter under Sam's leadership.

Woolworths Financial Services posted a good turn-around year, and the newly established WVentures, encompassing WCafé and NowNow, WEdit, WCellar, and our WPet and Absolute Pets businesses, are expected to develop good momentum. We have often commented on the need for the Group to be more agile, and WVentures, together with ongoing operating model improvements, are meaningful steps towards this. Our operations in the rest of Africa continue to be vibrant, contributing a fair

percentage to the Group's results despite its conservative size.

The Fashion, Beauty and Home business had a difficult year. Headwinds in the form of port congestion in the first six months exacerbated our product availability challenges, and in hindsight, our availability, selections, and product variety could have been better. The division has, however, further reduced its reliance on promotions and mark-downs to selling more at full price, and is expected to recover from such constraints in the near term.

The proliferation of low-cost online retailers into the South African marketplace has had significant impacts on the retail landscape, driven in part by a lack of regulatory oversight. It is undeniable that the ease with which they were able to access the market highlights local weaknesses, and certainly provides an opportunity to learn and grow. We have the unique perspective of a trusted retailer who has operated within South Africa for close to a century, and know the market better than most; and we should capitalise on this position. We will compete by continuing to strive for a deeper understanding of the optimal balance of bricks and mortar to online, and of the nuances in our offerings to each channel.

In Australia, we have successfully exited the David Jones business entirely, but have retained the valuable Bourke Street property in Melbourne that is leased to David Jones on market-related terms. The exit transformed our balance sheet and allowed us to allocate capital that drives long-term value for our stakeholders, including the acquisition of Absolute Pets, our FBH supply chain initiatives, and expanding into a new state-of-the-art distribution centre in Midrand, Johannesburg. Over this period, our CRG teams faced internal pressures compounded by a slow economy edging close to recession. I'd like to extend my admiration and support to the Australian business and all its people for their resilience during this period.

THE DIFFERENCE IN SUSTAINABILITY

The role of corporates in society continues to widen each year, as governments and society broadly look to the private sector for support in employment, investment, sustainability, and innovation. Our stakeholders, including our customers and suppliers, demand that corporates drive change and evolve society, and we must work towards playing this more prominent role. Our vision is to be one of the world's most responsible retailers, and key to realising this vision is our Good Business Journey (GBJ), which has continued to be a strategic differentiator for us. Importantly, the success we have attained is worth celebrating, and the targets we've set are ambitious, but will need to evolve further over the decades ahead. We set the bar high, testament to our values in action, and we must continue to lead in this sphere. Sustainability takes capital outlay, the right people, innovation, and significant resources – all of which are a worthwhile and essential investment in the context of modern society.

Similarly, our Inclusive Justice Initiative has created a framework for us to find the courage, as a business, to take a stand on issues of marginalisation that were previously uncharted waters. It's no secret that we faced fierce opposition to our Pride campaign last year, and I am pleased to report that through communication and connection we have seen a different outcome this time around. We have also dedicated a lot of our time to young entrepreneurs this year through our Youth Makers project, where we have invested over R2 million into the livelihoods of small youth-owned business owners across South Africa.



MY TIME AT WOOLIES

I joined the Woolworths Board 10 years ago in 2014, along with Pinky Moholi who joined in the same year. It has been an honour to be Chairman during a period where we have been able to course-correct this great company and return to being a much more reliable performer, creating meaningful economic value again. Another highlight has been working together with Roy Bagattini, our Group CEO, and I enjoyed the many meaningful conversations we've had about this legendary business and keeping it future-fit. Woolworths is an exciting business, managed and operated by many unique, dedicated people who are deeply passionate about the Group.

The Board measures its effectiveness through an annual evaluation, and the outcomes were again positive in that the Board's overall effectiveness is high, all its mandates were fulfilled, and there is a strong sense of common purpose around the boardroom table. Over the next while, the Board focus will be on further enhancing our perspectives on innovation, particularly where artificial intelligence is concerned, as well as immersion sessions on cutting-edge retail, sustainability trends, and climate change. We also believe that we need to ensure that we maintain a good balance between structured Board work and more informal contextual thinking.

KEY BOARD DEVELOPMENTS

David Kneale, who joined the WHL Board in 2019, retires on 30 September 2024. David has been an integral member of the Board and Nominations Committee, and Chairman of the Remuneration and the Risk, Information and Technology Committees. He has been an immense support to me, and I extend my sincere thanks to him for his wise counsel and guidance.

On 5 September, we welcomed Itumeleng Kgaboesele to the WHL Board, and on 1 November we will welcome Lulu Gwagwa, both as Independent Non-executive Directors. Itumeleng and Lulu bring a wealth of experience to the Board, and their appointments add further diversity and richness across business and leadership skills to the Board and committees. I look forward to their perspectives and insights, which the Board will no doubt benefit from.

As my tenure on the Board started coming to an end, succession for me as Chair was carefully considered by the Nominations Committee, with very constructive contributions from the whole board. To this end, the Board has proposed that Clive Thomson succeeds me as Chairman, subject to the approval of our shareholders. I'm confident that the depth of corporate experience Clive brings to this role will leave the Board in good hands for the years ahead.

I am also delighted to advise that Roy's employment contract, which was initially a fixed-term agreement, has now been extended without a specified end date. Roy's relentless drive to execute the Group's strategic plans and key initiatives is much appreciated by the Board, and I wish him continued success.

A WORD OF THANKS

I would like to personally thank the Board, Roy, the executive leadership team, our people, our suppliers, and our partners for the passion and purpose that has been evident over the last 10 years. Woolworths is a world-class brand, and it has been my honour to serve alongside my peers towards its prosperity. Thank you also to my family for their relentless support to me, enabling me to pursue my professional passions.

Lastly, in closing, thank you to our passionate Woolies customers, who have continued to show their support and loyalty over the years. Without your support we do not have a business.

OUR EFFECTIVE LEADERSHIP

The Board remains committed to leading the Group effectively and creating lasting value, while upholding the highest standards of corporate governance and ethical leadership. Leading by example and with integrity, the Board plays a vital role in shaping and embedding our corporate culture and steering us in fulfilling our purpose.

In pursuing our strategic objectives, the Board ensures that we maintain an appropriate balance between operational efficiency and stakeholders' interests. This requires a nuanced approach to resource allocation, carefully weighing the potential impacts and trade-offs inherent in our decisions against the diverse needs and expectations of our stakeholders. We aim to minimise any adverse effects of our operations while maximising positive contributions to society and the environment. This ambition is supported by having a well-structured and diversely skilled Board, an entrenched governance framework, and industry-leading sustainability practices.

Details of our Board composition during the year under review are set out below, and further commentary on the Board's approach to governance is provided in the section that follows.



THE BOARD



Hubert Brody (60)
South African

Chairman
Independent Non-executive Director
Chairman of the Nominations Committee

Joined the Board in 2014

Retiring by rotation at the 2024 AGM, and is not available for re-election



Nombulelo (Pinky) Moholi (64)
South African

Lead Independent Director and
Independent Non-executive Director

Joined the Board in 2014



Roy Bagattini (61)
South African

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

Joined the Board in 2020

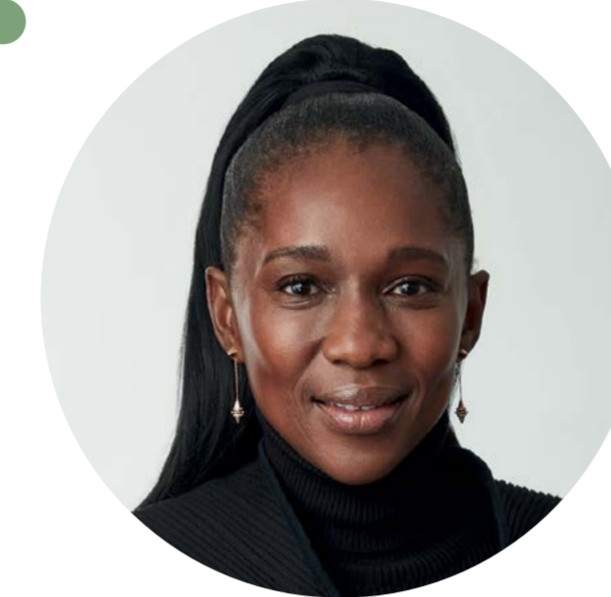


David Kneale (70)
British

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

Joined the Board in 2019

Retiring by rotation at the 2024 AGM, and is not available for re-election



Thembisa Skweyiya (51)
South African

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

Joined the Board in 2019



Belinda Earl (62)
British

Independent Non-executive Director
Chairman of the Sustainability
Committee

Joined the Board in 2019



Clive Thomson (58)
South African

Independent Non-executive Director
Chairman of the Audit Committee

Joined the Board in 2019

Standing for election as Chairman of the Board at the 2024 AGM



Zaid Manjra (59)
South African

Executive Director and
Group Finance Director

Joined the Board in 2023

Standing for election at the 2024 AGM



Christopher Colfer (55)
Canadian

Independent Non-executive Director

Joined the Board in 2019



Rob Collins (53)
British

Independent Non-executive Director

Joined the Board in 2022



Lwazi Bam (53)
South African

Independent Non-executive Director

Joined the Board in 2023

Did not attend all meetings due to pre-existing commitments, which he advised the Board of prior to his appointment



Sam Ngumeni (56)
South African

Executive Director and Group
Chief Operating Officer in FY2024.
Appointed as Chief Executive Officer:
Woolworths Food from 1 July 2024

Joined the Board in 2014



Chantel Reddiar (48)
South African

Group Company Secretary

Appointed in 2016

BOARD MEETING
ATTENDANCE
FOR THE
FINANCIAL YEAR:
100% ● >75% ●



BOARD COMPOSITION

As at 30 June 2024

9

independent non-executive directors

3

executive directors

GOVERNANCE PRINCIPLES

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

DIVERSITY

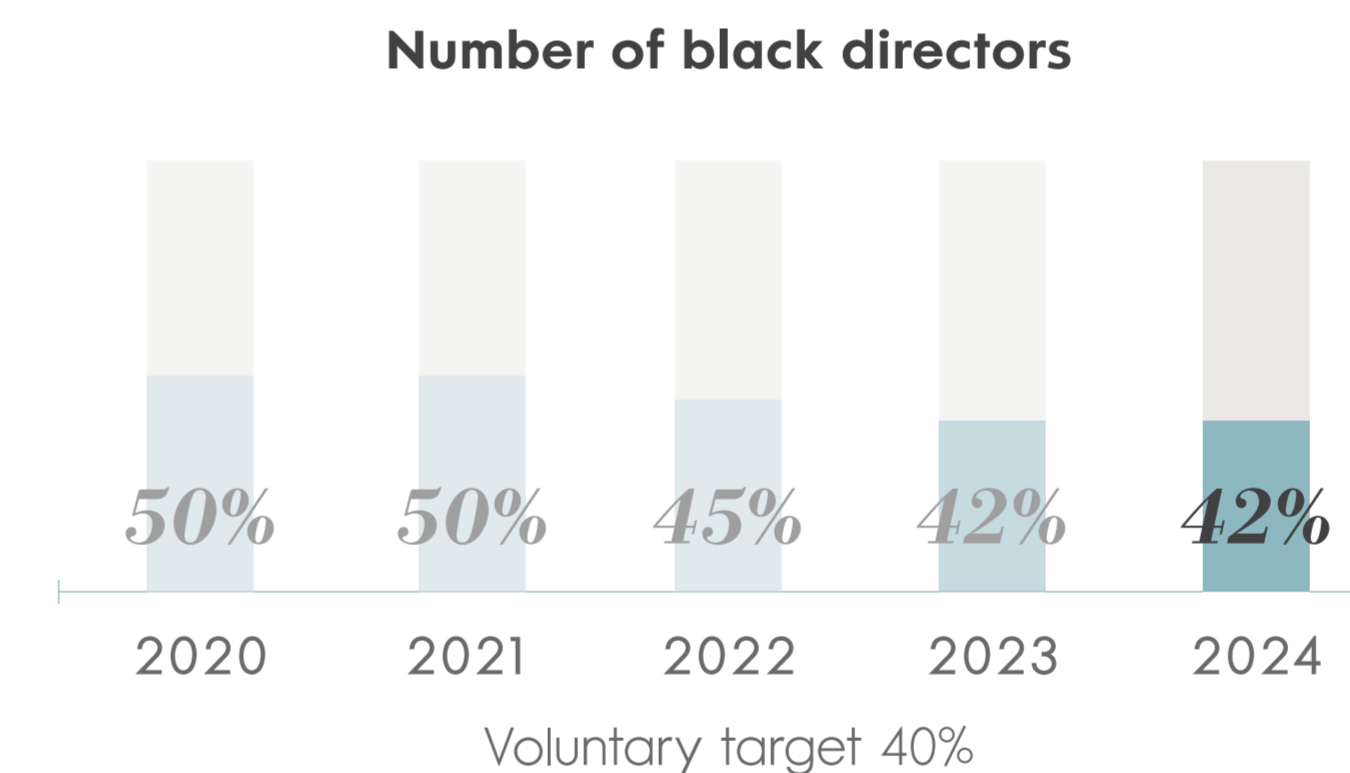
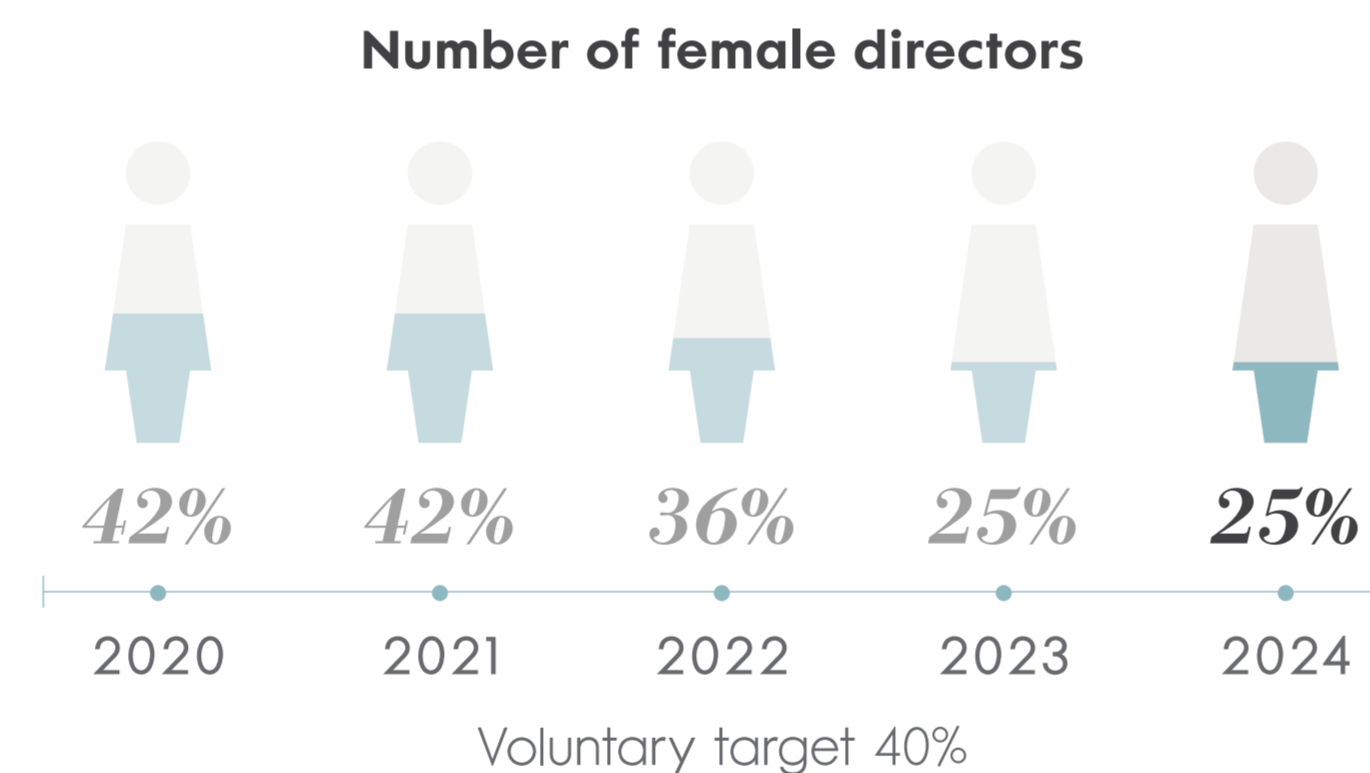
GOVERNANCE PRINCIPLES

- The Board believes that its effectiveness is driven by the diversity attributes of its members, as well as their integrity and independence
- The Board's voluntary race and gender targets are to maintain female and black member representation at 40% each, subject to interim variations, which is currently the case for female representation on the Board
- The Board's aspirational goal is to achieve 50% female and black member representation as circumstances permit
- The voluntary targets and aspirational goals are taken into consideration in the Board's succession planning

KEY INSIGHT

The Board remains committed to enhancing diversity, with a particular focus on increasing black and female representation on the Board. While our aspirational target of 50% representation each was not achieved in FY2024, this objective remains an ongoing commitment.

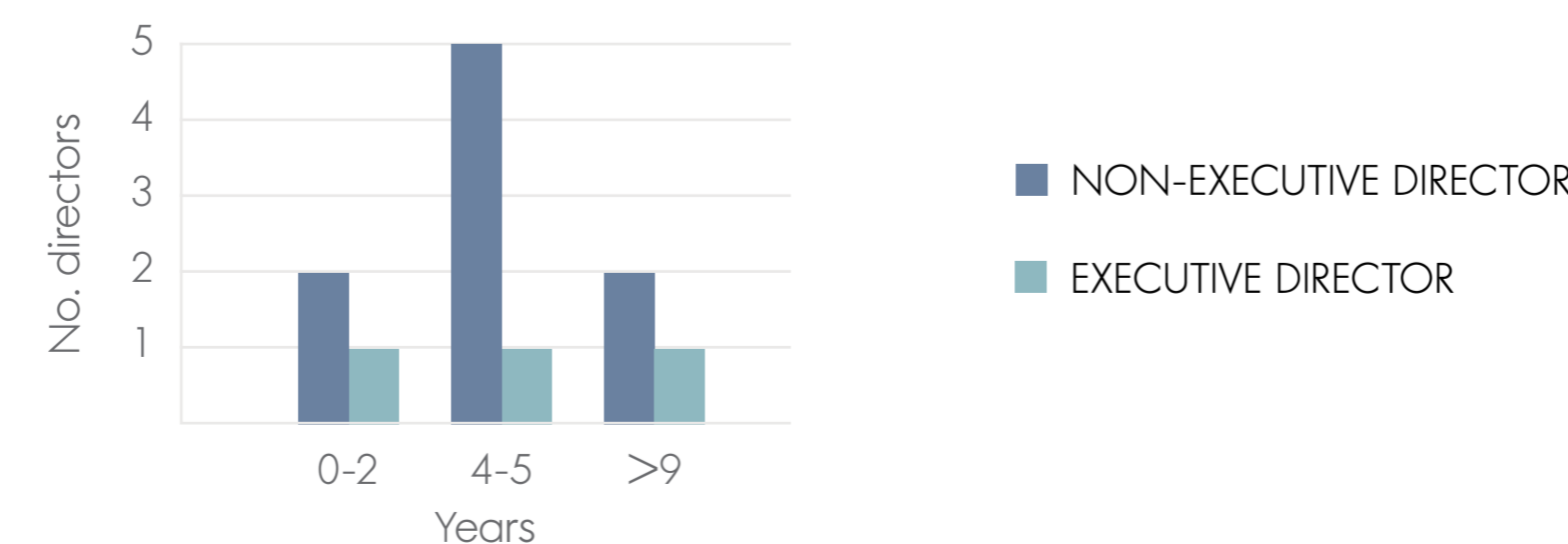
The Board's black member representation has been strengthened with the appointment of two new directors, one being female, as announced with our FY2024 results.



Board age profile



TENURE



GOVERNANCE PRINCIPLES

- Non-executive directors are subject to a nine-year tenure limit, which may be extended in exceptional circumstances after a robust independence assessment in accordance with the MOI
- Executive directors do not have a tenure limit but are required to retire at the age of 63, and are eligible for early retirement from the age of 55
- All directors (executive and non-executive) are subject to retirement by rotation every three years and may, subject to continued eligibility in terms of the MOI and Board policy, make themselves available for re-election

EFFECTIVE GOVERNANCE

BOARD FOCUS AREAS 2024

The Group commenced FY2024 on a strong footing, given the positive results of the previous year and enhanced flexibility following the sale of David Jones. This created scope for us to enter the next phase of our investment thesis, leveraging our strong balance sheet and strengthened foundations to accelerate the rollout of new categories, formats, and propositions as springboards for future growth.

The positive start to the year was tempered by an ever-evolving business landscape, marked by deteriorating trading conditions and challenging macroeconomic environments in both South Africa and Australia. In addition, unexpected external factors during the year, such as the taxi strike in the Western Cape, supply chain disruptions due to constraints at the ports, and the avian flu, necessitated a more nuanced approach to strategy considerations and greater emphasis on cost-reduction initiatives.

 <p>UNLOCK AND CREATE VALUE IN OUR AUSTRALIAN BUSINESSES</p>	 <p>ELEVATED OMNI-CHANNEL CUSTOMER EXPERIENCE</p>
 <p>WSA FASHION TURNAROUND AND GROWTH IN BEAUTY AND HOME</p>	 <p>COST EFFICIENCY AND OPERATIONAL EXCELLENCE</p>
 <p>LEADING AND ICONIC WSA FOOD BUSINESS</p>	 <p>PEOPLE AND LEADERSHIP</p>
 <p>DATA-DRIVEN DECISION-MAKING</p>	 <p>GOOD BUSINESS JOURNEY</p>

REALIGNING OUR STRATEGY WITH THE FUTURE GROWTH MODEL

Within this context, the Board maintained vigilant oversight of strategy implementation through its quarterly reviews of the Group scorecard. The scorecard includes key metrics to quantify progress made on executing operating plans aligned to the strategic focus areas, and the Board monitors and deliberates on performance relative to the strategic focus areas at Group and operating entity levels.

In addition, the biannual in-depth strategy sessions in November and May provided further opportunities for comprehensive discussions. These focused on the strategic priorities; the rollout of new categories, formats, and propositions; the top risks and opportunities; key emerging industry trends; and evolving customer preferences.

After deliberating the potential for growth in adjacent categories and formats, specifically in the areas of pet care, Food Services, liquor, and WEdit, the Board endorsed the establishment of WVentures. This new entity will be responsible for the acceleration of growth in the areas mentioned, through the implementation of new processes and capabilities designed to enhance our strategy, and execute in a more agile, flexible, and entrepreneurial way.

Additionally, the Board approved the acquisition of Absolute Pets to accelerate Woolworths' pet strategy. Detailed analysis in this regard led the Board to recognise pet care as a rapidly developing market and an important category for Woolworths customers. By combining two strategically aligned businesses, Woolworths South Africa will be positioned to potentially become *the* end-to-end pet care destination of choice in the country.

The Group's risk profile and the potential impact of the risks on strategy execution remained a key area of focus for the Board during the year. The Group's FY2024 risk profile was reviewed and recalibrated in the context of the next phase of the Group's investment thesis and longer-term risk horizon. This process incorporated the existing risk landscape, as well risks from emerging technologies, Group Exco's risk analysis and recommendations, strategy presentations, and relevant economic data for South Africa, Africa, and Australia.

The Board also considered global and industry-specific risk perspectives, notably the structural shift in competitive dynamics due to the disruptive entry of international online retailers. Recognising that this shift could result in a permanent transition of market share away from local incumbents, re-assessment of the operating model and cost structure was expedited to ensure that financial aspirations, including communicated margin targets, were met despite the changing landscape. For more on the Group's risk management process and principal risks, refer to pages 48 to 54 of this report.

The Board's comprehensive deliberations culminated in the approval of the Group's FY2025 Integrated Business Plan (IBP) – a three-year rolling plan that quantifies the financial implications of our strategic initiatives. This plan reflects the Group's adaptability and forward-thinking approach in navigating the evolving business environment.

OUR PRINCIPAL RISKS

- ▲ 1. Macroeconomic, socio-political, and critical infrastructure conditions
- ▲ 2. Sustain and improve the current performance of the FBH business
- ▼ 3. Reset the Food business to retain and grow its leading market position
- ▼ 4. Material cyber-incident
- ▲ 5. Delivery of our strategic and financial ambitions
- ▲ 6. Realise the full potential of the CRG House of Brands ambition
- ▲ 7. Attracting, retention, and upskilling of talent
- ▲ 8. Operating model no longer future-fit
- ◆ 9. Deliver a differentiated omni-channel customer experience
- ◆ 10. Sustain and grow the stature of our iconic brands



BOARD AND EXECUTIVE SUCCESSION

Board succession planning remains a critical area of focus conducted through the Nominations Committee. During the year, the committee conducted a thorough assessment of the Board's composition to maintain bench strength in line with the Group strategy and value creation ambitions, as well as to align with the Board's voluntary race and gender targets.

The committee led the recruitment and appointment of two non-executive directors in line with the Board's long-term strategic succession plan. The recruitment process focused on bringing fresh perspectives and complementary skill sets to supplement the composition of the Audit and Remuneration and Talent Management committees, and to prepare for future changes as director tenures expire. After an extensive selection process, Itumeleng Kgaboesele and Lulu Gwagwa have been appointed to the Board with effect from 5 September and 1 November, respectively, and will stand for election at the 2024 Annual General Meeting (AGM).

In addition, the Nominations Committee led the Board chairman succession process to ensure a smooth transition when Hubert Brody steps down after the 2024 AGM. After a comprehensive internal and external review of potential succession candidates, the committee reached consensus on the appointment of an internal candidate. The committee's recommendation to appoint Clive Thomson as chairman was unanimously endorsed by the Board; Clive will, accordingly, be recommended for appointment as the new Board chairman at the 2024 AGM.

Lead Independent Director Pinky Moholi, who reaches her 10-year term at the 2024 AGM, has agreed to remain in her role for a further limited period to provide continuity, to support the new chairman, and to help settle in the newly appointed non-executive directors. Our Memorandum of Incorporation allows for tenure extensions, provided that rigorous annual independence assessments are conducted. This approach aligns with best-practice guidelines.

With regard to executives, the committee continued to review the Group CEO's succession plan for all executive leadership roles, including the CEO position itself. Roy Bagattini's fixed-term agreement has been extended without a specified end date, with a six-month notice period, reducing to three months in specified instances. The Remuneration and Talent Management Committee has assessed senior management succession, focusing on the depth of skills, experience in key roles, high-performing individuals, and potential development areas.

We have also evaluated ongoing initiatives aimed at investing in and retaining top talent, as well as nurturing internal talent growth. These efforts are crucial to ensuring continuity in executing the Group's growth strategy and preventing instability during leadership transitions.

NON-EXECUTIVE DIRECTOR APPOINTMENT PROCESS AND INDUCTION

Board appointments are formally conducted in accordance with the Appointment of Directors and Board Diversity Policies, which establish appointment and diversity parameters. The policies include principles to ensure a clear balance of power and authority at Board level, promoting collective decision-making to prevent dominance by any individual director. The policies also outline criteria for assessing a candidate's independence and managing potential conflicts of interest. Additionally, they require evaluation of a candidate's other professional commitments to ensure sufficient time and capacity for effectively executing Board duties.

The induction process for new directors is designed to help them fulfil their statutory obligations and understand the Group's strategic priorities. The comprehensive induction programme includes interactions with executive and management teams responsible for daily business operations, immersion into the Group's operations, visits to key facilities (stores, distribution centres, and head offices) in South Africa, and one-on-one meetings with key levels of management. Similar visits and introductions are arranged in Australia, and are scheduled to coincide with Board meetings held there following the director's appointment.

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

Our selection process prioritises inclusivity and diversity, aiming to appoint a Board with balanced skills, varied perspectives, and robust decision-making capabilities.

OUR PEOPLE STRATEGY

The Board recognises that our people are integral to the Group’s achievements and significant in bringing our strategies to fruition. Attracting, retaining, and upskilling our workforce in the context of the evolving retail business landscape and digital transformation, is one of our top material risks. The Board believes that implementing our refreshed People Value Proposition (PVP) will help mitigate this risk, as well as address many of the other identified risks (to the extent appropriate).

As we reported last year, our Group people strategy underwent an extensive review, culminating in our new PVP, also known as Our People Way. Our PVP, which will be implemented over the next three years, provides an important frame of reference and anchor for the ongoing development of our people strategy. It also unifies our internal stakeholders in our shared vision of becoming an employer of choice in retail.



Our People Way is an integrated approach focused on the delivery of six strategic initiatives (or levers). Within this Framework, the aim is to:

- Provide a consistent, best-in-class leadership experience through developing and nurturing leadership that delivers results underpinned by values
- Drive and enable a high-performance culture
- Embed the Inclusive Justice Initiative (IJI) across the Group to drive a culture that embraces diversity and inclusivity
- Attract, develop, and retain the right talent that enables the delivery of our business strategies
- Provide simplified, relevant, and market-competitive reward offerings to enable long-term attraction and retention of key talent
- Increase the quality of life for all employees, with a focus on our total wellbeing offering and effective engagement with our people

Implementation of the initiatives is at various stages of progress, with Our Leadership Way and Our Performance Way in full flight. The Board acknowledges that organisational culture change is a large-scale, transformational undertaking and that these initiatives are multi-year programmes that, implemented correctly, will shift and embed significant change in the workplace culture.

As leadership development and retention are central to Our Leadership Way, there has been an increased focus on establishing robust and integrated talent discussions across the Group. Discussions take place through the embedded individual entity and business unit talent review forums, with participation by the Group CEO and People Director. These engagements, and the combined WHL Group Exco talent forum, remain critical to the execution of agreed talent management strategies, and the active management of talent and succession in the Group.

Feedback on the biannual talent review process in respect of talent at senior levels was received at the annual talent workshop convened by the Remuneration and Talent Management Committee in November 2023 and attended by all Board members. The outcomes provided deeper insights into the talent landscape, and investment in talent development and retention.

Our Performance Way was introduced to senior leaders in the Group during the year and will cascade in future. The aim is to assist in clarifying expectations and highlight the behaviours required to embed a high-performance culture. Linking these principles to an updated, easily understood reward strategy and approach will enhance the ongoing focus on delivering a high-performance and delivery culture.

The Board has been kept abreast of progress on Our Performance Way and the other initiatives through regular feedback from the Remuneration and Talent Management and Social and Ethics committees, the Group CEO, and Group People Director. Updates on progress through the Board’s established reporting lines will be ongoing.

Our people drive our success. Our refreshed People Value Proposition and multi-year programmes, implemented correctly, will transform our workplace culture and embed significant change in the workplace.

KEY BOARD DISCUSSIONS AND MATTERS APPROVED IN 2024

The Board maintained its commitment to rigorous oversight throughout the reporting period, consistently supporting, challenging, and actively engaging with executive leadership on strategic governance, risk management, and financial accountability. The Board continued to meet quarterly, with Board calls held every six weeks in between. In addition, two dedicated meetings were held respectively to review and approve the FY2023 Annual Financial Results and the FY2024 Interim Financial Results, allowing time for further in-depth analysis of the Group's financial performance.

Meeting agendas are structured to enable the Board to maintain a clear view of the Group's operations, strategy, and financial health, and to ensure informed decision-making. The Board received verbal reports from Board committee chairmen on the key matters dealt with by the committees, and recommendations on policy amendments. Detailed business updates were provided by the Group CEO and Exco members on financial performance, KPI performance, stakeholder matters, competitor analyses, key risks and opportunities, governance issues, and key people matters. Financial oversight was facilitated through presentations by the Group Finance Director, focusing on results, forecasts, and treasury reports. These reports provided analyses of balance sheet efficiency, gearing metrics, debt covenants, liquidity, refinancing, and hedges.

The key Board discussions and approvals are set out alongside and on the next page. Details of the key matters considered and approved by the Board committees are covered in the reports by the committee chairs on pages 24 to 30. We also provide the Board's meeting attendance register, showing the attendance at Board and committee meetings, on page 21.

STRATEGY AND PERFORMANCE MONITORING



- Robustly assessed the Group CEO's quarterly updates on business performance relative to the strategic initiatives, including initiatives to protect profits against sustained headwinds throughout 2024, and cost optimisation strategies
- Agreed to invest capital expenditure in digital transformation, data analytics, IT infrastructure, and supply chain optimisation for the Food and FBH divisions to improve operational excellence and build a sustainable platform for growth
- Discussed and approved the acquisition of Absolute Pets, the issuance of a voluntary announcement, and the process to obtain Competition Commission approval for the transaction. On review, the Board subsequently accepted the Competition Commission's conditions, which are expected to be fulfilled over a period of time
- Received updates on the organisational structure of WVentures, and an outline of the performance metrics, challenges, and opportunities for growth
- Reviewed management's analysis of the effects of persistently high interest and inflation rates on the Group's performance (South Africa, other African countries, and Australia), and endorsed a range of self-help measures, value optimisation strategies, and disciplined cost management initiatives which limited the Group's cost growth to 7.1% for the year
- Evaluated the commercial landscape and competitor environment across the operating regions, with particular focus on the macroeconomic conditions in Australia and pre-election uncertainty in South Africa
- Agreed on forward-looking strategic priorities with a focus on channel expansion opportunities to optimise the power of the CRG brands, including increased e-commerce growth
- Reflected on strengthening relationships with our existing customers through product innovation, improving core offering through improved availability, tactical category management strategies, developing and rolling out 'store of the future' formats, and refreshing the Food Services strategy to align with consumer preferences
- Undertook a comprehensive review of Woolworths Financial Services, with particular focus on the impairment model and risk assessment accuracy
- Undertook a deep-dive review of trading densities to gain deeper insights into store profitability and space optimisation, to inform strategic discussions on approaches to maximise revenue across the store portfolios
- Approved the Group's Integrated Business Plan and strategic initiatives for 2025, to drive sustainable growth, operational efficiency, and market competitiveness

More detail is provided in the Strategy Report on pages 63 to 75.

RISK MANAGEMENT



The Board fulfilled its risk management obligations through the Risk, Information and Technology Committee, which comprises all Board members. This ensures:

- Direct oversight of risk management processes by the entire Board
- An integrated approach to risk, information, and technology governance
- Efficient decision-making on critical risk-related matters
- Alignment of risk management strategies with overall corporate objectives

At its quarterly meetings, the committee assesses emerging risks, reviews mitigation strategies, and monitors the effectiveness of the Group's risk management framework. Key focus areas included operational resilience in the face of macroeconomic challenges, and cyber-security.

More detail is provided in the Risk Report on page 48.

FINANCIAL OVERSIGHT



- Approved the FY2023 Annual Financial Results and the FY2024 Interim Financial Results, including the solvency and liquidity tests and going concern assessments, following comprehensive reviews by the Audit Committee
- Authorised the FY2023 final and FY2024 interim ordinary dividends to shareholders, balancing shareholder returns with the need for financial prudence. The dividend payout ratio was based on a payout ratio of 70% of Adjusted Headline Earnings, reflecting the Group's commitment to sustainable shareholder value creation
- Reviewed, discussed, and approved the Group FY2024 budget and integrated business plan refresh, taking further deteriorating macroconditions of the preceding months and the updated macroassumptions into account
- Monitored the Group's financial performance and capital management, focusing on key KPIs across all business units, and discussed capital efficiency and the Group's leverage position
- Approved the renewal of banking facilities for WSA and CRG

More detail is provided in our Results on pages 83 to 94.

Driving strategy, performance, risk management and financial integrity.

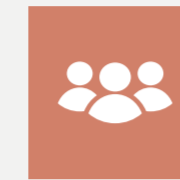
GOVERNANCE



- Approved the 2023 Integrated Annual Report, Good Business Journey Report, and Notice of Annual General Meeting, ensuring comprehensive disclosure and transparency
- Approved amendments to the Board Charter, Group delegations of authority matrix, and committee terms of reference, to enhance governance effectiveness
- Reviewed and approved various policies, including Director Appointment, Board Diversity, Conflict of Interest, Anti-Bribery and Corruption, Whistleblower, Sponsorship, Insider Trading, Price Sensitive Information, and the Code of Business Principles. These updates ensure alignment of the policies with best practices in corporate governance and regulatory requirements
- Reviewed the eligibility of and proposed directors for election and re-election to the Board, and non-executive directors for election to the Audit Committee, at the 2023 Annual General Meeting
- Reviewed and approved changes to the composition of Board committees and major subsidiary boards, to ensure an appropriate balance of skills and experience to optimise oversight
- Conducted a comprehensive review of Board and committee performance, confirming fulfilment of obligations under the Board Charter and Committee Terms of Reference
- Monitored progress on Board focus areas resulting from the 2023 independent evaluation, and agreed that all key objectives had been met
- Reviewed and discussed the results of the 2024 internal Board evaluation, agreeing on recommendations for further performance enhancements
- Successfully held the Group’s first hybrid Annual General Meeting in November 2023, which was well attended and participated in by shareholders
- Received regular updates on developments relating to the Companies Amendment Act and various iterations of the Amendment Bill to assess the implications of the proposed amendments on WHL

Driving effective governance through the Board’s robust oversight, comprehensive committee updates, policy reviews, and executive briefings.

TALENT AND SUCCESSION



- Held a deep-dive talent management and succession planning review for key positions and leadership development initiatives. It is considered business-critical to ensure a pipeline of capable leaders, enhanced employee engagement, and sustained high performance while mitigating the risk of losing critical talent in a competitive market, and potential challenges and opportunities
- Approved the appointment of Zaid Manjra as Group Finance Director, as well as his appointment to the Board and the Risk, Information and Technology and Treasury committees
- Oversaw the process to identify a successor to the Board chairman, who will step down at the Annual General Meeting in November 2024, and agreed to recommend Clive Thomson to shareholders for appointment as the WHL Board Chairman

More detail is provided in the People chapter of the Good Business Journey Report.

SUSTAINABILITY VISION 2025+



- Received comprehensive feedback from the Social and Ethics and Sustainability committees on performance relative to the Vision 2025+ goals that fall under their respective remits. The feedback highlighted progress in key areas while also indicating opportunities for improvement to ensure full alignment with our targets in 2025
- Received feedback from the Sustainability Committee chairman on the reprioritisation of the Group’s energy plan in the context of the rolling power outages and alternative approaches (wheeling) as renewable energy sources
- Discussed the progress of the climate transition plan to meet the commitment to net zero by 2040
- Received an update on sustainability trends and an overview of key topics at the 2023 Conference of the Parties (COP28) focusing on the climate and biodiversity crises

More detail is provided in the Good Business Journey Report.



Woolworths, Summer, 2024

STAKEHOLDER ENGAGEMENT



- Received feedback on the various investor engagements held post the year-end results, as well as investor road shows in the United States of America and United Kingdom, which provided insight into investor sentiment regarding the Group's performance and strategy, and key areas of interest and concern
- Received detailed feedback on shareholder engagement held by the Chairman, Lead Independent Director, Group Company Secretary, and Group Head of Remuneration and Benefits with institutional investors prior to the 2023 Annual General Meeting
- Received feedback on the 2024 Good Business Journey investor engagement session, which highlighted the Group's sustainability initiatives and aimed to improve understanding of the integration of the initiatives into the overall business strategy

More detail is provided in the Stakeholder Engagement Report on pages 41 to 47 and the Good Business Journey Report.

BOARD FOCUS AREAS IN 2025

1. Monitoring the Group's strategy realignment in accordance with the growth ambitions of each business
2. Reviewing the effectiveness of investment strategies in driving growth
3. Board, board committee and executive succession

BOARD ATTENDANCE FOR THE YEAR UNDER REVIEW

AC – Audit Committee

NomCo – Nominations Committee
R&IT – Risk, Information and Technology Committee

R&TMC – Remuneration and Talent Management Committee
SEC – Social and Ethics Committee

SC – Sustainability Committee
TC – Treasury Committee

Name of director	Date of appointment	Designation	Overall Attendance	BOARD	AC	NOMCO	R&TMC	R&IT	SEC	SC	TC	Directors standing for election/re-election
Hubert Brody ¹	01/07/2014	Chairman & Independent Non-executive	91%	4/4	-	4/4	3/3	4/4	3/3	2/2	2/4	-
Nombulelo Moholi	01/07/2014	Lead Independent Non-executive	100%	4/4	-	4/4	3/3	4/4	3/3	2/2	-	-
Roy Bagattini	17/02/2020	Executive	100%	4/4	-	-	-	4/4	3/3	2/2	4/4	-
Lwazi Bam ²	01/05/2023	Independent Non-executive	77%	3/4	2/3	-	-	3/4	-	-	2/2	-
Christopher Colfer	01/07/2019	Independent Non-executive	100%	4/4	3/3	4/4	3/3	4/4	-	-	-	-
Rob Collins ³	01/10/2022	Independent Non-executive	100%	4/4	-	-	-	4/4	-	1/1	-	-
Belinda Earl ⁴	01/07/2019	Independent Non-executive	100%	4/4	-	2/2	-	4/4	-	2/2	-	-
David Kneale	11/03/2019	Independent Non-executive	100%	4/4	-	4/4	3/3	4/4	-	-	-	-
Zaid Manjra ⁵	01/12/2023	Executive	100%	2/2	-	-	-	2/2	-	-	2/2	Election
Sam Ngumeni	12/02/2014	Executive	100%	4/4	-	-	-	4/4	3/3	2/2	-	-
Thembisa Skweyiya	11/03/2019	Independent Non-executive	100%	4/4	3/3	-	-	4/4	3/3	2/2	4/4	-
Clive Thomson ⁶	19/08/2019	Independent Non-executive	100%	4/4	3/3	2/2	2/2	4/4	3/3	-	4/4	-

¹ Chairman

² Appointed as a member of the Treasury Committee with effect 1 January 2024. Did not attend all meetings due to pre-existing commitments, which he advised the Board of prior to his appointment.

³ Appointed as a member of the Sustainability Committee with effect 1 January 2024.

⁴ Appointed as a member of the Nominations Committee with effect 1 January 2024.

⁵ Appointed as the Group Finance Director and a member of the Risk, Information and Technology and Treasury committees with effect 1 December 2023.

⁶ Appointed as a member of the Nominations and Remuneration and Talent Management Committees with effect 1 January 2024.

BOARD GOVERNANCE

CONTINUOUS BOARD DEVELOPMENT AND BUSINESS IMMERSIONS

The following activities took place during the year to augment the Board's understanding of the business, industry trends, and emerging challenges, as well as to keep the Board deeply engaged with the business:

- Visits to supply chain operations and stores in Johannesburg and the Cape Town metropolitan area, which facilitated direct interaction between the Board and 'on the ground' management to build deeper insights into the businesses and allow management to leverage the experience of non-executive directors
- Presentations by internal experts on sustainability issues affecting the Group and the retail industry, as well as immersion in supply chain processes, which provided a comprehensive overview of sustainable fashion practices, circular economy principles, and ethical sourcing strategies using the life cycle of garment and footwear production as examples
- Good Business Journey week and Inclusive Justice immersion events, which were also open to employees. The programme included a panel session with Professor Thuli Madonsela on the topic of, 'What role should corporates play in driving social justice in a deeply divided society?'
- Presentations by external analysts on the local socio-political landscape, emphasising pre- and post-election potential risk scenarios
- Insights from KPMG Australia on retail trends, with emphasis on the Australian macroeconomic landscape and emerging consumer trends
- Christmas launch hosted by our Food division to share products being developed for the forthcoming festive season, and highlight the Food product development team's innovation and product development expertise
- Deep-dive reviews of trading densities in South Africa and Australia to gain insights into store profitability and space optimisation, locations, and new 'store of the future' formats
- Deep-dive review of the Trenergy and Witchery brands to assess rebranding proposals, as well as the CRG Home strategy and proposed service reset
- Deep-dive review of the IT strategy, which highlighted new projects in data and analytics, digital innovation, and generative artificial intelligence
- Cyber-security briefing and review of the Group's digital resilience strategy
- Various forms of Board interactions to facilitate less formal engagement with management and emerging leaders within the Group

A Board Bulletin is published quarterly on the Board's digital platform (Diligent), comprising curated content that presents perspectives on macroeconomic trends and issues relevant to the strategy agenda.

2024 BOARD EFFECTIVENESS EVALUATION

Board effectiveness is assessed through annual evaluations, which enable the Board to reflect on its ways of working, and identify any areas where it can enhance its performance and effectiveness. The 2024 Board evaluation was internally facilitated given the independent external review conducted last year, in line with the Board's policy. Board committee evaluations were not conducted this year due to last year's findings of high effectiveness in fulfilling their mandates, and confirmation of their appropriate skills mix and expertise.

The focus of this year's Board evaluation was on how best to structure the Board's time and activities to build on the outcomes identified in 2023. The Board evaluation confirmed that the Board is effective and functioning well, with a strong sense of common purpose. Debates are open, respectful, and appropriately robust when required.

The Board nevertheless identified the following actions to enhance performance, and appropriate measures will be implemented to support their execution:

- Explore further avenues to enhance Board knowledge and perspectives on innovative developments in retail, apparel, and technology advancements, with specific focus on the broader use of artificial intelligence in the retail sector
- While acknowledging that the strategy process is well developed and articulated, the Board will continue to drive strategy execution and increase opportunities for more unstructured conversations on strategic issues
- Continue to engage with key talent, and create more opportunities to leverage the diverse expertise and experience of non-executive directors
- Continue to monitor the long-term view of executive succession, and the plan for nurturing talent and preparing senior executives for leading roles
- Maintain engagement with all business units, including those outside of core functions and in other geographies, and keep up to date with initiatives in WVentures and the rest of Africa to foster inclusion and awareness

2025 BOARD IMMERSION FOCUS AREAS

- Continued engagement with the business to gain valuable insights and diverse perspectives
- Ongoing insights into emerging trends in sustainability, with emphasis on climate change
- As identified in the 2024 Board evaluation, focus on developing deeper perspectives in retail and technology advancements, with specific focus on the broader use of artificial intelligence in the retail sector

CONFLICT OF INTEREST

Directors are required to act in good faith and in the Group's best interests. Our Board Conflict of Interest Policy (available on our website woolworthsholdings.co.za), which applies to the WHL Board and the boards of WSA and CRG, outlines how directors declare interests and manage potential conflicts of interest. Non-executive directors and the Group CEO must engage with the Board chairman before taking on new commitments that might conflict with their duties; executive directors must similarly engage with the Group CEO.

Directors and Group executives are not permitted to use their position or inside information for personal gain or to benefit related third parties, whether financially or otherwise. Directors are required to disclose any financial or other interest held by them or their related third parties on being appointed to the Board, and thereafter every quarter before each Board meeting, and whenever there have been any changes that are likely to result in or create a potential conflict of interest. They are also required to disclose at the commencement of every Board meeting any actual or potential conflicts of interest with matters to be considered at the meeting.

Detailed records of directors' interests are maintained and updated regularly. This includes the WHL Directors' Register of Interests, which is available on our website woolworthsholdings.co.za.

GROUP COMPANY SECRETARY

Chantel Reddiar continued in her role as Group Company Secretary and Board and committee adviser on governance matters. In this role, she is also responsible for engaging with the Board and committee chairs on meeting agendas, and ensuring compliance with Board and committee governance practices and relevant legislation and regulations. The Board has assessed Chantel's competence, qualifications, and expertise for her role, and confirmed that she is competent to perform the duties on behalf of a public company. In addition, the Board deems her to be suitably independent in accordance with the relevant practices recommended by King IV™, and is satisfied that an arm's-length relationship exists between it and the Group Company Secretary.

In addition to the company secretarial functions, Chantel is responsible for the Group's governance, risk, compliance, and legal functions, as well as communications and corporate affairs. She is supported by suitably qualified and experienced teams.

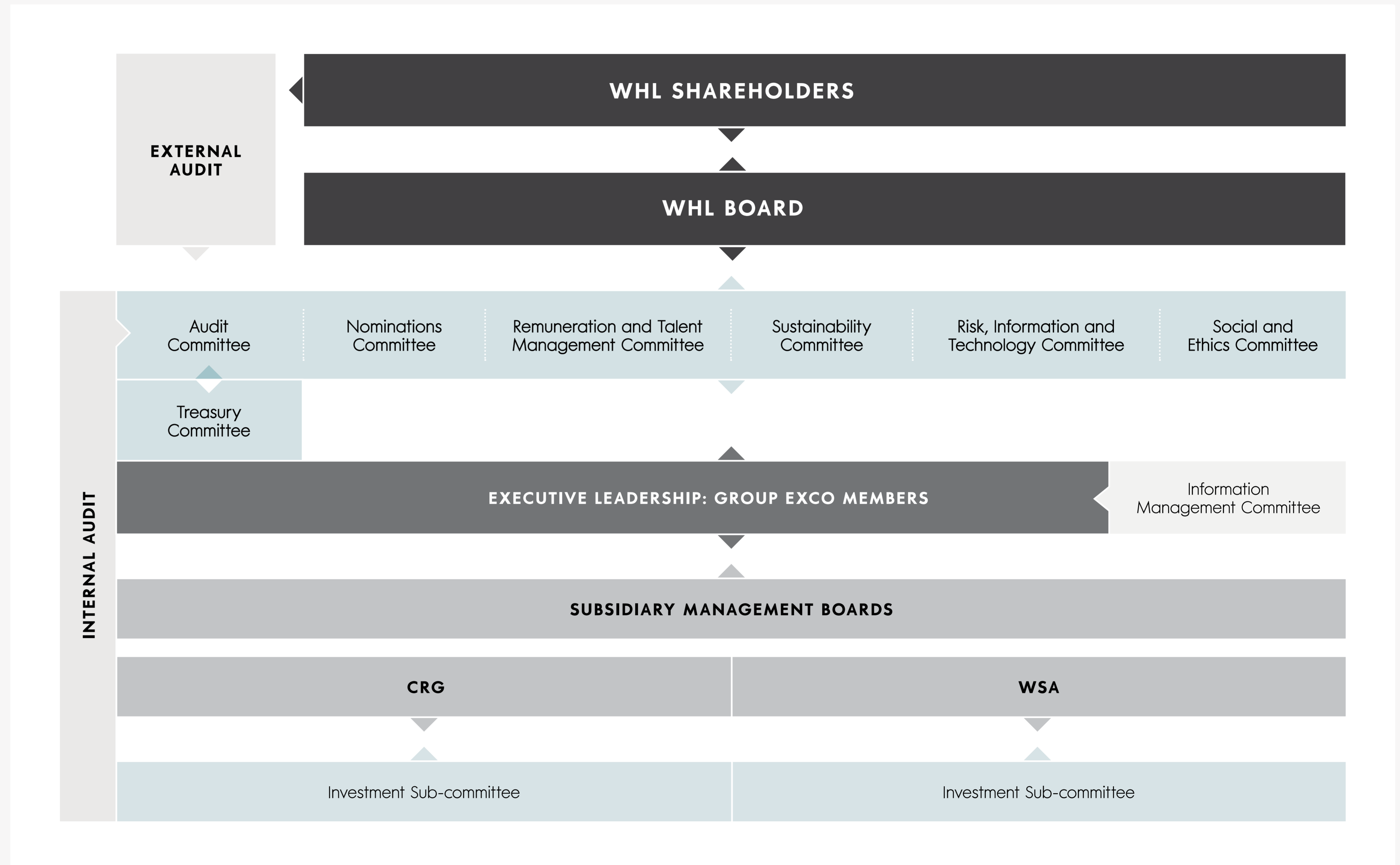
OUR GOVERNANCE FRAMEWORK

Our governance framework promotes collaborative decision-making across the appropriate levels, and enables proactive co-operation between the Board, its committees, Group Exco, and senior management.

The Board provides strategic leadership and oversight to ensure stakeholder value creation within a framework of robust controls and risk management. As the ultimate custodian of corporate governance, the Board is accountable for the Group's performance and ethical standards. To enhance its effectiveness, the Board delegates specific responsibility to Board committees, each operating under formal terms of reference that are reviewed annually. It also delegates specific authority to the Group CEO and the subsidiary management boards in formal documented delegations of authority, which the Board reviews annually.

Further details on the governance framework and the supporting processes and policies, such as the Board Charter, Committee Terms of Reference, and our governance policies, are available on our website woolworthsholdings.co.za. The Board committees' activities during the year are summarised on pages 24 to 30.

Our governance framework fosters collaborative leadership and strategic decision-making across all organisational levels.



NOMINATIONS COMMITTEE



COMPOSITION

The committee comprises only independent non-executive directors appointed by the Board. The Group CEO is invited to attend committee meetings, and the Group Company Secretary attends meetings to provide advice and support to the committee.



MEMBERS

Members: Hubert Brody (Chairman), Christopher Colfer, Belinda Earl, David Kneale, Nombulelo Moholi, and Clive Thomson

Membership changes: Belinda Earl and Clive Thomson were appointed with effect from 1 January 2024



4 SCHEDULED MEETINGS

MANDATE

The committee plays a key role in ensuring the Board's effectiveness and governance oversight. This includes overseeing Board member performance, the annual effectiveness evaluations, and ensuring an optimal Board composition to meet the Group's future strategic ambitions and potential risks. The committee further manages the Group CEO's performance, setting goals aligned with corporate strategy and monitoring progress against them. It also oversees succession planning for Group Exco and key leadership roles.

KEY MATTERS CONSIDERED AND APPROVED

- In preparation for the 2023 Annual General Meeting (AGM), considered shareholder feedback from the pre-AGM engagements
- Evaluated the Group CEO's performance for FY2023, agreeing that in most instances these had exceeded the requirements, and approved his FY2024 key performance goals
- Approved the 2024 Board evaluation approach and reviewed the subsequent feedback, which confirmed that the key focus areas from the 2023 evaluation had been addressed satisfactorily
- Approved steps to further enhance Board effectiveness in 2025
- Managed the succession process for the Board chairman
- Led the recruitment and appointment of two diversely experienced non-executive directors
- Considered the Group CEO and executive succession, and considered succession proposals and emergency succession alternatives
- Managed the composition of Board committees to maintain an appropriate balance of skills and experience

- Assessed the independence and performance of non-executive directors to ensure an independent and effective Board
- Reviewed the composition of the Audit Committee and the directors retiring by rotation, and nominated directors for election/re-election at the 2024 Annual General Meeting
- Reviewed the Board's governance policies (Appointment of Directors, Diversity, and Conflict of Interest policies) to ensure ongoing relevance in line with good governance practice and regulatory changes

Continued to drive Board and committee effectiveness, optimised Board composition, and monitored executive performance and succession planning to support the Group's strategic objectives.

2025 FOCUS AREAS

- Continue to adopt a proactive approach to Board succession to ensure that the Board is appropriately resourced to provide effective leadership and strategic guidance, and that its composition reflects its commitment to diversity and inclusion
- Monitor implementation of the proposals to further enhance Board effectiveness emanating from the 2024 Board evaluation to ensure that they result in further meaningful improvements
- Manage the 2025 external Board and committee evaluation process, and identify key focus areas or opportunities to enhance Board performance in FY2026, as appropriate



REMUNERATION COMMITTEE



COMPOSITION

The committee comprises only independent non-executive directors appointed by the Board. The Group CEO, Group People Director, and Head of Remuneration and Benefits are invited to attend committee meetings. The Group Company Secretary attends meetings to provide advice and support to the committee.



MEMBERS

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

Membership changes: Clive Thomson was appointed with effect from 1 January 2024



3 SCHEDULED MEETINGS

MANDATE

The committee ensures that the Group's remuneration is appropriately designed, fair, and market-related to attract, retain, and motivate talent. Its goal is to create a remuneration framework that supports the Group's strategic objectives and promotes sustainable value creation. In addition, it oversees succession planning for senior roles and high-potential employees, and ensures that appropriate development and retention strategies are in place.

KEY MATTERS CONSIDERED AND APPROVED

- Considered shareholder feedback from the 2023 AGM engagements, and decided on a more proactive engagement strategy in 2024, focusing on establishing a more informed understanding of the Remuneration Policy principles and the link to shareholder value
- Reviewed the long-term incentive targets with a view to recalibrating some of these based on shareholder feedback, and agreed that the construct of executive remuneration was in all other respects appropriate
- Received an update on the key initiatives of the People Value Proposition, and progress made regarding the rollout of Our Leadership Way across all business units
- Monitored progress in relation to the evolution of the Just Wage initiative after the achievement of the three-year targeted wage plan in October 2023, and supported management's proposals for ongoing improvements for store and supply chain employees

- Maintained oversight of regulatory developments (Companies Act amendments), and received updates on global developments relating to pay transparency, gender pay equality, and the global pay gap, as well as proposals on the living wage in South Africa
- Approved the overall remuneration budget for all employees, as well as the remuneration paid to the Group and subsidiary Exco members
- Reviewed material skills retention risks and management's mitigation plans
- Reviewed the succession planning for senior management and the bench strength for the top 40 roles in the Group
- Reviewed the talent landscape and progress on the key talent initiatives implemented during the year

Ensured that remuneration policy aligns with talent retention objectives, and promotes strategy execution and sustainable value creation

2025 FOCUS AREAS

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



AUDIT COMMITTEE



COMPOSITION

The committee comprises only independent non-executive directors appointed by shareholders. The Group CEO and Group Finance Director, and the heads of Risk and Compliance, Internal Audit, and Treasury and Tax, as well as the external auditors, are invited to attend committee meetings. The Group Company Secretary attends meetings to provide advice and support to the committee.



MEMBERS

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



SCHEDULED MEETINGS



AD HOC MEETINGS

MANDATE

The committee provides independent oversight of the effectiveness of internal financial controls, and the system of internal controls, to ensure the integrity of the Group's Annual Financial Statements and related external reports. It monitors the effectiveness of the Group's external and internal assurance functions to ensure the integrity of the Group's financial and integrated reporting. In addition, the committee is responsible for the appointment, compensation, and oversight of the external auditors, and assessing their independence and effectiveness.

KEY MATTERS CONSIDERED AND APPROVED

- Reviewed the FY2024 audited Annual Financial Statements (AFS) and related disclosures, and the unreviewed interim results, and recommended them to the Board for approval
- Reviewed quarterly finance reports, business performance reviews (including cost optimisation), the budget and integrated business plan, as well as solvency and liquidity, and going concern assessments to support the integrity of the financial results
- Monitored the effectiveness of the internal control framework on financial reporting to support the Chief Executive Officer and Group Finance Director annual attestation
- Reviewed Treasury Committee reports and recommendations relating to the FY2023 final and FY2024 interim dividends
- Received quarterly reports on the Group's tax position, and was satisfied that the Group was tax-compliant

- Monitored the refinancing of debt facilities across the Group, including a private placement of listed notes under the DMTN Programme, and recommended related financial assistance resolutions to the Board for approval
- Assessed whether the Integrated Annual Report presented a fair and balanced view of the Group, with any material issues reported appropriately
- Managed the relationship with the external auditor (KPMG), including monitoring their independence and effectiveness in relation to their audit quality and expertise
- Monitored the independence and effectiveness of the internal audit function in terms of its scope, execution of the audit plan, coverage, skills, resourcing, and overall performance
- Reviewed the appropriateness of the qualifications and experience of the Group Finance Director and the finance management team, and found them to be appropriate to fulfil their roles and to facilitate the preparation of reliable financial information
- Monitored reports for alignment with the framework of the Task Force on Climate-related Financial Disclosures (TCFD), and the JSE's Sustainability Disclosure Guidance and Climate Change Disclosure Guidance
- Reviewed the JSE's Report on Proactive Monitoring of Financial Statements and the significant areas relevant to WHL, and was satisfied with the processes in place to ensure that they would be adequately addressed
- Reviewed the governance policies that fall within the committee's mandate (Price Sensitive Information, Insider Trading, External Auditor, and Accounting and Audit Matters Complaints) to ensure ongoing relevance in line with good governance practice and regulatory changes
- Accepted responsibility for the role of the Audit Committee of South African subsidiary companies

2025 FOCUS AREAS

- Monitor macroeconomic volatility impacts on the Group's financial position and strategy
- Continue to monitor capital allocation decisions in line with the capital allocation framework, ensuring an appropriate balance between capex investments and the return of capital to shareholders
- Continue to ensure that financing decisions are aligned so as to maintain a strong balance sheet and achieve targeted gearing levels per business entity
- Monitor evolving sustainability reporting regulations, and ensure appropriate disclosure of financial information and assurance requirements in the Group's financial reporting



TREASURY COMMITTEE



COMPOSITION

The committee comprises three independent non-executive directors and three executive directors, appointed by the Board. The Group Company Secretary attends meetings to provide advice and support to the committee.



MEMBERS

Members: Clive Thomson (Chairman), Roy Bagattini, Lwazi Bam, Hubert Brody, Zaid Manjra, Thembisa Skweyiya, and Ian Thompson
Membership changes: Zaid Manjra and Lwazi Bam were appointed with effect from 1 December 2023 and 1 January 2024, respectively



MEETINGS

MANDATE

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

KEY MATTERS CONSIDERED AND APPROVED

- Continued to monitor the liquidity positions, gearing, and debt covenants of the Australian and South African businesses against forecasts in the context of volatile economic conditions
- Reviewed the dividend policy in light of inflationary pressures and high interest rates, and recommended interim and final dividends that balance shareholder returns and financial stability
- Evaluated the merits of share repurchases in the context of WHL share price forecasts and current market volatility, concluding that it was not an appropriate time to implement a repurchase programme
- Monitored the refinancing of debt facilities across the Group, including a private placement of listed notes under the DMTN Programme, and recommended approval
- Reviewed interest rate and foreign currency risks, and agreed to adjust hedging strategies and foreign exchange cover levels to mitigate increased volatility and potential currency fluctuations

- Monitored the ongoing sustainability-linked financing and banking facilities, the formulation of a new structure (a first of its kind in South Africa at the time) whereby enhanced deposit rates are applied if ESG key performance indicators are met, and the Group's delivery of its first set of ESG covenant results against the initial key performance indicators, which were all exceeded
- Reviewed the Group Treasury Policy and counterparty exposure limits, and recommended certain amendments
- Monitored the ongoing alignment of financial decisions, including banking facilities, with the sustainability strategy where possible

Proactively monitored treasury risks, liquidity positions, gearing and debt covenants amid dynamic macroeconomic conditions.

2025 FOCUS AREAS

- Continue to monitor the Group's capital structure, liquidity positions, balance sheet risks inclusive of stress testing, and all treasury-related exposures and risks in line with Group Treasury Policy
- Continue to monitor capital allocation and risks, ensuring that capital allocation decisions are based on the approved principles
- Monitor the Group's exposure to interest rate fluctuations and responsive measures, including hedging strategies



RISK, INFORMATION AND TECHNOLOGY COMMITTEE



COMPOSITION

The committee comprises all nine independent non-executive directors and all three executive directors of the Board. The heads of Risk and Compliance, Internal Audit, and Treasury and Tax, as well as the external auditors, are invited to attend committee meetings. The Group Company Secretary attends meetings to provide advice and support to the committee.



MEMBERS

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

Membership changes: Zaid Manjra was appointed with effect from 1 December 2023



MEETINGS

MANDATE

The committee assists the Board in the governance of risk, ensuring that risks are identified, assessed, managed, reported, and mitigated across the Group's Enterprise Risk Management framework. It oversees and holds management accountable for the implementation of effective risk management, including risk impacts on the achievement of the Group's strategic objectives. In addition, the committee is responsible for determining that the information and technology roadmap and investments support the Group's strategic objectives.

KEY MATTERS CONSIDERED AND APPROVED

- Continued to monitor the Group's key risks and trends in light of continued economic volatility and geopolitical instability to enable proactive risk mitigation
- Reviewed the key risk mitigation controls and adjustments to controls to enable appropriate responses and resilience to changing operating conditions
- Finalised the strategic risk profile at the annual strategic risk workshop, ensuring continued alignment with strategic objectives
- Reviewed the effectiveness of the risk management processes, and the adequacy and effectiveness of the Group's Business Continuity Programme, to ensure preparedness for disruptions and optimal business continuity during crisis
- Reviewed the information and technology (IT) strategic roadmap, including adoption of generative artificial intelligence, to ensure continued alignment of IT with business needs, and the promotion of operational efficiencies

- Monitored IT operational risk reporting and the appropriateness of risk management processes to reduce the likelihood of IT-related incidents and system failures
- Monitored the effectiveness of information security governance, systems, controls, and procedures to maintain the integrity of the Group's cyber-defences
- Reviewed the Information Management Committee's activities relating to information and data governance frameworks, information and data security management, and related policies and procedures
- Reviewed the processes and systems in place to prevent and detect fraud, and noted that no material fraud was detected during the year
- Reviewed the Group's insurance programmes that moderate against key insurable risks
- Recommended the updated Group Enterprise Risk Management Policy to the Board
- Reviewed and approved the Combined Assurance Model

Oversaw risk management to ensure strategic alignment, and that information and technology infrastructure and investments advance the Group's objectives.

2025 FOCUS AREAS

- Continue to scan the risk horizon for emerging risks and opportunities, as well as factors that could influence the Group's longer-term risk profile
- Continue to monitor the effectiveness of the risk management framework and measures to protect the Group against future disruptions
- Continue to monitor cyber-security measures to ensure increased resilience against cyber-threats and potential data breaches
- Monitor the management of risks associated with accelerated digital transformation to ensure smooth transitions and minimal operational disruptions
- Monitor data governance frameworks and controls to ensure appropriate protection and ethical use of personal data

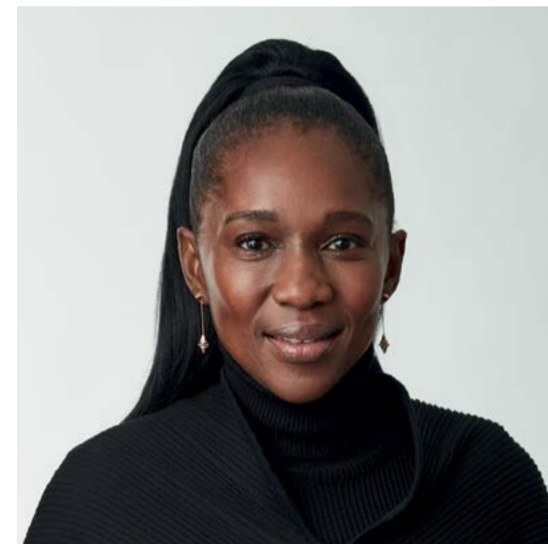


SOCIAL AND ETHICS COMMITTEE



COMPOSITION

The committee comprises four independent non-executive directors and two executive directors, appointed by the Board. The chief executives of Food and FBH, the Group People Director, and the heads of Strategy, Corporate Affairs, and Risk and Compliance are invited to attend meetings. The Group Company Secretary attends meetings to provide advice and support to the committee.



MEMBERS

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



MEETINGS

MANDATE

The committee assists the Board in fostering an ethical organisational culture and maintaining robust compliance standards to ensure responsible corporate citizenship. In overseeing the Group's conduct and approach to business, the committee performs the statutory duties according to the Companies Act; oversees the Group's compliance programme covering compliance risk management, health, and safety; and monitors performance relative to the Inclusive Justice pillar of Vision 2025+, focusing on people, social development, and health and wellness.

KEY MATTERS CONSIDERED AND APPROVED

- Reviewed the corporate targets for the BBBEE scorecard in South Africa, and tracked progress to ensure improved performance in FY2024
- Noted the high participation rates in the employee engagement surveys conducted in South Africa and Australia in early FY2024. While there had been a marginal decline in engagement in South Africa, with employee retention highlighted as a potential vulnerability, there was a converse improvement in Australia, notwithstanding the organisational changes after the sale of David Jones
- Monitored performance relative to the inclusive justice goals of the Vision 2025+ strategy, with particular reference to:
 - The action taken to embed inclusivity in our workplaces to improve employee engagement and satisfaction, ultimately increasing productivity and reducing turnover
 - The development of an Inclusive Justice Policy to guide the business in implementing inclusive justice initiatives in the rest of Africa, taking into account the nuances of local customs and norms
 - The effectiveness of employee mental health and wellness practices, assessing health and safety measures for employees and customers

- Employment equity plans and barriers to achieving equity and disability targets in South Africa, as well as actions to overcome these, including identifying ways to support the social integration of employees from other regions into the Western Cape, and specifically into Cape Town
- The Group's social development initiatives and their impacts, notably the Youth Makers competition that's aimed at supporting young entrepreneurs in growing their businesses
- Continued to monitor the impacts of the refreshed stakeholder engagement strategy to achieve improved outcomes and reduce reputational risk
- Reviewed the Group Anti-Bribery and Corruption Policy (for alignment with the OECD recommendations and current legislation), the Group Whistleblower Policy, and Code of Business Principles, as well as the approach to ongoing training and engagement in this regard
- Reviewed the analysis of the Group's supply chain practices, to ensure operational integrity and reduced supply chain disruptions through compliance issues
- Reviewed country-specific regulatory requirements in relation to:
 - The protection of human rights and, after considering the Group Human Rights Declarations, confirmed that the Group supports the elimination and abolition of all forms of forced, compulsory, and child labour
 - Modern slavery and Country Road Group's updates on Modern Slavery Statements to ensure ongoing compliance with the Australian Commonwealth Modern Slavery Act
- Reviewed the regulatory compliance framework, processes, and updates on regulatory changes in the regions in which the Group operates to ensure enhanced regulatory compliance, and to avoid fines and legal implications
- Approved the annual compliance monitoring plans and reviewed the compliance monitoring reports, including mandatory training details, to ensure an appropriate compliance culture and a reduced risk of non-compliance
- Recommended the updated Compliance Policy to the Board
- Accepted responsibility for the role of Social and Ethics Committees of subsidiary companies to ensure consistent ethical standards across the Group
- Continued to collaborate with the Sustainability Committee to ensure alignment between sustainability initiatives and ethical considerations

2025 FOCUS AREAS

- Continue to monitor progress against the inclusive justice goals of the Vision 2025+ strategy, focusing on people, social development, and health and wellness, to ensure the initiatives have a positive impact
- Monitor stakeholder engagement, fostering an evolution into more collaborative relationships to drive mutual value creation, enhance brand reputation, and contribute to sustainable business growth
- Continue to monitor the effectiveness of the compliance framework and approach to regulatory compliance to mitigate compliance risks and enhance operational integrity



SUSTAINABILITY COMMITTEE



COMPOSITION

The committee comprises four independent non-executive directors and two executive directors, appointed by the Board. The Group Finance Director, chief executives of Food, FBH, and Country Road Group, the Group People Director, heads of Strategy, Risk and Compliance, and Marketing, and the Chief Sustainability Officer are invited to attend meetings. The Group Company Secretary attends meetings to provide advice and support to the committee.



MEMBERS

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



MEETINGS

MANDATE

The role of the committee is to ensure that the Group's sustainability strategy positions the Group as a leader in responsible retailing in the markets in which it trades, that sustainability initiatives and objectives are effectively integrated into the business, and that the Group operates in an environmentally responsible manner.

KEY MATTERS CONSIDERED AND APPROVED

- Continued monitoring of climate change effects on the value chain to ensure strategic alignment, mitigate risks, and identify opportunities for sustainable practices
- Received updates on the evolving global sustainability reporting standards to ensure that our reporting practices remain current and compliant
- Received updates on the Group's performance relative to the internal sustainability targets under the Vision 2025+ strategy, with particular reference to:
 - Ethical sourcing initiatives to ensure responsible supply chain practices
 - Progress towards our zero-waste-to-landfill packaging commitments, to reduce environmental impacts and address growing consumer expectations for sustainable packaging
 - The Group's energy plan in the context of its approved science-based target and commitment to source 100% renewable energy by 2030

- Monitored progress regarding the combined assurance model on sustainability data to enhance the reliability and accuracy of the data being reported
- Reviewed and approved the sustainability materiality determination process and material issues identified
- Approved the scope of the limited assurance engagement and readiness review exercise for the 2024 Good Business Journey Report
- Considered the results of the biannual corporate reputation survey (covering environmental and social elements) to gain insights into stakeholder perceptions, including areas of success or improvement
- Received updates on local and global sustainability trends and news, as well as on environment-related legislation, to proactively adapt sustainability practices as appropriate
- Undertook a deep dive into circularity in the textile industry to better understand the challenges and opportunities in transitioning to a more circular model
- Continued to collaborate with the Social and Ethics Committee to promote a holistic approach to corporate responsibility and sustainability practices
- Reviewed key sustainability risks, as identified and reported to the Risk and Compliance Committee, to ensure the integration of sustainability considerations into overall risk management processes

Continued to drive the Group's sustainability leadership through integration of environmental stewardship into core business operations.

2025 FOCUS AREAS

- Continue to monitor progress against Vision 2025+ goals to ensure that the Group's sustainability strategy positions us as a leader in responsible retailing in the countries in which we trade
- Ensure the effective integration of sustainability initiatives and objectives into core business operations and decision-making processes
- Foster a culture of innovation focused on sustainability challenges and opportunities
- Ensure that the Group continues to operate in an environmentally and socially responsible manner, with an emphasis on promoting responsible consumption, production systems, and behaviours



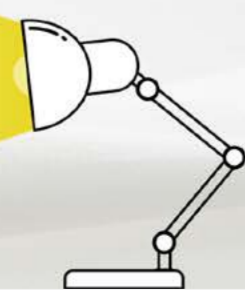
HOW WE EMBED ETHICS INTO OUR CULTURE

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

GOVERNANCE OF ETHICS

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

GOVERNANCE ACADEMY



AWARENESS AND TRAINING

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

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

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

OUR GUIDING PRINCIPLES

Our actions are guided by the following principles:

- We are committed to complying with all national legislation and regulations applicable in the regions in which the Group operates. We have an established compliance process that is key to embedding a compliance culture across the Group – for more on compliance refer to the compliance function section below
- We avoid direct, perceived or potential conflicts of interest and our Conflicts of Interests Policies and regular Governance Conversations guide us to do the right thing when we face ethical dilemmas
- We do not trade in the Company's shares during closed or prohibited periods; and our directors, employees, and any of their families and/or associates are not permitted to use price-sensitive information to gain an advantage. Specific guidance in this regard is provided in the Insider Trading and Price Sensitive Information policies
- Prior clearance to trade in the Company's shares during open periods must be obtained by all directors of the Company and subsidiaries, the Group Company Secretary, members of Group Exco, and their investment managers dealing on their behalf
- The giving of gifts or favours or making of facilitation payments in an effort to sell products or services or to influence business, labour or governmental decision-making is strictly prohibited. In addition, employees may not accept gifts or favours from any business partners, suppliers or other vendors. Our Group Anti-bribery and Corruption Policy and the Supplier Code of Business Principles provide guidance in this regard
- Sponsorships or donations are managed strictly in accordance with the Group Sponsorship Policy, and any direct or indirect contributions to any political party, committee or candidate for public office are strictly forbidden
- We respect human rights and dignity, and are intolerant of any form of discrimination and inequality. Our commitment to human rights is entrenched in our internal policies and practices. As signatories to the UN Women's Empowerment Principles and the United Nations Global Compact, we are committed to observing the principles advocated by these forums
- We hold our business partners, including suppliers, to the same standards, and require them to respect human rights, practice high labour and safety standards, and exercise due care in the use of environmental resources and in their animal husbandry practices. They are also required to adhere to our zero tolerance for bribery and corruption, child labour, and slavery. Our Supplier Code of Business Principles, policy statements, and ethical sourcing guides give further context to these requirements
- We provide reporting channels for our employees or third parties to safely (anonymously or confidentially) report to an independent third-party service provider, without fear of retribution, any concern about or knowledge of fraud, or a violation of Group practices, policies, laws or regulations. Details on how to report a concern are set out in the Group Whistle-blower and the Accounting or Audit Matters Complaint policies.

COMPLIANCE

The Board is ultimately accountable for compliance risk, and for ensuring the adequacy of Group systems of governance, risk, and compliance control that are implemented to comply with regulatory requirements. The Board has delegated responsibility for the function to the Social and Ethics Committee, which ensures that:

- The Group has an independent and effective compliance function
- The necessary controls are in place to comply with regulatory requirements

The committee receives reports on the level of compliance risk, as well as compliance findings and their resolution. Reports also include overviews of the regulatory environment, appropriate responses to changes and developments, emerging trends, and detailed engagements and relationships with regulators.

The compliance function is responsible for assessing compliance obligations, prioritising them based on compliance risk assessments, and developing control measures to ensure compliance obligations are met. It is also accountable for creating and nurturing a compliance management culture through the provision of regulatory advisory services, training and awareness campaigns, and complaints management.

Our risk, audit, and compliance functions operate in close collaboration, creating an integrated approach to risk management. This approach aligns with our combined assurance model, and ensures comprehensive oversight and resilience across the Group.

ANNUAL COMPLIANCE CERTIFICATE AND KING IV™ COMPLIANCE

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

The annual compliance certificate confirming the Group's compliance with the JSE Listings and Debt Listings Requirements for the reporting period was submitted to the JSE on 26 September 2024.



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 Integrated Annual Report. Please contact InvestorRelations@woolworths.co.za