

WOOLWORTHS HOLDINGS LIMITED

INTEGRATED ANNUAL REPORT

2024

START




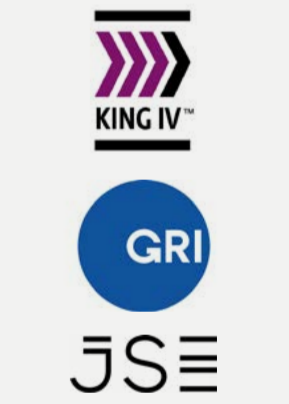

OUR INTEGRATED ANNUAL REPORT

*Woolworths Holdings Limited
(‘WHL’ or ‘the Group’)
is pleased to present its 2024
Integrated Annual Report*



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 Annual Report 	<p>Our Integrated Annual 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 Statements 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.</p> <p>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"> IFRS® Accounting Standards as issued by the International Accounting Standards Board (IASB®) (IFRS Accounting Standards) 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 Annual 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 2024 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.

HOW WE APPROACH OUR REPORT WITH INTEGRATED THINKING

Integrated thinking enables us to create and preserve value as we fulfil our purpose of adding quality to life.

Our Integrated Annual Report suite is drafted by senior members of the Group Strategy and Investor Relations, Governance, Risk and Compliance, Human Resources, Good Business Journey, and Finance teams who are engaged and well-versed in the various reporting requirements. Our reports are informed by detailed management and Board reports, interviews with management, and stakeholder engagements.

We apply materiality to determine the scope and content of our report to include issues that the Board and management consider to be material to our Group, and which could impact our future ability to create and sustain value. It ensures that the reports we publish provide stakeholders with useful information to make informed decisions.

We identify material matters through engaging with various stakeholders, as outlined on pages 41 to 47, obtaining input from our businesses, assessing our risks and opportunities in our operating environment, and engaging with the WHL Exco and the WHL Board. The material matters, as described on pages 55 to 56, inform our strategies, as outlined on pages 63 to 75, as well as the short-, medium-, and long-term targets to which we hold ourselves accountable in delivering our strategies.

OUR INTEGRATED ANNUAL REPORT

SCOPE OF THE REPORT

The scope of this report incorporates the financial reporting boundary of the Group – the financial performance relating to the Group; our wholly owned subsidiaries; our associates; Woolworths Financial Services (WFS), which is accounted for as an equity-account joint venture; and our operations throughout South Africa, the rest of Africa, Australia, and New Zealand.

BOUNDARY OF THE REPORT

The boundary of the report extends beyond our Group to include the material issues, risks, opportunities, and outcomes arising from the external environment, the retail landscape, other organisations, and stakeholders, including but not limited to employees, customers, suppliers, business partners, and communities, which can significantly impact our ability to create value over the short, medium, and long term.

REPORTING FRAMEWORK

We are committed to integrated reporting and have adopted the International Integrated Reporting Framework ('the Framework'). In addition, the report is aligned to the requirements of the King IV™ Report.

In compiling the report, we have further considered information included in previous reports, internal management and Board reports, and legislative reporting requirements, including the Companies Act, JSE Listings Requirements, and JSE Debt Listings Requirements. Other reporting frameworks applied include the GRI Standards and IFRS Accounting Standards, where they are relevant to sustainability and financial reporting, respectively.

COMPARABILITY

The Group manages its retail operations on a 52-week basis. The 2024 financial year, however, includes a 53rd week. This happens approximately every six years in order to align the trading and reporting calendars. Therefore, our statutory financial results for the 2024 financial year have been prepared on a 53-week basis.

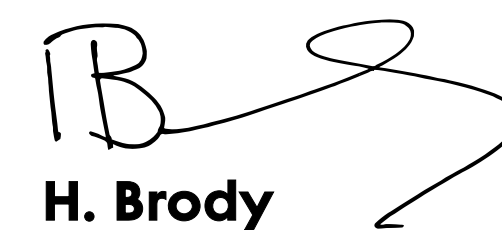
Further, the Group disposed of its David Jones operations during the third quarter of our 2023 financial year. The Group results for the current financial year also include Absolute Pets (within the Woolworths Food segment), which was acquired on 1 April 2024. Accordingly, the Group's results for the current period, which also has an additional week, are not directly comparable to that of the prior period. To facilitate comparison against the prior year, the majority of the commentary in this report relates to a pro forma 52-week period of continuing operations.

FORWARD-LOOKING STATEMENTS

Certain statements in this report may constitute forward-looking statements, which, 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 in interpreting these types of statements in the report.

APPROVAL OF REPORTS

The Board acknowledges its responsibility for ensuring the integrity of the Integrated Annual Report. The content of this report is consistent with the indicators used for our internal management and Board reports.



H. Brody

Chairman; Independent Non-executive Director



R. Bagattini

Executive Director; Group CEO



L. Bam

Independent Non-executive Director



C. Colfer

Independent Non-executive Director



D. Kneale

Independent Non-executive Director



S. Ngumeni

Executive Director; Chief Executive Officer; Woolworths Food



Z. Manjra

Group Finance Director



N. Moholi

Lead Independent Director; Independent Non-executive Director



R. Collins

Independent Non-executive Director



B. Earl

Independent Non-executive Director



T. Skweyiya

Independent Non-executive Director



C. Thomson

Independent Non-executive Director

The Board has considered the operating context, stakeholder engagement, material matters, strategy, and our value creation model, and is confident that it provides an accurate, fair, and balanced view of the Group and its prospects over the short, medium, and long term.

The 2024 WHL Integrated Annual Report was approved by the Board on 27 September 2024.

REVIEWED AND APPROVED BY THE BOARD FOR RELEASE TO STAKEHOLDERS

The AGM Notice ('Notice') will be available online and sent to all shareholders by no later than 30 September 2024. The Notice, along with all our reports and other supporting documents and compliance information not included in the reports, can be accessed on our corporate website www.woolworthsholdings.co.za

NAVIGATING OUR REPORT

NAVIGATING OUR REPORT

In commitment to our Good Business Journey, this report is only available digitally. It is interactive and can be navigated using the tools depicted below:



CLICK TO DOWNLOAD OR UPDATE

OUR CAPITALS OF VALUE CREATION

The Framework has identified six forms of capital that impact either the creation or diminution of value in a business: financial, manufactured, intellectual, human, social and relationship, and natural capitals. In alignment with the Framework, our report discusses how we use or impact these capitals in our business activities to create value for our stakeholders, their interdependencies, and the considered trade-offs we make between them, with specific detail on [pages 33 to 38](#). We have defined the capitals and how they relate to our business as detailed below:

F FINANCIAL CAPITAL
Funding received from providers of capital and debt and the financial resources available to the Group

M MANUFACTURED CAPITAL
The infrastructure, including physical stores, distribution centres, and digital platforms throughout southern Africa, Australia, and New Zealand, that enables us to provide differentiated in-store and digital customer journeys

I INTELLECTUAL CAPITAL
The skills, knowledge, and the enabling systems, processes, intellectual property, and brands that provide us with a competitive advantage

H HUMAN CAPITAL
Our employees' skills, capabilities, experience, training, and development which allow us to successfully execute our strategy and meet our customers' wants and needs

S SOCIAL AND RELATIONSHIP CAPITAL
The relationships we have with our stakeholders, including our customers, suppliers, business partners, communities, and other stakeholders

N NATURAL CAPITAL
Natural resources actively and responsibly managed in our direct operations, and our influence on the responsible use of these resources in the supply chain

OUR STAKEHOLDERS

We have numerous stakeholder groupings that directly or indirectly impact our Group and our related 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, and that these relationships are key to a more sustainable and successful business and future. We discuss our stakeholders' needs, wants, and expectations, and how we incorporate these into our value-creation process, throughout this report, with a summary on [pages 41 to 47](#). Our stakeholders are denoted with the icons below:



Customers



Suppliers



Shareholders



Communities and other



Academic institutions



Employees



Media



Debt funders



Industry organisations



Government and regulators

OUR STRATEGY

We have identified eight strategic Group themes, which respond to feedback from stakeholder engagement, the material issues identified, and the associated risks and opportunities.

We remain confident that our strategies will deliver future-fit businesses that will return long-term profit growth and create sustainable value for all our stakeholders, and are relentlessly focused on their successful execution. Our strategies are discussed in more detail on [pages 63 to 74](#) and referenced within our report with the following icons:



Leading and iconic Food business



Fashion turnaround and growth in Beauty and Home



Unlock and create value in our Australian businesses



Data-driven decision making



Elevated omnichannel experience



Cost efficiency and operational excellence



People and leadership



CONTENTS



'24

GROUP OVERVIEW

Our vision is to be one of the world's most responsible retailers.

Woolworths Holdings Limited (WHL) is listed on the Johannesburg Stock Exchange and is uniquely diversified in both geography and category.

The WHL businesses provide trusted, high-quality, and predominantly private-label brands that leverage our significant intellectual property and innovation capabilities, which have been built up over decades.



R76.4BN
Turnover and concession sales

R4.5BN
Adjusted profit before tax



Our Good Business Journey is embedded in everything we do and is a key differentiator for our Group.

ADJUSTED EBIT BY CATEGORY

56%
Food

40%
Apparel, Beauty and Homeware

4%
Financial Services

ADJUSTED EBIT BY GEOGRAPHY

1 594
Store locations in 14 countries

38 623
Employees

89%
Africa

11%
Australia

OUR PURPOSE, VISION, AND VALUES

OUR PURPOSE

ADDING QUALITY TO LIFE

Exceptional quality in every product we sell and every experience we deliver, to our customers and our people

OUR VISION

TO BE ONE OF THE WORLD'S MOST RESPONSIBLE RETAILERS

Reflects our passionate commitment to doing good business, for our customers, our people, and our planet

OUR VALUES

Our values are deeply embedded across our Group. They describe who we are and how we act. From values-based leadership to passionate brand advocacy, they inform and underpin the way we interact and operate in all our businesses.

CUSTOMER OBSESSED

means that, in our world, the customer always comes first

INSPIRATIONAL

says we are always looking ahead and taking the lead

BEING RESPONSIBLE

is about doing the right thing – always value with values

COLLABORATIVE

means we are one team working together

QUALITY

is the heart of our business. We are committed to quality, in whatever we do, wherever we do it

OUR HISTORY

Our Group is built on a rich legacy of trusted, quality brands.

First Woolworths store opens

Max Sonnenberg opens the first Woolworths store in Plein Street, Cape Town

Country Road brand founded

Manufacturer and supplier of women's casual cotton shirts



Woolworths publicly announces the Good Business Journey

WHL acquires David Jones

David Jones is not only Australia's oldest department store but also the oldest department store in the world still trading under its original name

WHL acquires remaining shares in CRG



inclusive justice initiative

As a 90-year-old brand with a history to prove its pioneering spirit, Woolworths is poised to take the lead on a whole new level with its Inclusive Justice Initiative



<p>1931</p> <p>Woolworths lists on The Stock Exchange</p> <p>Shares cost 1 pound each (R2)</p>	<p>1934/35</p> <p>Second Woolworths store opens in Durban</p> <p>Two more stores open in Port Elizabeth and Johannesburg</p>	<p>1936</p> <p>Woolworths takes a stand against segregated entrances</p>	<p>1960</p> <p>Woolworths introduces its store card</p>	<p>1974</p> <p>Woolworths makes it easy for customers to give back by teaming up with MySchool (MyVillage and MyPlanet only came into existence in 2006)</p>	<p>1994</p> <p>Woolworths introduces its store card</p>	<p>1997</p> <p>Woolworths makes it easy for customers to give back by teaming up with MySchool (MyVillage and MyPlanet only came into existence in 2006)</p>	<p>1998</p> <p>WFS JV between Woolworths SA and Barclays Bank (Absa Group Limited)</p>	<p>2000</p> <p>Country Road brand re-launches</p> <p>Evolves into leading lifestyle brand renowned for stylish, high-quality apparel, accessories, and homeware</p>	<p>2004</p> <p>Woolworths pioneers Farming for the Future</p>	<p>2007</p> <p>Country Road enters SA market with concessions in Woolworths stores</p>	<p>2008</p> <p>CRG launches Trenerly</p> <p>For customers who appreciate the beauty of simple, sophisticated collections that are modern in approach and classic in style</p>	<p>2009</p> <p>CRG acquires Witchery</p> <p>An Australian 'style authority' fashion brand</p>	<p>2010</p> <p>Woolworths launches WRewards</p>	<p>2012</p> <p>CRG acquires Mimco</p> <p>Offering accessible, luxury accessories with a quirk</p>	<p>2014</p> <p>DJ and CRG join Woolworths on the Good Business Journey</p>	<p>2015</p> <p>CRG acquires Politix</p> <p>A leading Australian menswear brand</p>	<p>2016</p> <p>WHL acquires 93.45% of the shares in Absolute Pets</p>	<p>2018</p> <p>David Jones celebrates its 180th anniversary</p>	<p>2020</p> <p>As the world grapples with the Covid-19 pandemic, the businesses launch numerous digital initiatives to ensure customers' needs are met</p>	<p>2021</p> <p>WHL sells David Jones – a transformational transaction that unlocks significant value for the Group</p>	<p>2022</p> <p>WHL lists its ordinary shares on the secondary exchange, A2X</p>	<p>2023</p> <p>For future generations: Woolworths announces the next set of bold sustainability targets for 2025 and beyond</p>	<p>2024</p> <p>WHL acquires 93.45% of the shares in Absolute Pets</p>
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Over 90 years of quality, innovation & sustainability

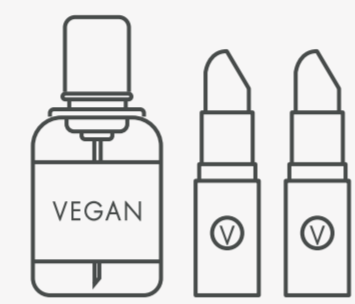
OUR GOOD BUSINESS JOURNEY

We have a vision to be one of the world's most responsible retailers; this requires us to make a profound and positive impact on the lives of our employees, the communities in which we operate, and the broader environment.



2007
GBJ programme officially launches

2008
Beauty Without Cruelty approves the entire Woolworths private label range of cosmetics and toiletries. In 2019, the WBeauty range becomes vegan





2009
Woolworths Farming for the Future and Fishing for the Future programmes launch

2010
Woolworths becomes the first South African company to become a member of the Roundtable on Sustainable Palm Oil



2011
WHL Group is named as one of the 16 Sustainability Champions in the Developing World by the World Economic Forum



2012
Partnership between Woolworths and the World Wide Fund for Nature South Africa (WWF-SA) launches, the first initiative of its kind for African retail

2013
Woolworths joins SEDEX, a unique, innovative, not-for-profit web-based platform that helps companies to manage ethical supply chain risk. Country Road Group and David Jones subsequently join too

2014
Woolworths joins the Better Cotton Initiative, followed by Country Road Group in 2016



2015
WHL Group joins Canopy and the Leather Working Group, and Woolworths joins the Round Table on Responsible Soy

2016
GBJ strategy is rolled out to Country Road Group and David Jones, and for the first time, Group-wide goals to 2020 are announced

2017
WHL Group becomes the first retailer to sign up to the EP100 initiative to double energy productivity by 2020, a target which we significantly outperformed

2018
WHL Group launches new packaging commitments to phase out single-use plastic shopping bags, and to ensure that all our packaging is reusable or recyclable



2019
WHL Group becomes the first African retailer to have an approved science-based target, and the first African company to sign up to the Ellen MacArthur Foundation's New Plastics Economy Global Commitment

2020
R3.5BN WHL Group exceeds its five-year goal to contribute to our communities across Africa, Australia, and New Zealand

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



2022
WHL becomes the first South African retailer to sign up to the UN Women's Empowerment Principles



2023
In August 2023, Woolworths maintains its status of being the leading brand for sustainability in South Africa and is listed in Kantar BrandZ's top 10 most valuable brands in South Africa

2024
Woolworths receives a special recognition award from Compassion In World Farming for 20 years of leadership in championing cage-free systems for laying hens

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OUR GROUP

Our Group consists of two omni-channel 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, Trenerly, 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 private label range of 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



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

BASED IN:

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



102 000M²

trading space across 653 store locations

2.4M active loyalty members, tracking 74% of sales

5 603 employees



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 and
Treasury Committees

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

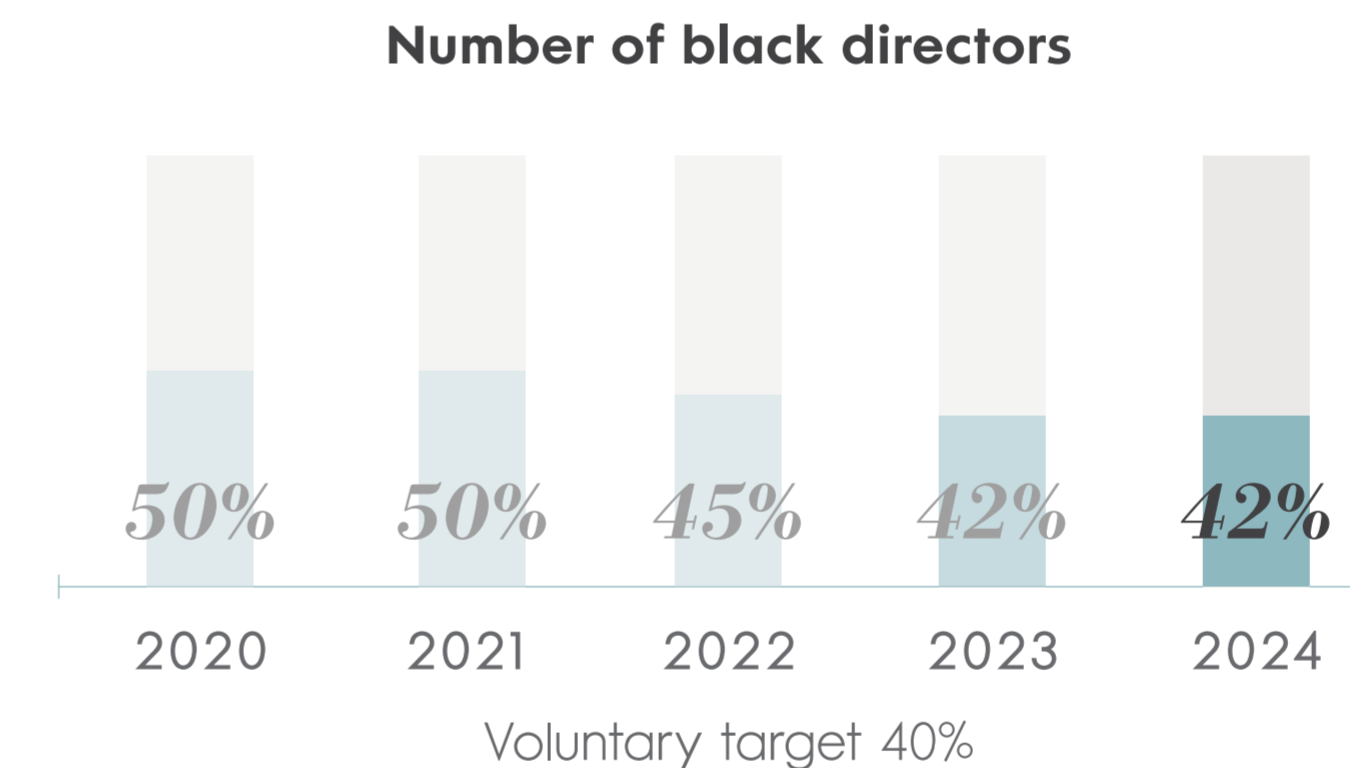
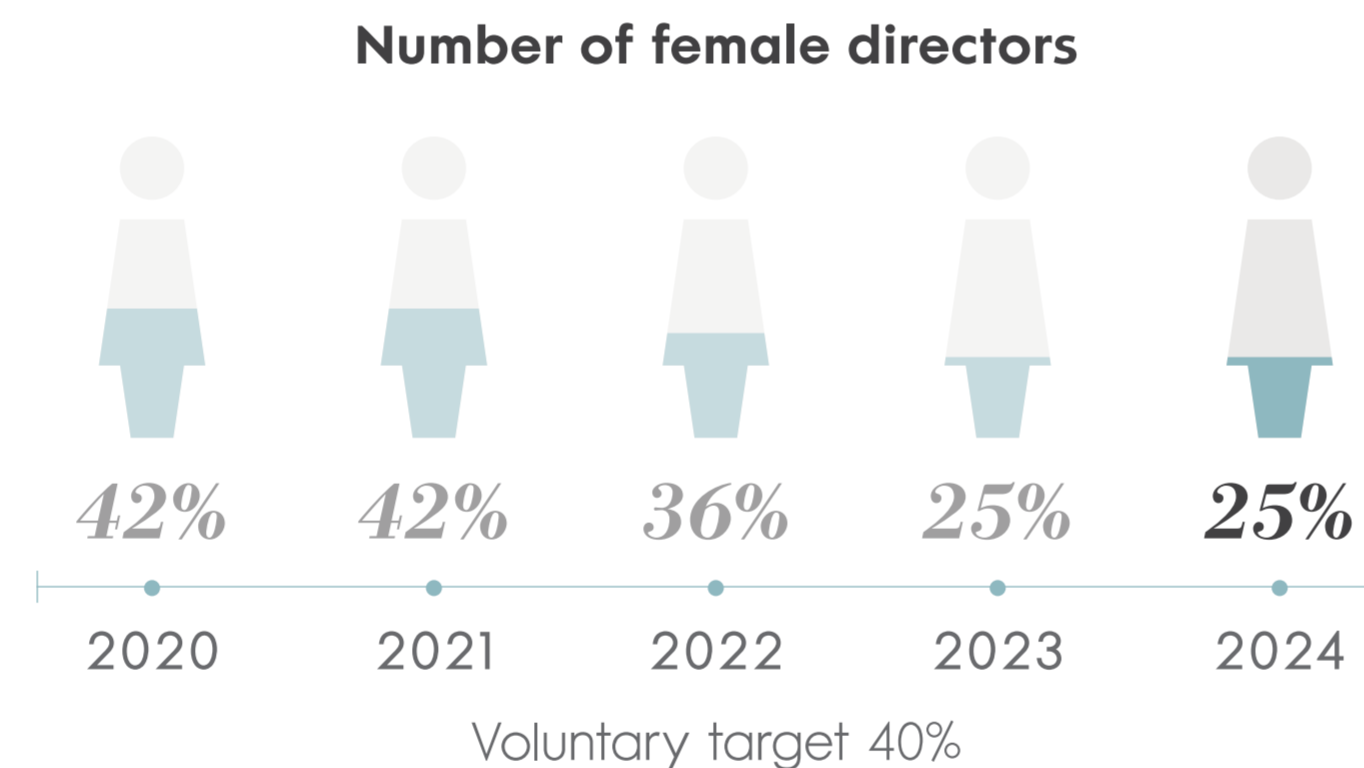
GOVERNANCE PRINCIPLES

- 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.

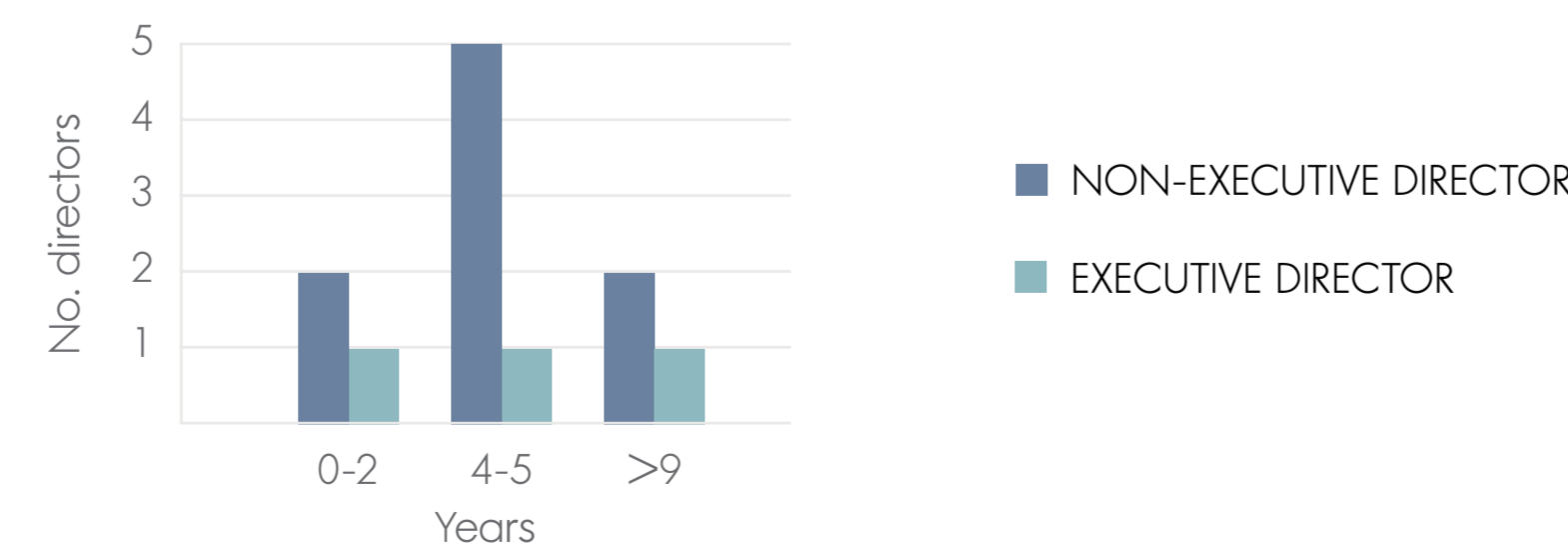
The Board's black member representation has been strengthened with the appointment of two new directors, one being female, as announced with our FY2024 results.



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.

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

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.

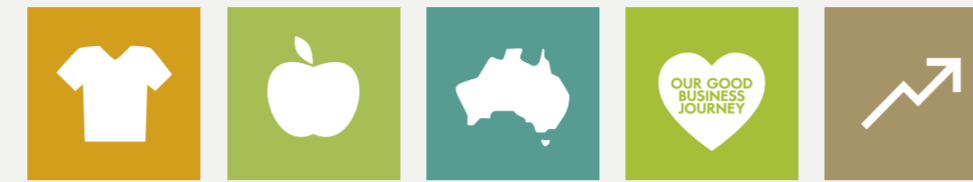
KEY BOARD DISCUSSIONS AND MATTERS APPROVED IN 2024

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.

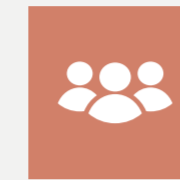
GOVERNANCE



- 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.

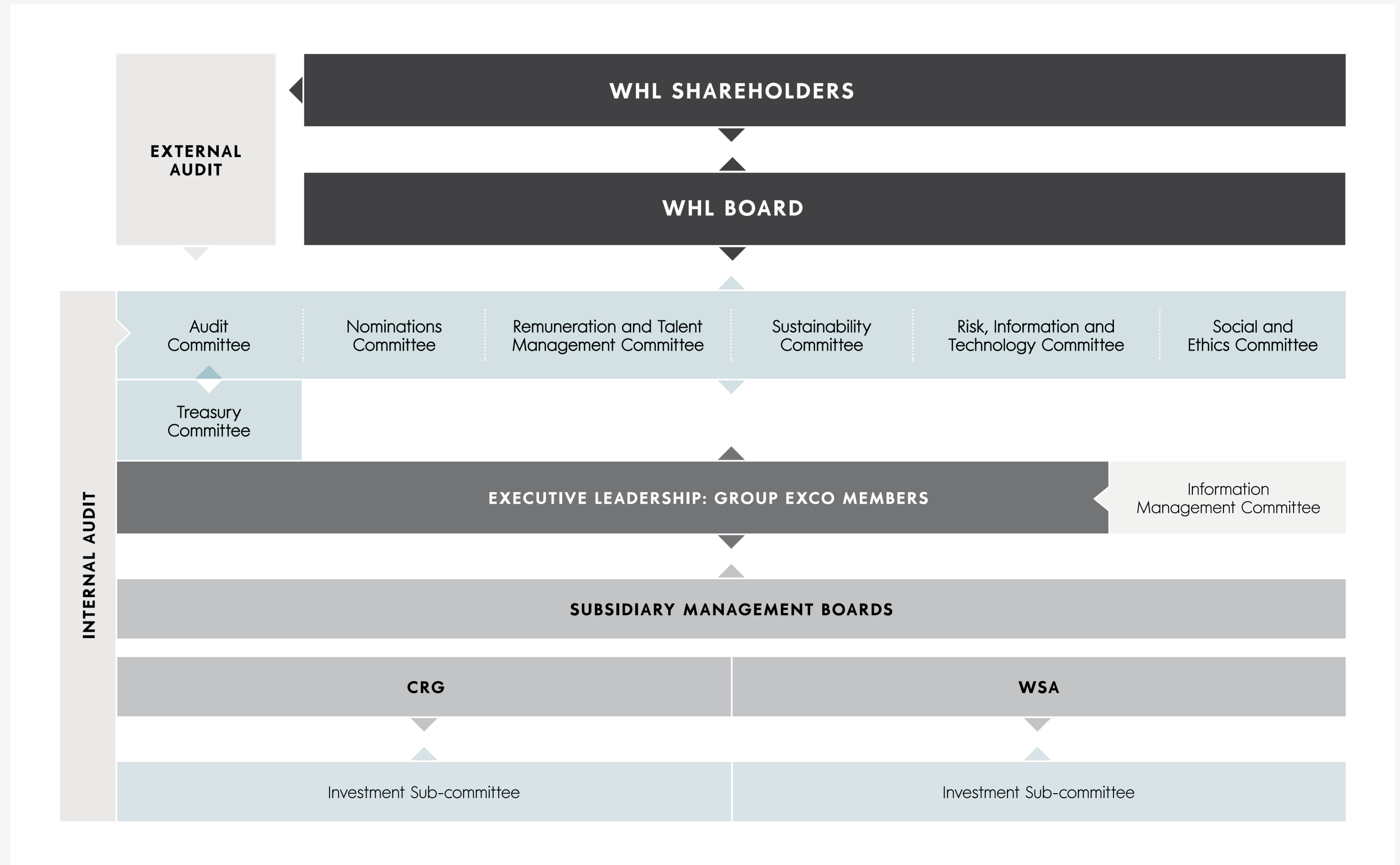
OUR GOVERNANCE FRAMEWORK

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

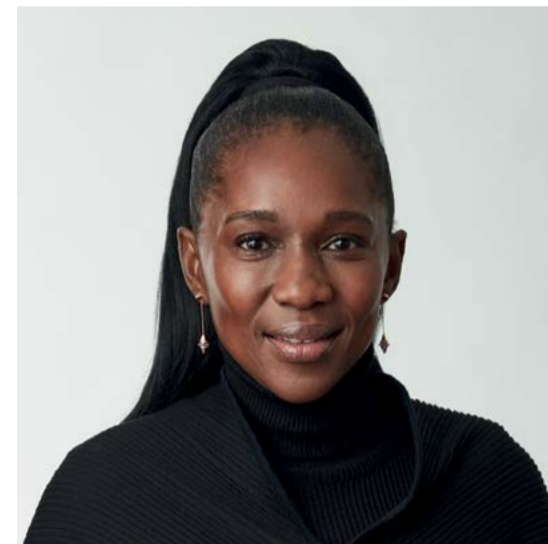


SOCIAL AND ETHICS COMMITTEE



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



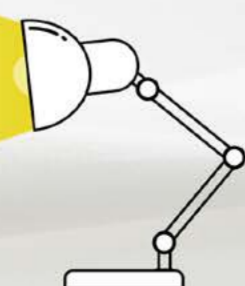
HOW WE EMBED ETHICS INTO OUR CULTURE

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.





OUR APPROACH



CLICK ON BOX TO GO TO THAT SECTION

OUR VALUE-CREATING BUSINESS MODEL

Our business model is differentiated by our competitive advantages, including our trusted brands, which provide high-quality, predominantly private-label merchandise; intellectual property and innovation capabilities built over decades; the diversification of our Group, both in terms of category and geography; and our market-leading Good Business Journey, which is embedded in everything we do.



Our business model is underpinned by strong governance oversight and commitment to the highest standards of governance, ethics, and integrity, and uses our capitals to optimise sustainable value creation for all our stakeholders.

OUR TRADING ENVIRONMENT

There are several factors that impact our operating environment that are partially or wholly beyond our control. We mitigate the negative impact of these factors where we can, while actively managing aspects within our control through our business model and related strategies.

WITHIN OUR CONTROL

- Our product offering
- Operational efficiencies and synergies
- Cost management
- Relationships with our stakeholders
- Responsible use of natural capital, governed by our Good Business Journey

BEYOND OUR CONTROL

- International markets and exchange rate volatility
- Global supply chain disruptions
- Local macroeconomic factors
- Climate and weather patterns

OUR CUSTOMERS

While we appeal to a broad range of customers, our main target market is the mid- to upper-income consumer. We have strong customer relationships, which are enabled by the insights we derive from our rich customer data, attractive loyalty programmes, and differentiated customer experiences. We connect with our customers seamlessly and conveniently through multiple store formats and digital shopping sites, and through compelling and increasingly personal marketing campaigns and communications.

OVERVIEW OF CAPITALS AND ACTIVITIES

OUR CAPITAL INPUTS

F

FINANCIAL CAPITAL

- 46 641 (FY2023: 48 555) shareholders
- 91% public (FY2023: 91% public)
- 25% (FY2023: 28%) based offshore
- R10.9bn (FY2023: R12bn) shareholders' funds
- R12.9bn (FY2023: R10.3bn) net gearing, including lease liabilities
- More than 80% of debt is sustainability-linked

H

HUMAN CAPITAL

- Experienced leadership team guiding our diverse and talented workforce of 38 623 (FY2023: 38 732) employees
- Fair and responsible remuneration with R10.3bn (FY2023: R12.9bn) guaranteed pay and related benefits
- Investment in training and development of R210m (FY2023: R207m) across the Group
- Group-wide Inclusive Justice Initiative (IJI), aiming to inspire inclusive growth for all our people
- Values-driven corporate culture underpinned by strong compliance and governance culture

M

MANUFACTURED CAPITAL

- 1 594 (FY2023: 1 354) store locations and seven (FY2023: six) online platforms
- Six distribution centres, three cross-dock facilities, one outsourced FBH online fulfilment centre, and one Food dark store in South Africa; and one national Omni-channel Fulfilment Centre in Australia
- Ongoing investment to future-fit our supply chain, stores, and online platforms to ensure reliable deliveries and a superior customer experience across all channels
- Continued incorporation of environmentally friendly features into our stores with efficient technology, such as LED lights
- Eight renewable energy installations and 21 Green Star-rated buildings across the Group

S

SOCIAL AND RELATIONSHIP CAPITAL

- Strong customer relationships across the Group, enabled by compelling loyalty programmes and increasingly personalised communication
- Close integration and strong relationships with more than 500 FBH direct suppliers and more than 400 Food direct suppliers across the Group
- Responsible credit provided to our customers by WFS in WSA
- Strong relationships in our communities, including contributions towards our communities through our corporate social investment (CSI) programmes
- GBJ embedded across our Group to guide our interactions with our stakeholders

I

INTELLECTUAL CAPITAL

- Customer data and insights used to inform all our business decisions
- Design-focused approach in our FBH businesses, and dedicated food development and technology teams to provide quality, innovative, responsibly sourced merchandise
- Sophisticated merchandise, distribution, and account management systems and processes, policies, procedures, and manuals

N

NATURAL CAPITAL

- Active management of the use of natural resources under our GBJ
- 326 543 MWh (FY2023: 358 977 MWh) grid electricity used in Woolworths direct operations
- 642 436 kl (FY2023: 653 379 kl) of water used in Woolworths direct operations

1. CUSTOMER INSIGHTS

Our customer insights and data drive and inform all our business decisions.



2. PRODUCT DEVELOPMENT AND DESIGN

We differentiate ourselves by providing our customers with high-quality, innovative, responsibly sourced, and appealing products.



6. IN-STORE AND ONLINE RETAILING

We offer our customers inspiring, engaging, and relevant digital and in-store journeys, and help staff deliver a consistent, brand-aligned customer experience across all channels.



3. SOURCING

Our supplier relationships are a key competitive advantage, and we integrate closely with them.



OUR VALUE-CREATING BUSINESS ACTIVITIES

More detail on each business activity can be found on page 36.

5. CENTRALISED DISTRIBUTION AND REPLENISHMENT

Centralised distribution systems in our operating regions deliver trustworthy, timely, and accurate online fulfilment and deliveries to our stores.



4. MERCHANDISE AND PLANNING

We have well-entrenched business planning skills and expertise, supported by our merchandise processes and systems.



VALUE-CREATING BUSINESS ACTIVITIES

1. CUSTOMER INSIGHTS

We have extensive databases of customer information in all our businesses, informed by our loyalty programmes. This enables us to leverage data into actionable insights with speed and agility in all our decision-making processes, from the products we offer to how and where we sell them. We use these insights to drive customer loyalty, acquisition, frequency, and spend. Our loyalty programmes also reward our customers for shopping with us through compelling benefits, enhanced personalisation, and valuable communication.



♥ We actively engage with our customers on aspects of the GBJ and on our product sustainability attributes, which is a key differentiator for us and adds value to our offerings.

2. PRODUCT DEVELOPMENT AND DESIGN

Across our Group, quality, sustainability, and innovation are the cornerstones of our product offering. Our FBH and CRG businesses combine customer insights and segmentation, trend analysis, and interpretation to design appealing products. In our Food business, dedicated product development and food technology teams interpret trends, and work with suppliers to develop and improve current ranges, and introduce new products and cooking techniques. CRG offers exclusively private-label products, while Woolworths provides private-label as well as highly selected third-party brands to allow customers to complete their shopping in our stores, and to complement our private-label offerings.



♥ The GBJ is embedded in product development and design, with the aim of ensuring that all products are responsibly sourced, have at least one sustainability attribute, and are sold in either recyclable or reusable packaging.

3. SOURCING

We source the majority of the products sold in Australia from Asia, and almost half of our FBH products sold in South Africa from suppliers based in the SADC region. Our Food business benefits from exclusive regional supplier relationships, particularly in our strategic categories.



♥ Various GBJ-related ethical sourcing programmes aim to ensure that we increase our local sourcing, and that we source our commodities from suppliers who meet our environmental, social, and ethical compliance requirements.

4. MERCHANDISE AND PLANNING

Our integrated systems, which include customer insights, product information, and store data, enable appropriate in-store catalogues. Our products are also seamlessly available on our digital platforms.



♥ Our business planning skills and expertise, supported by our merchandise processes and systems, ensure that we deliver the right amount of product to the right place at the right time, while minimising waste in line with our GBJ. We aim to donate surplus food and clothing to charity.

5. CENTRALISED DISTRIBUTION AND REPLENISHMENT

Apparel, beauty, and home products are regularly replenished to ensure availability and newness throughout the season. Optimised daily food delivery schedules, with strict cold chain disciplines, ensure that we maintain our food quality and maximise availability while minimising waste. Online orders are fulfilled from selected stores and dedicated dark stores for FBH products in South Africa and on-demand Food products in central Cape Town. In Australia, CRG merchandise is fulfilled from the purpose-built Omni-channel Fulfilment Centre.



♥ Various GBJ-related energy and water efficiency and waste management initiatives are in place throughout our distribution centres, transport, and logistic operations to reduce our environmental impact.

6. IN-STORE AND ONLINE RETAILING

Our products are merchandised through multiple store formats across our store locations, as well as through our digital platforms, to provide our customers with a seamless, convenient, and inspiring shopping journey regardless of their channel of choice. We enhance the digital experience by leveraging our systems and platforms, collaborating with strategic partners, and investing in our IT team and infrastructure. The real estate portfolios are optimised to balance physical store growth with the demand for online, and to optimise trading densities and profitability. Our daily interactions continue to provide us with a better understanding of our customers' wants and needs, which we use to inform our customer-centric, data-driven decisions.



♥ Various GBJ-related energy- and water-efficiency and waste management initiatives are in place throughout our stores to reduce our environmental impact. We aim to use more sustainable materials in our store design and visual merchandising. We also encourage our customers to bring their own reusable bags when shopping, and many of our deliveries to customers are made in reusable and recyclable bags or boxes.

DIRECT OUTPUT

Providing our customers with appealing, high-quality fashion, beauty, home, and food products sold through our various channels.

CAPITALS	ACTIONS	GBJ FOCUS AREA	OUTCOMES
<p>F</p> <p>FINANCIAL</p>	Continued access to financial capital through investor and financial market confidence by actively managing capital	<ul style="list-style-type: none"> Ethical sourcing Energy and climate change 	<ul style="list-style-type: none"> Articulated clear capital allocation principles Adjusted diluted headline earnings per share decreased by 12.2% to 375.4 cps Total dividend of 265.5 cps declared, 15.2% lower than FY2023 ROCE of 18.7% (FY2023: 25.2%) Strong cash conversion at 94.9% (FY2023: 93.5%) Continued to align financial decisions to sustainability strategy – more than 80% of debt is sustainability-linked
<p>M</p> <p>MANUFACTURED</p>	Ongoing investments in stores, distribution centres, and digital platforms to promote sustainable growth	<ul style="list-style-type: none"> Energy and climate change Water Packaging and waste 	<ul style="list-style-type: none"> Invested financial capital into digital platforms to increase penetration, with online sales contribution of 9.2% to the Group's total turnover and concession sales Invested financial capital and inevitably eroded natural capital to optimise space across the Group Ongoing testing and trialling of new catalogues, visual merchandising solutions, and store formats and footprints
<p>I</p> <p>INTELLECTUAL</p>	Continued development and improvement of our brands by focusing on quality, sustainability, and innovation, and by investing in future-fit processes	<ul style="list-style-type: none"> Sustainable farming Packaging and waste Water Ethical sourcing 	<ul style="list-style-type: none"> Careful management of costs and inventory to mitigate supply chain disruptions Further streamlined existing business processes and ways of working Up-weighted focus on quality and sustainability in all aspects of the business
<p>H</p> <p>HUMAN</p>	Employment creation, development through training, and promotion of diversity and inclusion in the workplace	<ul style="list-style-type: none"> People Health and wellness 	<ul style="list-style-type: none"> Almost R210m invested in training and development across the Group, eroding financial capital to develop our people Ongoing implementation of strong governance structures Continued to roll out the Inclusive Justice Initiative throughout the Group
<p>S</p> <p>SOCIAL AND RELATIONSHIP</p>	<ul style="list-style-type: none"> Played a meaningful role in addressing the economic and social needs and expectations of the communities in which we operate Strengthened positive relationships with our stakeholders 	<ul style="list-style-type: none"> Sustainable farming Ethical sourcing Social development People 	<ul style="list-style-type: none"> Continued to grow our strong, personalised customer relations with 89% and 74% of revenue tracked on loyalty cards in WSA and CRG, respectively Ongoing strengthening of supplier partnerships Maintained engagement and collaboration with other stakeholder groups, such as government and regulators, industry bodies, academic institutions, and the media Almost R1bn in community contributions
<p>N</p> <p>NATURAL</p>	Actively managed the responsible use of environment resources and reduction of our environmental impacts through our GBJ	<ul style="list-style-type: none"> Sustainable farming Water Energy and climate Packaging and waste 	<ul style="list-style-type: none"> R3.4bn saved by Woolworths through our GBJ since 2007 30% reduction in Scope 1 and 2 carbon emissions (against a 2019 baseline) Continued to implement various sustainability initiatives, including sustainable fishing and farming programmes, responsible sourcing of key commodities, phasing out single-use plastic, and energy- and water-efficiency programmes

All information is presented for a comparable 52-week period on a continuing operations basis.



TRADE-OFFS

We mindfully use and trade off the capitals to continue to invest in our employees, supplier relationships, and operations to meet the wants and needs of our customers while entrenching strong governance.

We most frequently trade off financial capital to sustain and grow our businesses, and natural capital, which is inevitably eroded in the course of our business activities. We manage our trade-offs mindfully by carefully considering any negative short-term impacts against the immediate benefits as well as the longer-term positive impact on the sustainability of our other capitals.

- F** We manage the use of our financial capital through our capital allocation framework (refer to page 63). This allows us to support our strategies and growth ambitions while also meeting our targeted gearing structure and shareholder aspirations.
- M** Throughout the year, we invested financial capital into manufactured capital to build a seamless shopping experience across channels. We carefully consider the need to optimise physical space to drive growth and productivity, and the need to invest in our digital platforms, especially in our Food business, where the online channel attracts a lower margin. We further invested financial capital into manufactured capital by building and/or retrofitting our stores with energy- and water-efficient fittings such as LED lighting and closed-door fridges, and by investing in generators to remain operational during power outages.
- I** We trade off financial capital to strategically build future-fit businesses, most notably through significant investments in the value chains throughout our Group. By building our intellectual capital, we also indirectly benefit our human and social and relationship capitals.

- H** Our employees are critical to the successful execution of our strategies and the long-term sustainability of our businesses, so we actively invest in our human capital. Notably, we continue to willingly trade off financial capital in our Just Wage initiative, through which we have made significant strides towards paying our people a 'living wage'. These investments also indirectly build our social and relationship capital, creating stronger, more loyal relationships with our employees and our customers, increasing our ability to meet our customers' wants and needs, and positively contributing towards our communities.
- S** Our social and relationship capital is fundamental to our Group, and we will continue to nurture and grow it. To this end, through our GBJ and CSI initiatives, we reduce our short-term financial capital for longer-term benefits to our environment and to the communities in which we operate.
- N** A key focus is to trade off natural capital consciously and responsibly in order to ultimately increase our financial capital and, indirectly, all other capitals of value creation. This is carefully managed under our well-established GBJ, as detailed throughout this report.

Two examples of trade-off decisions we made in the year are demonstrated in the case studies on the following page.



CASE STUDY ONE

ABSOLUTE PETS ACQUISITION

In April 2024, WHL acquired 93.45% of the shares in Absolute Pets, trading off immediate financial capital to bolster our manufactured, intellectual, and human capitals. Pet care is an attractive and rapidly-developing market, with substantial growth potential. It is also an increasingly important category for Woolworths customers, who consider their pets an integral part of their families.

The acquisition of Absolute Pets will accelerate Woolworths' pet strategy by bringing together two strategically aligned businesses, and position WSA to become the end-to-end pet care destination of choice in South Africa. This will further enhance our customers' shopping experience with us and create greater financial capital for the Group.



CASE STUDY TWO

WVENTURES LAUNCHED

Over the past couple of years, we have made significant progress in fixing and repositioning our Group, primarily focused on the disposal of David Jones and the strengthening of our balance sheet. We are now entering into the next phase of our investment thesis – one where we will leverage our strong balance sheet and strengthened foundations to accelerate the rollout of new categories, formats, and propositions as springboards for future growth.

We have a number of initiatives that protect and grow our core businesses. In addition to this, we see significant growth opportunities in adjacent categories and formats, specifically in the areas of pet care, Food Services, liquor, and WEdit. We have determined that to best accelerate growth in these areas, we need to implement new processes and capabilities that are purposefully designed to enhance our strategy, and execute in a more agile, flexible, and entrepreneurial way. To this end, we've launched WVentures: a dedicated team and simplified processes that will bring exclusive focus to our strategic growth initiatives.

The investments we're making in our new growth initiatives, along with the investments we're making in our core-enabling assets, require a period of heavier investment. This means that we have made the conscious decision to trade off financial capital in the short term to realise sustainable value across our manufactured, intellectual, and human capitals in the longer term.



HOW THE GBJ CREATES VALUE



The GBJ is central to the Group's strategy, and supports our vision to be one of the world's most responsible retailers. Implementation of the GBJ strategy, Vision 2025+, is embedded throughout our business activities. We have eight key sustainability focus areas that aim to optimally use our capitals to create value for the Group and its stakeholders.

<p>PEOPLE H</p> <p>CONTEXT Our people implement our strategies and are also the face of the business – and a happy and engaged workforce enables a connected customer experience. It is important for us to ensure that we employ and invest in people who share our brand purpose, values, and passion to help grow a future-fit business.</p> <p>HOW VALUE IS CREATED We create employment opportunities, invest in our people's training and development, reward them for their work, and foster a culture of diversity and inclusion.</p>	<p>SOCIAL DEVELOPMENT S H</p> <p>CONTEXT We can only grow and sustain long-term profit in a socially inclusive and equitable economy that has a sufficiently skilled, educated, thriving, and healthy community.</p> <p>HOW VALUE IS CREATED As a responsible corporate citizen, we play a meaningful role in addressing the economic and societal needs and expectations of the communities in which we operate through our social development programmes, with a focus on education, food security, and community resilience.</p>	<p>HEALTH & WELLNESS S H</p> <p>CONTEXT Health and wellness are critically and increasingly important for both our customers and our people.</p> <p>HOW VALUE IS CREATED We aim to create a safe and healthy working environment for our people through our occupational health and wellness model. As a food retailer, we aim to provide our customers with a wide range of healthy food options to assist them in making healthy choices.</p>	<p>ETHICAL SOURCING I N S</p> <p>CONTEXT The diverse and often complex supply chains involved in producing our products can have significant human rights and environmental risks and impacts.</p> <p>HOW VALUE IS CREATED Our ethical sourcing programmes allow us to mitigate where necessary, and positively influence where possible, these risks and impacts. We contribute to creating better working conditions for workers in our supply chain, and minimising environmental impacts such as biodiversity loss, carbon emissions, water consumption, and wastewater pollution.</p>
<p>Related UN SDGs: Each of the eight key GBJ focus areas relates to one or more of the UN's Sustainable Development Goals.</p>			
<p>SUSTAINABLE FARMING I N S</p> <p>CONTEXT Increasing biodiversity loss is a significant risk to our business, to the health and wellness of our customers and employees, and to society as a whole. In addition, food systems globally have been affected by the impact of climate change and related extreme weather events, soil degradation, and worsening water quality and availability.</p> <p>HOW VALUE IS CREATED We contribute towards creating a more sustainable food system through our sustainable farming programmes, actively managing environmental impacts, and ensuring the welfare and dignity of animals in our supply chain. We also aim to improve the working conditions of farm workers in our supply chain.</p>	<p>PACKAGING & WASTE I N</p> <p>CONTEXT A significant amount of product and packaging manufactured 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.</p> <p>HOW VALUE IS CREATED We aim to reduce the amount of waste sent to landfill 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. Through this, we reduce the negative environmental impacts of landfilled products and packaging.</p>	<p>WATER I N M S</p> <p>CONTEXT Water is essential to sustaining manufacturing and agriculture, to the health and hygiene of our employees and the communities in which we operate, and to keeping our facilities operational.</p> <p>HOW VALUE IS CREATED We have established a systematic process of managing water across our operations and in the various communities where we work. In order to contribute towards the protection and maintenance of water quality and availability, we aim to reduce water consumption and promote responsible water stewardship throughout our value chain, often working with our suppliers and other external stakeholders.</p>	<p>ENERGY & CLIMATE CHANGE I N M</p> <p>CONTEXT Climate change is one of the greatest challenges of our time. The science is clear: we need to limit the global temperature increase to 1.5 °C above pre-industrial levels.</p> <p>HOW VALUE IS CREATED We are committed to being part of the collective action against climate change. We have an approved, science-based emissions reduction target. Additionally, we have committed to achieving net zero carbon impact by 2040. Through initiatives such as procuring renewable energy, online metering of electricity, implementing energy-efficiency initiatives, and adopting eco-friendly technology, we aim to contribute towards reducing our carbon impact.</p>
<p>Related UN SDGs: </p>	<p>Related UN SDGs: </p>	<p>Related UN SDGs: </p>	<p>Related UN SDGs: </p>

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.

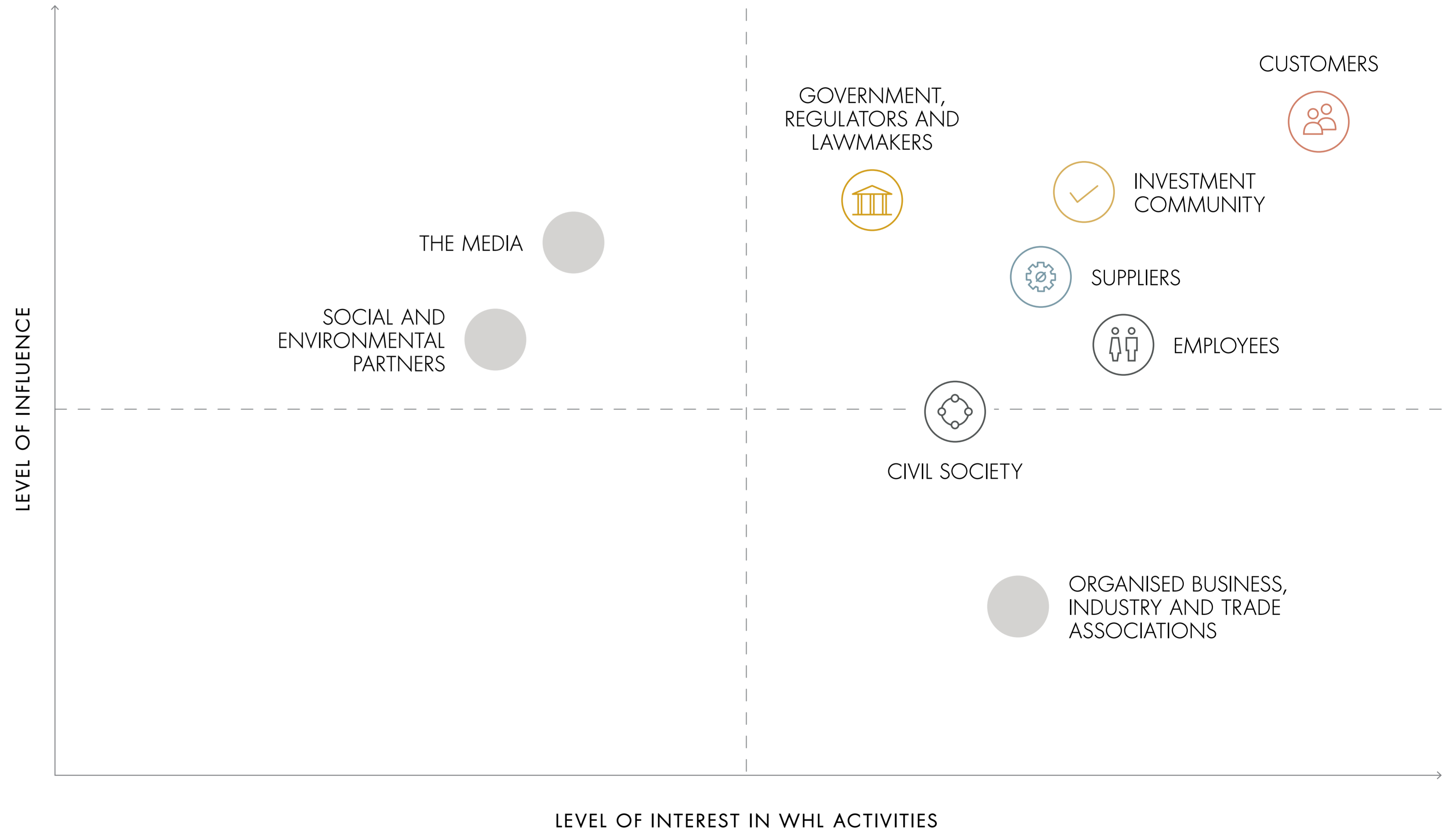
THE ROLE OF STAKEHOLDER ENGAGEMENT

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 strategie 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.



OUR CUSTOMERS

Our customers are at the heart of everything we do and provide us with our main source of revenue.

WHAT DO THEY NEED AND EXPECT FROM US?

- Quality products at great value with exceptional service
- Convenient and seamless experience
- Community contribution
- Packaging and plastic reduction
- Ethical sourcing and supply chain transparency
- Efficient use of resources
- Customer health, safety, and wellbeing
- Protection of data

HOW WE RESPONDED

- Ensuring that appealing, quality, innovative products are responsibly sourced and readily and seamlessly available, with excellent service
- Ongoing investment in value and convenience without compromising on quality
- Building strong relationships through rewarding loyalty programmes, with loyalty sales of 89% and 74% in WSA and CRG, respectively
- Providing opportunities to support schools and other charities through our MySchool MyVillage MyPlanet programmes, with more than 8 400 causes supported by 1.3 million customers in South Africa

HOW WE ENGAGED

We engage with our customers through daily interactions in physical stores, on digital platforms, and via social media channels. We also conduct regular focus groups and surveys with our customers to gain valuable insights into their needs and expectations.

ENGAGEMENT IN ACTION

We engage with our customers through various surveys throughout the year. This includes a biannual Corporate Reputation Survey (CRS), which aims to measure Woolworths' corporate reputation against eight other local retailers across food and fashion.

The CRS score is based on customers' assessments of ethos, performance, corporate social responsibility, and value for money in Food; and aspirations, governance, excellence, community upliftment, and value for money in Fashion. The latest results from June 2024 indicate that customers perceive Woolworths to be the top-ranked retailer overall when it comes to corporate reputation.

Customers also ranked Woolworths very highly on environmental responsibility, acting with integrity, service, quality, and being an appealing company to work for when compared to its peers.

HOW THE BOARD ENGAGED

The Board is committed to understanding and ensuring that we remain responsive to customer needs through ongoing engagement, as well as through our product offerings. The Board regularly receives feedback from the Group CEO on customer insights obtained during his engagements with key customers, and business units regularly provide updates on areas of customer concern. This information, together with regular market insight updates and customer survey feedback, enables a thorough understanding of customers' needs. In addition, reports on the Group's performance in delivering on its customer-related objectives and commitments are provided to the Board.

We also conduct regular focus groups and surveys with our customers to gain valuable insights into their needs and expectations.

MATERIAL ISSUES INFORMED

- Our trade performance
- Consumer spending and behaviour
- Digital world and cyber
- Responsible retailing

HOW THIS IS ADDRESSED IN OUR STRATEGY

- Create further value in Country Road Group
- Continued improvement in Fashion, and growth in Beauty and Home
- Leading and iconic Food business
- Data-driven decision-making
- Elevated omni-channel customer experience
- Our GBJ, specifically via our social development, health and wellness, sustainable farming, and ethical sourcing focus areas





OUR INVESTMENT COMMUNITY

Our shareholders and debt funders provide us with the sources of capital we require to continue operating and servicing our communities. They comprise 46 641 shareholders, R10.9 billion in shareholders' funds, and R12.9 billion net gearing (including lease liabilities), which enables business continuity and growth.

WHAT DO THEY NEED AND EXPECT FROM US?

- Consistent returns on their investment
- Strong corporate governance
- Management of economic, social, and environmental risks
- Transparent and comprehensive reporting

HOW WE RESPONDED

- Responsibly investing capital for long-term sustainability in accordance with our clearly defined capital allocation framework, depicted on page 63
- Continuing to align financial decisions to sustainability strategy, with more than 80% of WSA debt now sustainability-linked

HOW WE ENGAGED

We provide regular trading updates and notifications to our shareholders and debt funders, and address their key concerns through announcements, presentations, and meetings. We interact with and receive feedback from our investment community by participating in broker-hosted conferences and Group-led roadshows, and through ongoing interactions, including face-to-face meetings, telephone calls, and email correspondence. Further interaction with shareholders is facilitated prior to and at the Annual General Meeting.

We provide regular trading updates and notifications to our shareholders and debt funders, and address their key concerns through announcements, presentations, and meetings.

ENGAGEMENT IN ACTION

Investors are increasingly up-weighting the importance of sustainability in making their investment decisions. Therefore, in October 2023, we undertook our third GBJ investor engagement session, focusing on how we approach sustainability in our Food business. These interactions provide our investors with more detailed insight into our GBJ, showing how it is deeply embedded in all that we do, and how it is a key differentiator for us.

HOW THE BOARD ENGAGED

The Board is committed to understanding the needs and expectations of both private and institutional shareholders. To this end, it receives regular market updates and shareholder sentiment feedback from Investor Relations, as well as feedback from the Group CEO on engagements with institutional shareholders and other key investor stakeholders at the interim and final results presentations.

Engagement with key shareholders on the Group's Remuneration Policy and practices takes place prior to our Annual General Meetings, and the Board as a whole is provided with feedback.

The Annual General Meetings provide further opportunity for the Board to engage with shareholders, allowing for robust engagement on a range of topics.

MATERIAL ISSUES INFORMED

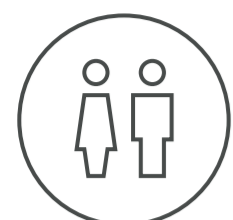
- Our trade performance
- Our business transformation
- Responsible retailing

HOW THIS IS ADDRESSED IN OUR STRATEGY

- Create further value in Country Road Group
- Continued improvement in Fashion, and growth in Beauty and Home
- Leading and iconic Food business
- Data-driven decision-making
- Elevated omni-channel customer experience
- Cost efficiency and operational excellence
- People and leadership
- Our GBJ

Responsibly investing capital for long-term sustainability in accordance with our clearly defined capital allocation framework





OUR EMPLOYEES

The passion, commitment, talent, and knowledge of our 38 623 employees are the key enablers of our strategy, and are fundamental in allowing us to meet our customers' wants and needs. Our people are also deeply invested in the success of the business and are some of our most influential brand ambassadors.

WHAT DO THEY NEED AND EXPECT FROM US?

- Employment and job security
- Fair remuneration
- Diversity and inclusion
- Training and development
- Employee community involvement
- Employee health, safety, and wellbeing

HOW WE RESPONDED

- Providing opportunity to be part of a purpose-led organisation that is anchored in values, where they can do valuable work
- Paying our employees a 'Just Wage', with store staff earning c.20% above the retail sector average and more than 50% above the new national minimum
- Recognising the value of employees with fair and responsible remuneration of R10.3 billion (FY2023: R12.9 billion)
- Investing R210 million (FY2023: R207 million) in training and development
- Promoting diversity, inclusion, social justice, and equality, enabled by our Inclusive Justice Initiative
- Providing opportunities for workplace-giving initiatives and volunteering programmes

ENGAGEMENT IN ACTION

During the year, we launched 'Our Leadership Way' (OLW) which aims to provide a consistent best-in-class leadership experience by developing and nurturing leadership that delivers results underpinned by our values and the principles of a high-performance culture. The programme was launched to the top 70 leaders in South Africa through a two-day immersion session. The leaders were invited on a journey of discovery to explore and adopt OLW as a leadership team, be the change our business needs them to be, and ignite new energy in the rest of the organisation as they cascade OLW further down the organisation. Cross-functional teams were established at the session to solve real business challenges as they experimented with the new leadership behaviours. Today, we continue to use the 'Game Changer team' concept to solve current business challenges. An overwhelming majority found the experience extremely valuable, especially the opportunity provided to work cross-functionally.

HOW THE BOARD ENGAGED

Being cognisant of the critically important role that employees play in delivering on the Group's strategic ambitions, the Board is committed to ensuring that our Group remains an employer of choice, where everyone feels included and can be their best. Through management reports and feedback from the Social and Ethics Committee, the Board keeps abreast with trends on people matters and key issues raised by employees. The Board also receives updates on employee sentiment arising from survey findings, and reviews the progress being made to address material matters raised.



MATERIAL ISSUE INFORMED

- People, talent management, and change

HOW THIS IS ADDRESSED IN OUR STRATEGY

- People and leadership
- Our GBJ, specifically via our people, social development, and health and wellness focus areas

Paying our employees a 'Just Wage', with store staff earning c.20% above the retail sector average and more than 50% above the new national minimum

HOW WE ENGAGED

Employee engagement takes place both informally as well as through more structured and formal channels. Informally, employee engagement occurs on a daily basis in the normal course of business. Additionally, regular, formal one-on-ones and team engagements, both at an operational and strategic level, are an established way of working. The continuous formal engagement is supplemented by the annual performance and development process, which includes one-on-one, biannual engagements on performance, career, and development. More broadly, our employees are informed about business direction and priorities, and are engaged on a wide range of issues through various channels, including business and strategy updates, roadshows, focus groups, special-purpose forums, digital and social platforms, and online media.



OUR SUPPLIERS

The relationships we have with our suppliers are a key competitive advantage for us and are integral to our business. Their exceptional and often exclusive products help us meet the wants and needs of our customers.

WHAT DO THEY NEED AND EXPECT FROM US?

- Fair and ethical sourcing
- Timely payment, and fair and favourable terms
- Enterprise and supplier development

HOW WE RESPONDED

- Mutual growth and close integration, particularly with the smaller local suppliers who we support as part of the Supplier Development Programme
- Assisting suppliers to contribute positively towards their communities and the environment through various sustainability initiatives, such as sustainable fishing and farming programmes, and responsible sourcing of key commodities

HOW WE ENGAGED

In many cases, our suppliers are not seen as external to our operations but rather as pivotal and strategic extensions that are integral to our businesses, supplying us with high-quality, often exclusive products. Suppliers are expected to adhere to codes of conduct, including our Good Business Journey principles. Regular reviews and assessments of suppliers are also conducted through supplier audits and supplier scorecards to ensure sustainable, responsible, and ethical business practices in our supplier base. The interests and concerns of suppliers are identified in the normal course of business and at annual supplier conferences.

ENGAGEMENT IN ACTION

In the current year, we hosted both Food and FBH supplier conferences, where we provided our suppliers with an update on our strategic progress, specifically focusing on the respective sourcing strategies and on initiatives to ensure the highest-quality merchandise. In turn, we listened to their needs, expectations, and concerns. The open dialogue and trust that we have with our suppliers allows us to demand the highest standards of each other, intensifying our competitive, collaborative advantage in order to grow our respective businesses well into the future.

HOW THE BOARD ENGAGED

The Board monitors the way in which management oversees resilience in the supply chain to ensure continuity of operations. The Board also monitors how management and the wider business engage with suppliers in order to manage ethical supply chain risks, and drive the Board's zero-tolerance policy on human rights abuses, bribery, and corruption in our supply chain. Feedback is routinely provided to the Board by management on supplier performance in this regard, as well as from the Audit and Social and Ethics committees on negative audit findings and remediation measures to address the risk of any human rights abuses, bribery, and corruption.



MATERIAL ISSUES INFORMED

- Our trade performance
- Responsible retailing

HOW THIS IS ADDRESSED IN OUR STRATEGY

- Create further value in Country Road Group
- Continued improvement in Fashion, and growth in Beauty and Home
- Leading and iconic Food business
- Cost efficiency and operational excellence
- Our GBJ, specifically via our people, sustainable farming, ethical sourcing, and energy and climate change focus areas

Mutual growth and close integration, particularly with the smaller local suppliers who we support as part of the Supplier Development Programme.



GOVERNMENT, REGULATORS, AND LAWMAKERS

We are passionate about building a thriving society, and engage with government and regulators to honour national priorities and contribute towards global sustainable development goals.

WHAT DO THEY NEED AND EXPECT FROM US?

- Legislation and regulation adherence, both in spirit and intent
- Contribution towards inclusive economic growth, including, but not limited to, job creation and skills development, enterprise development, and local procurement

HOW WE RESPONDED

- Actively engaging government and industry on policy matters
- Engaging with regulators regarding the disruptive entry into the market of certain international online retailers
- Committing to transformation, particularly for the previously disadvantaged
- Using our core competencies to contribute towards solving social problems such as food security

HOW WE ENGAGED

As an active corporate citizen, we constructively participate in industry affairs. We share insights and concerns with government, and gain invaluable socio-political information, which enables the Group to mitigate risks, explore opportunities, and partner with governments. Our standing with government and track record as a good corporate citizen provide us with the opportunity to credibly contribute towards public policy formulation in the interest of a regulatory environment conducive to business sustainability.

ENGAGEMENT IN ACTION

In February 2023, the Competition Commission launched a Fresh Produce Market Inquiry (FPMI) to better understand the fresh produce value chain. Woolworths was invited to participate in the FPMI as a retailer of fresh produce. In line with the business's Stakeholder Management Policy, during the year, Woolworths engaged with respect, transparency, and openness with the Commission, participating in the entire process, which included public hearings, written submissions, site visits, and providing input into provisional reports. Through this, we demonstrated active corporate citizenship, and we hope that the outcome and implementation of the inquiry will be beneficial to the growth of the industry and the economy as a whole.

HOW THE BOARD ENGAGED

The Board monitors the quality of management's engagement with government and regulators, as well as the key issues emerging, to ensure that material matters are comprehensively considered in its deliberations. The Board further ensures that regulatory compliance is embedded into business processes, as appropriate, and that the Group remains in good standing with the regulatory authorities in all regions of operation. In this regard, the Board is supported by the Audit Committee, which routinely receives feedback from the Group internal auditors, as well as the Social and Ethics Committee, under whose remit compliance, governance, and monitoring fall. The committees and management provide the Board with regular feedback on regulatory compliance.



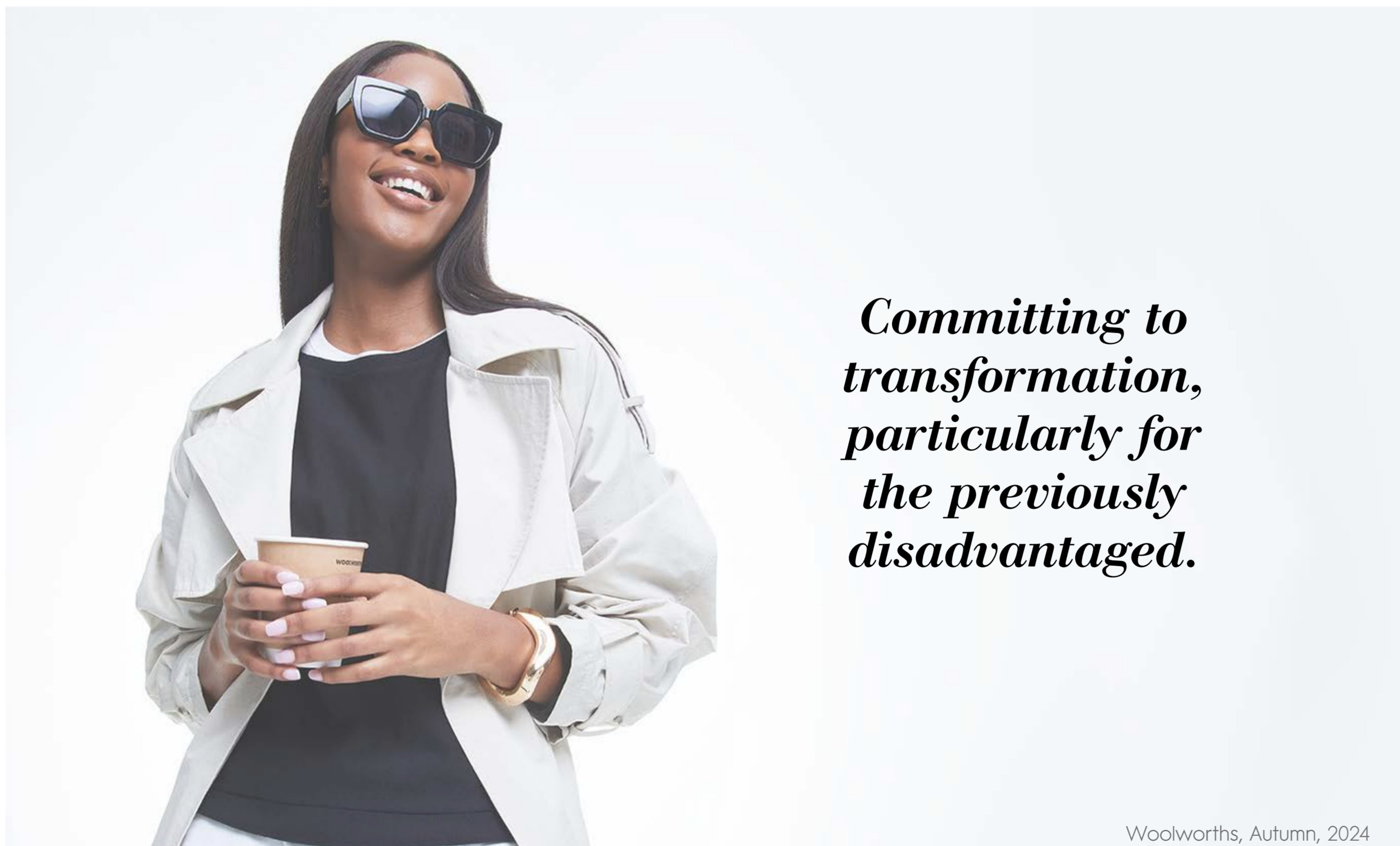
Woolworths, Autumn, 2024

MATERIAL ISSUES INFORMED

- Our trade performance
- Responsible retailing

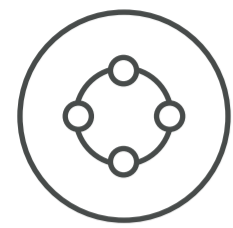
HOW THIS IS ADDRESSED IN OUR STRATEGY

- Our GBJ



Committing to transformation, particularly for the previously disadvantaged.

Woolworths, Autumn, 2024



CIVIL SOCIETY

The relationships we have with and within civil society, including our communities, are critical. They create an enabling business environment, and provide the pipeline for future customers and employees.

WHAT DO THEY NEED AND EXPECT FROM US?

- Community involvement and contribution
- Contribution to economic growth and social development
- A clear stance from leadership on inequality and other social issues

HOW WE RESPONDED

- Assisting in driving economic growth through capital investment of R10 billion, predominantly in South Africa
- BBBEE compliance, with a score of 4
- Reducing our environmental impact with various sustainability initiatives, including phasing out single-use plastic, and energy- and water-efficiency programmes

HOW WE ENGAGED

We actively engage with members of the relevant communities, and continue to deepen and expand our relationships with them. We continue to monitor the socio-economic impact we have in our communities, and we engage experts and interest groups, where possible, to ensure that we use our business strengths to provide a meaningful contribution in the regions in which we operate.

ENGAGEMENT IN ACTION

We base our social development initiatives on the principle of partnership. We partner with a number of non-profit organisations to realise our goal, which aligns to that of the United Nations, of achieving a #zerohunger future by 2030, and positively impacting the education system in South Africa by leaving no child behind. We have a very collaborative approach to our social partners, and believe their work will support the creation of food security and resilient communities, contributing to #zerohunger. We have quarterly meetings with each of our partners to review programme deliverables, as well as to determine whether there are areas in which Woolworths could further assist their work by leveraging our retail expertise. We also frequently share networks, and look for ways in which we can support and drive positive social impact.

HOW THE BOARD ENGAGED

The Group Sustainability and Social and Ethics committees, which are responsible for overseeing ESG matters across the Group's value chain, routinely update the Board on stakeholder concerns in this regard. For further details, refer to the committee focus areas on pages 29 and 30 of this report, as well as to the Good Business Journey Report on our website.

Our GBJ strategy, Vision 2025+, addresses our stakeholders' needs and expectations around various sustainability matters through our eight key focus areas. The progress we have made in the current year is outlined on page 76.

MATERIAL ISSUES INFORMED

- Responsible retailing

HOW THIS IS ADDRESSED IN OUR STRATEGY

- Our GBJ



ENTERPRISE RISK MANAGEMENT

Risk management is an integral component of the Group's strategy for longer-term growth, sustainability, and resiliency.

OUR APPROACH

The Board believes that prudent risk and opportunity management supports strategic resilience and drives long-term value creation.

To achieve this, we adopt a comprehensive approach, starting with a bottom-up process to identify, assess, and manage risks. This is complemented by a quarterly top-down review to ensure completeness and the implementation of robust mitigating actions in line with our business requirements. This dual approach ensures that risks are identified and managed appropriately across all organisational levels.

KEY INSIGHTS

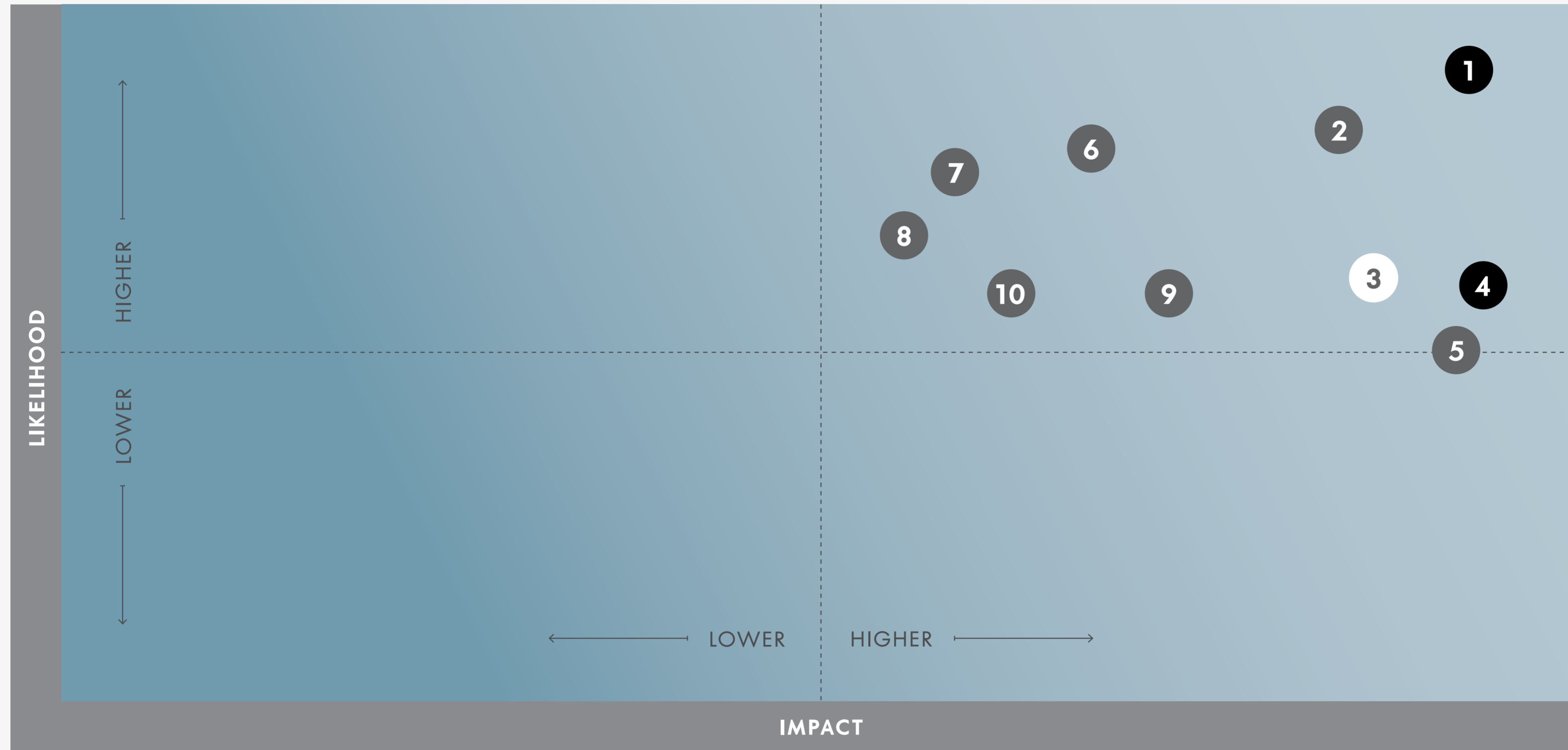
In executing our strategy, we balance the pursuit of opportunities with risk management and our stakeholders' interests. We assess risks within our operational context, evaluate their impact on our strategic priorities, and adapt proactively. Our holistic approach considers and balances risk effects across all our capitals.

RISK GOVERNANCE			
Board of Directors	Group Risk, Information and Technology Committee	Group Executive Committee	Group Enterprise Risk Function
Overall accountability for the direction of risk management	Oversight of the risk management framework	Overall accountability for management and control of risk	Overall responsibility for co-ordination and implementation of the risk management process



COMBINED ASSURANCE		
1st Line of Defence	2nd Line of Defence	3rd Line of Defence
Management	Risk, Legal, Compliance, Governance	External and Internal Audit and other external assurance providers
Own and manage risks	Risk management direction and guidance	Independent assurance

OUR PRINCIPAL RISKS



The heat map opposite illustrates the Group’s main residual risk themes and the magnitude of their potential effect. The residual risk rating is the exposure that remains after all mitigating measures have been implemented.

VELOCITY
Velocity is the measure of the time period that the risk, if materialised, may influence revenue generation. It has been depicted based on colour-coding of the time period of influence from:

- >12 months (Gradual)
- between 6 and 12 months (Swift)
- 0-6 months (Rapid)

2024	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
2023	1	4	3	2	10	-	6	-	7	8
2025*	1 Macroeconomic, socio-political, and critical infrastructure conditions	2 Shift the trajectory of CRG’s business performance	3 Sustain and improve the Fashion business’s performance	4 Sustain the Food business’s market-leading performance	5 Material cyber-incident	6 Delivery of our strategic and financial ambitions	7 Attracting, developing, and retention of the right talent	8 Evolve operating model in a timely manner	9 Deliver a differentiated omni-channel customer experience	10 Sustain and grow the stature of our iconic brands

*Looking ahead, the WHL Risk, Information and Technology Committee assessed the continued relevance and completeness of the major strategic risks facing the Group to ensure that the risk profile remains aligned with the achievement of 2025 strategic objectives.

1 **MACROECONOMIC, SOCIO-POLITICAL, AND CRITICAL INFRASTRUCTURE CONDITIONS**

IMPACTED STRATEGIC OBJECTIVES 	LINK TO CAPITALS 	RELATED RISKS 	OVERSIGHT • WHL Risk, Information and Technology Committee • WHL Audit Committee • WSA and CRG Boards • Executive Committees
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RISK CONTEXT <ul style="list-style-type: none"> Challenging trading conditions persist across all our geographies impacting consumer confidence and discretionary spend. The global macroeconomic environment remains uncertain and volatile In South Africa, the economic environment remains challenging, with interest rates remaining higher for longer than expected In Australia, the cost-of-living pressures on consumers continue to negatively impact sentiment, footfall, and demand. Inflation remains stubbornly high, which has the possibility of the RBA hiking interest rates further as a distinct risk Supply chain disruptions such as rising shipping costs and delays continue to place significant pressure on raw material availability and input pricing 	MITIGATIONS AND OPPORTUNITIES <ul style="list-style-type: none"> Intensified focus on cost control across the Group, with various cost out and cost optimisation programmes to reduce the impact of slowing sales in discretionary categories Effective management of inventory levels to minimise markdown risk, and reduce investment in working capital and preserving cash Reduced capex spend in line with affordability and cash flow Ongoing review of the strategies and plans in the context of the macroeconomic and socio-political risks across the geographies in which we operate Increased emphasis on driving sustainable and profitable revenues, including continued investment in online platforms In South Africa, focused initiatives to minimise the knock-on impacts and strengthen our longer-term resilience to loadshedding and other infrastructure challenges (e.g. water, logistics) 	OUTLOOK The ongoing emphasis on strategic investment and resilience-building initiatives is expected to bolster the Group's ability to capitalise on emerging opportunities and mitigate risks, contributing to a more stable and profitable future.
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2 **SUSTAIN AND IMPROVE THE CURRENT PERFORMANCE OF THE FBH BUSINESS**

IMPACTED STRATEGIC OBJECTIVES 	LINK TO CAPITALS 	RELATED RISKS 	OVERSIGHT • WHL Risk, Information and Technology Committee • WSA Board • Executive Committee
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RISK CONTEXT <ul style="list-style-type: none"> Weak macroeconomic environment, availability challenges and increased competition continue to impact the FBH business Increasing global supply chain uncertainty coupled with product execution challenges in key business segments 	MITIGATIONS AND OPPORTUNITIES <ul style="list-style-type: none"> Organisational structure optimised to drive strategy execution across planning, buying, and sourcing Continued focus on inventory management and availability across assortment, volumes, and sizing Trends, market insights, and customer data utilised to drive full-priced sales through improved product offering, with a particular focus on key categories Heightened focus on quality to ensure greater consistency across product execution Impact of seasonality on ranges being assessed Driving online growth through improved product visibility and availability Modernising and elevating store experience 	OUTLOOK Focus on optimising organisational structure and enhancing product offerings positions in the business for increased sales and profitability. Modernising store experiences and expanding online capabilities will improve customer engagement and accessibility. Addressing market challenges and expanding beauty and home offerings will strengthen market presence, contributing to sustainable growth and a competitive advantage.
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3 RESET THE FOOD BUSINESS TO RETAIN AND GROW ITS LEADING MARKET POSITION

IMPACTED STRATEGIC OBJECTIVES 	LINK TO CAPITALS 	RELATED RISKS 	OVERSIGHT • WHL Risk, Information and Technology Committee • WSA Board • Executive Committee
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RISK CONTEXT <ul style="list-style-type: none"> • The impact of weak consumer confidence arising from the sustained impact of higher living costs and elevated interest rates continues to weigh on discretionary spend, accompanied by shifting customer buying patterns towards essential products and value-for-money options • External factors such as severe weather and geopolitical tensions have affected raw material availability and quality, necessitating robust supply chain strategies 	MITIGATIONS AND OPPORTUNITIES <ul style="list-style-type: none"> • Consistently driving key priorities across all food categories and resetting product, service, and experience in selected categories • Continued focus on improving availability, and supporting more accurate forecasts and supplier orders • Category resets, new formats, and adjacencies enabled by the category management process • Focus remains on shifting and maintaining an improved customer value perception and basket penetration • Maintaining and enhancing quality standards through a structured quality improvement plan • Implementation of modernised store blueprint, with new stores opening in innovative formats • Key focus on the category development process, and driving effectiveness and efficiency • Focus on Food Services, wine and pet products continues as we embed the new operating model 	OUTLOOK <p>We expect to see continued growth and improvement through strategic initiatives aimed at enhancing core operations and exploring new growth areas. The focus on improving availability, value perception, and quality standards will help maintain trade momentum and customer satisfaction. The implementation of a modernised store blueprint and the development of adjacent businesses will further support long-term growth.</p>
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4 MATERIAL CYBER-INCIDENT

IMPACTED STRATEGIC OBJECTIVES 	LINK TO CAPITALS 	RELATED RISKS 	OVERSIGHT • WHL Risk, Information and Technology Committee • WSA and CRG Boards • WHL Information Management Committee • Executive Committees
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RISK CONTEXT <ul style="list-style-type: none"> • The cyber-risk posture remains elevated due to the increasing prevalence of ransomware and data breach attacks in large corporates, and the ability to adequately respond to cyber-security incidents. Information and data security resulting from accidental data loss, intentional data leaks, or inappropriate access to information remains a concern 	MITIGATIONS AND OPPORTUNITIES <ul style="list-style-type: none"> • Enhanced cyber-security capabilities across the Group, with advanced security measures and increased in-house expertise • Strengthened data security controls and continuous threat monitoring • Continuous threat identification and remediation driven by penetration testing, red teaming, and threat intelligence • Technology controls continue to be implemented to prevent and/or detect cyber-attacks 	OUTLOOK <p>Adapting to potential cyber-security risks from organisational changes will be crucial for maintaining robust security posture and achieving long-term objectives.</p>
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5 DELIVERY OF OUR STRATEGIC AND FINANCIAL AMBITIONS

IMPACTED STRATEGIC OBJECTIVES 	LINK TO CAPITALS 	RELATED RISKS 	OVERSIGHT • WHL Risk, Information and Technology Committee • WHL Audit Committee • WSA and CRG Boards • Executive Committees
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RISK CONTEXT <ul style="list-style-type: none"> • The Group transitioned into its 'optimise, invest, and grow' phase with significant capex investment. In South Africa, a high expense growth is being driven by initiatives, while in Australia a high fixed cost base is exacerbated by dys-synergy costs following the separation of CRG from David Jones • It will be necessary to ensure that the allocation of capital balances long-term investment opportunities with the appropriate cost structures and cost optimisation initiatives while simultaneously managing the market's expectations 	MITIGATIONS AND OPPORTUNITIES <ul style="list-style-type: none"> • Capital allocation framework is in place to guide utilisation of capital decisions • Processes are in place to drive a clearer link between key strategies and the allocation of capital as part of the budget process • Investment Committee processes streamlined to improve the effectiveness of decision-making • Focused prioritisation of initiatives that drive growth and transformational customer experiences, support trade, and improve productivity • Cost management and optimisation initiatives are in place across the Group, with emphasis on optimising trading space and reducing head office costs • Cost reduction targets are built into the budget, tracked, and monitored on a continuous basis, with further cost out opportunities explored based on performance • Review of operating models and reset of cost base • Integrated strategy and business planning processes are in place 	OUTLOOK Integrated strategy and business planning processes ensure cohesion and alignment across operations for sustainable growth.
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6 REALISE THE FULL POTENTIAL OF THE CRG HOUSE OF BRANDS AMBITION

IMPACTED STRATEGIC OBJECTIVES 	LINK TO CAPITALS 	RELATED RISKS 	OVERSIGHT • WHL Risk, Information and Technology Committee • CRG Board • Executive Committee
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RISK CONTEXT <ul style="list-style-type: none"> • Consumers are experiencing increased expenses, which impacts discretionary spending • There has been a decrease in both physical store visits and online traffic • Elevated operational costs are putting pressure on profitability 	MITIGATIONS AND OPPORTUNITIES <ul style="list-style-type: none"> • Implementing brand turnaround/repositioning strategies for key brands • Monitoring progress on customer, product, talent, and channel focuses • Expanded presence of key brands in major retail malls, maintaining top rankings • Continued investment in stores, products, and programmes to sustain brand momentum • Embedding a centralised product development and sourcing model • Filling key leadership positions to drive stability and growth • Opening new stores to showcase innovative retail concepts 	OUTLOOK We want to continue our sustained efforts in brand repositioning, strategic investments, and operational improvements. The expansion into major retail stores and the establishment of innovative retail concepts indicate ongoing growth opportunities. Monitoring and adapting to market conditions will be crucial for maintaining momentum and achieving future objectives.
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7 ATTRACTING, RETENTION, AND UPSKILLING OF TALENT

IMPACTED STRATEGIC OBJECTIVES 	LINK TO CAPITALS 	RELATED RISKS 	OVERSIGHT • WHL Risk, Information and Technology Committee • WHL Remuneration Committee • WSA and CRG Boards • Executive Committees
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RISK CONTEXT <ul style="list-style-type: none"> • Attracting and retaining key talent amid a competitive market remains a challenge • Ability to resource the right skills necessary for achieving strategic priorities, including succession planning, remains a challenge • Continued investment in employee development and future-fit skill-building is required • The influence of the changing retail landscape is driving the strategic direction in terms of the skills and capabilities needed for our business, and driving digitally enabled business • There is an increased focus on protecting and promoting the health, safety, and wellbeing of our employees 	MITIGATIONS AND OPPORTUNITIES <ul style="list-style-type: none"> • The Group People Strategy is in place, and is supported with execution plans and a framework to monitor and deliver strategic initiatives • Frequent talent engagements have led to targeted actions and retention solutions, with action plans developed to address challenges identified in capacity and capability assessments • Creating an environment that fosters an inspiring and consistent leadership experience that will attract and retain talent • A programme is in place to create open dialogue about the constraints to diversity and inclusion • Continuous review of the variable pay and incentive schemes to ensure optimal balance between performance and reward, with plans to address skills gaps • A new performance management process focusing on a high-performance culture is underway 	OUTLOOK Efforts to execute strategic people initiatives and foster a high-performance culture are ongoing. We aim to enhance employee experiences, develop targeted retention strategies, and address skills gaps through continuous review and improvement of performance and reward systems.
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8 OPERATING MODEL NO LONGER FUTURE-FIT

IMPACTED STRATEGIC OBJECTIVES 	LINK TO CAPITALS 	RELATED RISKS 	OVERSIGHT • WHL Risk, Information and Technology Committee • WHL Remuneration Committee • WSA and CRG Boards • Executive Committees
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RISK CONTEXT <ul style="list-style-type: none"> • Alignment and capability of the operating model to effectively support strategy execution is a key focus. This includes ensuring that the business design is optimally configured • Operating models are critical to guide the necessary structures, processes, skills, and technologies needed to implement the strategies 	MITIGATIONS AND OPPORTUNITIES <ul style="list-style-type: none"> • A WHL Target Operating Model has been designed by integrating and configuring capabilities across the various business units and enabling functions • Fashion and Food operating models and associated cost structures are being critically assessed • CRG’s operating model review to enhance efficiency is underway, coupled with the management of the cost base to enable effective delivery of the House of Brands strategy 	OUTLOOK The success of our new initiatives relies on reviewing the organisational design to establish a streamlined operating model that ensures both speed and agility while maintaining high employee engagement.
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9 DELIVER A DIFFERENTIATED OMNI-CHANNEL CUSTOMER EXPERIENCE

IMPACTED STRATEGIC OBJECTIVES 	LINK TO CAPITALS 	RELATED RISKS 	OVERSIGHT <ul style="list-style-type: none"> • WHL Risk, Information and Technology Committee • WSA and CRG Boards • WHL Digital and Data Analytics Steering Committee • Executive Committees
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RISK CONTEXT <ul style="list-style-type: none"> • Shifts in competitive dynamics arising from the disruptive entry of online discount retailers • Delivery of a seamless and consistent customer experience across all channels and formats in the context of elevated competition is a key focus area • Delivery of an online and on-demand business that is profitable 	MITIGATIONS AND OPPORTUNITIES <ul style="list-style-type: none"> • Platform stability and speed remain key focus areas • Front-end user experience continues to be a priority, with search enhancements, including a new search algorithm, implemented • The product operating model has been reviewed and updated with a number of structural changes, implemented to bolster quality and efficiency while simultaneously driving cost optimisation • The IT support model is currently being reviewed to optimise monitoring and resource requirements • Key metrics are in place and regularly monitored to measure performance and identify potential threats to strategic objectives • In CRG, the Omni-channel Fulfilment Centre continues to perform strongly, maintaining service levels, particularly during heightened activity as a result of increased promotional activities 	OUTLOOK Current performance hinges on substantial investment, a well-defined future strategy, and agile execution of initiatives. We will focus on enhancing customer experiences by improving the customer’s journey through online, streamlining the supply chain, and improving product fulfilment.
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10 SUSTAIN AND GROW THE STATURE OF OUR ICONIC BRANDS

IMPACTED STRATEGIC OBJECTIVES 	LINK TO CAPITALS 	RELATED RISKS (WSA RISK) 	OVERSIGHT <ul style="list-style-type: none"> • WHL Risk, Information and Technology Committee • WSA and CRG Boards • Executive Committees
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RISK CONTEXT <ul style="list-style-type: none"> • A key consideration is the erosion of WSA’s brand equity by failing to sufficiently invest in protecting and enhancing the key differentiators that underpin the Group’s competitive advantage, while balancing opportunities to drive and improve business performance • Customer acquisition is being hampered by challenging economic conditions, ongoing competitor pressure, and customer value perception 	MITIGATIONS AND OPPORTUNITIES <ul style="list-style-type: none"> • The brand reset initiative intended to enhance brand power, emotional connection, and brand equity has been implemented across the marketing ecosystem in WSA • Brand equity metrics are in place and continuously enhanced, managed, and tracked • Proactive management and remediation of customer issues impacting brand reputation through leveraging of data and insights • Integration of customer insights in both Food and FBH strategies, and collaboration on key initiatives to deliver value • Both Food and FBH are supported by rigorous customer value management and loyalty campaigns with enhanced analytics to drive engagement and sales 	OUTLOOK From a retention perspective, the business continues to leverage WRewards, and is on track to deliver the Reinvent programme to step-change the loyalty proposition, engagement, and return. It is critical to improve overall perceived value, range, and product availability.
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MATERIAL MATTERS

Material matters are those with the potential to significantly impact the performance and sustainability of the Group.

Our materiality determination process is integrated into the day-to-day management of the Group. We continually review and assess various internal and external factors, risks, and opportunities, and engage with the stakeholders who are most likely to influence our ability to create sustainable stakeholder value. Material matters are assessed from a qualitative and quantitative perspective, which includes financial, operational, strategic, reputational, and regulatory effects.

When assessing material matters, we conduct and consider regular research, analysis, and updates, and consult with experts on macro- and microeconomic conditions. We are also informed about our competitor landscape, the speed and effect of technological changes, societal issues, shifting customer behaviours and expectations, environmental challenges, the legislative and regulatory environment, and matters identified through the risk management process. Details on stakeholder engagement and on our approach to Enterprise Risk Management, and how this informs our material matters, are provided on pages 41 to 47 and pages 48 to 54, respectively.

The material matters determined via the processes detailed above are reviewed and revised annually in terms of both the magnitude of the effect and the likelihood of occurrence. The material matters are agreed by the Board as being those issues that can materially impact the creation of stakeholder value in the short, medium, and long term.

When assessing material matters, we conduct and consider regular research, analysis, and updates, and consult with experts on macro- and microeconomic conditions.

1. CHALLENGING ECONOMIC ENVIRONMENT

The challenging macroeconomic conditions we witnessed in FY2023 unfortunately deteriorated further throughout FY2024, with little respite foreseen in the short term.

Across the regions in which we operate, inflationary pressures have intensified, driven by increasing energy costs and supply chain disruptions. Interest rates have risen materially, placing strain on household budgets and business operations alike.

In South Africa, this is further exacerbated by the persistent challenges of high unemployment levels (c.33%), income inequality, fiscal constraints, and other structural headwinds. Notwithstanding the recent easing of loadshedding and a newly formed Government of National Unity, the country's economic recovery is expected to be gradual, largely as a result of local factors such as energy supply constraints, policy uncertainty, and the significant structural and governance changes that are required to restore investor confidence. As a result, Stellenbosch University's Bureau for Economic Research has forecast muted economic growth, averaging 2% over the next three years.

While Australia has very low unemployment levels (c.4%), wages have remained relatively stagnant. Further, consumers are highly indebted, with elevated debt servicing costs (following the material rise in interest rates) further weighing on their ability and willingness to spend, particularly with respect to discretionary items.

OUR STRATEGIC RESPONSE

We have a diversified Group, both in category and geography. This, together with clear strategies and a robust balance sheet, stands us in good stead to weather the current economic headwinds. Our businesses are also well-positioned to take advantage of any potential recovery in macroeconomic conditions, and to mitigate supply chain impacts with sound inventory management. However, while we remain mindful of our operating context, we are relentlessly focused on executing the numerous self-driven opportunities and levers across our businesses as drivers of both growth and improved operational efficiency. In South Africa, we recognise that we have an important role to play in contributing towards a growing economy and thriving communities, which we do through job creation, our Just Wage initiative, capex investment, and our Good Business Journey.



2. EFFECTIVE STRATEGIC EXECUTION

We have a fundamentally different business today compared to only a few years ago. Our balance sheet has been restructured and our Capital Allocation Framework has been refreshed and implemented accordingly, as described on page 63. Each of our businesses has clearly defined strategies, which are aligned to our Group Strategic Framework, and which leverage our underlying competitive advantages, as captured on page 63. We realise, however, that there is still work to be done – especially in our apparel businesses – and we remain cognisant of the current macroeconomic context in this regard. At the same time, with financial flexibility and improved foundational health, we are now in a position where we can optimise and grow our businesses to generate greater levels of economic profit. Critical to this is ensuring the effective execution of our various underlying strategic initiatives.

OUR STRATEGIC RESPONSE

We have well-defined strategies for each division, and are transitioning our focus from 'fixing and repositioning' to 'optimising, investing, and growing' our businesses. To facilitate this shift, we have increased our level of capital expenditure in our WSA business, while simultaneously pursuing cost efficiencies to generate the wherewithal to invest in our new growth initiatives. To achieve our growth ambitions, it's crucial that we maintain a steadfast focus on execution. Therefore, we are prioritising fewer, but more impactful, strategic initiatives, and fostering stronger organisational alignment behind these to ensure their successful implementation. Key to this has been the launch of WVentures, a dedicated team and simplified processes that will bring exclusive focus to a number of our strategic growth initiatives, enabling us to execute in a more agile, flexible, and entrepreneurial way.

We have well-defined strategies for each division, and are transitioning our focus from 'fixing and repositioning' to 'optimising, investing, and growing' our businesses.



3. CONSUMER SPENDING AND BEHAVIOUR

The past decade has seen the growing proliferation of choice, a rising demand for convenience, and the continued shift to online shopping. Recently, we have also experienced the structural shift in competitive dynamics arising from the disruptive entry of Chinese online retailers, including Shein and Temu, whose presence is becoming more evident through their significantly discounted price points, extensive product range, and aggressive marketing strategy. While the demand for a seamless, omni-channel shopping experience persists, customers are equally demanding a compelling in-store shopping experience.

Across all channels, customers will increasingly look for personalised, inspiring, and engaging experiences, while also expecting convenience (which includes everything from browsing in-store to on-demand online deliveries) across all formats and digital platforms.

OUR STRATEGIC RESPONSE

We will continue to leverage our strengths in innovation and convenience, particularly in our Food business and through our new, smaller fashion formats in South Africa. Our approach also involves appropriately prioritising investments in digital platforms and enabling technologies, alongside enhancing our physical stores to create immersive and differentiated experiences that can be translated seamlessly across our channels.



4. DIGITAL WORLD AND CYBER

Digital media and engagement, especially through mobile and social media platforms, increasingly permeate every facet of our customers' lives. This includes how they interact socially, how they communicate, and how they conduct transactions with businesses – whether those transactions involve researching products and prices prior to purchase or providing post-purchase feedback. Retailers possess extensive internal and external customer data that can be used to gain valuable insights and offer personalised choices, but the protection and privacy of this information remains crucial. This is particularly true in the light of growing risks of cyber-attacks and compromised infrastructure.

OUR STRATEGIC RESPONSE

We are strategically focused on efficiently and effectively leveraging our customer data to derive actionable insights that inform all aspects of our business decisions. We are allocating resources towards implementing future-fit systems and processes to mitigate risk, lower costs, enhance flexibility, and improve overall efficiency and productivity.



5. PEOPLE, TALENT MANAGEMENT, AND CHANGE

Attracting and retaining talent is crucial for achieving our strategic objectives. This is increasingly challenging in the midst of heightened competition for skilled human resources, especially in the digital and data sectors. Just as significant is the imperative to instil a high-performance culture by adapting our ways of working to drive productivity, capacity, efficiency, and the effective sharing of knowledge, skills, and expertise. Additionally, as outlined in the Responsible Retailing section, we are committed to embracing diversity and fostering meaningful inclusivity within our businesses.

OUR STRATEGIC RESPONSE

Our people are our most valuable resource and play a crucial role in executing our strategies. Therefore, we have enhanced our focus on our comprehensive People Value Proposition – which includes our work culture – to attract, retain, and develop talent across our Group.



6. RESPONSIBLE RETAILING

From customers to investors, stakeholders are growing more and more aware of whether a company demonstrates and is committed to ethical behaviour – and whether it makes responsible decisions to create shared value for people, communities, and the environment. Notwithstanding our industry-leading Good Business Journey, stakeholders are increasingly looking to us to show our dedication to making tangible and significant societal advancements. This includes supporting community building and fostering diversity initiatives. We are also cognisant of the need to address and mitigate business continuity risks stemming from climate change and other environmental factors throughout our supply chains.

OUR STRATEGIC RESPONSE

We continue to embed our Good Business Journey and are up-weighting the focus on our Inclusive Justice Initiative across the Group. Our approach also involves collaborating with our stakeholders across all spheres to make a profound, positive, and meaningful contribution towards our communities and the broader environment.



We are strategically focused on efficiently and effectively leveraging our customer data to derive actionable insights that inform all aspects of our business decisions.



OUR STRATEGY



CLICK ON BOX TO GO TO THAT SECTION

OUR GROUP CHIEF EXECUTIVE OFFICER'S REPORT

We have made considerable progress against our strategic initiatives, remain foundationally strong and highly cash-generative, and have key competitive advantages that not only set us apart, but position us extremely well for sustainable and profitable growth.



OVERVIEW OF FY2024 PERFORMANCE

From a financial perspective, FY2024 proved significantly more challenging than initially expected, largely by virtue of the macroeconomic environment, which deteriorated throughout the year across both geographies. This was particularly evident in Australia, as sustained interest rate increases and higher cost of living continued to impact consumer confidence, footfall, and spend. In South Africa, business operations were further disrupted by higher levels of loadshedding and congestion at the ports for most of the period, as well as the impact of taxi strikes and avian flu in the first half.

Considering our continuing operations, on a comparable 52-week basis, turnover and concession sales increased by 4.3% on the prior year. Within this context, we continued to focus on maximising our leverage in high-impact areas within our control: managing inventory levels, preserving gross profit margin, containing cost, driving our cash conversion, and executing against our strategies. Notwithstanding these efforts, the impact of a significantly weaker trading environment resulted in negative operational leverage in both apparel businesses, particularly in Country Road Group (CRG), and, consequently, the Group delivered an aEBIT of R5.8 billion and adHEPS of 375.4 cps, declining 14.1% and 12.2% year-on-year, respectively. It is, however, worth noting that these results follow not only a year in which we delivered the highest-ever level of earnings for the Group, but also the relatively higher earnings base achieved over the past several years.



From an operating division perspective, and against the backdrop of a particularly tough macroenvironment, Woolworths South Africa delivered a creditable performance, with revenues up 6.7% and aEBIT growth of 5.9%. Our industry-leading Food business once again demonstrated its resilience and the trust customers place in our Woolies brand, delivering market-leading, like-for-like sales growth and expanding margins. Further, it continues to deliver the highest return on capital in the sector. The Pet category is a key growth opportunity, particularly given the importance that our customers place on these integral members of their families. A highlight for the year was the acquisition of Absolute Pets, which is reflected in our Food result for the last quarter, and which was earnings-accretive from the outset. Furthermore, this acquisition accelerates our 'pet ambition' by bringing together two strategically aligned businesses and positions us to become the pet care destination of choice in South Africa. The acquisition also underscores our disciplined approach to seeking out and executing on opportunities that are margin- and earnings-accretive for future value creation.

In **Fashion, Beauty and Home** (FBH), while we continued to make steady progress across a number of strategic priorities, we admittedly scored some 'own goals', specifically with regards to poor product availability. Significant focus and investment is being applied to address this challenge. In addition to the aforementioned macro factors, the later-than-usual onset of winter and the disruptive entry of international online 'value' retailers further impacted topline performance. We did, however, intensify our focus on strengthening the underlying financial health of the business, achieving a further increase in the share of full-price sales, and a further decline in markdown percentage. This enabled us to maintain the FBH GP margin year-on-year, notwithstanding the margin-dilutive impact of a strongly growing Beauty contribution.

Woolworths Financial Services delivered significant growth in after-tax profits for the year, and continues to deliver the healthiest impairment ratio in the sector.

The financial results for **Country Road Group** (CRG), on the other hand, were disappointing, with trading conditions proving significantly tougher and more protracted than expected. In addition, the impact of a weaker Australian dollar on input costs, coupled with the business's inherently higher fixed cost base and the cost dys-synergies emanating from the operational separation from David Jones (DJ), resulted in significant negative leverage. This was further magnified by CRG's record-high prior year base. The consequent outcome weighed heavily on the Group's overall result for the period.

Arguably one of the biggest milestones for us this past year was concluding the DJ transaction. This transaction not only turned out to be well-timed (given the downturn in the Australian macro), but more importantly has been transformational for our Group in removing c.R21 billion in liabilities from our balance sheet, improving our ROCE by more than 5 ppts, and enabling the reallocation of capital and management focus towards more value-accretive initiatives in our core Woolworths and CRG businesses. Very pleasingly, we have now successfully completed the highly complex operational separation of CRG from DJ – both on time and within budget – and while an element of stranded cost remains to be rationalised, this is being more than offset by the rental income received from the Bourke Street property, which we have retained. Importantly, CRG is now unencumbered to focus exclusively on the strategies that underpin its growth ambitions.

LEADING THE WAY IN SUSTAINABILITY

Sustainability is integral to how we manage and operate our business. It informs how we think, how we source, how we partner with farmers and NGOs, and how we plan with tomorrow in mind as we consider everything from packaging and waste to production and water use. It is also why we strive for inclusivity throughout our business.

We continued to make good progress over this past year, in realising our ambitious sustainability targets and further embedding Inclusive Justice throughout the Group. Our Inclusive Justice Initiative (IJI), which embraces the principles of diversity and inclusivity and is based on the premise of 'leaving no-one behind', is a top priority for us. A key initiative has been our Just Wage initiative. In October last year, we completed a R120 million investment in raising the wages of our frontline employees – a deliberate strategy to move beyond legislated minimum requirements, and even beyond a decent wage, to a 'Woolies wage'. Our store staff now earn about 20% above the retail sector average, and more than 50% above the new national minimum, enacted in March. Further, in a transformational initiative for both our organisation and our industry, we are set to implement medical insurance cover for all WSA employees, thereby further uplifting the quality of life for our frontline employees.

We are a company that has always strived to do the right thing, and we are clear that we have an active role to play in addressing critical social matters, and issues of marginalisation and social justice, which we will continue to do in order to realise our vision of being one of the world's most responsible retailers.





AN UPDATE ON OUR STRATEGIC JOURNEY

Over the past few years, we have focused on delivering on the commitments we have made to essentially ‘fix, strengthen and reposition’ our Group. These strengthened foundations enable us to now increasingly shift our focus to the next phase of our strategic journey, namely, to ‘optimise, invest and grow’ overall, albeit that each of our businesses finds itself at varying stages of this overall journey.

In our **Food** business, our overarching objective remains to preserve and further strengthen our ‘holy grail’: optimising the balance between providing our customers with the best and most compelling proposition in the market, and our shareholders with the highest return on capital in the sector. To this end, we will continue to invest in growing our core business, by improving our on-shelf availability, enhancing our trusted value proposition, and increasing our marketplace presence across all our channels, both physical and digital.

We have also identified a number of adjacent categories and formats within our Food business, where we see significant growth potential, including our WCafé, coffee carts and NowNow formats (Food Services), WCellar, and pet care. To enhance the focus on these key growth segments, we launched **WVentures** during the year – a specific business unit designed to accelerate new revenue streams, harness the potential of our talented people, and attract new customers to our trusted brand.

We recognise that growing a world-class Food business requires ongoing investment. To this end, we are investing R1.7 billion in the expansion of our Midrand Distribution Centre over the next three years, which is vital in supporting future growth and is further evidence of the potential we see in our Food business.

In **Fashion, Beauty and Home**, the first phase of the turnaround involved redefining our position within the market and focusing on increasing full-price sales, reducing markdowns, and improving trading densities. We have firmly reset the foundations of this business, enabling us to shift our focus to the second phase, improving product availability – our next biggest commercial opportunity. To this end, we are investing over R1 billion in our value chain transformation initiative. This multi-year programme, which is well underway, will drive key capability shifts across our systems, processes, and logistics, including the delivery of enhanced planning capability and a centralised inventory model. I strongly believe this will be a ‘game changer’ for us, firmly cementing the sustained turnaround of our Fashion business.

While permanently shifting the trajectory of our Fashion business is a top priority for us, our FBH business is not short of growth opportunities either. In addition to the runway we see in our online channel, our new, smaller-format WEdit stores, and in our various African markets, I am particularly excited by the potential we see in growing our Beauty business. We have already doubled this business and are on track to double it again – affirming our position as the beauty shopping destination in the market.

To support this growth, we have recently opened a dedicated Beauty manufacturing facility in Cape Town, as well as our very first Beauty standalone store in Waterstone (Somerset West).

With reference to **CRG**, we outlined the pathway to establishing the foundations needed to achieve our *House of Brands* ambition, and have made solid progress in this regard. Having first separated the financial covenants that integrated Country Road Group and David Jones, in 2021, our next priority was to successfully conclude the sale of David Jones. The third phase – being the focus this past year – was the operational separation of the two businesses, which we successfully completed both on time and below budget, notwithstanding the scale and complexity of this undertaking. We are now in a position to reconfigure and optimise the operating model of CRG, and in doing so, reset the structural economics of this business as a standalone entity.

Our CRG business has exceptional competitive advantages: its leading omni-channel capabilities, its scale and expertise in sourcing and distribution, and perhaps most importantly, its strong brands and the ability to leverage learnings across them. I am confident in the strategic direction of this aspirational business, and in its ability to emerge from the current economic downturn as an even fitter and far stronger business.

WITH GRATITUDE

I would like to extend my gratitude to our Board of Directors, for their continued support and guidance throughout the year, and especially to our Chairman, Hubert Brody, who will be stepping down from the Board with effect from the conclusion of the AGM in November 2024. Under Hubert’s stewardship, our Group has navigated numerous challenges and significantly strengthened its position in the industry. We have benefited greatly from his wisdom and insight, and his contributions will have an enduring impact on the future of the Group. I, personally, have found Hubert’s counsel and support invaluable, and am deeply appreciative of his partnership with me in my role as Group CEO over the past four years.

In August 2024, we also said farewell to Zyda Rylands, who retired after almost 30 years with our Group. Chief Operating Officer Sam Ngumeni has been appointed as CEO of Woolworths Food, effective 1 July 2024. I would like to acknowledge and thank Zyda for her immense contribution and commitment to the WHL Group, and I look forward to working with Sam as we continue to strengthen and grow our world-class Food business.

Finally, I would like to acknowledge and thank our customers for their loyalty and support. Also, thank you to all our excellent suppliers, our committed business partners, and of course, our remarkable people, who continue to bring our Woolies difference to life.

LOOKING AHEAD

In South Africa, our prospects appear somewhat more positive following the favourable election outcome and the recent suspension of loadshedding. Notwithstanding this, the trading environment is expected to remain challenging as inflation and interest rates pose continued headwinds to both consumer demand and cost growth. The same is true for Australia, with the pace and extent of the macrorecovery likely to be more protracted than we initially envisaged.

In the context of both cyclical headwinds and secular shifts in competitive dynamics, we are acutely aware of the need to remain resolutely focused on execution, and the strategic investments that underpin our key growth opportunities.

Most importantly, we have an exceptional team, whose collective energy, enthusiasm, passion for our brands, determination, and commitment are the true foundation of both our past achievements and future success.

CLOSING REMARKS

This year has not been without its challenges, and has not delivered the level of financial performance that we expect of ourselves as a business. However, I am genuinely pleased with the way in which our teams have navigated some significant challenges, and with the good progress we have made in executing our foundational strategies as we move from a phase of 'fixing and repositioning' our businesses to the next phase of 'optimising, investing in and growing' the Group.

Notwithstanding the prevailing macroenvironment, we have clear strategies, strong brands, strengthened foundations, and a robust balance sheet. Most importantly, we have an exceptional team, whose collective energy, enthusiasm, passion for our brands, determination, and commitment are the true foundation of both our past achievements and future success. I firmly believe that we are on the right course to building a bigger, better, and far stronger business.



EXCO COMPOSITION AT 30 JUNE 2024



Roy Bagattini
Executive Director
and Group Chief
Executive Officer



Manie Maritz
Chief Executive Officer:
Woolworths Fashion,
Beauty and Home



Melanie Naidu
Group People Director



Sam Ngumeni
Executive Director
and Group Chief
Operating Officer



Chantel Reddiar
Group Company
Secretary



Zyda Rylands
Chief Executive Officer:
Woolworths Food



Raju Vuppalapati
Chief Executive Officer:
Country Road Group



Jeanine Womersley
Group Head: Strategy and
Investor Relations, and
Head: WVentures



Zaid Manjra
Group Finance Director

9

MEMBERS

TOTAL EXCO

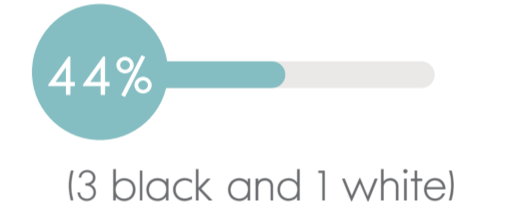
6

BLACK MEMBERS



4

FEMALE MEMBERS



5

1-5 YEARS

TENURE

2

5-10 YEARS

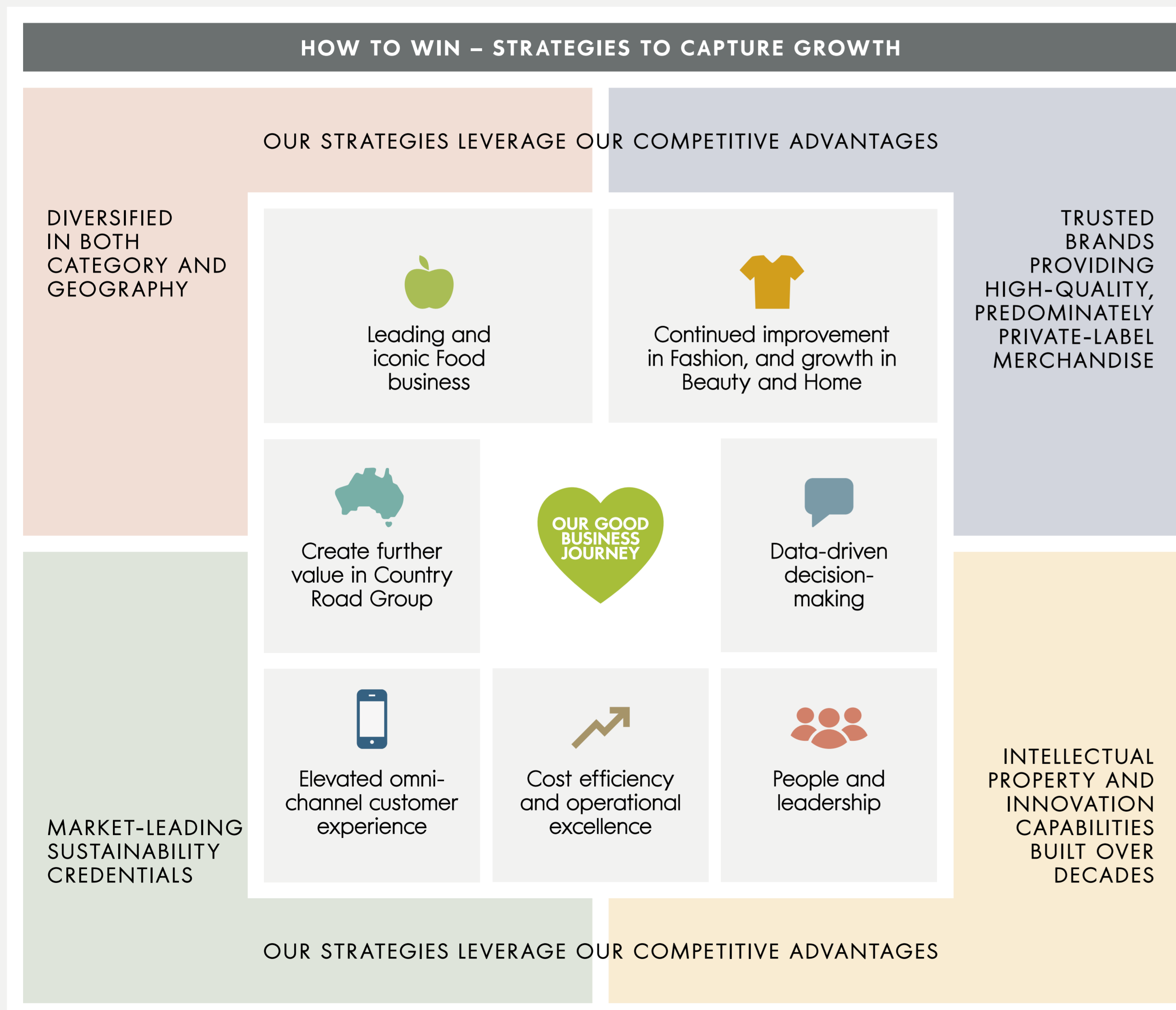
2

MORE THAN
10 YEARS



OUR STRATEGIC FRAMEWORK

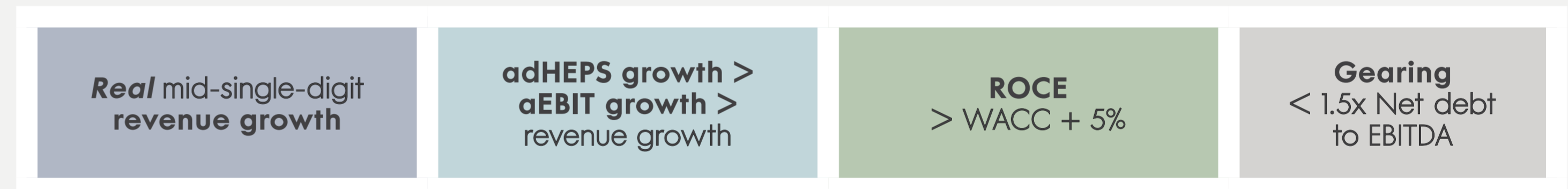
Our WHL strategic framework aligns divisional and functional strategies to support our Group's overall growth ambitions. This clarity aids in prioritising initiatives and harnessing collective efforts for their successful execution.



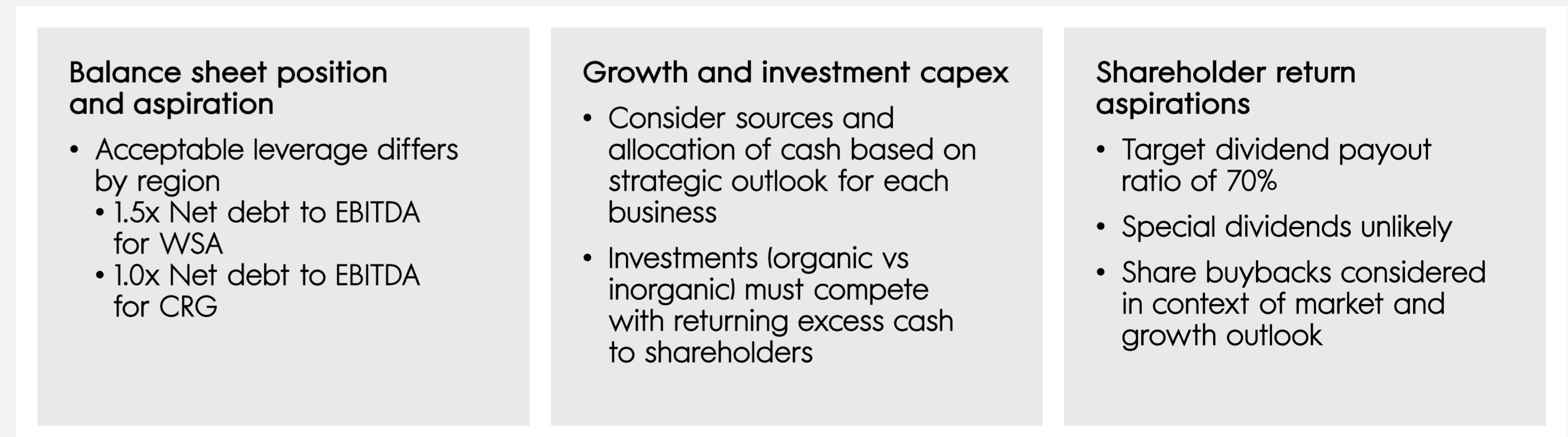
Our strategies, which are discussed in detail on pages 68 to 74, leverage our diversified foundation and competitive strengths, which include diversity in both categories and geographical presence; trusted, high-quality, primarily private-label brands; extensive intellectual property and innovation capabilities built over decades; and market-leading sustainability credentials.

Our Group is in a fundamentally different position today than it was a few years ago. We have well-defined strategies for each of our businesses, and several self-help opportunities available to us. This is supported by a strengthened balance sheet and a clear Capital Allocation Framework, depicted in the accompanying diagram. This ensures that our capital allocation principles support our strategies and growth ambitions, while also meeting our targeted gearing structure and shareholder aspirations.

CAPITAL ALLOCATION IS DRIVEN TOP-DOWN AND TIGHTLY ALIGNED TO GROUP STRATEGIC PRIORITIES WE ARE ASPIRING TO DELIVER:



ALLOCATION OF CASH SEEKS TO BALANCE:



We are now in the position where we can leverage our competitive, differentiated strengths and sound foundations, to optimise and grow our businesses to enhance the value we can create for our stakeholders.

OUR STRATEGIC THEMES



LEADING AND ICONIC FOOD BUSINESS

STRATEGIC OBJECTIVE

Continue to strengthen our 'holy grail' while simultaneously growing our core business and pursuing new avenues of growth.

STRATEGIC INITIATIVES

- Remaining focused on our 'holy grail', which balances providing our customers with the best overall proposition in the market, and our shareholders with the highest return on capital in the sector
- Continuing to drive growth in our core business by improving on-shelf availability, amplifying our trusted value proposition, and increasing our marketplace presence
- Further widening the gap with competitors in an elevated, omni-channel shopping experience
- Pursuing growth in new categories, formats and, adjacencies, housed under WVentures, including Food Services, WCellar (liquor), and Pets
- Leveraging existing value chain and expertise as key competitive advantages
- Maximising opportunities for growth in other key African markets where we have an existing presence
- Investing in critical enablers to support longer-term growth, including significant investment in our Midrand Distribution Centre

PERFORMANCE IN FY2024

The strength and resilience of our Food business, and the trust that customers place in our brand, is evident in our performance for the year, delivering the strongest organic growth in the sector, driven by new customers, more transactions, and increased basket values. Further, notwithstanding our continued investment in price and other strategic initiatives, we expanded margins at both a gross profit and aEBIT level, and continued to deliver sector-leading returns to our shareholders.



STRATEGY FOR FY2025 AND BEYOND


Our Food strategy aims to protect and optimise our core retail business, which is our key driver of growth, while also expanding into new areas through new concepts, formats, and solutions.

We will enable this by leveraging our strong, differentiated, and leading back-end capabilities. These include leading sustainability credentials, a best-in-class cold chain, and significant depth and strength in product development, and food science and technology capabilities. We also have a comprehensive and integrated approach to quality throughout our value chain, and strict governance and compliance requirements to ensure food safety.

In order to grow our core, we are focused on three key priorities: improving on-shelf availability, amplifying our differentiated value proposition, and increasing our marketplace presence.

One of the biggest commercial opportunities that we are driving is better on-shelf availability. This goes beyond putting more products on our shelves; it means ensuring that the products we are providing are the right products, in the right place, at the right time. We will enable this by employing a more sophisticated approach to category management. By using our customer data and advanced analytics we will also drive hyper-localisation, ensuring consistency of catalogue across stores of similar format, to give our customers on-shelf availability they can trust. This will be done while maintaining appropriate waste metrics as the right balance between availability and waste are key drivers of our profitability. Underpinning our growth is our commitment to 'trusted value'. While we will never lead on price, we will continue to provide our customers with the unbeatable Woolworths difference – that of quality, freshness, convenience, innovation, and exceptional sustainability credentials – making our fair prices well worth it.





In support of this initiative, we will amplify our voice in the market and be even more direct and deliberate in how we position our business and our unique offering, so that our customers can better understand the holistic value proposition we offer them.

We are also expanding our marketplace presence by increasing our physical footprint, albeit in a very targeted manner, through both the opening of new stores and the expansion of existing ones. This will enable our growth in categories such as pet and wellness, as well as accelerate our rollout of WCellar, NowNow, and our WCafés and coffee carts. We see substantial growth potential in our pet business, which is an increasingly important category for Woolworths customers, who consider their pets an integral part of their families. To this end, in April 2024, we acquired the majority shareholding of Absolute Pets with the aim of positioning our collective businesses as *the* end-to-end pet care destination of choice in South Africa.

At the same time, we will focus on driving further operational efficiencies and enabling an even better, more integrated omni-channel experience through our online channels, which is discussed further under 'elevated omni-channel customer experience' on page 70.

We also see great potential in the rest of Africa. To this end, we will leverage the deep understanding of these markets, our strong relationships, direct farmer supply, and the local talent we've developed over decades to further drive growth opportunities.

We have identified several critical enablers of our strategy – from in-store service to back-end technology. One of the key enablers for future growth is the expansion of our Midrand Distribution Centre (in Gauteng). At a capex investment of about R1.7 billion, this is a sizeable investment for us, which will place some pressure on our medium-term returns metrics, but is vital to ensuring a future-fit business from which to drive sustainable long-term growth.

Looking ahead, we are excited by the opportunities we see to grow our Food business. While some of our new growth opportunities will require increased levels of operating expenditure, we remain committed to our medium-term aEBIT margin guidance of north of 7%.

Moreover, we remain resolutely focused on maintaining the optimal balance between fulfilling our customers' wants and needs by providing the best proposition in the market, and simultaneously providing our shareholders with the highest return on capital in the sector.



CONTINUED IMPROVEMENT IN FASHION, AND GROWTH IN BEAUTY AND HOME

STRATEGIC OBJECTIVE

Continue to drive the turnaround of our Fashion business, with a particular focus on quality, product appeal, and availability, while profitably growing Beauty and Home

STRATEGIC INITIATIVES

- Continuing to focus on the ‘right product at the right price’ anchored in trusted Woolworths value and quality
- Improving availability – our next biggest commercial opportunity – supported by ongoing investment in our Value Chain Transformation (VCT)
- Actively pursuing profitable new space as we accelerate the rollout of WEdit
- Positioning our strongly growing Beauty business as the beauty shopping destination in South Africa
- Driving momentum in the online channel
- Expanding our presence in existing African markets

PERFORMANCE IN FY2024

Sales growth was behind expectation due to external headwinds such as port congestion, and some own goals, particularly with regard to poor availability. Notwithstanding these challenges, we continued to make good progress on a number of strategic initiatives, including our Value Chain Transformation, which will significantly improve our availability. We also maintained our focus on strengthening the underlying financial health of our FBH business, achieving a further increase in the share of full-price sales, and a further decline in markdown percentage, enabling us to maintain our improved GP margin year-on-year, despite the margin-dilutive impact of a very strongly growing Beauty business.



STRATEGY FOR FY2025 AND BEYOND

Continuing to improve Fashion’s underlying performance while simultaneously profitably growing our Beauty and Home businesses still remains one of the biggest opportunities for us to reset the overall value of our Group.

Despite the challenging trading environment, we have made demonstrable progress over the past several years in repositioning our Fashion business and improving its underlying operational and financial health, to create a solid foundation off which we’ll drive profitable growth.

The first phase of the turnaround was predicated on our ‘edit to amplify’ strategy – effectively, doing more with less by prioritising quality over quantity. To this end, we rationalised our unproductive space and streamlined our product range, focusing on what we call our ‘must win’ categories. These represent the product offerings that we have historically been renowned and loved for, and where we know we can deliver differentiated, superior quality and value to our customers. By focusing on these ‘must win’ categories and the quality of our top-line performance, our full-price share of sales is now close to 85% – the highest in a decade. We will ensure that we consistently deliver products that encapsulate the value, quality, and difference our customers expect from our brand, and that resonate with our target market. Accordingly, we are implementing an even clearer and more focused product strategy and execution plan, centred on quality and product appeal, which will continue to be anchored in our ‘must win’ categories. This includes T-shirts and chinos, denim, essentials and underwear, babywear, footwear, and suiting which, in aggregate, account for about 60% of our product offering.





Woolworths, Spring, 2024

While we are proudly anchored in our Woolworths brand, we continue to elevate our apparel credentials in a number of these 'must win' categories through the introduction of select global and national brands, which will also serve to differentiate and enhance our customer experience. As is the case in our Food business, the contribution of these third-party brands will not exceed 10% of the overall FBH business.

A key component of our comprehensive apparel offering includes the Country Road Group brands, which largely dominate the premium segment of the South African market and present a significant opportunity for cross-shopping, especially among our Food customers. Our FBH teams will continue to collaborate with CRG to enhance the impact of these brands across our South African stores.

In addition to delivering on our product strategy – that of having the right product at the right price – we also need to ensure that this product is consistently available (in correct quantities and sizes) at the right place at the right time. This is the second phase of our turnaround strategy. To this end, we are intensifying our focus on improving availability by implementing short-term tactical solutions in parallel with the medium-term, permanent and truly transformational initiatives within our VCT.

This extensive initiative spans multiple years and involves investing over R1 billion of capex over the medium term in enhancing our systems, processes, and logistics capabilities. The new model will incorporate strategic changes such as consolidating our inventory into a single facility, reducing stockroom holdings, enhancing visibility of on-floor availability through RFID technology, and implementing more frequent deliveries to peripheral stores. A centralised inventory approach, coupled with advanced planning capabilities and a more flexible supply chain, will enable us to deliver a customer-centric experience across all channels and regions. Crucially, it will drive better availability and improved stock turns, which are key priorities going forward.

Presently, nearly half of our locally sourced products come from exclusive, well-established partnerships. Our goal is to increase our sourcing from SADC suppliers to a minimum of 60% in the medium term, up from approximately 50% currently. This initiative aims to drive greater flexibility, reduce lead times, and positively impact our local communities and economies.

To support these initiatives, we have made shifts to our structure, by optimising our buying, sourcing, and planning functions to drive clearer accountability and better execution. Collectively, these initiatives will fundamentally transform our inventory management across the business

and present a significant commercial opportunity for us.

Having reduced our trading space by more than 10% since FY2020, we are now projecting a return to net-positive space growth, driven by the accelerated rollout of our innovative WEdit stores. These carefully curated smaller-format stores allow us to extend our presence into the convenience sector, enhancing accessibility for our existing customers while also attracting new customers to the brand. Simultaneously, we will continue to test and trial new catalogues and creative visual merchandising strategies to provide a consistent brand experience across our chain, focusing particularly on our medium-sized and smaller stores, which contribute around two-thirds of our profits.

Our Beauty and Home businesses present a significant growth opportunity, and we have therefore developed discreet strategic and financial plans for each business, focused on driving profitable growth. In Beauty, we have an ambition to be *the* beauty destination in the South African market. This entails further enriching flagship store experiences for WBeauty, expanding the availability of both private-label and branded products across more stores (including those in African countries), continuing to introduce new brands, and expanding our online presence. We have just opened our first standalone Beauty store, in Waterstone, Somerset West.

In our Home business, our objective is to lead in key categories across both online and physical stores, emphasising our strengths in quality and innovation. For both Beauty and Home, we will leverage online personalisation and exceptional service to distinguish ourselves from competitors.

We currently have stores in 10 African countries and will continue to optimise our offerings in these markets, while also exploring potential expansion into new territories when the timing is right. Effective stakeholder engagement, including collaboration with local governments and businesses, is critical to our success across the rest of Africa. Recognising the inherent diversity across the continent, we are actively tailoring our strategies to cater to individual countries and cities to unlock the full potential we see in these markets.

Over the past few years, we have made demonstrable progress in building a solid foundation for our FBH business. As our strategic initiatives evolve, we are shifting our focus to improving our availability and stock turn metrics, and realising our medium-term aEBIT margin target. This will see us optimise and future-fit our operations and foundation to drive sustainable and profitable market share gain across each of Fashion, Beauty, and Home.

Over the past few years, we have made demonstrable progress in building a solid foundation for our FBH business.



CREATE FURTHER VALUE IN COUNTRY ROAD GROUP

STRATEGIC OBJECTIVE

Drive growth from reset foundations by leveraging CRG's competitive advantages and unlocking the full potential of the existing brands

STRATEGIC INITIATIVES

- Rapidly implementing a fit-for-purpose operating model, enabling a common platform of capabilities across brands and sustainable structural economics
- Further leveraging and investing in competitive advantages, including leading omni-channel capabilities, scale and expertise in sourcing and distribution, and a cost-efficient platform of capabilities, among others
- Unlocking the full potential of existing brands, maximising the strength of being a 'House of Brands', and learning from Country Road's success to strengthen and reposition other brands
- Capitalise upon the unique position in the South African market

PERFORMANCE IN FY2024

Trading conditions in Australia proved significantly tougher and more protracted than expected. This, together with a record-high base from last year and cost dys-synergies arising from separating CRG from DJ, resulted in a disappointing performance from CRG overall.



Our CRG vision is ‘to be the most admired Australian lifestyle brand house’.

STRATEGY FOR FY2025 AND BEYOND

Our CRG vision is ‘to be the most admired Australian Lifestyle Brand House’. Critical to this is establishing CRG as a standalone entity post the sale of David Jones – a transaction that was transformational for the Group. In FY2024, we completed a significant and complex strategic project to effectively separate a well-entrenched set of shared services between CRG and DJ. We are now in a position to rationalise stranded and fixed costs, and, more importantly, implement the right operating model and fundamentally reset the structural economics of CRG itself.

At the core of our strategy is also unlocking the full potential and value of our existing brands. This includes accelerating the growth of Country Road, expanding Trenergy, repositioning and growing Witchery, consolidating Mimco, and relaunching and growing Politix. This will be enabled by establishing a common platform of capabilities across our brands, supported by an agile operating model to ensure that our systems and processes align with our growth trajectory.

We are building a world-class distribution network to support the expansion of our brands by exploring additional channels and new markets to reach and attract new customers. This includes taking our Country Road and Witchery offering into more regional towns in Australia via a ‘capex-light’ wholesale model, and expanding our footprint within Myer stores, where CRG is ranked their number one concession. While the upfront investment in expanding our footprint has had an initial drag on profit metrics, this is ultimately a margin- and returns-accretive channel for us, and one in which we see significant growth potential. We are also exploring opportunities for international expansion, with a particular focus on the Country Road brand.

At the same time, we’re continuing to invest in our own physical stores and market-leading omni-channel capabilities, to truly deliver

a differentiated and compelling all-round customer experience. This involves leveraging our extensive customer insights across our brands, enhancing our loyalty programmes, and implementing a headless digital infrastructure that will essentially separate the front-end of our online platform from the back-end. This strategic move will enable us to adapt the online storefront quickly and flexibly to meet evolving customer demands, while enhancing overall efficiency and profitability.

Our Country Road Group brands play a vital role in our South African market, complementing our FBH offering with a premium proposition that creates significant cross-shopping opportunities, especially among our Food customers. We will continue to leverage our local organisational capability to build the unique positioning of our CRG brands within both standalone stores and Woolworths stores within the South African market.

We have identified additional opportunities to enhance gross profit margins by consolidating sourcing and enhancing fulfilment efficiencies in expanding and optimising our omni-channel fulfilment centres. Post the sale of David Jones, CRG is carrying a level of ‘stranded cost’ – effectively the dys-synergies emanating from the separation of the two businesses. We are therefore reassessing our operating model and cost structures to fundamentally reset the structural economics of our businesses.

CRG has exceptional competitive advantages – its strong brands, leading omni-channel capabilities, and scale in sourcing and distribution, among others. Notwithstanding the current weak macroeconomic environment, we are confident in our ability to leverage these strengths to unlock the full potential of our brands, and transform our operating model and cost structures to deliver against our House of Brands ambition.



ELEVATED OMNI-CHANNEL CUSTOMER EXPERIENCE

STRATEGIC OBJECTIVE

Continue to improve our online capability and capacity to provide customers with a seamless, quality shopping experience, regardless of channel

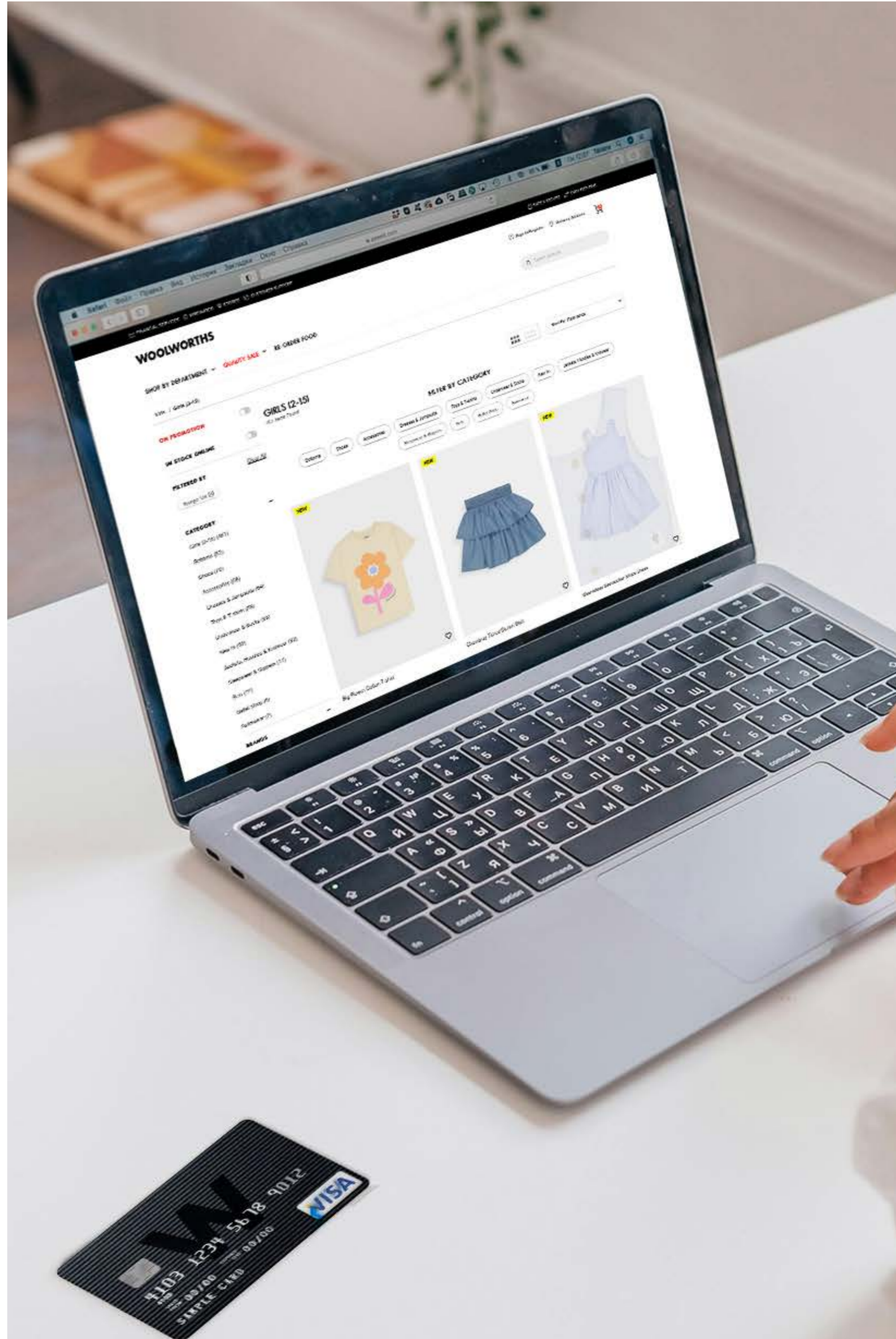
STRATEGIC INITIATIVES

- Continuing to improve the profitability of online through scale, channel mix, and channel efficiency
- Differentiating our offering with enhanced personalisation, relevance, and seamless interaction
- Enhancing digital capacity and capability by investing in systems, processes, and talent, and embedding a 'test, learn, and scale' culture
- Further leveraging opportunities, investments, and learnings across the Group

PERFORMANCE IN FY2024

As the only retailer in South Africa to offer the full suite of products and delivery options in one mobile app, we continue to provide customers with a market-leading omni-channel experience, with online sales contributing about 6% to total sales.

While online sales contribute almost 28% to sales in Australia, and notwithstanding the strong online sales growth in South Africa in FY2024, there is still significant runway to increase our online sales contribution.



STRATEGY FOR FY2025 AND BEYOND

We recognise that our customers are demanding even more from their omni-channel journeys. Personalisation, relevance, and seamless interaction are at the heart of growing these businesses. We will enable this through adaptable operating models, flexible platform ecosystems, and talented teams, which will see us innovate with speed and agility, and build with scale.

The Australian online market is well-established, and the CRG brands offer our customers market-leading, compelling online platforms and experiences. As discussed under the 'Create further value in Country Road Group' strategic theme, we will continue to invest in and grow the CRG omni-channel experience, including investing in headless digital infrastructure, targeting an online penetration rate in excess of 30%.

The South African online market is less developed in its sales penetration relative to global averages. We are therefore actively focused on growing our online share of sales to the upper single digits in the case of Food, and into the double digits in the case of FBH.

While our online businesses in Australia are margin-accretive for us relative to brick-and-mortar sales, this is not the case in South Africa, particularly in the case of Food. We are therefore focused on improving the profitability of our South African online offering through scale, channel mix, and channel efficiency.

Dash has been a key focus area in driving online sales in our Food business, and is successfully attracting new customers to our brand who are spending more in terms of average basket size. In the current year, we opened 13 Dash sites and now have 120 Dash sites in total, reaching over 90% of our customer base, with Dash sales up by more than 70% on last year. More importantly, this channel is now profitable on a fully costed basis, without any supplier funding. We will continue to grow our Dash proposition in a sustainable and systemic way, focusing on our key differentiators of elevated quality, freshness, and timeous service.

In a South African first, and in line with our broader sustainability objectives, our 42 electric vehicles continue to perform exceptionally well and remain a 'first in SA'.

Across the Group, we will continue to be flexible and agile in our ways of working by further embedding a responsive 'test, learn, and scale' culture. One of our key strengths is the diversification within our Group, providing scope to leverage investments and accelerate learnings in support of our data-driven and omni-channel experience ambitions.





DATA-DRIVEN DECISION-MAKING

STRATEGIC OBJECTIVE

Drive differentiation across our Group by continuing to prioritise operational and capital spending towards digital and data transformation

STRATEGIC INITIATIVES

- Leveraging our existing wealth of data to better inform decisions and processes
- Refreshing loyalty in all our businesses to enable greater differentiation and personalisation

PERFORMANCE IN FY2024

In the year, we continued to entrench our data-analytics and machine-learning capabilities throughout the Group, for example, by further optimising our markdowns in FBH, and within demand forecasting in our Food business.

Our loyalty programmes have the ability to truly distinguish our businesses from competitors. We ended FY2024 with 3.4 million and 2.4 million active loyalty members in WSA and CRG, respectively, with scope to acquire even more members.

During the year, we introduced advanced analytics 'next best offer' models in Woolworths to encourage our customers to spend with us. We also implemented 'Dynamic Yield', a personalisation engine that enables us to display content and products based on each customer's individual behaviour and interests. These initiatives have significantly increased the relevance of our offers, our customers' engagement, and their related spend.

STRATEGY FOR FY2025 AND BEYOND

Across the Group, we continue to focus on retaining existing customers, converting occasional shoppers into loyalty members, and introducing new customers to our brands.

We have an extensive database of customer information across our businesses, and have invested in building a robust data and analytics foundation to leverage this key asset. There is opportunity for us to more fully utilise these customer insights in our decision-making processes to improve profitability, and to increase customer engagement, personalisation, loyalty, and spend.

Entrenching data analytics as a key capability is enabling us to refresh our loyalty programmes so that we simplify engagement and also enhance the differentiation inherent in our proposition. We will continue to shift more appropriate and relevant promotions into the loyalty space, and offer more analytically driven offers to targeted customers. In South Africa, we will also leverage our partnership with WFS to amplify our customer acquisition efforts, particularly in respect of new customer cohorts and enhanced service offerings.

Maintaining our customers' trust is vitally important. To this end, we continue to invest in protecting our customers' information as far as cyber-risk, fraud, and security of data are concerned.

Our customers are always at the heart of everything we do.





PRODUCTIVITY, AVAILABILITY, AND EFFICIENCY

STRATEGIC OBJECTIVE

Improve productivity metrics and increase focus on cost efficiency to support strategic growth ambitions

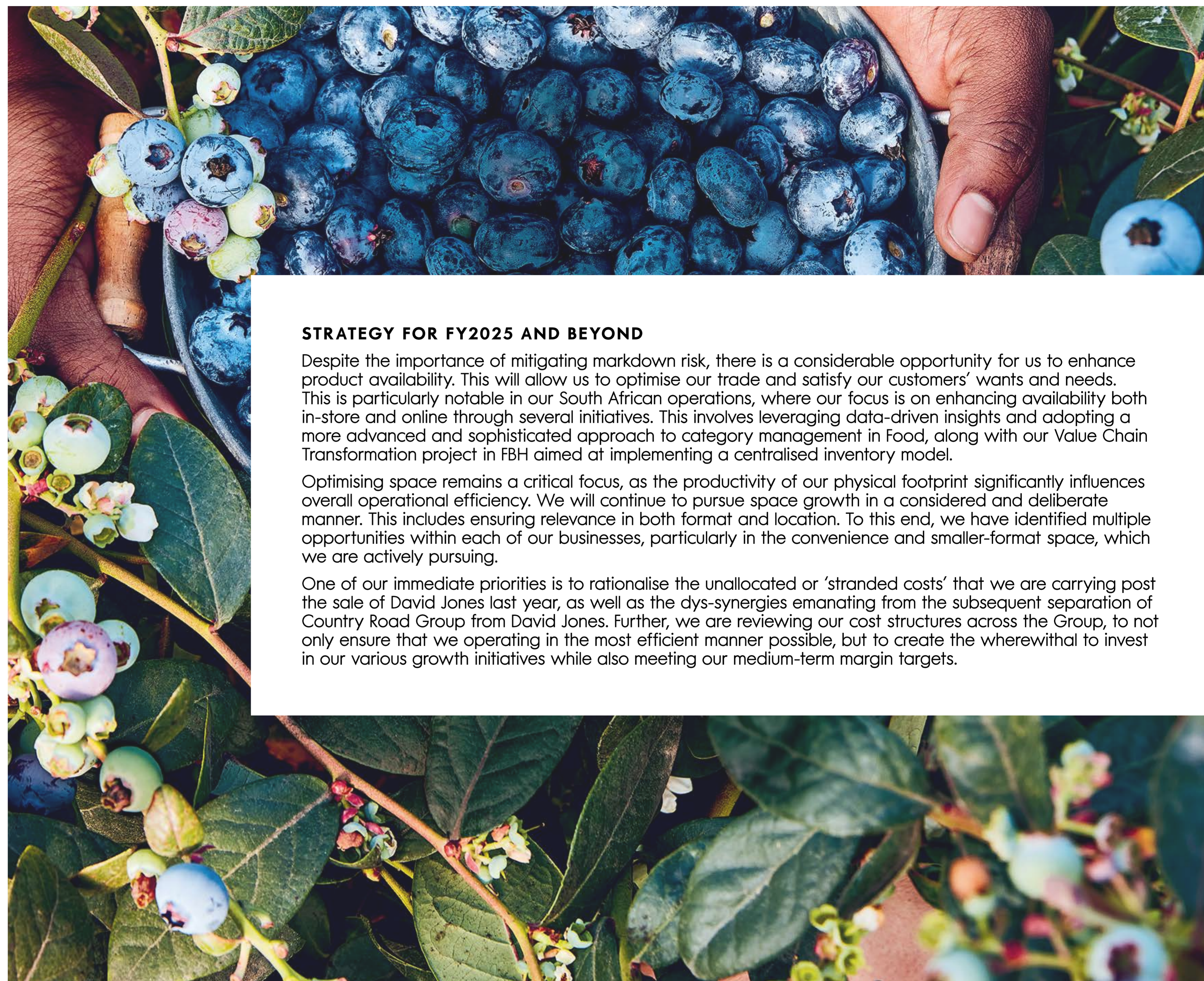
STRATEGIC INITIATIVES

- Improve on-shelf availability and stock turn metrics
- Pursue appropriate space growth, ensuring relevance in both format and location
- Improve efficiency and flexibility in the cost base
- Rationalise unallocated and stranded costs emanating from the sale of David Jones
- Focus on cost efficiency to ensure the wherewithal to invest in new growth initiatives

PERFORMANCE IN FY2024

Notwithstanding the impact of the tough macroeconomic environment on our top-line performance, we have focused on managing our inventory levels and tightly controlling our costs, which we will continue to do as we shift our spend towards our growth ambitions. While we have made some progress with regard to improving our availability in FBH, we are not yet where we need to be, and this remains a key focus area for us.

We have focused on managing our inventory levels and tightly controlling our costs.



STRATEGY FOR FY2025 AND BEYOND

Despite the importance of mitigating markdown risk, there is a considerable opportunity for us to enhance product availability. This will allow us to optimise our trade and satisfy our customers' wants and needs. This is particularly notable in our South African operations, where our focus is on enhancing availability both in-store and online through several initiatives. This involves leveraging data-driven insights and adopting a more advanced and sophisticated approach to category management in Food, along with our Value Chain Transformation project in FBH aimed at implementing a centralised inventory model.

Optimising space remains a critical focus, as the productivity of our physical footprint significantly influences overall operational efficiency. We will continue to pursue space growth in a considered and deliberate manner. This includes ensuring relevance in both format and location. To this end, we have identified multiple opportunities within each of our businesses, particularly in the convenience and smaller-format space, which we are actively pursuing.

One of our immediate priorities is to rationalise the unallocated or 'stranded costs' that we are carrying post the sale of David Jones last year, as well as the dys-synergies emanating from the subsequent separation of Country Road Group from David Jones. Further, we are reviewing our cost structures across the Group, to not only ensure that we operating in the most efficient manner possible, but to create the wherewithal to invest in our various growth initiatives while also meeting our medium-term margin targets.





PEOPLE AND LEADERSHIP

STRATEGIC OBJECTIVE

Deliver a compelling and differentiated Woolworths People Value Proposition (PVP) – our ‘People Promise’ – that enables us to retain and engage our people, and attract the right talent in the market

STRATEGIC INITIATIVES

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

PERFORMANCE IN FY2024

We continued to focus on providing our employees with a compelling PVP to attract and retain talent. Through our various strategic initiatives, we are establishing clear succession plans, and nurturing the talent and leadership within our businesses to ensure we have a strong pipeline of talent with the requisite capabilities and behaviours to lead our Group well into the future.

Adding quality to life for all our employees is a key cornerstone of who we are as an organisation, and a key focus area for us. Central to this is our Just Wage initiative – a deliberate strategy to move beyond legislated requirements, and even beyond a decent wage, to a just wage. Our store staff earn approximately 20% more than the retail sector average, and more than 50% above the new national minimum enacted in March 2024.

We continue to explore various other ways to improve the lives of all our people.

STRATEGY FOR FY2025 AND BEYOND

We remain focused on creating an agile, high-performance culture and on attracting, developing, and retaining the best talent for our Group.

To this end, we are continuing to evolve our expectations of our people, supported by our reviewed and refreshed development programmes, our incentive schemes, and our holistic wellbeing offering. This will ensure a more agile, performance-focused, customer and service-obsessed culture, with an up-weighted focus on execution and accountability. Central to this is leadership, and so we continue to work with our leaders to develop

the required capabilities and behaviours so that they, in turn, drive inspired and inspiring teams. In the year, we formally launched ‘Our Leadership Way’, which is described in more detail on page 18.

In addition to our people agenda, we are clear that our vision of being one of the world’s most responsible retailers requires us to play an active role in addressing critical social matters, and issues of marginalisation and social justice. To this end, we are up-weighting the focus and implementation of our IJI, which embraces the principles of diversity and inclusivity, and is based on the premise of ‘leaving no-one behind’.



Our people are critical to the successful execution of our strategies.



Woolworths, Summer, 2024



GOOD BUSINESS JOURNEY

STRATEGIC OBJECTIVE

Double down on our vision of being one of the world’s most responsible retailers, as well as our purpose of adding quality to life

STRATEGIC INITIATIVES

- Achieving sustainability targets to 2025 and beyond, focusing on three pillars:
 - Thriving and Resilient: caring for the environment, and being committed to working towards net zero impact and a just transition to a low-carbon future
 - Ethical and Fair: caring for how our products are made, and being committed to a fully transparent, traceable, and ethical supply chain
 - Inclusive Justice: caring about our people, and being committed to being a diverse and inclusive business, enhancing the wellbeing of our employees, customers, and communities
- Meaningfully impacting the communities in which we operate, and encouraging greater stakeholder collaboration

PERFORMANCE IN FY2024

We highlighted the competitive advantage our GBJ provides both us and our stakeholders in our third annual GBJ investor engagement session, which focused on our deeply embedded approach to sustainability in our Food business (having focused on the FBH business in previous sessions). We continued to make progress in realising our ambitious sustainability targets, including embracing and embedding Inclusive Justice throughout the Group.



Our pioneering Good Business Journey (GBJ) is the programme through which our sustainability strategies and goals are achieved.

STRATEGY FOR FY2025 AND BEYOND

Our vision of being one of the world’s most responsible retailers reflects clearly in the sustainability targets we have set ourselves through to 2025 and beyond.

As far back as 2008, we’ve been investing time, capital, and expertise, and have built the deep knowledge, experience, and skills set that enables us to not only set, but realise our ambitious GBJ goals, ensuring that we continue to lead in this space.

Our sustainability strategy focuses on three pillars – Thriving and Resilient, Ethical and Fair, and Inclusive Justice. Under each of these, we have clearly defined goals, placing particular emphasis on five industry-leading sustainability goals, against which we will measure our success and hold ourselves accountable. This is disclosed on page 75 of this report, and further detailed in our GBJ Report.

A fortunate by-product of our GBJ is the competitive advantage this provides, in being deeply embedded throughout our organisation, operations, and value chain model. Our deep commitment to our

GBJ is not just reflected in how we operate – it is also embedded in how we reward our management, and how we make our financial decisions. We achieve this by including a sustainability component in the long-term incentives for our executive management, and linking ESG criteria to both the debt and deposits on our balance sheet.

Through our GBJ, we will continue to make a tangible and meaningful difference to our communities, be it through our social contributions, our MySchool MyVillage MyPlanet loyalty programme, our food and clothing donations, or our commitment to paying our people fairly, as demonstrated by our Just Wage initiative discussed under ‘People and Leadership’.

As a market leader in this space, we believe we have a role to play in inspiring others to collaborate with us and join this cause for good. We are therefore actively up-weighting our communication in this regard with all our stakeholders to drive profound, sustainable, and meaningful impact.



VISION 2025+ PILLARS AND UNDERLYING GOALS



FOCUS AREAS

PEOPLE	SOCIAL DEVELOPMENT	HEALTH AND WELLNESS

GOALS

Promote inclusive growth for all our people and in our sphere of influence as a business

FOCUS AREAS

SUSTAINABLE FARMING	ETHICAL SOURCING	

GOALS

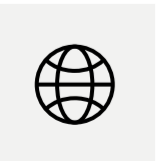
Have a fully transparent, traceable, and ethical supply chain by 2025
 All our private-label products can be reused, repaired, resold or recycled by 2025

FOCUS AREAS







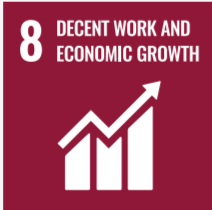









PACKAGING AND WASTE	WATER	ENERGY AND CLIMATE CHANGE

GOALS

Achieve net zero carbon impact by 2040
 Source 100% of our energy from renewable sources by 2030







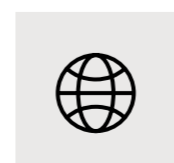
MEASURING OUR PROGRESS AGAINST VISION 2025+

 INCLUSIVE JUSTICE PROGRESS	 ETHICAL AND FAIR PROGRESS	 THRIVING AND RESILIENT PROGRESS
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>
Complete the UN Women’s Empowerment Principles gap analysis by 2023 <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>
Move from ‘Improver’ to ‘Achiever’ in the UN Women’s Empowerment Principles assessment by 2025 <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>
Complete our Just Wage journey to exceed retail and legislative minimum rates <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>
Implement our Employment Equity Plan for the period until 2025, and achieve compliance status <div style="text-align: right;">●●●○</div>	All private-label clothing, beauty, and home products to contain at least one renewed, reused or recycled product material input by 2030 <div style="text-align: right;">●●●○</div>	Halve food loss and waste in our own operations and across our top 30 suppliers by 2030 <div style="text-align: right;">●●●○</div>
All private-label products to support regenerative farming practices by 2030 <div style="text-align: right;">●●●○</div>		
Related UN SDGs <div style="display: flex; justify-content: space-around; margin-top: 10px;">      </div>	Related UN SDGs <div style="display: flex; justify-content: space-around; margin-top: 10px;">    </div>	Related UN SDGs <div style="display: flex; justify-content: space-around; margin-top: 10px;">      </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

-  NOT YET STARTED
-  BEHIND
-  ON TRACK
-  AHEAD / ACHIEVED



KEY PERFORMANCE INDICATORS

We measure the success of our strategic execution against clearly defined performance indicators. These are important measures that correlate directly to our growth blueprint and form part of our performance measures.

KEY FINANCIAL METRICS

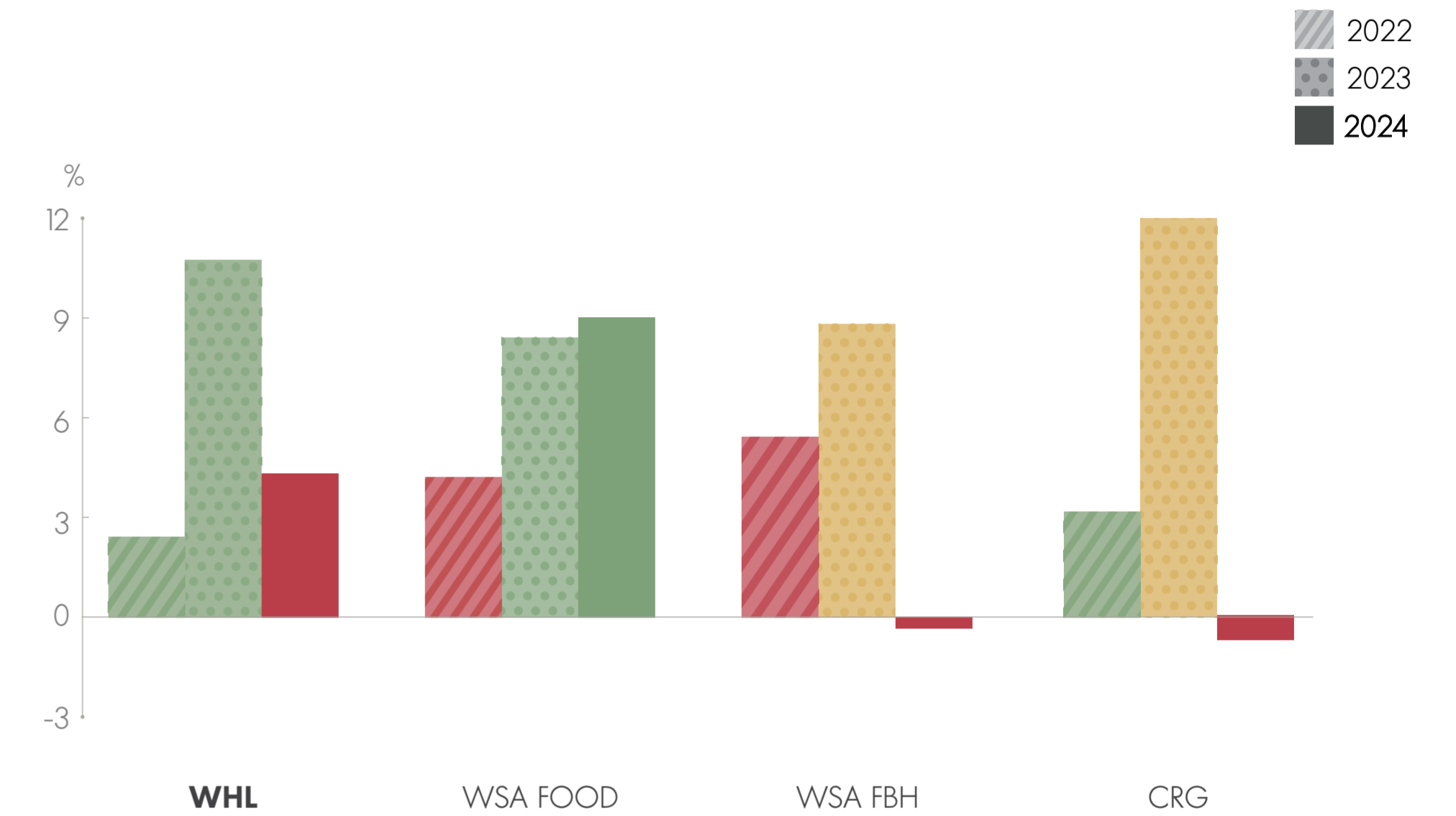
TURNOVER AND CONCESSION SALES GROWTH

WHL

WHY IS THIS IMPORTANT AND HOW DO WE MEASURE IT?

Reflects our ability to meet our customers' wants and needs by providing them with their desired merchandise which, in turn, creates additional opportunities for our suppliers and employees, and creates value for all stakeholders. Total turnover and concession sales growth over the past 52-week period, measuring the growth of our business.

PERFORMANCE IN THE CURRENT YEAR



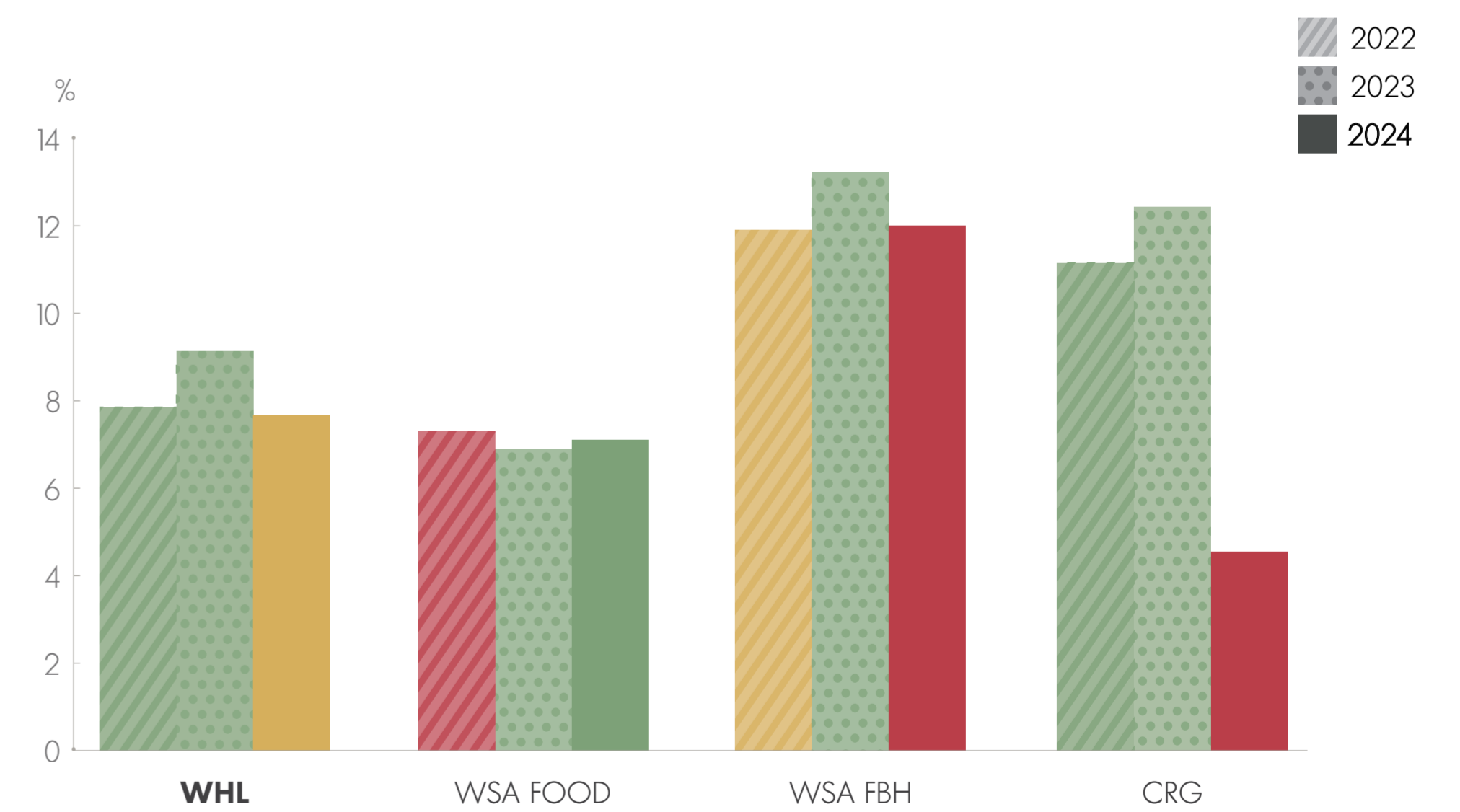
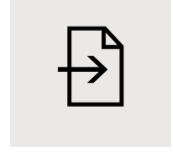
EBIT MARGIN

WHL

WHY IS THIS IMPORTANT AND HOW DO WE MEASURE IT?

Assesses how efficiently we convert sales into profit by managing margins and cost. Adjusted earnings before interest and tax as a percentage of turnover.

PERFORMANCE IN THE CURRENT YEAR



KEY FINANCIAL METRICS

GROUP eEBIT (RBN)

WHL

WHY IS THIS IMPORTANT AND HOW DO WE MEASURE IT?

Reflects ongoing profitability of the business – a key measure for all stakeholders to reflect potential returns and to determine business continuity.

Gross profit less expenses adjusted for any abnormal or one-off transactions.

PERFORMANCE IN THE CURRENT YEAR



NET (CASH)/BORROWINGS(RBN)

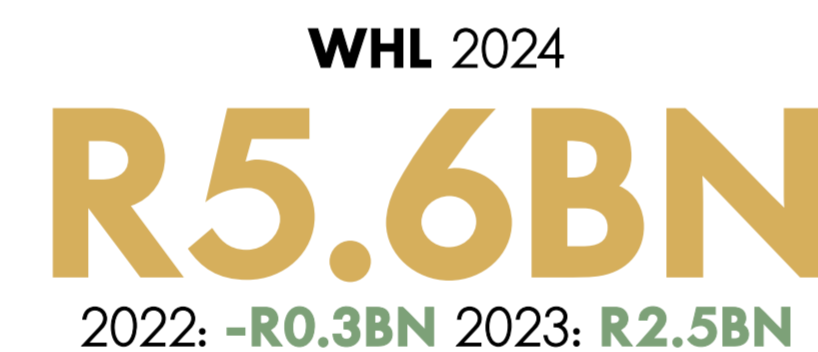
WHL

WHY IS THIS IMPORTANT AND HOW DO WE MEASURE IT?

Reflects the net amount owing to lenders at a point in time and used in credit-specific ratios to determine levels of leverage.

Gross debt less cash and cash equivalents (excluding lease liabilities).

PERFORMANCE IN THE CURRENT YEAR



NET DEBT TO EBITDA

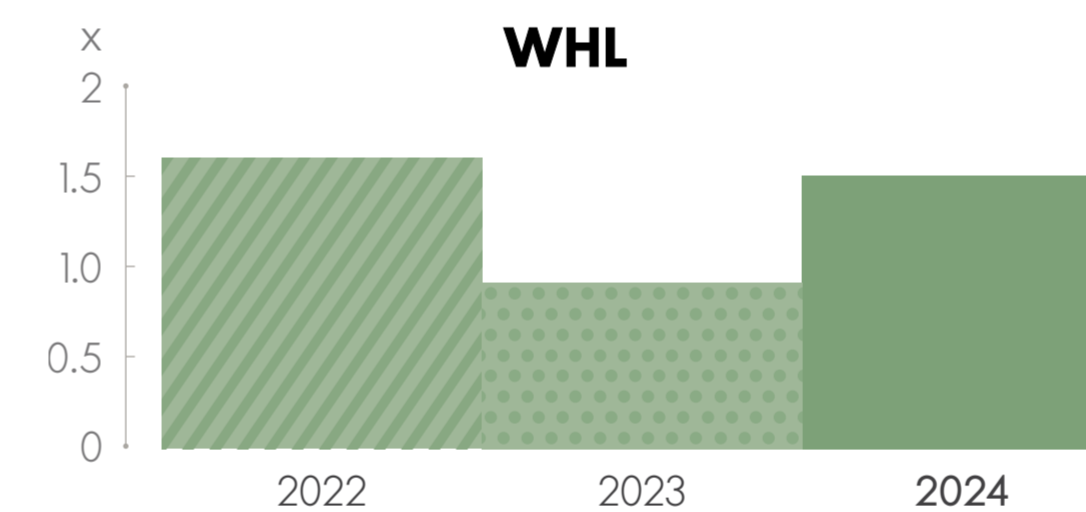
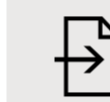
WHL

WHY IS THIS IMPORTANT AND HOW DO WE MEASURE IT?

Leverage ratio used to measure our ability to repay debt using cash generated from trading operations and demonstrates how long it would take us to pay off debt at current levels.

Net debt divided by EBITDA.

PERFORMANCE IN THE CURRENT YEAR



ADJUSTED DILUTED HEADLINE EARNINGS PER SHARE (CPS)

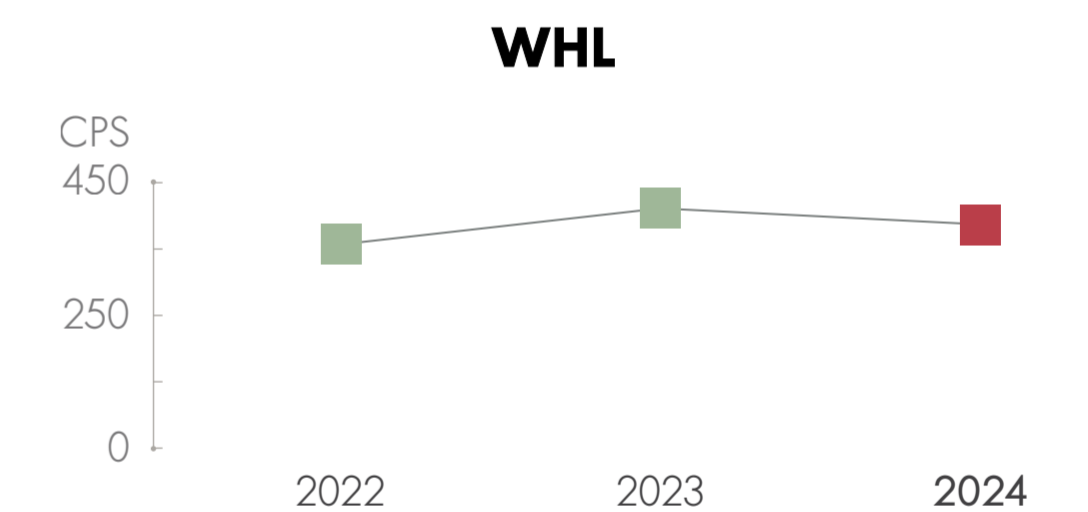
WHL

WHY IS THIS IMPORTANT AND HOW DO WE MEASURE IT?

Indicates the quality of earnings by reflecting earnings shareholders can expect in a 'worst case' scenario.

Earnings per share, excluding accounting adjustments, assuming all possible shares are converted and exercised.

PERFORMANCE IN THE CURRENT YEAR



DIVIDEND PER SHARE

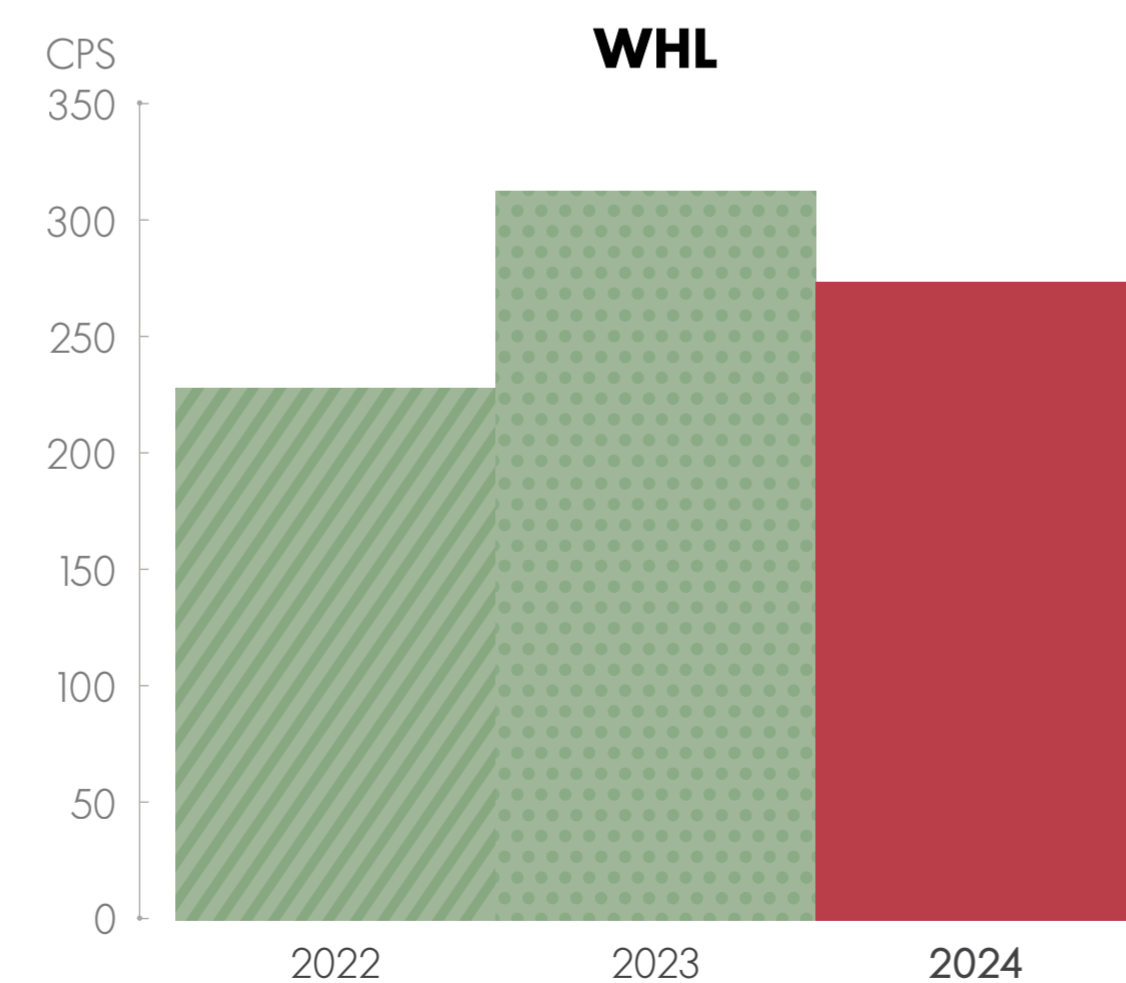
WHL

WHY IS THIS IMPORTANT AND HOW DO WE MEASURE IT?

Reflects the value we create for shareholders through the direct income we pay to them.

Total dividend paid in the current year divided by number of shares in issue.

PERFORMANCE IN THE CURRENT YEAR



FREE CASH FLOW

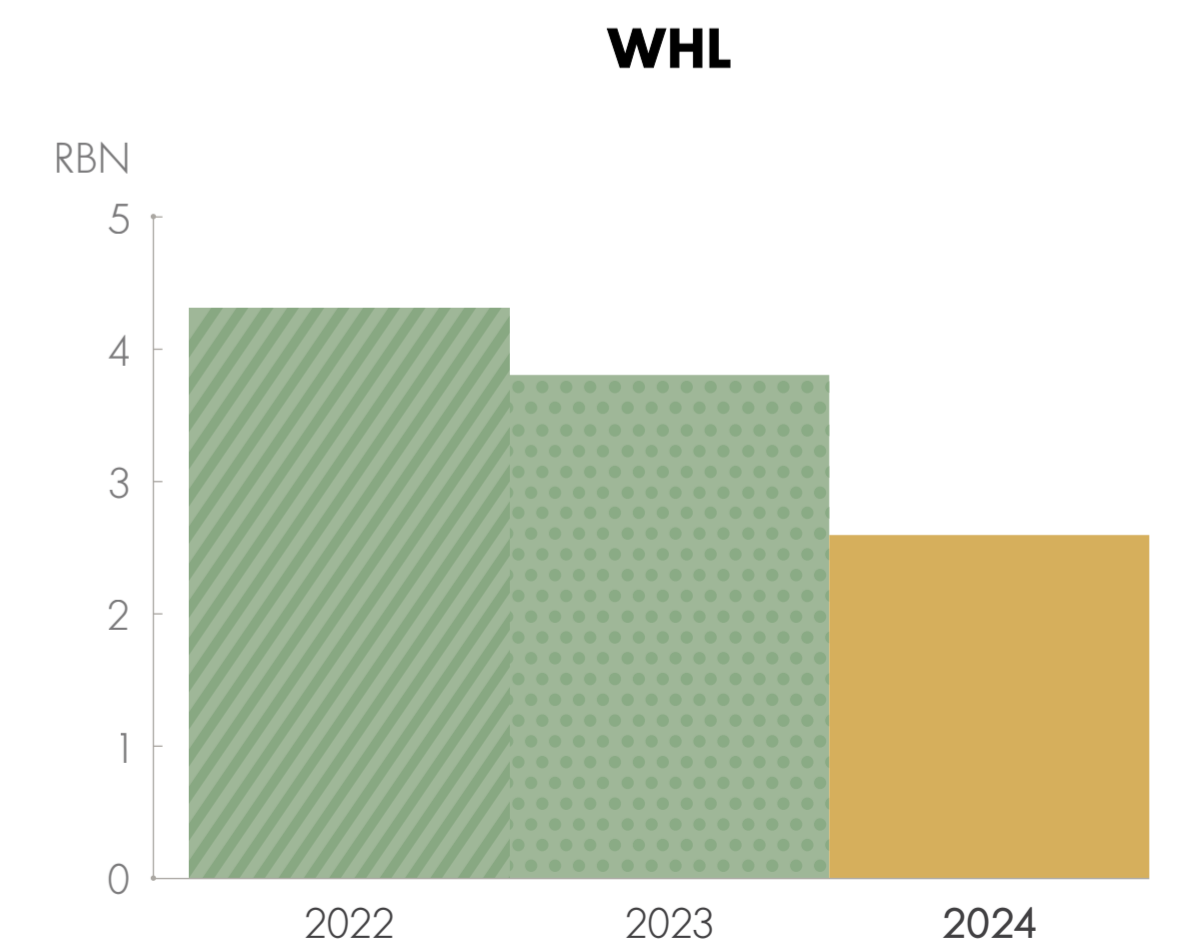
WHL

WHY IS THIS IMPORTANT AND HOW DO WE MEASURE IT?

Assesses our ability to distribute funds to our stakeholders and to further pursue opportunities that enhance their value.

Cash generated from normal business operations after subtracting funds spent on capital expenditure.

PERFORMANCE IN THE CURRENT YEAR



KEY FINANCIAL METRICS

RETURN ON CAPITAL EMPLOYED

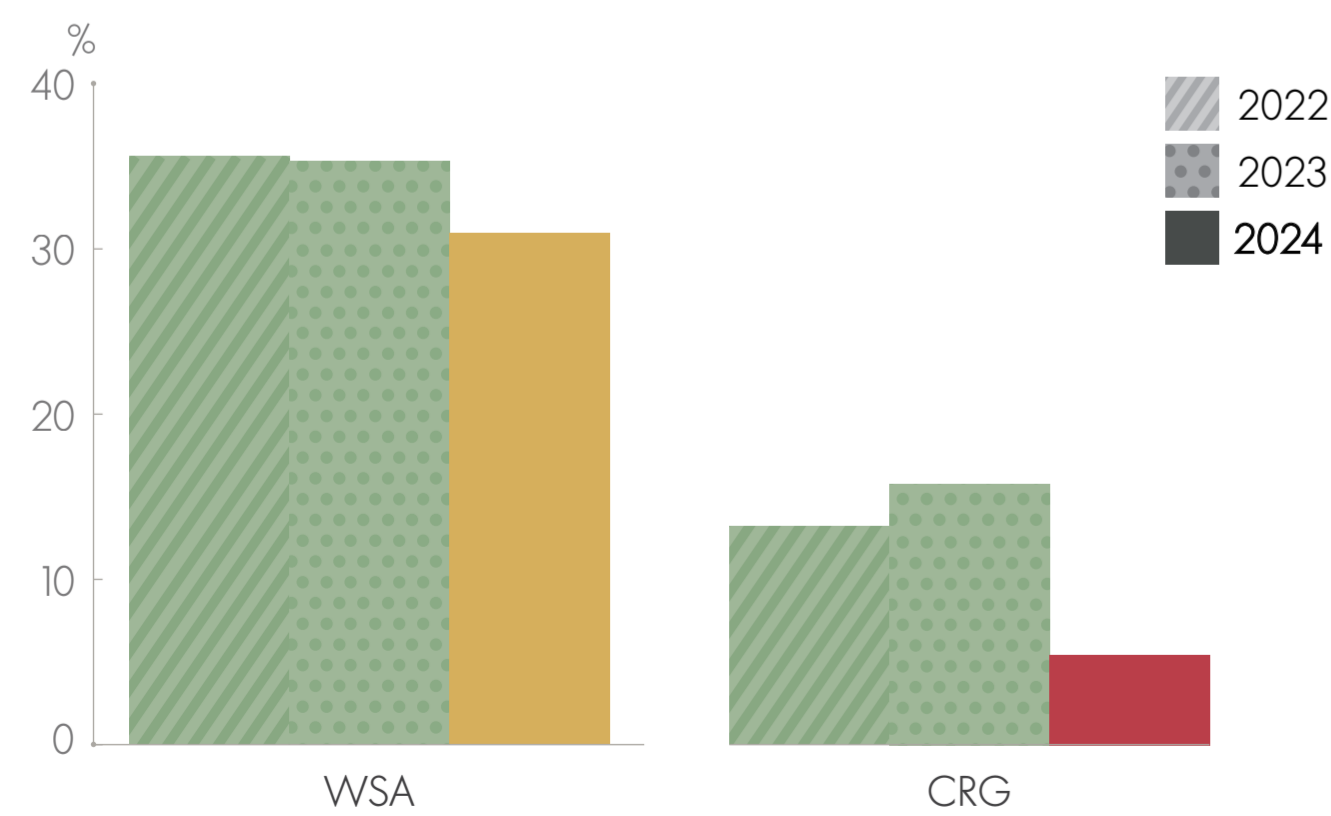
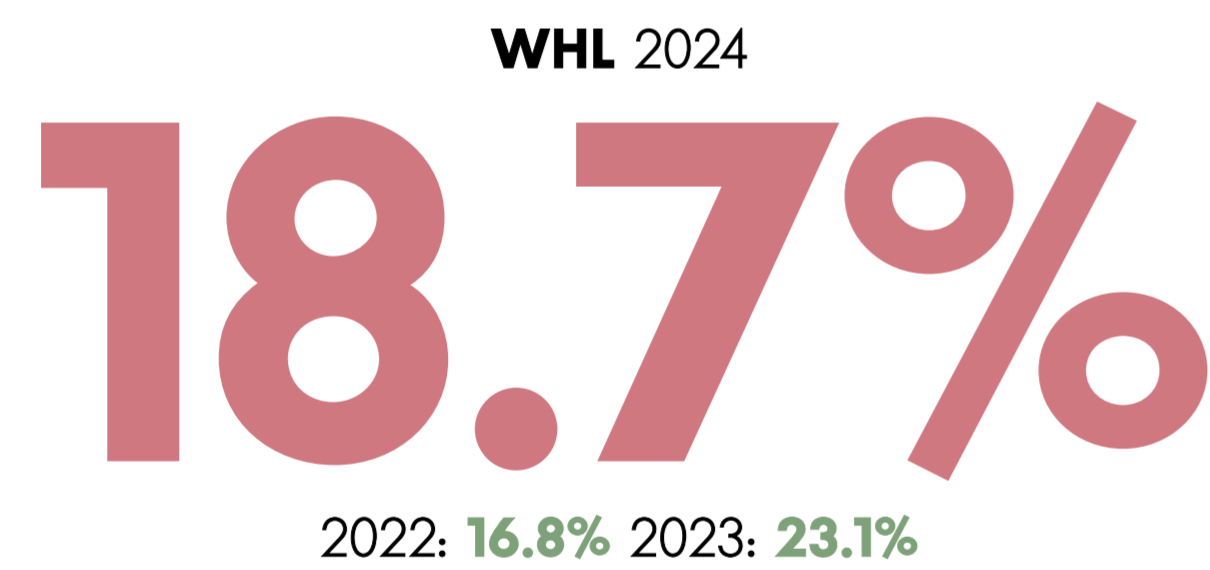
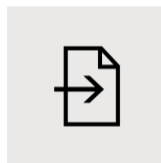
WHL

WHY IS THIS IMPORTANT AND HOW DO WE MEASURE IT?

Demonstrates how efficiently we use our capital to generate returns for our shareholders.

Adjusted earnings before interest and tax as a percentage of average capital employed (total assets less current liabilities) for the 12-month period to June 2024.

PERFORMANCE IN THE CURRENT YEAR



UNLOCK AND CREATE VALUE IN AUSTRALIA AND NEW ZEALAND/FASHION
TURNAROUND AND GROWTH IN BEAUTY AND HOME/LEADING AND ICONIC FOOD BUSINESS

MARKET SHARE

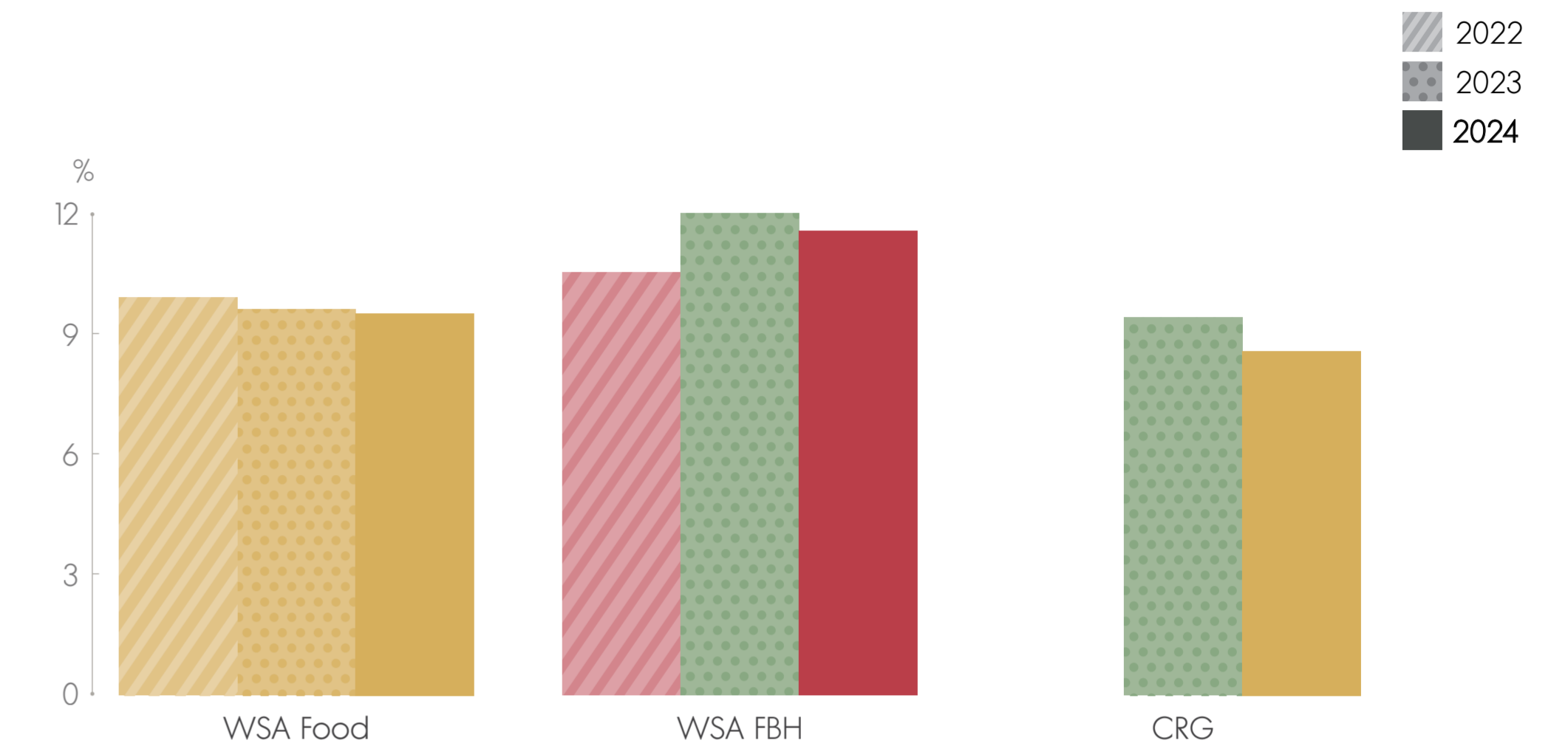
WHL

WHY IS THIS IMPORTANT AND HOW DO WE MEASURE IT?

Reflects our relative performance against our competitors.

Share of the relative market as per Nielsen for WSA Food, RLC for WSA FBH, and Commbank IQ for CRG, respectively. All market shares are reflected on a 12mma basis. CRG changed its measurement basis and FY2022 data is not available.

PERFORMANCE IN THE CURRENT YEAR



SPACE OPTIMISATION

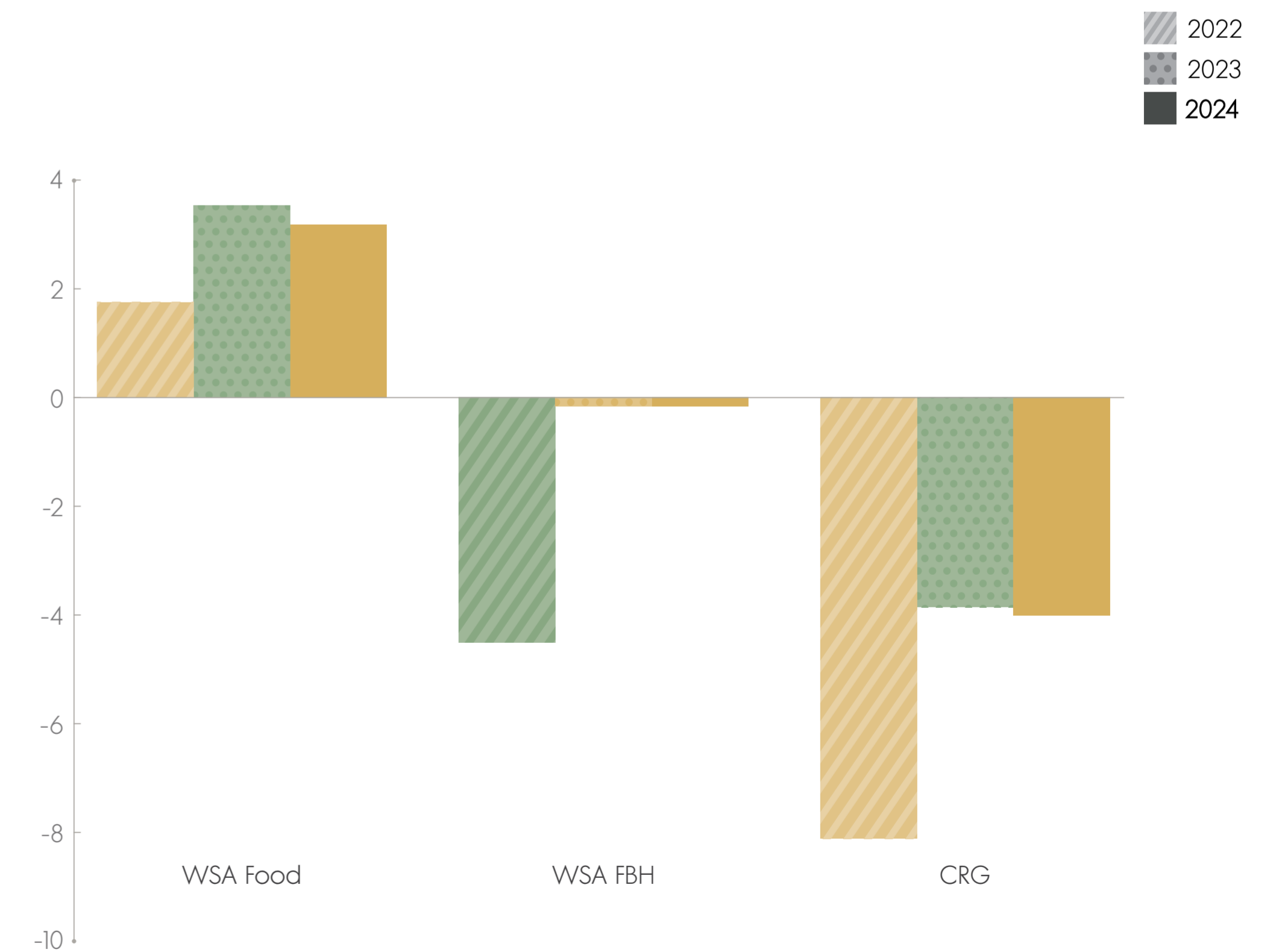
WHL

WHY IS THIS IMPORTANT AND HOW DO WE MEASURE IT?

Reflects our commitment to optimise space in order to improve trading densities and aEBIT/sqm.

Percentage difference in trading space as at end of the financial year relative to the closing sqm position at the prior financial year end.

PERFORMANCE IN THE CURRENT YEAR



DATA-DRIVEN DECISION-MAKING



NUMBER OF ACTIVE LOYALTY CUSTOMERS

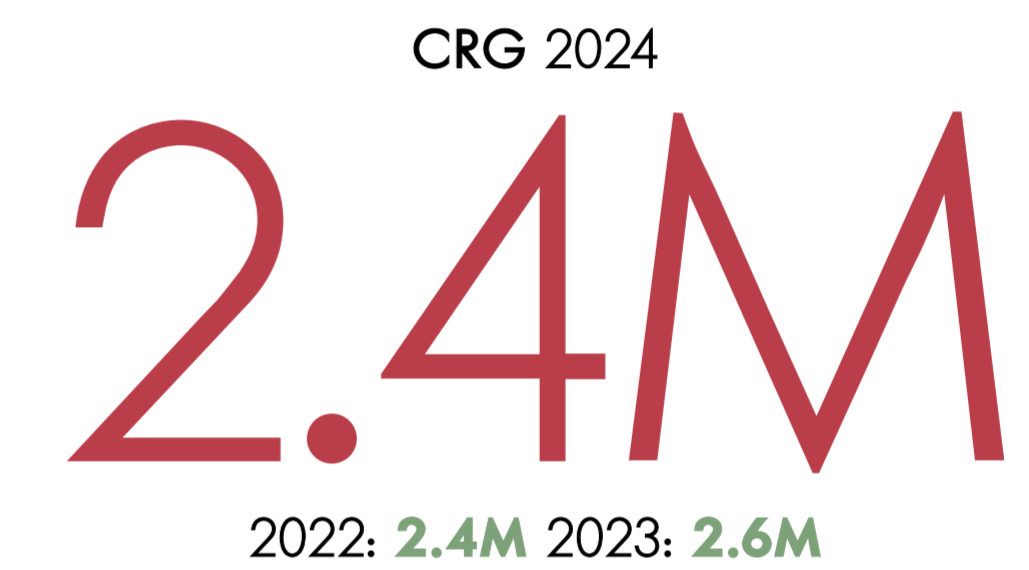
WHL

WHY IS THIS IMPORTANT AND HOW DO WE MEASURE IT?

Demonstrates our ability to grow our customer base and create value for them through the execution of a customer-led strategy.

The number of loyalty customers who have had at least one transaction with us in the current year and for whom we have contact information.

PERFORMANCE IN THE CURRENT YEAR



% REVENUE TRACKED ON LOYALTY CARDS

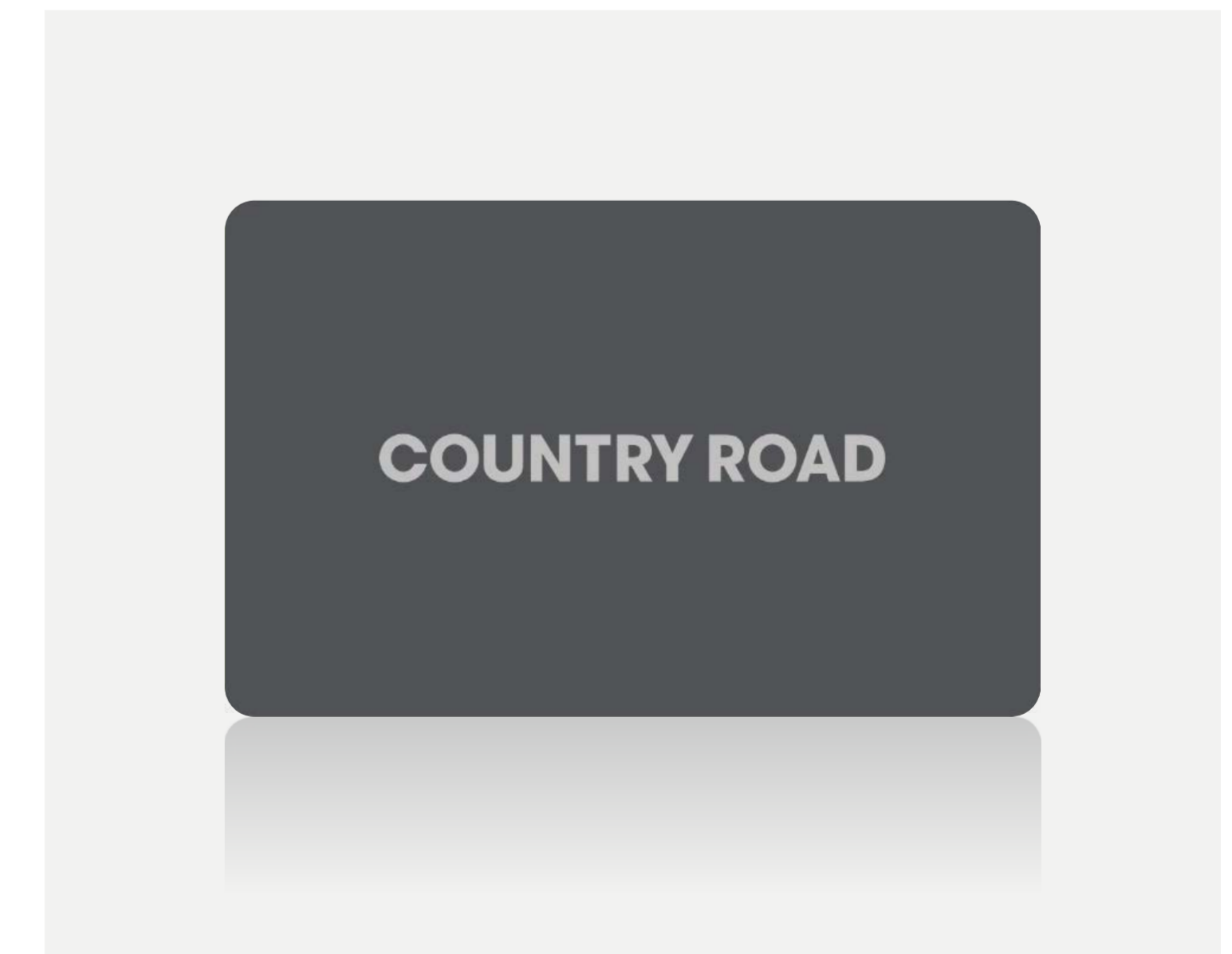
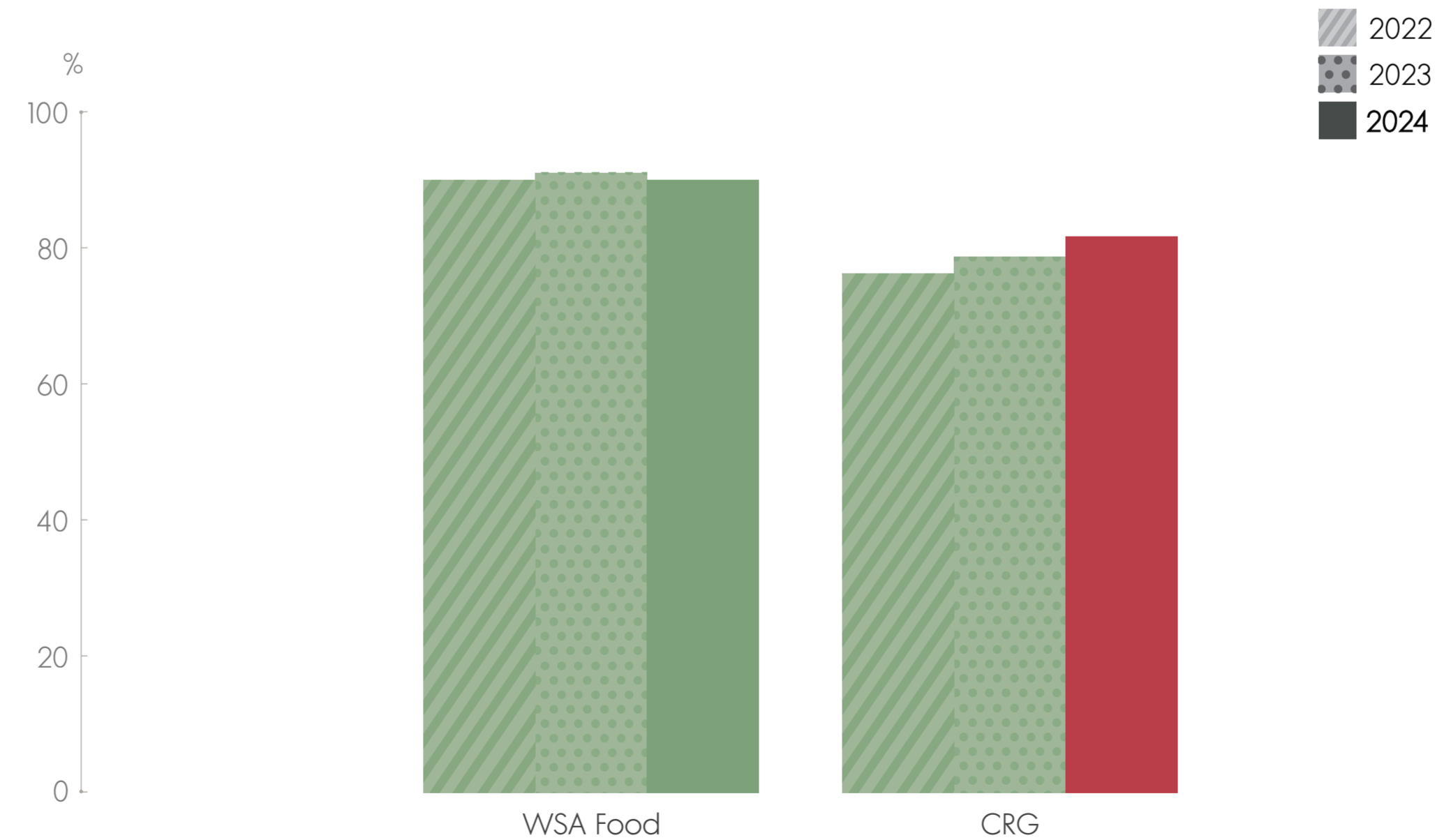
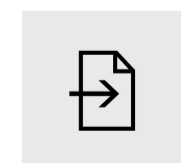
WHL

WHY IS THIS IMPORTANT AND HOW DO WE MEASURE IT?

Reflects whether we create value for our customers by increasing their loyalty through growing and enhancing our programmes.

Percentage of sales transactions where a loyalty card is used.

PERFORMANCE IN THE CURRENT YEAR



ELEVATED DIGITAL/ONLINE/OMNI-CHANNEL CUSTOMER EXPERIENCE

COST EFFICIENCY AND OPERATIONAL EXCELLENCE

ONLINE SALES GROWTH

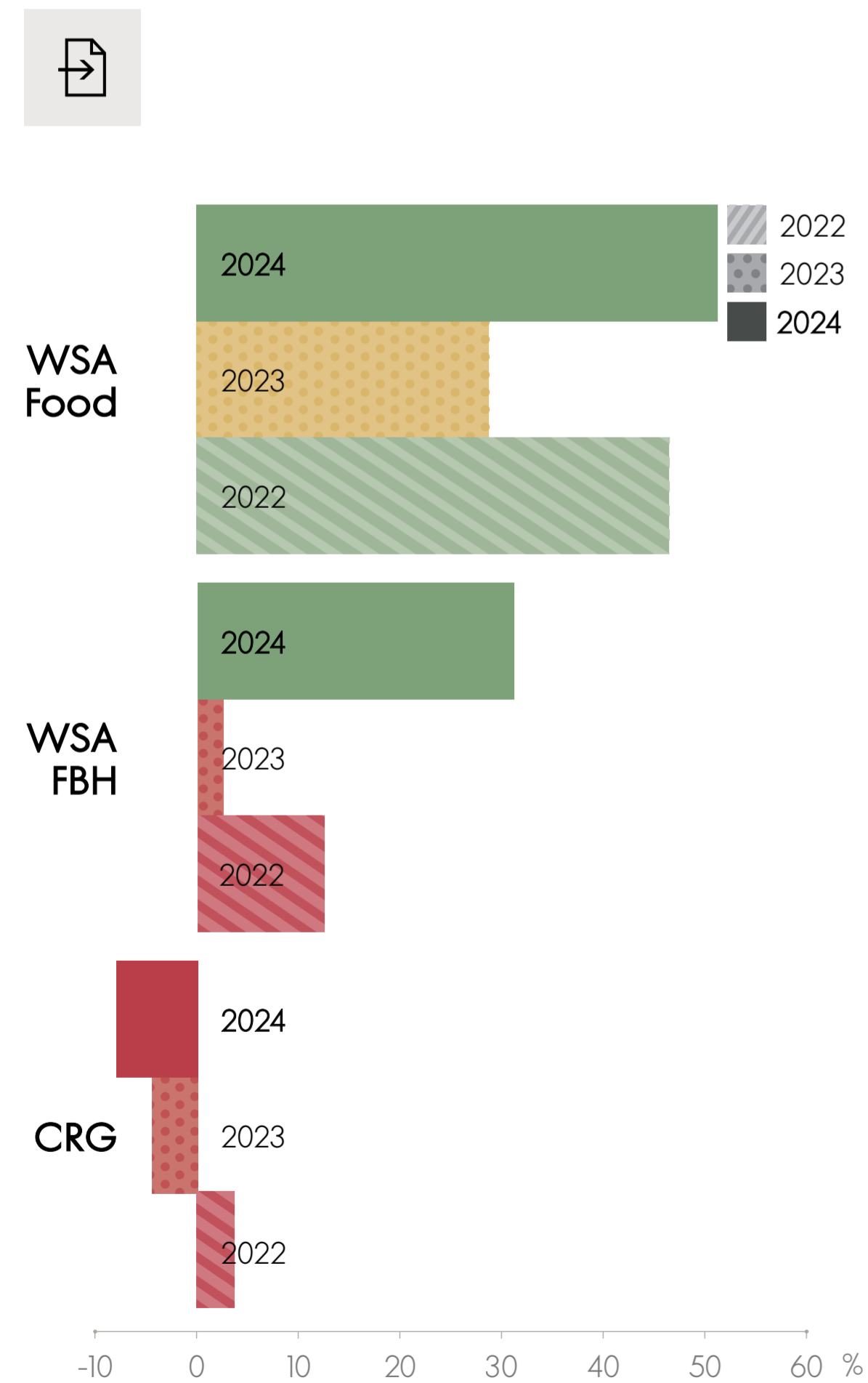
WHL

WHY IS THIS IMPORTANT AND HOW DO WE MEASURE IT?

Reflects the success of various initiatives and investments to drive sales through our digital channels.

Total online growth over the past 52-week period, measuring the growth of our online platforms.

PERFORMANCE IN THE CURRENT YEAR



ONLINE SALES %

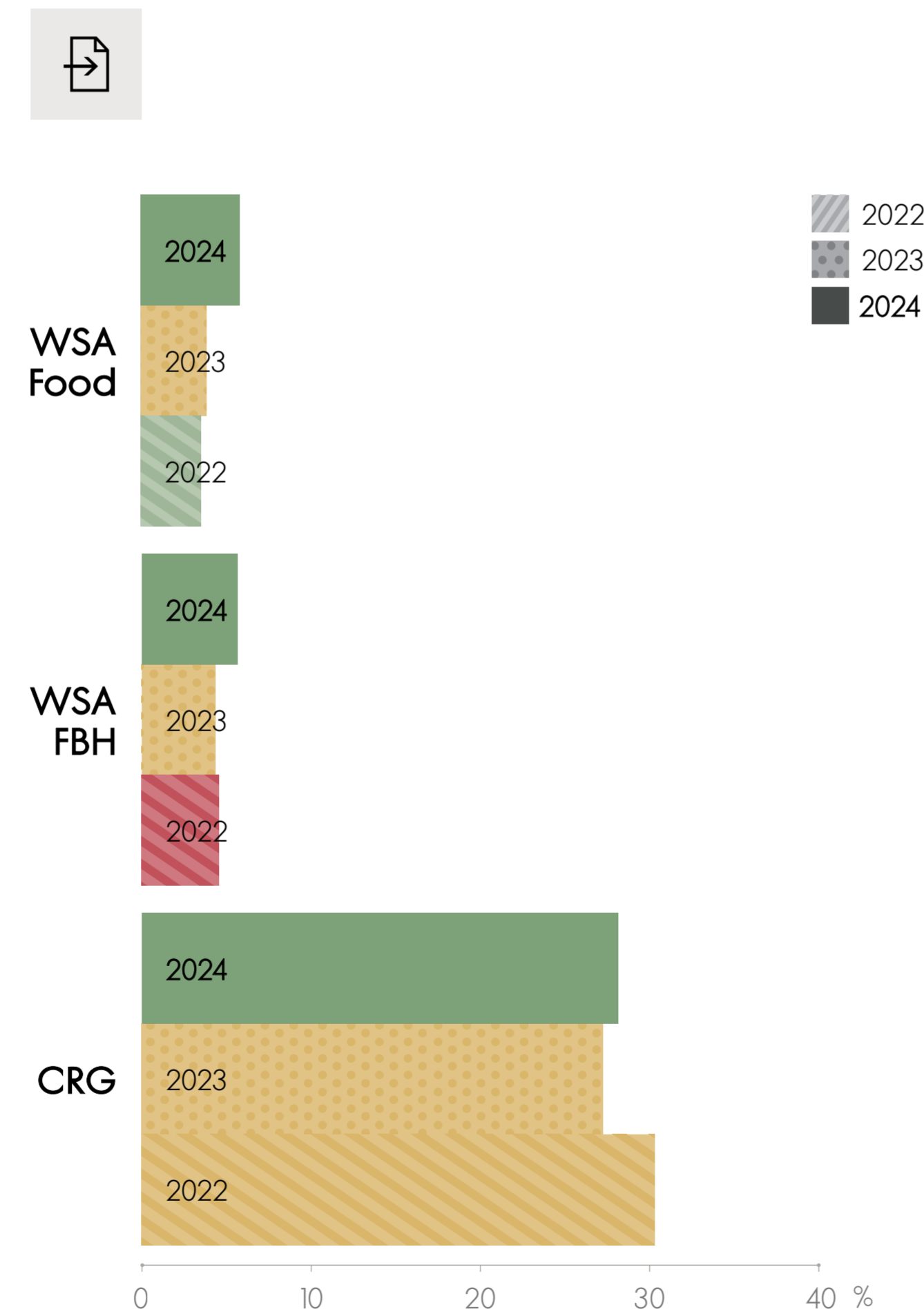
WHL

WHY IS THIS IMPORTANT AND HOW DO WE MEASURE IT?

Indicates whether we are adapting to changing customer shopping behaviours by driving online sales relative to physical store sales by enhancing the digital experience.

Percentage of sales contribution of online sales to total sales.

PERFORMANCE IN THE CURRENT YEAR



COST TO OPERATE %

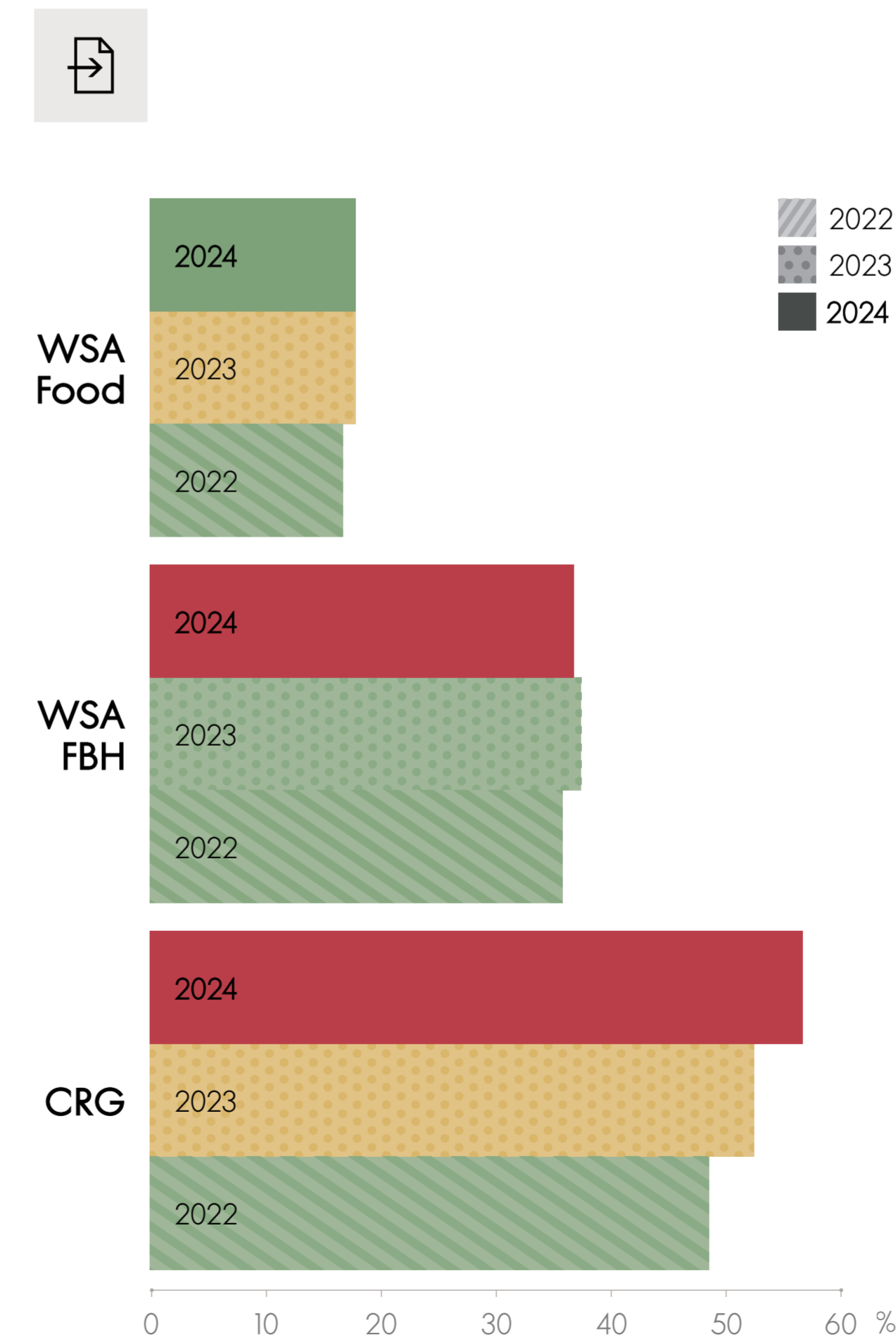
WHL

WHY IS THIS IMPORTANT AND HOW DO WE MEASURE IT?

Indicates the proportion of revenue which is used in the ongoing expenses incurred from the normal day-to-day running of our business.

Expenses divided by turnover and concession sales.

PERFORMANCE IN THE CURRENT YEAR



STOCK TURN

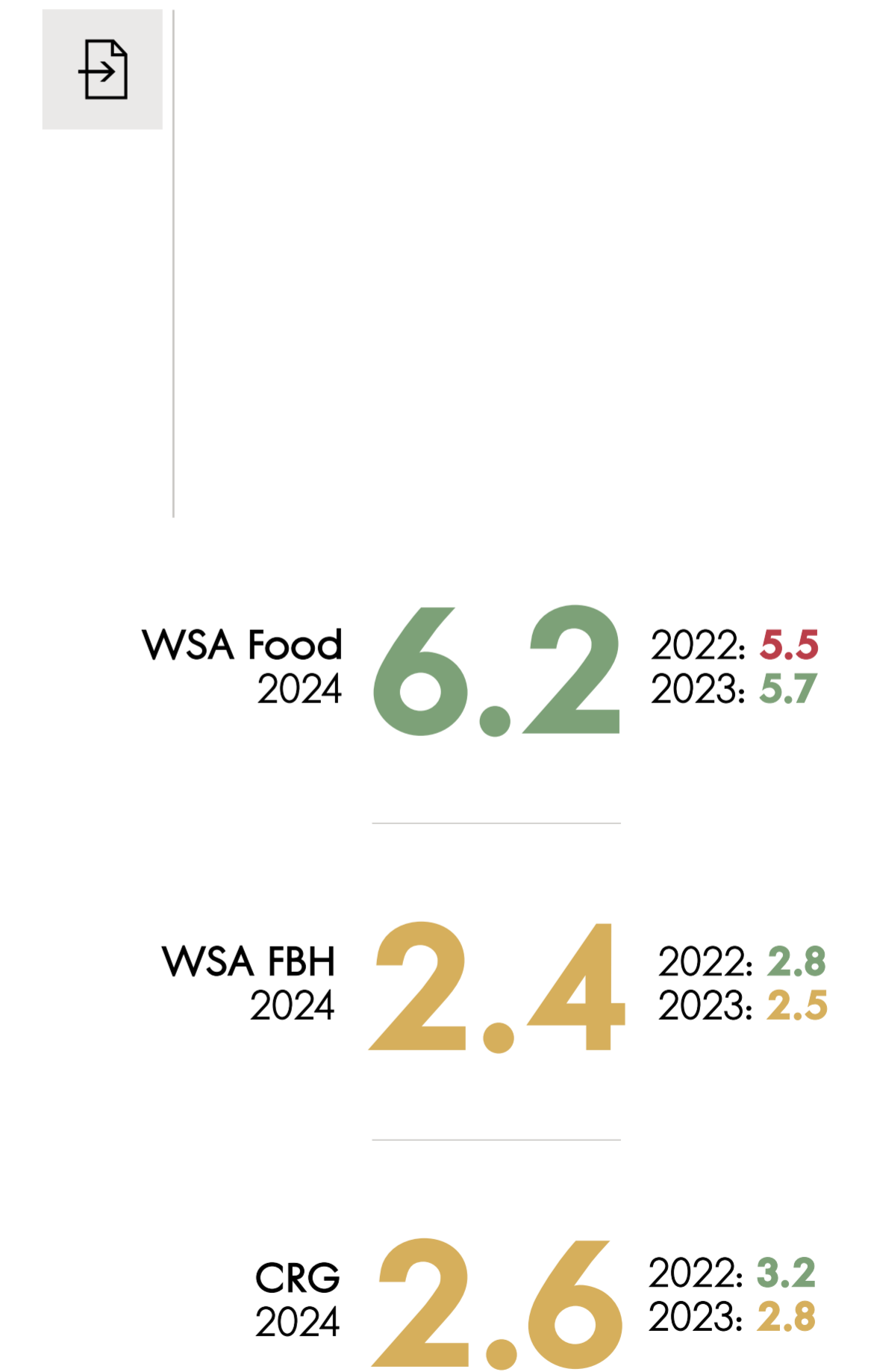
WHL

WHY IS THIS IMPORTANT AND HOW DO WE MEASURE IT?

Allows us to understand the amount of inventory relative to sales over time and to efficiently manage stock and related working capital.

Sales over average stock holding on a rolling 12-month period.

PERFORMANCE IN THE CURRENT YEAR



GOOD BUSINESS JOURNEY

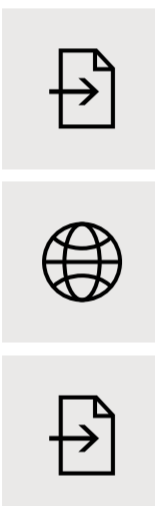
% TARGET ACHIEVED ON SUSTAINABILITY SCORECARD

WHL

WHY IS THIS IMPORTANT AND HOW DO WE MEASURE IT?

Demonstrates our commitment to sustainability and the effective execution of our Good Business Journey strategy. The weighted average of our performance against all the sustainability targets tracked in each business.

PERFORMANCE IN THE CURRENT YEAR



WSA 2024

89%

2022: 86.9% 2023: 86.2%

CRG 2024

45%

2022: 80.1% 2023: 80%

LEADERSHIP AND PEOPLE

PROGRESS ON JUST WAGE INITIATIVE

WHL

WHY IS THIS IMPORTANT AND HOW DO WE MEASURE IT?

Demonstrates our deliberate intent to reduce the remuneration gap within the South African socio-economic environment. Hourly wage paid to our employees informed by many data points, including minimum wage rates, market rates, CPI, and our Employee Value Proposition strategy.

PERFORMANCE IN THE CURRENT YEAR



DIVERSITY

WHL

WHY IS THIS IMPORTANT AND HOW DO WE MEASURE IT?

We are committed to recognising all forms of diversity through committing to transforming our workforce to be more diverse and our culture more inclusive. Diversity, a part of our Inclusive Justice Initiative (IJI), is measured based clearly defined targets, including our BBBEE rating and UN Women's Empowerment Principles Gender Gap Analysis score.

PERFORMANCE IN THE CURRENT YEAR



Woolworths, Autumn, 2024

OUR RESULTS



CLICK ON BOX TO GO TO THAT SECTION



OUR GROUP FINANCIAL DIRECTOR'S REPORT

We achieved a number of milestones during the course of the year in a very challenging macroeconomic environment. Some parts of the Group had an exceptional performance, while others were well below our expectations. The Group remains financially healthy, with strong returns



OVERVIEW OF THE YEAR

In the 2024 financial year, we completed the David Jones sale and received the final proceeds of the disposal. We also successfully completed a very complex separation of the Country Road Group from David Jones, on time and within budget. We still retain ownership of the Bourke Street property, as a non-strategic investment asset, in which David Jones remains the tenant.

During the second half of the year, we are very pleased to have acquired Absolute Pets, the leading pet care retailer in South Africa. Absolute Pets has a well-established market-leading presence in a fast-growing category that complements our brand. It allows us to accelerate our growth ambitions to become the pet care destination of choice. We acquired the business effective 1 April 2024, with the acquisition being earnings-accretive.

This has also been the year in which we have established and launched Woolworths Ventures, which is a purpose-driven operating model that would enable more effective execution of key strategic growth initiatives. This includes the pet care business, Food Services and other growth drivers. In 2024, as we consolidate our 'fix, strengthen and reposition' phase of our strategic journey and move into the 'optimise, invest and grow' phase, we have accelerated our capital investments. We spent R3.2 billion in 2024, as the first year of heightened spend in which we plan to invest R10 billion in capital expenditure over three years. These investments, many of which are multi-year, will build capacity and capabilities to support and grow our businesses. We have a healthy balance sheet and generate strong cash flows that can be leveraged to enable these investments. However, the heavier investments are expected to be a drag on short-term profitability and return metrics until the benefits begin to accrue over the medium-term.

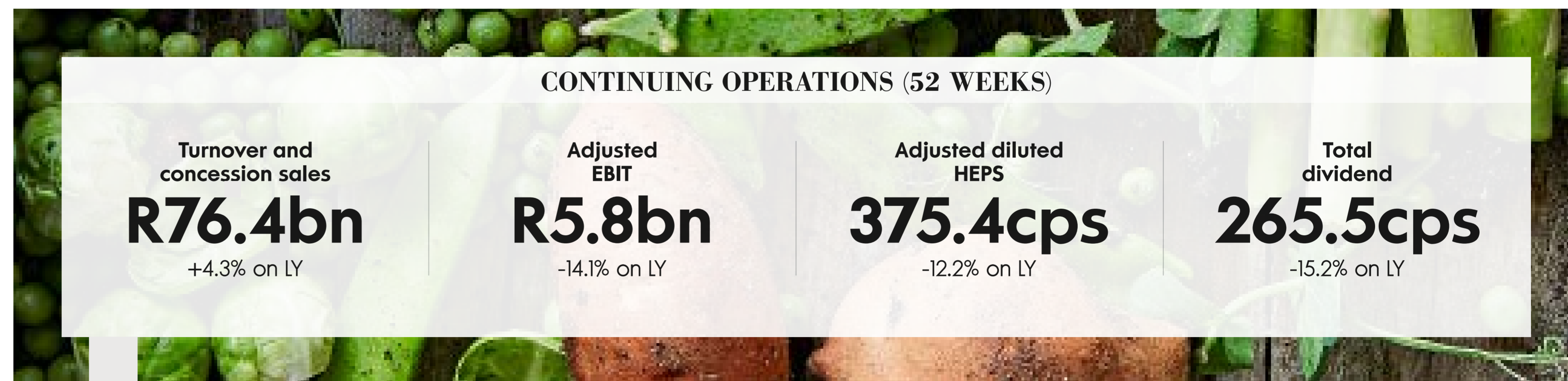
In terms of our performance, the portfolio effect of the businesses in our

Group once again became evident. Food delivered a strong result for the year, underpinned by above-market sales growth and gross profit margin improvement. This was, however, more than offset by weaker-than-expected performances from the apparel businesses, particularly Country Road Group (CRG), which were significantly impacted by the weak macroeconomic environment and constrained discretionary spend, in both South Africa and Australia. There were also various disruptions to trade in South Africa, including port congestion and transport infrastructure failures, which impacted the availability of product. In the tough trading conditions, we maintained our focus on controlling costs, preserving cash and optimising working capital and inventory levels.

Our cash conversion and return on capital remain strong and our dividend for the year was 265.5 cents per share, at a 70% payout ratio.

OPERATING RESULTS FOR THE YEAR

The Group's reported results for the 53 weeks ended 30 June 2024 are not directly comparable to that of the 52 weeks ended 25 June 2023. As previously reported, the Group disposed of its David Jones operations in Australia during the third quarter of the Group's 2023 financial year. Furthermore, the 2024 reporting period is a 53-week year, which includes an additional week of trade compared to the prior year. This report focuses on the pro forma 52-week financial information for continuing operations on a comparable 52-week basis, to facilitate comparability against the prior year.



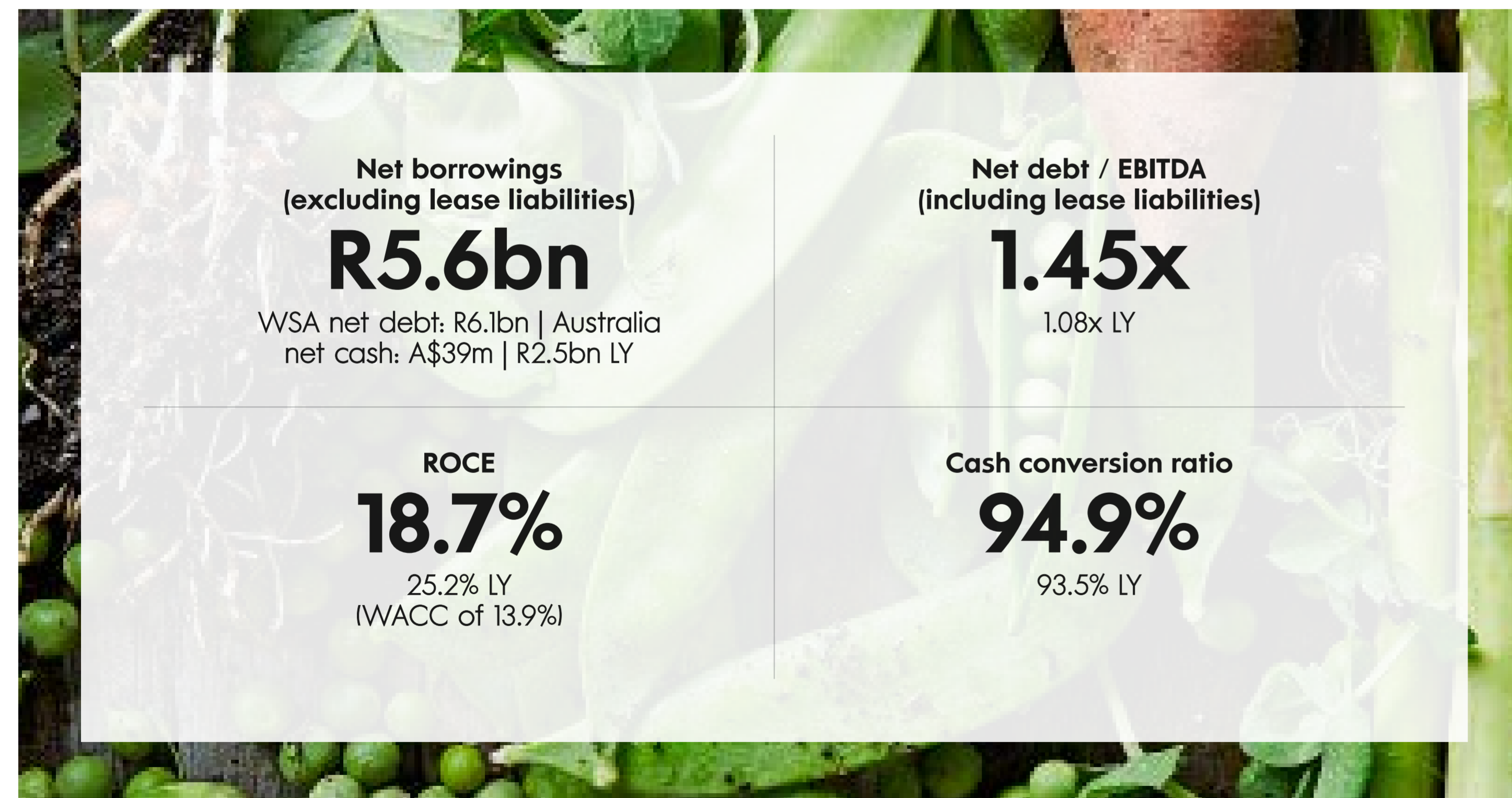
The Group delivered sales growth of 4.3%, notwithstanding the challenging trading conditions impacting consumer discretionary spend across our businesses. Sales for Woolworths South Africa were 6.7% up on last year, driven by the Food business.

For continuing operations, the Group adjusted Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA), decreased by 6.8%, primarily due to the weaker-than-expected topline performances in our apparel businesses. However, the Group adjusted Earnings before Interest and Tax (EBIT) of R5.8 billion, decreased by 14.1% compared to last year, reflecting the increased investments we are making to drive future growth.

The Group ended the year with net borrowings of R5.6 billion, with the Australian subsidiaries in a net cash position of A\$39 million. The increase in net borrowings is mainly attributable to the investment in strategic capital projects, the acquisitions of Absolute Pets as well as the effects of the timing of certain payments at year-end. We have maintained our debt levels and gearing metrics within our targeted limits. Our continued focus on cash generation resulted in a strong cash conversion ratio of 94.9%.

Adjusted diluted headline earnings per share declined by 12.2% to 375.4cps over the prior period, while headline earnings per share was down 16.8% to 352.3cps. Earnings per share declined by 34.1% to 277.3cps, further impacted by the R609 million non-cash impairment of goodwill associated with the Politix brand in CRG.

The total dividend per share of 265.5cps is 15.2% down on last year, at a 70% payout ratio from 52-weeks earnings. The share repurchases in the prior period positively impacted our share and capital return metrics. Return on capital employed ('ROCE') was lower, at 18.7%, and still well ahead of our cost of capital.



GROUP INCOME STATEMENT

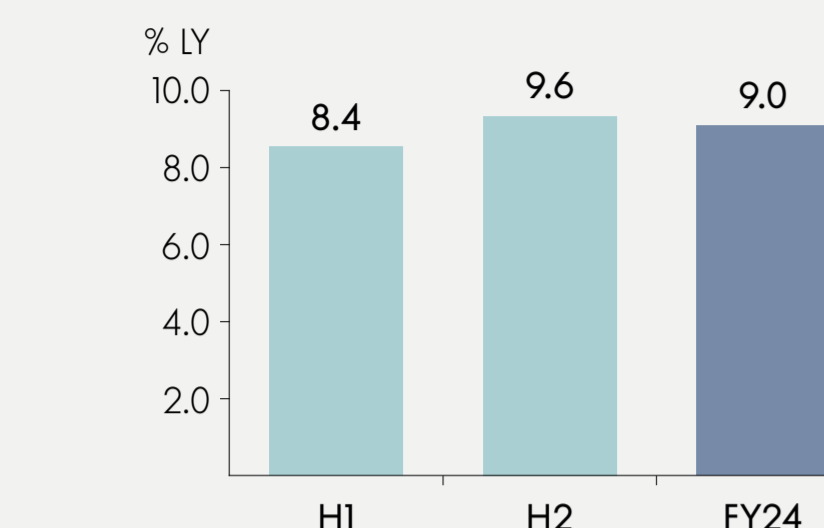
“The Group delivered a post-tax profit of R2.5 billion, having managed to effectively navigate external headwinds”

	52 weeks 2024 Rm	52 weeks 2023 Rm	% change
Turnover and concession sales	76 360	73 228	4.3
Concession sales	(1 201)	(962)	
Turnover	75 159	72 266	4.0
Cost of sales	48 132	45 440	5.9
Gross profit	27 027	26 826	0.7
Other revenue	632	281	>100
Expenses	21 846	20 394	7.1
Adjusted operating profit	5 813	6 713	(13.4)
Net finance costs	1 534	1 303	17.7
Earnings from joint ventures	223	102	>100
Adjusted profit before tax	4 502	5 512	(18.3)
Adjustments	(990)	(140)	
Profit before tax	3 512	5 372	(34.6)
Tax expense	1 019	1 489	(31.6)
Profit from continuing operations	2 493	3 883	(35.8)

TURNOVER AND CONCESSION SALES

Group turnover and concession sales from continuing operations (i.e. excluding David Jones in the prior period) for the current period increased by 6.2% and by 5.6% on a constant currency basis, notwithstanding the challenging trading conditions impacting consumer discretionary spend across our businesses. On a comparable 52-week period ended 23 June 2024 ('52 weeks'), turnover and concession sales grew by 4.3%, with online sales growing by 13.3% and contributing 9.2% to Group sales for the year.

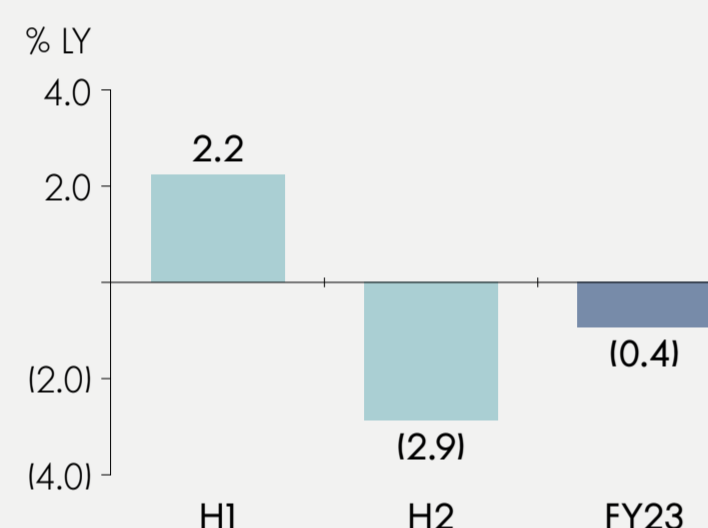
WOOLWORTHS FOOD



% on LY

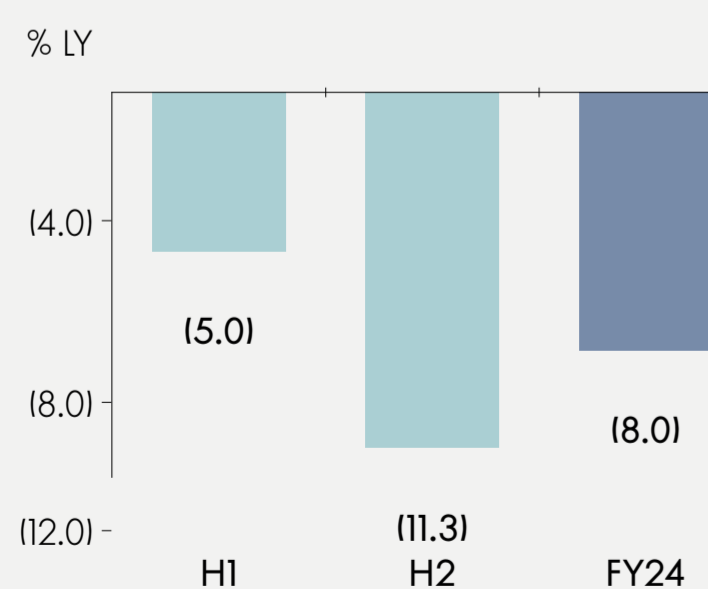
Food delivered an above-market performance, especially in the second half, supported by improved availability and our investment in our value proposition, notwithstanding significant disruptions to trade in the first half. The strong trading momentum continued into the second half, with sales growth of 9.6%, including the three-month contribution from Absolute Pets. Comparable sales were 6.9% up on last year, while space grew by 3.2%. Sales from the online channel grew by 52.8%, and contributed 5.5% to SA sales, supported by the increased penetration of our Woolies Dash offering, which recorded 71.2% sales growth on last year.

WOOLWORTHS FASHION, BEAUTY AND HOME



FBH had a subdued performance with sales broadly in line with last year, hampered by weak macroeconomic factors, port congestion and availability challenges. The entry and rapid growth of international online retailers into the South African market also significantly disrupted the sector. Our ongoing focus on improving the quality of our topline, resulted in a further increase in the contribution of full-price sales and a reduction in markdowns, positively impacting price movement of 8.9%. Sales in H2 declined by 2.9% on a price movement of 6.3%, with sales volumes further impacted by the late onset of winter. Net trading space decreased by 0.2% relative to the prior period, while online sales grew by 30.4% and contributed 5.6% of South African sales.

COUNTRY ROAD GROUP



Trading conditions in Australia and New Zealand deteriorated further in the second half, which saw a decline in sales in line with the significant drop in footfall. This should also be considered in the context of a high prior-period base following the strong post-COVID-19 pandemic pent up demand. Notwithstanding the challenging macroeconomic backdrop, the Country Road brand delivered its strongest performance on record, with positive growth for the period. Trading space increased by 4.0% during the period. During the year there has been ongoing investment and expansion of our wholesale distribution and concession channels. The contribution from online sales increased to 27.6% of total sales, supported by our leading omni-channel capabilities.

GROSS PROFIT

The Group gross profit margin decreased by 110bps from 37.1% to 36.0%, mainly due to the CRG margin contraction which was impacted by a weaker Australian dollar and increased promotions in response to the market conditions and an increase in online sales. The contraction was contained by deliberate efforts to preserve margins in Food, driven by optimising promotional activity, and in FBH through higher full-price sales and reduced markdowns. FBH maintained its improved gross profit margin, notwithstanding the higher contribution from its lower-margin Beauty business.

EXPENSES

We focused on stringent cost management across the Group, when sales growth was constrained. Through various cost saving and optimisation initiatives we limited the Group's cost growth to 7.1%, despite inflationary pressures and increased investments in future growth drivers.

EARNINGS FROM JOINT VENTURE

Woolworths Financial Services ('WFS'), our joint venture with Absa Group Limited, grew its book by 1.8% (excluding a legal book sale executed in June 2024), driven mainly by new accounts and credit card advances. The book growth, together with higher yields from repo rate increases, supported net interest income growth of 12.2%, notwithstanding the tough consumer environment. The impairment rate for the year moderated to 7.0%, 30bps better than last year, which resulted in our share of profit after tax increasing by 69.3% to R171 million, excluding a once-off R52 million IFRS 17 transition adjustment.

PROFIT, EARNINGS PER SHARE (EPS), HEADLINE EPS (HEPS) AND ADJUSTED DILUTED HEPS

The total Group reported results for the 52-week year is a profit after tax of R2 493 million. The post-tax impact of the 53rd week is an increase to profit of R107 million.

	53 weeks to 30 Jun 2024 cents	52 weeks to 23 Jun 2024 cents	52 weeks to 25 Jun 2023 cents	Change on prior period	
				53 weeks %	52 weeks %
Continuing operations					
EPS (cents)	289.2	277.3	421.1	(31.3)	(34.1)
HEPS (cents)	364.2	352.3	423.4	(14.0)	(16.8)
Adjusted diluted HEPS (cents)	387.2	375.4	427.7	(9.5)	(12.2)
WANOS (millions)	896.5	896.5	920.9	(2.6)	(2.6)
Total Group					
EPS (cents)	289.2	277.3	551.0	(47.5)	(49.7)
HEPS (cents)	364.2	352.3	514.7	(29.2)	(31.6)
Adjusted diluted HEPS (cents)	387.2	375.4	508.3	(23.8)	(26.1)

NET FINANCE COSTS

Net finance costs of R1.5 billion, inclusive of finance costs on leases, were 17.7% higher than last year, due to the higher net borrowings during the year and base rate increases, net of interest rate hedges. Net interest cover remains healthy, at 5.7 times versus last year's 6.4 times coverage.

ADJUSTMENTS

The adjustments to earnings in the current year in arriving at headline earnings and adjusted headline earnings, include the following material, pre-tax adjustments:

- Impairment of goodwill associated with the Politix brand (within the Country Road Group) of R609 million;
- Cost of separating Country Road Group from David Jones of R350 million;
- Transactions costs incurred on the acquisition of Absolute Pets of R15 million; and
- Unrealised foreign exchange losses of R16 million.

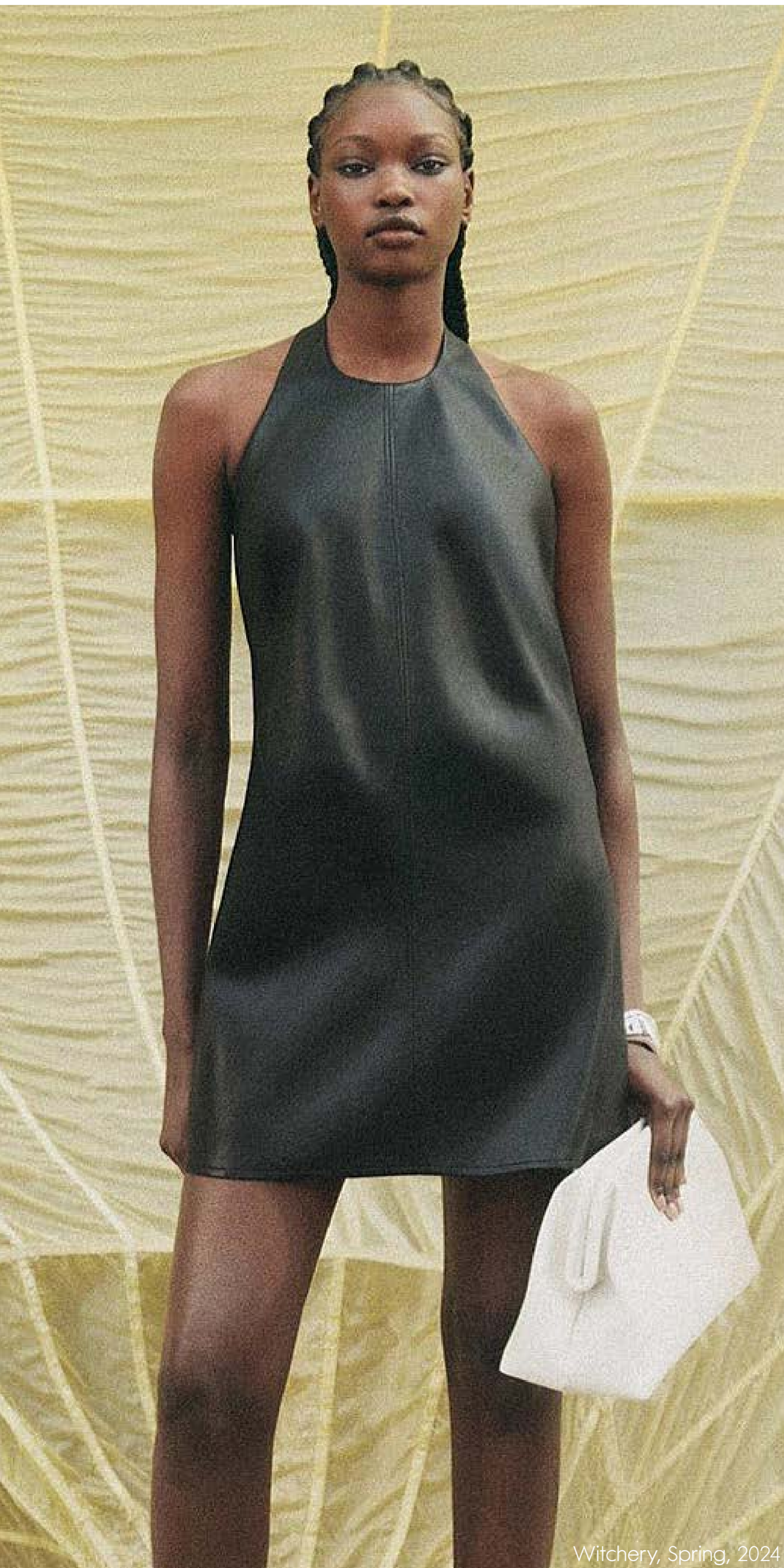
TAX

The Group's adjusted effective tax rate is 25.8%, which is 180bps lower than last year's 27.6%, due in part to the lower contribution of CRG earnings to Group profit and the higher contribution from WFS post tax earnings. The reported effective tax rate for the current year is 29.0% versus 27.7% in 2023, with the higher effective rate due to the non-deductibility of the goodwill impairment.

EPS of 289.2cps is 34.1% down on last year, impacted mainly by the A\$49.6 million impairment of goodwill associated with the Politix brand. Excluding the impairment, EPS was down 18.0% on last year, while HEPS and adjusted diluted HEPS decreased by 16.8% and 12.2%, respectively.

DIVIDEND PER SHARE (DPS)

The Board declared a final dividend of 117.5cps, at a payout ratio of 70% on a 52-weeks earnings basis. An interim DPS of 148.0 cents was paid, with the total dividend for the year of 265.5cps, a decrease of 15.2% on the prior year.



SUMMARISED STATEMENT OF FINANCIAL POSITION

“Our balance sheet remains healthy, providing a solid foundation for investment and growth”

	2024 Rm	2023 Rm	Constant currency % change
Assets			
Property, plant and equipment, investment property and intangible assets	17 408	15 801	11.4
Right-of-use assets	7 902	8 645	(7.5)
Investments in joint ventures	1 163	1 047	11.1
Inventories	7 441	7 072	6.0
Receivables, derivatives and loans	1 501	2 002	(24.2)
Deferred tax and tax assets	978	1 083	(8.4)
Cash and cash equivalents	2 309	3 577	(35.1)
Total assets	38 702	39 227	(0.3)
Equity and liabilities			
Shareholders' funds	10 926	12 021	(7.3)
Borrowings and overdrafts	7 812	6 044	29.3
Lease liabilities	10 304	11 002	(5.3)
Deferred tax and tax liabilities	104	151	(31.1)
Payables, derivatives and provisions	9 556	10 009	(3.9)
Total equity and liabilities	38 702	39 227	(0.3)
Net borrowings/(cash)	5 569	2 529	
Net gearing including lease liabilities*	12 902	10 326	
Net debt to EBITDA* (times)	1.45	1.08	
Net debt to Equity* (times)	1.2	0.9	

* Based on lease liabilities net of deferred tax

CAPITAL EXPENDITURE

We have invested R3.2 billion in capital expenditure during the period, which is an elevated level of spend in line with our shift in strategy from “fix, strengthen and reposition” to “optimise, invest and grow”. The capex investments are being made in transformational initiatives, including in the value chain, enhancing our capacity and capability in customer experiences, new stores and formats, data, digital and online, as well as reinventing our loyalty programme and platform. These investments will step-change our capabilities and enables us to achieve our long-term growth ambitions.

Significant movements, in constant currency, are explained below:

Property, plant and equipment, investment property and intangible assets include the Absolute Pets brand, customer database and goodwill recognised, as well as R3.3 billion capital expenditure for the period. The increase in capex was driven by major projects, including supply chain capability throughout the value chain, enhancing our store network, and further investment in growth-enabling initiatives, including investment in online, data and digital. This was partially offset by the impairment of the Politix goodwill.

Right-of-use assets include new leases and lease renewals, offset by depreciation of R1.7 billion and lease modifications.

Investment in joint ventures represents the 50% less one share of the net assets of WFS of R1 150 million. The investment increased from last year, as a result of higher post-tax profits, less the R90 million final dividend that was declared. The balance of R13 million represents the 30% share in the Nedglen property.

Inventories were higher in WSA, driven mainly by inflation, investment in new channels in CRG and timing of intake at year-end.

Shareholders' funds have reduced due to negative foreign exchange translation impacts, the payment of dividends, together with the Politix goodwill impairment of R609 million.

Lease liabilities of R10.3 billion (non-current and current) include new and renewed leases, offset by lease exits and modifications, and lease payments for the period.

Trade and other payables and provisions decrease was driven by lower trade balances, arising from the timing of settlements and stock intake. Included in the non-current liabilities is the post-retirement medical liability of R333 million.

NET BORROWINGS AND KEY FINANCIAL METRICS

“Net gearing within target limits and increased mainly due to increased strategic capital investments and the Absolute Pets acquisition”

	2024	2023
WHL Net debt/(cash) (Rm)	5 569	2 529
Interest-bearing debt	6 686	5 825
Net cash and cash equivalents	(1 117)	(3 296)
Unutilised committed facilities - Group	5 142	6 371
SA Net debt (Rm)	6 050	4 395
Interest-bearing debt	6 686	5 825
Net cash and cash equivalents	(636)	(1 430)
Borrowing rate*	9.40%	9.22%
Unutilised committed facilities - SA	4 290	5 722
CRG Net cash (A\$m)	(26)	(96)
Interest-bearing debt	-	-
Net cash and cash equivalents	(26)	(96)
Unutilised committed facilities - CRG	70	52
Osiris Net cash (A\$m)	(13)	(53)

* Partially hedged all-in rate including amortisation of upfront costs

The Group net borrowings position at year-end was R5.6 billion, net of A\$39 million of cash in the Australian subsidiaries. The Group and SA debt is within our debt and covenant limits with more than 80% of our drawn term debt in South Africa linked to sustainability criteria, reflecting our ongoing commitment to integrate ESG considerations into every part of our business.

CAPITAL ALLOCATION AND RETURNS TO SHAREHOLDERS

	2024	2023
ROCE (%)	18.7	23.5
Net debt to EBITDA (times)	1.45	1.08
Net debt to Equity (times)	1.2	0.9
Interest cover (times)	5.7	7.4
Net borrowings/(cash)	R5.6bn	R2.5bn
Net equity (excluding leases)	R12.4bn	R13.5bn

ROCE for the year has been negatively impacted by the lower profit after tax, acquisition of Absolute Pets, increased capital expenditure and the temporary increase in net debt at year-end. Similarly, the Net Debt to EBITDA ratio also increased to 1.45 times from 1.08 times last year.



Cash conversion ratio

94.9%

SUMMARISED STATEMENT OF CASH FLOWS*“Positive free cash flow of R2.6 billion; healthy cash conversion of 95%”*

	2024 Rm	2023 Rm
Cash inflow from trading	9 510	12 427
Working capital movements	(949)	(1 052)
Cash generated by operating activities	8 561	11 375
Investment income received	166	179
Finance costs paid	(1 737)	(2 058)
Tax paid	(911)	(1 487)
Cash generated by operations	6 079	8 009
Dividends received from joint ventures	91	-
Dividends paid	(2 741)	(2 869)
Net cash inflow from operating activities	3 429	5 140
Net investment in assets	(3 351)	(2 477)
Net cash outflow from acquisition of subsidiary	(581)	-
Net cash inflow from disposal of subsidiary	-	26
Other loans advanced	-	(5)
Net cash outflow from investing activities	(3 932)	(2 456)
Net acquisition of Treasury shares and settlement of share-based payments through share purchases	(637)	(328)
Shares repurchased	-	(2 936)
Lease liabilities repaid	(1 854)	(2 592)
Net borrowings raised/(repaid)	835	700
Net cash outflow from financing activities	(1 656)	(5 156)
Net cash outflow for the period	(2 159)	(2 472)

We generated cash from operating activities of R8.6 billion in a challenging trading environment. The overall free cash flow was R2.6 billion, after higher levels of maintenance capital expenditure, increased finance costs and the purchase of shares for employee share-plan settlements. This was achieved through a cash conversion ratio of 94.9%. We also spent R2.3 billion in expansion capex, R0.6 billion on the Absolute Pets acquisition I and paid R2.7 billion of dividends to shareholders of. The prior period includes the final settlement from the conclusion of the David Jones disposal.

SUMMARISED STATEMENT OF CHANGES IN EQUITY

	2024 Rm	2023 Rm
Shareholders' interest at the beginning of the period	12 021	11 800
Movements for the period:		
Total comprehensive income for the period	2 205	6 724
Profit for the period	2 600	5 079
Other comprehensive income	(395)	1 645
Share-based payments	219	330
Net acquisition of Treasury shares and share-based payments settlements	(637)	(306)
Shares repurchased and cancelled	-	(3 081)
Transfer of Financial Instrument Revaluation Reserve to inventories	(123)	(577)
Recognition of put option reserve	(48)	-
Recognition of non-controlling interests on acquisition of subsidiary	30	-
Dividends paid	(2 741)	(2 869)
Shareholders' interest at the end of the period	10 926	12 021

Shareholders' interest, at R10.9 billion was 9.1% lower than last year, driven by lower operating profit after tax, which includes the Politix goodwill impairment, unfavourable translation of the foreign subsidiaries, as well as revaluation of the Group's hedged instruments, and R2.7 billion dividends paid. The prior period includes the nine-month contribution of David Jones and the profit on disposal.

ROCE

18.7%



OUTLOOK

Our outlook for South Africa appears more positive following the national election and the formation of the Government of National Unity, as well as the suspension of loadshedding. Whilst inflation is easing, consumer confidence is improving and interest rates are beginning to decline, the trading environment is expected to remain subdued in the short-term as elevated interest rates continue to pose headwinds to consumer demand. The same is true for Australia, with the pace and extent of the macro recovery likely to prove shallower and more protracted than initially envisaged.

Notwithstanding these external factors, we remain confident in our ability to deliver against our strategies and are well placed to benefit from any cyclical consumer recovery. Furthermore, we have a robust balance sheet, are highly cash generative, and are leveraging our strengthened foundations to optimise our existing businesses and invest in new sources and avenues of growth.

SEGMENTAL REVIEW

SEGMENTAL CONTRIBUTION

	52 weeks 2024 Rm	52 weeks 2023 Rm	% change	Constant currency % change
Woolworths Fashion, Beauty and Home	1 382	1 607	(14.0)	
Woolworths Food	3 045	2 701	12.7	
Woolworths Financial Services	223	101	>100	
Country Road Group	359	1 616	(77.8)	(78.3)
Treasury	(507)	(513)	(1.2)	
Continuing operations	4 502	5 512	(18.3)	(18.5)
David Jones - discontinued operation	-	1 062		
Adjusted profit before tax	4 502	6 574		

A strong performance from Food and WFS, offset the slowdown in the apparel businesses, resulting in adjusted profit before tax down 18.3%.

WOOLWORTHS FASHION, BEAUTY AND HOME

“Ongoing focus on improving the quality of topline | Maintained gross margin through further improvement in full-price sales and markdown metrics”

INCOME STATEMENT	52 weeks 2024 Rm	52 weeks 2023 Rm	% change
Turnover and concession sales	14 708	14 762	(0.4)
Concession sales	(210)	(133)	57.9
Turnover - own buy	14 498	14 629	(0.9)
Cost of sales	7 473	7 528	(0.7)
Gross profit - own buy	7 025	7 101	(1.1)
Concession and other revenue	68	47	44.7
Expenses	5 333	5 196	2.6
Store costs	3 397	3 252	4.5
Other operating costs	1 936	1 944	(0.4)
Earnings from joint venture	-	1	(100.0)
Adjusted operating profit	1 760	1 953	(9.9)
Net finance costs	(378)	(346)	9.2
Adjusted profit before tax	1 382	1 607	(14.0)

Our FBH business continues to make steady progress on a number of its strategic priorities. Sales for the period were, however, impacted by the weak macroenvironment, poor availability, and the disruptive entry of international online retailers.

Turnover and concession sales for the 53 weeks grew by 1.4%. On a comparable 52-week period, turnover and concession sales declined by 0.4%, and by 1.3% on a comparable store basis. Price movement averaged 8.9% over the period, positively impacted by increased full-price sales. Sales in H2 declined by 2.9% on a price movement of 6.3%, with sales volumes further impacted by the late onset of winter. Net trading space decreased by 0.2% relative to the prior period, while online sales increased by 30.4% and contributed 5.6% of South African sales.

Our ongoing focus on strengthening the underlying financial health of the business, resulted in a further increase in the share of full-price sales, and a decline in markdowns. This enabled the business to maintain its improved gross profit margin year-on-year, at 48.5%, despite inflationary supply chain costs and the margin dilutive impact of a growing contribution from Beauty.

Expense growth was well managed to below inflation, at 2.6%, notwithstanding increased investment in the strategic initiatives. Given the impact of negative operational leverage arising from the softer topline, adjusted operating profit decreased by 9.9% to R1 760 million, resulting in an operating margin of 12.0% for the current period (12.2% adjusting for loadshedding), compared to 13.2% in the prior period.



WOOLWORTHS FOOD

“Exceptional result driven by market share gains and positive leverage from sales to EBIT”

INCOME STATEMENT	52 weeks 2024 Rm	52 weeks 2023 Rm	% change
Turnover and concession sales	47 199	43 292	9.0
Concession sales	(991)	(829)	19.5
Turnover - own buy	46 208	42 463	8.8
Cost of sales	34 807	32 123	8.4
Gross profit - own buy	11 401	10 340	10.3
Concession and other revenue	192	156	23.1
Expenses	8 250	7 520	9.7
Store costs	5 647	5 167	9.3
Other operating costs	2 603	2 353	10.6
Adjusted operating profit	3 343	2 976	12.3
Net finance costs	(298)	(275)	8.4
Adjusted profit before tax	3 045	2 701	12.7

Our Food business once again demonstrated its strength and resilience and the trust customers place in our Woolies brand, delivering market-leading like-for-like sales growth and expanding margins. Turnover and concession sales grew by 11.2% for the 53 weeks. On a comparable 52-week period, sales grew by 9.0%, and by 6.9% on a comparable store basis, notwithstanding the impact of taxi strikes and Avian flu in the first half. Price inflation averaged 7.9% for the period.

Sales growth of 9.6% in H2 includes the Absolute Pets acquisition in the last quarter. Adjusting for this, H2 turnover and concession sales grew by 8.5%, reflecting continued strong underlying momentum and market share gains. Price movement in H2 eased to 6.7%, delivering improved and positive volume growth. Trading space grew by 3.2% over the prior period, while online sales increased by 52.8%, contributing 5.5% of South African sales. This was driven, in part, by increased penetration of our Woolies Dash offering which delivered strong growth of 71.2%, supported by extended trading hours and increased slot availability.

Gross profit margin increased by 30bps to 24.7%, driven by more targeted and effective promotions, reduced waste, as well as value chain efficiencies, which more than offset the impact of a growing online channel and the ongoing investment in price. An increase in operating expenses from new initiatives, coupled with higher cost inflation, resulted in expense growth of 9.7%. Adjusted operating profit grew by 12.3% to R3 343 million, returning an improved operating profit margin of 7.1% for the current period (7.3% adjusting for loadshedding), compared to 6.9% in the prior period.

COUNTRY ROAD GROUP

“Further decline in consumer sentiment and footfall in the second half impacting short-term profitability”

INCOME STATEMENT	52 weeks 2024 A\$m	52 weeks 2023 A\$m	% change
Turnover	1 116.8	1 214.5	(8.0)
Cost of sales	443.8	454.0	(2.2)
Gross profit	673.0	760.5	(11.5)
Other revenue	11.4	1.7	>100
Expenses	633.1	611.2	3.6
Store costs	405.4	382.8	5.9
Other operating costs	227.7	228.4	(0.3)
Adjusted operating profit	51.3	151.0	(66.0)
Net finance costs	(21.9)	(15.5)	41.3
Adjusted profit before tax	29.4	135.5	(78.3)

Retail trading conditions in Australia and New Zealand deteriorated further in the second half, with consumer sentiment at near-record lows, and household savings the weakest since the GFC. CRG sales for the 53 weeks declined by 6.8% on the prior period. On a comparable 52-week period, sales declined by 8.0%, and by 13.1% in comparable stores, following the double-digit decline in retail foot traffic. This should be considered in the context of a high prior-period base, in which sales grew by 12.0% following the strong post-COVID pent up demand in the first half of the prior year. Sales growth in H2 declined by 11.3%. Notwithstanding the macro-economic challenges, the Country Road brand delivered its strongest performance on record, with positive sales growth. Trading space increased by 4.0%. During the year there has been ongoing expansion of our concession channels and wholesale distribution. The contribution from online sales increased to 27.6% of total sales, supported by our leading omni-channel capabilities.

Higher promotional activity to manage inventory levels and the impact of a weaker Australian dollar on input costs resulted in a 230bps decrease in the gross profit margin to 60.3%. Whilst base expenses were well controlled, increasing by only 3.6%, the impact of gross margin dilution, coupled with investment in new distribution channels and cost dis-synergies emanating from the David Jones separation, resulted in negative operational leverage. Adjusted operating profit of A\$51.3 million decreased by 66.0%, returning an operating profit margin of 4.6%, compared to 12.4% in the prior period.



WOOLWORTHS FINANCIAL SERVICES

“Positive book growth | Impairment rate improved; still sector-leading”

	2024 Rm		2023 Rm		% change
Average total financial services assets	15 796		14 831		6,5
INCOME STATEMENT		% to book		% to book	
Net interest income	1 932	12.2	1 713	11.6	12.8
Impairment charge	1 103	7.0	1 078	7.3	2.3
Risk-adjusted margin	829	5.2	635	4.3	30.6
Non-interest revenue	969	6.1	1 009	6.8	(4.0)
Operating costs	1 323	8.4	1 328	9.0	(0.4)
Profit before tax	475	3.0	316	2.1	50.3
Tax	133	0.8	114	0.8	16.7
Profit after tax	342	2.2	202	1.4	69.3
50% equity accounted	171		101		
IFRS 17 transition adjustment	52		-		
Profit after IFRS 17 adoption	223		101		
Return on equity	20.2%		10.3%		

The WFS closing book of R15.4 billion at the end of June 2024 was 2.9% below last year, year-on-year, and up 1.8% excluding the sale of part of the legal book at the end of the period. The impairment rate for the 12 months ended 30 June 2024 moderated to 7.0% compared to 7.3% in the prior period and remains sector leading. The reported profit after tax for the period was R223 million, and R171 million excluding a R52 million IFRS 17 transition adjustment. This reflects growth of 69.3% on the prior period post-tax profit of R101 million.



OUR REMUNERATION REPORT



CLICK ON BOX TO GO TO THAT SECTION



OUR REMUNERATION REPORT

On behalf of the Board, I am pleased to present the Group's Remuneration Policy and the Implementation Report.

CHAIRMAN'S REPORT



Fair, transparent, and responsible remuneration is a cornerstone of our Remuneration Policy applied across all countries in which we trade.

FAIR AND RESPONSIBLE PAY

Fair, transparent, and responsible remuneration is a cornerstone of our Remuneration Policy and remains the foundation of our approach towards compensating our employees across all countries within which we operate. Each country has its own labour legislative requirements and economic conditions which the Committee considers in the application of the policy.

The committee acknowledges that the Group's strategies, should be aligned with sustainable practices – balancing profit generation with social responsibilities. Striking a balance between economic growth, job creation and fair remuneration becomes a necessity and not an option. This balance is crucial, particularly in countries like South Africa and other African countries in which we operate, where the socio-economic landscape differs significantly from that of developed markets.

The wage gap will continue to grow between developed and developing countries, which is why our approach accounts for regional economic and cost-of-living variations, to ensure equitable remuneration.

WSA AND REST OF AFRICA

In FY2019, Woolworths SA made a commitment to invest R120 million in an effort to rebalance and recalibrate the disposable income of our SA retail employees by introducing our 'Just Wage Initiative'. Through this initiative, our store employees hourly wage increased by 27% from R33.40 to R42.50 per hour. This initiative has made a meaningful impact on the lives of our more than 24 000 store employees and their families and has helped improve the overall quality of life of our workforce.

We are very pleased that we have also been able to implement a localised 'Just Wage Initiative' in all African countries where we operate. In Mauritius, legislated minimum wage and related benefits are at relatively high levels to the rest of Africa. Consequently, adjustments made to remuneration in Mauritius were not as pressing relative to the other African countries in which we trade.

Private healthcare in Mauritius, Zambia, Lesotho, Uganda and Kenya has been introduced along with state healthcare requirements in Tanzania. Alternative options are being trialled in Botswana to provide staff with access to medical expertise.

We believe the increase to remuneration has not only had a positive impact on the lives of our store employees within these markets, but is a key contributor to our ability to provide our customers with the best in-store service levels in the market.

'BEYOND JUST WAGE' WOOLWORTHS SOUTH AFRICA

Adjustments made to the hourly wage (our Just Wage Initiative) is one pillar of our people value proposition. As a Group we are committed to and focused on the overall improvement of the lives of our employees. In doing so, the second and equally important pillar is the wellbeing of our employees. Investigations are progressing to provide additional options to improve and enhance the overall wellbeing of our people, with employee benefits in mind.

COUNTRY ROAD GROUP AUSTRALIA

In 2023, Australia introduced the Workplace Gender Equality Amendment (WGEA) Bill with the purpose of accelerating workplace gender equality. Closing the gender pay gap reflects Australia's aspiration to be an 'equal and fair society for all'. Our remuneration policy for Country Road Group takes this new Bill into account and we are making progress towards applying it.

SHAREHOLDER ENGAGEMENT

At the FY2023 AGM, there was a notable decline in shareholder approval rates for the Remuneration Policy when compared to prior years.

Post the publication of the FY2023 Remuneration Report, and prior to the AGM, the Group Company Secretary and the Group Head of Remuneration and Benefits engaged with key shareholders on the Group's Remuneration Policy and the Implementation Report. This year, we started the review and design of our LTI construct earlier. We felt that a more proactive engagement approach was required with our key shareholders and we therefore further engaged with major shareholders in August 2024 to obtain shareholder insights into the LTI construct and any other remuneration-related issues the shareholders wished to raise.

The details of their observations and our considerations of the construct and targets for the long-term incentive structures for FY2025 are available by following this link ([FY2025 Policy at a glance](#)) We believe that the changes we have made will receive endorsement by way of the non-binding advisory votes, particularly in respect of the Remuneration Policy.

A YEAR ON FOR OUR VARIABLE REMUNERATION POLICIES

During FY2023, we undertook a comprehensive review of our variable remuneration offering. The introduction of a single-incentive scheme was considered and debated at length, however it was decided that the construct of our existing short and long-term remuneration policy should be retained, albeit with some enhancements. The workings of the schemes were simplified and aligned more closely to management's line of sight. There was greater alignment to shareholder returns while rewarding employees on the delivery of strategic objectives that would ensure the continued trajectory of the Group.

At the time when the Committee set the targets for the FY2024 year, it could not have foreseen the extent to which macro-economic headwinds, arising from higher interest rates and living costs, would impact consumer confidence, footfall, and discretionary spend in both geographies. In South Africa, business operations were further disrupted by higher levels of loadshedding for most of the financial year, and congestion at the ports.

As has been the case experienced by other retailers within the industry, the Group has not been immune to the impact of the aforementioned external factors. Our short-term incentive scheme targets were high, and consequently have vested at lower levels, with pay-outs significantly lower than in FY2023.

Against this backdrop and due to both the LTI and STI schemes being recently reviewed and revised, the Committee has decided to retain the current framework and construct of the schemes. Whilst the construct of the STI and LTI schemes for FY2025 will remain constant with the principles applied in FY2024, both our internal deliberations and shareholder engagement has resulted in some changes to the measures and targets for the LTI scheme. As we enter the second year of our revised schemes and now newly revised LTI measures and targets, we will take into consideration any further learnings from their application as we move into FY2026.

FY2024 FINANCIAL PERFORMANCE

Macro-economic conditions deteriorated further over the course of the financial year, given the sustained effect of interest rate increases and higher living costs in both South Africa and Australia. This negatively impacted footfall, resulting in a greater-than-expected pullback in discretionary spend in both geographies.

In South Africa, business operations were further disrupted by higher levels of loadshedding and congestion at the ports, as well as Avian flu in the first half of the financial year, which impacted the availability of key food product lines.

Within this context, we have continued to focus on what we can control: managing inventory levels, preserving gross profit margin, and containing costs to the fullest extent possible. We have also remained resolutely focused on the execution of our strategies and therefore continued to invest behind our future growth initiatives. This, coupled with the impact of a weaker trading environment, resulted in negative operational leverage in both apparel businesses. This was particularly prevalent in CRG, which was further

impacted by a weaker Australian dollar, the business's inherently higher fixed cost base, and the dys-synergies emanating from CRG's operational separation from David Jones.

As a result, adHEPS (from continuing operations, excluding David Jones and on a 52-week basis) declined by 12.2% on the prior year. This should be considered in the context of the high prior period base, in which the Group delivered record earnings.

As a result of strong capital management disciplines, and a cash conversion ratio of ~95%, the Group has continued to deliver a return on capital well in excess of its weighted average cost of capital.

IMPLEMENTATION OF REMUNERATION POLICIES IN FY2024

GUARANTEED PAY

The committee considers several factors in determining the annual increase for the guaranteed pay component, based on the underlying principle of fair and responsible remuneration for all employees. The sustained effect of higher interest rates and elevated inflation has led to a cost-of-living crisis. These factors have bearing on salary adjustment considerations.

South African employees' guaranteed pay increases ranged from 5.0% to 6.5%, with store staff's hourly base rate increasing by 6.25%.

Country Road Group applied a guaranteed pay increase of between 3.25% to 4.50% in exceptional circumstances.

SHORT-TERM PERFORMANCE FY2024 BONUS

While the Group has maintained its stringent focus on managing inventory and containing cost, the impact of subdued discretionary spend on the profitability of the apparel businesses (particularly in Australia) impacted the Group's overall aPBT performance.

As a reminder, the Corporate STI scheme for all qualifying participants consists of a financial and a strategic component, weighted at 60% and 40% to represent an appropriately balanced financial results to budget with our strategic progress.

At a Group level, the threshold level of the financial components of the Corporate STI was not achieved, with the result that no payouts were made in respect of those employees' allocations which are subject to Group performance. In respect of WSA and CRG performance, WSA performed above threshold, while CRG performed below threshold. Within WSA, while the Foods business achieved performance above target, FBH did not meet the threshold. In line with the Remuneration Policy, individual business units within a company are entitled to receive STI for the Financial Component should they achieve performance above the gatekeeper threshold of 90%.

DISCRETION EXERCISED BY THE COMMITTEE ON STI PAYOUT

In relation to the Financial Component of the STI, the Group fell short of the 90% aPBT budget resulting in a nil STI financial component payout for all Group participants including the CEO and Finance Director.

With regards to the Strategic Component of the STI, given that WSA achieved credible aEbit growth, and that the majority of the strategic objectives set for executives have been met, the Committee exercised discretion to approve a reduced percentage payout on the Strategic Component for the CEO, Finance Director and WHL group executives. No payments were made to any CRG employees (including the CRG CEO) given the extent of CRG's underperformance.

The percentage payout, where applicable, was linked to the approved performance rating for each executive.

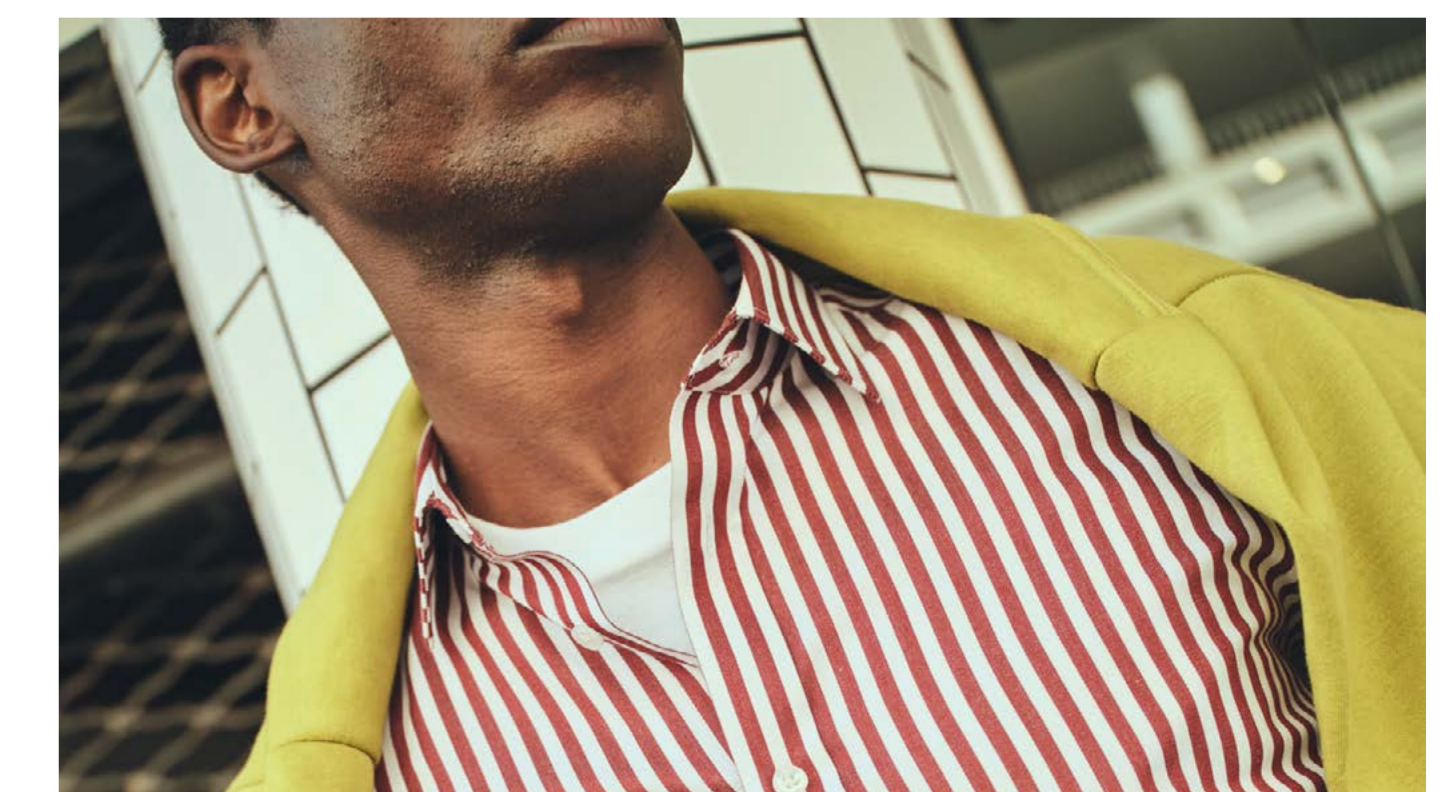
LONG-TERM INCENTIVE SCHEMES - PERFORMANCE FROM JULY 2021 TO JUNE 2024

Our Performance Share Plan (PSP) awards have performance conditions that are tested over a three-year period.

The outcomes of the three-year performance LTI allocations awarded in September 2021 were reviewed to determine whether the performance conditions had been met and whether vesting would take place. The performance measures and results were:

- adjusted HEPS growth achieved was below SA CPI performance
- relative HEPS measured against a peer group was below the median
- actual ROCE performance was higher than the WACC target

The Group achieved full vesting for ROCE, and not for the other measures, resulting in a 40% vesting overall.

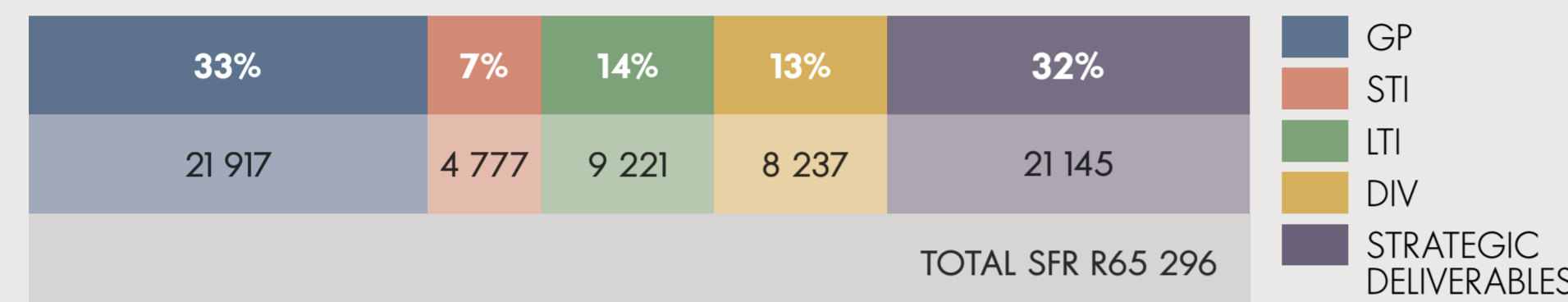


More details on the STI can be found [here](#).

EXECUTIVE DIRECTOR REMUNERATION

GROUP CHIEF EXECUTIVE OFFICER (CEO) - FY2024 REMUNERATION

FY2024 SINGLE FIGURE REMUNERATION MIX (R'000)



As previously reported, upon Roy Bagattini's appointment as Group CEO in February 2020 he was awarded a sign-on grant of RSP shares, mainly for the delivery of key strategic initiatives that were pre-agreed with the Board. The RSP grant was based on three tranches, vesting over a five-year period. The second tranche vested in FY2024 at 25%, with the final 50% vesting due in FY2025.

As a reminder the vesting of 2020 sign on award strategic initiatives are:

- the achievement of the capital plan and a restructure of the Group's balance sheet
- a strategic reset of DJ, CRG and WSA FBH businesses
- digital and data transformation
- talent culture and succession

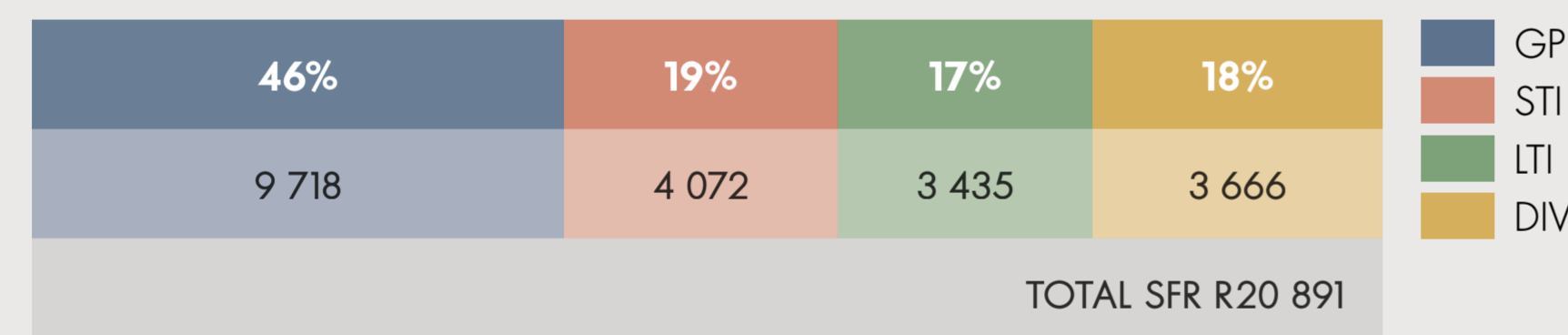
The Nominations Committee was satisfied that Roy has achieved the targets for FY2024. Therefore, vesting of the second tranche of his 2020 RSP shares has been achieved, resulting in a value of R21.1 million earned in the year.

Given that Roy had delivered on the strategic component of his STI and taking into account the performance of the WSA business, the Committee exercised its discretion and approved a reduced payment on the strategic component.

The 2021 LTI award vested at 40%, due to the non-achievement of aHEPS and relative HEPS targets, and full vesting of ROCE component.

GROUP CHIEF OPERATING OFFICER (GCOO) - FY2024 REMUNERATION

FY2024 SINGLE FIGURE REMUNERATION MIX (R'000)

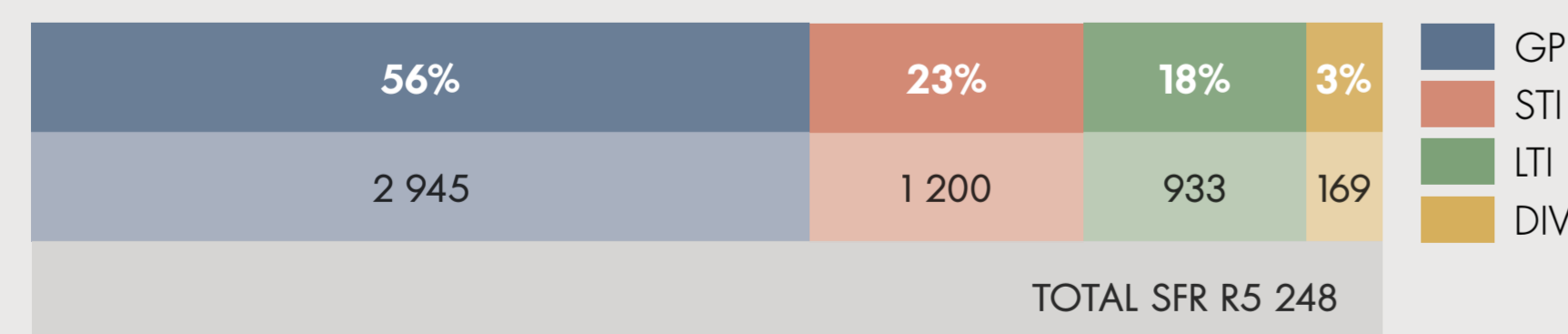


Previously Sam Ngumeni's STI vesting was 100% based on Group performance. This allocation was changed for FY2024 to 25% based on Group and 75% on WSA's performance given Sam's expanded focus on WSA. Sam did not qualify for STI based on the Group's performance however has qualified for STI based on WSA's performance which was boosted by the strong WSA Foods performance.

The 2021 LTI award vested at 40%, due to the non-achievement of aHEPS and relative HEPS targets, and full vesting of ROCE component.

FINANCE DIRECTOR (FD) - FY2024 REMUNERATION

FY2024 SINGLE FIGURE REMUNERATION MIX (R'000)



Following the resignation of the previous FD, the Group appointed Zaid Manjra as the interim Group FD. Following an extensive selection process, Zaid was appointed as the Group FD and executive director effective 1 December 2023. Consequently, his guaranteed remuneration is disclosed for seven months in the FY2024 year.

Zaid received his allocation of the 2021 LTI awards as a senior leader in the Group's finance function. In terms of the Remuneration Policy at the time of the award, his vesting was based 50% on Group performance conditions and 50% on the achievement of his IPM. Consequently, he achieved a 70% overall vesting.

Given that Zaid had delivered on the strategic component of his STI and taking into account the performance of the WSA business, the Committee exercised its discretion and approved a reduced payment on the strategic component.





The Committee believes that the Group’s remuneration philosophy and policies are aligned to the Group’s strategy and to deliver a high-performance mindset.

EXTENSION OF GROUP CEO CONTRACT

In January 2020 Roy Bagattini was appointed as the CEO for a period of five years, renewable for a further three years. I am delighted to inform shareholders that Roy’s employment with the Group has been extended without a specified end date and subject to specified notice periods. An additional Restricted Share award of R10 million has been granted and is subject to a number of specified conditions relating to senior leadership development and succession. All other aspects of his remuneration remain the same apart from the reduction of the STI maximum limit as described further in the report.

NON-EXECUTIVE DIRECTORS’ FEES

A bespoke benchmarking exercise was conducted during FY2023 to review and benchmark fees paid to all non-executive directors. Those directors in Australia and United Kingdom received above inflation increases as their remuneration lagged behind the benchmarks. It is the Group’s practice to perform a benchmarking exercise every two years, with the next exercise planned for FY2025.

The Committee has proposed that inflation adjusted increases for the Board and committee fees be recommended for shareholder approval.

COMPANIES AMENDMENT ACT

The Committee has been kept abreast of the implications of the Companies Amendment Act for the Remuneration Committee. At the time of writing this report implementation dates have not been confirmed. Pro-active analysis of the quantifiable benefits for store and supply chain employees are underway to support the new pay-gap disclosure requirements on a comparable basis.

The Committee will follow the course of the Act closely and be ready to implement the requirements as and when needed.

ACCESS TO INFORMATION AND ADVISORS

The committee continues to make use of independent external advisors in respect of remuneration trends using market benchmarks. Trends and benchmarks are reviewed every two years with a review last performed in FY2023. The Committee receives regular advice from Bowmans on local and global remuneration trends. DG Capital has provided Executive director remuneration guidance for the WHL Exco. Mercer has provided remuneration guidance in respect of our Australian operations.

GOVERNANCE

The Remuneration Policy (pages 106 to 108) and the Implementation Report (pages 109 to 114) will be tabled as non-binding advisory shareholder resolutions at the AGM on 25 November 2024. We invite any shareholder wishing to engage with the Board on either the Remuneration Policy and/or the Implementation Report to do so via email at Governance@woolworths.co.za.

If 25% or more of the shareholders do not endorse either resolution at the AGM, the Board will invite dissenting shareholders to engage with the committee on their concerns.

The committee continues to navigate ongoing changes to global remuneration practices and remains confident that the changes made to the Group’s remuneration philosophy and policies are aligned to its strategy, market best practice, and will continue to be subject to a robust re-examination each year. Adjustments to the Group’s remuneration framework will be implemented as and when required, aligned to best practice and based on the Group’s needs.

David Kneale
Chairman: Remuneration and Talent Management Committee

THIS REPORT IS STRUCTURED AS FOLLOWS:

AT A GLANCE

High level summaries of our Remuneration Policy and the Implementation Report

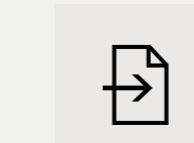


REMUNERATION POLICY

More detailed information on our 2025 financial year Remuneration Policies and practices applicable to the executive directors and other staff. Will be voted on at the AGM on 25 November 2024

IMPLEMENTATION REPORT

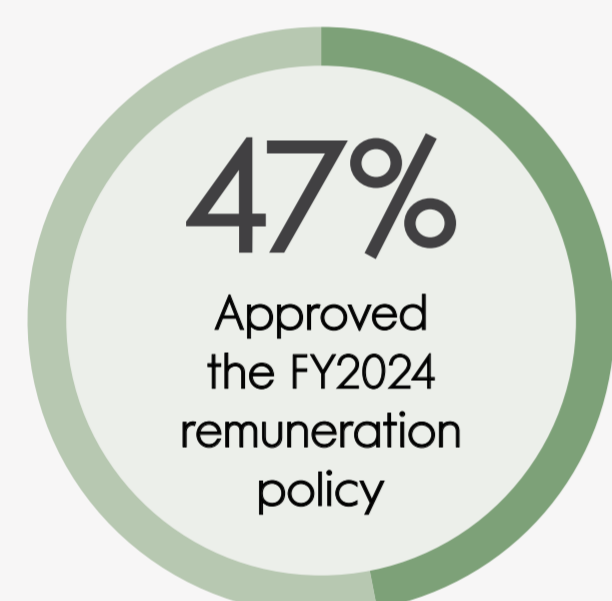
Detailed information on how we have implemented the Remuneration Policy based on the Group’s performance in 2024. Will be voted on at the AGM on 25 November 2024



OUR FY2025 REMUNERATION POLICY AT A GLANCE

SHAREHOLDER ENGAGEMENTS

Our engagements and feedback from shareholders have been deliberated on by the committee with appropriate amendments made for the FY2025 Policy



FEEDBACK	ACTION TAKEN
Benchmark LTI measures and review appropriateness for the Group	Committee undertook benchmark exercise with peers. After careful deliberation, the Committee agreed to maintain ROCE, adHEPS and ESG measures.
LTI targets do not have enough stretch in them	Stretch values reviewed and adjusted to be more in line with shareholder expectations. Threshold vesting levels were adjusted upwards (from 30% to 50%).
Greater disclosure for STI mechanics	New disclosure found in the Implementation Report
Total maximum earnings potential of the CEO high relative to peers	Group CEO maximum STI reduced from 200% to 150%
ROCE targets should provide more stretch to incentivise long-term value creation for shareholders	Targets increased (two percentage points for threshold and target levels to WACC+3% and WACC+7% respectively)
As the Group moves into its 'Invest and Grow' phase LTI metrics need to align with and incentivise achievement of profitable growth in revenue and adHEPS	A stretch target for adHEPS has been introduced in the LTI scheme at CPI+6% YOY over three years to further reinforce the goal of driving strong positive real earnings growth, whilst the target adHEPS, at CPI+3.5% YOY recognises the capital investment emphasis of the Group over the near-term



WSA: BBBEE has been removed as a LTI ESG measure and EE as a component of BBBEE will be added to the IPM's of senior executives in WSA, determining the strategic component of their STI

**(see page 107 for further details)*

INCENTIVE SCHEMES SALIENT FEATURES

*Performance measures retained from FY2024
Targets aligned to shareholder expectations
Minimum Shareholding Requirements*

STI

- Available to all employees
- Store and supply employees participate in gain-share or commission schemes
- Executives and management participate in Corporate STI at applicable levels and aligned to line-of-sight

LTI

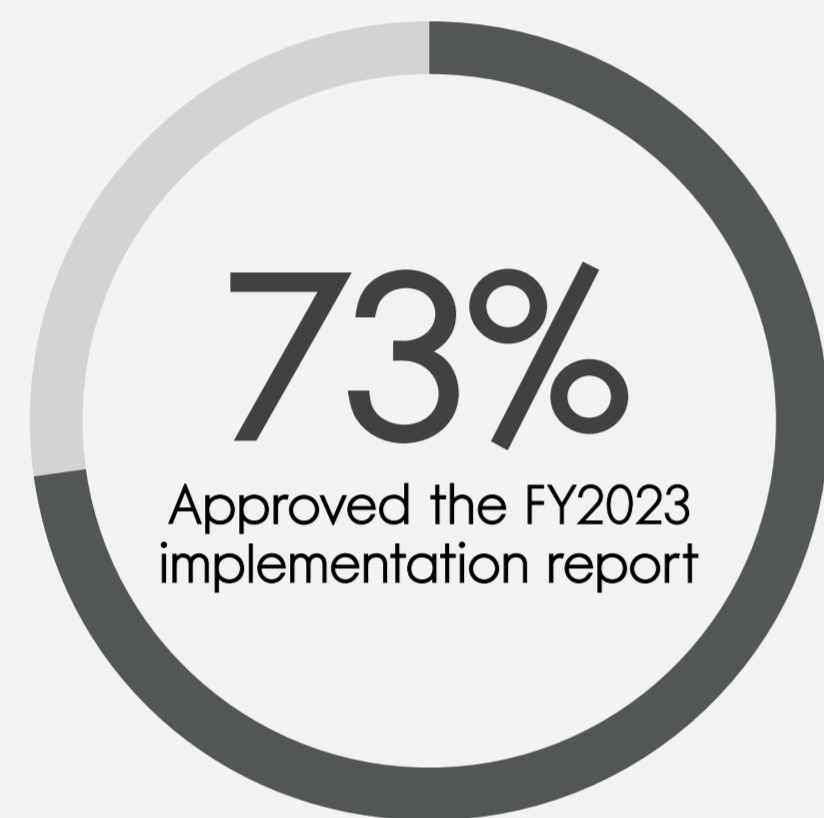
- Available to executives and management
- Three-year performance period with performance conditions and targets
- Combination of Group, WSA and CRG targets
- Retention scheme with three-to-five year vesting periods

MSR

- Apply to Group CEO, executive directors and WHL Exco
- Levels vary from 100% to 200%
- Five-year period to meet requirements

OUR FY2024 IMPLEMENTATION REPORT AT A GLANCE

SHAREHOLDERS VOTING



GROUP PERFORMANCE FOR FY2024*

Impacted by strong headwinds in SA and Aus

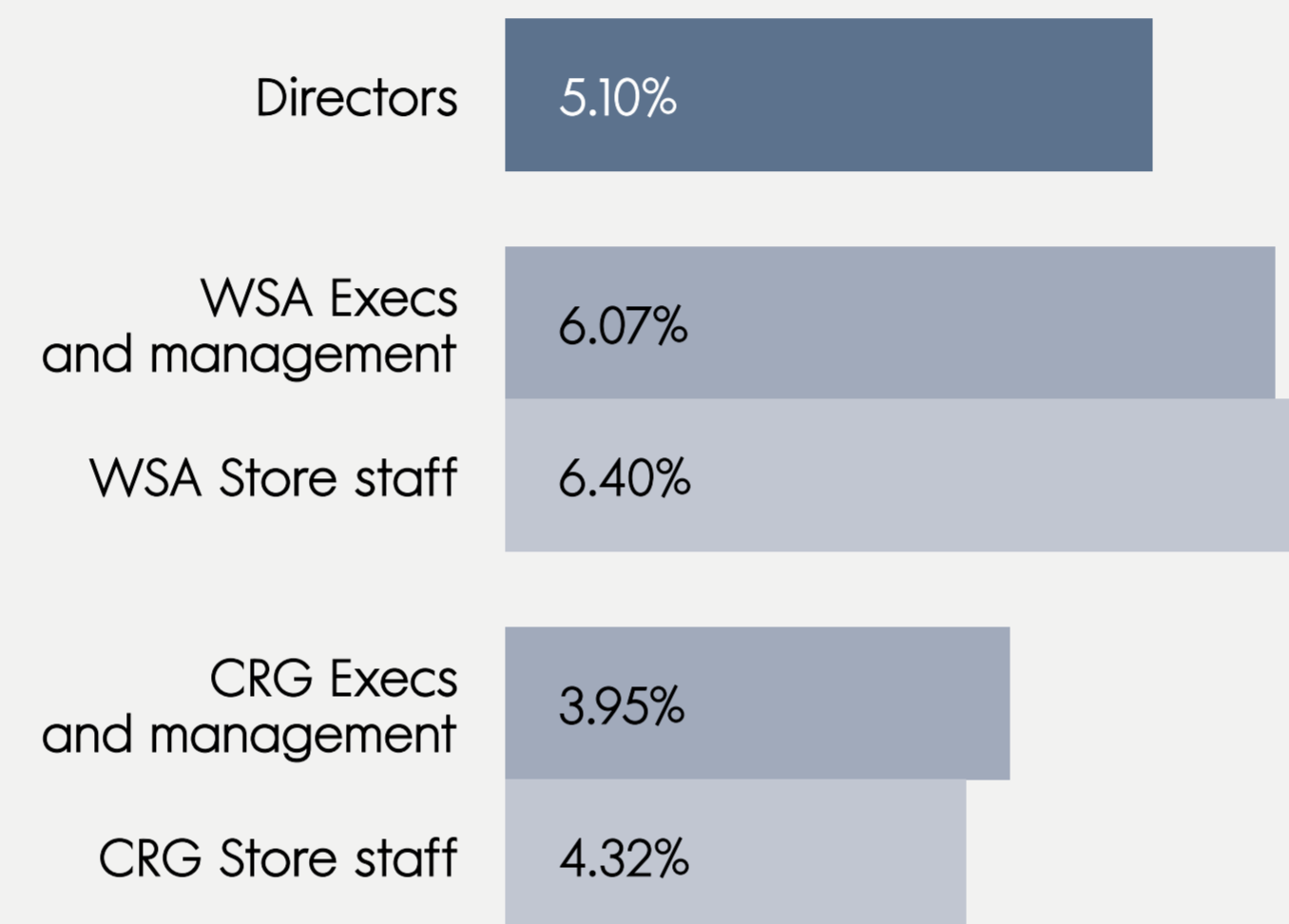
-14.1% aEBIT **18.7%** ROCE

375.4 CPS adHEPS

* Continuing operations and on a 52-week basis

GUARANTEED PAY

Increase effective 1 October 2023



CORPORATE STI PAYOUTS FOR EMPLOYEES

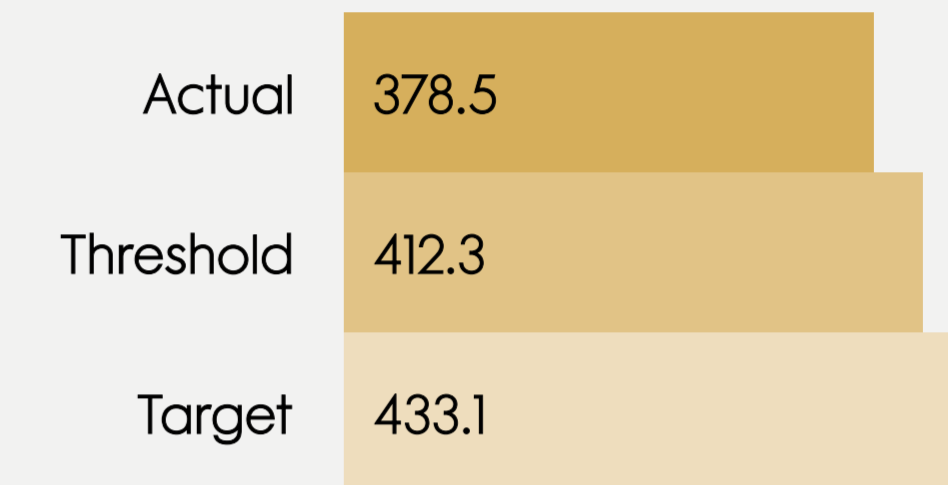
Mixed performance in STI



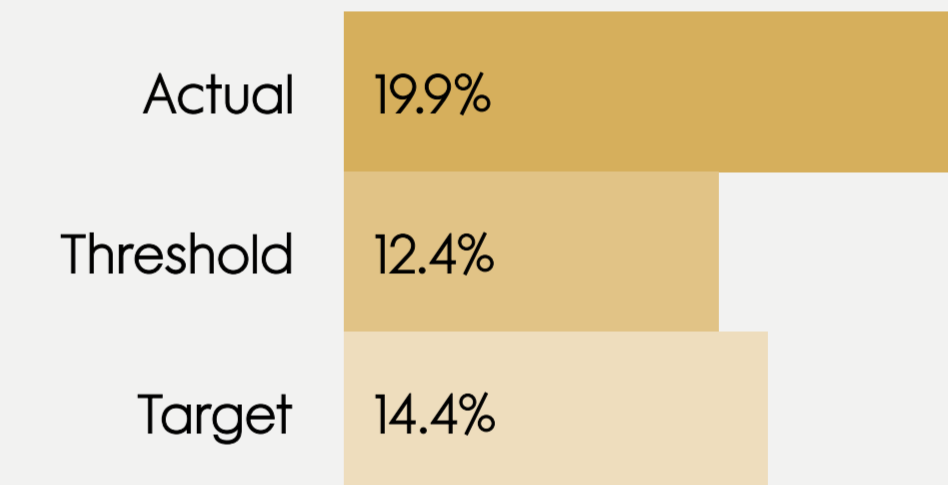
LTI PERFORMANCE

Overall vesting of 40%

aHEPS PERFORMANCE
0% vesting (52 weeks)

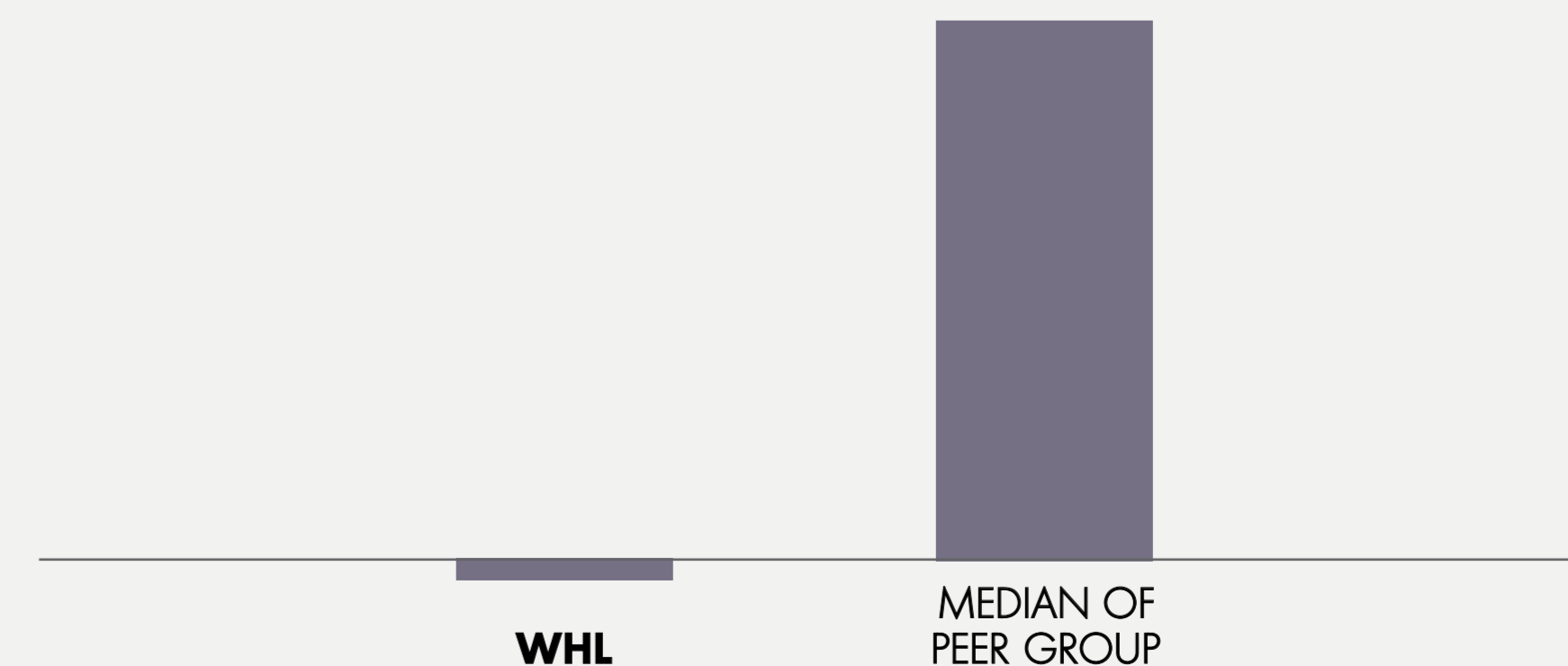


CAPITAL EMPLOYED RETURNS ABOVE WACC
100% vesting



0% vesting

RELATIVE HEPS PERFORMANCE AGAINST PEER GROUP



REMUNERATION POLICY FOR FY2025

This report focuses on the remuneration for the Group Chief Executive Officer (Group CEO), executive directors, and executive management (execs). Disclosure follows the requirements of South African legislation, King IV™ and guidance from the South African Rewards Association (SARA). To provide a more comprehensive view, policies applicable either to different levels of employee or different geographic areas are included where appropriate.



The Remuneration Policy is informed by our People Value Proposition (PVP) – expressed as ‘Our Rewards Way’. Our aspirational commitment to employees is to offer competitive, performance-based rewards based on fair and responsible principles.

The Group’s remuneration framework consists of guaranteed pay – the annual adjustment to base salary and benefits – and variable pay made up of short- and longer-term performance based incentive schemes.

Our Remuneration policies are designed to attract, retain and motivate our employees across the Group. We achieve this by ensuring that our remuneration framework recognises and rewards employees’ individual performance, leadership and behaviour in the achievement of business goals. In addition to this, at various leadership levels we ensure that we have collective goals that align our efforts and our teams. Our Policies also focus on reducing the gap on remuneration paid to executive management and our employees in our stores and distribution centres.

REMUNERATION FRAMEWORK

Our remuneration framework balances fixed and variable financial rewards to drive a high-performance culture. It is focused on achieving a fair and sustainable balance between GP, STIs, LTIs, and retention schemes for employees. The King IV™ principles relating to fair and responsible remuneration, which have been adopted by the Group, continue to guide us in the application of our Remuneration policy on a Group-wide basis.

Our pay mix ratio is geared towards the ‘pay at risk’ principle and this supports a high performance winning culture.

The application of the Remuneration Policy (on a Group-wide basis) is also guided by the King IV™ principles relating to fair and responsible remuneration

REMUNERATION			
GUARANTEED PAY		VARIABLE PAY	
Benchmarked against applicable retail and non-retail companies within geographic locations to ensure that GP is competitive, attracts and retains the required level of experience and expertise required for the Group		Short- and long-term incentives with the opportunity to earn additional financial rewards over performance periods of between one and five years	
BASE PAY	BENEFITS	SHORT-TERM INCENTIVES	LONG-TERM INCENTIVES
Market-related salary tailored to roles and performance	Market-related benefits including pension/ superannuation, healthcare, vehicle allowances, and discounts on purchases	Annual performance bonus paid on the achievement of one-year financial targets Employees in the Group participate in an STI scheme appropriate to the level and role that they perform in the Group Gain-share and commission-based incentive schemes are in place for store and distribution centre employees	Share schemes designed to incentivise Group CEO, executive directors, and designated management levels across the Group, on delivery of long-term strategic goals aligned with shareholder expectations: Performance Plan: - Performance Shares (FSP) - Performance Units (FSU) Restricted Share Plan (RSP)

FAIR, TRANSPARENT AND RESPONSIBLE REMUNERATION

Our Remuneration Policy addresses fair and responsible remuneration for executive management in the context of overall employee remuneration.

Consideration of parity gaps is a regular part of our remuneration analysis and are addressed where this is found through regular income differential exercises.

Principles that drive the Group’s policy on fair and responsible remuneration are:

- economic inclusion – a key pillar of the Group’s Inclusive Justice Initiative
- consideration given to minimum wage legislative requirements and living wage

- equal pay for equal work of equal value
- address any income disparities based on gender and race
- participation for all permanent employees of the Group in some form of short-term incentive or store and distribution gain-share schemes*
- participation for all permanent employees in equal measure on product discounts
- specific corporate initiatives applied to enhance work experience and improve the PVP

The Group applies and measures fair and responsible remuneration relevant to the countries in which it trades.

**Certain categories of employees in Australia subject to bargaining arrangements do not participate in any incentive schemes.*

WOOLWORTHS SA AND OTHER AFRICAN COUNTRIES

A specific focus of fair and responsible remuneration in South Africa and other African countries in which Woolworths trades has been to address the challenges of:

- pay discrimination at gender and race
- income inequality
- promotion of social justice
- economic transformation

An income differential strategy, applied by WSA for a number of years, has proved to be a critical lever to ensure that we address unjustifiable income disparities at a race and gender level.

A significant driver for fair and reasonable remuneration in WSA was the implementation of a ‘Just Wage’. The aim was to provide an equitable, ethically based wage, in the construct of a living wage in the context of the Group’s values and the socio-economic environment of South Africa. The increase to remuneration not only has a positive impact on the lives of our store employees, but is a key contributor to

provide customers with the best in-store service levels in the market.

The ‘just wage’ principle has also been implemented in the Rest of Africa, where we have tailored the offering for each country with consideration to local legislation.

COUNTRY ROAD GROUP

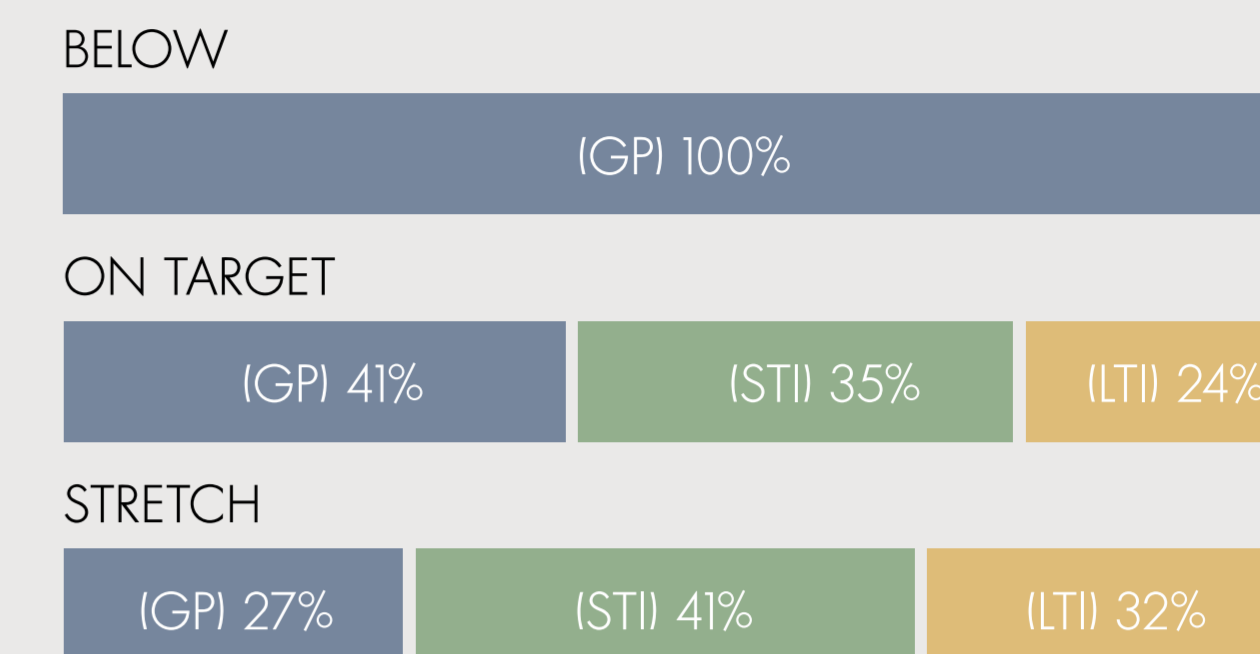
CRG applies the Group’s fair and responsible remuneration principles adapted to cater for the needs of the Australian context. Gender equality has been a strong focus for CRG. The Australian government introduced the Workplace Gender Equality Act (WGEA) in 2023 with the primary aim to increase transparency and encourage employers to accelerate progress to close the gender pay gap. For the reporting year 2022/2023, the Australian median gap was 19%, while CRG was significantly lower at a median gap of 7.5%. Parity gaps between gender and race are a regular part of our remuneration analysis and are addressed where this is found through regular income differential exercises.

The ‘Just Wage’ principle has also been implemented in the Rest of Africa, where we have tailored the offering for each country

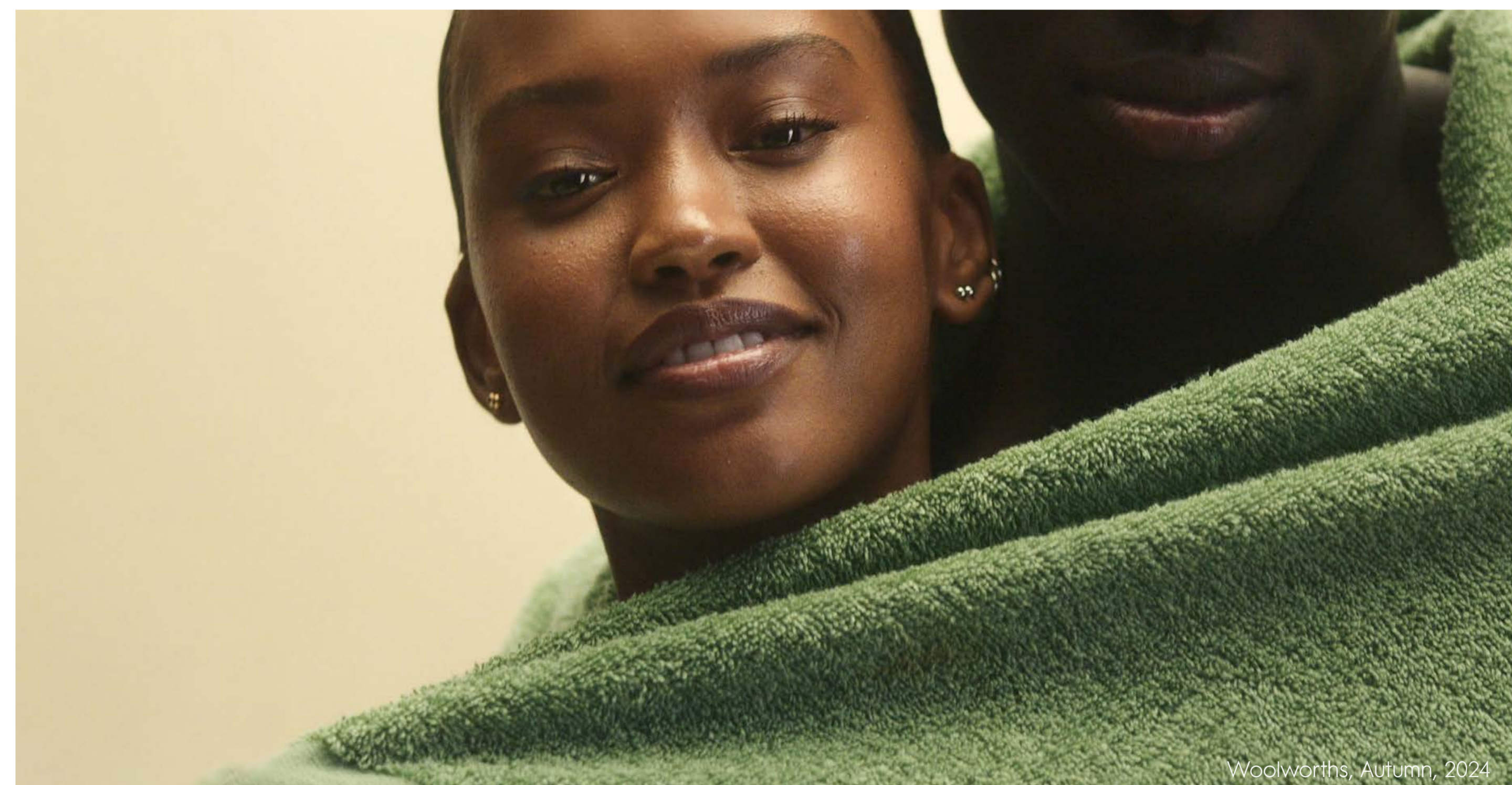
REMUNERATION MIX

To achieve a performance-driven culture and an alignment with value creation for shareholders, the remuneration mix for the Group CEO, executive directors, Exco members, and senior management is geared towards a higher percentage of variable pay. The variable pay, made up of Corporate STI and LTI, is considered ‘at risk pay’ to drive the achievement of stretch goals by employees. Variable pay at senior levels is linked to performance and appropriately capped.

To illustrate the contribution of fixed and variable pay for the executive directors the chart opposite highlights the potential remuneration mix of GP, STI and LTI.



- Below level assumes GP at 100%. No STI and no vesting of LTI allocations are included
- On-target level assumes GP at 100%, with STI at 50% pay out and LTI vesting at 50%
- Stretch level assumes GP at 100%, with STI at 100% pay out and full vesting of LTI
- STI capped at 150%



Woolworths, Autumn, 2024











VARIABLE REMUNERATION ALIGNED TO GROUP STRATEGY

We have identified eight Group strategic pillars to deliver a future-fit business that will return long-term profit growth and create sustainable value for all our stakeholders. We measure the achievement of these pillars with clearly defined financial and non-financial performance metrics.

The table alongside illustrates the alignment of the strategic pillars.

The strategic pillars are discussed in more detail on pages 68 to 74 and the performance metrics on pages 77 to 82.

STRATEGIC PILLARS		SELECTED STRATEGIC PERFORMANCE METRICS	LINK TO REMUNERATION PERFORMANCE CONDITIONS
	LEADING AND ICONIC FOOD BUSINESS	GROUP αEBIT The ongoing profitability of the business - to reflect potential returns and determine business continuity	α PBT/ α EBIT incorporated in financial performance for STI – 60% contribution
	FASHION TURNAROUND AND GROWTH IN BEAUTY AND HOME	Adjusted diluted headline earnings per share The quality of earnings of the Group	adHEPS growth included in LTI – 40% weighting
	UNLOCK AND CREATE VALUE IN OUR AUSTRALIAN BUSINESSES	Return on capital employed Demonstrates how efficiently we use our capital to generate returns for our shareholders	ROCE included in LTI – 40% weighting
	DATA-DRIVEN DECISION MAKING	% Revenue tracked on loyalty cards Measures value creation for customers by increasing their loyalty through loyalty programmes	Incorporated in individual strategic objectives for STI – 40% contribution
	COST EFFICIENCY AND OPERATIONAL EXCELLENCE	Cost to operate % Proportion of revenue used in the ongoing expenses from the normal day-to-day running of the Group	α PBT/ α EBIT incorporated in financial performance for STI – 60% contribution adHEPS growth included in LTI – 40% weighting
	ELEVATED OMNICHANNEL EXPERIENCE	Online sales growth Reflects the success of initiatives and investments to drive sales through digital channels	Incorporated in individual strategic objectives for STI – 40% contribution
	PEOPLE AND LEADERSHIP	Progress on ‘Just Wage Initiative’ Demonstrates deliberate intent to reduce the remuneration gap in WSA	Inherent in the application of fair and equitable remuneration
	GOOD BUSINESS JOURNEY	% target achieved on Group sustainability scorecard Demonstrates commitment to sustainability and execution of our GBJ strategy	ESG measures included in LTI – 20% weighting



ADDITIONAL REMUNERATION POLICIES FOR EXECUTIVE DIRECTORS AND SENIOR MANAGEMENT

MALUS AND CLAWBACK

Malus and clawback provisions are applicable to all variable remuneration made to the Group CEO, executive directors and WHL Exco.

Malus provisions apply prior to the vesting or payment of awards, while clawback provisions are applicable for a two-year period after the payment of any Corporate STI or vesting of any LTI awards. A trigger event is defined as an event that leads to material reputational damage, material misstatement in the financial statements, or a deliberate misinterpretation of financial targets and gross negligence.

These provisions enable the committee to recover variable remuneration awards made to a participant based on a trigger event, caused by the participant, which leads to loss or damage incurred by the Group.

SERVICE CONTRACTS AND NOTICE PERIODS

As previously recorded, Roy Bagattini's fixed term agreement has been extended without a specific end date. The agreement has a six month notice period, reducing to three months in specified instances. Roy continues to have a restraint of trade agreement of 24 months in South Africa and 12 months in Australia.

Other executive directors and execs have employment agreements with the Group which may be terminated with notice periods of between six and twelve months. Employment agreements may also include restraint of trade agreements.

Expatriate execs employed on a fixed-term contract are subject to obtaining and maintaining applicable work permits.

Malus and clawback provisions apply to all variable remuneration for executive directors and WHL Exco.

MINIMUM SHAREHOLDING REQUIREMENT (MSR)

MSR requirements are effective from 1 September 2022. The requirements apply to the Group CEO, executive directors and WHL Exco. The Group CEO is required to hold 200%, the remaining directors 150%, and WHL Exco members 100% of their respective GP.

Participants have a period of five years in which to reach the required MSR % of GP requirements by pledging a portion of their LTI vestings to MSR. These shares are restricted and only shares in excess of the MSR % may be sold.

COMMITTEE DISCRETION

The remuneration framework and policy guides the Group's remuneration arrangements. The basis for STI and LTI awards are formulaic in nature, however the final quantum of actual variable pay remuneration is discretionary. Discretion is not exercised in the achievement of the performance conditions for the long-term incentive schemes.

The Committee may exercise reasonability and discretion to award ex gratia payments or adjustments where extraordinary value has been created by executives. It can also adjust the size of the bonus pools when they are inappropriate, or where STI payments are not warranted.

In the event that the committee exercises its discretion, disclosure will be made in the Implementation Report.

JSE-APPROVED SCHEDULE 14 SHARE SCHEME

The maximum number of shares available for utilisation for JSE Schedule 14 scheme is 79.8 million, representing 8.1% of the issued share capital as at 30 June 2024. Shares allocated to participants under this scheme may either be purchased on the open market or new shares may be issued.

Unutilised shares amount to 23.9 million. 246 522 awards were made in FY2024.

Grants awarded in terms of this Schedule 14 scheme:

- may not exceed 250% of an employee's guaranteed pay in any one financial year
- in aggregate, an employee may not hold more than 11 934 827 awards

The Company repurchased 27.4 million of its own shares from 9 June 2022 to 7 July 2023 in terms of share buy backs. In terms of the PSP scheme rules and the JSE listing requirements, the number of unvested awards issued to participants has been reduced to ensure participants are entitled to the same proportion of the issued share capital of the Company as that to which they were previously entitled prior to the repurchase. The maximum award to any one participant has also been reduced.

RSP AND PERFORMANCE SHARES (PS) SCHEMES

The RSP or PS schemes are not Schedule 14 schemes. All shares awarded to participants under these schemes are purchased on the open market at the prevailing market price when the awards are made. Consequently there are no restrictions on the number of RSP shares awarded to an employee in any financial year or the aggregate held by an employee.

The RSP scheme was introduced in 2009, primarily for retention of selected employees. 85 754 RSP shares were awarded in FY2024.

The FSP scheme came into effect from 1 July 2023.

MANAGEMENT OF WOOLWORTHS HOLDINGS SHARE TRUST

Two independent non-executive directors act as trustees for the Woolworths Holdings Share Trust. The Trust administers the utilisation of shares for the Group's long-term incentive share schemes.

Shares and grants may not be awarded or exercised during a closed or prohibited period. The Group's closed period runs from two weeks prior to the interim or year-end date to the date on which the financial results are announced on the JSE.





REMUNERATION POLICY APPLICABLE TO THE 2025 FINANCIAL YEAR

The table below sets out the components of the remuneration framework to be applied by the committee in the 2025 financial year for the Group Chief Executive Officer (Group CEO), executive directors and key senior executives (execs).

Components of the framework may differ between WSA and CRG in which case the differences are highlighted. The framework is applied to all Group employees. The LTI scheme is not applicable to lower management levels where 'line of sight' cannot be easily attributable to these roles.

GUARANTEED PAY		
	BASE SALARY	OTHER BENEFITS
PURPOSE AND LINK TO STRATEGY	Market-related level of remuneration with consideration to specific requirements of the role	Benefits and allowances of a compulsory and non-compulsory nature appropriate to the market and contribute to well-being of employees, in line with PVP
MECHANICS	<p>Reviewed annually against retail peer companies in South Africa, Australia and other countries in which the Group trades</p> <p>Market conditions, company performance, internal comparability, individual performance and responsibility are taken into consideration</p> <p>Includes performance against financial and non financial objectives and leadership behaviour against Group values and Our Leadership Way</p> <p>No obligation to increase base salary</p>	<p>Benefits include:</p> <ul style="list-style-type: none"> retirement funding, superannuation healthcare motor vehicle allowance and vehicle leasing options product discount on purchases made in the Group's stores other benefits as per specific country
OPPORTUNITY	Reviewed in context of company and Group performance, in-country CPI and affordability	Some benefits and the quantum of benefits will vary according to Group's subsidiaries and the market in which they trade



The table alongside sets out the components of the remuneration framework to be applied by the committee in the 2025 financial year for the Group CEO, executive directors, and Execs.

Components of the framework may differ between WSA and CRG – these differences are highlighted. The framework is applied to all Group employees. It is not applicable to specific management roles.

We have engaged with our key shareholders before finalising our LTI measures and targets for FY2025.

MINIMUM SHAREHOLDING REQUIREMENT

- MSR levels:
- Group CEO: 200%
 - Group FD: 150%
 - WHL Exco: 100%

Requirement to be met in a five-year period from 1 July 2022

SHORT-TERM INCENTIVES		LONG-TERM INCENTIVES																																						
SHORT-TERM INCENTIVE SCHEME		FORFEITABLE PERFORMANCE UNITS (FPU) COUNTRY ROAD GROUP	FORFEITABLE PERFORMANCE SHARES (FPS) WHL & WOOLWORTHS SA	RESTRICTED SHARE PLAN (RSP) WHL AND WSA ONLY																																				
PURPOSE Motivate executives and senior management to achieve short-term strategic, financial and non-financial objectives as agreed for the financial year.		No retesting of performance conditions. Awards lapse if performance conditions are not achieved																																						
MECHANICS Bonus split: 60% financial measures and 40% individual strategic objective measures The target is determined annually in advance Financial STI calculated as follows: <ul style="list-style-type: none"> • Group CEO: 100% Group performance • Group FD: 100% Group performance • CRG CEO: 20% Group and 80% CRG performance • WSA CEO FBH and WSA CEO Food: 20% Group, 20% WSA and 60% FBH or Food performance • Execs: 10% Group performance with remaining 90% based on line of sight to company and/or specific business area performance Earnings potential is applied on a stepped scale between threshold and on-target. Above on-target performance stepped approach follows until individual maximums have been achieved.		PURPOSE Motivate employees to achieve three-year strategy aligning shareholder and executive interests																																						
OPPORTUNITY AND MAXIMUM LIMIT On-target and stretch performance of GP:		MECHANICS CRG participants are entitled to the delivery of conditional awards in shares after three years from date of grant provided that certain performance conditions are met Vesting occurs subject to the achievement of performance conditions over the three-year performance period Vesting occurs on a linear scale in accordance with an agreed threshold and stretch target WHL and WSA participants are allocated restricted delivery of shares subject to the achievement of conditions over the three-year performance period. Shares are purchased on the open market and held in escrow until all restrictions are lifted and the Committee is satisfied that the performance conditions have been achieved. Participants are entitled to receive dividends during the performance period.																																						
Group CEO Group FD WHL Exco Execs: <ul style="list-style-type: none"> WSA AUS 		OPPORTUNITY AND MAXIMUM LIMIT Grants are made annually at the discretion of the Committee based on GP at grant date. Allocations capped at:		OPPORTUNITY AND MAXIMUM LIMIT Grants are made annually at the discretion of the Committee based on GP at grant date. Allocations capped at:																																				
		CRG CEO CRG Exco CRG senior management	Group CEO WHL Exco Execs (WSA)																																					
PERFORMANCE CONDITIONS • 60% Financial target aPBT or aEBIT, gatekeeper of 90% applied at company level • 40% Strategic objectives, gatekeeper of 80% of aPBT or aEBIT		PERFORMANCE CONDITIONS WHL and CRG Exco, and WSA Senior Executives: Annual allocation with 100% based on financial performance conditions and weightings as below Senior management: Annual allocation with 50% based on financial performance conditions and 50% based on individual performance (IPM) Threshold vesting levels were adjusted upwards from 30% to 50%.																																						
PAYMENT CYCLE Corporate STI scheme: <ul style="list-style-type: none"> • Payments made annually in September Store and supply chain STI schemes: <ul style="list-style-type: none"> • Cash payments may be made monthly, quarterly or biannually dependent on the scheme 		<table border="1"> <thead> <tr> <th>PERFORMANCE CONDITIONS</th> <th>WEIGHTING</th> <th>MEASUREMENT</th> <th>VESTING</th> </tr> </thead> <tbody> <tr> <td colspan="4" style="text-align: center;">WHL AND WSA FPS FINANCIAL PERFORMANCE CONDITIONS</td> </tr> <tr> <td>adHEPS growth</td> <td>40%</td> <td>3-year CAGR of adHEPS > SA CPI</td> <td> <ul style="list-style-type: none"> • threshold 50%: SA CPI +1.0% YOY • target 100%: SA CPI +3.5% YOY • stretch target 150%: SA CPI +6.0% YOY </td> </tr> <tr> <td>ROCE</td> <td>40%</td> <td>WHL ROCE performance > WACC from medium-term plan</td> <td> <ul style="list-style-type: none"> • threshold 50%: WACC +3.0% • target 100%: WACC +7.0% </td> </tr> <tr> <td>ESG</td> <td>20%</td> <td>WSA ESG measures</td> <td> target 100%: <ul style="list-style-type: none"> • Scale of supplier development in line with WSA sales growth • >75.0% of Food products with two or more sustainability attributes • 35% of FBH products sourced locally </td> </tr> <tr> <td colspan="4" style="text-align: center;">CRG FPU FINANCIAL PERFORMANCE CONDITIONS</td> </tr> <tr> <td>adHEPS growth</td> <td>40%</td> <td>3-year CAGR of HEPS > SA CPI</td> <td> <ul style="list-style-type: none"> • threshold 50%: SA CPI +1% YOY • target 100%: SA CPI +3.5% YOY • stretch target 150%: SA CPI +6.0% YOY </td> </tr> <tr> <td>ROCE</td> <td>40%</td> <td>CRG ROCE performance > WACC from medium-term plan</td> <td> <ul style="list-style-type: none"> • threshold 50%: WACC +3.0% • target 100%: WACC +5.0% </td> </tr> <tr> <td>ESG</td> <td>20%</td> <td>CRG ESG measures</td> <td> target 100%: <ul style="list-style-type: none"> • Renewable Electricity: <ul style="list-style-type: none"> • source 100% from renewable electricity or GreenPower by end FY2026 maintained by end FY2027 • Supply Chain Traceability: <ul style="list-style-type: none"> • improved visibility of our suppliers' supply chains </td> </tr> </tbody> </table>			PERFORMANCE CONDITIONS	WEIGHTING	MEASUREMENT	VESTING	WHL AND WSA FPS FINANCIAL PERFORMANCE CONDITIONS				adHEPS growth	40%	3-year CAGR of adHEPS > SA CPI	<ul style="list-style-type: none"> • threshold 50%: SA CPI +1.0% YOY • target 100%: SA CPI +3.5% YOY • stretch target 150%: SA CPI +6.0% YOY 	ROCE	40%	WHL ROCE performance > WACC from medium-term plan	<ul style="list-style-type: none"> • threshold 50%: WACC +3.0% • target 100%: WACC +7.0% 	ESG	20%	WSA ESG measures	target 100%: <ul style="list-style-type: none"> • Scale of supplier development in line with WSA sales growth • >75.0% of Food products with two or more sustainability attributes • 35% of FBH products sourced locally 	CRG FPU FINANCIAL PERFORMANCE CONDITIONS				adHEPS growth	40%	3-year CAGR of HEPS > SA CPI	<ul style="list-style-type: none"> • threshold 50%: SA CPI +1% YOY • target 100%: SA CPI +3.5% YOY • stretch target 150%: SA CPI +6.0% YOY 	ROCE	40%	CRG ROCE performance > WACC from medium-term plan	<ul style="list-style-type: none"> • threshold 50%: WACC +3.0% • target 100%: WACC +5.0% 	ESG	20%	CRG ESG measures	target 100%: <ul style="list-style-type: none"> • Renewable Electricity: <ul style="list-style-type: none"> • source 100% from renewable electricity or GreenPower by end FY2026 maintained by end FY2027 • Supply Chain Traceability: <ul style="list-style-type: none"> • improved visibility of our suppliers' supply chains
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OTHER All employees in the Group participate in a STI scheme at different levels of % of GP at on-target, stretch or maximum level. Store and supply chain employees participate in gain-share or commission schemes appropriate to their employer company. The Committee has the discretion to exercise reasonability and discretion to pay ex gratia payments where extraordinary value has been created by executives and/or to mitigate any unintended consequences as may be warranted.		PERFORMANCE CONDITIONS Achievement of agreed strategic initiatives or other performance conditions agreed by the Committee, from time to time																																						
MALUS AND CLAWBACK Malus and two-year clawback provisions apply to the Group CEO, executive directors and execs																																								
NO OF PARTICIPANTS 2 659	OTHER STI 29 904	NO OF CRG PARTICIPANTS 38	NO OF WHL AND WSA PARTICIPANTS 414	NO OF PARTICIPANTS 63																																				

NON-EXECUTIVE DIRECTORS REMUNERATION POLICY

REMUNERATION POLICY APPLICABLE TO THE 2025 FINANCIAL YEAR

The table alongside sets out the remuneration policy to be for the 2025 financial year for non-executive directors. This forms the underlying basis for the directors' fees tabled for shareholder approval at the AGM to be held on 25 November 2024.

EMOLUMENTS

FEES	BENEFITS
<p>CHAIRMAN, LEAD INDEPENDENT DIRECTOR, AND DIRECTORS</p> <p>A market-related fee to attract and retain experienced and diverse non-executive directors Fees are independently benchmarked on a biennial basis</p>	<p>MECHANICS</p> <p>Non-executive directors receive product discounts on purchases made in WHL Group stores No other benefits are provided Non-executive directors do not participate in any STI or LTI schemes</p>
<p>COMMITTEE MEMBERSHIP</p> <p>The fees reflect the additional responsibilities taken through the membership of Board committees Committee chairmen receive a higher amount than members given the additional demand on their time</p>	
<p>MECHANICS</p> <p>Non-executive director fees are approved by shareholders annually Fees are based on an annual construct as directors provide input on an ongoing basis throughout the year, and not only via attendance at meetings International-based director fees are based on relevant market-related fees and paid in the currency of that country Fees reflect the time commitment, demands, international travel requirements and responsibilities of the role Audited non-executive directors' fees for the 2024 financial year are shown on page 117.</p>	
<p>SERVICE CONTRACTS</p> <p>Non-executive directors do not have service contracts. They serve the company through letters of appointment, which may be terminated without liability for compensation Non-executive directors must be re-elected by shareholders at an AGM on a rotational basis, usually at three-year intervals</p>	
<p>OTHER</p> <p>All travel and accommodation expenses are settled by the Company Fees are paid quarterly with no additional fees paid for adhoc meetings</p>	

PROPOSED FEES FOR FY2025

Non-executive director fees were independently benchmarked in FY2023, in line with our standard policy.

In order to mitigate the effects of foreign exchange fluctuations and to provide certainty of fees to be earned, shareholders approved that all fees payable to our non-executive directors in the United Kingdom and Australia be remunerated in their respective currency. This is applicable to fees for member of the Board, committee chairman and member fees.

The Board has proposed inflation linked fees for 2025 of 4.5% (exclusive of VAT), for South Africa. A 3.5% increase has been proposed for Australia based directors and a 2% for UK based directors.

The increases are effective from 1 January 2025, and are shown in the table alongside.

PEER GROUPS USED FOR BENCHMARKING

Australia ALS Limited, Aurizon Holdings Limited, Carsales.com Ltd, Contact Energy Limited, Harvey Norman Holdings Limited, JB Hi-Fi Limited, Lendlease Group, New Hope Corporation Limited, NEXTDC Ltd, Orica Ltd, QUBE Holdings Ltd, Steadfast Group Ltd and Worley Ltd
United Kingdom Airtel Africa PLC, B&M European Value retail, Berkley Group Holdings, Computacenter PLC, EasyJet PLC, Frasers Group PLC, IG Group Holdings PLC, InchCape PLC, Investec PLC, Marks & Spencer Group PLC, Mediclinic International PLC, Nomad Foods Ltd (NYSE), Ocado Group, Tate & Lyle PLC and The Weir Group PLC
SA industry-based comparator Bid Corporation, Clicks, Dis-Chem, Foschini, Mr Price, Pepkor, Pick n Pay, Shoprite, Spar, and Truworths
SA size-based comparator African Rainbow Minerals, Aspen, Bidvest, Discovery, Exxaro Growthpoint, Harmony Gold, Nedbank, Northam Platinum, Old Mutual, Remgro, and Sibanye

	Current approved fees	Proposed fees	% Increase
South Africa-based directors (paid in R)			
Chairman	R2 616 907	R2 734 668	4.5%
Lead Independent Director	R924 638	R966 247	4.5%
Member of the Board	R489 222	R511 237	4.5%
Audit Committee chairman	R421 445	R440 410	4.5%
Audit Committee member	R231 059	R241 457	4.5%
Nominations Committee chairman	R217 501	R227 289	4.5%
Nominations Committee member	R135 924	R142 041	4.5%
Remuneration and Talent Management Committee chairman	R285 522	R298 370	4.5%
Remuneration and Talent Management Committee member	R149 481	R156 208	4.5%
Risk and Information Technology Committee chairman	R285 405	R298 248	4.5%
Risk and Information Technology Committee member	R149 481	R156 208	4.5%
Social, Ethics and Compliance Committee chairman	R231 059	R241 457	4.5%
Social, Ethics and Compliance Committee member	R135 924	R142 041	4.5%
Sustainability Committee chairman	R231 059	R241 457	4.5%
Sustainability Committee member	R135 924	R142 041	4.5%
Treasury Committee chairman	R285 426	R298 270	4.5%
Treasury Committee member	R151 050	R157 847	4.5%
Hourly rate for additional services	R6 508	R6 801	4.5%
United Kingdom-based (paid in £)			
Member of the Board	£88 532	£90 303	2%
Committee chairman	£12 700	£12 954	2%
Committee member	£7 400	£7 585	2%
Australia-based director (paid in A\$)			
Member of the Board	A\$170 063	A\$176 015	3.5%
Committee member	A\$16 500	A\$17 078	3.5%

IMPLEMENTATION REPORT FOR FY2024 FINANCIAL YEAR



Country Road, Autumn, 2024

COMPLIANCE WITH THE REMUNERATION POLICY

The Committee monitored the implementation of the Remuneration Policy throughout the year and is of the view that the Group was in material compliance with the 2024 Remuneration Policy as set out in the 2023 Integrated Annual Report.

In relation to the Financial Component of the STI, the Group fell short of the 90% of aPBT budget resulting in a nil STI payout for the Group CEO and Finance Director for this component.

The Group CEO, Finance Director and WHL Group Exco delivered their strategic component of STI. Given this, and taking into account WSA performance, the Committee exercised discretion and approved reduced payments of the strategic component of STI.

The percentage STI payout, where applicable, was linked to the scores achieved in the approved performance rating for each executive.

No circumstances warranted the application of any malus or clawback provisions.

APPLICATION OF FAIR AND RESPONSIBLE REMUNERATION

The Committee applies the concept of a fair and responsible pay barometer to enable it to consider the remuneration of executive directors in the context of remuneration earned by different categories of employees, including gender, race, and geography.

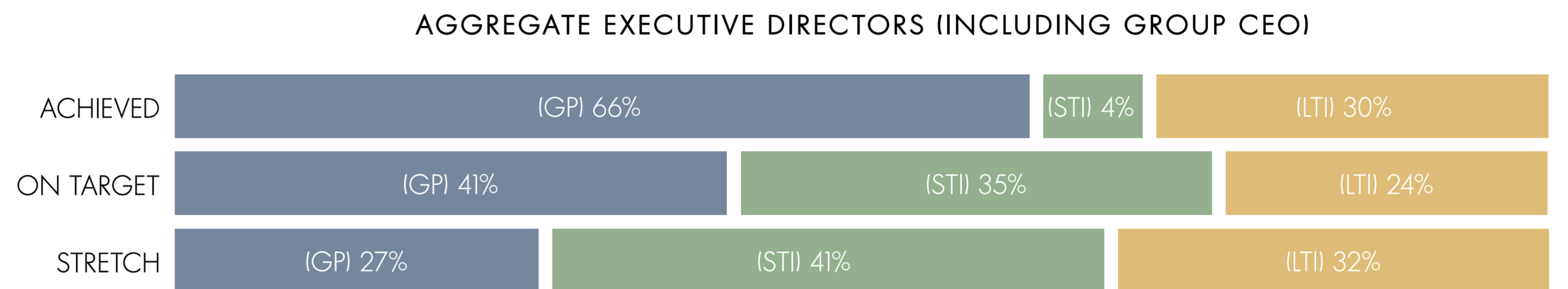
The barometer is discussed at committee meetings on an annual basis. The Group continues to make significant progress in terms of managing 'the ethics of pay'.

The barometer shown on the following page explains the application for the 2024 financial year.

GROUP CEO AND EXECUTIVE DIRECTORS' REMUNERATION MIX

The chart below represents the actual aggregated remuneration mix for the Group CEO and executive directors achieved for the year ended 30 June 2024. It should be compared to the potential remuneration mix based on the Remuneration Policy shown here.

The achieved remuneration mix varies from the potential mix due to the underachievement of the FY2024 STI performance.



GUARANTEED PAY

The annual GP increases are set out in the table alongside. Inflation-based increases were effective 1 October 2023.

The Group continues to address and reduce the pay gap between management and staff by awarding staff higher percentage increases than management. Staff increases include the remaining tranche of the 'just wage' adjustment.

The guaranteed pay (included in single-figure remuneration) of executive directors is shown [here](#).

	AVG % INCREASE
Group CEO and executive directors	5.10%
WSA Executives and management	6.07%
WSA Store staff	6.40%
CRG Executives and management	3.95%
CRG Store staff	4.32%



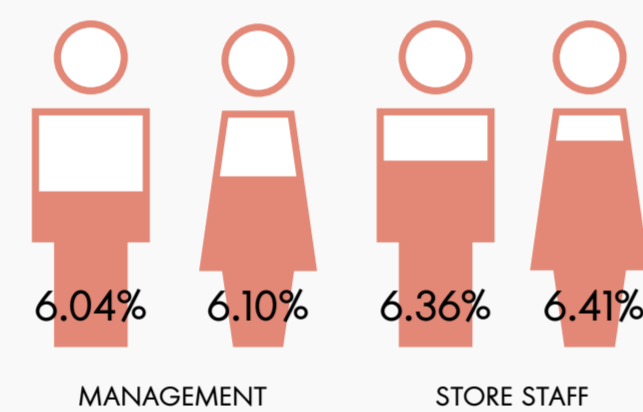
FAIR AND RESPONSIBLE PAY BAROMETER

SOUTH AFRICA 2024

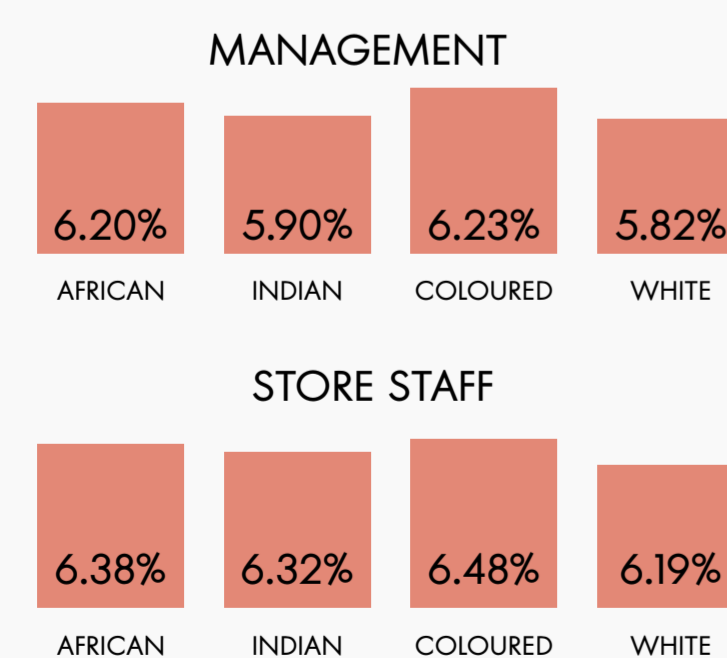
DIFFERENTIATED ANNUAL SALARY INCREASES*



ANNUAL SALARY INCREASES BY GENDER



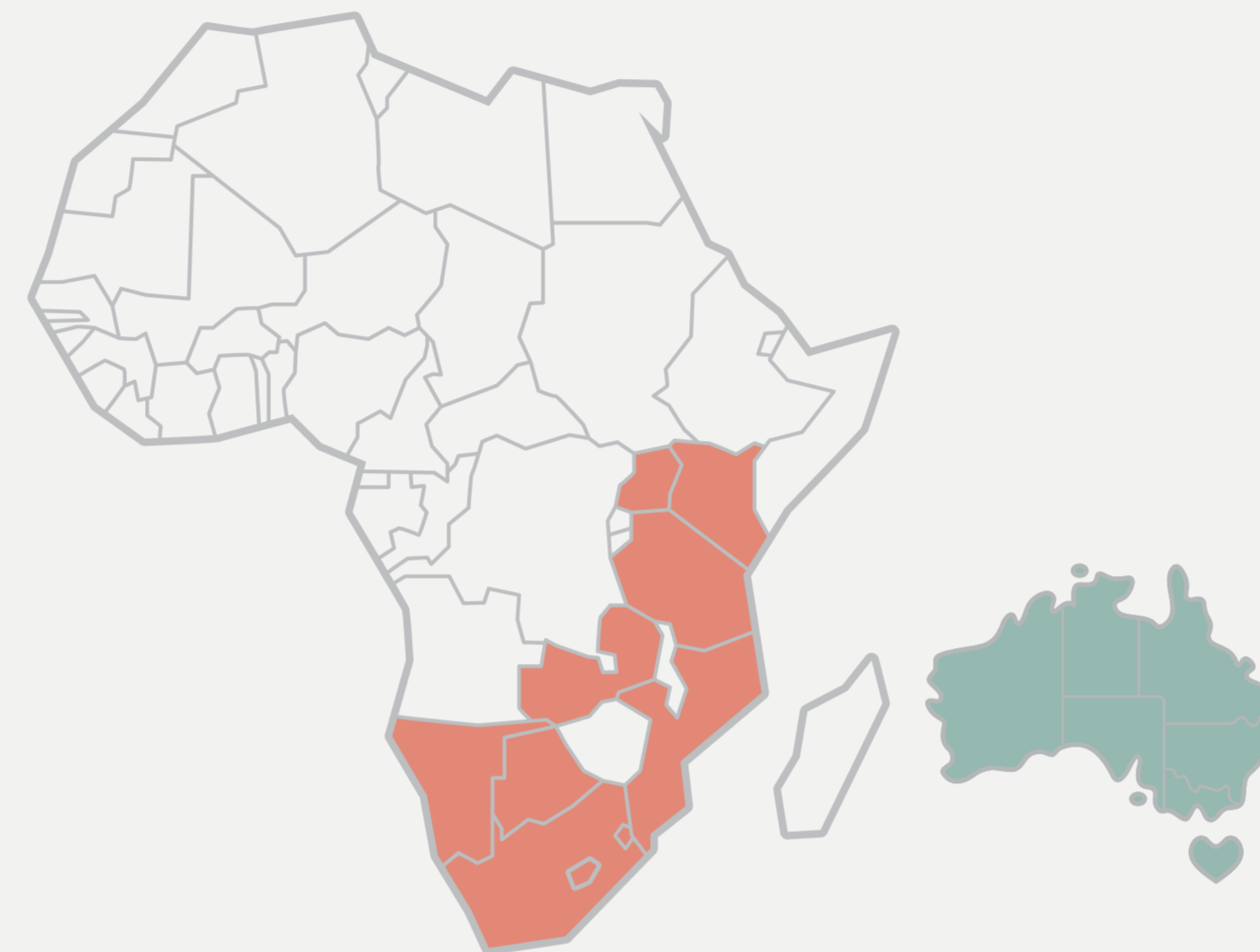
ANNUAL SALARY INCREASES BY RACE



WSA is consistently cognisant of the need to address inequalities at both race, gender and level of work in reviewing the annual salary increases. The 'just wage' has been a significant investment to address this matter.

Salaries for store employees are 18% above the retail sector and 54% above the national minimum wage.

Annual salary increases for supply chain employees are determined in the context of the union wage negotiations.

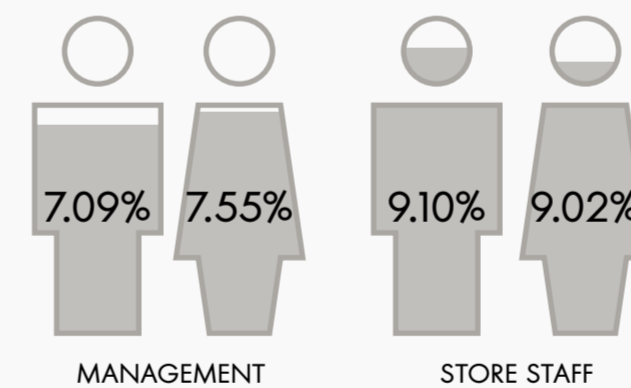


REST OF AFRICA 2024

DIFFERENTIATED ANNUAL SALARY INCREASES*



ANNUAL SALARY INCREASES BY GENDER



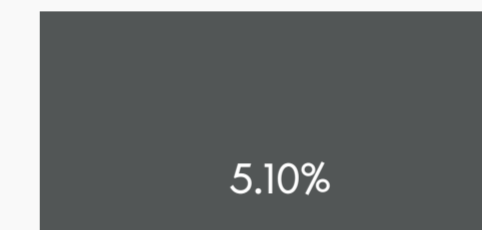
Aligned with the 'just wage' initiative in WSA, our employees in the Rest of Africa have received salary adjustments to reflect this.

Employees earn higher than the minimum wage in their respective countries.

This can be seen in the higher increases for store employees. The overall salary increases granted to both management and store staff reflect that female employees received higher increases, averaging 8.73%, compared to 8.71% for male employees.

EXECUTIVE DIRECTORS INCLUDING GROUP CEO

DIFFERENTIATED ANNUAL SALARY INCREASES*

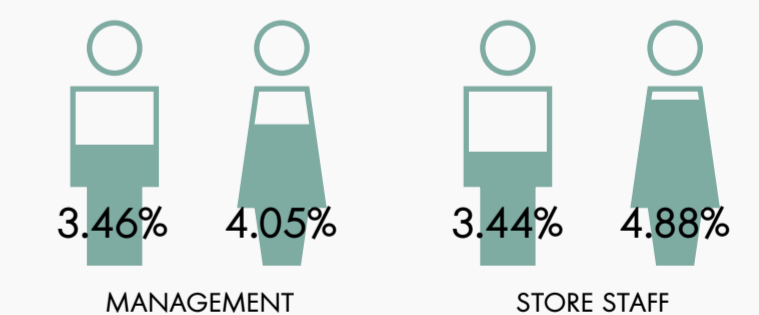


AUSTRALIA AND NEW ZEALAND 2024

DIFFERENTIATED ANNUAL SALARY INCREASES*



ANNUAL SALARY INCREASES BY GENDER



CRG has a focus on gender equality for the business. Adjustments to salary increases were actioned in FY2023, with further adjustments made in FY2024. Women, in both management and store staff, have received salary increases in excess of their male counterparts.

* effective 1 October 2023

SHORT-TERM INCENTIVES (STI)

		FINANCIAL COMPONENT (60%)			+	STRATEGIC COMPONENT (40%)			=	TOTAL STI
Weighting		TARGETS (ACHIEVEMENT AGAINST BUDGETED FY2024 aPBT)			Weighting		TRIGGER >80% WHL aPBT			
	60%	Below WHL aPBT trigger	Between WHL aPBT trigger and target	Exceed WHL aPBT budget	40%	Trigger	Aggregate KPI rating	Maximum Strategic Contribution		
Mechanics		0%	Stepped payment up to 100%	Stepped payment up to cap		>80% WHL aPBT	100%	Additional 20%		
FY2024 WHL Rand achievement		< 90%	n/a	n/a		< 80%	n/a	n/a		

GROUP CEO: ROY BAGATTINI (MEASURED 100% WHL ON FINANCIAL COMPONENT)

Calculation	GP x 100% (allocation) x 60% (weighting) x 0% (achievement)	+	GP x 100% (allocation) x 40% (weighting) x 0% (achievement)	=	TOTAL STI
FY2024 Rand outcome	Rand 0	+	FY2024 Rand Rand 0	=	Rand 0
FY2024 Aus \$ outcome	Aus \$ 0	+	FY2024 Aus \$ Aus \$ 0	=	Aus \$ 0
			KPI's achieved at 100% according to IPM, trigger not achieved		
			<ul style="list-style-type: none"> Conclude David Jones 'chapter' WHL value optimisation Progress FBH turnaround Sustain Food market leadership Sustainability 		
			DISCRETION* Reduced strategic component	=	Rand 1.515m
				=	Aus \$ 0.266m

*The percentage achievement of the strategic component is lower when compared to the Group FD

GROUP FD: ZAID MANJRA (MEASURED 100% WHL ON FINANCIAL COMPONENT)

Calculation	GP x 80% (allocation) x 60% (weighting) x 0% (achievement)	+	GP x 80% (allocation) x 40% (weighting) x 0% (achievement)	=	TOTAL STI
FY2024 Rand outcome	Rand 0	+	FY2024 Rand Rand 0	=	Rand 0
			KPI's achieved at 100% according to IPM, trigger not achieved		
			<ul style="list-style-type: none"> Effective capital allocation Support strategic business initiatives Finance automation 		
			DISCRETION Reduced strategic component	=	Rand 1.2m

HIGH-LEVEL DESIGN OF CORPORATE STI SCHEME

Financial component:

- Gatekeeper at 90% of companies aEBIT for threshold performance
- Budgeted pre-incentive profit is the trigger for target performance
- Stepped approach to vesting from >90% onwards
- Vesting in excess of 100% calculated on a stepped approach until individual capping is reached.

Strategic component:

- Trigger at 80% of aPBT or aEBIT

Financial and Strategic:

- Subject to Remuneration and Talent Committee Discretion

FY2024 FINANCIAL PERFORMANCE TARGETS AND ACHIEVEMENT

			Target (R'MILL)	Achieved (R'MILL)	Achievement %
GROUP aPBT			> 6 509	4 799	74
WSA aEBIT	TOTAL	aPBT/aEBIT as per audited accounts, pre-IFRS 16 and pre-STI payments	> 6 020	5 597	93
	FBH		> 2 462	1 802	73
	FOODS		> 3 375	3 572	106
CRG aEBIT			>A\$179	A\$54	31

SHORT-TERM INCENTIVES (STI)

		FINANCIAL COMPONENT (60%)			+	STRATEGIC COMPONENT (40%)			= TOTAL STI
		TARGETS (ACHIEVEMENT AGAINST BUDGETED FY2024 aPBT)				TRIGGER >80% WHL aPBT			
	Weighting	Below WHL aPBT trigger and WSA eEBIT	Between WHL aPBT and WSA aEBIT trigger and target	Exceed WHL aPBT and WSA eBIT budget	Weighting	Trigger	Aggregate KPI rating	Maximum Strategic Contribution	
Mechanics	60%	0%	Stepped payment up to 100%	Stepped payment up to cap	40%	>80% WHL aPBT	100%	Additional 20%	
FY2024 WHL Rand achievement		< 90%	n/a	n/a		< 80%	n/a	n/a	
FY2024 WSA Rand achievement		n/a	93%	n/a					

GROUP COO: SAM NGUMENI

(MEASURED 25% WHL AND 75% WSA ON FINANCIAL COMPONENT)

Calculation	GP x 80% (allocation) x 25% (contribution) x 60% (weighting) x 0% (achievement)								
FY2024 WHL outcome	Rand 0	+	FY2024 Rand	n/a	=	Rand 0			
Calculation	GP x 80% (allocation) x 75% (contribution) x 60% (weighting) x 30% (achievement)								
FY2024 WSA outcome	Rand 1.027m	+	FY2024 Rand	ZAR 3 045	=	Rand 4.072m			
			KPI's for FY2024	KPI's achieved at 100% according to IPM					
				<ul style="list-style-type: none"> • Deliver Rest of Africa strategy • Value chain transformation delivered • Key data and analytics initiatives delivered • CRG and DJ separation project • WVentures • Leadership impact 					



LONG-TERM INCENTIVES (LTI)

ALLOCATIONS DURING THE 2024 FINANCIAL YEAR

ANNUAL ROLLING ALLOCATIONS

The annual rolling FPS, and their performance conditions, awarded to the executive directors as approved by the Committee are shown below.

		FSP	Face value R'000
	Basis	Number	
Roy Bagattini	150% of GP	373 026	28 122
Sam Ngumeni	100% of GP	120 772	9 105
TOTAL		493 798	37 227

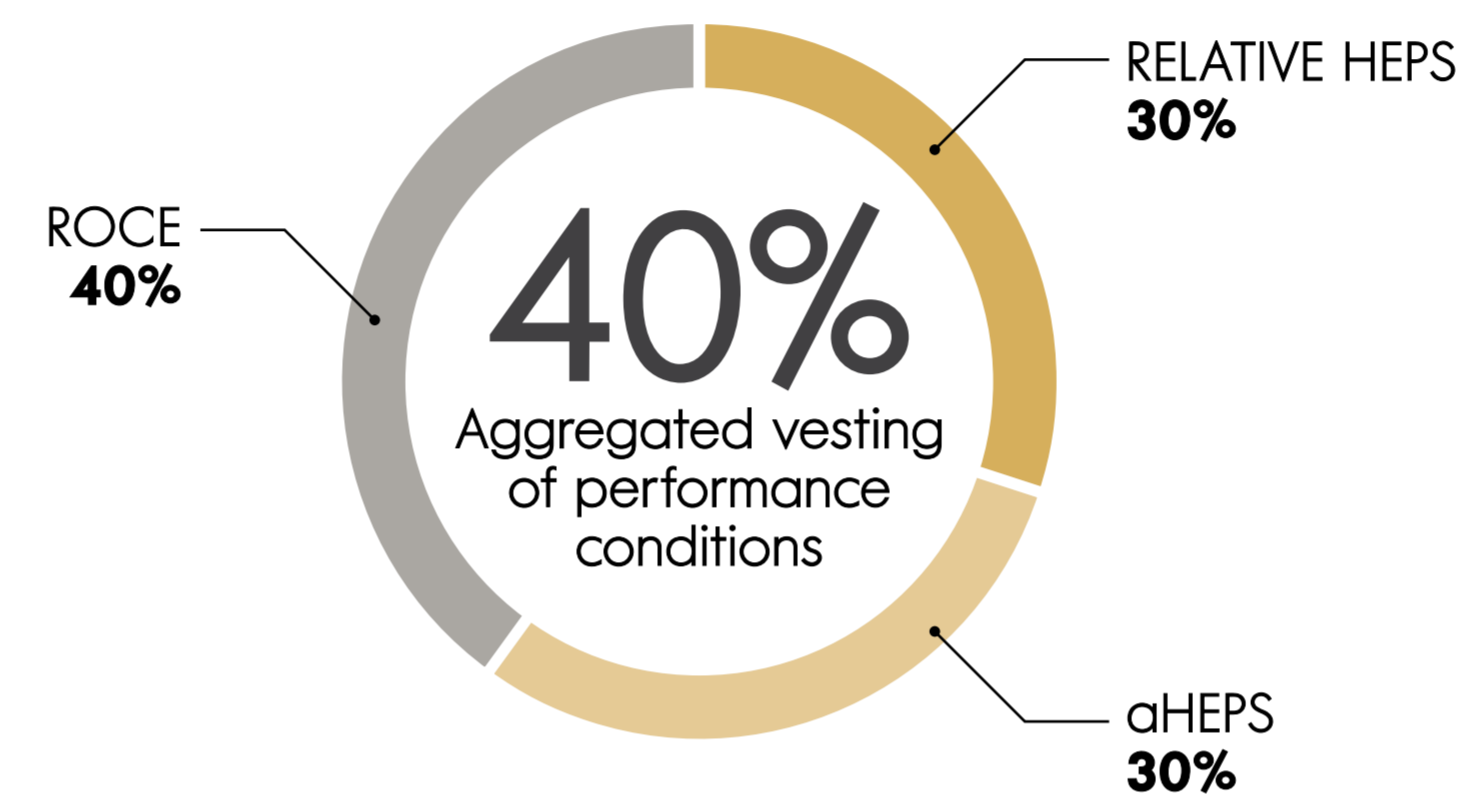
* Zaid Manjra allocation prior to his appointment as Group FD

WEIGHTINGS AND PERFORMANCE CONDITIONS FOR EXECUTIVE DIRECTORS

Measure	Weighting	Threshold (30% vesting)	Target (100% vesting)
adHEPS	40%	adHEPS growth > SA CPI +1% YOY	adHEPS >CPI +4% YOY
ROCE	40%	ROCE > WACC +1%	ROCE > WACC +5%
ESG	20%		<ul style="list-style-type: none"> B-BBEE level 4 34% WSA FBH GRN locally sourced 99% WSA Foods sustainability attributes 280 Kwh per m2 store electricity intensity

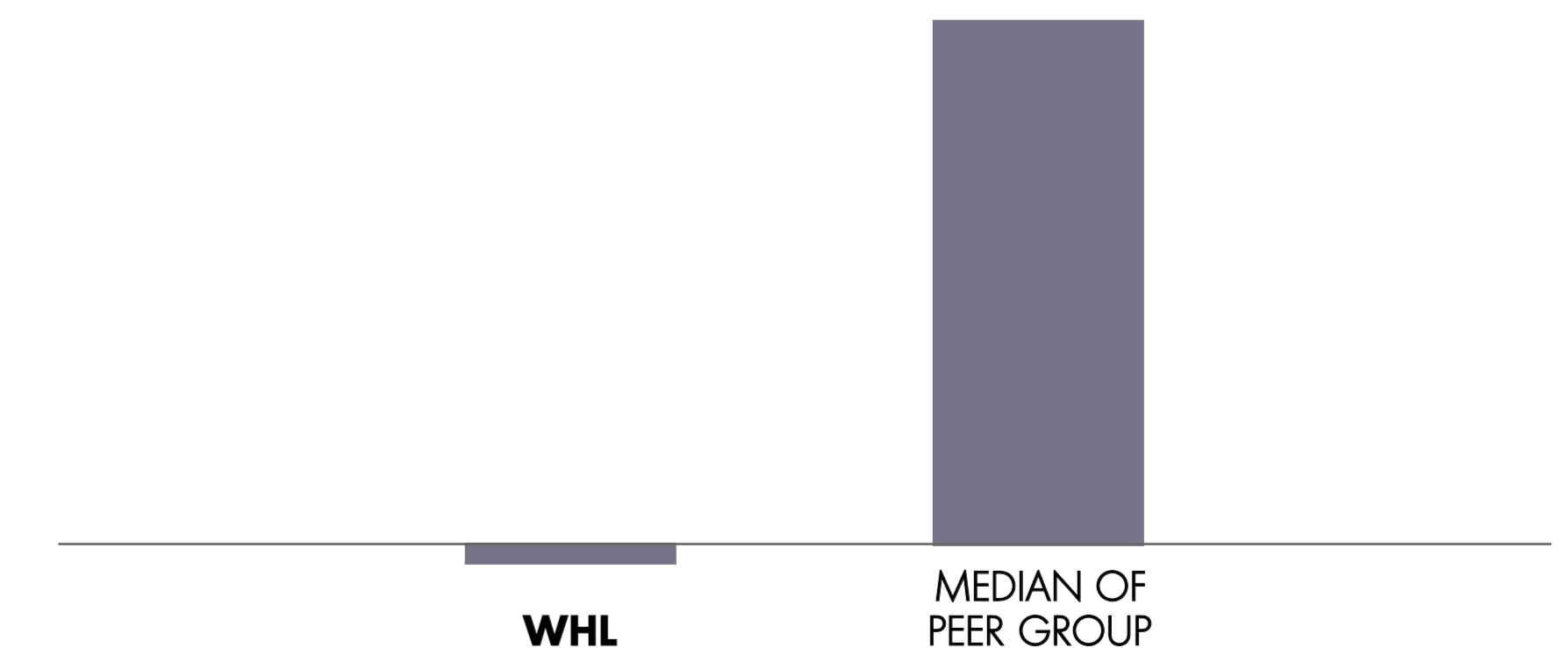
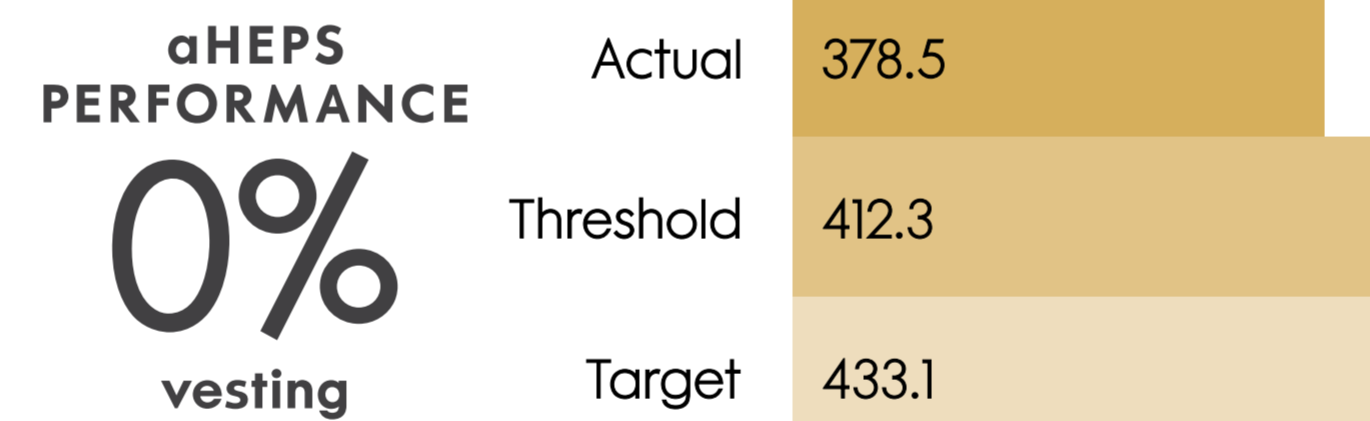
All FSP allocations to executive directors and execs were made in line with the percentage allocations in the FY2024 Remuneration Policy.

VESTING OF 2021 LTI ALLOCATIONS BASED ON FINANCIAL PERFORMANCE FOR THE PERIOD ENDING JUNE 2024



Performance conditions for 100% vesting:

- 30% based on adHEPS growth of SA CPI plus 2% per annum
- 40% based on 3-year average ROCE percentage achievement in excess of WACC +3%
- 30% based on Relative HEPS >= median of peer group



SINGLE-FIGURE REMUNERATION FOR THE YEAR ENDED 30 JUNE 2024 (AUDITED)

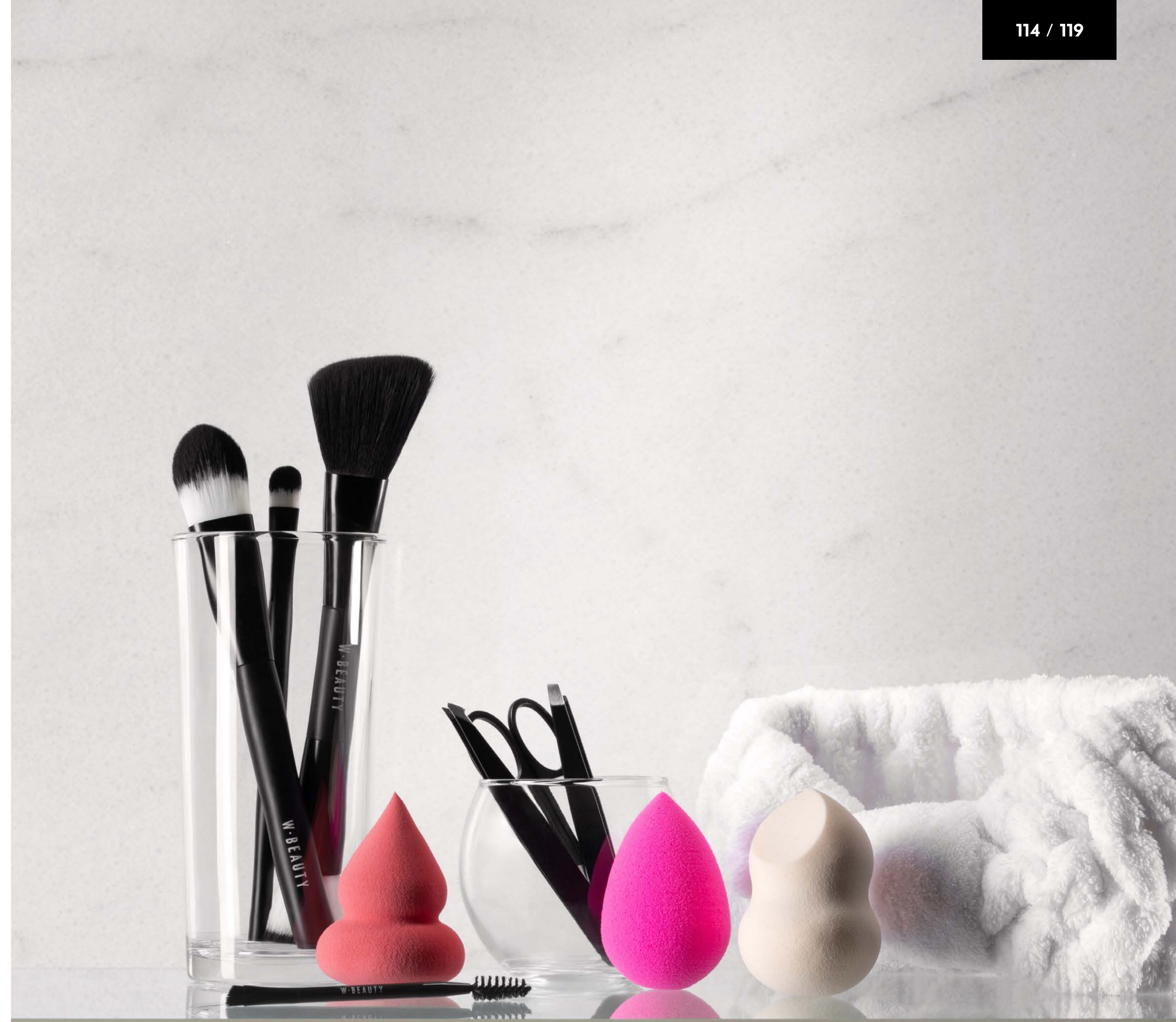
The Group discloses the single-figure remuneration paid to executive directors of Woolworths Holdings Limited in connection with the affairs of the Company and its subsidiaries during the year ended 30 June 2024 and comparatives for 25 June 2023.

Single-figure remuneration discloses the remuneration earned and/or accrued by directors based on the performance of the current year, the vesting of shares with performance conditions, and any income attributable to unvested long-term share schemes.

	Notes	GUARANTEED PAY			SHORT-TERM INCENTIVES	LONG-TERM INCENTIVES		SINGLE-FIGURE REMUNERATION
		Base salary R'000	Benefits (1) R'000	Total guaranteed pay (2) R'000	Performance bonus (3) R'000	Fair value of shares (4) R'000	Dividends received (5) R'000	Total remuneration R'000
2024								
Roy Bagattini	A\$	1 096	3	1 099	266	-	-	1 365
Rand equivalent		13 463	36	13 499	3 261	-	-	16 760
Roy Bagattini	(6)	5 926	2 491	8 417	1 515	30 366	8 237	48 536
Total Roy Bagattini		19 390	2 527	21 917	4 777	30 366	8 237	65 296
Zaid Manjra	(7)	2 628	317	2 945	1 200	933	169	5 248
Sam Ngumeni		8 903	815	9 718	4 072	3 435	3 666	20 891
TOTAL EXECUTIVE DIRECTORS		30 921	3 659	34 580	10 049	34 734	12 072	91 435
2023								
Roy Bagattini	A\$	1 054	3	1 057	1 599	-	-	2 656
Rand equivalent		12 580	31	12 611	19 075	-	-	31 686
Roy Bagattini	(6)	5 603	2 263	7 866	8 936	66 795	7 185	90 782
Total Roy Bagattini		18 183	2 294	20 477	28 011	66 795	7 185	122 468
Sam Ngumeni		8 423	548	8 971	13 658	71 870	2 637	97 136
Reeza Isaacs	(7)	6 778	907	7 685	8 318	19 182	1 088	36 273
TOTAL EXECUTIVE DIRECTORS		33 384	3 749	37 133	49 987	157 847	10 910	255 877

NOTES

- Benefits include retirement, healthcare, related benefits, long-service awards and discounts received on purchases made in WHL Group stores.
- Guaranteed pay and other benefits: actual payments made in the financial year.
- Short-term incentives: amounts accrued in the financial year relating to the financial performance against target for the year.
- Fair value of shares: value of LTIP and/or RSP vesting of performance conditions based on the three-year period FY2021 - FY2024. Valued using the 30-day VWAP share price of WHL at 30 June 2024 of R59.04 (FY2023: R65.39).
- Dividends received during the financial year on all unvested RSP and PS shares held during the year.
- Roy Bagattini's remuneration is paid in Rands and Australian dollars to reflect the time and focus spent in the different geographies.
- Zaid Manjra was appointed as the Group Finance Director on 1 December 2023. His remuneration is reflected for the seven-month period.



DIRECTORS' PARTICIPATION IN SHARE SCHEMES (AUDITED)

Shares purchased and options granted to executive directors in terms of the Woolworths Holdings Share Trust which had not been exercised at 30 June 2024 are set out below.

Scheme	Award Date	Vesting Date	Expiry Date	As at 25 June 2023		Awarded		Forfeited		Sold or transferred			As at 30 June 2024			Fair value (3) Rands
				Number	Price Rands	Number	Price Rands (2)	Number	Price Rands	Number	Price Rands	Realisation value (1) Rands	Vested	Unvested	Total	
ROY BAGATTINI																
RSP	20 Feb 2020	20 Feb 2023	20 Feb 2025	1 074 403	37.87					358 134	63.41	22 709 277		716 269	716 269	42 288 522
	17 Sep 2020	17 Sep 2023	17 Sep 2023	663 356	35.05					663 356	72.78	48 279 050		-	-	-
	26 Aug 2021	26 Aug 2024	23 Aug 2024	390 491	61.85								390 491	390 491	23 054 589	
	01 Sep 2022	01 Sep 2025	01 Sep 2025	404 484	63.55								404 484	404 484	23 880 735	
TOTAL				2 532 734						1 021 490		70 988 327		1 511 244	1 511 244	89 223 846
PS	01 Sep 2023	01 Sep 2026	01 Sep 2026			373 026	75.39							373 026	373 026	22 023 455
TOTAL						373 026								373 026	373 026	22 023 455
TOTAL				2 532 734		373 026				1 021 490		70 988 327		1 884 270	1 884 270	111 247 301
ZAID MANJRA																
RSP	23 Aug 2018	01 Sep 2023	01 Sep 2023	29 098	54.26					29 098	74.21	2 159 363		-	-	-
	04 Nov 2020	09 Nov 2023	09 Nov 2025	46 214	50.58					11 553	69.76	805 937		34 661	34 661	2 046 385
TOTAL				75 312						40 651		2 965 300		34 661	34 661	2 046 385
PSP	17 Sep 2020	17 Sep 2023	17 Sep 2023	28 716	35.18	3 334	71.78			32 050	72.78	2 332 599		-	-	-
	26 Aug 2021	26 Aug 2024	26 Aug 2024	18 925	59.79								18 925	18 925	1 117 332	
	01 Sep 2022	01 Sep 2025	01 Sep 2025	22 294	54.73								22 294	22 294	1 316 238	
TOTAL				69 935		3 334				32 050		2 332 599		41 219	41 219	2 433 570
PS	01 Sep 2023	01 Sep 2026	01 Sep 2026	-		21 223	75.39							21 223	21 223	1 253 006
TOTAL						21 223								21 223	21 223	1 253 006
TOTAL				145 247		24 557				72 701		5 297 899		97 103	97 103	5 732 961

NOTES

1. Realisation value: taxable value realised by the individual on sale or transfer of awards.
2. The grant price is the volume weighted average price of a share, as quoted on the Johannesburg Stock Exchange, for the five business days immediately preceding the date of grant. The grant price for RSP is the price of a share, as quoted on the Johannesburg Stock Exchange, on the date the share is purchased.
3. Valued using 30-day VWAP share price, at 30 June 2024, of R59.04.

DIRECTORS' PARTICIPATION IN SHARE SCHEMES (AUDITED)

Shares purchased and options granted to executive directors in terms of the Woolworths Holdings Share Trust which had not been exercised at 30 June 2024 are set out below.

Scheme	Award Date	Vesting Date	Expiry Date	As at 25 June 2023		Awarded		Forfeited		Sold or transferred			As at 30 June 2024			Fair value (3) Rands
				Number	Price Rands	Number	Price Rands (2)	Number	Price Rands	Number	Price Rands	Realisation value (1) Rands	Vested	Unvested	Total	
SAM NGUMENI																
RSP	23 Aug 2018	23 Aug 2022	23 Aug 2023	185 987	54.26					185 987	74.21	13 802 095		-	-	-
	17 Sep 2020	17 Sep 2023	17 Sep 2023	671 424	35.05					671 424	72.78	48 866 239		-	-	-
TOTAL				857 411						857 411		62 668 334		-	-	-
PSP	17 Sep 2020	17 Sep 2023	17 Sep 2023	209 497	35.18	24 323	71.78			233 820	72.78	17 017 420		-	-	-
	26 Aug 2021	26 Aug 2024	26 Aug 2024	123 266	59.79								123 266	123 266	7 277 625	
	01 Sep 2022	01 Sep 2025	01 Sep 2025	146 593	54.73								146 593	146 593	8 654 851	
TOTAL				479 356		24 323				233 820		17 017 420		269 859	269 859	15 932 476
PS	01 Sep 2023	01 Sep 2026	01 Sep 2026			120 772	75.39							120 772	120 772	7 130 379
TOTAL						120 772								120 772	120 772	7 130 379
TOTAL				1 336 767		145 095				1 091 231		79 685 754		390 631	390 631	23 062 855

NOTES

1. Realisation value: taxable value realised by the individual on sale or transfer of awards.
2. The grant price is the volume weighted average price of a share, as quoted on the Johannesburg Stock Exchange, for the five business days immediately preceding the date of grant. The grant price for RSP is the price of a share, as quoted on the Johannesburg Stock Exchange, on the date the share is purchased.
3. Valued using 30-day VWAP share price, at 30 June 2024, of R59.04.

NON-EXECUTIVE DIRECTORS' FEES AND EMOLUMENTS (AUDITED)

Emoluments paid to non-executive directors of Woolworths Holdings Limited in connection with the affairs of the Company and its subsidiaries during the year ended 30 June 2024 and comparatives for 25 June 2023 are set out below.

2024											
	Notes	Directors' fees (1) R'000	Audit Committee member R'000	Nominations Committee member R'000	Remuneration and Talent Mgmt Committee member R'000	Risk, Information and Technology Committee member R'000	Social and Ethics Committee member R'000	Sustainability Committee member R'000	Treasury Committee member R'000	Benefits (2) R'000	Total non-executive directors' remuneration R'000
Hubert Brody		2 543	-	211	145	145	132	132	147	31	3 486
Lwazi Bam	(3)	475	225	-	-	145	-	-	76	51	972
Christopher Colfer*		1 909	210	165	171	171	-	-	-	2	2 628
Robert Collins*	(4)	1 995	-	-	-	157	-	86	-	4	2 242
Belinda Earl *	(5)	1 995	-	86	-	157	-	257	-	2	2 497
David Kneale		475	-	132	277	277	-	-	-	22	1 183
Nombulelo Moholi		898	-	132	145	145	132	132	-	67	1 651
Thembisa Skweyiya		475	225	-	-	145	225	132	147	14	1 363
Clive Thomson	(6)	475	410	68	75	145	132	-	277	51	1 633
		11 240	1 070	794	813	1 487	621	739	647	244	17 655

2023											
	Notes	Directors' fees (1) R'000	Audit Committee member R'000	Nominations Committee member R'000	Remuneration and Talent Mgmt Committee member R'000	Risk, Information and Technology Committee member R'000	Social and Ethics Committee member R'000	Sustainability Committee member R'000	Treasury Committee member R'000	Benefits (2) R'000	Total non-executive directors' remuneration R'000
Hubert Brody		2 407	-	200	138	137	125	125	139	27	3 298
Lwazi Bam	(3)	77	36	-	-	24	-	-	-	3	140
Christopher Colfer		1 679	213	125	137	137	-	-	-	-	2 291
Rob Collins	(4)	947	-	-	-	104	-	-	-	-	1 051
Belinda Earl		1 515	-	-	-	137	-	213	-	-	1 865
David Kneale		450	-	125	303	263	-	-	-	47	1 188
Phumzile Langeni	(5)	219	104	-	-	67	-	-	-	4	394
Nombulelo Moholi	(6)	844	-	125	138	137	125	125	-	72	1 566
Thembisa Skweyiya		450	212	-	-	138	213	125	139	19	1 296
Clive Thomson		450	388	-	-	138	125	-	262	50	1 413
		9 038	953	575	716	1 282	588	588	540	222	14 502

* Overseas directors are paid in the local currency of the country where they are based.

NOTES

- Directors' fees are exclusive of Vat.
- Benefits are discounts received on purchases made in WHL Group stores.
- Lwazi Bam was appointed as a member of the Treasury Committee effective 1 January 2024.
- Robert Collins was appointed to the Sustainability Committee effective 1 January 2024.
- Belinda Earl was appointed to the Nominations Committee effective 1 January 2024.
- Clive Thomson was appointed to the Nominations and Remuneration Committees effective 1 January 2024.

GLOSSARY

ABBREVIATIONS USED IN THIS INTEGRATED ANNUAL REPORT

A

aHEPS: Adjusted HEPS

adHEPS: Adjusted diluted HEPS

aPBT: Adjusted profit before tax

aEBIT: Adjusted earnings before interest and tax

AGM: Annual General Meeting; annual shareholder meeting held in terms of the Companies Act

B

BBBEE: Broad-Based Black Economic Empowerment; legislation that aims to increase the participation of the majority of South Africans in the economy. Aims to redress the inequalities experienced under apartheid

BPS: Basis points

C

CEO: Chief Executive Officer

COO: Chief Operating Officer

CPI: Consumer Price Index

CPS: Cents per share

CRG: Country Road Group; wholly owned trading subsidiary of WHL based mainly in Australia. Owns the Country Road, Trenery, Mimco, Witchery, and Politix brands

CSI/SD: Corporate social investment; Component of the BBBEE scorecard that encourages support of charitable and non-profit organisations

CTS: Cost to sell; expenses expressed as a percentage of turnover, also referred to as 'cost to operate'

D

DC: Distribution Centre; the Food and Fashion, Beauty and Home distribution centres

DJ: David Jones Proprietary Limited; former wholly owned subsidiary of WHL based mainly in Australia. Was sold off during FY2023

DTIC: Department of Trade, Industry and Competition

E

EBIT: Earnings before interest and tax

EBITDA: Earnings before interest, tax, depreciation, and amortisation

EPS: Earnings per share; profit earned for the period divided by the weighted average number of shares in issue

F

FBH: Fashion, Beauty and Home; an operating segment in Woolworths South Africa that aggregates clothing, footwear, accessories, homeware, beauty, and cell phone product buying groups

FD: Group Finance Director

FTE: Full-time equivalent; number of hours worked by store staff equated back to a person working a 40-hour week

FY: Financial year

G

GBJ: Good Business Journey; Woolworths Holdings Limited's programme to assist it in achieving its vision of becoming one of the world's most responsible retailers by managing the environmental, social, and transformational activities of the Group

GRC: Governance, Risk and Compliance; business unit that provides governance, risk, legal, and compliance solutions to the business and the Board

H

HEPS: Headline earnings per share; key measurement of normalised profit per share in South Africa

HDSA: Historically Disadvantaged South Africans

I

IBP: Integrated business plan; three-year financial and strategic plan

IPM: Integrated performance management; performance appraisal mechanism to measure employees' achievement against performance goals and behaviours

J

JSE: Johannesburg Stock Exchange; stock exchange in South Africa on which the Company is listed

K

KPI: Key performance indicator; measurable value of performance against target, which demonstrates how effectively the Group is achieving its key business objectives

L

LFL: Like-for-like; used to compare sales in comparable stores, i.e. those stores that are not new and have not had any extension or modernisation to them. Calculated on a 24-month period

LID: Lead Independent Director

LTI: Long-term incentive; variable remuneration subject to the achievement of performance conditions. Generally a three-year period

LTIP: Long-term incentive plan; share scheme instrument allocated to employees in terms of long-term incentive scheme

LTO: Labour turnover; percentage of employees leaving the business over a defined period

O

OPEX: Operating expenses

R

ROCE: Return on capital employed

ROE: Return on equity

RSP: Restricted share plan; share scheme instrument allocated to employees in terms of retention scheme

S

SARS: Share appreciation right scheme; share scheme instrument allocated to employees in terms of long-term incentive scheme

SEC: Social and Ethics Committee; a statutory committee in terms of the South African Companies Act that ensures that a company conducts business in a sound and ethical manner

SRI index: Socially Responsible Investment Index; an index created by the JSE to measure the social responsibility criteria of companies listed on the JSE. The South African equivalent of the Dow Jones Index

STI: Short-term incentive; variable remuneration subject to the achievement of performance conditions. Generally a one-year period

T

TCoE: Total cost of employment; total salary and benefits of employees

V

VP: Variable pay; remuneration that varies according to the achievement or not of performance conditions

W

WACC: Weighted average cost of capital

WFS: Woolworths Financial Services (Pty) Limited; a joint venture between Woolworths and Absa Group Limited that supports the Woolworths retail business by providing financial services to Woolworths customers through in-store cards, credit cards, and personal loans

WHL: Woolworths Holdings Limited; southern hemisphere retail Group that has been listed on the Johannesburg Stock Exchange Limited (JSE) since 1997. The Group trades through two operating subsidiaries, including Woolworths Proprietary Limited (Woolworths or WSA) and Country Road Group Proprietary Limited (Country Road Group or CRG). Woolworths Financial Services Proprietary Limited (WFS) is a joint venture with Absa Group Limited, which holds the controlling interest

WHST: Woolworths Holdings Share Trust; the Trust through which the shares allocated for the long-term incentive schemes are managed

WSA: Woolworths/Woolworths SA; a wholly owned trading subsidiary of WHL, mainly based in South Africa

12mma: 12-month moving average; used to refer to average market share over a rolling 12-month period

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