

WOOLWORTHS GROUP



10 September 2021

ASX Market Announcements Office
Australian Securities Exchange
20 Bridge Street
Sydney NSW 2000

Woolworths Group EUR550 million Sustainability Linked Bond issuance

Please see attached announcement for release regarding the issuance of EUR550 million of Sustainability Linked Bonds by Woolworths Group.

Authorised by: Kate Eastoe, Group Company Secretary



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Woolworths Group has successfully priced its inaugural EUR550 million (approximately A\$880 million) of senior unsecured seven year notes under its Medium Term Note Programme. The notes are denominated in Euros, and issued to international institutional investors, predominantly based in the European region. They do not qualify for retail investor distribution.

The notes are structured as Sustainability Linked Bonds (SLB), with a direct link to the Group's sustainability goals. Reflecting the Group's commitment to reducing carbon emissions, the SLB structure embeds a penalty (via a margin increase) into the terms of the notes which would apply if, at the end of F26, the Group's scope 1 and 2 emissions are not aligned with the forecast trajectory to meet the Group's 2030 reduction target.

The Group's F26 emissions will be assessed against its progress towards achieving the Group's 2030 emissions reduction target, measured on a straight line basis, aligned with a Paris Agreement scenario of limiting global warming to 1.5 degrees and verified by the Science Based Target initiative.

Woolworths Group Chief Financial Officer, Stephen Harrison said: "We're working hard to materially reduce our carbon emissions by 2030, in line with our contribution to the goal of limiting climate change to 1.5 degrees set by the Paris Agreement. It's an important part of our broader sustainability strategy and ambition towards creating a better tomorrow.

"The bond is directly linked to our emissions reduction performance and embeds financial incentives to drive meaningful change, in addition to the clear incentives to do so for the environment and our customers."

The notes were priced at a margin of 0.60% over the Euro base rate, and settlement is expected to occur on 16 September 2021. Woolworths Group will use the proceeds from the notes for general corporate purposes, including establishing long term funding of the Group's recent investments in Quantum and PFD Food Services.

The successful outcome of this transaction reflects the Group's financial strength and attractiveness in the debt capital markets. This transaction forms part of the total funding of approximately \$1.5bn that the Group is seeking to raise and the Group continues to monitor other debt capital markets for future funding opportunities.

Woolworths Group continues to maintain solid investment grade credit ratings on a stable outlook with both Moody's (Baa2) and S&P (BBB).

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