

WOOLWORTHS GROUP



29 September 2021

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

Woolworths Group A\$700 million Sustainability Linked Bond issuance

Please see attached announcement for release regarding the issuance of A\$700 million of Sustainability Linked Bonds by Woolworths Group.

Authorised by: Kate Eastoe, Group Company Secretary



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Woolworths Group has successfully priced \$350 million of senior unsecured six year notes and \$350 million of ten year notes under its Medium Term Note Programme. The notes are denominated in Australian dollars, and issued to Australian and international institutional investors. They do not qualify for retail investor distribution.

Similar to the EUR550 million Sustainability Linked Bonds (SLB) issued by the Group on 16 September, the notes are structured 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 F25 and F29 for the six year and ten year notes respectively, the Group's scope 1 and 2 emissions are not aligned with the forecast trajectory to meet the Group's 2030 carbon emissions reduction target.

The Group's F25 and F29 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: "Following the strong level of demand for our Euro sustainability linked bond transaction, we are pleased to have provided the Australian debt capital markets with a similar domestic offering. There was strong interest in the market reflecting the growing importance of sustainability in the debt capital markets."

The notes were priced at 1.85% for the six year notes and 2.75% for the 10 year notes, and settlement is expected to occur on 6 October 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, along with the Group's EUR550 million SLB transaction, completes the intended capital market transactions that the Group had previously announced in its F21 Full Year Results.

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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