

WOOLWORTHS LIMITED

United Nations Global Compact Communication of Progress 2011

Introduction

Woolworths Limited is pleased to present its United Nations Global Compact Communication on Progress (COP) for 2011, covering all activities between July 2010 and June 2011. Through active participation in the Global Compact, the Global Social Compliance Program and The Consumer Goods Forum, Woolworths is at the forefront of debate and the implementation of positive change in critical areas of ethical sourcing.

Woolworths Limited is the 20th largest global retailer, with 3,241 retail stores in Australia and New Zealand, sales revenue of AUD 54.1 billion, 190,723 employees and 27 million customers per week. Woolworths is a public listed company on the Australian Securities Exchange, with 414,591 shareholders. Woolworths' direct economic benefit is AUD 6.3 billion through wages and AUD 2 billion through taxes. Woolworths' indirect economic contribution to the Australian economy was AUD 101 billion.

Woolworths direct operations are only based in OECD nations, and the company's only exposure to developing nations and emerging economies is in the sourcing of Private Label products.

Our ethical and sustainable sourcing policies provide clear direction for the business, and our suppliers, and set high standards for the areas covered by the principles of the Global Compact.

This Communication on Progress details the commitments, systems, actions and progress Woolworths has made against the ten (10) principles of the Global Compact. Most of the commentary and data in this report is drawn directly from the Company's Corporate Responsibility Report 2011, which underwent independent assurance and received an A+ rating in the GRI application level check.

Statement of Continued Support

Woolworths' active participation in, and support of, the Global Compact was acknowledged by our Chief Executive Officer in our Corporate Responsibility Report 2011. In the Statement from the CEO at the start of the Report, the following was stated:

"Both domestically and globally, Woolworths is quietly earning respect and recognition for the integrity and depth of its corporate responsibility programs, and through our close association with global organisations such as The Consumer Goods Forum and the United Nations Global Compact Network, we are at the forefront of debate and central to the positive change taking place in critical areas such as ethical sourcing" – Michael Luscombe, Outgoing CEO, November 2011.

The opening statement also includes the "We Support The Global Compact" logo and acknowledgement that "Woolworths is a signatory of the United Nations Global Compact and a member of the Global Compact Network Australia.

Human Rights

Principle 1: Business should support and respect the protection of internationally proclaimed human rights

Woolworths Limited declares, in its Ethical Sourcing Policy, that it is committed to upholding human rights, fair working conditions and environmental protection. Woolworths have made public commitments on protecting human rights throughout its business, whether it's the rights of our employees or the employees of vendors in our supply chain.

Woolworths' Sustainability Strategy 2007-2015 acknowledged the well-established ethical compliance and quality management policies, practices and audits used by our global sourcing office in Hong Kong.

Our Ethical Sourcing Policy addresses key areas of bribery and corruption, labour rights, working conditions and environmental compliance and has been issued to all suppliers of Woolworths' own brand products and to all Buyers in our business. This Policy is based on the Ethical Trading Initiative (ETI) and the International Labour Organisation (ILO) conventions and the principles of the United Nations Universal Declaration of Human Rights.

All Woolworths' suppliers are required to comply with the requirements of the Policy and this expectation is complemented by a compliance audit program for suppliers of our own branded products. The auditing program is managed by Woolworths Quality Assurance (WQA) team and involves an ongoing program of auditing existing and new suppliers.

The rights of Woolworths' own employees are protected through a multitude of policies and practices, including:

- Inclusive workplace – A public commitment to a diversity policy which applies to the Board of Directors, all employees of Woolworths Limited and its subsidiaries.
- Gender balance – Woolworths has committed to being an early adopter of the new Australian Securities Exchange Corporate Governance guidelines for diversity, as part of this commitment we aim to have a 33% representation of women at Board level and within our senior executive group by 2015.
- Reconciliation Action Plan (RAP) – Woolworths launched its RAP in June 2010 and is the company's formal commitment to assisting in closing the employment gap between Indigenous and non-Indigenous people.
- Destination Zero – Woolworths' vision of zero harm to our people, environment and community. This vision is supported by principles of: making safety personal; that no task is so urgent and no service so important that we cannot take the time to do it safely; we will aim to improve the quality of life, now and for future generations; and to take responsibility for safety.
- Speak Up - a 24 hour independently run whistleblower service that allows employees to report inappropriate behaviour on a confidential basis.

2011 Highlights
71.5% of suppliers factories (in high risk regions) have undergone ethical sourcing audits
42% of supplier factories have been approved, 54% conditionally approved and 4% classed as "at risk"
47% decrease in discrimination claims lodged with state and federal discrimination tribunals
Zero discrimination claims lodged by employees who have declared Indigenous heritage
27.8% of leadership positions are held by women
30% reduction in Lost Time Injury Frequency Rate
GRI Indicators
Human Rights (HR) 2-7, 9; Economic (EC) 5; Labour (LA) 4, 6-9, 13, 15; Society (SO) 5; Product Responsibility (PR) 1, 2, 8

Human Rights

Principle 2: Business should make sure that they are not complicit in human rights abuse

As stated in Principle 1, Woolworths has made public commitments and implemented policy and practices for protecting human rights within the business and through our own label supply chain. Our Ethical Sourcing Policy supports the principles of the United Nations Universal Declaration of Human Rights.

The Ethical Sourcing Policy addresses issues in labour rights, freedom of association, working conditions, child labour, living wages, working hours, discrimination, regular employment, harsh or inhumane treatment, entitlement to work and immigration, sub-contracting and home working.

Training on human rights policies and practices is ongoing for all existing and new employees of Woolworths. Annual training figures are recorded and reported in our Corporate Responsibility Report.

As Woolworths direct operations are based in low risk countries, Woolworths do not employ security personnel which would fulfil roles that could contribute to the risk of human rights violations. This requirement is reported as not applicable in the relevant GRI indicator.

Most of Woolworths' operations are based in Australia and New Zealand, which are considered a low risk for human rights abuse. Woolworths has prioritised suppliers and factories in high risk regions and emerging economies.

Woolworths is an active participant in the UN Global Compact, the Global Compact Network Australia and the Global Social Compliance Program. The participation helps promote awareness, monitoring and harmonisation of human rights standards.

Highlights
71.5% of suppliers factories (in high risk regions) have undergone ethical sourcing audits
Ethical Sourcing Policy and audit compliance program addresses risks in human rights and labour rights.
140,248 recorded training attendances and 518,060 hours of training on human rights policies and practices.
GRI Indicators
HR 1-9; SO 5

Labour

Principle 3: Business should uphold the freedom of association and the effective recognition of the right to collective bargaining

Freedom of association and the right of collective bargaining is protected within the Woolworths business and its own label supply chain. Woolworths' Ethical Sourcing Policy and compliance audit program includes minimum labour rights standards and specifically includes the right to freedom of association.

The specific requirements in the Ethical Sourcing Policy are:

- Workers, without distinction, have the right to join or form trade unions of their own choosing and to bargain collectively
- The employer adopts an open attitude towards the activities of trade unions and their organisational activities
- Workers representatives are not discriminated against and have the access to carry out their representative functions in the workplace
- Where the right to freedom of association and collective bargaining is restricted under Law, the employer facilitates, and does not hinder, the development of parallel means for independent and free association and bargaining

Woolworths' Code of Conduct covers all employees and states that the company will not discriminate on the basis of union membership or non-membership.

Woolworths fosters active partnerships with unions and has built cooperative, constructive working relationships with a number of key unions representing our workforce. Representatives from Corporate Human Relations, divisional HR teams and all trading divisions regularly meet with senior representatives from unions.

Most of the company's enterprise agreements make provision for Woolworths to notify and consult with employees and relevant unions about the introduction of major change. Transparent communications with employees and unions is important, particularly in a timely manner.

Highlights
73.1% of workforce is covered by enterprise agreements. This equates to over 137,000 employees. All other employees have individual employment contracts and fulfil roles that are not represented by unions.
Woolworths National Supermarket Agreement is one of the largest agreements in Australia.
91.6% of all employees have undergone Code of Conduct training
GRI Indicators
LA 4, 5; HR 1-3, 5; SO 5

Labour

Principle 4: Business should uphold the elimination of all forms of forced and compulsory labour

Woolworths' Ethical Sourcing Policy and compliance audit program includes minimum labour rights standards and specifically includes elimination of imprisoned or bonded labour.

The specific requirements in the Ethical Sourcing Policy are:

- Employment is freely chosen
- There is no forced, bonded or involuntary prison labour

- Workers are not required to lodge deposits or their identity papers with their employer and are free to leave their employer after reasonable notice

Any identified breach of this Policy requires immediate resolution or corrective action by the supplier and Woolworths prefers to work with suppliers to help improve their labour practices.

All Woolworths employment contracts comply with the high standard set by Australian and New Zealand law, which protects employees from forced labour conditions. Woolworths has a comprehensive program for remuneration and rewarding performance, and over 70% of employees are employed under agreements approved by their representative unions.

Highlights
Ethical Sourcing Policy and audit compliance program includes labour rights, including imprisoned or bonded labour.
Have audited 71.5% of factories (in high risk regions) making Woolworths branded products
Of corrective actions identified in 2011, only 2% were considered critical, requiring immediate action.
GRI Indicators
HR 1, 2, 3, 7; SO 5

Labour

Principle 5: Business should uphold the effective abolition of child labour

Our Ethical Sourcing Policy complies with the standards set in the International Labour Organisation (ILO) conventions and the principles of the United Nations Universal Declaration of Human Rights.

Woolworths' Ethical Sourcing Policy and compliance audit program includes minimum labour rights standards and specifically includes prevention of child labour.

The specific requirements in the Ethical Sourcing Policy is that child labour:

- Is mentally, physically, or morally harmful to children
- Can negatively affect their mental, physical or social development
- Interferes with their schooling:
 - By depriving them of the opportunity to attend school
 - By obliging them to leave school prematurely
 - By requiring them to attempt to combine school attendance with excessively long and heavy work

Any identified breach of this Policy requires immediate resolution or corrective action by the supplier and Woolworths prefers to work with suppliers to help improve their labour practices. One corrective action in 2011 involved a case where seven local students, aged 13 to 15, were found working in a factory during school vacation. Issue addressed by the children being paid relevant wages and returning to school.

Highlights
Ethical Sourcing Policy and audit compliance program includes labour rights, including child labour.
Have audited 71.5% of factories (in high risk regions) making Woolworths branded products
Of corrective actions identified in 2011, only 2% were considered critical, requiring immediate action.

GRI Indicators
HR 1-3, 6; SO 5

Labour

Principle 6: Business should uphold the elimination of discrimination in respect of employment and occupation

Our Ethical Sourcing Policy complies with the standards set in the International Labour Organisation (ILO) conventions, including minimum labour rights standards and specifically addresses discrimination.

The specific requirements in the Ethical Sourcing Policy is that:

- There is no discrimination in hiring, compensation, access to training, promotion, termination or retirement based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation

Woolworths' Code of Conduct for employees also addresses discrimination and requires our employees to treat each other with respect and dignity. Woolworths is an Equal Opportunity Employer and opposes discrimination on the grounds of race, colour, age, sex, sexuality, transgender, religious belief, political opinions, physical or mental disability and impairment, pregnancy, potential pregnancy, breastfeeding, marital status, family/parental status or carer responsibilities, national extraction or social origin and membership or non-membership of a trade union.

Woolworths opposes discriminatory, bullying or harassing behaviours such as gestures, language, and display of electronic or written material and public speeches, in the workplace that unreasonably offends, humiliates or intimidates.

Woolworths offers the program "Speak Up", which is a 24 hour independently run whistleblower service that allows employees to report inappropriate behaviour on a confidential basis.

Highlights
Employee turnover was 28.5% in 2011, with female employee turnover at 26.5% and male employee turnover at 30.7%
27.8% of leadership positions are held by women
In managerial positions, men earn 104.2% of the average annual salary and women earn 93.2% of the average
GRI Indicators
LA 2, 13, 14; HR 1-4; EC 7; SO 5

Environment

Principle 7: Business should support a precautionary approach to environmental challenges

The Sustainability Strategy 2007-2015 clearly explains that Woolworths is taking the sustainability of the business and its supply chain seriously. Woolworths had made a number of significant targets and commitments on sustainability, and reports its progress annually through the Corporate Responsibility Report. Woolworths has not made a specific statement in regards to using a precautionary approach to environmental impacts and issues.

Woolworths' commitments have been supported by investment in capital in areas of energy efficiency, low carbon technologies, water efficiency, fleet design and efficiency, waste diversion and recycling and staff engagement.

Woolworths brands itself as "The Fresh Food People" and prides itself on the fact that 97.3% (by weight) of the fresh fruit and vegetables, and 100% of the fresh meat, sold in our supermarkets is produced by Australian farmers. With growing global populations there is a need to provide food security and to increase the productivity of existing agricultural land. Woolworths' has funded, and continues to fund, projects through the Fresh Food Future program, which have focussed on advancing agricultural sustainability and building leadership capacity in the sector.

Woolworths is an active member of The Consumer Goods Forum, and is a signatory to the Board resolution to achieve zero net deforestation through the consumer goods supply chain by 2020, through the sourcing of commodities like palm oil, soya, beef, paper and board in a sustainable fashion.

Progress is also occurring in areas of sourcing sustainable palm oil, forestry and timber products and seafood. Woolworths' Sustainable Palm Oil Policy involves membership in the Roundtable on Sustainable Palm Oil (RSPO), on-pack labelling of palm oil as an ingredient in private label products, and only sourcing RSPO certified sustainable palm oil for private label products by 2015.

Woolworths' sustainable seafood policy makes a commitment to have all wild caught seafood range certified to Marine Stewardship Council (MSC) standards. Our seafood range is undergoing independent sustainability assessment and we will use the resultant information to engage our customers on their seafood choices. As a retailer of fresh food Woolworths understands the value of creating a sustainable and secure supply of seafood.

Woolworths also seeks advice and new perspectives on corporate responsibility from an advisory panel of Australian and New Zealand leaders in this field. The CEO and senior management have engaged with the Corporate Responsibility Panel and have obtained fresh insights into key strategies. Key issues discussed during 2011 include the responsible service of gaming, greening the supply chain, sustainable supply chain certifications, cost of living and our Reconciliation Action Plan.

Woolworths is a growing business and continues to build and open new stores in Australia and New Zealand. There were 104 property development projects in planning, under construction or completed in 2011, with only 12 of these projects requiring biodiversity assessments. Seven Vegetation Management Plans were prepared for minimising impacts to species and habitats.

Highlights
\$55.7 million invested in energy efficiency since 2007, which will deliver approximately \$93 million in savings by 2015
\$6.5 million invested in over 150 projects focussing on the adoption of sustainable agriculture practices
Introduced MSC certified tinned tuna and salmon range, and MSC certified frozen fish

range in private label
46% of private label products that have palm oil as an ingredient, are labelled as palm oil instead of vegetable oil
GRI Indicators
EC 2; Environment (EN) 18, 26, 30; SO 5

Environment

Principle 8: Business should undertake initiatives to promote greater environmental responsibility

As mentioned in Principle 7, Woolworths' Sustainability Strategy outlines the company's public commitments for improving the sustainability of the business and reduce our impact on the environment.

The following key targets and commitments show that Woolworths has considered the long term challenges that the company, and the planet for that matter, face:

- Overall 40% CO₂-e reduction from facilities by 2015 (on projected growth levels), bringing emissions back to 2006 levels
- 25% reduction in CO₂-e emissions per square metre for new sustainable store designs compared with business-as-usual designs
- 25% reduction in CO₂-e emissions per carton delivered by Woolworths owned trucks by 2012
- Reduce water usage by at least 200 million litres per year by 2010
- Develop and implement an ethical sourcing policy
- Identify sustainable sourcing gaps and develop appropriate policies
- Zero food waste to landfill by 2015

Woolworths' Corporate Responsibility Report 2011 details the measurable progress against all targets.

As reported in Woolworths' Energy Efficiency Opportunities report, the company has implemented 1,007 energy efficiency projects which are delivering an estimated annual energy saving of 424,197GJ. Implementation has commenced on further 1,047 projects, with an estimated annual energy saving of 598,558GJ.

Woolworths Eco Ambassador Program has trained more than 1,500 employees on sustainability and engaging with co-workers on sustainable work practices. As well as improving store practices our Eco Ambassadors have also generated active participation in community programs like Clean Up Australia Day, Earth Hour, World Environment Day and National Tree Day.

Woolworths engages with key stakeholders to improve sustainability throughout the value chain, including:

- Suppliers of private label products, to develop sustainably sourced product options
- Sustainable Fisheries Partnership, Marine Stewardship Council and Taronga Conservation Society on sustainable seafood
- Landcare Australia on sustainable agriculture and food production
- Nuffield, Primary Industry Education Foundation, Primary Industries Centre for Science Education and Australian Rural Leadership Foundation, on building capacity and leadership in the primary industry sector
- Foodbank and other food relief charities on food provision to those in the community in need of assistance and to reduce food waste
- WWF Australia and RSPO on implementation of sustainable palm oil policy

Developed Sustainable Packaging Guidelines and commenced review of private label products to implement innovation in packaging design.

Highlights
10.9% reduction of carbon emissions from facilities in 2011
16.3% reduction in carbon emissions per carton delivered by Woolworths-owned trucks, compared to baseline year
29.2% reduction in company car fleet emissions (based on emissions per vehicle and a fleet of 3,100 vehicles)
342 million litres of water saved through water efficient equipment and rainwater harvesting
Recycling volumes increased by 2.7% (5,578 tonnes) in 2011
Reduced glass usage in packaging by 854 tonnes, through reducing the weight of glass used in 17 private label wine products
Diverted 7,420 tonnes of food and food waste from landfill, to food relief charities, composting and waste to energy
GRI Indicators
EN 1-30; SO 5; PR 3, 4

Environment

Principle 9: Business should encourage the development and diffusion of environmentally friendly technologies

To achieve many of the significant targets set in the Sustainability Strategy, Woolworths has made significant investment in new technologies. Woolworths has a specialised Group Engineering Team, which identifies, tests and implements energy efficient and low carbon technology. Since 2007 this team has overseen \$55.7 million in investment, which will deliver \$93 million in savings in energy costs by 2015 and has enabled the company to cease increasing its carbon emissions, and start reducing them, despite the business continuing to grow.

The Group Engineering Team has implemented innovation in refrigeration (both plant equipment and customer facing cases), air conditioning, lighting and general power. Woolworths has set itself as a global leader in the use of low carbon, non-synthetic refrigerants, which have reduced carbon emissions associated with refrigerants by more than 266,000 tonnes per year.

Woolworths has also made investments in renewable technology, despite it still being an expensive option for energy production. Two trial sites were set up in our Petrol division, where two types of photovoltaic solar panels were installed. The energy production from these sites, and measured return on investments will enable detailed analysis on whether future investment in this technology is financially viable. Feasibility assessments have also been conducted on a large-scale wind turbine at a distribution centre.

Woolworths also trialled and implemented the use of bio-diesel, made from waste tallow and oil, in Woolworths-owned logistics fleet. As a food retailer, the company has been conscious of not using first generation bio-fuels which may be produced from food crops, starches or oils. Following a successful trial, almost 3 million litres of this bio-diesel was used in 2011.

Woolworths' sustainable sourcing policies are helping to make sustainably sourcing paper and timber products more mainstream and are also introducing more sustainable options in palm oil and seafood.

Woolworths' introduced the following products:

- Private label paper products, including toilet paper, facial tissues and kitchen towels, which are certified under the Programme for the Endorsement of Forestry

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- Certifications (PEFC)
 - Forestry Stewardship Council (FSC) certified outdoor furniture range, Patio by Jamie Durie
 - PEFC certified paper for all catalogues
 - FSC certified “not for resale” office paper
 - Detailed wood procurement policy for Masters

Highlights
Commenced 37 new energy efficiency and low carbon technology projects, saving 67,831GJ o energy and 18,113 tonnes of carbon emissions
302GJ of electricity produced by solar, photovoltaic systems at two petrol sites in the Australian Capital Territory
2.94 million litres of biofuel, made from waste tallow and oil, used by Woolworths' logistics fleet
GRI Indicators
EN 2, 5-7, 10, 18, 26, 27, 30; SO 5

Anti-Corruption

Principle 10: Business should work against corruption in all its forms, including extortion and bribery

Woolworths addresses issues of anti-corruption within its business and its own label supply chain. Woolworths' Ethical Sourcing Policy and compliance audit program follows requirements set in the ETI and ILO conventions.

The specific requirement in the Ethical Sourcing Policy is:

- Suppliers shall not engage in acts of bribery and corruption and shall not falsify documents and records

Woolworths continues to conduct quality assurance and ethical sourcing audits on its private label suppliers and there is zero tolerance to incidents of bribery and corruption.

Woolworths' Code of Conduct is the cornerstone for how we expect our employees to work and represent the company. The Code of Conduct provides guidance on our commitment to the highest legal, moral and ethical standards in our dealings with customers, suppliers, employees and local communities.

The Code of Conduct clearly details expected behaviours in how we engage with vendors and also employees' responsibility in declaring conflicts of interest. The Code of Conduct was updated to formally include content on the "Speak Up" whistle-blower program. In 2010, more than 134,000 employees had been trained on the Code of Conduct, and this increased to more than 172,000 employees trained by 2011.

The Code of Conduct is further supported by processes that include our vendor dispute resolution and incident escalation process, which is communicated through our vendor website and Vendor Guide.

Woolworths' Business Review team conducts analysis reviews in response to specific requests by management. Reviews conducted in 2011 included specific supplier product pricing trends, lost time injury reporting, service contractor charging behaviour and stock loss analysis

Highlights
Ethical Sourcing Policy and audit compliance program includes requirements addressing bribery and corruption
Have audited 71.5% of factories (in high risk regions) making Woolworths branded products
91.6% of all employees have undergone Code of Conduct training
GRI Indicators
SO 2-6

Partnerships for Development

Woolworths has formed many partnerships with key stakeholders, which lead to Woolworths' position of corporate leadership by doing the right thing.

<p>Fresh Food Future – Powering Productivity</p> <p>Partners: Landcare Australia, Sustainable Fisheries Partnership, Taronga Conservation Society</p> <p>Historically, Woolworths has invested through Landcare Australia more than \$6.5 million to support 150 projects that focussed on the adoption of sustainable agriculture practices and increasing production capacity. In 2011, a further \$724,000 was invested on projects that addressed improved water use, nutrient management and the carbon footprint of farming businesses.</p> <p>As a part of our commitment to sustainable seafood, \$110,000 has been invested to promote sustainable fishing. The Sustainable Fisheries Partnership are reviewing our fresh seafood range and we are working with the Taronga Conservation Society's Fish4Life campaign on improving customer awareness. The Northern Prawn Fishery also received \$25,000 to undertake MSC certification.</p>
<p>Fresh Food Future – Leaders for the Future</p> <p>Partners: Royal Agricultural Society of NSW, University of Western Sydney (UWS), Rural Industries Research and Development Corporation (RIRDC), Primary Industry Centre for Science Education (PICSE), Australian Rural Leadership Foundation and Nuffield Australia</p> <p>The Woolworths Agricultural Business Scholarship is delivered in Partnership with UWS and the Royal Agricultural Society, and offers 30 young Australians and New Zealanders the opportunity to attend a 12 day course that gives participants valuable insights into key issues and opportunities in agriculture. In 2011, \$140,000 was invested in this program.</p> <p>Woolworths funded \$38,000 for one participant in the Investing in Youth Studentship program, run by RIRDC. Undergraduates receive financial support, mentoring and relevant industry placement in their chosen field.</p> <p>PICSE promotes agricultural sciences as a part of the secondary school curriculum, and Woolworths supported this in 2011 with a \$68,000 investment.</p> <p>Woolworths also funds participants and scholarships in the Australian Rural Leadership Foundation and Nuffield Australia, which encourage practical knowledge and management skills in agriculture.</p>
<p>Fresh Food Rescue</p> <p>Partners: Food relief organisations including Foodbank, OzHarvest, SecondBite, FareShare, Churchlands, House of Hope and The Salvation Army</p> <p>Initiative involves diverting fit for consumption food, which is not fit for sale for some reason or another, to food relief organisations. This food is used to provide meals to those in need.</p> <p>In 2011, 2,247 tonnes of food, equivalent to more than two million meals, was donated to our partners.</p>
<p>Australian Emergency Relief</p> <p>Partner: The Salvation Army</p> <p>The Salvation Army is Woolworths' official partner in the case of domestic natural disasters. Our businesses channel any Company donations or customer donation through appeals conducted by the Salvos. During such disasters our stores can mobilise in-kind support and resources for their communities.</p> <p>During flooding and cyclones in Australia in 2011, Woolworths and our customers and staff donated more than \$18 million to the Salvation Army. During the earthquakes in New Zealand, NZD 1.48 million was raised for The Salvation Army Canterbury Earthquake Appeal.</p>

Partner: Oxfam Australia

Woolworths has some operations beyond Australia and New Zealand and some disasters or ongoing crises in the region may resonate with our staff or customers. We have formed a partnership with Oxfam Australia, which has the experience and knowledge required to run community programs or offer aid in developing countries. In 2011, \$14,587 was donated to Oxfam.

Woolworths National Indigenous Jobs Program

Partners: Australian Government, Department of Further Education, Employment, Science and Technology, and the Mining, Energy, Engineering Academy Limited

Joint initiative to provide opportunities for traineeships and apprenticeships for 100 Indigenous people with Woolworths.

Approximately 280 people attended pre-employment programs, run in collaboration with indigenous communities and employment groups and 167 participants were made offers of employment.

Progress Reported Against Global Reporting Initiative Indicators

Woolworths delivers annual Corporate Responsibility Reports, with the 2011 Report prepared against the Global Reporting Initiative (GRI) G3.1 reporting principles. The 2011 Report underwent independent assurance and received an A+ rating in the GRI application level check. Progress against the relevant indicators is detailed below.

GRI Indicator	Corporate Responsibility Report 2011 (Page)	Progress
Human Rights (HR) 1	GRI Index	<ul style="list-style-type: none"> All recent investments have been acquisitions in Australia so screening was limited to risk and safety, as Human Rights issues are not considered a risk in this country, they were not considered in the screening
HR2	14-15	<ul style="list-style-type: none"> Have audited 71.5% of factories (in high risk regions) making Woolworths branded products 42% of factories have been approved, 54% conditionally approved and 4% considered "at risk"
HR3	42	<ul style="list-style-type: none"> 140,248 recorded training attendances and 518,060 hours of training on human rights policies and practices.
HR4	39	<ul style="list-style-type: none"> Ten (10) discrimination claims lodged to discrimination tribunals, a 47% decrease compared to 2010.
HR5	14-15, 48	<ul style="list-style-type: none"> Ethical Sourcing Policy and audit compliance program includes labour rights, including freedom of association.
HR6	14-15, 48	<ul style="list-style-type: none"> Ethical Sourcing Policy and audit compliance program includes human rights, including child labour. One factory audit presented a case where seven local students, aged 13 to 15, were found working in a factory during school vacation. Issue addressed by the children being paid relevant wages and returning to school.
HR7	14-15, 48	<ul style="list-style-type: none"> Ethical Sourcing Policy and audit compliance program includes labour rights, including imprisoned or bonded labour.
HR9	39	<ul style="list-style-type: none"> No discrimination claims were lodged to discrimination tribunals by employees who had recorded that they had Indigenous heritage.
Economic (EC) 2	28	<ul style="list-style-type: none"> Woolworths has positioned itself, through significant investment in low carbon technology, to minimise the effect of a carbon price \$55.7 million invested in energy efficiency since 2007, which will deliver approximately \$93 million in savings by 2015
EC5	46	<ul style="list-style-type: none"> Woolworths has a comprehensive program for remuneration and rewarding performance. The

		remuneration structure includes fixed and variable, performance based components.
EC7	GRI Index	<ul style="list-style-type: none"> ▪ No official policies on local hiring, however, prior to opening new stores positions are advertised locally. Online recruitment portal allows applicants to search based on their local town, city, state, etc. ▪ In 2011, 43,039 new employees were recruited by Woolworths
Environment (EN) 1	17, 31, 33	<ul style="list-style-type: none"> ▪ Woolworths businesses issued 995 million catalogues in 2011, using 55,560 tonnes of PEFC certified paper
EN3	28-30	<ul style="list-style-type: none"> ▪ Woolworths used 1,287,952 GJ of natural gas, LPG, diesel, petrol, biodiesel and heating oil
EN4	28-30	<ul style="list-style-type: none"> ▪ Woolworths used 10,657,034 GJ of electricity in 2011 ▪ Energy intensity (GJ/\$m EBIT) reduced from 3,497 in 2010 to 3,325 in 2011
EN5	28-30	<ul style="list-style-type: none"> ▪ Commenced 37 new energy efficiency and low carbon technology projects, saving 67,831GJ of energy and 18,113 tonnes of carbon emissions ▪ Since 2007, have implemented 1,007 energy efficiency projects which are delivering an estimated annual energy saving of 424,197GJ
EN6	28	<ul style="list-style-type: none"> ▪ 302GJ of electricity produced by solar, photovoltaic systems at two petrol sites in the Australian Capital Territory
EN7	28-30	<ul style="list-style-type: none"> ▪ \$55.7 million invested in energy efficiency since 2007, which will deliver approximately \$93 million in savings by 2015
EN8	30-31	<ul style="list-style-type: none"> ▪ Water use in Woolworths Supermarkets was estimated as 1.83 GL
EN9	30-31	<ul style="list-style-type: none"> ▪ All water supplied to Woolworths is managed by licensed water authorities
EN10	30-31	<ul style="list-style-type: none"> ▪ 25 million litres of rainwater was harvested and used at Sydney and Wyong Distribution Centres
EN11	33	<ul style="list-style-type: none"> ▪ There were 104 property development projects in planning, under construction or completed in 2011, with only 12 of these projects requiring biodiversity assessments.
EN12	33	<ul style="list-style-type: none"> ▪ Seven Vegetation Management Plans were prepared for minimising impacts to species and habitats.
EN14	17-18, 33	<ul style="list-style-type: none"> ▪ Woolworths' policies on sustainable palm oil, paper and forestry products, and seafood, help minimise impacts to global biodiversity
EN16	28-30	<ul style="list-style-type: none"> ▪ Carbon emissions from direct fuel combustion was 420,731 tonnes ▪ Indirect carbon emissions from electricity were 2,533,303 tonnes
EN17	28-30	<ul style="list-style-type: none"> ▪ Carbon emissions from other indirect energy sources were 1,139,185 tonnes
EN18	28-30	<ul style="list-style-type: none"> ▪ 10.9% reduction of carbon emissions from facilities in 2011 ▪ 16.3% reduction in carbon emissions per carton delivered by Woolworths-owned trucks, compared to baseline year ▪ 29.2% reduction in company car fleet emissions (based on emissions per vehicle and a fleet of

		3,100 vehicles)
EN19	30	<ul style="list-style-type: none"> Total emissions of ozone depleting substances was 35.7 tonnes
EN21	30-31	<ul style="list-style-type: none"> All water discharged from Woolworths' stores and sites is managed by licensed water authorities.
EN22	33	<ul style="list-style-type: none"> Total general waste to landfill was 154,250 tonnes
EN23	33	<ul style="list-style-type: none"> There were eight incidents of spills at Petrol sites, with three requiring notifications to a regulatory body Largest spill was 1,300 of unleaded petrol All spills were cleaned up, investigated and addressed by corrective actions
EN24	33	<ul style="list-style-type: none"> Woolworths does not process significant quantities of hazardous material. Transport is provided by recycling service provider
EN26	17-18, 31	<ul style="list-style-type: none"> Woolworths' policies on sustainable palm oil, paper and forestry products, and seafood, help minimise impacts to global biodiversity Reduced glass usage in packaging by 854 tonnes, through reducing the weight of glass used in 17 private label wine products Diverted 7,420 tonnes of food and food waste from landfill, to food relief charities, composting and waste to energy
EN28	33	<ul style="list-style-type: none"> There were no significant environmental incidents that incurred monetary fines
EN29	30	<ul style="list-style-type: none"> 16.3% reduction in carbon emissions per carton delivered by Woolworths-owned trucks, compared to baseline year
Labour (LA) 2	42	<ul style="list-style-type: none"> Employee turnover was 28.5% in 2011, with female employee turnover at 26.5% and male employee turnover at 30.7%
LA4	48	<ul style="list-style-type: none"> 73.1% of workforce is covered by enterprise agreements. Woolworths National Supermarket Agreement is one of the largest agreements in Australia.
LA5	48	<ul style="list-style-type: none"> Most of the company's enterprise agreements make provision for Woolworths to notify and consult with employees and relevant unions about the introduction of major change. Timeframe for notification and consultation is not always defined but Woolworths is transparent in its communication.
LA6	36, 48	<ul style="list-style-type: none"> Woolworths uses Key Risk Working Groups to develop strategies to minimise key safety risks, including manual task injury reduction. Destination Zero encourages employees at all levels of the organisation to take responsibility for safety.
LA7	37	<ul style="list-style-type: none"> Divisional breakdown of Lost Time Injury Frequency Rates (LTIFR), and the company's occupational disease rate is reported in detailed in the 2011 Report. There was a 30% reduction in the company's LTIFR.

		<ul style="list-style-type: none"> ▪ There were zero employee and contractor fatalities. There was one customer fatality during 2011.
LA8	38, 45-46	<ul style="list-style-type: none"> ▪ Woolworths provides a range of safety and wellbeing assistance programs to workers, workers' families and the community. ▪ Assistance can include education and training, counselling, prevention and risk control, and treatment. ▪ 1,256 employees used the Employee Assistance Program, with 62% of referrals for personal, non-work related reasons.
LA9	36-38	<ul style="list-style-type: none"> ▪ Comprehensive training and assistance programs are provided to all employees for safety and health communication, hazard and risk management, incident reporting and analysis, and safety leadership. ▪ Manual tasks, leadership in safety and driver education are covered in dedicated programs.
LA13	40	<ul style="list-style-type: none"> ▪ The 2011 Report includes a comprehensive breakdown, by gender and age, of the Board and the Executive Leadership Team. ▪ 27.8% of leadership positions are held by women.
LA14	41	<ul style="list-style-type: none"> ▪ The 2011 Report includes ratios of basic salaries for men and women, by employment category. ▪ In managerial positions, men earn 104.2% of the average annual salary and women earn 93.2% of the average.
LA15	44	<ul style="list-style-type: none"> ▪ 2,201 employees accessed parental leave in 2011 and 1,750 employees returned from parental leave
Society (SO) 2	50, GRI Index	<ul style="list-style-type: none"> ▪ Business Review frequently assess critical parts of the business, including Supermarkets Australia, Progressive Enterprise Limited, IT and Australian Leisure and Hotels ▪ Business Review have also conducted specific reviews on specific supplier product pricing trends, lost time injury reporting, service contractor charging behaviour and stock loss analysis
SO3	44-45, 50	<ul style="list-style-type: none"> ▪ 91.6% of all employees have undergone Code of Conduct training
SO4	50	<ul style="list-style-type: none"> ▪ Business Review conducted specific reviews on key areas, where management had identified the need to do so
SO5	7	<ul style="list-style-type: none"> ▪ Woolworths engages with government and regulatory officials regarding emerging and current retail, business and employment issues, and economic, social and environmental policy matters. ▪ Woolworths lodged 19 formal submissions to state and federal inquiries in Australia and New Zealand.
SO6	50	<ul style="list-style-type: none"> ▪ Woolworths has a policy to not make outright cash donation to political parties ▪ Woolworths do attend political conferences as a business observer, and these may require admission fees which are fully disclosed
Product	13, 19	<ul style="list-style-type: none"> ▪ Woolworths is a member of the Australian Federal Government's Food and Health Dialogue,

Responsibility (PR) 1		<p>which works with industry on a range of voluntary reformulation of commonly consumed foods, including bread and cereals</p> <ul style="list-style-type: none"> ▪ 265 tonnes of salt have been removed from in-store bakery bread ▪ 65% of private label products now have the Daily Intake Guide thumbnails, which communicate key information on energy, fat, saturated fat, sugars and sodium. ▪ WQA administers the process to ensure that all required warnings, age grade recommendations, measurements, labels, care instructions, environmental and country of origin claims are correct.
PR2	19	<ul style="list-style-type: none"> ▪ There were nine product recalls conducted in 2011, for Woolworths' own brand products. ▪ Recalls were conducted for reasons of undeclared allergens, metal contamination, choke hazards and overheating risks.
PR3	19	<ul style="list-style-type: none"> ▪ Woolworths Quality Assurance manage a comprehensive process which ensures that all private label, fresh food and exclusive brands meet all regulatory and Woolworths' requirements ▪ Assessments are completed throughout the life of the product, including evaluation of concept, pre-production, artwork, production, pre-shipment and on-shelf
PR4	19	<ul style="list-style-type: none"> ▪ There were nine product recalls conducted in 2011, for Woolworths' own brand products
PR8	50	<ul style="list-style-type: none"> ▪ Woolworths is committed to meeting the National Privacy Principles for the Fair Handling of Personal Information, and this commitment is supported by a general privacy policy and a number of product specific privacy policies. ▪ Reviewing the implications of the proposed Australian Privacy Principles.