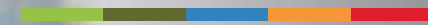


WOOLWORTHS GROUP



A better
tomorrow

WOOLWORTHS GROUP LIMITED
ABN 88 000 014 675

2021 SUSTAINABILITY REPORT

Contents

SECTION 1

Overview

| | |
|---------------------------------------|---|
| Introduction | 2 |
| CEO and Chairman's message | 3 |
| How we create value | 4 |
| SUSTAINABILITY TREE™ | 5 |
| Progress towards our 2025 commitments | 6 |



Page
22 



SECTION 2

People

| | |
|--|----|
| A truly inclusive workplace | 8 |
| The holistic wellbeing of our team | 11 |
| Meaningful retail careers in the workplace of the future | 14 |
| Human rights and responsible sourcing | 15 |
| Positive impact on our customers and communities | 18 |



Page
7



SECTION 3

Planet

| | |
|--|----|
| Responding to climate change | 23 |
| Green electricity | 27 |
| Food waste | 28 |
| Net positive carbon emissions by 2050 | 30 |
| Responsible stewardship of natural resources | 33 |

SECTION 4

Product

| | |
|---|----|
| Healthier choices | 35 |
| Sustainable packaging | 37 |
| Sustainable sourcing | 39 |
| Lead the future of protein | 41 |
| Responsible service and consumption of alcohol and gaming | 44 |



Page
34



SECTION 5

Summary

| | |
|---|----|
| Message from our Chief Sustainability Officer | 46 |
| Company directory | 47 |

Unless otherwise stated, this report covers all our operations in Australia and New Zealand for the 2021 financial year – 1 July 2020 to 30 June 2021 (F21). Only workforce data (excluding safety) is included for our global sourcing offices in China, Bangladesh and Thailand. Photos within the report may have been taken before social distancing restrictions were in place. All amounts are expressed in Australian dollars unless another currency is indicated.



This is an interactive PDF designed to enhance your experience. The best way to view this report is with Adobe Reader. Click on the links on the contents pages or use the home button in the bottom right corner to navigate the report.





Acknowledgement of Country

Woolworths Group acknowledges the Traditional Custodians of Country throughout Australia and recognises their continuing connection to land, waters and community. We pay our respects to them and their cultures; and to Elders both past and present.

We support the Uluru Statement from the Heart and the recognition of Aboriginal and Torres Strait Islander peoples in the Australian Constitution. We commit to continued listening and learning from First Nations voices and to work in partnership to create change. We acknowledge that we have a responsibility and must do more to truly live our purpose to create better experiences together for a better tomorrow.



United Nations Global Compact (UNGC)

Woolworths Group Limited reaffirms its support of the Ten Principles of the UN Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption. In this Report, we describe our actions to continually improve the integration of the UN Global Compact and its principles into our business strategy, culture and daily operations.

We create better experiences together for a better tomorrow

Our guiding principles underpin our Sustainability Plan 2025 and will guide our journey towards a better tomorrow for our team, our planet and the customers and communities we serve. We believe they will also create long-term value for our shareholders.

Guiding principles

We act like a leader and speak up on issues that matter

We care for, and unlock the potential of our people

We have a positive impact on the planet

We apply circular thinking in everything we do

We embrace the power of partnerships to create change

Looking after our team, customers and communities



This year, the ongoing coronavirus pandemic has continued to put pressure on our teams and supply chain as we work to supply food and everyday needs to our communities amongst the challenges of lockdowns, border restrictions and surges in demand.

In these circumstances of extreme and prolonged uncertainty, a sense of purpose is more important than ever, and as a business we have continued to look to our purpose - *we create better experiences together for a better tomorrow* - to guide our decisions.

Whilst we continue to deal with the very real challenges of the present, we are also looking to the future. In November 2020, we were proud to release our *Sustainability Plan 2025: Working together to make a better tomorrow - our new program of positive change for our people, our planet and our products*. The goals and commitments that are articulated in our Plan represent a lift in ambition for our business. We are no longer satisfied with limiting the negative impacts of our operations - we are actively looking to create positive change in our business and, hand in hand with our partners, in our extended value chain. We see sustainability as an opportunity to create long-term value through innovation and resilience building measures that will deliver benefits for decades to come.

This year has also brought significant change to Woolworths Group with the demerger of the Endeavour Group in late June. As we move toward our 100th anniversary, we are building the business that will take us into our second century, and as *Today's Fresh Food People*, sustainability is at the heart of who we are.

Since the release of our Plan, we have invested in and focussed on laying the groundwork to set ourselves up for our new horizon of sustainability ambition. We have also continued to reach pleasing milestones over this time, such as achieving the Workplace Gender Equality Agency's Employer of Choice for Gender Equality citation for the first time, and having our animal welfare progress recognised by becoming the highest ranked Australian and New Zealand retailer in the global Business Benchmark for Farm Animal Welfare. In recognition of the changing nature of retail, we announced a \$50 million investment in our Future of Work fund, to help equip our team with new skills and capabilities for the workforce of the future. We have continued to focus on the holistic wellbeing of our teams, recognising the fatigue being caused by the ongoing effects of the pandemic. We have also announced our first renewable power purchase agreement, which sets us on the path towards our commitment to power our business with 100% green electricity by 2025.

Despite our intentions, we know that we don't always get it right, and a major focus for us over the coming year will be reflection, listening and learning on our approach and commitment to reconciliation, in light of the findings of the Independent Panel Review into the proposed Dan Murphy's development

Community contribution as % of EBT on a rolling average

1.23%

Carbon emissions reduction

27%

below 2015 baseline

Plastics reduction F21

>2,500t

in Darwin. We are committed to quality engagement with Aboriginal and Torres Strait Islander peoples and look forward to sharing our progress as we co-create long-term, meaningful steps forward in this critical area.

If we have learnt anything from the past 18 months, it is that the pace of change in sustainability and retail is accelerating. We believe that aspirational goals drive innovative solutions, and we intend to take an Agile approach to our Sustainability Plan, reviewing, and where necessary revising, our goals and commitments on an annual basis in order to continue raising our ambitions.

We are pleased to share with you our Woolworths Group 2021 Sustainability Report.

Brad

Brad Banducci
CEO

Gordon

Gordon Cairns
CHAIRMAN

2021 Countdown Sustainability Report.



How we create value

Our Value Drivers

Team

A diverse and inclusive environment for our teams to work reflecting the diversity of our communities

Customer services

Connecting customers with good food and more everyday through convenient stores, services and leading loyalty programs

Trusted brands and products

Providing best range and value, fresher food, healthier options and everyday needs for our customers in Australia and New Zealand

Sustainability

A leader in sustainability to create a positive impact for generations to come

Business platforms

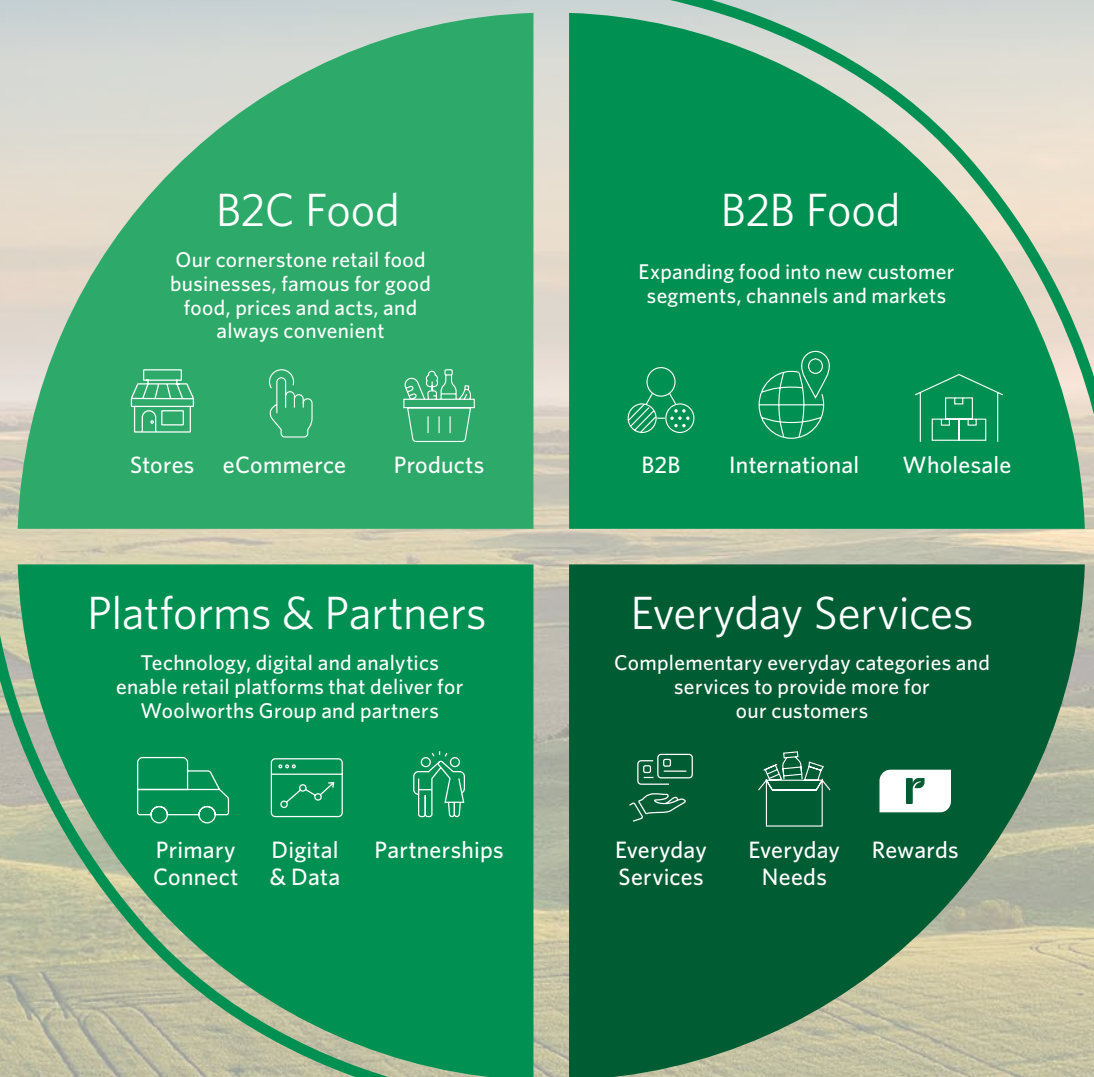
Leading business platforms built over many years enabling our business activities

Financial

Strong balance sheet and disciplined capital allocation to drive sustainable growth and shareholder value

To create value we bring our customers good food and more everyday through connected experiences. We're focused on creating sustainable long-term value for our customers, team, shareholders, trade partners and the broader community through living our purpose:

Our Business Activities



Creating better experiences together for a better tomorrow

Value Created¹

Customer

Innovating to meet our customer needs

57 Group Voice of Customer NPS (June) | **27.8M** Customers served on average per week | **19.7M** Online visits per week

Team

Enabling and empowering our team

LAUNCHED Woolworths Future of Work Fund | **WGEA** Employer of Choice citation | **AWEI** Gold Tier Status for LGBTQ+ inclusion

Partners

Mutual benefit through strong partnerships

57% Voice of Supplier July 2021 | **Established partnerships** with Endeavour Group and PFD | **Quantum** Strengthened data and analytics partnership

Community

Caring for each other and creating a more sustainable future

27% Carbon emission reduction from 2015 | **113,238** Tonnes of organic waste diverted from landfill | **\$34.9M** total community contributions

Shareholders

Delivering sustainable returns for our shareholders

\$1,972M F21 Group NPAT² | **15.1%** F21 ROFE³ | **108¢** F21 Full Year Dividend

¹ For the 2021 financial year. ² Before significant items. ³ F21 ROFE calculation normalised to exclude the \$7,870 million demerger distribution liability.



SUSTAINABILITY TREE™

Our sustainability plan on a page

Guiding principles

We act like a leader and speak up on issues that matter

We care for, and unlock the potential of our people

We have a positive impact on the planet

We apply circular thinking in everything we do

We embrace the power of partnerships to create change



People

- Goal 1** Be a truly inclusive workplace
- Goal 2** Invest in the holistic wellbeing of our team
- Goal 3** Create meaningful retail careers in the workplace of the future
- Goal 4** Activate ethical and mutually beneficial partnerships through the whole value chain
- Goal 5** Have a positive impact on our customers and communities



Planet

- Goal 1** 100% green electricity by 2025
- Goal 2** Zero food waste to landfill by 2025
- Goal 3** Net positive carbon emissions by 2050
- Goal 4** Practise responsible stewardship of natural resources



Product

- Goal 1** Materially increase healthier choices in our customers' baskets
- Goal 2** 100% of own brand packaging is sustainable
- Goal 3** 100% of own brand sourcing is sustainable
- Goal 4** Lead the future of protein
- Goal 5** Lead the responsible service and consumption of alcohol and gaming

Our goals are underpinned by over 40 commitments



Progress towards our 2025 commitments



People

Goal 1 Be a truly inclusive workplace ■ ■ ■ ■ □ □

- Awarded the Workplace Gender Equality Agency's Employer of Choice for Gender Equality citation
- Awarded Gold Employer Status for LGBTQ+ workplace inclusion for the fourth consecutive year
- Completed our Reconciliation Action Plan delivering 85 actions across three pillars of Relationships, Respect and Opportunity

Goal 2 Invest in the holistic wellbeing of our team ■ ■ □ □ □ □

- Appointed Chief Medical Officer Dr Rob McCartney to provide expert medical advice to our COVID response
- Created a Wellbeing Council which has a focus on psychosocial risks and mental health
- Implemented COVID Leave support including for vaccinations

Goal 3 Create meaningful retail careers in the workplace of the future ■ □ □ □ □ □

- Announced Woolworths Future of Work with a \$50m investment over three years to equip team members with new skills and capabilities for the retail industry of the future
- Launched Store Leadership Pathway which includes online modules, workshops and instore coaching

Goal 4 Activate ethical and mutually beneficial partnerships through the whole value chain ■ ■ ■ □ □ □

- Launched a human rights due diligence maturity framework to support risk management
- 23% decrease in critical Responsible Sourcing audit gradings through a targeted remediation strategy
- Designed industry specific strategies to address higher risk areas in cotton sourcing, seafood, horticulture and operations services

Goal 5 Have a positive impact on our customers and communities ■ ■ ■ □ □ □

- Woolworths donated over \$34m across F21 with significant donations to OzHarvest, Junior Landcare and S.T.A.N.D supporting bushfire and flood relief
- Countdown took a stand supporting NZ Retailers Against Racism Pledge to proactively address racism



Planet

Goal 1 100% Green electricity by 2025 ■ ■ □ □ □ □

- Energised an additional 62 solar sites across F21 with over 14,000 kW capacity
- Signed first Purchase Power Agreement to transition to green electricity, will power 30% of Woolworths Group's NSW energy needs in 2022

Goal 2 Zero food waste to landfill by 2025 ■ ■ ■ □ □ □

- Provided equivalent of over 24m meals to alleviate food insecurity through our food rescue partners and the local communities
- Expanded our bread diversion program, now in 382 stores. This is providing a circular economy solution for over three tonnes of bread a week

Goal 3 Net positive carbon emissions by 2050 ■ ■ □ □ □ □

- Our emission levels have continued to track downwards as our programs of energy and emissions efficiency through LED lighting, refrigeration upgrades and replacements as well as solar + battery storage installations are implemented
- F21 emission levels are 27% down on 2015 baseline and on track to meet our targets

Goal 4 Practise responsible stewardship of natural resources ■ □ □ □ □ □

- We have rolled out the installation of smart water meters, now in 139 stores and connected to our Energy Management Centre. These meters allow us to identify leaks and other anomalies, and have this past year helped us to save around 23 million litres of fresh drinking water



Product

Goal 1 Materially increase healthier choices in our customers' baskets ■ ■ □ □ □ □

- Ranked Australia's Healthiest Supermarket Own Brands by The George Institute based on average Health Star Rating (HSR)
- Launched Healthier Options, an online tool available on select product pages, to make it easier for customers to identify similar, healthier alternatives when shopping online (based on HSR)

Goal 2 100% of own brand packaging is sustainable ■ ■ □ □ □ □

- Launched our Packaging Preferred Material List and Format Guidelines and shared it with own brand and vendor suppliers
- Removed over 2,500t of virgin plastic across packaging initiatives

Goal 3 100% of own brand sourcing is sustainable ■ ■ ■ □ □ □

- Launched Macro Whole Living cleaners (laundry and dish) which feature sustainable palm oil - our first non-food products to do so
- Developed a Cotton Traceability Protocol to improve our approach to supply chain mapping

Goal 4 Lead the future of protein ■ □ □ □ □ □

- Improved our ranking in the global Benchmark on Farm Animal Welfare (BBFAW) to Tier 2 which is a leading position for retailers across Australia and New Zealand
- For Christmas all Woolworths brand fresh whole turkey came from RSPCA Approved farms for the first time

Goal 5 Lead the responsible service and consumption of alcohol and gaming ■ ■ □ □ □ □

- Endeavour Group is committed to being the national leader in responsible service of alcohol. We have implemented a wide range of voluntary measures for managing and mitigating issues related to responsible service, ranging, sale and marketing of alcohol

Key: Not yet commenced □ □ □ □ □ □ Planning ■ □ □ □ □ □ Commenced ■ ■ □ □ □ □ Progressed ■ ■ ■ □ □ □ Nearing completion ■ ■ ■ ■ □ □ Achieved ■ ■ ■ ■ ■ ■





People

We build a better tomorrow for our people by demonstrating our care, creating a great place for them to work and fostering brighter futures.

Our respect for people is at the heart of how we serve our communities, building long-lasting partnerships and working with our suppliers to uphold human rights in our supply chain.



Voice of Team
advocacy score¹

15



WGEA Employer of
Choice for Gender
Equality achieved



Total recordable
injury frequency rate
(TRIFR)

12.08

▲ 1% from F20



Community
contribution

1.23%

as % of EBT on a rolling
two-year average²

1 We have updated our Voice of Team (VOT) methodology from 'Sustainable Engagement' to 'Advocacy' as measured by net promoter score (advocacy to work at Woolworths Group). Correlations between VOT prior to October 2020 and our new approach to listening cannot be made.
2 Metric has been updated to % of earnings before tax (EBT) rather than EBIT due to impact of lease accounting standards.





A truly inclusive workplace

PEOPLE

Goal 1

Be a truly inclusive workplace

Progress



We act like a leader and speak up on issues that matter

Sustainable Development Goals



At Woolworths Group, we recognise the value our team’s diversity brings to our business, and our customers. As one of Australia’s largest employers, we believe that creating a safe and inclusive workplace – where diversity in all its forms is valued, and every team member can be their best self – is critical to *creating better experiences together for a better tomorrow*.

Gender equity

We strive for a culture of inclusion, where team members of all genders are valued and have a voice, equitable access to opportunities and a sense of belonging. One of the ways that we continue to live our purpose is through our dedication to gender parity and inclusion. We are proud to have been awarded the Workplace Gender Equality Agency’s Employer of Choice for Gender Equality (EOCGE) citation in 2021, the first major food retailer to achieve this. The EOCGE citation is designed to encourage, recognise and promote active commitment to achieving gender equity in Australian workplaces.

We are committed to creating an environment that recognises and values all team member talent equally. Our people ambition towards gender equity is to achieve gender-balanced leadership teams 40:40:20

by 2025. This ratio is about aiming for gender diversity in workplace leadership, be it senior leadership teams, or on the Board, and allows for natural flow into and out of the organisation. In F21 our leadership was 36.54% female. This result is below our target and remains both a priority and opportunity as we continue to focus on this metric.

In November 2020, we became signatories to the UN Women’s Empowerment Principles (WEPs), which offer guidance to businesses promoting gender equity and women’s empowerment in the workplace, marketplace and community. As part of the WEPs community, Woolworths Group, from the top down, is committed to working collaboratively within multi-stakeholder networks to foster business practices that empower women.



Refrigeration Apprenticeship Program

In June 2020, we launched the first year of a formal Refrigeration Apprenticeship Program. Over the next 10 to 15 years, the demand for skilled refrigeration technicians is anticipated to skyrocket due to the industry’s increasing focus on sustainability, and our own goal of net positive carbon emissions by 2050. In an industry with less than two percent female representation, our recruitment focused on creating opportunities for greater gender and cultural diversity. As a result, 25% of the two 2020 apprentice cohort are female, demonstrating our commitment to being an employer of choice for gender equality.

Kate Hammill-Lovett, one of our new apprentices said, *“When I started I didn’t even know any other female tradies, so I had no idea what it was going to be like stepping into a traditionally male dominated industry.”*

“Going into it was a bit stressful at first but I’m being supported so much and learning new things all of the time – every single day is different.”

“The tradesmen I work with don’t care about gender at all, they just want me to get in there and have a go. They want to pass on their knowledge and teach me the skills they’ve acquired over the years. They think having a woman on the team is awesome.”

See Refrigeration management story on [page 31](#) for more information.

Truly inclusive workplace



Aboriginal & Torres Strait Islander peoples

We care deeply about our teams, customers and communities, and believe we all have a role to play in reconciliation, healing our relationship with, and closing the gap for, our First Nations peoples. As the Independent Panel Review into the proposal to develop a new Dan Murphy's store in Darwin demonstrated, we have not always lived up to the intent of our purpose or our leadership role. It is clear there is much more for us to do.

Almost 5,000 of our team members are Aboriginal and Torres Strait Islander peoples. We are deeply committed to listening, learning and growing as part of our reconciliation journey. Across Woolworths Group, we define reconciliation as actions that create healing from past and current injustices endured by our First Nations peoples.

As part of our Reconciliation Action Plan (RAP) - Innovate Level - we have delivered 87 actions from July 2019 to July 2021. We are consolidating our learnings and building our cultural intelligence as we work towards creating even bigger and more meaningful commitments in our next RAP.

The theme of National Reconciliation Week 2021, *More than a word. Reconciliation takes action*, urged each of us to take more impactful action to build relationships between the broader Australian community and our First Nations peoples. As part of our Group-wide National Reconciliation Week activities, we partnered with Evolve Communities, First Nations cultural awareness experts, to launch 'Learning for Reconciliation'. This seven step online module was designed to provide the steps to practical reconciliation for every member of our team. More than 3,000 team members have already completed the learning module with overwhelmingly positive feedback:

"The training is informative, engaging and eye opening. What an amazing way to approach a sensitive topic."

"A little bit in awe about Aboriginal and Torres Strait Islander culture. Thankful for the opportunity to learn."

"I have learnt a lot but I have also learnt that there is a lot I don't know."

Independent Panel Review into the proposed Dan Murphy's development in Darwin

In December 2020, Woolworths Group commissioned the Independent Panel Review into the proposal to develop a new Dan Murphy's store in Darwin. After hearing feedback from stakeholders we took the decision to pause and get independent experts to review the proposal and provide a report to the Woolworths Group Board.


As announced on 29 April 2021, on receiving the Report, Woolworths Group's management and Board decided not to proceed with the proposed development. We have since surrendered the relevant licence to the Northern Territory Government.

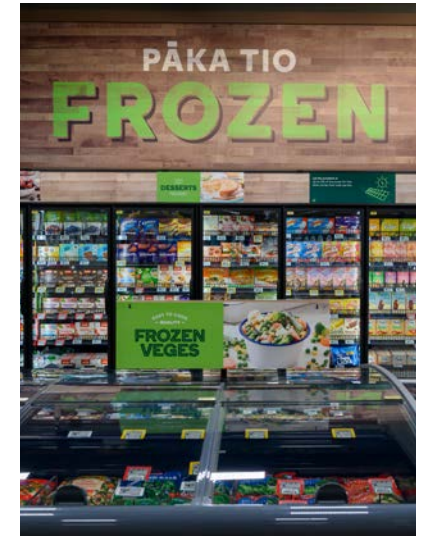
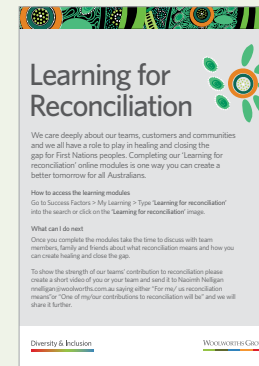
We set ourselves a high purpose and it is connected to a great deal of our decision making and what we do every day. In taking this approach, Woolworths Group understands that we raise expectations of society. In this case, we failed to live up to both our purpose and these expectations.

It is clear that the Panel's report is an important turning point for our long-term engagement with Australia's First Nations' peoples. There is much to be done. Our attention has moved to further reflection on the report, and making a start on the co-creation of long-term, meaningful steps forward which are consistent with our purpose and commitment to reconciliation.

At the heart of our reflections is strengthening our foundations for deeper, and more thoughtful and meaningful relationships with First Nations' peoples. Relationships built on listening, learning and education. Relationships underpinned by equity and respect. Without those foundations it will not be possible for us to achieve our ambitions for full reconciliation.

Our reflections on the Independent Panel Review details our response, including how we plan to consult, listen and work with others to find a way forward.

 The full report and our response can be found on our [website](#).



Te reo Māori year-round

Countdown is keenly aware of the role it can play in revitalising the Māori language - te reo Māori. Supporting events like Te Wiki o Te Reo Māori (Māori Language Week) and Matariki (Māori New Year), and continuing to use te reo in our stores and communications, are just some of the ways we are helping to protect Māori language and culture. Our long-term initiatives include in-store radio messages in te reo, Māori greetings and sign-offs in our customer communications and translated digital mailer headlines. These new initiatives are in addition to bilingual signage already in Countdown stores throughout Aotearoa.



Truly inclusive workplace

Accessibility Action Plan

Accessibility is a critical part of fulfilling our ambition to be a truly inclusive and caring workplace. We are working to create, and implement, an Accessibility Action Plan for our Australia business to be submitted to the Australian Network on Disability's Access and Inclusion Index benchmark for evaluation, with the goal of year-on-year improvement. In New Zealand, we have joined the Accessibility Tick program and are working to achieve year-on-year improvement against the nine competency areas through annual gap analysis. We are a founding member of the Australian Human Rights Commission's IncludeAbility project, which aims to increase access to meaningful employment opportunities for people with a disability, and a Gold Member of the Australian Network on Disability.



Partnership with Auticon Australia

Marking World Autism Month in 2020, Woolworths Group, in partnership with Auticon, launched a program to employ autistic technology consultants to work on vital quality assurance and software delivery projects for the Group. Auticon, an international consultancy focused on creating opportunities for IT professionals on the autism spectrum, recognises the unique capabilities of their consultants and that welcoming neurodiversity can make every team stronger.

Over the past year, Auticon's consultants have helped us solve highly technical, complex problems that we've previously struggled to overcome. One such project involved developing technology to replicate hundreds of barcode scans in a test environment. The project enabled our IT team to replace a labour-intensive testing process and delivery of a more seamless customer experience while scanning products in-store. Auticon, and its neurodiverse consultants, have boosted our IT capabilities and helped us deliver innovation for our team and customers.

LGBTQ+

We're proud of the significant progress in LGBTQ+ inclusion we've made at Woolworths Group over the past five years. Our journey has been recognised by the Australian Workplace Equality Index (AWEI), which has awarded us Gold Employer Status for LGBTQ+ workplace inclusion for the fourth consecutive year. Our Proud Committee is now helping us work towards AWEI Platinum Employer Status.

In New Zealand, Countdown continues to support our rainbow team and communities and has been recognised with Rainbow Tick accreditation for three years running. In 2021, we marked Pride Month by raising more than \$123,000(NZD) for RainbowYOUTH to help support queer, gender-diverse, takatāpui and intersex young people throughout Aotearoa; including \$25,000(NZD) from Countdown to kick off the fundraising campaign. The funds raised were described as a "game changer for the organisation" by Executive Director, Pooja Subramanian, and will be used to hire a number of new team members to help deliver support to young rainbow people across Aotearoa.

Gender Affirmation Policy

In 2018, Woolworths Group introduced our Gender Affirmation Policy and supporting tools. By recognising the complexity and challenges team members may face during their journey, and improving the support we provide, we seek to show real care, and positively impact team member experience, across the Group. On the International Day Against Homophobia, Biphobia, Interphobia and Transphobia 2021, we announced the incorporation of a paid leave component into our existing policy. Team members will receive up to two weeks' paid, and two weeks' unpaid leave, to support them as they take the necessary steps to affirm their gender, a first for Australian and New Zealand retailers.





The holistic wellbeing of our team

PEOPLE

Goal 2

Invest in the holistic wellbeing of our team

Progress



We care for, and unlock the potential of our people

Sustainable Development Goal



The safety and wellbeing of our team has never been more important than over the last year. Through the efforts of so many people we continued to prioritise the physical and psychological safety and wellbeing of our team, whilst also supporting the communities we work in, through a range of natural disasters and the continuing COVID-19 pandemic. We are extremely proud of the way so many of our team helped each other, as well as our customers as we faced these significant challenges.

Expert advice and partners

In the spirit of embracing the power of partnerships we have sought the advice of experts to help inform and guide us.

Chief Medical Officer

Woolworths Group appointed Dr Rob McCartney to the position of Chief Medical Officer (CMO). This appointment enables us to draw on expert medical advice to support the ongoing safety and wellbeing of our team and customers. Since joining us, Dr McCartney has used his extensive experience to strengthen our existing COVIDsafe protocols. This highly specialised and technical leadership role provides direct input into the Woolworths Group Board and its relevant sub-committees as well as the Group Executive Committee. Dr McCartney is also responsible for engaging with regulatory authorities and state and federal health departments, along with the development of educational materials for team members.

Wellbeing Council

We recognise the importance of wellbeing, in particular mental health, and in response have created a Wellbeing Council. This group of mental health experts is tasked with supporting our growing efforts in areas such as psychosocial risk management and mental health awareness and support, with their efforts culminating in a comprehensive plan for F22 and beyond.

Corporate Mental Health Alliance

Woolworths Group is a founding member, and a standing board member, of the Corporate Mental Health Alliance Australia (CMHAA), which launched in October 2020. CMHAA is an alliance of Australian businesses dedicated to providing mentally healthy workplaces for our people. The CMHAA has set ambitious targets for its first 12 months, including addressing psychosocial risk assessment, research and data, and leadership capabilities.



Dr Rob McCartney, Chief Medical Officer



The holistic wellbeing of our team

Keeping our team safe through COVID

Our commitment to team safety and wellbeing throughout 2021 has again been dominated by our response to the ongoing COVID-19 pandemic. Aligned with our guiding principle *we will act like a leader on issues that matter*, we continue to encourage and facilitate our team and communities to get vaccinated.

Vulnerable and impacted team

Over 1,000 of our team members are categorised as vulnerable to COVID-19. These team members have been enabled to remain at home during lockdowns to reduce exposures. Isolation can be a factor so our COVID Care Coordinators have actively engaged and supported these team members throughout various stages of the pandemic. In addition to vulnerable team members, we also actively support team members in isolation or who may have contracted the virus through a variety of resilience building activities, medical support and information and general care-based check-ins.

COVID leave

We have introduced Special Paid Coronavirus Leave, which is made available to team members, so as to ensure no one is penalised for needing to isolate due to COVID-19 (either their own illness or need to care for others).

COVID vaccine

With the pandemic likely to remain with us for the remainder of 2021, it has become an imperative that team members are provided with every opportunity to receive a COVID vaccination. Specific COVID Vaccination Leave has been created to provide our team with up to four hours of paid vaccination leave, per vaccination, and to help support them in their efforts to get vaccinated. A series of vaccine 'pop up' clinics were introduced at key Group supply chain sites in Western Sydney with the support of governments. We hope these early initiatives will serve as a template for future vaccine programs.



Voice of Team (VOT) is our way of listening to our team and acting on their feedback. We have now shifted to an always-on listening process to hear from a selection of our team each month.

Key metrics 2021

12.08 total recordable injury frequency rate (TRIFR)

20,000 downloads and **6,000** support cases for newly launched 24/7 Sonder services

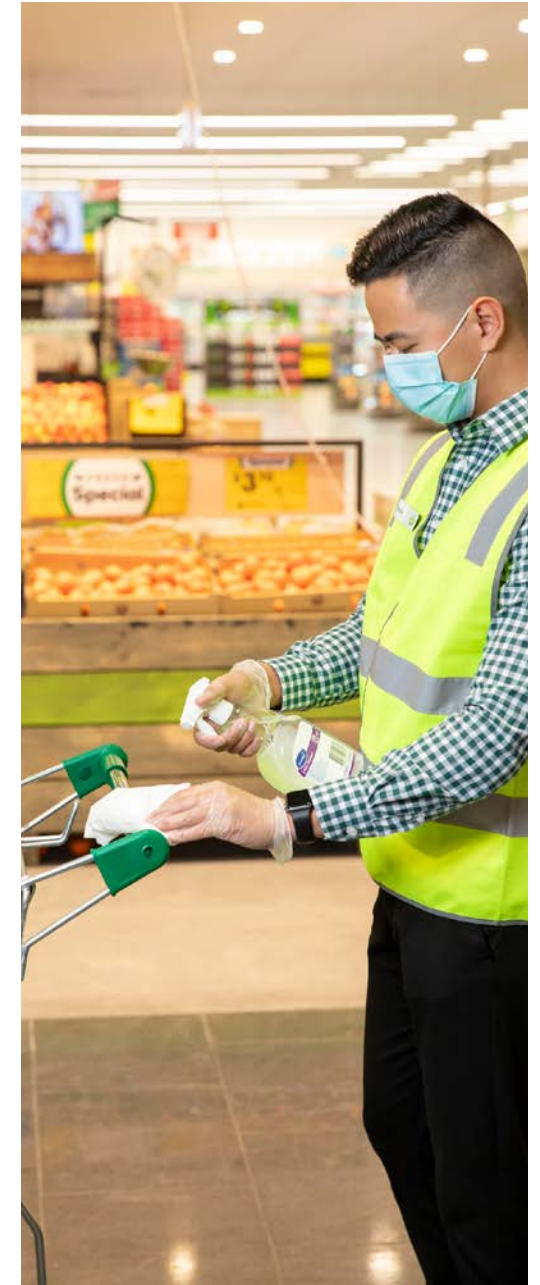
12,000 contacts and over **400** loans or grants to team members in need of financial support

1,000 vulnerable team members supported as part of COVID Care framework

32,000 team members trained in the 'I am here' program to identify and support team that need help

COVID leave for team members needing to test and isolate
Up to **eight hours'** paid leave for COVID vaccinations

4,280 team members supported through our **Employee Assistance Program**





The holistic wellbeing of our team

24/7 care for our team

24/7 on demand health, safety and wellbeing support



In November 2020, we launched a partnership with Sonder, a 24/7 network of carers, in a bid to provide our team and their families with on-demand personal safety, health and wellbeing support. Sonder connects people to our complete wellbeing offering - 'I am here', our Financial Wellbeing Program and our traditional Employee Assistance Program, through Benestar. In addition, Sonder's team of nurses, emergency responders and counsellors are accessible by phone, or a specific application, and to date we have supported over 6,000 support cases with wide range of issues across mental and physical health and safety and medical concerns.

Supporting our leaders to help our teams

Through our partnership with Mindstar and Select Wellness, we have continued to provide premium wellbeing support to 500+ Woolworths Group leaders. This support has included executive wellbeing coaching, COVID debriefs and 'Leading with Care' workshops and is aimed at sustaining a resilient cohort of leaders to support not only the personal wellbeing of individual leaders, but also to ensure they are equipped to support their team's wellbeing.

Financial wellbeing support



This financial year we enhanced our Good Shepherd financial wellbeing program that offers 'no fee' and 'no interest' loans, financial counselling, grants, and a variety of gift card options. In response, we saw 12,000 enquiries from team members and over 400 loans granted. In August 2020, we also launched the Money Brilliant app with our team via our website and an app in a bid to help team members better manage their money and finances.

Abuse and violence

Whilst we acknowledge the unprecedented levels of stress and anxiety across the communities we operate in, we continue to adopt a 'zero tolerance' approach towards violence and aggression that may get directed at our teams. In response, we have bolstered our approach with a series of specific measures (e.g. two-way radios) implemented in over 500 stores. We also continue to work with the Australian Retailers Association (ARA) and have recently agreed to chair a new Advisory Committee on Retail Crime. In addition to this committee we remain committed to working with the police, policy makers and other key community groups, to ensure collectively we do all we can to safeguard our team and customers from the threat of abuse of violence.

Measures

Our F21 total recordable injury frequency rate (TRIFR) increased slightly, with respect to F20. This was fundamentally influenced by COVID-19, with both a significant increase in trade volume and a prioritisation of the management of the COVID-19 related risks across teams, customers and communities, behind this increase in injuries. We recognise that with the emergence of psychosocial risk factors, abuse, violence and mental health concerns, there is an opportunity to expand our measurement to include some of these measures in F22. Whilst we will continue to report on TRIFR, we have introduced a more holistic severity-based measure, which will help us represent a more holistic overview of performance across a broader range of areas.

Sonder stories

Anxiety

A team member was feeling anxious and couldn't sleep. After speaking with Sonder, it was discovered that the team member was having these issues after recently experiencing trauma. The team member had never spoken to someone about their troubles and Sonder was able to connect them with a psychologist to continue their mental health support journey. After following up with the team member, their anxiety had improved and they were glad that Sonder connected them with the help they needed.

Financial hardship

A team member experiencing financial hardship and debt received support in the form of emergency relief and financial management counselling to build confidence and reinforce positive behaviours. The support had a positive impact on their health and wellbeing.

Supporting community wellbeing

A customer's child needed medical attention in store. A nearby team member contacted Sonder and connected the customer to a nurse who was able to offer help and support to the customer and team. After following up, the customer felt cared for and was grateful for the support, thanking the team for making that available to them so quickly.

Meaningful retail careers in the workplace of the future

As retail moves at speed into a new era of technology and progress, we want to make sure that every team member has the opportunity to ride the wave of the future.

Around the globe, retail is changing at the fastest pace we've seen in many decades. Technological advances in automation, predictive analytics, artificial intelligence and cloud computing are driving our industry forward and helping us do a better job of meeting our customers' changing needs.

But these changes are impacting the fundamental nature of the work our team does each day. We recognise that our size and scale as an employer comes with responsibility to lead on issues like the future of work. Our team is critical to our success, and while we want to lead the transition to new ways of working, we are equally committed to leaving no team member behind.

In February 2021, we announced plans to invest \$50 million over the next three years to help equip our team with new skills and capabilities for the retail industry of the future. The Woolworths Future of Work Fund will help upskill, reskill and redeploy team members impacted by industry disruption and technological change. The Fund will also underpin the launch of an online learning platform to allow team members to easily access

training, apprenticeship and mentoring support across Australia. It will support training for more than 60,000 team members in our store and e-commerce operations, supply chain network and support offices.

In addition to our investment in the Fund, we are investing in our people to evolve our culture, and set our team up for success in this increasingly fast-paced retail environment. We established our Agile Accelerator initiative in 2021. Its mission is to develop and deliver the learning approach, and fit-for-purpose learning materials, to accelerate the shift to 'Agile' across Woolworths Group. Within six weeks we rolled out seven e-learning modules, five videos and nine facilitated modules to introduce and educate our 200,000 strong team about new Agile ways of working

Partnering with Harvard Business Publishing, we also developed a data and analytics program that we piloted with our Primary Connect business. This program focuses on building advocates among our senior leaders to support and drive our use of data and analytics for enhanced decision making.

PEOPLE

Goal 3

Create meaningful retail careers in the workplace of the future

Progress



We care for, and unlock the potential of our people

Sustainable Development Goal



Store Leadership Pathway

In 2021, we launched our Store Leadership Pathway program across Woolworths Supermarkets nationally. The program provides our leaders with a blended learning approach, including online modules, workshops and in-store coaching.

Leanne Edmonds, Head of Food Academy, Woolworths Supermarkets, says, "Our Voice of Team survey indicated that we needed to do a better job supporting our Supermarket team members to progress their careers. This new program supports our leaders to further grow in their current role, while setting them up for their next. To get the right learnings to the right people, at the right time, we introduced a new process to select participants."

"Evaluation is a critical element, requiring skills and competencies to be signed off at store level before leaders can progress."

"The first cohort has demonstrated a true shift from focusing on task-based leadership behaviour to a culture of purpose-driven leadership. We've seen them taking their learnings back to store, with the benefits felt by their whole team. Feedback from participants has been overwhelmingly positive."



Participant feedback:

"Really learning about myself, my leadership and understanding my purpose and then relating this back into my work and my everyday life. It is really changing my mindset for the better and I am learning how to maintain that same mindset all day. This in turn will support myself in growing my team, looking after customers in a better way and making a difference for the business."

"For me personally, the entire program has been very valuable. There were things discussed that I had knowledge of already but more things that I was really looking forward to upskilling in. The opportunity to ask questions and get clarification on different topics was a key aspect for me in building my confidence as I now put it all into practice on the job."



Human rights and responsible sourcing

Retail is a people business, and respecting the human rights of our team, supply chain workers and other stakeholders is an essential element of our Sustainability Plan 2025. When it comes to human rights, building a better tomorrow means not only acting like a leader and speaking up on issues that matter, but actively and purposefully building partnerships, and working hand in hand with our suppliers to make sure that every worker in our supply chain is treated with respect. As we lift our ambition to build a rights respecting culture towards and beyond 2025, human rights are increasingly integrated in our business every day.

Responsible Sourcing Program

Our Responsible Sourcing (RS) Program has been in place for three years and it is how we manage risks to workers in our global supply chain. An initial supplier risk assessment determines the level of supplier due diligence and compliance monitoring against our RS Standards. In high risk areas we require social compliance audits and we proactively work with suppliers on remediation when critical issues arise. We also have various grievance channels that can be used to raise concerns or issues and these are then investigated. Our RS Program framework and key outcomes for F21 appear in the table on the next page.

Our RS Program is, however, more than compliance; it is about building a rights respecting culture with shared accountability among our team and suppliers. Guidance materials, targeted training, site visits, industry partnerships, advocacy and worker engagement are integral to our RS Program and broader human rights approach.

Our approach to reporting on human rights

The RS Program is the foundation of our Human Rights Program, including labour rights and our efforts to address modern slavery. The next phase of our Human Rights Program sees a scaling up of human rights due diligence across our value chain, including non-trade and operations, while maintaining a focus on higher-risk commodities/countries in our trade supply chain. We are taking our learnings from our own brand and fresh supply chain and integrating key elements of the RS Program into our Human Rights Due Diligence Framework. To capture our program together, this year we have integrated the outcomes of our RS Program in [Respecting Human Rights: 2021 Modern Slavery Statement](#).



PEOPLE

Goal 4

Activate ethical and mutually beneficial partnerships through the whole value chain

Progress



We embrace the power of partnerships to create change

Sustainable Development Goals





Human Rights and Responsible Sourcing

How our Responsible Sourcing Program is integrated in our Human Rights Due Diligence Framework

The Responsible Sourcing Program is central to our Human Rights Due Diligence Framework, which also aligns to the key elements of the Group Risk Management Framework.





Human Rights and Responsible Sourcing

Embracing the power of partnership for continuous improvement


Supplier engagement and capacity development

Listening to our suppliers' feedback regularly is essential to growing our program and keeping it relevant. This year, beyond our annual supplier roadshow, we conducted surveys with our key suppliers captured by the RS Program.

- Woolworths Food Company's (WFC) Voice of Supplier survey included a question on sustainability/human rights. In both half-yearly surveys, sustainability/human rights were rated as core strengths of WFC by suppliers, achieving the second highest question score.
- In September 2020, we conducted a specific RS survey of suppliers in Asia with a 50% response rate. Pleasingly, 96% of respondents indicated that they were clear about the RS Framework and 83% knew where to access relevant material. While 56% reported no challenges in meeting the RS Standards, 24% indicated it was difficult to close out issues, notably those on working hours and overtime. In response to these survey outcomes, which were also aligned with audit findings, we developed and distributed [Supplier Guidance on Addressing Overtime Hours](#) resulting in a 70% reduction in critical overdue non-conformances related to working hours.

Targeted programs and partnerships

Our audit program is a key pillar of our RS Program, but we understand audits alone cannot address some of the more systemic challenges in our supply chain. Industry programs such as ACT on Living Wages, the Shobola Woman Empowerment Project, the Green Factories program, or BIG W's engagement with the Bangladesh Accord are some of the examples where we work together with our partners for a better tomorrow.

 More information is available on our [BIG W Sustainability webpage](#).

Greener together - a growing link between people and planet

We recognise the link between climate change and forced migration which can in turn lead to vulnerable workers moving away from their home country. Bangladesh is highly exposed to the impacts of climate change, a key driver of the growing migration challenges faced by its people.

Recognising the risks of climate change and the right to water and to a healthy environment, five BIG W suppliers have voluntarily undertaken green certification by Leadership in Energy and Environmental Design (LEED). The certification drives efficient use of resources, including lower energy consumption, use of renewable energy, water efficiency,

which in turn promotes a reduction in costs, lower CO₂ emissions and air pollution, and improved worker health and safety.

LEED certified suppliers demonstrate environmental leadership against Woolworths Group RS Standard 16 which requires suppliers to comply with environmental laws and regulations, and maintain an environmental management system that identifies and manages environmental impacts.

"Thanks to our investment in technology we have significantly reduced our average costs, including water, electricity, diesel and gas" – Manager, Vintage Denim Apparel.

Promoting responsible sourcing to our customers

We recognise that socially responsible products are increasingly important to our customers and they clearly articulate this to us through feedback and consumer research. In May 2021, we launched our first customer awareness campaign, highlighting key commodities with social compliance certification.

Towards 2025 we aim to continue to meet our customers' growing expectations by increasing visibility of products that deliver on price, quality, taste, health and convenience, whilst continuing to respect the environment and the rights of the people who grow or manufacture them.



Shobola Project – Bangladesh

In 2019 a BIG W supplier was selected by Amfori BSCI to participate in a women's empowerment program. Shobola (meaning independent and empowered woman in Bengali) was designed for female workers in Bangladesh's ready-made garment sector to consider pathways into supervisory positions. 2021 was the final year of the program, which included an assessment of barriers and tailored training.

At the outset of the program only 10 out of 196 supervisors in the participant factory were female. Through the Shobola Project 31 new female workers have now been promoted to a supervisor position. One promoted supervisor commented: *"The Shobola project has helped me to grow my confidence and skills. Now I can earn more salary and save some money after all the family expenditure"*.





Positive impact on our customers and communities

We are determined to make a positive impact across Australia and New Zealand and invest in local programs and expanding our partnerships to provide relief in times of natural disaster.

S.T.A.N.D

Natural disasters are an unfortunate reality of life in Australia. Our Support Through Australian Natural Disasters program (S.T.A.N.D) was born out of the need and desire to help Australian communities with disaster preparedness, response, recovery and resilience.

Working with our natural disaster partners

Through our Woolworths Group S.T.A.N.D program, we are proud to work with The Salvation Army, Lifeline, Foodbank and Rural Aid to provide relief to communities in times of natural disaster.

Thanks to our financial support, including ongoing proceeds from our S.T.A.N.D Spring Water and our customers' generosity, we continue to help equip and prepare our natural disaster partners to urgently respond in times of crisis.

Whether it was the February Wooroloo (WA) bushfires, the widespread flooding along the east coast of NSW and parts of QLD in March, Cyclone Seroja that tore through the Mid West region of WA in May or the June 2021 storm and subsequent floods in Victoria, with the consistent support of S.T.A.N.D, our natural disaster partners were at the frontline of these emergencies.

NSW east coast floods

Drawing on funds raised through our S.T.A.N.D program over the last year, including our annual corporate donation of \$500,000, Salvation Army volunteers were on the ground helping flood-affected communities and several evacuation centres in NSW.

A further Woolworths Supermarkets flood contribution of \$100,000, combined with our customers' generosity, saw a total of \$185,000 raised which was donated directly to The Salvation Army. In addition to this, \$50,000 worth of stock was donated to Foodbank to support their emergency relief hampers. With support from S.T.A.N.D, Lifeline answered thousands of calls for help across their crisis support lines, including 13 HELP, a dedicated hotline for natural disaster support, and Rural Aid provided practical help to farmers repairing farm damage. Our own team also did their bit to ensure essential groceries made it to where they were needed most, even using aircraft and barges to do so. Residents of Bilpin, Kurrajong, Lord Howe Island and Hat Head received essential supplies co-ordinated by Woolworths Supermarkets.

Our S.T.A.N.D program shows the power of partnership to effect change, and we thank our customers and communities, who once again rallied together with us during challenging times.

PEOPLE

Goal 5

Have a positive impact on our customers and communities

Progress



We act like a leader and speak up on issues that matter

Sustainable Development Goals



The Salvation Army

11,824

people assisted who have been impacted by natural disaster



Lifeline

100,441

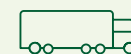
calls taken



Rural Aid

11,910t

of hay delivered by 42 road trains



Foodbank

1,233,544

meals provided



Support made possible in F21 through Woolworths Group S.T.A.N.D funding





Positive impact on our customers and communities

Partnering with the next generation of environmental champions

Big or small, we believe that every person can help to effect change for the better and make a positive impact on our environment.

In June 2021, 1,609 primary schools and early learning centres received Woolworths Junior Landcare Grants to help students support native habitats, sustainable food production and recycling projects. In addition to grants of up to \$1,000 each, in recognition of the importance of bees and pollinators to the environment, this year's applicants were offered up to \$500 extra for projects supporting bees.

Almost \$2 million in funding was distributed, bringing our total contribution, since 2018, to more

than \$3 million, supporting 2,760 projects in schools and centres across Australia.

Participants in round two of the Woolworths Junior Landcare Grants program of 2019 completed their projects in late 2020. They reported excellent environmental and educational outcomes, including planting over 30,000 plants, native bushes and trees. We expect to see this strong momentum continue in the years to come.

The Woolworths Junior Landcare Grants program is funded by a 10c contribution from the full price sale of our 'Bag for Good', launched in 2018, when we went single-use plastic shopping-bag free.



Addressing period poverty

Our national reach allows us to lead on issues that matter to us, including greater support and dignity for women and girls in need. Since 2019, Woolworths Supermarkets has partnered with charity, Share the Dignity, to help address the critical issue of period poverty. By hosting a Dignity Drive each March and August, we continue to engage our customers on the issue and rally community support for this unseen crisis.

Woolworths donates 5c from every period care product sold during each Dignity Drive. Since our partnership commenced, more than \$1.8 million has been donated, funding Share the Dignity's community work for women and girls doing it tough.

Our donations have funded the installation of 86 Dignity Vending Machines which are located in community spaces such as libraries, high schools, hospitals and community centres, dispensing period care products discreetly and free of charge.

More than 232,000 period care products were collected in our Australian stores through the Dignity Drives in F21, which were then provided to local charities and community services.



Governor General, the Hon. David Hurley and Mrs Hurley joined Landcare Australia CEO, Dr Shane Norrish and Woolworths representatives Brod Thompson and Christian Bennett at Yarralumla Primary School, round three recipients of a Woolworths Junior Landcare Grant.

Investing in innovative Aussie farmers

We believe that partnering with the agricultural industry is critical to increasing innovation and greater sustainability in ways that will also meet the changing preferences of our customers.

The Woolworths Organic Growth Fund, in partnership with Heritage Bank, continues to provide grants and interest-free loans to increase the local availability of organic fruit and vegetables. Our investments help Australian growers embrace the increasing customer demand for organic, sustainably-farmed produce that will also be stocked in our stores.

Fund recipients Anna and Will McLay (below) run Bon Accord Organic Citrus in Gayndah, Queensland. They began farming citrus in 2016, quickly recognising the potential of organic production. We've granted them \$350,000 to better meet the unique demands of organic growing.

Designed with peak industry groups, our new Dairy Innovation Fund will help farmers innovate and increase on-farm efficiency, sustainability and resilience to manage seasonal variations through investments in technology and infrastructure. We intend to provide a total of \$5 million worth of grants over three years. One of the 24 first round recipients is Mambo Island producer, Julian Biega, whose future-focused, solar-powered desalination system will make his farm more drought resilient and water efficient.





Positive impact on our customers and communities



Countdown Food for Good Foundation

Countdown believes that good business goes beyond the number of communities we serve, hard-working Kiwis we employ, or suppliers we work with. That's why, in June 2020, we launched the Food for Good Foundation to provide meaningful and long-lasting support for our communities, giving all Kiwis the opportunity to thrive, and helping to build a stronger, healthier New Zealand for future generations. Working with partners such as The Salvation Army and KidsCan, we are committed to delivering on this mission.

In the wake of the pandemic, many Kiwis found themselves reliant on the support of food banks for the first time. Recognising this, our Foundation's first fundraising effort was the 2020 Winter Appeal for The Salvation Army, providing Countdown, and its customers, with an opportunity to help feed those in need. More than \$280,000(NZD) worth of food was donated by customers in store and through The Foodbank Project. Countdown matched these donations, resulting in a record breaking total of \$560,000(NZD) donated and

enabling The Salvation Army to feed thousands of Kiwi families.

Other F21 highlights for our Foundation included:

- Countdown's annual Christmas Appeal for The Salvation Army, the most successful campaign to date, with \$516,000(NZD) of food donated through The Foodbank Project, as well as in store donations. Countdown donated an additional \$120,000(NZD) to help with increased demand for food parcels at Christmas time.
- Support for KidsCan, which saw a 40% increase in demand for their support in schools and early childhood education centres with teachers reporting, in the wake of COVID-19, more children than ever arriving at school without enough to eat for the day. The 2020 Food for Good Appeal for KidsCan, with the help of our amazing customers and team, raised more than \$580,000(NZD) to help KidsCan feed hungry kids across Aotearoa.

We believe in taking a stand

Supporting the Uluru Statement from the Heart

Woolworths Group is proud to support the Uluru Statement from the Heart, which seeks to establish a First Nations Voice to Parliament and a Makarrata Commission to oversee agreement-making and truth-telling. We have a deep respect for our First Nations team members, customers and the communities we serve. We firmly believe First Nations peoples should have a voice in decisions that affect them. In September 2020, to increase critical dialogue and awareness around the Statement, we invited guests and suppliers to hear from our CEO Brad Banducci, former AFL player and anti-racism advocate Adam Goodes, prominent lawyer Danny Gilbert, Nestlé CEO Sandra Martinez, Tip Top Managing Director Andrew Cummings and other key suppliers about taking meaningful steps towards reconciliation. We intend to continue furthering awareness and vital conversation at future events.

Standing against racism (NZ)

In July 2020, Countdown joined forces with other leading New Zealand retailers to take a strong stand against racism in their stores. The 'NZ Retailers Against Racism Pledge' declares the ongoing commitment of signatories to proactively address racism and other forms of abuse their teams might experience in their places of work. The pledge was released in time to support the New Zealand Human Rights Commission's 'Give Nothing to Racism' campaign.




Making an impact

We work with our long-standing community partners creating positive impacts and helping create a better today and a better tomorrow

 **CASH DONATIONS¹**
\$21M

 **IN KIND¹**
\$13.9M

 **LEVERAGED FUNDRAISING**
\$14.1M

 **DIRECT COMMUNITY INVESTMENT TOTTALING**
\$34.9M

 **% OF EBT ON A ROLLING TWO-YEAR AVERAGE**
1.23%

COMMUNITY SUPPORT WITH GOOD360

In F21, BIG W again supported our partners at Good360 to donate goods to Australians in need. Our commitment included a donation of \$470,000 as well as additional critical disaster support of 61,000 essential items following the devastating floods across NSW and QLD in March 2021.

SUPPORTING CHILDREN'S LITERACY

In 2020, as part of our BIG W Free Books for Kids program, we supported literacy programs around the nation by giving away over 5.2 million children's books in store and delivered 80,000 books to communities in need through our partners Australian Literacy and Numeracy Foundation (ALNF) and Good360.

WA: TELETHON

In October, we presented \$250,000 to WA's Telethon on behalf of our customers and team. These funds help to provide medical equipment, critical services and lifesaving opportunities. Since our partnership commenced in 2013, we have raised more than \$4.1 million for their life-changing work.

SA: CRICKET BLAST AT KANGAROO ISLAND

During the 2020 bushfires, 48% of Kangaroo Island was burnt, impacting all five local cricket clubs. In December, we provided the opportunity for all children on the Island to participate in the Woolworths Cricket Blast program. This support was instrumental in getting the kids of the Island back into sport.

CENTRAL AUSTRALIA: FRESH FOOD SUPPORT

In F21, our 2020 and 2021 Feed Appeals collectively raised \$2,283,000 with 52 capacity-building grants awarded by FareShare in 2020 to local food relief organisations nationally, including \$50,000 to Tangentyere Council, an Aboriginal-controlled community organisation in Alice Springs, for refrigerated transportation of fresh and frozen food to 250 households weekly.

VIC/TAS: WOOLWORTHS AND WIRES FOOD FOR WILDLIFE PROGRAM

The program has grown rapidly since the 2019 Black Summer bushfires - over 200 stores nationally are now connected with local registered carers. Woolworths Melbourne metropolitan stores support local organisations such as South Oakleigh Wildlife Shelter who rescue and care for injured and orphaned native birds, bats, possums, lizards and turtles.

QLD: ROYAL FLYING DOCTOR SERVICE

In May, we invited QLD and northern NSW customers to donate to our partner, the Royal Flying Doctor Service (Queensland Section). \$328,862 was raised to help train doctors, nurses and pilots, purchase and upgrade vital aeromedical equipment and deliver mental health and wellbeing programs.

NSW: VARIETY THE CHILDREN'S CHARITY

In support of Variety and the children they support, in May, we participated in the Variety Bash (car convoy) which travelled from Newcastle to towns in North West and Central NSW. In addition to our NSW team participating in the bash and providing catering along the way, all of our NSW supermarkets fundraised for Variety, raising more than \$200,000.

QLD: CHILDREN'S HOSPITAL FOUNDATION

Woolworths Supermarkets' long-standing partnership with the Children's Hospital Foundation reached the \$60 million milestone in September. This remarkable figure was achieved through multiple fundraising campaigns, including by teams and customers over the past 34 years, working wonders for sick and injured kids.

NZ: GROWING FOR GOOD

Countdown inspires the next generation of environmentalists to take on sustainability-focused projects through our Growing for Good Grants. More than 500 applications were received in F21, with a record \$75,000(NZD) awarded to 71 schools and early childhood education centres throughout Aotearoa.

¹ Cash and In Kind donations have been verified in line with the B4SI framework www.b4si.net.





Planet

Building a better tomorrow for our planet means protecting and repairing the world we live in for future generations. It means going further than just limiting negative impacts to actively finding ways to create positive benefits.



Power from solar

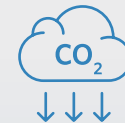
31,480kW

capacity installed



Organic waste diverted from landfill

56%



Carbon emissions scope 1+2 reduction of

27%

below 2015 baseline, towards 63% by 2030



Responding to climate change

Shifting weather patterns and frequent extreme weather events continually remind us about the impacts of climate change. Climate science indicates that we need to limit global warming to 1.5 degrees above pre-industrial levels to avoid the worst of these effects and our goal to decarbonise our business is aligned to this aim. But we want to go further – we want to become a net carbon positive business, taking more carbon out of the atmosphere than we produce.

As Australia's largest food retailer, Woolworths Group has a responsibility to be a leader in responding to climate change. As such, we have set ambitious targets for changing the way we operate in order to reduce greenhouse gas emissions, to thoughtfully use our natural resources and to bring circular thinking into everything that we do. We also know that changes must extend beyond our own operations and we are committed to partnering with our suppliers to help effect broader change in our value chain.

Woolworths Group is committed to identifying and managing climate change risks in keeping with the recommendations of the global Financial Stability Board's Taskforce on Climate-related Financial Disclosures (TCFD).

In recent years we have achieved significant emissions reduction in our operations from our 2015 baseline, and have sought to better

understand the impact of climate change to our business through our risk assessment and preliminary scenario analysis work (disclosed in 2019 and 2020 respectively). This year we have focused on combining all aspects of our climate change response into our holistic climate change strategy to guide our efforts over the coming years.

Strategy

In this first year of our [Sustainability Plan 2025](#), we have focused on preparing our strategy to underpin our organisational approach to climate change and support our transition to a carbon-constrained future. Delivering on our ambitious commitments, and effectively managing climate risk, needs an end-to-end approach, requiring us to consider implications across our value chain and impacts on our internal and external stakeholders.

Climate change strategy

Our strategy has been endorsed by the Woolworths Group Board and covers the following five elements:

- 1. Reducing and greening our power use** – through power efficiency and transitioning to 100% green electricity (see Goal 1 on [page 27](#)).
- 2. Introducing low-carbon technology and practices in our operations** – including converting refrigeration systems in approximately 700 stores to low-carbon technology (see Goal 3 on [page 30](#)); addressing food waste (see Goal 2 on [page 28](#)); and investigating decarbonisation of our logistics operations.
- 3. Increasing resilience in our value chain** – we will make physical network resilience investments (such as flood barriers and back-up generators in vulnerable stores), enhance buying practices to diversify supply and better leverage climate and weather science, as well as focusing on the environmental sustainability of our supply chain.
- 4. Supporting our team, customers and industry on emissions reduction** – our customers tell us that living more sustainably is important to them, even during a pandemic, with 45% saying that 'taking care of the planet is important to them' (November 2020). However, 33% say that lack of clarity around sustainable product choices is a barrier to living more sustainably. We're also engaging our partners and suppliers on ways that they can reduce carbon emissions, increase uptake of green power, engage in regenerative agricultural practices (see Goal 4 on [page 33](#)) and invest in innovation.
- 5. Supporting community climate change resilience** – leading by example supporting natural disaster-affected communities (see S.T.A.N.D on [page 18](#)).

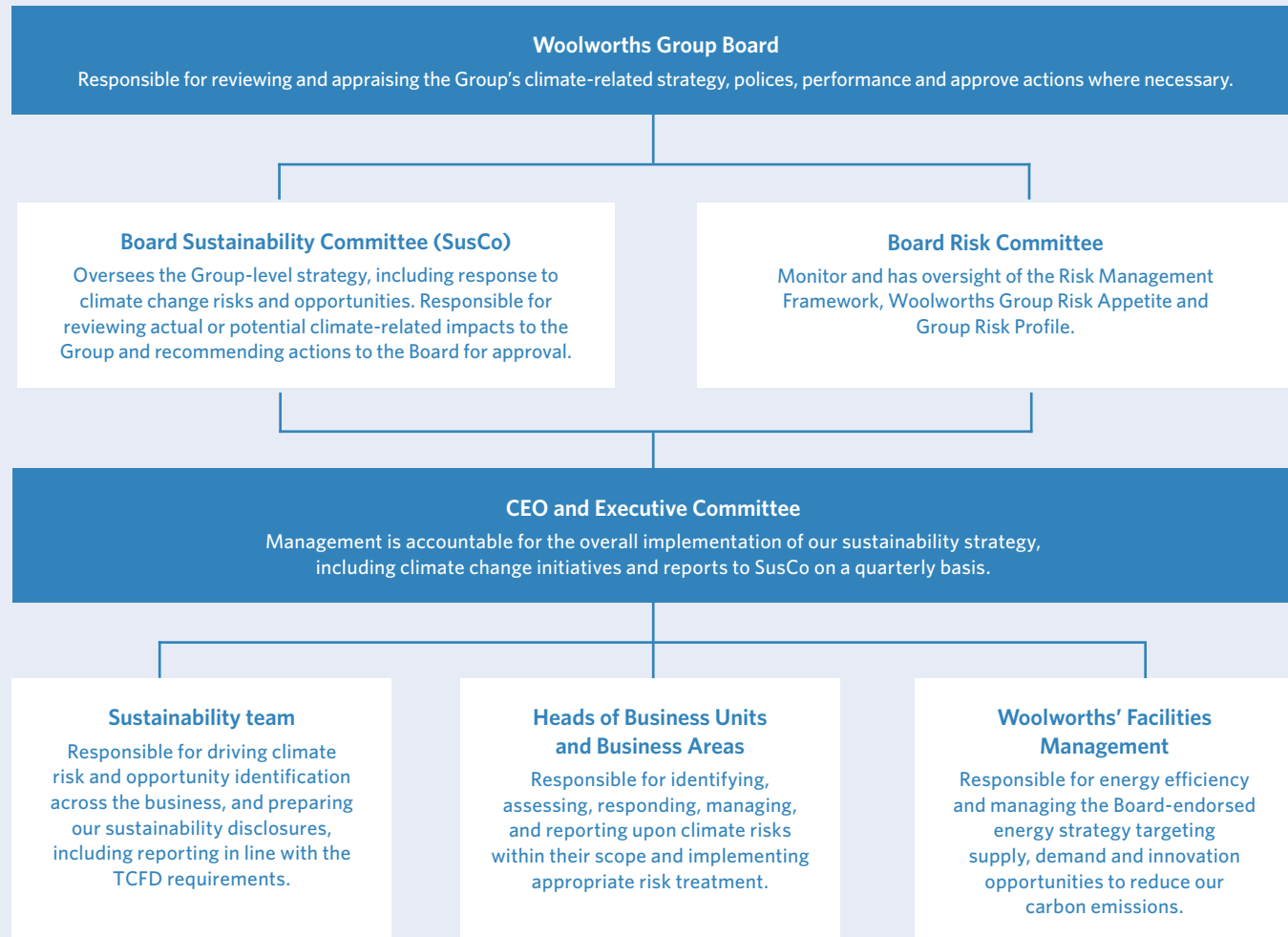


Responding to climate change

Governance

We consider climate change as a Board-level strategic issue. The Woolworths Group Board is responsible for reviewing and appraising the Group's climate-related strategy, policies and performance, approving actions where necessary. The Board Sustainability Committee oversees the strategy, and is responsible for reviewing actual or potential climate-related impacts to the Group and recommending actions to the Board. The CEO and Executive Committee, including the Chief Sustainability Officer, have accountability for the implementation of our climate change strategy, and report quarterly to the Sustainability Committee.

Climate change governance



Climate risks and opportunities

Climate-related risks and opportunities are identified through the Woolworths Group Risk Management Process in line with our Risk Management Framework (RMF) framework. The RMF framework sets out the required end-to-end management of our risk assessment and risk response processes, and monitoring and reporting. Climate change has been identified as a material business risk and is included in the Material Risk section of the [2021 Annual Report](#) (page 36-41). Our response to these risks is contained in our [Sustainability Plan 2025](#), which broadly sets out:

- Our targets, timelines and actions appropriate to mitigate these risks that are within our control
- Our commitment to influence beyond our direct control, through critical partnerships with suppliers, stakeholders, government and other parties.

There is a range of climate-related transitional and physical risks which impact our business in different ways. Given the breadth of impacts across our business we have summarised them into the following risk themes, and business areas as shown in the following tables:

Climate risk themes and mitigation opportunities

| Climate themes | Potential risk | Mitigation and opportunity |
|-------------------------|--|--|
| Food security | Obtaining and supplying certain products becomes challenging. | Diversified sourcing will provide some insulation from climate risk for products where more alternative growing regions exist. However, risks are heightened for products that have limited options for relocation which could deeply affect availability of produce and price to customers. |
| Physical | Our operations are susceptible to extreme weather events such as flooding and electricity blackouts. This can lead to increased product damage and stock write-offs. | We will continue to enhance our climate modelling to assess the risks to physical assets and help us plan for extreme events. |
| Policy and Legal | Change in policies may impact our energy, fuel and raw material costs and operating costs for refrigeration systems. | We will continue to enhance our scenario analysis to establish the potential impact of policy changes. |
| Technological | The delayed adoption of new technologies in our facilities will reduce our competitiveness. | We will investigate new initiatives for optimising efficiencies such as innovative renewable energy installation, batteries and renewable energy procurement. Our science-based target will bring particular focus to this work. |
| Reputational | Customer expectations for corporate behaviour are higher than ever and demand social responsibility. A poor reputation on climate action can hurt sales through consumer boycotts or local community protests. | Woolworths Group will continue to actively engage with our stakeholders and improve our disclosure on climate-related risk management. We will work to ensure that our existing and future commitment for climate action is effectively communicated. |

Climate risks by business area

| | |
|-------------------|---|
| Customers | Perception of Woolworths Group may be influenced by our ability to provide sustainable, affordable, high-quality products that align to shifting customer preferences. We understand too that there are heightened stakeholder expectations of our role in tackling climate change, ethical sourcing and providing healthy food options. |
| Suppliers | Across the agricultural and food processing sectors, climate-related events such as droughts, cyclones and flooding, along with climate-related regulatory interventions, can affect the price, quality and quantity of fresh produce and how Woolworths Group is perceived. |
| Operations | Our operations may increase their energy use and equipment may need replacing more frequently due to rising temperatures. We are likely to experience more store closures, product loss and logistics disruption with increased numbers of extreme weather events. We may see higher energy costs due to fuel and carbon cost changes. Our building and equipment costs may increase with improved efficiency requirements and a move to electrification. |



Climate risks and opportunities continued

Opportunities for effective management of climate change include the avoidance of the extreme consequences of uncontrolled climate change impacts. Effective mitigation should also bring about longer term stabilisation of essential food supply and market confidence which, in turn, should result in better business outcomes and opportunities than would otherwise be the case. The management of risks to the business is a key component of our ways of working and is expected across all layers of management, forming part of our overall performance and reward systems. Our end-to-end climate change strategy better enables us to understand the risks and opportunities that climate change presents to our business, in turn, enabling more comprehensive climate change disclosures.

Our next steps

We are committed to monitoring, managing and reducing where possible, greenhouse gas emissions of our operations, and we are working to enhance our understanding of, and to address, the risks created by climate change for our business.

Last year, we conducted a climate risk scenario analysis to better understand the climate change resilience of our business. We are further refining the model, and plan to expand this analysis across our supply chain to present a more balanced and complete view of the impacts on our business. We will disclose more details on this in future reports, starting from F22.

We are aware that the effects of climate change are already being felt around the world. The recent 6th Assessment Report from The Intergovernmental Panel on Climate Change showed that in Australia, warming has reached 1.4°C - heat extremes have increased, cold extremes have decreased, and relative sea-level has risen at a rate higher than the global average. It is clear that addressing climate change requires net zero emissions globally as soon as possible. We are committed to reviewing our Sustainability Plan on an annual basis, in line with our annual business strategy update, and will update our goals and commitments as needed to make sure that our level of ambition to drive meaningful change is maintained.



Green electricity

PLANET

Goal 1

100% Green electricity by 2025

Progress



We have a positive impact on the planet

Sustainable Development Goals



We've made significant progress in becoming more energy efficient, but now we want all the energy we use to be green.

As shared in our [Sustainability Plan 2025](#), we're committed to sourcing 100% renewable electricity to power our business by 2025.

As Australia's largest retailer, using around one percent of Australia's national electricity, we have a unique opportunity to lead, and make a real impact, with this shift. We're working to invest tens of millions of dollars into renewable energy partnerships and to prioritise new green energy projects to drive growth and create new jobs in the sector. With 82% of our current operational emissions coming from electricity, the changes we make here will materially reduce our overall carbon footprint.

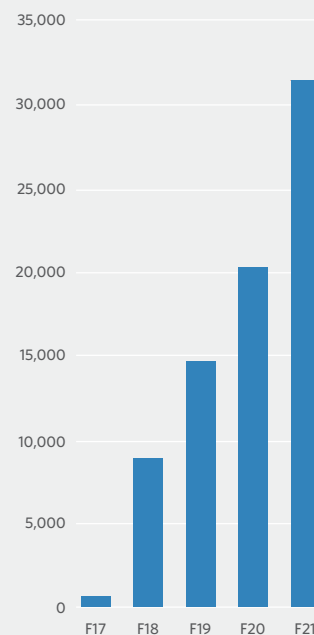
In a significant move, we recently announced our first renewable power purchase agreement (PPA) partnering with CWP Renewables on a new-build wind farm in NSW. From January 2022, the PPA will cover around 30% of Woolworths Group's NSW energy needs with the electricity required to power 108 supermarkets; avoiding almost 158,000 tonnes of carbon emissions each year. This is equivalent to the yearly energy needs of 34,000 homes. The PPA will support more than 100 jobs in the construction and operation of the Bango wind farm. The Bango project will pay annual rents to local landholders

whose properties host wind turbines, and CWP Renewables will establish a \$14 million fund for community projects.

Additionally, we continue to focus on reducing electricity usage across our stores, including improving our refrigeration systems; especially in the transcritical CO₂ systems space. With LED lighting contributing a saving of 11% of total store energy consumption, we've prioritised the multi-year rollout of our LED installation program across Australia, completing over 1,000 supermarkets in F21. Across the Group, we've continued our investment in solar. We now have rooftop solar panels on 197 locations, including 132 Woolworths and 38 Dan Murphy's stores. That's more than 100,000 solar panels, generating 44GWh of electricity each year - enough to power more than 7,000 homes.

As part of our green electricity ambition, the Group aligned our approach to global best practice by joining RE100 led by The Climate Group, in partnership with CDP. RE100 is a global initiative bringing together the world's most influential businesses to drive the transition to 100% renewable electricity. Membership gives us access to global best practice and third party-verified consistent reporting frameworks.

Solar installation (kW)



HELPING AUSSIE FAMILIES SWITCH TO GREEN ENERGY

Woolworths has committed to 100% green energy for our business but we have not stopped there. On behalf of our Everyday Rewards members, we continue to partner with key industry stakeholders, including Origin Energy, to explore initiatives that benefit the planet. The WooliesX Everyday Rewards partnership with Origin Energy has helped balance affordability and sustainability and is giving Australians the opportunity to support green energy at no additional cost.

Members receive bonus Everyday Rewards points for sign up and ongoing Everyday Rewards points with the Origin Everyday Rewards Plan. The Plan provides 25% green power for electricity customers, meaning that for 25% of the electricity consumed by the customer, the equivalent amount of renewable energy gets added to the grid. The Plan provides 100% green gas for natural gas customers, meaning that Origin will offset 100% of the greenhouse gas emissions from the customer's natural gas usage, via Climate Active, a government-backed carbon neutral certification scheme. The co-branded products are helping thousands of Australian families switch their electricity and gas supply to a plan that supports green energy, being the more rewarding choice.



Food waste

PLANET

Goal 2

Zero food waste to landfill by 2025

Progress



We have a positive impact on the planet

Sustainable Development Goals



Embracing circular thinking and the power of partnerships, we are making changes across all parts of our value chain to prevent edible food being wasted and instead redistributed through our food rescue partners. Our goal is zero food waste to landfill by 2025.

As a country, we face unique challenges when it comes to food waste reduction. We rely on road trains, which often need to cover vast distances through a range of diverse climates, to deliver food to our stores.

Our dispersed and variable geography has made it challenging to implement effective recycling infrastructure, with only the major cities having current access to organic waste-processing facilities.

During 2021, we conducted an audit within Woolworths Supermarkets, finding that around 45% of bin content was organic waste, indicating further opportunities to rescue more food for those in need, or allocating to other channels such as farmers or organic waste composting, diverting it from landfill.

We are committed to doing more, and working to address these complex challenges, with the help of our partners and suppliers. Our membership of the Fight Food Waste Cooperative Research Centre, for example,

enables us to work with industry and academic partners to find innovative ways to reduce our food waste.

Food rescue partners and our local communities

The successful and ongoing expansion of our food rescue partnerships is critical to our goal of ensuring that no edible food goes to landfill. With over a thousand stores across Australia, in urban, rural, regional and remote locations, we have developed a significant array of partnerships to give every store the ability to donate surplus edible food, free of charge, to people in the local community who may be experiencing food insecurity.

The strong relationships between our supermarket team members and their local food relief agency drivers who collect our surplus fresh food are key to these partnerships. As *Today's Fresh Food People*, we understand the importance of reducing food waste by having the right amount of food on

show, at the right time, at the right price and at optimal freshness, so that our customers can take it home and consume it all. But there is always a degree of surplus food, and through our partnerships we can get this surplus to those who need it most.

Through our sponsorship, fundraising and program support, we have been expanding our major food rescue partnerships for many years. We donate the equivalent of over 24 million meals per year to food relief via our stores and distribution centres. One of our food rescue partners, OzHarvest, now operates in 16 cities, collecting and distributing the equivalent of 10 million meals per year, from 500 of our stores to over 1,400 national charities. Woolworths Group is also Foodbank's largest food donor and pro bono freight provider, helping them reach more than 2,400 charities. Our partnership with FareShare, operator of Australia's two largest charity kitchens, also continues to grow, as we work together to direct all our surplus food to where it is most needed.





Food Waste

Goterra – a successful ‘Proof of Concept’ investment

In our continuing efforts to divert food waste from landfill, we identified the need for an organics waste solution for those Woolworths Supermarkets without access to Council-provided services. First, we conducted a review of organic waste management across Australia to inform our decision on the location and technology for our trial. The Australian Capital Territory (ACT) was chosen because of its lack of organics waste infrastructure. We selected innovative Canberra-based start-up, Goterra, as our technology partner as it was able to accept all surplus food, regardless of packaging or food type. This crucial factor meant stores did not have to sort or de-package food. Goterra’s Black Soldier Fly Larvae program was the technology used in our trial. Food waste was fed to the larvae, which were subsequently turned into a sustainable livestock feed. The pilot was so successful it now forms part of our ACT stores’ business as usual approach.

Battery and mobile phone recycling

Our commitment to waste reduction goes beyond food. Australian battery recycling rates lag behind other advanced economies, where collection has traditionally been more accessible. Australia currently recycles around 10% of typical handheld household batteries compared to around 40% in the UK and Germany. We have partnered with battery recycler Ecobatt to change this by offering new in-store battery collection units set to rollout nationwide.


Head of Sustainability Woolworths Food Group, Adrian Cullen said: *“Often with the best of intentions, people can hold on to their used batteries at home, with the plan of eventually recycling them. By offering customers a convenient place to drop off batteries and phones as part of their regular weekly shop, not only can we prevent batteries going to landfill, but also reduce at home stockpiles which can be a safety risk.”*

With this program going national Woolworths will offer the largest network of battery collection units in Australia. We’re expecting to collect up to two million batteries a month based on the volumes collected during supermarket trials in 2020.



Countdown Food Rescue Summit

Countdown is committed to industry leadership in the sustainable food rescue space, once again bringing our partners together for the 2021 Countdown Food Rescue Summit. This Summit launched the Aotearoa Food Rescue Alliance, which we are an advocate for, and sponsor of. In 2021, we provided more than \$460,000 (NZD) worth of funding to food rescue organisations across Aotearoa to enable them to help us achieve our goal of zero food waste to landfill by 2025.

 For more information see the [Countdown Sustainability Report 2021](#).

The Odd Bunch

In 2015, as we began to apply circular thinking to our processes, we launched ‘The Odd Bunch’, which supports local farmers and helps reduce food waste. These are fruit and vegetables that may look less than perfect, but are still high quality. Over the past six years, more than 40% of our customers have purchased from the range. To date, more than 204,000 tonnes of The Odd Bunch fruit and vegetables were sold instead of being diverted to landfill.



Goodman Fielder bread backhauling

Working with Goodman Fielder, our vendor bread supplier, we now have 382 Woolworths stores across Australia diverting in-store baked (ISB) own brand bread from landfill. Goodman Fielder takes our ISB bread away when they replenish a store and together with a third party make it into other products such as pet food, giving us a circular economy solution for bread waste.

Net positive carbon emissions by 2050



PLANET

Goal 3

Net positive carbon emissions by 2050

Progress



We have a positive impact on the planet

Sustainable Development Goals



Recognising that addressing climate change is of critical importance to our business, and to economies both local and global, we have set ourselves ambitious, but we believe achievable, emissions reduction goals as part of our Sustainability Plan 2025.

We will reduce our scope 1 and 2 emissions by 63% from our 2015 baseline by 2030 – this represents our direct operational emissions and our emissions from electricity use. This target has been ratified by the Science Based Targets initiative (SBTi), an independent global body formed by the United Nations Global Compact, CDP, the World Resources Institute and the World Wildlife Fund for Nature.

The SBTi assesses and approves companies' targets through a scientific lens, ensuring alignment with the Paris Agreement goal of limiting climate change to an increase of 1.5 degrees above pre-industrial levels.

To achieve this target globally, it is forecast that net positive carbon emissions will be required. This is why we have set our 2050 (or earlier) goal, encompassing scope 1 and 2 emissions, to go beyond net zero.

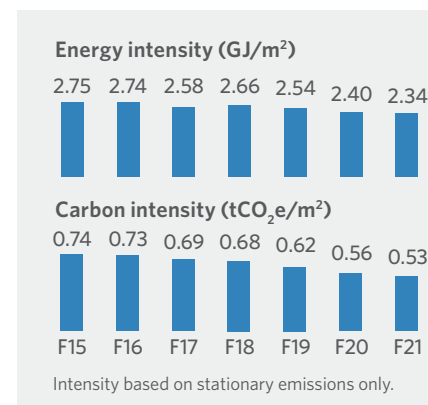
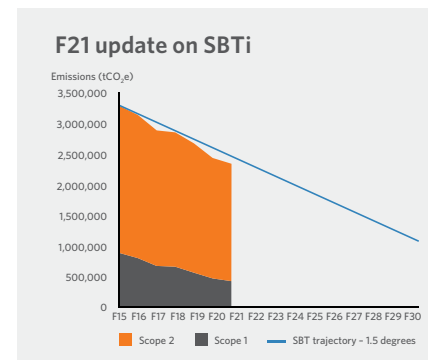
Our ambition is to remove more emissions from the atmosphere than we are responsible for. Our strategies to achieve this will continue to evolve over this time horizon and will be communicated in our sustainability updates and annual reports.

Our main sources of scope 1 (direct) emissions include emissions from fugitive synthetic

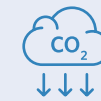
refrigerants, natural gas, transport fuel, stationary LPG and diesel for onsite back-up generators, while our scope 2 (indirect) emissions are those associated with electricity use. Purchased electricity represents 82% of our combined scope 1 and 2 emissions, in F21 accounting for 1.91 million tonnes of carbon dioxide equivalent (CO₂e). The next most significant category being refrigerant gases.

This year, we emitted over 2.31 million tonnes of CO₂e from facilities across the Group (scope 1 and 2 emissions). Positively, our current emissions are 27% below our 2015 baseline. This continues our positive trend on emission reductions on both an absolute basis as well as an intensity measure.

We intend to reduce our scope 3 emissions by 19% from our 2015 baseline. These represent the emissions in our value chain. Our scope 3 emissions include fuel consumption by our logistics transport, business travel and home delivery and trolley collection services. Our value chains are complex and we are working to improve our data to enable us to better understand our scope 3 emissions. Over the coming year, we will define our approach to addressing our scope 3 emissions reduction target, in partnership with our suppliers.



Our emissions reduction commitments



63%

reduction in our scope 1 and 2 emissions by 2030, compared to a 2015 baseline

19%

reduction in our scope 3 emissions by 2030, compared to a 2015 baseline

Aim to reach net positive emissions for our operations no later than 2050, and earlier if possible




Net positive carbon emissions by 2050

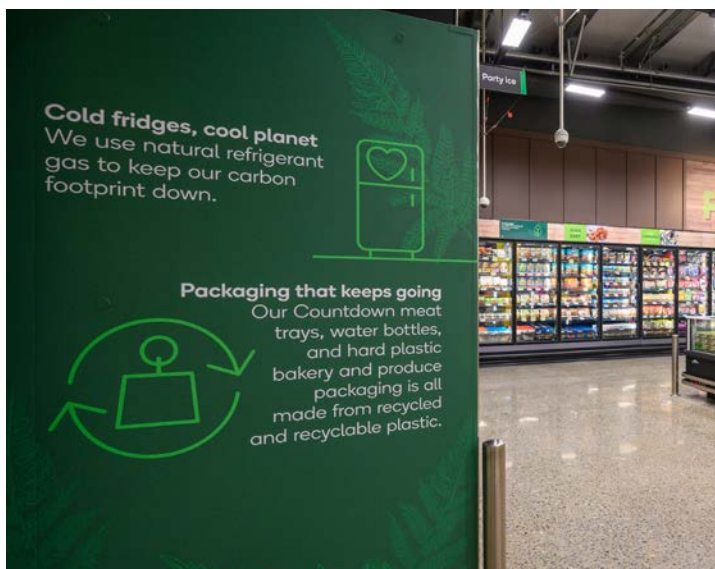
Refrigeration management

Refrigeration remains a top priority for Woolworths Group, for its impact on the quality and freshness of our food, as well as representing our second largest source of emissions. We continue to build on the foundational work of recent years during which we undertook technology interventions, such as leak detection and management and new system installations. Overall, our refrigerant leakage has fallen 37% below our 2015 level, demonstrating significant ongoing improvements in this area.

Over F21 we have continued our program to install new transcritical CO₂ systems to now cover 55 stores, through replacements, upgrades and new store installations. When evaluating our existing systems, our team balances factors, including leakage from older or problematic systems, the type of current refrigerant gas in use, the expected remaining useful life and the escalating costs of replacement refrigerant gases. Transcritical is now considered the first and best option for refrigeration systems for all new stores and refurbishments, although this is balanced with other factors in our decision making. Each new transcritical system is estimated to save 100 tonnes of CO₂e per year per store.

Across the refrigeration industry, Woolworths Group is investing in jobs for the future, with new intakes of apprentices each year building capability and capacity, and our program fostering greater gender and cultural diversity. This should increase system installation and maintenance capability outside of metropolitan areas.

 See Refrigeration Apprenticeship story on [page 8](#) for more information.



Emissions reduction initiatives

Highlights from our F21 emissions reduction initiatives include:

- Continued investment in our solar rollout program making use of our available roof space. This year we have reached over 44,000MWh of solar capacity across the network
- Project Enlighten, completed this year, which upgraded lighting across our network with efficient LED lighting options, reducing our energy requirements
- Our Energy Management Centre continues to proactively manage our energy use, identifying issues and trends before they become problems or equipment failures.

Low carbon fleet

'Eve' and 'Buzz', our Electric Vehicles (EV), have continued to support supermarket deliveries in Sydney and Melbourne. They are proving the viability of EVs in this area, with payload and range continuing to perform to expectation. Eve and Buzz have been used to showcase what quieter delivery vehicles can achieve in support of delivery curfew flexibility and to remove vehicles from roads at congested times.

We will introduce new EVs for Woolworths Online to commence piloting their use for home deliveries in late 2021.





Net positive carbon emissions by 2050

Green Star design

Buildings and construction cause around 20% or more of emissions in Australia and New Zealand. Recognising this, Woolworths Group has committed to all property developments achieving a 4 Star Green Star design and as-built rating. By 2025, we aim to have a 5 Star Green Star minimum standard, as we strive to have a positive impact on the planet.

In June 2021, Countdown opened what will be its first Green Star accredited store. Countdown Richmond, near Nelson, was built with sustainability at the heart of both its construction and design. Recycled and more sustainable materials were a key feature of construction of the store. Recycled aggregate was incorporated into the carpark asphalt, less steel was used (thanks to clever design work) and fly ash was incorporated into the foundations to reduce the amount of cement needed.

The store is Countdown's first site with solar panels, which are expected to deliver between 10% and 15% of the energy needed to power the store. Other initiatives include doors on fridges to reduce energy use, a transcritical refrigeration system, digital shelf tickets to reduce paper going to landfill,

water-efficient fixtures and fittings, an electric delivery truck and charger, plenty of EV chargers for customer cars and more bike parks.

Our new Melbourne fresh distribution centre has similarly been designed and built for 5 Star Green Star certification which is expected to be received in late 2021. Features include:

- The use of solar to generate energy (1.5MW) to power the site
- Electric charging points, powered by solar at the back docks, to enable temperature-controlled trucks to power their chillers
- The installation of the latest building management system to monitor energy consumption across the site and redistribute power where needed
- Co-location with the Hilton meat plant, allowing for the use of an air bridge (equivalent to taking 6,000 trucks off the road).

We are working to deliver more 5 Star Green Star accredited distribution centres in late 2021, one in New Zealand and two in Australia.



Responsible stewardship of natural resources

We want to positively impact our planet, and are committed to working with our farmers, suppliers and the broader agricultural industry on the responsible stewardship of natural resources, including regenerative farming practices. We apply circular thinking to everything we do, viewing waste as a resource.

Agriculture is the backbone of our business, from the fruit and vegetables sold weekly in Woolworths and Countdown Supermarkets, to the cotton used in our BIG W apparel. As a society, we are depleting our land, water and soil faster than it can be replenished, and biodiversity is declining. Decades of intensive farming, without adequate stewardship, has reduced our planet's ability to store carbon and degraded our natural resources. Australia's extreme weather conditions, including drought, floods and fire, have also impacted the resilience of our land. With the world's population projected to experience exponential growth by 2050, we need to find ways to feed more people from less. We understand the issues affecting our world, and are committed to doing more.

Farmers also understand these issues and together we can do more to protect our natural reserves. We have committed to working with our farmers, suppliers and other partners

to conduct a review to understand the potential for adopting sustainable and regenerative agricultural practices across our fresh food supply chain in high-risk areas. We're working to complete this review in F22, and publicly share an annual update on our actions as we implement beyond F22.

Across the Group, we continue to work to improve the water efficiency of our operations. Nationally, we have rolled out the installation of smart water meters - now in 139 stores - connected to our Energy Management Centre. These meters allow us to identify leaks and other anomalies. In F21, these have helped us to save around 23 million litres of fresh drinking water, equating to nine Olympic-sized swimming pools. As we continue to use the meters to collect insights into our usage patterns, our team will set targets and continue to better manage consumption.

Endeavour Drinks

As part of our push to have a positive impact on the planet and apply circular thinking in our management practices, this past year, Endeavour Drinks' Dorrier Estate Winery and Vinpac Angaston bottling facility have implemented new initiatives which include:

- Commissioning a new joint wastewater treatment plant, currently treating wastewater from the winery for reuse as crop irrigation
- Diverting 99% of waste from landfill. While waste avoidance, reuse and recycling is prioritised, non-recyclable material at both sites is now processed at the SUEZ-ResourceCo facility in Adelaide, with the waste converted into processed engineered fuel that can be used to replace fossil fuels to generate energy
- The installation of solar, with a combined total capacity of 1.38MW.

In addition, both sites have an environmental management system that is ISO 14001:2015 Environmental Management Systems certified.

Endeavour Drinks participates in the Barossa Regional Recycling project advisory group with local authorities and other members of the region's wine industry. It's part of our work with industry to find sustainable solutions in communities where we operate.



PLANET

Goal 4

Practise responsible stewardship of natural resources

Progress



We have a positive impact on the planet

Sustainable Development Goals





Product

Building a better tomorrow through our products means evolving the way we do business to embrace circular thinking – meaning all waste is a resource. It also involves making it easier for our customers to choose products that are healthier, sustainably-sourced and responsibly-packaged.



Australia's Healthiest Supermarket Own Brands¹



First Australian and New Zealand retailer to achieve

Tier 2

in the global Business Benchmark on Farm Animal Welfare



Plastic packaging removed from circulation

>6,000t

compared to F18 our baseline year



All palm oil in own brand food supported by the production of sustainable palm oil

¹ According to The George Institute for Global Health's FoodSwitch: State of the Food Supply report (August 2020) based on mean Health Star Rating compared with Coles, Aldi and IGA.



PRODUCT

Goal 1
Materially increase healthier choices in our customers' baskets

Progress
■ ■ □ □ □

We act like a leader and speak up on issues that matter

Sustainable Development Goal

Healthier choices

We will make healthier choices easier for our customers. We will provide inspiration and healthier alternatives across our stores and online, to grow healthier products in our customers' baskets at a faster rate than less healthy choices. Furthermore, we will create meaningful initiatives that support, inspire and educate our customers to establish healthier eating habits.

Our customers care about health, a trend only accelerated by COVID-19 - which 60% of Australians say has encouraged them to seek out healthier products¹. In response, our [Sustainability Plan 2025](#) includes a number of ambitious health commitments supporting our goal to materially increase healthier choices in our customers' baskets. To help amplify our health strategy, in November 2020, we formed our Health Guild, which brings together business leaders across different teams to help us achieve our ambition of making healthier choices easier for our customers.

New own brand health commitments

We continue to support our customers to make healthier choices through clear and transparent labelling, and have introduced a number of voluntary commitments to ensure we market our own brand products responsibly, particularly when it comes to children. By 2025, we will only

use characters, graphics or activities that could be perceived as primarily appealing to children on healthier product packaging.

In the Woolworths Annual Food and Health Survey 2020, over one quarter (26%) of customers said removing nutrition claims from products that were unhealthy was an important initiative which could help them make healthier choices¹. In response, we introduced more stringent internal policies to ensure nutrition claims are used responsibly.

Woolworths and Countdown supermarkets display the Health Star Rating on all eligible own brand products, using this as a tool to help drive positive reformulation and healthier product development.

Developing healthier products

We know our customers want us to make healthier eating easier for them and their families, and we are firmly committed to delivering on this need. We continue to work towards the voluntary reformulation targets set by the Australian

Government's Healthy Food Partnership, and the New Zealand Heart Foundation's HeartSAFE program, to improve the nutritional quality of our own brand products in Woolworths and Countdown. To date, 74% of Countdown Own Brand products meet the HeartSAFE targets. We also continue to work towards our own internal nutrition standards set by our team of qualified nutritionists - see table on the right.

In response to our customers' concern about artificial flavours and colours, we embarked on a three-year project to remove these ingredients from Countdown's in-store baked goods. The new recipes for more than 60 products underwent months of testing to ensure there was no reduction in taste, overall appearance and shelf life. In marking this milestone in August 2020, our belief is that we were the only national bakery in New Zealand baking without artificial flavours or colours. In Australia, Woolworths has been free of artificial colours and flavours across our own brand range since 2017.

In recent years we have reformulated our Woolworths Own Brand and Countdown Own Brand products and added more whole grains and vegetables to our range. This has resulted in:

| | Australia ² | New Zealand ³ |
|------------------------------|------------------------|--------------------------|
| Less salt | 99t | 3t |
| Less saturated fat | 155t | 10t |
| Less sugar | 269t | 9t |
| More whole grain | 5,600t | n/a |
| More vegetables ⁴ | 607t | 101t |

2 Figures are total of past four years.
3 Figures are total of past three years.
4 Figures are total of past year.

1 IPSOS. Woolworths Food & Health Survey. 2020.



Healthier Choices

Supporting healthier choices

Digital

In December 2020, Woolworths launched Healthier Options, an online tool available on select product pages, to make it easier for customers to identify similar, healthier alternatives when shopping online (based on the Australian Government's Health Star Rating system).

To help inspire our customers to make healthier choices, we include hundreds of healthier recipes on our website, continuing to add more. We are also progressively adding nutrition information to all of our recipes, as well as relevant dietary and lifestyle tags, such as gluten-free, vegan, vegetarian and high fibre.

Affordability

We know that budget is a barrier to healthy eating for more than one third of Australians¹, so we're helping to make healthier choices more affordable by offering hundreds of healthier products on low prices nationally, such as Macro Organic Frozen Raspberries and Woolworths Rolled Oats.

HealthyLife

We're launching a new online business, known as HealthyLife, to accelerate providing customers with health and wellness advice, experiences, services and products. This holistic health destination will be powered by personalised experiences, health and wellness services and a tailored range of nutritional supplements, vitamins and organic products, all backed by a qualified Health Advisory Board.

Encouraging Aussie kids to be healthier

Free Fruit for Kids

Our Free Fruit for Kids program continues in all our supermarkets across Australia. This past year, we gave away more than 16 million pieces of free fruit, proudly reaching the milestone of providing more than 100 million pieces of free fruit to kids since program launch in 2015.

Woolworths Centre for Childhood Nutrition Research

The Woolworths Centre for Childhood Nutrition Research (WCCNR) is a \$5 million research centre which, in partnership with the Children's Hospital Foundation, harnesses the combined resources of experts to make an impact on childhood nutrition. To date, the WCCNR has invested in multiple research projects, such as diet impact

on early life microbiome and food allergy prevention, which focus on improving the nutritional health of all Australian children. The research findings will be translated into practical evidence-based strategies to help families consume healthier diets.

Junior sports

This year, Woolworths Supermarkets continued to proudly partner with key sports organisations to help inspire and support the health of Australian children. These included Cricket Australia, Surfing Australia and Netball Australia. In F21, \$228,000 worth of grants were given to local netball clubs and associations to help support kids keeping active. Over 8,000 children participated in Woolworths Cricket Blast program through the Woolworths Community Fund.



1 IPSOS. Woolworths Food & Health Survey. 2020.



Sustainable packaging



In seeking to positively impact our planet, we are partnering with industry to reduce the use of virgin plastic and increase the amount of recycled content in our own brand packaging, while making it easier for our customers to recycle and influencing our value chain to do the same.

Our customers tell us that one of their top concerns is packaging waste; plastic waste, in particular. We are focused on eliminating plastic wherever possible, and working towards closing the loop by encouraging recycling through design, technology and clear communication to our customers and suppliers.

Woolworths Group is working towards transitioning our entire own brand range to recyclable, compostable or reusable packaging by 2023 (by 2025 in NZ). Since F18, we've removed more than 6,000 tonnes of plastic packaging from circulation compared to our baseline year. (Also reported as 9,000 tonnes based on total avoided since F18). The packaging has been changed on more than 550 products, which has seen almost 800 tonnes of plastic removed from produce, around 600 tonnes from bakery products and approximately 700 tonnes yearly from milk bottles since 2018. We continue to drive our commitments on our own brand packaging over the coming years through initiatives, including:

2023 100% of own brand packaging widely recyclable, reusable or compostable

2024 halve the use of new (virgin) plastic packaging (by weight against a 2018 baseline)

2025 use an average of 60% recycled material in packaging

Beyond our own operations, we aim to lead by partnering with industry. In May 2021, we became a founding member of the Australia, New Zealand and Pacific Islands Plastics Pact (ANZPAC), which brings the industry, at every level of the supply chain, together in the pursuit of a shared set of plastic reduction targets and whose mission is "Together, through shared knowledge, investment and industry-led innovation, we will implement solutions tailored to Australia, New Zealand and the Pacific Islands region." Woolworths Group's commitments, as outlined in our [Sustainability Plan 2025](#), align with the targets set by ANZPAC. We see working together as an entire industry, and region, as critical to identifying and implementing solutions to reduce plastic waste.

Given our national presence, we also play an important role in providing our customers with access to in-store recycling initiatives. We participate in long-term initiatives, such as REDcycle, and are trialling new approaches, including our partnership with Schwarzkopf, Fairy and L'OR to provide a recycling kiosk for empty hair, beauty, home cleaning and coffee products. We have also updated our own brand products with the Australasian Recycling Label (ARL), making it easy for customers to see which elements can be recycled. With the ARL already displayed on 65% of our own brand, we're well on our way to achieving our commitment of 100% by 2023.

The number one challenge to our business in plastics packaging continues to be fruit and vegetables. More than any other product category, packaging is a critical part of food safety and quality, protecting produce in transit, extending shelf life and reducing food waste. We continue to trial innovative solutions in this space. For example, in F22 we will run a 13-week trial on our 1kg bags of apples, replacing 100% of the rigid and flexible plastic currently used to wrap products with FSC-certified fibre board.

PRODUCT

Goal 2

100% of own brand packaging is sustainable

Progress



We apply circular thinking in everything we do

Sustainable Development Goal



Product snapshots

Cotton tips



We've replaced the plastic stems of cotton tips with paper and sugarcane across our own brand range, saving almost 500 million pieces of plastic yearly.

E-receipts



We launched e-receipts within Everyday Rewards in June 2020 and already 250,000 Woolworths shoppers have cut paper receipts from their supermarket shop for good. Going paperless saves on average 13 metres of paper per customer every year.

Dan Murphy's box



Dan Murphy's Mornington East Wine Merchant Michael Zitzlaff came up with a solution to reuse wine box dividers, by putting them aside for local winemakers. This circular economy initiative, now rolled out to about 10 Dan Murphy's stores in Victoria, is not only great for the environment but with 12,800 carton dividers already being reused, it's a cost saving for local wineries.





Sustainable Packaging

Collaborating to reduce hard to recycle materials

To achieve our goal of making packaging more sustainable, we're committed to collaborating with our trading partners, government and industry to reduce waste and transition our business to a circular economy. We not only want to improve our own brand packaging but influence our whole value chain to explore more sustainable solutions. To this end, in F21, we launched the 'Woolworths Group - Packaging Preferred Materials List and Format Guidelines'.

Developed in consultation with the Australian Packaging Covenant Organisation, we have shared it with our own brand and vendor branded suppliers to support their packaging plans by considering problematic and preferred packaging materials.

The Guidelines provide a helpful tool as we work towards phasing out the hardest to recycle materials from all packaging by 2025 in line with the Australian Government's 2025 National Packaging Targets.

The Guidelines categorises packaging materials based on how easily recyclable they are:

- 'Red' = avoid using since customers cannot easily recycle. Phase out by 2025. For example, carbon black plastic, cardboard coated with wax.
- 'Amber' = when functional requirements mean 'Green' materials are not an option. For example, coloured rigid plastics, liquid paper board.
- 'Green' = packaging materials and characteristics which are widely recyclable in Australia and New Zealand. For example, PET, clear glass, corrugated cardboard.



Refill stations in-store

As we continue to explore ways to enable customers to reduce plastic waste and save money, we are trialling our first cleaning product refill stations. In Woolworths Brickworks in Victoria, and Woolworths West End in Queensland, customers can refill their bottles with three products from the Macro Whole Living Range - laundry liquid, multipurpose surface cleaner and dishwashing liquid. Further, each kitchen and multipurpose bottle from Macro Whole Living is manufactured from 100% recycled material, while the laundry bottle is made from 75% recycled material.



Recyclable meat trays

In 2020, specific red meat ranges became the latest category in our own brand to move towards more sustainable packaging. The new packaging uses 75% less plastic than previously and will eliminate 114.8 tonnes of plastic from the supply chain yearly through the use of FSC-certified board. Unlike some meat trays, customers can recycle the new paper trays in their kerbside recycling bin by simply peeling back the vacuum films used to seal the meat.



Australian made paper bags

In response to customer demand, in 2020, we introduced Woolworths paper shopping bags, which are easily recyclable at home. We've continued to work with our partner, Detpak, on a solution to transition to 100% Australian manufacturing, which launched in stores across South Australia and the Northern Territory in December 2020. We are already halfway through the rollout, which will see these locally-made bags available in every Woolworths store across Australia. The bags, made from 70% recycled paper, are sourced responsibly, supporting sustainable forestry.

Our partnership with Detpak has also increased local manufacturing capacity, with the company commissioning additional machines to double its local production capacity, and creating 25 new jobs.



Sustainable sourcing



PRODUCT

Goal 3

100% of own brand sourcing is sustainable

Progress



We have a positive impact on the planet

Sustainable Development Goals



Aligned with our goal to positively impact our planet and leverage our partnerships for change, we're working to make it easier for customers to make sustainable choices – by ensuring high-impact commodities are sourced sustainably through suppliers that have low risk of negative social and environmental impacts, such as deforestation, climate change and exploitative working conditions.

Palm oil

100% of palm (kernel) oil used in Woolworths' Own Brand food products supports the production of Roundtable on Sustainable Palm Oil (RSPO) certified sustainable palm (kernel) oil. In F21, 98.56% of the volume of palm (kernel) oil in own brand food products was independently certified, and the remaining 1.44% supported the production of Certified Sustainable Palm Oil (CSPO) through the use of RSPO credits.

In F21, our Palm Oil Policy was updated to further reduce the risk of deforestation in palm oil supply chains by:

- Transitioning to CSPO in all own brand non-food products, such as cleaners and personal care products
- Transitioning to segregated palm oil in Macro-branded food products to further reduce the risk of deforestation stemming from palm oil production
- Introducing on-pack labelling of sustainably-sourced palm oil on high-volume products.

Soy

This year, our Soy Policy has been developed to make sure high-risk/high-volume soy used in all own brand products and livestock feed does not contribute to deforestation.

Woolworths Group has become a member of the Roundtable on Responsible Soy (RTRS), a multi-stakeholder organisation promoting the growth of production, trade and use of responsible soy. It does this through facilitating dialogue, and the implementation of a global certification standard.

Certified sustainable soy is an emerging commodity in the Oceanic Region, and we are leading on this issue by engaging with the whole value chain, from growers to product manufacturers, to convey our expectations and seek assurance that Woolworths Group will support the production of sustainable soy.

In F21, we calculated our footprint of high-volume soy product ingredients (for example, soy in tofu, soy milk, edamame beans). This will allow for the identification of high-risk soy contained within own brand supply chain and inform our priority areas for action.

Over F22, our main areas of focus are footprinting volumes of soy in livestock feed, improving reporting capability for soy derivatives and supporting the supply chain through advocating for the increase in availability of low-risk soy.

Macro Whole Living

Macro Whole Living is our first range of own brand non-food products to launch in line with our updated Palm Oil Policy. The palm-based derivatives used in the formulations are from RSPO-certified sources. This supports a low risk of deforestation and other social and environmental risks surrounding palm oil production.





Sustainable Sourcing

Tea, coffee, cocoa and sugar

Last year, we met our 2020 Sustainability Commitment to have all Woolworths Own Brand coffee, tea, cocoa and sugar products sourced sustainably and certified through Rainforest Alliance, Fairtrade or Bonsucro Certification. We have worked hard over the last year to maintain these commitment levels. Our [Sustainability Plan 2025](#) outlines how we will extend this commitment to include ingredients in all our own brand products, supporting this transition with increased industry engagement and customer awareness. For instance, our Woolworths World Environment Day 2021 campaign incorporated multiple sustainability messaging across various communications touchpoints, such as digital, out of home, and national newspapers over eight weeks.

Our High-Impact Commodities Policy has been updated, and will inform the Group's focus on sourcing these commodities sustainably at the ingredient level. This will amplify our commitment to protect forests, rivers, soils and biodiversity, as well as improving the quality of life of farming communities.

Paper, pulp and timber

100% of our own brand products containing over 5% paper, pulp and timber (for example own brand tissues, toilet paper and kitchen towels) have met our net-zero deforestation commitment of being manufactured from independently-certified sources, or at least 95% post-consumer recycled content.

Our Paper, Pulp and Timber Policy has been updated to drive an increased focus on fibre-based packaging. All primary and secondary packaging in high-volume own brand products, such as cereal boxes, long life milk and egg cartons, have been sustainably-sourced either through independently-certified or recycled sources. All other own brand product packaging will meet this commitment by the end of 2025.

Cotton

We are committed to using cotton that has been produced sustainably and responsibly, and encouraging the use of recycled and reclaimed cotton wherever possible. The majority of cotton across Woolworths Group is utilised in BIG W's Own Brand apparel.





In early 2021, BIG W established a Cotton Sourcing Steering Committee to govern the Cotton Traceability Working Group. This past year, the Working Group conducted a review of our current procedures for cotton sourcing and found:

- All sourcing divisions have full visibility over direct Tier 1 suppliers of finished goods
- We continue to gain visibility over Tier 2 suppliers
- We have traceability procedures for certified products with a sustainability claim.

In response, we have:

- Developed an approach to supply chain mapping
- Developed a Cotton Sourcing Policy, for release in the H1 of F22
- Established an internal Cotton Tracing Protocol to support the implementation of the Policy.

Sustainably sourced single-ingredient own brand products in Australia

| | | | |
|---|---|--|---|
|  |  |  |  |
| Tea 100% | Cocoa 100% | Coffee 100% | Sugar 100% |

Better Cotton Initiative

In February 2021, we announced BIG W's membership of the Better Cotton Initiative (BCI). According to BCI, less than 25% of cotton is grown in a way that actively protects farmers, people, the environment and the sector's future. BCI is a global not-for-profit organisation, with the largest cotton sustainability program in the world.

BIG W's partnership with BCI demonstrates our ongoing commitment to sourcing more sustainable cotton across our entire business, starting with BIG W's Own Brand clothing, bedding and towel ranges. We're committed to improving cotton farming practices globally, and bringing shoppers sustainable cotton products.



Lead the future of protein

Animal welfare is of fundamental concern to us, our partners and many of our customers, so we're committed to continuing to work with our farmers and partners to promote good animal welfare management in our supply chain. Fifteen percent of Australia's greenhouse gas emissions are livestock-related, and we share our customers' concerns about the environmental impacts of protein. We intend to make it easier for our customers to eat sustainably and affordably through a balanced diet of animal, plant and novel proteins.

Animal welfare

The [Woolworths Group Animal Welfare Policy](#) sets out our minimum sourcing requirements and expectations for our own brand dairy (fresh milk), beef, lamb, poultry, eggs, pork and seafood products. Our approach is based on, and endorses, the Five Freedoms, proposed by the Farm Animal Welfare Committee.

In F21, we've continued to progress and influence best practice, consulting with a number of industry representatives such as veterinarians, academics, government representatives, training providers such as RSPCA Australia, Compassion in World Farming (CIWF), World Animal Protection and many other stakeholders to ensure that animal welfare in our supply chain is not compromised.

Business Benchmark on Farm Animal Welfare

Woolworths Group progressed to Tier 2 on the global 2020 Business Benchmark on Farm Animal Welfare (BBFAW), up from Tier 3. This positions us as the leading retailer in Australia and New Zealand in this area. We are one of only 23 companies globally with Tier 2 ranking. Our aspiration is to achieve Tier 1 status, the highest tier, by 2025.

The BBFAW attributes our shift to Tier 2 to our improved score in the management commitment, governance and management, performance reporting and impact areas. Specifically noted was our Board-level responsibility for farm animal welfare and our move to publish significantly more detail on our performance in relation to farm animal welfare across our supply chain. Read more [here](#).

F21 highlights

Over the past year, our Animal Welfare team in Australia has:

- Progressed to 32% of all own brand products containing egg from cage free sources
- Created independent animal welfare training in collaboration with AusMeat and provided it to all Woolworths livestock, processing and sustainable sourcing teams
- Initiated a partnership with FAI Farms Limited, global independent animal welfare and sustainability consultants, to review our animal welfare-metrics. FAI provides independent review, input and support to our animal welfare policies and procedures
- Awarded our Sustainability Supplier of the Year to pork supplier, Rivalea, for its high animal welfare standards and impressive carbon reduction innovations.

PRODUCT

Goal 4

Lead the Future of Protein

Progress



We have a positive impact on the planet

Sustainable Development Goal



Animal Welfare Principles: Five Freedoms

- 1 Freedom from hunger and thirst
- 2 Freedom from discomfort
- 3 Freedom from pain, injury or disease
- 4 Freedom to express normal behaviour
- 5 Freedom from fear and distress





Lead the Future of Protein

Woolworths and the RSPCA Approved Farming Scheme

In 2014, we proudly launched Woolworths Own Brand fresh RSPCA Approved chicken. Since then, we have worked closely with our suppliers and hundreds of dedicated farmers to bring our shoppers 100% RSPCA Approved chicken throughout our own brand fresh chicken range, as well as products where chicken is used as an ingredient. For Christmas 2020, we expanded our RSPCA Approved range with all Woolworths Own Brand fresh whole turkey coming from RSPCA Approved farms for the first time.

“Woolworths’ participation in the RSPCA Approved Farming Scheme means farms supplying the supermarket undergo a robust certification process and millions of birds are reared with a focus on animal welfare every year. Because of this commitment by Woolworths and their suppliers, it’s easier than ever for customers to support better farming by choosing certified higher welfare RSPCA Approved chicken and turkey when they shop.” Richard Mussell, RSPCA Australia CEO.



Responsibly sourced seafood

As an Australian supermarket with a large seafood range, we are committed to working with industry to fish more sustainably, to avoid further decline in fish stocks and harm to the marine environment. We have reviewed recent concerns raised on the topic of sustainable seafood practices and we continue to work across our supply chain to understand and resolve challenges under our sustainable seafood initiatives.

Our [Sustainability Plan 2025](#) maps our aspiration to have 100% of own brand seafood ecologically responsibly sourced.

This past year has seen us continue to progress towards achieving this commitment with 100% of own brand canned seafood meeting our Seafood Sourcing Policy. In this range, we are proud of our Woolworths Smoked Oysters for receiving the highly commended Best Responsible Seafood Product - ASC award, in the Sustainable Seafood Awards Australia 2021.

For our fresh packaged, frozen and behind the counter seafood products, we are pleased to report that we are continuing to add to our sustainable seafood offering. As we enter the fourth year of our relationship with WWF, we have commissioned the Ecological Sustainable Evaluation of Seafood (ESES) assessments for our Australian oyster supply. This will be one of the many milestones we deliver on our journey to achieve our fresh packaged, frozen and behind the counter own brand seafood commitment by the end of F22.

Animal Welfare Horizon’s Fund

In November 2020, we launched the Woolworths Animal Welfare Horizon’s Fund to support our suppliers and farmers to improve the lives of animals within our supply chain.

The Fund’s purpose is to help support research and development for suppliers to address welfare opportunities, challenges, projects, and initiatives. The fund assists suppliers in tackling issues associated with animal welfare, with the ultimate goal of having a positive effect on the animals within the supply chain. It will promote animal welfare downstream of the supply chain, including initiatives on farms and at abattoirs.

In the first funding round we awarded a total of \$100,000 to three projects.

Woolworths Ocean Pool Fund

Woolworths Ocean Pool Fund’s mission is to help support the environmental performance of the Australian Seafood Industry through traceability, data capture, certification, process improvements and education.

The Fund, developed in collaboration with WWF, is part of our three-year partnership to support our suppliers on their journey towards a more sustainable seafood industry.

With \$160,000 to award, the Fund received an outstanding calibre of applications, and this year awarded funds to three suppliers to help support the environmental performance of the Australian Seafood Industry.

“We are proud to work with Woolworths on their journey to ensuring they only source ecologically responsible seafood. Together, we are working to improve supply chain management and minimise impacts on our oceans and marine life. This is an ambitious commitment and it’s heartening to see a major retailer like Woolworths taking the steps to help build a more responsible seafood industry.”
Dermot O’Gorman CEO,
WWF Australia.



Lead the Future of Protein

FutureFeed

Woolworths Group is proud to be an investor in FutureFeed, the company set to help fight climate change by having a big impact on methane emissions from livestock.

Developed by industry leaders, CSIRO, Meat & Livestock Australia and James Cook University, FutureFeed is commercialising the use of a species of red seaweed, Asparagopsis, as a feed ingredient for livestock. Asparagopsis has been proven to lower methane emissions from cattle by over 80% at low inclusion rates, with some studies showing near elimination of methane production

Feed energy, otherwise lost as methane emissions, can be redirected and studies have demonstrated that average daily weight gain performance and feed conversion efficiency can be significantly improved using low levels of Asparagopsis. With farmers adding Asparagopsis to their feed, we can target two of the biggest challenges of our time: fighting climate change and growing more food with fewer resources.



Plantitude, plant based deliciousness

Launched in 2019, Woolworths Plantitude offers a range of delicious plant based products to customers looking to reduce their intake of animal products and bi-products. The range consists of over 25 products, including ready meal solutions, frozen desserts cakes, with more products launching throughout F22.



Animal welfare achievements



| | |
|------|---|
| 100% | Woolworths Own Brand whole shell eggs are cage-free |
| 53% | Non Woolworths brand whole shell eggs are cage free |
| 100% | Woolworths Own Brand fresh chicken and chicken used as an ingredient in Woolworths Own Brand products comes from RSPCA Approved farms ¹ |
| 100% | Whole fresh Christmas turkeys are RSPCA Approved |
| 100% | Macro free-range fresh and ingredient chicken and whole Christmas turkeys are certified to the Free Range Eggs and Poultry Australia (FREPA) standard |
| 100% | Fresh free-range pork is certified APIQ free-range |

¹ Excludes pet food, gravy, and stocks. Our small number of imported canned and boxed chicken products are certified by independent foreign accreditations.



Responsible service and consumption of alcohol and gaming

On 28 June 2021, Woolworths Group and Endeavour Group, incorporating the previously known Woolworths Drinks Business and ALH Group, demerged. As our relationship moves from ownership to partnership we'll continue to partner with Endeavour into the future to create better experiences together for a better tomorrow. Post demerger, Woolworths Group will continue to sell alcohol in our New Zealand operations through Countdown.

This past year Woolworths Group has remained focused on our intent to lead the industry to achieve a position of best practice and high standards of responsible behaviour, particularly in the responsible service of alcohol and the responsible conduct of gambling.

Responsible service of alcohol

As part of living our purpose, Endeavour Group is committed to being the national leader in responsible service of alcohol. In addition to the minimum statutory obligations, we have implemented a wide range of voluntary measures for managing and mitigating issues related to responsible service of alcohol and the ranging, sale and marketing of alcohol, demonstrating our leadership.

We adhere to all applicable regulatory obligations, and go beyond regulatory compliance in many ways, including:

- Asking for ID if a shopper looks under the age of 25 (ID25)
- Operating an independent review of ID25 compliance at all BWS and Dan Murphy's sites, as well as our online business. Every BWS store is tested twice a year, and Dan Murphy's stores are tested every eight weeks
- Seeking to stop secondary supply through the "Don't Buy It for Them" policy and awareness campaign

- Supporting campaigns for responsible drinking e.g. DrinkWise Australia cultural change programs and labelling initiatives, and the Choose to DrinkWise retail campaign
- Refusing service if a young shopper is in school uniform.

Liquor Accords Portal

Endeavour Group is active in local Liquor Accords where they exist. Our internal Liquor Accords Portal is a platform that connects store teams with information and resources provided by Liquor Accords across Australia. The portal has empowered store teams to drive community engagement with other local industry representatives, businesses, council and local police.

Online Alcohol Sale and Delivery Code of Conduct

Using our internal responsible service of alcohol policies as the foundation, we have worked with Retail Drinks Australia (RDA) to develop an industry applicable Online Alcohol Sale and Delivery Code of Conduct. This document is now adopted by all RDA members.

This year, Endeavour Group was invited by the International Alliance for Responsible Drinking to be the sole Australian retail participant in an international partnership to develop standards for online sales of alcohol globally.

PRODUCT

Goal 5

Lead the responsible service and consumption of alcohol and gaming

Progress



We act like a leader and speak up on issues that matter

Sustainable Development Goal





Responsible service and consumption of alcohol and gaming

Alcoholic Beverage Advertising Code (ABAC)

As a signatory, since 2013, to the voluntary ABAC, our advertising campaigns and own brand packaging aim to meet community standards. Our own advertising and packaging are subject to the ABAC review and complaints process to make sure that we do not target young people, nor will we stock any product if its advertising and packaging evidently appeals to young people, or encourages excessive consumption. Endeavour Group regularly engages with ABAC's management committee regarding changes in advertising platforms. We submit the majority of our marketing campaigns to the ABAC Alcohol Advertising Pre-Vetting Service, which considers whether our marketing plan executions are consistent with ABAC standards.

DrinkWise

We are a funding supporter of DrinkWise – an independent, not-for-profit organisation whose primary focus is to help bring about a healthier and safer drinking culture in Australia. To promote such significant behavioural changes, DrinkWise develops and implements a range of national information and education campaigns, as well as providing practical resources to help inform and support the community about alcohol use.

 For more information on Countdown's approach see [page 46 of Countdown Sustainability Report 2021](#).

Responsible gambling

Our hotels, under the Australian Leisure and Hospitality Group (ALH), work to provide a safe and supportive environment at all of its venues so its customers make informed decisions about gambling, and timely appropriate assistance and information are provided. Problem gambling is a serious community issue, and we have taken numerous steps to enhance responsible gambling practices. These include:


- Facial recognition technology in South Australian venues
- Voluntary pre-commitment in the in-house Monty's Rewards app
- Enhanced training
- COVID-19 compliance to the highest standard

We engaged the Responsible Gambling Council of Canada (RGCC) to provide an independent view on Endeavour Group's responsible gambling practices. RGCC is a respected, independent non-profit organisation that has been a global leader in the prevention of problem gambling in Canada and the rest of the world for more than 35 years

and has been engaged by operators in the United Kingdom and Singapore to provide a similar review. As a result of that review, we have committed to and implemented a range of best practices, including:

- Enhanced training programs to assist the gambling team with customer care; and promote voluntary pre-commitment to gambling limits by customers
- Enhancements to privacy training and procedures
- To preclude the service of complimentary alcohol in gambling rooms (including in markets where this is permitted)
- To embed a whistleblower platform to identify any issues across the business

These commitments are underpinned by Endeavour Group's Responsible Gaming Charter (introduced in 2010 and updated in 2018) and its Australia-wide voluntary precommitment program.

 The Charter can be found [here](#).

In addition, we have in place an Anti-Money Laundering Program in respect of the hotel and gambling operations which addresses statutory requirements and is independently reviewed on a bi-annual basis.



Message from our Chief Sustainability Officer



Our Sustainability Plan 2025 guides our journey towards a better tomorrow for our team, our planet and the customers and communities we serve.

The achievements shared in our 2021 Sustainability Report represent the collective effort of our Woolworths Group team members, our customers, and our suppliers and partners.

My heartfelt thanks to all of you, and especially to our team who have demonstrated care, leadership and perseverance against a background of ongoing disruption due to the pandemic. During this time, we have not lost focus on the bigger picture and have continued to make positive changes alongside the challenges of our shorter-term critical needs and responses to COVID-19. Sustainability is part of who we are and how we work, and this year we have deeply embedded accountability and delivery of sustainability into our business structures and decision making.

This year, we launched our [Sustainability Plan 2025](#), underpinned by our guiding principles that inspire us to set a long-term direction for our actions:

1. We act like a leader and speak up on issues that matter
2. We care for, and unlock the potential of our people
3. We have a positive impact on the planet

4. We apply circular thinking in everything we do
5. We embrace the power of partnerships to create change.

We are pleased to be reporting our progress against the ambitious goals we have set, aligned to our Group purpose we create better experiences together for a better tomorrow.

We know we have more to do and that it will not be easy. However, creating a better tomorrow starts today. It starts with the actions, however big or small, that every person takes. The collective change this can create is what will make the difference. We are excited by our plans for the coming year, when we will continue to work hard to deliver on our ambitious change agenda across the three pillars of our Plan.

Nothing is possible without our team, and we are especially focused on caring for them during these unprecedented times. In recognition of the front-line role our teams play during the pandemic, and the challenges that come with such a prolonged period of disruption, we will continue to protect them and support their holistic wellbeing.

We have been working hard on our approach to managing the effects of climate change and the transformation required to decarbonise our business. Acknowledging the increasing urgency of this issue and both our aspiration and responsibility to meet this challenge, in the coming year we will be focussed on turning our plans into accelerated actions as part of our annual review process.

Under our product pillar, we consider the sustainability of our extensive supply chain. In 2022, we are looking forward to sharing our approach to lead the future of protein through partnerships to create change in this important sector.

Our sustainability journey is underway, and I hope you will join us in creating a better tomorrow for generations to come.

Alex Holt
Chief Sustainability Officer



Company directory

2021 Sustainability Report Appendix

For information on sustainability metrics, materiality, assurance report, UNGC Index, GRI Index please refer to the 2021 Sustainability Report Appendix found on our website.

www.woolworthsgroup.com.au/sustainability

Registered office

1 Woolworths Way
 Bella Vista NSW 2153
 Tel: (02) 8885 0000
 Web: www.woolworthsgroup.com.au

Auditor

Deloitte Touche Tohmatsu

225 George Street
 Sydney NSW 2000
 Tel: (02) 9322 7000
 Web: www.deloitte.com.au

Woolworths Group Sustainability

Alex Holt

Chief Sustainability Officer

Fiona Walmsley

Head of Sustainability Governance

Design Communication and Production by ARMSTRONG
Armstrong.Studio

F21 corporate reporting suite

Woolworths Group is pleased to share how we're building a *Better Tomorrow*, and encourage you to explore our full reporting suite detailing our performance across Australia and New Zealand.



2021 Annual Report

[Click here to find the report on our website.](#)



2021 Sustainability Report Appendix

[Click here to find the report on our website.](#)



2021 Modern Slavery Statement

[Click here to find the report on our website.](#)



2021 Countdown Sustainability Report

[Click here to find the report on our website.](#)



WOOLWORTHS GROUP

