

Lismore, 2022

We
are
Woolworths
Group

2022
Sustainability Report

Woolworths Group Limited
ABN 88 000 014 675



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Acknowledgment 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.

Aboriginal and Torres Strait Islander people should be aware that this report may contain the names and images of deceased persons.



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.

Unless otherwise stated, this report covers all our operations in Australia and New Zealand for the 2022 financial year – 1 July 2021 to 30 June 2022 (F22). This report contains forward looking statements, please read our disclaimer on page 2 of the [2022 Sustainability Report Appendix](#) for more information.



Committed to reconciliation

This year, grounded in our listen and learn approach we developed our reconciliation strategy.

► **PEOPLE:** [Page 20](#)



Climate change strategy

We are committed to reducing our emissions footprint, improving our operational resilience and adapting to the effects of climate change.

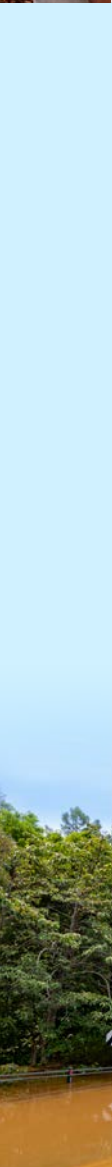
► **PLANET:** [Page 32](#)



Healthier choices

Empowering our customers through healthier products and activities that support, educate and inspire healthier lives.

► **PRODUCT:** [Page 46](#)





Cover story

Jess Costello and Jess Lees managers of Lismore's Woolworths and BIG W stores, worked tirelessly to bring three teams together at a single store – Goonellabah – to provide essential supplies to devastated communities

It was an incredible task and we're immensely proud of our team and community who pulled together to support one another.

Facing the flood together

In the aftermath of the east coast floods, we've worked to support our team and their families. Over 100 team members had flood affected homes, in Lismore alone.

► [PEOPLE: Page 23](#)

► [Watch the story of our Lismore team](#)



We are Woolworths Group

It all starts with 'we'.



We are a team of over 190,000. We are more than just a collection of businesses but rather a diverse group of people with a range of experience. We know the actions we take today, together with our partners, are opportunities to have a positive impact on the future generations to come.

Join us as we create better experiences together for a better tomorrow.

Welcome to our 2022 Sustainability Report.



We are driven and united by our purpose





It is energising to be writing this message under the banner of our new Group brand that was launched this year. This launch is in recognition of the evolution of our business and provides a symbol of what we stand for as a Group today and how we will aspire to operate in the future. It brings our long-standing commitment to sustainability front and centre, providing a symbol of the purpose that unites us and the positive impact that we are working hard to have.

Amidst yet another disruptive year, where our teams have again worked hard to manage the impacts of the pandemic and multiple natural disasters, we are pleased to have made progress across all aspects of our sustainability agenda. This has only been made possible by engaging our whole team on our journey of creating better experiences together for a better tomorrow.

One area where we have seen important progress this year is in our approach to reconciliation. Our genuine desire to listen and learn, and to redefine the relationship between Woolworths Group and Indigenous Australia has seen us activate our inaugural reconciliation strategy, addressing the learnings from the Independent Panel Review, and creating our First Nations Advisory Board. The Advisory Board is made up of Indigenous team members, external Indigenous advisors and senior executives. Its role is to guide our engagement with Indigenous team members, customers and communities, inform where our business plans intersect with Indigenous interests and to help us make a meaningful contribution towards Closing the Gap and reconciliation more broadly.

We have long recognised the importance of collaboration, and that the nature of the sustainability challenges we face requires collective action extending across organisation and industry boundaries. We are pleased to have this year taken our first material steps towards better understanding and managing the greenhouse gas emissions that exist in our extended supply chain. We will work in partnership with our suppliers on solutions to reduce scope 3 emissions.

In our [Sustainability Plan 2025](#), we have set ourselves ambitious goals that require fundamental change supported by guiding principles that provide long-term direction for our actions. We are making good progress to embrace diversity, reduce our emissions, food waste and plastic waste (removing single use plastic bags in Western Australia ahead of legislative requirements), increase recycling and provide healthier, more sustainable product choices for our customers.

The scale of our business enables us to make a meaningful contribution and this responsibility, as well as the rapid pace of change in sustainability meant that during the year we felt it important to review our [Sustainability Plan 2025](#). We need to continue to challenge ourselves on our progress, our level of ambition, and the need for aspirational thinking to really drive the sustainable change we all want and need to see. We will have more to say on our updated plan in the coming months.

On behalf of the Woolworths Group team, we are pleased to share with you our 2022 Sustainability Report.

Brad Banducci
CEO

Gordon Cairns
CHAIR

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

Hear from our CEO and CSO



Better Together

People

Community contribution

1.85%

of EBT on a two-year rolling average

Planet

Scope 1 and 2 emissions reductions

31%

Below 2015 baseline

Product

>10,000

tonnes virgin plastic packaging reduction vs baseline





Overview



People



Planet



Product



Directory



Together we work towards creating a better tomorrow by making positive change for our people and the planet through our products.

Sustainability for us at Woolworths Group means constantly improving the ways we work to have a positive impact on our team, our planet, our customers and the communities we serve – and in doing so create long-term value and sustainable growth for our business.

In another year of disruption, I am enormously thankful for the resilience and agility of our teams who have worked collaboratively with our suppliers and partners to show care for our customers and the communities we serve while continuing to deliver on our sustainability agenda.

Since launching our [Sustainability Plan 2025](#), we have worked to set ourselves up and in F22, created a Group-wide sustainability program to build momentum towards our sustainability goals. We have grown our team, invested in our data and analytics capabilities and strengthened our governance to influence overarching business priorities.

The activation of our program has brought the Group together to collectively drive progress across the People, Planet and Product pillars of our strategy. While we're pleased with this progress, we recognise there is more to do to transform, learn and develop solutions to make a positive impact.

Our teams are the primary drivers of change and are key to building a culture that embraces sustainability. Caring deeply is part of our culture, and we strive to create a workplace that is truly inclusive and considerate of intersectionality. We refined our strategy to view inclusion more holistically and activated our reconciliation strategy to drive meaningful action towards the empowerment of Indigenous Australia. Our care for people extends to our communities and our value chain and during the floods we donated time, resources and essential goods to help those in need. Our efforts to build a rights-respecting culture in our value chain is detailed in our [Modern Slavery Statement](#).

We continue to adapt our business to manage the impacts of climate change. This year, we deepened our scenario analysis work to understand the climate

risks and opportunities that impact our customers, suppliers and operations. We also established a program of work to partner with our suppliers to drive emissions reductions in our value chain. Our investment in the renewable electricity sector saw two contracts established to deliver 100% green electricity to South Australia by July this year and to Western Australia by 2025.

Addressing the impacts of our products remains critical. This year, we developed our nurturing nature strategy, formalising our approach to the responsible stewardship of natural resources and sourcing of sustainable protein. We will see the power of partnerships come to life as our newly created Woolworths Supermarkets Supplier Sustainability Council works to help improve the health of products and the sustainability and recyclability of packaging across our stores.

While we are proud of our progress so far, we know there is much more to do. Sustainability is one of the deepest transformational programs that has taken place at Woolworths Group over recent years, and that's incredibly exciting – knowing that together, we're creating a positive legacy that is not only good for our people and the planet, it is central to creating long-term value. Pleasingly, our efforts have been recognised by The Australian Financial Review as the 2022 Sustainability Leader for impact.

I invite you to join us in creating better experiences together for a better tomorrow.

Alex Holt
Chief Sustainability Officer



Sustainability Plan 2025

Our Sustainability Plan 2025 is key to delivering on our purpose – to create a better tomorrow by fostering positive change for our team, our planet, our customers and the communities we serve. In doing so, we aim to create long-term value and sustainable growth for our business.



People

Goal 1:

Be a truly inclusive workplace

Goal 2:

Invest in the holistic wellbeing of our team

Goal 3:

Create meaningful retail careers for today and tomorrow

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 retailing and consumption of alcohol and tobacco



Annual refinement of our 2025 plan

The case and appetite for sustainable change is accelerating. Our [Sustainability Plan 2025](#)'s guiding principles, goals and commitments are reviewed and adjusted as part of our annual planning cycle to maintain relevance in a changing world.

We listen to our team, customers and other stakeholders to understand what is most important to them. We also assess emerging trends and how we benchmark against peers. This helps us assess material environmental, social and governance issues impacting our business and informs the refinement of our Plan (see [page 10](#)).

As we approached the halfway point in our 2025 Plan, we found that the majority of our commitments remain relevant, with the following updated to better reflect our operating environment:

- strengthening our focus on making healthier easier for our customers with the aim to grow the proportion of sales from healthier products ([page 46](#))
- formalising our approach to responsible stewardship of natural resources and the future of protein ([pages 42 and 54](#))
- supporting better health outcomes in remote Indigenous communities, and investing in Indigenous businesses ([page 20](#))
- adjusting the scope of our responsible retailing commitment to include tobacco ([page 58](#)).

We are finalising our strategy refinement process, including reviewing our climate change commitments in line with Science Based Target initiative (SBTi) guidance. We will release more detail in the near future.

Our goals are intrinsically linked

Transitioning towards sustainable and resilient societies requires an integrated approach in which our goals work together to build a better tomorrow.

We care for **people** in our operations and value chain, and aim to create social equity and opportunity through inclusion and respect. This helps us support a community that is working together in partnership to achieve our commitments.

We work to repair and protect our **planet** by minimising our use of finite natural resources while facilitating its regeneration through renewables and farming practices. This will reduce our impact on climate change and improve the resiliency of our communities and the food systems they rely on.

We embrace circular thinking and aim to manage all waste as a resource. We also aim to provide access to products that are healthier, sustainably sourced and responsibly sourced and packaged. Our **products** are a tangible way in which we, together with our customers, can have a positive impact on the planet and the people who call it home.

Our progress to 2025



People

Goal

1 Be a truly inclusive workplace



- AWEI Gold Status achieved in 2021
- First Nations Advisory Board established
- 11 Mini Woolies opened in F22

2 Invest in the holistic wellbeing of our team



- Total recordable injury frequency rate of 11.13 in F22, an improvement of 9%
- 32,033 Sonder activations, meeting our team's health, safety, psychological and wellbeing needs

3 Create meaningful retail careers for today and tomorrow



- 18% (\$9M) of Future Work Fund invested, further up-skilling and capability planning required to deliver change to team career opportunities
- Launched the Refugee Digital Cadetship in partnership with Community Corporate



Planet

Goal

1 100% green electricity by 2025



- South Australia achieved 100% green electricity from July 2022 and 175 sites with solar across Australia and New Zealand
- Total renewable electricity use is 16%. Transition plans in place in lead up to 2025

2 Zero food waste to landfill by 2025



- Provided equivalent of over 30m meals to alleviate food insecurity through our food rescue partners
- We have more to do to improve diversion rates from landfill by embedding more robust processes and expanding our organic waste solutions across our network

3 Net positive carbon emissions by 2050



- Absolute operating emissions increased marginally by <1%
- 55 suppliers engaged in program providing insights to prioritise emission reduction work and give visibility of key focus areas



Product

Goal

1 Materially increase healthier choices in our customers' baskets



- Ranked Australia's Healthiest Supermarket Own Brands, based on average Health Star Rating
- 61.7% of Woolworths Supermarkets eligible sales from healthier products (≥3.5 Health Star Rating)

2 100% of own brand packaging is sustainable



- 4,262 tonnes of virgin plastic packaging removed from circulation in F22
- Woolworths Supermarkets and BIG W committed to stop selling 15c and online plastic bags by end June 2023

3 100% of own brand sourcing is sustainable



- 100% of soy in own brand products supports the responsible production of soy
- Commenced a cotton supply chain traceability pilot to increase visibility of raw material sourcing



Overview



People



Planet



Product



Directory



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



- Through our influence, ~\$805,000 has been, or is in the process of being, returned to at least 285 migrant workers in Malaysia who had paid recruitment fees in source countries
- Group Cotton Policy developed and published to support suppliers manage modern slavery risks and meet the Group's expectations

5 Have a positive impact on our customers and communities



- Donated over \$41M across F22 with significant donations to OzHarvest, Junior Landcare and S.T.A.N.D supporting flood relief
- Countdown launched Food for Good Appeal raising \$291,000(NZD) for mental health charities

4 Practice responsible stewardship of natural resources



- Nurturing nature strategy endorsed by Group Board, work to embed the strategy is planned for F23
- Smart water meters installed in 380 stores. Work underway to identify efficiencies and measure water consumption volumes

4 Lead the future of protein



- All own brand whole shell eggs cage free
- Invested in alternative protein innovation, including All G Foods and Harvest B
- Moved from Tier 2 to Tier 3 in BFFAW's animal welfare benchmark

5 Lead the responsible retailing and consumption of alcohol and tobacco

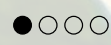


- Countdown range now includes 91 zero alcohol options, a 10% increase on F22
- 4,238 Countdown team members trained in responsible service of alcohol

Key:

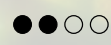
Planning

Delivery plan and pathway to target being built with cross-functional collaboration across teams and stakeholders



Commencing

Early stages of work commenced which is likely to involve testing and learning approaches



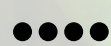
Progressing

Delivery is underway and usually expecting to see progress toward the target. Or used for stable targets such as diversity












Achieving

Target is being sustained YOY and sustainable change embedded to business as usual



Focusing on issues that matter

Woolworths Group regularly reviews the most material environmental, social and governance issues affecting our business. This is done in collaboration with our customers, team and other stakeholders by listening to their concerns and issues. Through understanding what matters to them, and what is most important to our business, we identify opportunities where we can aspire to have the greatest impact. Our Sustainability Plan brings to life commitments that aim to address these issues and is refined annually based on the results of our materiality assessment. This process is also a key consideration in how we evolve our sustainability ambitions over time.

MATERIAL TOPIC, WHAT THIS MEANS AND WHY IT IS MATERIAL	TOPIC RAISED BY	RELEVANT SDGS
<p>Climate change</p> <p>Net zero by 2050 is a common target across corporate Australia, focus is shifting to 'how' over 'what' to reduce emissions and scrutiny from stakeholders is increasing. Physical, community and business impacts of climate change are more frequent and consequential, and the expectation on climate disclosures are growing.</p>	<ul style="list-style-type: none"> Customers Investors and shareholders Government/Regulators/NGOs/Industry Associations Community 	  
<p>Supply chain sustainability</p> <p>Sustainability across the supply chain incorporates farming practices and animal welfare concerns across meat, dairy and grain. Water stewardship in Australia and dryer trends could impact food security. There is an expectation for Woolworths Group to partner and create positive social and environmental outcomes locally and globally.</p>	<ul style="list-style-type: none"> Suppliers and partners Community 	  
<p>Engagement with consumers on sustainability</p> <p>Customers want and expect to be engaged in sustainability, bringing informed choice to their shopping decisions through education and product labelling of certifications and environmental footprint. This should apply across the board and not create price barriers to behavioural changes.</p>	<ul style="list-style-type: none"> Customers 	  
<p>Natural resource use, waste and the circular economy</p> <p>The circular economy is considered important to manage finite natural resources. Topics such as packaging and plastic are among top concerns raised with the balance to product shelf life acknowledged, to avoid food waste. Building sustainable production and consumption is the desired end state.</p>	<ul style="list-style-type: none"> Customers Suppliers and partners Government/Regulators/NGOs/Industry Associations 	 
<p>Human rights</p> <p>Awareness of human rights issues and impacts in supply chains have increased. Reporting and transparency on issues and the actions taken to address these are important to stakeholders. Respect for people and in particular Indigenous communities are considered very important to reputation.</p>	<ul style="list-style-type: none"> Suppliers and partners 	  

MATERIAL TOPIC, WHAT THIS MEANS AND WHY IT IS MATERIAL	TOPIC RAISED BY	RELEVANT SDGS
<p>Access to healthy, affordable food</p> <p>Food security is seen as a long term issue driven by population growth, climate change and supply chain volatility. Experiences through COVID were commonly discussed. The challenges of supply and demand against quality, price and choice for essential products and healthy/affordable food are common concerns.</p>	<ul style="list-style-type: none"> Customers Government/Regulators/NGOs/Industry Associations 	
<p>Community impact</p> <p>Mental health and community wellbeing especially during COVID was a major concern. Woolworths Group is expected to play a positive role for the team and the broader community. Programs of community investment, preferential procurement and donations are expected from good corporate citizens.</p>	<ul style="list-style-type: none"> Community Customers Team members 	
<p>Regenerative agriculture</p> <p>Controversy around industrial farming practices were noted as a concern by the general public. Sustainable regenerative agricultural practices will require a proactive and deliberate partnership between Woolworths Group, suppliers and industry to develop and grow further.</p>	<ul style="list-style-type: none"> Suppliers and partners Government/Regulators/NGOs/Industry Associations 	
<p>Team member wellbeing</p> <p>Health and safety remain important, with focus now including mental health and wellbeing of team members. Inclusion is creating a working environment that connects purpose and allows our team to bring their whole selves to work. As is representation across minority and disadvantaged groups to reflect the community we serve.</p>	<ul style="list-style-type: none"> Team members Investors and shareholders 	
<p>Nature and biodiversity</p> <p>Loss of biodiversity and risk of deforestation are seen as both a risk and opportunity. With increasing regulation and disclosure trends this is seen as an area requiring increased focus in the short term.</p>	<ul style="list-style-type: none"> Investors and shareholders Government/Regulators/NGOs/Industry Associations 	
<p>Future of work and workforce transition</p> <p>Concerns include preparing the current and future workforce with skills required for digital transformations. Also addressing the impacts of trends towards contract labour and casualisation of the workforce. These are significant issues that Woolworths Group will need to consider and respond to in the near term.</p>	<ul style="list-style-type: none"> Team members Investors and shareholders 	
<p>Organisational resilience</p> <p>Experience of the last two years through COVID and natural disasters has highlighted the need for essential services businesses to be resilient and increase preparedness for the next major event. This extends beyond business and into community support and responses.</p>	<ul style="list-style-type: none"> Investors and shareholders Suppliers and partners Team members Government/Regulators/NGOs/Industry Associations Customers 	
<p>Corporate conduct, ethics, integrity and transparency</p> <p>This year, concerns over underpayments were noted as were recurring topics of privacy and monetisation of data. Stakeholders are expecting Woolworths Group to maintain integrity and 'do what it says it will do'. Expectations are also growing for Woolworths Group to use its scale and voice to influence public policy.</p>	<ul style="list-style-type: none"> Investors and shareholders Suppliers and partners Communities Government/Regulators/NGOs/Industry Associations 	
<p>Responsible service of alcohol and tobacco</p> <p>Stakeholders expect Woolworths Group to encourage and promote responsible retailing of products and services including alcohol, tobacco and gaming. The demerger of the Endeavour Group has not altered expectations in these areas.</p>	<ul style="list-style-type: none"> Customers Investors and shareholders Communities Government/Regulators/NGOs/Industry Associations 	



Overview



People



Planet



Product



Directory



How we create value

Our value drivers

Customer services

Connecting customers with good food and more everyday through convenient stores, services, seamless digital experiences and a leading loyalty program

Team

A diverse and inclusive team which reflects the diversity of the communities in which we operate

Trusted brands and products

Providing the best range and value, freshest produce and everyday needs for our customers in Australia and New Zealand

Retail platforms

Leading technology, digital and analytics enabled platforms delivering value for the Group and our partners

Financial

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

Our business activities

Working together to create ...

B2C Food



Stores



eCommerce



Products



Digital & data



Supply & fulfil



Network & property

Retail Platforms

As a Group, we are focused on creating sustainable long-term value for our customers, team members, shareholders, suppliers and the broader community by being purpose-led to **create better experiences together for a better tomorrow.**

More Everyday



B2B Food

... a better tomorrow

Value created

Customer

49

Group Voice of Customer NPS (June 2022)

22.7M

customers served on average per week

Team

15

Group Voice of Team (overall F22 score)

WGEA

Employer of Choice

Suppliers

55

suppliers across six priority categories engaged in scope 3 emissions program

52

Voice of Supplier (June 2022)

Community

\$41.4M

direct community contribution

50M

meals donated to OzHarvest since 2014

Shareholders

\$1,514M

Group NPAT¹ attributable to equity holders of the parent entity

92¢

F22 dividend per share



Overview



People



Planet



Product



Directory

¹ Continuing operations before significant items.





People

\$41.4M

direct community contribution

11.13

total recordable injury frequency rate



Planet

31%

reduction in scope 1 and 2 emissions since 2015

100%

green electricity in South Australia from July 2022



Product

>10,000

tonnes virgin plastic packaging reduction vs baseline from targeted initiatives

>19M

pieces of free fruit for kids

Our In



\$2.7M

invested in digital
accelerator programs

AWEI

Gold Tier status
achieved in 2021

11

Mini Woolies
opened in F22

100%

of supermarkets with
food rescue partners
as at 30 June

55

suppliers across 6
priority categories
engaged in scope 3
emissions program

10%

increase in food
rescue tonnes

100%

own brand whole shell
eggs cage free

#1

Australia's Healthiest
Supermarket Own Brands
third year in a row¹

100%

sustainably sourced
single product tea,
coffee, cocoa, sugar

mpact

¹ The George Institute for Global Health's FoodSwitch: State of the Food Supply report (2019, 2020, 2021) based on mean Health Star Rating compared with Coles, Aldi and IGA.



Overview



People



Planet



Product



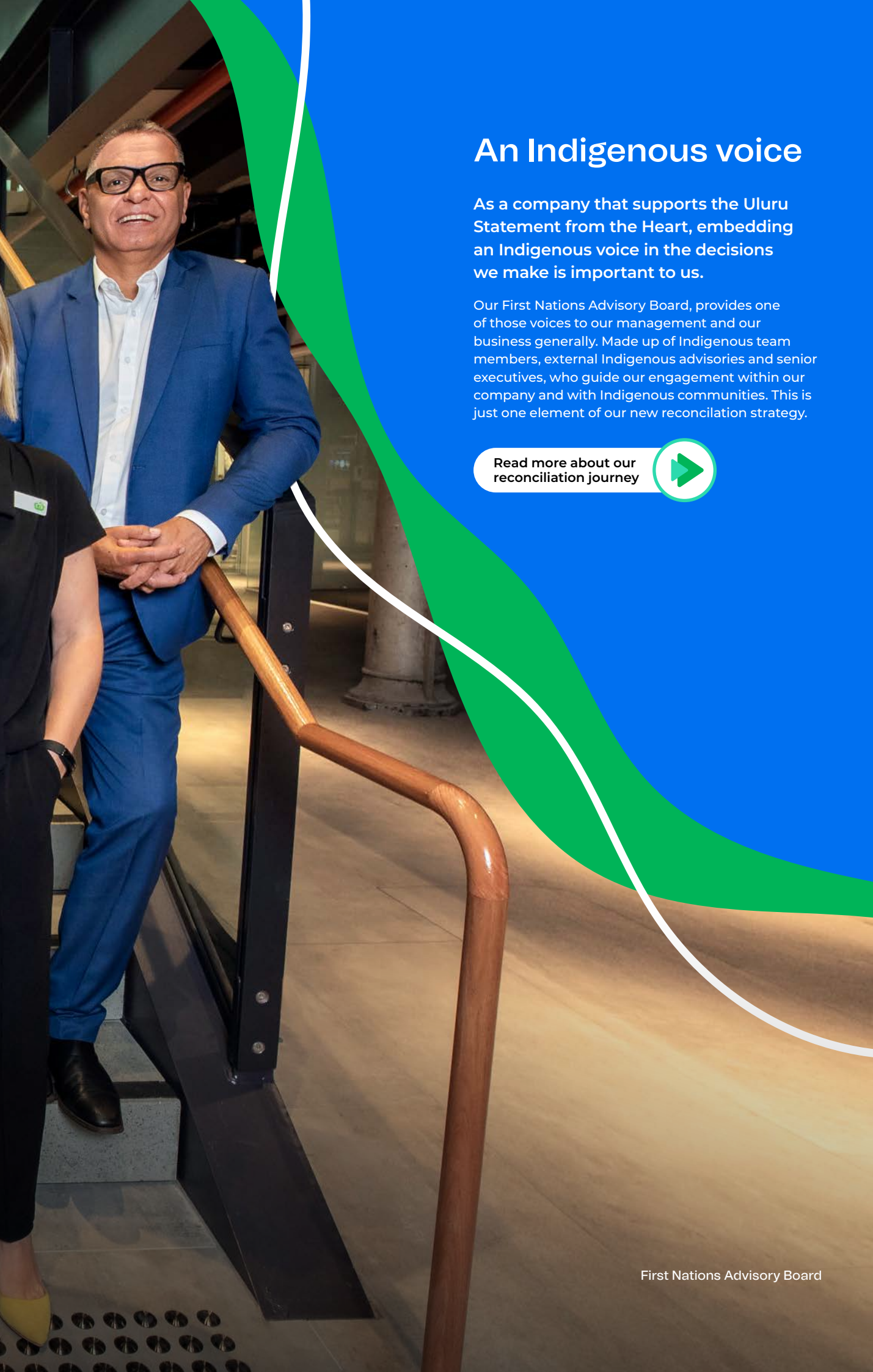
Directory





People

We are building a better tomorrow for our people by demonstrating our care, creating a great place for them to be their best self, and paving their way to a brighter future. Our care for people is at the heart of how we support our communities through mutually beneficial partnerships and working with our suppliers to build a rights-respecting culture in our supply chain.



An Indigenous voice

As a company that supports the Uluru Statement from the Heart, embedding an Indigenous voice in the decisions we make is important to us.

Our First Nations Advisory Board, provides one of those voices to our management and our business generally. Made up of Indigenous team members, external Indigenous advisories and senior executives, who guide our engagement within our company and with Indigenous communities. This is just one element of our new reconciliation strategy.

[Read more about our reconciliation journey](#)



Overview



People



Planet



Product



Directory



Be a truly inclusive workplace

Progress:



AWEI

Gold Tier status achieved in 2021

First Nations

Advisory Board established

11

Mini Woolies opened in F22

Sustainable Development Goals:



Recent societal events, such as Black Lives Matter, have shed light on people's lived experience. We recognise the value diversity brings to our business, our customers and our community. We believe in creating a workplace that is safe and inclusive so every team member feels like they belong and can be their best self.

We recognise that individual identities of our teams are multi-faceted and many advocate for specific needs. Over the last year, we made good progress in improving gender equality, celebrating diversity, building organisational capability and promoting career pathways for diverse talent. Despite our best intentions, we don't always get it right and have been publicly held to account. A big focus for us in 2022 was to refine our inclusion strategy, looking at Woolworths Group in the new era and inclusion more holistically. We want to openly value difference and bring an inclusive mindset to decision making. We will continue to build a culture where our team members feel like they belong, they mirror the diversity of our communities and we contribute to a more inclusive society by doing the right thing.

Gender equity

Gender equity at Woolworths Group is about enabling all team members to access and enjoy equal rewards, resources and opportunities regardless of gender. As F22 concluded, our senior leadership was 39% women, a 2% increase on F21, trending towards our 40:40:20 gender ambition. We are committed to pay parity and maintain less than 1% difference in gender pay in like-for-like roles.



We listen to our team and act on their feedback through **Voice of Team Advocacy (VOT)**. Reflective of the ongoing challenging global environment, our VOT score was 15, the same as F21.



Improving our accessibility

Woolworths Group recognises the societal barriers historically faced by people living with a disability and we are committed to playing our part to remove these barriers. We have been challenged on our progress by the Disability Royal Commission and acknowledge we have more to do. As a critical first step, in early F23 we will create a Group disability team network aiming to drive positive change by co-creating our approach towards developing our Accessibility Action Plan.

This year, our supply chain arm, Primary Connect, partnered with the Australian Network on Disability and others to enable warehousing roles for D/deaf¹ and hard of hearing candidates through safer and more inclusive workplaces.

Mini Woolies

The Mini Woolies program provides hands-on learning experiences for students and job candidates living with disability. Since its launch in 2018, over 1,000 people have participated in the program. Woolworths Supermarkets, partnering with Fujitsu, extended the program to encompass 14 sites this year, including schools, adult learning and inclusive recruitment centres. A further 25 Mini Woolies will be rolled out across Australia by June 2023 as it grows to be an important piece of our talent acquisition pipeline for people with disability.

Our Māori and Pasifika team

In New Zealand to support our work to increase the number of Māori and Pasifika team in leadership roles, we have established a Māori and Pasifika Talanoa (Committee). The Talanoa provides support in helping our team identify and remove any career barriers they may be facing and help Countdown build a more diverse leadership pipeline.



Building opportunities for refugees

Our Refugee Employment Program is delivered in partnership with Community Corporate, a diversity and inclusion social enterprise with proven experience in activating programs that make a profound economic and social impact. Since F18, this program has provided employment to over 200 refugees in Woolworths Supermarkets, Metro Food Stores and Customer Fulfilment Centres across NSW, VIC, QLD, SA and WA.

In April 2022, we launched the Refugee Digital and Technology Cadetship in Group IT, WooliesX and wiq (our bespoke analytics business). This program focuses on refugees with overseas qualifications and experiences, for career opportunities within our digital and technology business areas. Our target is to provide employment to 30 refugees by December 2023. Eight commenced their cadetship by the end of June 2022.

In New Zealand, Countdown partners with Bread Collective to support bakery skills development for Aotearoa's refugee community.

[Meet our new refugee digital and technology cadets as they join Woolworths Group](#)



LGBTQ+ aiming for platinum

In 2021, we achieved Gold Tier status in the Australian Workplace Equality Index (AWEI) for the fourth year, becoming a Platinum Qualifying business. Our AWEI Platinum Project, 'Painting Parramatta with Pride', delivered 2021 to 2022, is inspired by the research and recommendations of the report on Advancing LGBTQ+ Safety and Inclusion in Greater Western Sydney from Western Sydney University and ACON. Our hope is that our learnings from this project will enable us to implement similar initiatives in other locations, particularly those that struggle with safe spaces for LGBTQ+ people.

Countdown once again achieved the Rainbow Tick accreditation, and continues their partnership with RainbowYOUTH, making a \$25,000(NZD) donation and raising funds through customers' giving to support Aotearoa's queer, gender diverse, takatāpui (Māori term for LGBTQ+) and intersex youth.

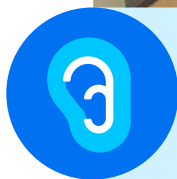


1 Upper case Deaf used indicate deaf from birth and lower case deaf indicates loss of hearing later in life.

Committed to reconciliation

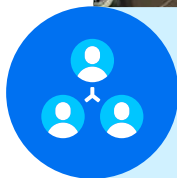
Reconciliation is an important aspect of our Group purpose, to create better experiences together for a better tomorrow. We have been on a journey of reconciliation for over 10 years, with the launch of our first Reconciliation Action Plan (RAP) in 2011. Last year marked a step change in our approach informed by the 2021 Independent Panel Review (IPR) into a proposed Dan Murphy's store development in Darwin. While we have demerged from Endeavour Group, the IPR highlighted gaps in Woolworths Group's engagement with Indigenous communities, and has enabled us to listen and improve our approach to make a positive impact.

Following the IPR, we developed our reconciliation strategy, endorsed by the Woolworths Group Board. This strategy will enable the Group to leverage our strengths to drive meaningful actions towards reconciliation. It will complement the development of our second Innovate level RAP, our ongoing support for the Uluru Statement from the Heart, and guide the next chapter of our journey. Our strategy is centred around three strategic pillars:



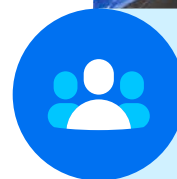
Listen and learn

Proactively take the time to learn from First Nations peoples and build sustainable relationships based on mutual benefit and trust



Good governance and ways of working

Partner across the Group to embed our learnings, empower our teams and measure progress



Focus areas

Leverage our strengths to partner with others and make a tangible impact in Closing the Gap between Indigenous and non-Indigenous Australians

Foundations for reconciliation

F22 has seen us establish many foundational elements to embed and sustain this strategy across our business. This encompasses the establishment of our First Nations Advisory Board and the creation of dedicated roles to bring expertise to our new Indigenous Affairs team, including Adam Bray, a proud Iman man, into the new role of General Manager Indigenous Strategy and Affairs. We have also enhanced the ways we listen to and amplify the voice of Indigenous customers, communities and team members. Our leaders and teams have spent time listening to and building relationships with Indigenous communities and organisations across the Northern Territory, far north Queensland, and other parts of Australia.

Next year, we will continue our efforts to better understand the challenges facing remote Indigenous communities in relation to food security, affordability and nutrition. Importantly, in playing our part to improve these outcomes, we will work alongside government, industry, Indigenous organisations and communities.

With almost 5,000 Aboriginal and Torres Strait Islander team members, and our footprint across Australia, Woolworths Group remains committed to making meaningful and sustainable contributions towards enhanced social, cultural, political and economic empowerment of Indigenous Australia.

Focus area: Procurement

Woolworths Group is committed to investing in the growth and sustainability of the Indigenous business sector. We will provide support and mentoring to Indigenous businesses seeking opportunities across Woolworths Group. In F22 we updated our Procurement Policy with special conditions to increase Indigenous engagement and launched our internal Indigenous Business Directory. We participated in Supply Nation's 'Connect' event as an exhibitor, meeting Indigenous businesses and industry leaders, building our connections and relationships.

Our 2025 target, from F23, is 3% of our non-trade influenceable spend with Indigenous suppliers.

Shawn Andrews, proud Mununjali Minguinberri man, shares his Dhuwa Coffee story



Create meaningful retail careers for today and tomorrow

Progress:



\$2.7M

invested in digital accelerator programs

>45k

new team members under age of 25

8

refugees commenced digital cadetship

Sustainable Development Goals:



Technological innovation is spearheading the future of retail, and our customers are embracing different avenues to access products and information. As we too evolve in this context, we want to empower our team members with opportunities to help them feel comfortable with change and equip them with new skills to excel.

The retail industry continues to be transformed by technological advances in automation, predictive analytics, artificial intelligence and cloud computing. These changes are helping us better meet the needs of our customers, while at the same time fundamentally changing the nature of day-to-day work across Woolworths Group.

In February 2021, we launched the Woolworths Future of Work Fund to upskill, reskill and redeploy team members impacted by industry disruption and technological change. The fund commits \$50 million over three years to help equip our team with new skills and capabilities.

From launch through to the end of F22 we have invested \$9 million in Future of Work programs, covering multi-skilling store teams and investing in digital capabilities, including:

- the launch of the Refugee Digital Cadetship delivered in partnership with Community Corporate (see [page 19](#))
- investment in three reskilling pilot programs for high demand digital roles, including user experience and user interface design, product management and software engineering
- implementation of multi-skilling programs in all stores, including an eCommerce program completed by 5,500 team members. This is complemented by enhanced rostering, resource planning and store planning rhythms that increase certainty of work for our store teams.

To set our team up for success in the increasingly fast-paced retail environment, we have delivered learning programs and modules, and also embed Agile ways of working across our store and support teams. We continue to invest in the Data4All program to build capabilities for our teams in data analytics.

Our team is critical to our success. In F23, we will continue to equip our frontline and support teams with the right skills for meaningful careers and enhance employability for both today and into the future.



Invest in the holistic wellbeing of our team

Progress:



11.13

Total Recordable Injury Frequency Rate

▼ by 9%

>14K

team trained in mental health first aid

32,033

Sonder activations

Sustainable Development Goals:



In a year filled with disruptions, the safety of our team and our communities has never been more important. We care deeply about the physical, mental and psychological safety and wellbeing of our team and strive to create a culture where we support each other and it's okay to ask for help.

Caring for our team with Sonder

In 2019, we partnered with Sonder, connecting our team and their families to a comprehensive range of 24/7 care. Instead of asking team members to navigate individual, disconnected support services across safety, medical and mental health, Sonder is an all-in-one care network in the palm of their hand. Last year, we further expanded our use of Sonder, using a more holistic approach considering all aspects of a team member's life. We found that:

- over 50% of the time, our team members received help for issues connected to, but beyond, what's first presented
- 56% of our team who sought help reported they wouldn't have sought support at all without Sonder.

Over 31,000 team members have downloaded Sonder since launch, with 11,000 team members helped and 21,000 support cases raised. We will continue to raise ongoing awareness of support across the Group.





Living with COVID

In F22, we continued to support our teams and customers during COVID, informed by our Chief Medical Officer Dr Rob McCartney.

We assisted 68,908 team members to manage their own illness or care for others with access to special paid COVID leave. As part of our support of the national vaccine rollouts, our COVID Vaccination Leave Policy also provided team members with up to four hours of paid leave, per vaccination. 16,633 team members accessed this leave option in F22. In addition, for our casual and salaried team, we offered shift swaps or flexible working arrangements to enable attendance at vaccination appointments.

Aiming to keep our team members safe, we set up our own pop-up vaccination hubs, administered 12,342 vaccinations to team members and conducted 1.2 million rapid antigen tests at pop-up testing centres.

To provide team members with the safest possible work environment, and continue to supply the food and essential needs of our communities, Woolworths Group made the decision to implement a COVID Vaccination Policy, requiring all team members to be vaccinated or apply for an exemption. Currently, 99% of team members across the Group are double vaccinated.

In 2022, we have transitioned to 'living with COVID', continuing to follow government health advice and remaining vigilant to any changes as we continue to prioritise the health and safety of our team and customers.

Holistic wellbeing

The holistic wellbeing of our team is a primary focus for Woolworths Group. We are continually striving to provide best-in-class responses on team wellbeing, informed by experts on our Wellbeing Advisory Council.

In F22 we:

- provided 14,000 team members with mental health training to recognise and support mental health issues
- partnered with Mindstar (our wellbeing partner), to conduct over 137 group resilience sessions and wellbeing check-ins for 306 team members
- assisted 869 team members through Good Shepherd (our financial wellbeing partner) providing no fee, interest free loans, grants, gift cards and financial counselling to those in need.

Support in times of floods

During the devastating floods across the east coast we assisted our team by:

- covering rosters and wages for those from stores that closed; and providing transfers to nearby stores
- paying natural disaster leave to over 3,500 of our team who were unable to attend work
- providing temporary accommodation, gift cards and care packages of essential items
- giving financial assistance to over 230 team members whose homes were damaged, plus interest free loans from our partners at Good Shepherd
- delivering health, safety and wellbeing support through our partners Sonder and Mindstar.



Our F22 **Total Recordable Injury Frequency Rate** was 11.13, an improvement of 9%. We introduced **Severity Rate**, a holistic measure including all injuries for team and customers, and incidents with high potential for serious injury. Our F22 **Severity Rate** was 1.74, an improvement of 10%.

F22 Voice of Team was 15, see [page 18](#).

Activate ethical and mutually beneficial partnerships through the whole value chain

Progress:



52

Voice of Supplier

▼ by 5

80%

high-risk horticulture suppliers audited based on cost of goods to the Group

\$1M

in repayments has been, or is in the process of being, returned by suppliers to > 990 workers across our supply chain

Sustainable Development Goals:



Modern Slavery is a global issue with ~16 million¹ people in forced labour in the private economy. We are working with our suppliers to build a rights-respecting culture where modern slavery risks are identified, managed and mitigated.

Our Human Rights Program has been in place for five years and underpins the work we do with our suppliers to build a rights-respecting culture. It is our approach to managing human rights risks to people across Woolworths Group's supply chain and covers a range of labour rights issues. Our Program is informed by the United Nations Guiding Principles on Business and Human Rights, our Group Risk Management Framework and the Board approved Group Risk Appetite Statement, which identifies human rights as a level one risk, meaning we work 'towards zero' and aspire to eliminate these risks.

The Program covers four key elements:

Responsible Sourcing Program — focused on safeguarding the rights of workers in our supply chain through risk-based supplier segmentation and due diligence

Bespoke and targeted risk-based workstream — strategic workstream designed to target specific modern slavery risks, focused on industry and country specific due diligence and targeted mitigation plans, including supplier capability building, advocacy and industry memberships

Partnering across our ecosystem — framework to inform our due diligence approach with controlled entities and commercial partnerships

Grievance and investigations — principles and procedures for responding to grievances in a timely manner and prioritising efficient and effective remediation where applicable

¹ International Labour Office (ILO), Global estimates of modern slavery: Forced labour and forced marriage, Geneva, 2017.



Our progress in F22

This year, we progressed or completed:

- a roadmap and pilot on labour costing in the BIG W apparel supply chain as part of our work with ACT on responsible purchasing practices
- our [Sustainable Cotton Policy](#) which was developed and published
- supply chain traceability in a number of extreme risk commodity areas, including cotton
- a review of our [Responsible Sourcing Policy](#) and [Standards](#) to continually improve the effectiveness of our program. This process incorporated the publication of two new Addendums to address three indicators of modern slavery – withholding of passports, payment of recruitment fees, and child labour. The [Responsible Recruitment Addendum](#) and [Child Labour Addendum](#) deliver clear implementation guidance for our suppliers on our expectations and commitments for the protection of human rights in our supply chain.

Through our influence, and with our oversight, suppliers have delivered tangible outcomes for workers in our supply chain, which includes:

- monitoring supplier repayments of \$184,000 to 722 workers in our cleaning and trolley supply chains across Australian and New Zealand
- approximately \$805,000 has been, or is in the process of being, returned to at least 285 migrant workers in Malaysia who had paid recruitment fees in source countries.

Partnering for human rights

We believe in the power of partnerships to enhance our approach and contribute to industry-wide change. In F22 we:

- formalised a [partnership with the Retail Supply Chain Alliance](#) to collaborate and safeguard the welfare of workers in our horticulture supply chain. This includes forums and workshops to enhance awareness of challenges and promote positive outcomes for all workers
- joined the Consumer Goods Forum Human Rights Coalition. One of the key projects of the Coalition is responsible recruitment in Malaysia, providing an opportunity to partner with other retailers to scale industry-wide change and manage risk in this area.



[View the 2022 Modern Slavery Statement here](#)



Looking ahead

This year, our Human Rights Program was shortlisted for the Thomson Reuters Stop Slavery Award in recognition of our continuous improvements. Whilst we are proud of the progress we have made, we recognise there is much more to do. Our F23 priorities include:

- continued focus on improving supply chain transparency and traceability with our cotton suppliers
- undertaking our second forced labour risk assessment so that our program of work continues to identify and focus on high priority areas
- a dedicated stream of work focused on developing our strategic approach to move beyond audit and embedding worker voice into our program.

The Woolworths Group's [2022 Modern Slavery Statement](#) delivers a detailed report on the progress of our Human Rights Program, expanding on the information shared here.



Voice of Supplier
overall score of 52.

Woolworths Food Company was ranked the No.2 retailer on overall performance with a net favourable score of 36; an increase of one from F21.

Have a positive impact on our customers and communities

Progress:



\$41.4M

direct community contribution

▲ \$34.9M

1.85%

of EBT on a rolling two-year average

\$13M

funding raised from customers for charity

▼ \$1.1M

Sustainable Development Goals:



We are at the heart of our communities across Australia and New Zealand and are determined to make a positive impact. We invest in local programs, and expand our partnerships to support communities in need and provide relief in times of natural disaster.

Standing with our communities



Woolworths Group's Supporting Through Australian Natural Disasters (S.T.A.N.D) program aims to help our communities, particularly in times of natural disasters. Through financial support, proceeds from our S.T.A.N.D Spring Water, our customers' generosity and our partners, The Salvation Army, Rural Aid, Foodbank and Lifeline, communities are also supported with disaster preparedness, response, recovery and resilience.

Funds raised through our S.T.A.N.D program this past year, including our annual donation of \$500,000, are essential to help The Salvation Army respond when natural disaster strikes.

During east coast floods in March 2022, it was demonstrated once again the power partnerships have in positively impacting our communities. At this time, the Salvation Army served over 40,000 meals and refreshments to evacuees and first responders in 25 evacuation centres. In addition, the \$784,000 donated by our generous customers to The Salvation Army's Flood Appeal assisted in helping over 28,000 households and providing over 25,000 recovery grants.



The Salvation Army

18,845

people assisted who have been impacted by natural disaster



Lifeline

Lifeline

123,350

calls for help taken



Foodbank

360,652

meals provided

Support made possible in F22 through Woolworths Group S.T.A.N.D funding. These values represent contributions during times of natural disasters. Overall partnership contributions are higher.



Rounding up for good

In F22, Woolworths Supermarkets continued to offer customers a solution to give back to their communities and donate to charity organisations by rounding up their payments. We thank our customers for donating those extra cents which added up to over \$6.3 million, making a real difference to our charity partners such as OzHarvest, Variety – the Children’s Charity and Good 360.

Fostering sustainable farming

In F22, the Woolworths Organic Growth Fund delivered \$1,140,000 in grants and interest-free loans to organic growers, including Gurra Downs Date Company in South Australia. Our support for the family-owned organic date farm will boost production capacity through new machinery, aiming to increase the availability of Australian-grown dates. This Fund, together with the Woolworths Dairy Innovation Fund, supports sustainable farming projects across the country.

Meet Ian Cathels, recipient of Woolworths Organic Growth Fund



Partnering to share the dignity

Since 2019, Woolworths Supermarkets has partnered with Share the Dignity to help address period poverty. Dignity Drives, held each March and August, aim to raise awareness and encourage customers to support this unseen plight.

For every period care product sold during our Dignity Drives, we donate 5c to Share the Dignity. The over \$2 million raised since our partnership commenced has funded the installation of over 100 Dignity Vending Machines, providing period products to those in need, discreetly and free of charge.

In F22, more than 178,500 new period care products were collected from customers in store. Since 2019, a total of 576,351 products have been donated to local community services helping women and girls in need.



Eco-champions of the future

In June 2022, Woolworths Junior Landcare Grants were awarded to 1,054 Primary Schools and Early Learning Centres to help grow our future environmental champions. These grants (up to \$1,000 each) fund hands-on projects focused on sustainable food production, improving waste management and enhancing native habitats. The F22 program is set to engage more than 100,000 children all around the country. The program has now funded more than 3,800 projects, worth more than \$4 million, since the program started in 2018. In May 2022, we also supported the development of 10 First Nations activities for the online Junior Landcare Learning Centre, designed to help bring First Nations perspectives into the home and classroom.

Supporting our charity partners

Woolworths Group has a long-standing history working with our community partners creating positive impact and helping create a better today and better tomorrow.

WA

Telethon

Telethon is much loved for the impact it has made to the health and wellbeing of children and families in WA. Since 2013, our team and customers have raised over \$4 million to help West Australian kids, via the 97 WA beneficiaries supported by Telethon.

NT

Variety, the Children's Charity

In the five plus years of our partnership with Variety NT we have raised more than \$240,000. These funds have been used for grants, scholarships, experiences and programs, such as a free learn to swim program for kids with a disability.

QLD

Children's Hospital Foundation

Woolworths has supported the Children's Hospital Foundation since 1986, following a hospital tour by Reg Clairs, Woolworths CEO at the time. Since that time more than \$60 million has been raised by our customers and team for life-saving equipment, research and support services.

NSW

Variety, the Children's Charity

Our partnership with Variety NSW commenced in 2013 and has raised more than \$13 million to date. In F22 Woolworths funding underpinned the Variety Just Like You program, a free disability awareness program for primary schools students, and granted 1,171 pieces of vital education technology equipment.

SA

Variety, the Children's Charity

Since 2016, our team and customers have raised more than \$1.5 million for Variety SA. This supports kids to gain mobility, get out and about in the community, communicate, achieve independence and increase their self-esteem.

VIC

Good Friday Appeal

Woolworths has raised more than \$26 million since 1987 for the Good Friday Appeal. The Appeal raises funds for The Royal Children's Hospital, Victoria's major children's hospital including the Child Life Therapy and Comfort Kids programs, designed to provide support to help life remains as normal as possible for children and young people in treatment, and their families.

TAS

St.Giles

Woolworths established a partnership with St.Giles in 2021 to help Tasmanian children access equipment and programs not funded by the National Disability Insurance Scheme. Our support assists children with disabilities and neurodiversity.

NZ

Growing for Good

Now in its fourth year, Countdown's Growing for Good grants provide financial support for schools pursuing sustainability projects. In F22 we selected nine inspiring school-based projects that will receive a total of just over \$63,000 (NZD) in funding.

telethon 7

variety
the children's charity

GROWING
FOR GOOD

Children's
Hospital
Foundation

st.giles

good
Friday
appeal
THE ROYAL CHILDRENS HOSPITAL



cash donations¹
\$26.3M



in kind¹
\$15.1M



direct
community
contribution
\$41.4M



1.85%
of EBT on a rolling
two-year average



leveraged
fundraising
\$13.0M



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

BIG W and The Breakfast Library

The Breakfast Library is delivered by the Australian Literacy and Numeracy Foundation (ALNF) in partnership with BIG W and Woolworths Supermarkets. The program supplies at-risk children with a nutritious breakfast, whilst boosting their literacy development, providing access to high-quality, age-appropriate literature. Following a successful pilot in NSW, supporting around 800 students weekly, plans are underway to expand the Breakfast Library nationally. BIG W will contribute approximately 30,000 books for children to further develop their reading skills.

BIG W spreading joy

Partnering with TerraCycle, BIG W's Toys for Joy is a first of its kind toy recycling program aimed at reducing landfill by providing families with an accessible disposal alternative. Following a successful year-long trial with 18 tonnes of old toys collected, 2022 saw Toys for Joy expand across BIG W stores nationally.

See how we're partnering to recycle old toys into play equipment



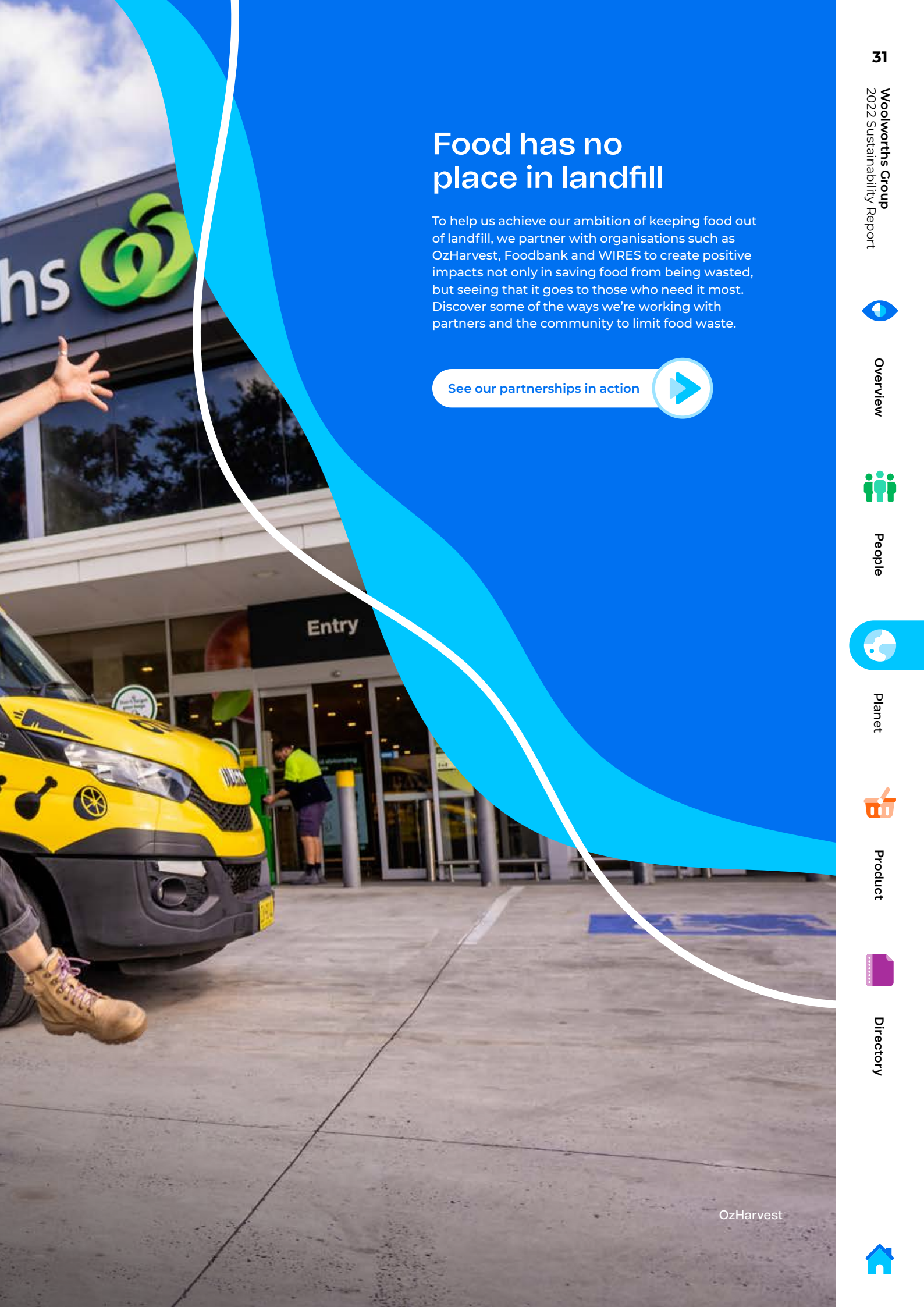
Food for Good Appeal

In response to the mental health impact of COVID lockdowns, Countdown launched its Food for Good Appeal. Our teams chose to fundraise for a local mental health cause or The Mental Health Foundation of New Zealand, which supports more than one million Kiwis annually. Through the appeal, Countdown and our customers donated \$291,000 (NZD) to mental health charities with a grassroots focus, including local grief counselling, family violence services, youth mentoring and more.

Planet



Our planet's water, atmosphere, carbon and soil are all connected to the sustainability of our food systems. Solving the huge challenges associated with climate change, as well as issues such as deforestation and biodiversity loss will require an unprecedented transformation in the way our value chain operates. We are committed to accelerating our efforts and to partner with our suppliers, customers and industry to tackle these challenges.



Food has no place in landfill

To help us achieve our ambition of keeping food out of landfill, we partner with organisations such as OzHarvest, Foodbank and WIRES to create positive impacts not only in saving food from being wasted, but seeing that it goes to those who need it most. Discover some of the ways we're working with partners and the community to limit food waste.

[See our partnerships in action](#)



Climate change strategy

We are committed to reducing our emissions footprint in line with our Sustainability Plan 2025, improving our operational resilience and adapting to the predicted effects of a changing climate. Our climate change strategy determines our approach, and is approved by the Woolworths Group Board.

Our strategy focuses on delivering our commitments and effectively managing climate risk. The strategy's end-to-end approach, centred on five pillars (outlined on [page 33](#)), considers the implications across our value chain and impacts on our external stakeholders.

Climate-related risks and opportunities are identified through the Woolworths Group risk management process in line with our Risk Management Framework (RMF). The Risk Committee has oversight of the RMF and the Group risk profile. Governance is supported by the Woolworths Group Executive Committee and relevant committees and forums across the Woolworths Group.

Specific oversight of climate risk is managed by the Board Sustainability Committee. The Sustainability Committee monitors progress against the strategy, and is responsible for reviewing and endorsing our targets to manage actual or potential climate-related impacts to the Group.

See the [2022 Annual Report](#) for our update on Task Force on Climate-Related Financial Disclosures (TCFD).

Building our resilience

It is now clear that climate impacts are being felt, with the 2019–2020 summer bushfires exacerbated by extreme heat and underlying drought conditions.¹ We have already made progress adapting to the current effects of climate change.

Climate risk assessments and store-level engineering reviews have identified more than a dozen potential impacts and risk mitigation measures such as:

- designing stores in the monsoonal north to withstand cyclone risk
- adding backup generation to high risk stores
- increasing stormwater capacity
- harvesting rainwater in high stress water areas
- ventilating plantrooms to assist cooling equipment during heatwaves

- avoiding low-level plantrooms to mitigate against flooding
- installing flood barriers in stores in flood prone areas.

Within our supply chain, our Townsville distribution centre (DC) was commissioned in consideration of the risk of this region becoming isolated due to extreme weather.

During the autumn flooding in Queensland this year the DC was able to keep local supermarkets stocked while supply routes were interrupted.

Our focus for the next 12 months will be on the commencement of climate change resilience plans for our logistics networks and continuation of physical resilience in our stores.

¹ <https://www.worldweatherattribution.org/bushfires-in-australia-2019-2020/>

Five pillars of our climate change strategy



Reduce and green our power use

- Implementing energy efficiency improvements across our network of stores and offices, and optimising new design and construction across our distribution centres to reduce electricity consumption
- Sourcing 100% green electricity across the Group by 2025. Our green electricity progress is covered in Planet Goal 1 on [page 38](#)



Introduce low-carbon tech and practices

- Continually upgrading our store network to low global warming potential (GWP) refrigeration systems
- Testing zero emissions transport solutions across parts of our fleet covering trucking refrigeration, home delivery, store vehicles and charging, and trolley collection. See [pages 35 and 37](#) for selected case studies



Increase resilience in our value chain

- Assessing climate risks and opportunities associated with physical, transition and food security risk, and how these impact our customers, suppliers and operations. See the Understanding Climate Risk section of the [2022 Annual Report](#)
- Adopting resilience measures to address acute and chronic physical risks, see [page 32](#)
- Working with our suppliers to increase food production resilience, in conjunction with our nurturing nature strategy. See Planet Goal 4 on [page 42](#)



Support industry, customer and team carbon neutrality

- Enabling our customers and team to reduce their emissions: [Green Delivery Windows](#) allows customers to choose a time when deliveries are scheduled in their neighbourhood, reducing fuel and emissions. Our customers also have further opportunities through our Origin Everyday Rewards Plan, which provides 25% Green Power for electricity customers and 100% of gas emissions offset through [Climate Active](#)
- Supporting suppliers in their own decarbonisation efforts. Our value chain emissions pilot is our first formal step toward addressing scope 3 supplier emissions, see [pages 36 to 37](#)



Support community climate change resilience

- Providing direct support for natural disaster affected communities through our Woolworths Group S.T.A.N.D program. See People Goal 5 on [page 26](#)
- Mitigating the impact of store closures and maintaining stock where needed through physical store and network resilience



Overview



People



Planet



Product



Directory



Net positive carbon emissions by 2050

Progress:



2.01M

tonnes of scope 1 and 2 emissions
▲ by <1%

55

suppliers across 6 priority categories engaged in scope 3 emissions program

5

4 or 5 Star Green Star rated buildings certified in F22

Sustainable Development Goals:



Addressing the impact of climate change is critical both locally and globally. We know we can do more, so we aspire to become a net positive business, partnering to take more carbon out of the atmosphere than we produce.

Acknowledging our significant footprint across Australia and New Zealand, we are taking an end-to-end approach to decarbonisation, which informs our management of climate risks and opportunities to mitigate.

Operational emissions reductions

Scope 1 and 2 emissions are those directly within our operational control. Our material scope 1 emissions sources include fugitive synthetic refrigerants, transport fuel for our fleet cars and home delivery trucks, and natural gas. Our scope 2 emissions are those associated with electricity use across all stores, distribution centres and offices. Scope 2 electricity emissions make up the largest part of our operational footprint.

Woolworths Group is currently committed to achieving a 63% reduction in emissions from our operations by 2030. This target was ratified by the Science Based Target initiative (SBTi) in 2020, and is currently under review. SBTi is 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.

Our annual emissions this year reflect the updated operational boundaries of Woolworths Group, including the demerger of Endeavour Group and the acquisitions of PFD Foods and Quantum, and are recalculated for earlier years. We have also included a revision of emissions sources in line with the National Greenhouse and Energy Report Act, and revisions to refrigerant GWPs as reported in the 2021 AR6 report. Accounting for the above changes, our absolute emissions year-on-year have increased marginally by <1%. This is due to one-off increases in the factors used to calculate emissions from refrigerants¹, and the inclusion of additional minor emission sources for the first time, primarily related to scope 1 fuel usage (eg LPG used in materials handling equipment). Conversely, year-on-year change in scope 2 electricity use shows a continued decrease, with Australian supermarkets and BIG W both continuing to reduce emissions through energy efficiency initiatives.

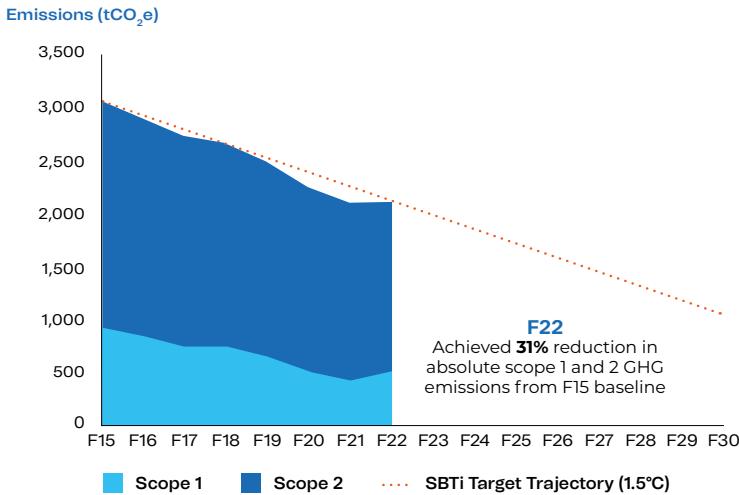
1 IPCC, Climate Change 2021: Sixth Assessment report AR6.



Our F22 emissions of 2.01 million tonnes CO₂e are 31% below our 2015 baseline, continuing to progress toward our 2030 SBTi target.

Progress on SBTi target

(63% reduction in absolute scope 1 and 2 GHG emissions by F30 from F15 baseline)

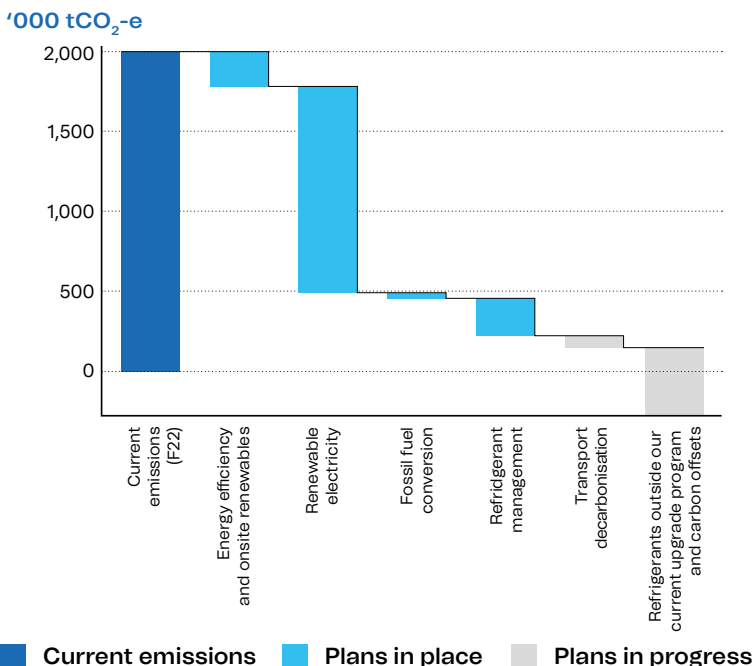


The SBTi requires that organisations regularly review their progress and baselines. As our ecosystem evolves, we will review any changes and determine if emissions baseline changes are material and require recertification of our targets.

Our pathway to net positive (scope 1 and 2) includes a number of key initiatives: energy efficiency, renewable energy sourcing and generation, refrigeration upgrades and transport decarbonisation. These, discussed on page 37, contribute directly to reductions in energy use and emissions as outlined in the chart below.

Our remaining operational emissions consist of refrigerants that are difficult to replace, and fuel consumption related to backup generation. As new opportunities are identified, we will integrate these into our plan. Where direct reductions remain impractical, use of carbon offsets will be considered. Any use of offsets will be in line with SBTi guidelines and subject to an internal due diligence process to ensure adequate environmental, social, cultural and economic co-benefits are achieved.

Pathway to net positive



Emissions reductions in store

Our energy efficiency initiatives continue to deliver year-on-year reductions on store energy use. These initiatives include refrigeration upgrades, more efficient equipment, LED lighting, and store retrofits such as fridge doors. In F22, over 1,000 energy initiatives were implemented across the Group. We also monitored energy consumption through our Energy Management Centre, enabling real-time tracking to pinpoint peaks and patterns to support reduction interventions.

Refrigeration is our top priority as it plays a critical role in food quality, and refrigerant gas leakages represents our second largest source of emissions following electricity. Over F22, we continued to install new transcritical CO₂ systems, now covering 73 stores, up by 21 this year, through replacements, upgrades and new store installation. Transcritical systems are considered a better, lower-emissions option for refrigeration systems, estimated to save each store 100 tonnes of CO₂e annually. We also worked on our management of leaks through early detection.


Green Star design

Green Star buildings are built for high resource efficiency and better productivity. Woolworths Group has committed to all new property developments achieving a 4 Star Green Star. By 2025, we aim to have a 5 Star Green Star minimum standard.

Our Heathwood DC, opened in Queensland, is targeting a 5 Star Green Star certification for sustainable buildings. If successful, it will be the Group's first 5 Star Green Star DC in the state. The build features 2.5MW of solar (the largest installed by the Group to date), a stormwater detention tank to capture up to three million litres of rainwater, and provision for electric cars and trucks. To support the local ecosystem, together with long-term development partner LOGOS, we are installing native bee colonies on-site which borders neighbouring bushland. F22 also saw us open our first 5 Star Green Star supermarket in New Zealand, Countdown Waiata Shores, together with two 4 Star Green Star DCs.

Understanding the emissions in our value chain

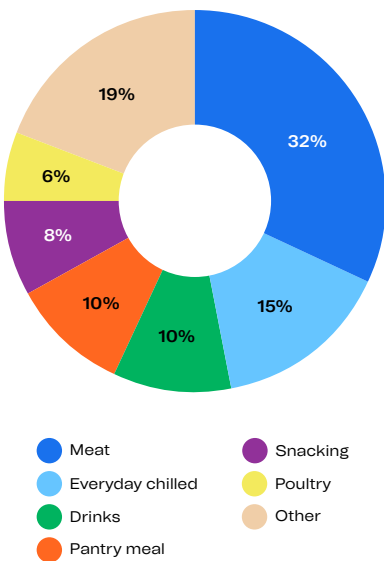
The majority of Woolworths Group's emissions are generated within our value chain – from agriculture, the production of raw materials, manufacturing of products, and transporting finished products to our DCs and stores. These scope 3 value chain emissions are calculated to be approximately 14 times greater than both our scope 1 and 2 emissions combined. We acknowledge the scale of this challenge, and this year have improved our measurement of emissions across our entire value.

Category number ¹	Description	Scope 3 footprint	Actions underway
Scope 3 Upstream	1  Purchased goods and services	84.8%	Supplier engagement pilot via THESIS powered by SupplyShift. See page 37 for our value chain emissions program
	2  Capital goods	2.8%	Green Star ratings of new development incorporate lifecycle assessments to reduce embodied emissions
	3  Fuel and energy related activities	0.7%	Reductions occur in line with overall greening of the national electricity grids
	4  Upstream transportation and distribution	2.1%	
	5  Waste generated in operations	0.4%	Woolworths 360 implementing organic waste processing; ongoing improvements to supermarket and other property waste contracts
	6  Business travel	<0.1%	
	7  Employee commuting	1.1%	
	8  Upstream leased assets	1.1%	Property teams work with landlords to specify best practice end-of-life HVAC upgrades
Scope 3 Downstream	9 11  Downstream transportation and distribution, use of sold products, end-of-life treatment of sold products, franchises	7.0%	Customer education programs, Origin Energy partnerships, and trial of electric trolley collection vehicle

¹ Greenhouse Gas Protocol, Corporate Value Chain (Scope 3) Accounting and Reporting Standard.



Category 1
Australian food products



Value chain emissions program

We are currently committed to achieving a 19% reduction in value chain emissions by 2030. This target was ratified by SBTi in 2020 and we are in the process of submitting an updated target for re-validation. We are approaching how we achieve this target systematically – first seeking to understand the areas in which our scope 3 footprint is concentrated. Splitting this by product category enables us to prioritise our work in areas where we believe there is the greatest potential for material emissions reduction.

Many of Woolworths Group's suppliers have already set their own independent targets to reduce emissions. In June 2022, we invited 55 suppliers (across Australia and New Zealand) to trial a new program providing them with insights to prioritise their own emissions work and giving us visibility to determine key focus areas. These suppliers are from the six priority categories that represent 80% of food product emissions. We are partnering on this program with The Sustainability Consortium (TSC), a global non-profit organisation, to collaboratively use a science-based decision tool, THESIS, to capture the emissions data. Following a review of the trial, we plan to progressively expand the reach of the program, giving all suppliers the opportunity to join an annual cycle of measurement and improvement.

In partnership with our suppliers, industry and government, we intend to identify short-term opportunities for reduction across the value chain, and those requiring additional support and innovative solutions over the longer term. This understanding will form the basis of our value chain emissions reduction strategy, that we will detail in future reports.

We have made material improvements in our data coverage this year and will report holistically on progress against our scope 3 target from F23.

[Hear how we're reducing emissions across our business](#)



THESIS powered by SupplyShift

THESIS is an interactive tool that highlights environmental and social issues relevant to a product category and identifies improvement practices and key performance indicators to track performance. A key attribute of THESIS is the ability for Woolworths Group to understand where our value chain is positioned today on key environmental and social impacts, including emissions. It is used globally by other retailers enabling suppliers to use a consistent tool to share their emissions information.

Decarbonising transport opportunities

We recognise the need to decarbonise our transport and logistics operations, which represent a small but visible part of our direct emissions with customers increasingly taking advantage of home deliveries. Across our supply chain operations, trucking and other freight emissions also represent a material part of our supply chain footprint. We are trialling lower emissions options:

- Primary Connect has deployed a truck trailer designed to reduce emissions and provide quieter trucking. The e-axle trailer uses kinetic energy produced by the trailer's turning wheels and axle, harnessing it to feed electricity into the on-board battery. This battery then powers the trailer's refrigeration system, reducing the truck's overall emissions. A single trailer is estimated to save over 5,000 litres of fuel or 14 tonnes of CO₂-e annually
- two electric vehicles – BEV and TREV – are delivering groceries to Woolworths Supermarket online customers in Sydney and Melbourne.

Within our value chain we are exploring zero emissions transport opportunities with our carriers. In September, our logistics arm Primary Connect in partnership with Linfox launched what is the only Volvo FL electric vehicle in Australia fitted with refrigeration, operating out of our Melbourne Fresh DC.

100% green electricity by 2025

Progress:



100%

green energy in South Australia from July 2022

175

sites with solar

2%

reduction in grid electricity consumption

Sustainable Development Goals:



We are one of the largest users of electricity across Australia and New Zealand, and our electricity use represents the majority of our operational emissions footprint. Our goal to be 100% powered by green electricity will make a significant positive change to Australia’s energy mix, and includes utilising our own rooftops where possible, and investing in new large-scale renewable energy projects.

Solar

To support our transition to 100% renewable electricity, Woolworths Group is continuing its solar panel rollout. By installing solar onto our store and DC rooftops, we generate renewable power that can be used to offset our grid requirements. Our Heathwood DC, opened in April, includes our largest installed rooftop system to date with 2.5MW of solar. In May, our Conder store in the ACT became the 150th Woolworths supermarket generating electricity from solar across Australia. Our Townsville DC, upgraded in 2019, included an oversized solar system which we now utilise to supply nearby Woolworths supermarket and BIG W stores with excess power through a peer-to-peer energy trading arrangement. This is a glimpse into the future of distributed energy generation in Australia and allows us to supply stores that don’t have access to allow rooftop solar.

Our total rooftop capacity now exceeds 33MW – that’s more than 90,000 solar panels.



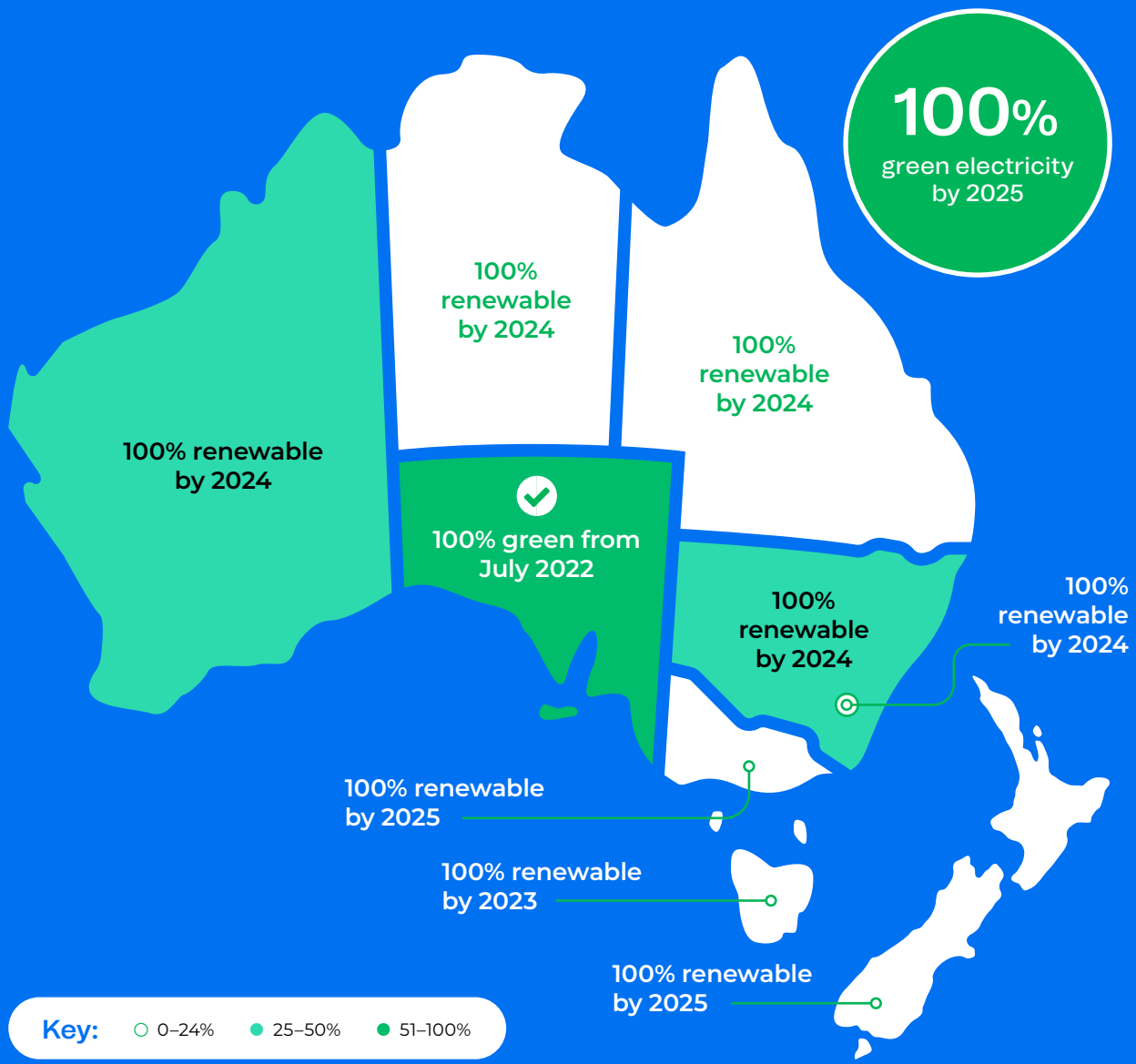
Investing in the renewable energy sector

Our primary approach to investing in renewables prioritises investment in new renewable energy generation to grow the availability of green electricity for businesses and the community, and provide new jobs in a sector that requires significant growth to meet growing demand for clean energy.

This year saw our first major renewable power purchase agreement (PPA) energised in Bango NSW, supplying about 30% of our electricity needs in the state. The new wind farm generated over 100 jobs in its construction and operation, and provides rent back to local landholders hosting wind turbines.

In May 2022 we signed an agreement with Iberdrola Australia to supply 100% renewable electricity to provide all of our energy needs in South Australia, covering 70 Woolworths supermarkets, 17 BIG W stores and our Adelaide Regional DC. The Port Augusta Renewable Energy Park hosts 50 wind turbines and 250,000 solar panels working in tandem to supply round the clock energy.

The map below shows our progress across Australia and New Zealand toward our 100% green electricity by 2025 commitment.



Zero food waste to landfill by 2025

Progress:



10%

increase in food rescue tonnes

>30M

meals provided via our food rescue partners in F22

100%

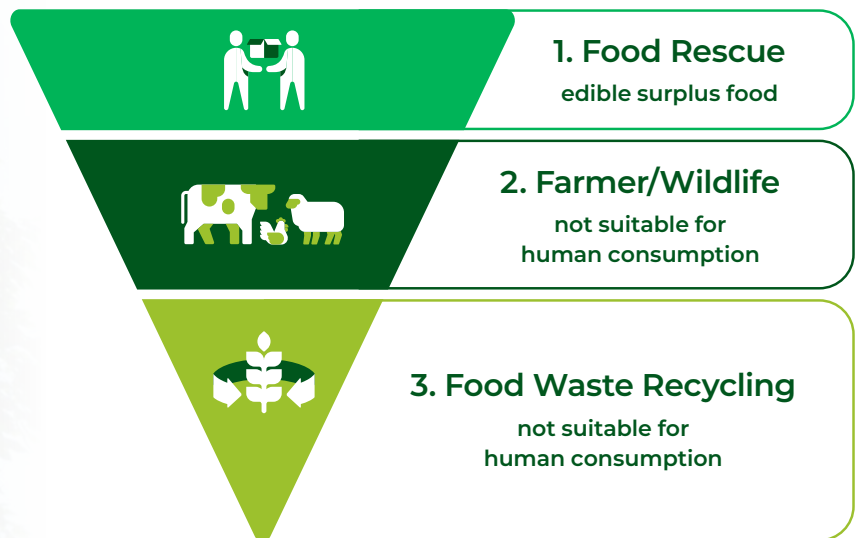
of supermarkets with food rescue partners as at 30 June

Sustainable Development Goals:



To feed a growing population and reduce landfill emissions, it is important to responsibly manage food waste. Through our partnerships and operational changes we are redistributing edible food and diverting other food waste to animal feed or food waste recycling.

We apply an end-to-end approach to how we responsibly manage food waste. We support our farmers upstream to reduce food waste to landfill through initiatives such as the Odd Bunch, in our own operations through rescue and diversion, and downstream by educating and inspiring our customers. This year, in our Australian supermarkets, we have re-imagined how we educate and support our teams on food waste, centred on our Food Waste Diversion Pyramid. This pyramid applies a hierarchy to our approach based on positive impact, first supporting people in need through food rescue, followed by our farmer and wildlife partnerships, and finally food waste recycling. We have more to do to embed these changes and identify our next step in our food waste reduction journey.



Record year for food rescue partnership

2022 has been a year of significant milestones for our food rescue partnerships. Our contribution is helping alleviate food insecurity, experienced by one in six Australians. In F22, we provided 30 million meals to Australians and New Zealanders in need. Since 2014, together with OzHarvest, we have provided >50 million meals. Moreover, we celebrated 20 years of collaboration with Foodbank as their largest food donor and pro bono freight provider.



Supporting wildlife and farmers

Thanks to our partnership with WIRES, we are now the largest pro bono provider of food for wildlife in Australia. Our partnership, born during the 2019/2020 Black Summer bushfires, has grown to over 200 stores now donating surplus food to local wildlife rescue carers across all states and territories. Woolworths Supermarkets' annual WIRES fundraising in F22 supported \$300,000 in food grants to over 150 Australian wildlife rescue agencies, as well as the allocation of \$100,000 for emergency rescue and recovery resources and equipment during the east coast floods. 'The Odd Bunch' has saved over 250,000 tonnes of fruit and vegetables from being wasted since 2015. It helps farmers sell more of their crop and our customers enjoy more affordable fresh produce.

Recycling food waste

When food is no longer suitable for human or animal consumption, we aim to recycle rather than send it to landfill. Currently, around 70% of Woolworths Supermarkets have a food waste recycling solution in place, such as commercial composting to nourish plants. We have more to do to extend this across our network. The food waste recycling industry in Australia and New Zealand is in its infancy, therefore it is critical to continue working with existing partners, industry and government to explore solutions and innovation. One such innovation is Goterra's black soldier fly larvae technology, which turns food waste into sustainable livestock feed. Following a successful pilot, this partnership now forms part of our Australian Capital Territories stores' business as usual approach and stores enabled with this service perform consistently higher in rates of food waste diversion.

Using Food for Good

As part of its Using Food for Good project, Countdown is working to deliver its first zero food waste stores, Countdown Manukau Mall and Countdown St Johns. The project and store teams work together to test food waste initiatives and work towards zero food waste to landfill. This includes working with suppliers to manage stock when nearing best before or use-by dates, improving the management of food waste data, repurposing rescued food to create new products, and empowering food waste champions in store.

Data & reporting

We have been working with teams in store to enhance our processes for food waste which will see data and reporting improvements in F23. These changes make it easier for the team to select which diversion pathway food waste follows.



Practise responsible stewardship of natural resources

Progress:



Nurturing nature

strategy developed and endorsed

380

stores with smart water meters installed
▲ from 240

>\$1.3M

supplier innovation funds distributed

Sustainable Development Goals:



Natural resources are depleting faster than they can be replenished, and biodiversity is declining. Agriculture is the backbone of our business and we are committed to working with our partners to encourage sustainable and regenerative practices for future generations to come.

Responsible stewardship of natural resources supports the resilience of food and fibre production systems, helps to mitigate the impact of natural disasters and contributes to the reduction of our scope 3 emissions.

In 2022, we developed our nurturing nature strategy, formalising our approach to the responsible stewardship of natural resources and sustainable protein in our supply chain. Nurturing nature prioritises specific actions across Woolworths Group by building on the significant work already underway within our business, suppliers and the agriculture industry. The strategy consists of three pillars:

- **Leading the future of protein** – providing affordable and sustainable proteins across traditional, plant and alternative sources. At the same time meeting the highest standards of animal welfare
- **Partnering with our suppliers** – supporting our growers and farmers to improve farming practices, collaborating with our supply chain to identify barriers to practice change and pursue mutually beneficial outcomes
- **Having a positive impact on nature** – working within our supply chain to improve soil health, water stewardship and biodiversity

As we continue to understand the impact farming practices have on climate change, and what's required to improve the resilience of farming systems, we will evolve our approach in collaboration with our partners. We will also encourage our suppliers to continue to adopt and increase the application of the following principles across their supply chains:

- manage landscapes to improve soil health
- optimise the use of chemical inputs
- improve water use efficiency and reduce impact on waterways
- reduce emissions
- improve animal husbandry practices
- care for people involved in, and impacted by, their operations.

In the coming year we will commence the implementation of our strategy, seeking to simplify the assessment of sustainable and regenerative practices for customer and suppliers; and improve our understanding of nature based risk in our supply chains



Our partnerships

Key initiatives informing our approach to the responsible stewardship of natural resources include:

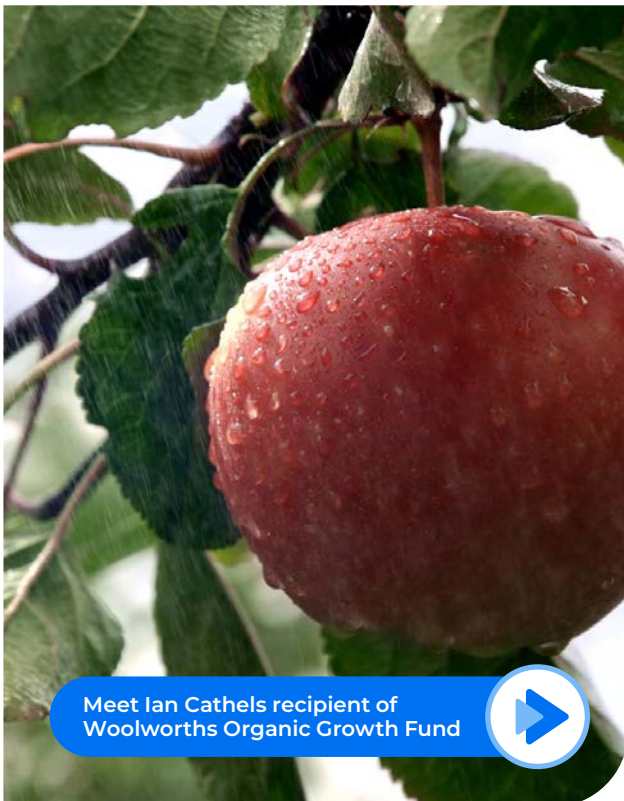
- Taskforce for Nature-related Financial Disclosures (TNFD) Forum membership – supporting the consideration of nature-related risks in our supply chain, the connection to climate change and the preservation of biodiversity
- Science Based Targets Network Corporate Engagement Program – testing their methodology to inform the development of science-based targets that promote positive outcomes for nature and climate.

Water efficiency

In 2021, we commissioned an updated water use report across Group operations examining our consumption, measurement and opportunities to improve water efficiency. Our supermarkets (Woolworths and Countdown) and BIG W stores account for the most water used at 87%, with fresh food departments the most influential factor. The remaining 13% is used by DCs, warehouses and offices. The water use of supermarkets highlights the importance of our ongoing smart water meters installation program. By the end of F22, smart water meters were installed in 380 stores, connected to our Energy Management Centre, allowing for near real-time visibility of water use.

From F23, we will report against a new water metric which aims to reduce our Group water use by 10% by 2025 (2020 baseline).

Beyond store water usage, our water stewardship approach looks at the broader catchment to help identify opportunities to collaborate on shared water targets and challenges. One such example is W360's partnership with Water Stewardship Asia Pacific in Renmark, South Australia.



Meet Ian Cathels recipient of
Woolworths Organic Growth Fund



Partnering on regenerative agriculture

In New Zealand, Countdown has launched a \$1 million (NZD), three-year project to research the benefits of regenerative farming practices in vegetable production. The project, part-funded by the Ministry for Primary Industries' Sustainable Food and Fibre Futures Fund, is being run in collaboration with one of Countdown's key suppliers - LeaderBrand Produce.

The project will trial regenerative principles and practices designed to mirror nature. The focus will be on the use of compost and cover crops as tools to improve soil health, the role of perennial plantings in facilitating ecosystem restoration, and community engagement.

In F23, as the project progresses we will facilitate opportunities for our supplier community to learn more about regenerative agriculture. Sharing their own learnings and supporting a wider understanding of how to incorporate regenerative principles and practices into farming and growing.

A close-up, profile view of an elderly man wearing a wide-brimmed hat and a high-visibility yellow shirt, holding a piece of corn in a field. The background is a blurred field of green corn plants under bright, natural light.

Product

Building a better tomorrow through our products means evolving the way we do business to embrace circular thinking to make our packaging as sustainable as possible and treat all waste as a resource. It also means making it easier for our customers to choose products that are healthier and sustainably-sourced.

Mulgowie Farming Company



Overview



People



Planet



Product



Directory



Farming for the future

Mulgowie Farming Company's journey began over 70 years ago in the Lockyer Valley, Queensland and this family business is passionate about paving the way to a sustainable future. From making a concerted effort to maintain soil health, to taking an environmentally sensitive approach to pest management, the steps that Mulgowie Farming Company take all work toward more efficient and sustainable farming. We explore some of Mulgowie Farming Company's key initiatives that not only look after the land and the Earth's resources, but also result in more resilient produce.

View video to learn more



Materially increase healthier choices in our customers' baskets

Progress:



#1

Australia's Healthiest Supermarket Own Brands, third year in a row²

61.7%

sales of 3.5 or above Health Star Rating³

>19M

pieces of free fruit for kids

Sustainable Development Goals:



Each year, our customers take active steps to make healthier choices.¹ As one of Australia and New Zealand's largest retailers, we are committed to making healthier easier for our customers. We aim to create meaningful initiatives that support, educate and inspire our customers to live healthier lives.

This year, we established our baseline to understand what customers are buying in our supermarkets.³ To do this, we used the Government's Health Star Rating (HSR) system to assign a star rating to eligible products. Our ambition is to grow the proportion of sales from healthier products by 50 basis points (bps) annually. To measure our progress, we define healthier products as those with a HSR of 3.5 stars and above. We will also understand movements across the full spectrum of HSRs to evaluate the impact of our initiatives.

We recognise a healthy balanced diet consists of a variety of nutritious foods in alignment with the Dietary Guidelines. In light of this, we will also better understand the balance of our customers' baskets through the healthyLife Food Tracker, which provides insight into core and discretionary foods purchased.

To drive our health ambitions further, this year we formed our Woolworths Supermarkets Supplier Sustainability Council – Healthier Choices, a forum to engage with our suppliers to support the achievement of our 2025 commitments.



1 IPSOS. Woolworths Food & Health Survey. 2022.

2 The George Institute for Global Health's FoodSwitch: State of the Food Supply report (2019, 2020, 2021) based on mean Health Star Rating compared with Coles, Aldi and IGA.

3 Australian Woolworths Supermarkets eligible sales only, excluding Metro Food Stores.



Own brand reformulation

Our robust reformulation program continues to make our own brand products healthier by reducing nutrients of concern and increasing positive ingredients. Over F22, our reformulations were equivalent to:

	AUS ¹	NZ ¹
Less salt	381t	4t
Less saturated fat	1,029t	15t
Less sugar	811t	39t
More whole grain	15,300t	24t
More vegetables	2,300t	252t

¹ Annualised figures based on previous 12-month sales from product launch.

Healthier own brands

We are committed to making healthier easier for our customers through a number of initiatives, including making healthier choices more accessible and reformulating our own brand products. We are making progress:

- 76% of eligible Woolworths own brand products meet the Australian Government’s Healthy Food Partnership targets for salt, sugar and saturated fat
- 65% of Countdown own brand products meet the New Zealand Heart Foundation’s HeartSAFE targets
- launching 34 new Macro Wholefoods Market branded products and winning the Healthy Food Guide Awards Best Allergy-Friendly Snack
- increasing our range of plant-based alternatives, including Woolworths Plantitude burgers (each 4 HSR) and chilled ready meals (each high in protein plus a serve of vegetables or source of fibre).

In December 2021, for the third year in a row, Woolworths own brand range was ranked the healthiest of the four major Australian retailers by The George Institute for Global Health based on mean HSR.²

We display the HSR on all relevant own brand products to help customers make informed choices, and continue to be free from artificial colours, flavours and added MSG.



Encouraging Australian kids to be healthier

We aim to inspire and empower the next generation through healthier products, engaging activities and ideas to help make healthier eating easier for families.

This year, we became the foundation partner of Life Education Australia’s Thrive Children’s Fund, helping 8,000 regional and remote kids access nutrition education.

Our Fresh Food Kids Discovery Tour program was re-imagined digitally to make it more accessible for kids to learn about where fresh food comes from. Over 50,000 kids have enjoyed the new program since launch. The Free Fruit for Kids in-store initiative gave away over 19 million pieces of fruit this year.

We continue to support the Woolworths Centre for Childhood Nutrition Research, a \$5 million research centre in partnership with the Children’s Hospital Foundation.

² The George Institute for Global Health’s FoodSwitch: State of the Food Supply report (2019, 2020, 2021) based on mean Health Star Rating compared with Coles, Aldi and IGA.

Supporting Australian kids to be active

Keeping active is not only fun for kids but helps establish healthier habits. Woolworths Supermarkets continued its [Pick Fresh Play Fresh Netball Grants](#), totalling over \$1.2 million to more than 300 local Australian netball communities over the last five years. On top of other key initiatives, we donated \$30,000 in grants and equipment to Lismore District Netball Association, a community severely impacted by floods. We also hosted a clinic with former Australian captain and [Woolworths NetSetGO](#) ambassador Cath Cox.

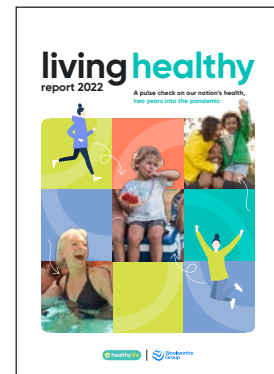


healthylife

[healthylife](#) is Woolworths Group's holistic online health destination, offering health and wellness advice, programs, services and products to help Australians eat well, move well and feel well.

Tools include the [healthylife Food Tracker](#), which provides customers insight into the health of their shopping baskets, and [Ways to Well](#), a series of health programs to support small, achievable changes for a healthier life.

[healthylife](#) is backed by the expertise of the Health Advisory Board, and this year launched its first [Living Healthy Report 2022](#), A pulse check on our nation's health two years into the pandemic.



Read the Living Healthy Report 2022



Making healthier easier

Our 2022 Woolworths Supermarkets Making Healthier Easier campaign featured Prices Dropped on hundreds of healthier products, our ranking as Australia's Healthiest Supermarket Own Brands ¹ and our collection of hundreds of healthier recipes.

Our [Making Healthier Easier](#) online hub allows customers in Australia to explore healthier products and inspiration, and our [healthier recipe page](#) has over 450 recipes. Healthier Options is now available on the Woolworths app to help customers discover healthier alternatives as they shop.

Countdown has a range of [healthier recipes](#) online, with the intention of growing this collection further to inspire Kiwis to cook healthier meals.



¹ The George Institute for Global Health's FoodSwitch: State of the Food Supply report (2019, 2020, 2021) based on mean Health Star Rating compared with Coles, Aldi and IGA.

100% of own brand sustainable packaging

Progress:



4,262

tonnes of virgin plastic packaging removed from circulation in F22

22%

reduction percentage equivalent of baseline year virgin plastic packaging

4,608

tonnes of post consumer soft plastics collected

▲ by 1,703t

Sustainable Development Goals:



Packaging is important for product integrity and there is a growing need for sustainable alternatives. By embracing circular thinking and the power of partnerships, we are working to reduce plastic, increase recycled content and influence packaging innovations in our value chain.

At Woolworths Group we are working hard to make our packaging as sustainable as possible by phasing out problematic packaging ahead of the Australian Government's 2025 National Packaging Targets timeline.

This year, we enhanced our data capabilities and worked to build our product level master data for own brand packaging by engaging an external expert, MSAC Solutions. We also partnered internally with our advanced analytics and packaging teams to deeply understand our packaging data. This has given us the ability to better estimate our historical plastic usage across the Group and re-create a 2018 baseline which is used to compare our progress to target against and calculate the impact of all targeted packaging changes implemented. This data enhancement has provided greater visibility of our performance against our commitments, which we intend to commence reporting on in F23.

In F22, our teams completed 15 packaging redesign projects which will convert non-recyclable materials to recyclable, and reduce virgin plastic in packaging by 4,262 tonnes, achieving over 10,000 tonnes reduction, through targeted initiatives, from our baseline. The examples on [page 51](#) give an insight into the scope and impact of four of these projects.

Fresh fruit and vegetables and bakery continue to be our most challenging categories for packaging improvement as we balance factors, including food safety, quality, product integrity and reducing food waste. Our team continues to drive innovation in this space, some of which hit shelves in F22, for example our plastic free Woolworths Fresh Food Kids fruit packaging pilot.

Our plastic reduction efforts go beyond packaging. The 2021 festive season saw BIG W reduce the number of own brand Christmas products with glitter by 48%. This year, we'll see this expand to a glitter-free Christmas across our own brand seasonal and apparel ranges available in BIG W, Woolworths Supermarkets and Countdown.



Overview



People



Planet



Product



Directory



ARL update

The Australasian Recycling Label (ARL) is displayed on 72% of products where packaging is within the control of Woolworths Group in Australia, making it easier for customers to recycle and contribute to the circular economy. This year, the ARL was added on our in-store bread bags, encouraging customers to return soft plastics for recycling via REDcycle collection. In F22, BIG W commenced applying the ARL to over 400 products which are due to land in store in early F23. The ARL will continue to be expanded to existing and new products in F23.



Partnering to reduce our impact

Given the Group's scale, we recognise our role in driving more sustainable packaging solutions by collaborating across the value chain. Our Woolworths Group Packaging Preferred Materials List and Format Guidelines was updated this year to reflect our position to phase out oxo-degradable plastics in any product or packaging. This aims to support all suppliers with their packaging plans and drive reductions in problematic packaging.

To drive our sustainable packaging ambitions further, this year we formed our Woolworths Supermarkets Supplier Sustainability Council - Packaging & Recycling, a forum to engage with our suppliers to support the achievement of our 2025 commitments.

Woolworths Group is also pursuing innovative packaging solutions to influence industry-wide change. We have partnered with Samsara, an Australian plastic recycling startup that uses enzyme technology to break down plastic so it can be recycled time and time again, reducing the need for new plastic and supporting circularity. We have committed to turn the first 5,000 tonnes of recycled Samsara plastic into packaging for our own brand products.

We continue to offer our customers access to in-store recycling initiatives. In F22 REDcycle recycled 4,608 tonnes of plastic through Woolworths Supermarkets across Australia, a 58% growth on previous year.



Delivering beyond our commitments

In June 2022, Woolworths Supermarkets and BIG W committed to stop selling 15-cent and online plastic bags by the end of June 2023, resulting in 9,450 tonnes of plastic removed from circulation annually. F22 also saw the implementation of two significant plastic bag initiatives:

- in May, our Western Australia stores phased out 15-cent and online plastic shopping bags, ahead of new state legislation
- we introduced home compostable fruit and vegetable bags across all 67 stores in South Australia, diverting up to 70 tonnes of plastic waste from landfill annually. This is supported by high household access to composting in South Australia through council-provided food organics and garden organics (FOGO) kerbside collection.

Remove

Removing single use plastic

We have removed single-use plastic picnicware from Woolworths Supermarkets, Countdown and BIG W, eliminating more than 2,900 tonnes of plastic annually.



Reduce

Reducing virgin plastic in our meat trays

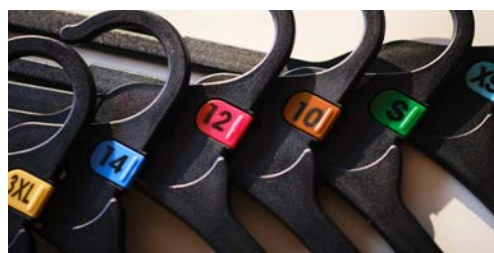
3,681 tonnes of virgin plastic was reduced with the change to at least 60% recycled plastic across Woolworths Supermarkets' 170 million red meat trays annually. Countdown removed 40 million (120 tonnes) single use meat soaker pads.



Reuse

Reusing BIG W coat hangers

BIG W reuses 80% of hangers, saving approximately 1,175 tonnes of waste diverted from landfill annually. The hangers are made from recycled plastic and we aim to further increase future recovery rates.



Recycle

Recycled content in our sauce bottles

Partnering with Wellman Packaging, we launched Squeezepak™ squeeze sauce bottles for Woolworths tomato and BBQ sauces that are made from 100% recycled content, resulting in a reduction of 67 tonnes of virgin plastic annually and recognised as a winner of the Worldstar Global Packaging Awards.



100% of own brand sourcing is sustainable

Progress:



100%

sustainably sourced
single product tea,
coffee, cocoa, sugar

100%

food palm (kernel) oil
RSPO certified

Cotton Policy

developed and
published

Sustainable
Development
Goals:



Sourcing resource intensive raw materials impacts on the planet's natural ecosystems. We are working to make it easier for customers to make sustainable choices by sourcing high-impact commodities through suppliers that have low risk of negative social and environmental impacts.

This year, the cost and availability of high-impact commodities has been affected by a range of local and global factors. Floods have impacted the production of Australian crops such as sugar and soy, and palm oil accessibility has reduced due to the conflict in the Ukraine. We are working to improve our preparedness in this area in this volatile landscape, by working with our suppliers to assess alternative arrangements and updating ingredient specifications. We remain committed to supporting our supply chain to deliver improved social and environmental outcomes. We maintained 100% sustainably sourced single product own brand tea, coffee, cocoa and sugar, and aim to increase to 100% the use of certified and/or verified coffee, tea and cocoa as ingredients in our own brand products by 2025. We also focused on cotton, one of the most commonly used fibres across our own brand products and our top non-food risk of modern slavery. Moving forward, we will look beyond our first tier suppliers to incentivise best practice in areas such as sustainable soy in livestock feed, through the operationalisation of shared learnings as part of the global Retail Soy Group.

Our approach to sustainable sourcing includes a combination of physically certified (or independently verified) commodities, and the purchase of offsets to support the sustainable production of a commodity if 100% physical certification cannot be achieved. Our sourcing policies should be referred to for commodity-specific details.

Progress on product + ingredient level sustainable sourcing in own brand products:

35%

cocoa by
weight

99%

tea by
weight

99%

coffee by
weight



Overview



People



Planet



Product



Directory



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 used in BIG W's own brand apparel.

Over the course of F22 we:

- developed and published our Sustainable Cotton Policy
- established a Group-wide working group to share learnings and create consistent governance approaches to managing this high impact commodity
- commenced, and subsequently expanded, BIG W's cotton traceability pilot to achieve visibility of our supply chain beyond our direct suppliers
- engaged with suppliers of vendor branded apparel to listen and share opportunities and challenges in this area
- enhanced the organic cotton content in BIG W own brand apparel range.

Our full program of work is reported in the [2022 Modern Slavery Statement](#).



Soy

100% of soy in our own brand products supports the responsible production of soy. To achieve this, we have sourced certified Roundtable on Responsible Soy (RTRS) credits to offset non-certified volumes of direct soy in our own brand food supply chain. Credits purchased through RTRS support the growth of sustainable soy for future procurement.

In F22, we also baselined indirect soy in our animal protein supply chain, which has allowed us to prioritise products and categories towards achieving our 2025 goal.

Paper, pulp and timber

We have maintained the 100% sustainable sourcing levels of own brand paper, pulp and timber products such as toilet paper, kitchen towels, and stationary meeting our net-zero deforestation commitment.

Palm Oil

Food: 100% of palm (kernel) oil in Woolworths own brand food products supports the production of Roundtable on Sustainable Palm Oil (RSPO) certified sustainable palm (kernel) oil.

Non-Food: This year we built action plans and sought tenders to increase our supply of sustainable palm oil from 14% to 85% of volume by the end of F23.



Lead the future of protein

Progress:



100%

own brand whole shell
eggs cage free

100%

own brand seafood
is ecologically
sourced

57%

increase in plant
protein based food
sales since F19

Sustainable
Development
Goals:



Animal welfare is of fundamental concern to us and many of our customers. We work with our partners to source traditional proteins that meet the highest animal welfare standards, and we are diversifying our range of protein, including animal, plant and alternatives, to make it easier for our customers to eat sustainable and affordable proteins.

One of the three pillars of our new nurturing nature strategy (outlined on [page 42](#)) is leading the future of protein – providing affordable and sustainable proteins across traditional, plant and alternative sources, at the same time meeting the highest standards of animal welfare. By 2025, we will:

- Source our animal, plant and alternative protein in a sustainable manner through minimising our impact on the environment
- Grow our share of protein products in our customers' baskets that are both healthier and better for the environment

Our strategic approach across Woolworths Group will focus on:

- **Understanding emissions in relation to protein** – collaborating to reduce our scope 3 emissions and identifying opportunities for increased farming efficiencies
- **Delivering the highest standards of animal welfare and sustainable seafood** – using the Five Domains of Animal Welfare (see [page 55](#)) to define our requirements whilst improving our approach to antimicrobial stewardship and sourcing ecologically responsible seafood
- **Enabling customer choice of sustainable and healthier proteins at affordable prices** – continue to develop our understanding of nutritional and environmental benefits of plant and alternative proteins.



Five Domains of Animal Welfare

Domains	Animal Welfare Aims
Good nutrition: provide ready access to fresh water and a diet to maintain full and vigour	Minimise thirst and hunger and enable eating to be a pleasurable experience
Good environment: provide shade/shelter or suitable housing, good air quality and comfortable resting areas	Minimise discomfort and exposure and promote thermal, physical and other comforts
Good health: prevent or rapidly diagnose and treat disease and injury, and foster good muscle tone, posture and cardiorespiratory function	Minimise breathlessness, nausea pain and other aversive experiences and promote the pleasures of robustness, vigour, strength and well-coordinated physical activity
Appropriate behaviour: provide sufficient space, proper facilities, congenial company and appropriately varies conditions	Minimise threats and unpleasant restrictions on behaviour and promote engagement in rewarding activities
Positive mental experiences: provide safe, congenial and species-appropriate opportunities to have pleasurable experiences	Promote various forms of comfort, pleasure, interest, confidence and a sense of control

Our approach to animal welfare

Animal welfare is important to us, our partners, and our customers who trust us to do the right thing. We also know that good animal welfare results in high quality products. Woolworths Group continues to work with our farmers and partners to promote good animal welfare. This year we launched our first two Woolworths own brand RSPCA Approved salmon products; and our High Gate pet food brand sources RSPCA Approved chicken ingredient for its range of pet supplement food.

We are committed to achieving Tier 1 in the Business Benchmark on Farm Animal Welfare (BBFAW) by 2025. The 2021 BBFAW's methodology and scoring changes saw 36 companies, including Woolworths Group, drop a tier, seeing us move from Tier 2 to Tier 3. We are dedicated to collaborating with our suppliers to improve our score and continue our progress to influence animal welfare best practice within our supply chain.





Responsibly sourced seafood

This year, we launched our new [Woolworths Group Seafood Sourcing Policy](#) which helps define our human rights, animal welfare and sustainable seafood sourcing requirements. In the last year, we completed our transition of all Woolworths own brand behind the counter, fresh packaged, frozen and canned seafood to come from ecologically responsible sources as defined in our Seafood Sourcing Policy. As part of our Sustainability Plan 2025 we'll continue on this journey to transition seafood as an ingredient to be ecologically responsible by 2025.

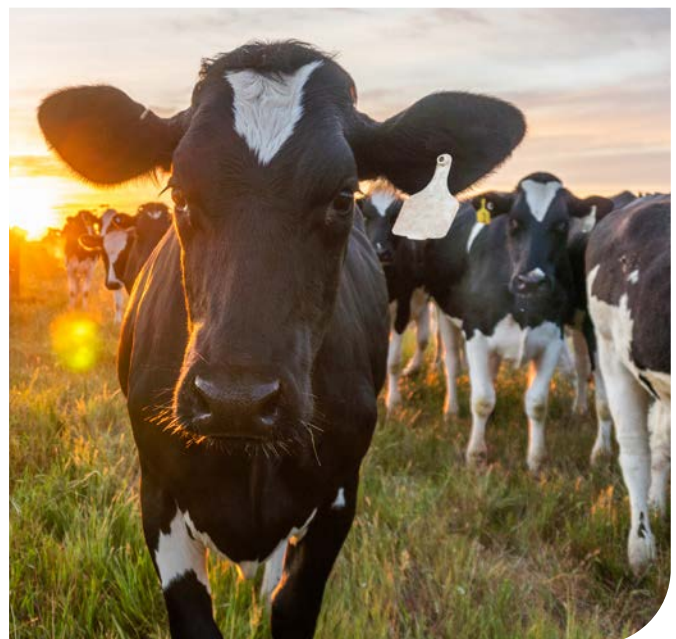
In response to concerns among some Tasmanian community and environmental groups, we have conducted our own due diligence and review on regulatory standards and practices in the salmon industry. We have met with and encouraged our suppliers to increase transparency and disclosure on sustainability related issues. We are also participating in the Tasmanian Government's consultations on the 10-Year Salmon Plan, and support its aims. We will continue to work with government, industry and community stakeholders constructively to help implement actions that underpin a sustainable salmon industry.

We were awarded the Marine Stewardship Council's Sustainable Seafood Community Champion in the Sustainable Seafood Awards Australia 2022, recognising our efforts to support certified sustainable seafood and our work in communicating our progress to our customers.

Supporting sustainable seafood and animal welfare improvements

We have launched the second round of funding for our Woolworths Ocean Pool and Woolworths Animal Horizons Funds. The purpose of these funds is to support the environmental performance of the Australian seafood industry and improvements in the lives of animals within our supply chain.

We have supported seafood projects which focus on increasing our sustainable seafood standards, product shelf life extension, fish welfare, and reducing the impacts on our marine environment. Our grants in the animal welfare space have assisted a range of initiatives, such as enhancing welfare for pigs and improving on-farm welfare solutions in beef cattle.





Sustainable dairy

Alltech-E-CO₂, Woolworths Group, and Farmers' Own are collaborating to deliver high animal welfare, sustainable, and low-carbon farming. In 2022, we commissioned Alltech-E-CO₂ to conduct assessments across our 19 Farmers' Own dairy farms. The study will calculate the physical and environmental efficiency of the group, including carbon footprinting, and provide bespoke recommendations to individual farms. The information collected will inform our strategy implementation to deliver our goals by 2025.



Plant and novel protein

Plant and alternative proteins are becoming increasingly important to our customers, increasing demand for sustainably produced proteins across our portfolio. In addition to expanding our alternative protein offering, W23 has invested in alternative protein innovations over the last 12 months, including All G Foods and Harvest B. Both companies are focusing on using leading technologies in plant-based protein development and precision fermentation to deliver innovative, affordable, and sustainable locally produced proteins.

Sustainable beef

Red meat is the most important grocery category for our customers regarding sustainability. We partner with Greenstock, our stand-alone business focused on the red meat supply chain, to improve animal welfare and reduce our impact on the environment. All our cattle, lambs and pigs are sourced by Greenstock, experts in livestock production and trained in animal welfare. We recently joined the Global Roundtable for Sustainable Beef to gain insights from leaders globally as we continue to work toward areas such as zero deforestation in our beef supply chain by 2025. We want to lead and we are involved in a range of initiatives to cut emissions in beef production, including cattle feedlot trials using seaweed which has the potential to drastically cut methane emissions. We are currently working on a voluntary trial with some beef suppliers, offering them access to THESIS software (see page 37) to understand opportunities to develop consistent baselines and tracking for livestock supply chain emissions.

Animal welfare achievements

100%	Woolworths own brand behind the counter, fresh packaged, frozen and canned seafood is from ecologically responsible sources	100%	Woolworths own brand whole fresh Christmas turkeys from RSPCA Approved farm
100%	Woolworths own brand whole shell eggs cage free	100%	Macro free range fresh and ingredient chicken and whole Christmas turkeys certified to the Free Range Eggs and Poultry Australia (FREPA) standard
58%	Vendor Brand whole shell eggs cage free	100%	Macro free range fresh pork is certified APIQ Free Range standard in Australia
100%	Woolworths own brand fresh chicken and ingredient chicken from RSPCA Approved farms ¹		

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

Lead the responsible retailing and consumption of alcohol and tobacco

Progress:



4,238

team trained in responsible service of alcohol

100%

success rate on police led tests

91

zero alcohol products in Countdown stores
▲ 10%

Sustainable Development Goals:



We recognise some products we sell can be unhealthy if misused or consumed often.

We take the responsibility of selling these seriously, and remain focused on leading in the highest standards of retailing for alcohol and tobacco.

In 2021, Woolworths Group and Endeavour Group demerged, with our relationship moving from ownership to partnership, diluting our association with gambling. Woolworths Group will continue to sell alcohol in our New Zealand operations through Countdown and in Australia through our partnership with BWS and Dan Murphy's.

Responsible retailing of alcohol

We aim to be an industry leader in the responsible retailing of alcohol products. We have a range of policies complying with legislative requirements, including verifying age in-store and online. We are also committed to providing clear information to customers through on-pack labels, detailing calorie content, portion guidelines, and health warnings.

To encourage responsible drinking, we stock low and zero alcohol beverages, which are seeing strong market growth in Australia and New Zealand. Countdown aims to be a market leader in this space, providing customers 91 zero alcohol options, a 10% year-on-year increase, and promoting zero alcohol options more prominently in store.

Training our team

In F22, we rolled out Responsible Service of Alcohol training to 4,238 of our Countdown team who perform roles where they are required to approve alcohol sales.

Responsible retailing of tobacco

Woolworths Group supports initiatives aimed at reducing the take-up rate of smoking and the sale of tobacco products is strictly regulated across all retail outlets. We recognise we have an important role to play and from F23 will expand our responsible retailing goal to include tobacco.

We are tracking our historical tobacco volume and consumer purchase behaviour and have seen a decline of 33% based on units sold since F19.

We have worked with governments across Australia and New Zealand to implement tobacco control and preventative health policies. This includes displaying restrictions across our stores with the aim of decreasing impulse purchases, take-up by young smokers and to raise awareness of quit smoking programs.

Creating a better tomorrow, today

There are many environmental and social challenges we face in our purpose to create a better tomorrow for our customers, team, communities and planet. That is why we are embracing new technologies, new innovations and new ways of thinking to help us achieve it. We know we can, and have more to do, to drive the transformative change needed to have a positive impact.

Over the next year, we are working to shape our impact in key areas, including climate change, sustainable packaging, reducing food waste, inclusion and making healthier easier for our customers.

We will continue to collaborate with our partners, communities, value chain and industry to influence the positive impact we aspire to have. When we work together, we can learn from – and inspire – each other to find the best solutions to overcome the challenges we face.

We call it the power of 'We'

Thank you for joining us as we create better experiences together for a better tomorrow.



Our 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.



2022 Sustainability Appendix

Providing data across key sustainability metrics, UNGC table, GRI index and assurance report.

Click here to find the report on our website



2022 Modern Slavery Statement

Outlines the progress we have made to identify, manage and mitigate the specific risks of modern slavery in our operations and supply chain.

Click here to find the report on our website



Sustainability Plan 2025

Our program of positive change incorporating our goals and commitments across three pillars: our people, our planet and our products.

Click here to find the report on our website



2022 Annual Report

Read about our F22 performance and our progress on our strategic priorities as part of our transformation into a more focused food and everyday needs retail ecosystem.

Click here to find the report on our website



Corporate Governance Statement

Our Corporate Governance Statement describes our corporate governance framework, including key policies and practices for the F22 financial year.

Click here to find the report on our website



For more on our approach to sustainability visit our website
[woolworthsgroup.com.au](https://www.woolworthsgroup.com.au)

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Woolworths Group Sustainability

Alex Holt

Chief Sustainability Officer

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