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Unless otherwise stated, this report covers all our operations in Australia and New Zealand for the 2021 financial year – 1 July 2020 to 30 June 2021 (FY21). Only workforce data (excluding safety) is included for our global sourcing offices in China, Bangladesh and Thailand. Photos within the report may have been taken before social distancing restrictions were in place. All amounts are expressed in Australian dollars unless another currency is indicated.
We create better experiences together for a better tomorrow

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

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

Acknowledgement of Country

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

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

United Nations Global Compact (UNGC)

Woolworths Group Limited endorses 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 continuously improve the integration of the UN Global Compact and its principles into our business strategy, culture and day-to-day operations.
Looking after our team, customers and communities

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

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

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

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

Since the release of our Plan, we have invested in and focussed on laying the groundwork to set ourselves up for our new horizon of sustainability ambition. We have also continued to reach pleasing milestones over this time, such as achieving the Workplace Gender Equality Agency’s Employer of Choice for Gender Equality citation for the first time, and having our animal welfare progress recognised by becoming the highest ranked Australian and New Zealand retailer in the global Business Benchmark for Farm Animal Welfare.

In recognition of the changing nature of retail, we announced a $50 million investment in our Future of Work fund, to help equip our team with new skills and capabilities for the workforce of the future. We have continued to focus on the holistic wellbeing of our teams, recognising the fatigue being caused by the ongoing effects of the pandemic.

We have also announced our first renewable power purchase agreement, which sets us on the path towards our commitment to power our business with 100% green electricity by 2025.

Despite our intentions, we know that we don’t always get it right, and a major focus for us over the coming year will be reflection, listening and learning on our approach and commitment to reconciliation, in light of the findings of the Independent Panel Review into the proposed Dan Murphy’s development in Darwin. We are committed to quality engagement with Aboriginal and Torres Strait Islander peoples and look forward to sharing our progress as we co-create long-term, meaningful steps forward in this critical area.

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

We are pleased to share with you our Woolworths Group 2021 Sustainability Report.
How we create value

Our Value Drivers

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

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

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

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

Business platforms
Leading business platforms built over many years enabling our business activities

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

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

Our Business Activities

B2C Food
Our cornerstone retail food businesses, famous for good food, prices and acts, and always convenient

Stores  eCommerce  Products

B2B Food
Expanding food into new customer segments, channels and markets

B2B  International  Value Chain

Platforms & Partners
Technology, digital and analytics enable retail platforms that deliver for Woolworths Group and partners

Primary Connect  Digital & Data  Partnerships

Everyday Services
Complementary everyday category services to provide more for our customers

Everyday Services  Everyday Needs  Rewards
SUSTAINABILITY TREE™
Our sustainability plan on a page

Guiding principles

We act like a leader and speak up on issues that matter
We care for, and unlock the potential of our people
We have a positive impact on the planet
We apply circular thinking in everything we do
We embrace the power of partnerships to create change

People

Goal 1
Be a truly inclusive workplace

Goal 2
Invest in the holistic wellbeing of our team

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

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

Goal 5
Have a positive impact on our customers and communities

Planet

Goal 1
100% green electricity by 2025

Goal 2
Zero food waste to landfill by 2025

Goal 3
Net positive carbon emissions by 2050

Goal 4
Practise responsible stewardship of natural resources

Product

Goal 1
Materially increase healthier choices in our customers’ baskets

Goal 2
100% of own brand packaging is sustainable

Goal 3
100% of own brand sourcing is sustainable

Goal 4
Lead the future of protein

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

Our goals are underpinned by over 40 commitments
**People**

**Goal 1**  Be a truly inclusive workplace  
- Awarded the Workplace Gender Equality Agency’s Employer of Choice for Gender Equality citation
- Awarded Gold Employer Status for LGBTQ+ workplace inclusion for the fourth consecutive year
- Completed our Reconciliation Action Plan delivering 85 actions across three pillars of Relationships, Respect and Opportunity

**Goal 2**  Invest in the holistic wellbeing of our team  
- Appointed Chief Medical Officer Dr Rob McCartney to provide expert medical advice to our COVID response
- Created a Wellbeing Council which has a focus on psychosocial risks and mental health
- Implemented COVID Leave support including for vaccinations

**Goal 3**  Create meaningful retail careers in the workplace of the future  
- Announced Woolworths Future 2 $50m investment over three years to members with new skills and capabilities in the retail industry of the future
- Launched Store Leadership Pathway: online modules, workshops and in-store coaching

**Planet**

**Goal 1**  100% Green electricity by 2025  
- Energised an additional 62 solar sites across F21 with over 14,000 kW capacity
- Signed first Purchase Power Agreement to transition to green electricity, will power 30% of Woolworths Group’s NSW energy needs in 2022

**Goal 2**  Zero food waste to landfill by 2025  
- Provided equivalent of over 24m meals to alleviate food insecurity through our food rescue partners and the local communities
- Expanded our bread diversion program, now in 382 stores. This is providing a circular economy solution for over three tonnes of bread a week

**Goal 3**  Net positive carbon emissions by 2050  
- Our emission levels have continued to decline downwards as our programs of energy, water, and carbon emissions efficiency through LED and refrigeration upgrades and replacing our ESSEN树林 and solar + battery storage installations are implemented
- F21 emission levels are 27% down and on track to meet our targets

**Product**

**Goal 1**  Materially increase healthier choices in our customers’ baskets  
- Ranked Australia’s Healthiest Supermarket Own Brands by The George Institute based on average Health Star Rating (HSR)
- Launched Healthier Options, an online tool available on select product pages, to make it easier for customers to identify similar, healthier alternatives when shopping online (based on HSR)

**Goal 2**  100% of own brand packaging is sustainable  
- Launched our Packaging Preferred Material List and Format Guidelines and shared it with own brand and vendor suppliers
- Removed over 2,500 t of virgin plastic across packaging initiatives

**Goal 3**  100% of own brand sourcing is sustainable  
- Launched Macro Whole Living (clay and dish) which feature sustainable first non-food products to do so
- Developed a Cotton Traceability Standard and a supplier code of conduct providing our approach to supply chain management
People

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

Our respect for people is at the heart of how we serve our communities, building long-lasting partnerships and working with our suppliers to uphold human rights in our supply chain.
At Woolworths Group, we recognise the value our team’s diversity brings to our business, and our customers. As one of Australia’s largest employers, we believe that creating a safe and inclusive workplace – where diversity in all its forms is valued, and every team member can be their best self – is critical to creating better experiences together for a better tomorrow.

Gender equity

We strive for a culture of inclusion, where team members of all genders are valued and have a voice, equitable access to opportunities and a sense of belonging. One of the ways that we continue to live our purpose is through our dedication to gender parity and inclusion. We are proud to have achieved parity across senior leadership teams and have a female CEO, Erika Mackley. As part of the Family Equality Council, Woolworths Group is a top performer in the Corporate Equality Index 2021.

In June 2020, we launched the first year of a formal Refrigeration Apprenticeship Program. Over the next 10 to 15 years, the demand for skilled refrigeration technicians is anticipated to sky-rocket due to the industry increasing focus on sustainability, and our own goal of net positive carbon emissions by 2050. In an industry with less than two percent female representation and cultural diversity, our commitment to being an employer of choice for female refrigeration apprentices was evident. The Refrigeration Apprenticeship Program is open to males and females and allows for naturalflow into and out of our leadership of the organisation. In 2021, 51% of our leadership was 36.4% female. This result is below our target and remains a priority and opportunity as we continue to focus on this metric.

In November 2020, we became signatories to the UN Women’s Empowerment Principles (WEPs), which offer guidance to businesses, promoting gender equality and women’s empowerment in the workplace. As part of the WEPs’ community, Woolworths Group collaboratively with multi-stakeholder networks to foster business practices that empower women.
Truly inclusive workplace

Aboriginal & Torres Strait Islander peoples

As part of our Reconciliation Action Plan (RAP), Innovate 2020 - we have delivered 87 actions from July 2019 to July 2021. We are consolidating our learnings and building our cultural intelligence as we work towards meaningful commitments in our next RAP.

The theme of National Reconciliation Week 2021, More than a word, was "More than a word: Let's make meaningful change." Each day of the week is dedicated to a different aspect of the relationship between us and people of Aboriginal and Torres Strait Islander heritage.

Learning and education on relationships and histories is critical to building culturally sensitive communities and workplaces. We are committed to implementing meaningful change.

Our reflections on the Independent Panel Review include the learning and education. Our focus is on partnerships, reconciliation, and the opportunities to learn.

Almost 5,000 of our team members are Aboriginal and Torres Strait Islander peoples. We are deeply committed to listening, learning and growing as a part of our reconciliation Group journey. We work closely with stakeholders to remove current injustices endured by our First Nations peoples.

Countdown is deeply aware of the role we can play in revaluing the Maori language and culture. We support events like "Whakawātea: Language Week" and "Maori Language Week" and we use Maori words and phrases in our communications.

 involvements include Maori language lessons and translated communications in our customer interactions.

"I have learned a lot, I have also learnt that there is a lot I don’t know."
Truly inclusive workplace

Accessibility Action Plan

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

LGBTQ+

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

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

Gender Affirmation Policy

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

Partnership with Auticon Australia

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

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

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

Expert advice and partners

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

Chief Medical Officer

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

Wellbeing Council

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

Corporate Mental Health Alliance

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

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

Key metrics 2021

- 12,088 total avoidable injury frequency rate (TRIFR)
- 20,000 downloads and 6,000 support cases for newly launched 24/7 Sender services
- 13,000 team members trained in the “I am here” program to identify and support team members that need help
- Over 1,000 vulnerable team members supported as part of COVID care framework
- COVID leave for team members needing to test and isolate
- Up to eight hours paid leave for COVID vaccinations

COVID vaccine

Our commitment to team safety and wellbeing throughout 2021 has again been demonstrated by our response to the ongoing COVID-19 pandemic. Aligned with our guiding principle of valuing our colleagues, we continue to ensure and facilitate our team and communities to get vaccinated.

Vulnerable and impacted team

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

COVID leave

We have introduced Special Paid Coronavirus Leave, which is paid for up to 16 days if a team member is isolated due to COVID-19 (either due to their own illness or need to care for others).

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

24/7 care for our team

24/7 on demand health, safety and wellbeing support

Supporting our leaders to help our teams

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

Financial wellbeing support

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

Abuse and violence

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

Measures

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

Sonder stories

Anxiety

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

Financial hardship

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

Supporting community wellbeing

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

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

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

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

In February 2021, we announced plans to invest $50 million over the next three years to help equip our team with new skills and capabilities for the retail industry of the future. The Woolworths Future of Work Fund will help upskill, reskill and redeploy team members impacted by industry disruption and technological change. The Fund will also underpin the launch of an online learning platform to allow team members to easily access training, apprenticeship and mentoring support across Australia. It will support training for more than 60,000 team members in our store and e-commerce operations, supply chain network and support offices.

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

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

Store Leadership Pathway

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

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

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

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

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

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

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

**Responsible Sourcing Program**

Our Responsible Sourcing (RS) Program has been in place for three years and it is how we manage risks to workers in our global supply chain. An initial supplier risk assessment determines the level of supplier due diligence and compliance monitoring against our RS Standards. In high risk areas we require social compliance audits and we proactively work with suppliers on remediation when critical issues arise. We also have various grievance channels that can be used to raise concerns or issues and these are then investigated. Our RS Program framework and key outcomes for FY21 appear in the table on the next page.

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

**Our approach to reporting on human rights**

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

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

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<th>Communicate</th>
<th>Identify</th>
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<tr>
<td><strong>Key elements of our Responsible Sourcing Program</strong></td>
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<td>We listen and engage with stakeholders regularly and transparently through:</td>
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<td>• RS Policy and Standards</td>
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<td>• Supplier and worker surveys</td>
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<td>• Annual reporting and Modern Slavery Statement</td>
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<td>• Supplier roadshows, workshops and surveys</td>
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<td>• Customer research and media campaigns</td>
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<td>• Woolworths Group website</td>
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<td>• Investor roadshows and industry roundtables.</td>
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<td>Internal and external capacity building aims to support positive outcomes, providing teams and supplier partners with tools for prevention.</td>
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<td><strong>We use product and country-level risk insights, including aggregated third party audit findings, to conduct our risk assessment. This informs our supplier segmentation into four risk categories:</strong></td>
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<td>• Priority</td>
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<td>• Moderate</td>
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<tr>
<td>• Specialised</td>
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<tr>
<td>• Minimum</td>
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<tr>
<td>Priority and moderate risk sites are required to undergo a third party audit, with the former being prioritised for corrective action follow-up and site visits.</td>
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<tr>
<td>Specialised is a unique category for suppliers of fresh food and also requires an audit.</td>
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<tr>
<td>Minimum risk suppliers are required to complete a self-assessment.</td>
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<tr>
<td><strong>We accept eight different third-party schemes selected based on their coverage, relevance and alignment to our RS Policy and Standards:</strong></td>
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<tr>
<td>• BSCI</td>
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<td>• SMETA</td>
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<td>• SA8000</td>
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<td>• ICTI</td>
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<td>• WRAP</td>
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<tr>
<td>• GLOBAL GAP GRASP</td>
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<td>• Fair Farms</td>
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<tr>
<td>• NZ GAP social practice-add on.</td>
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<tr>
<td>All audits are graded against four possible outcomes:</td>
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<tr>
<td>• Zero-tolerance</td>
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<tr>
<td>• Critical</td>
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<tr>
<td>• Moderate</td>
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<tr>
<td>• Minor</td>
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<tr>
<td>Follow-up audits, desktop reviews, site visits, and supplier guidance support continuous improvement.</td>
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<tr>
<td><strong>We prioritise follow-up on corrective actions based on supplier segmentation and audit outcome.</strong></td>
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<tr>
<td><strong>We work closely with suppliers and relevant stakeholders to provide:</strong></td>
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<tr>
<td>• Support and capacity building for continuous improvement</td>
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<tr>
<td>• Relevant guidance documents</td>
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<tr>
<td>• Targeted root cause remediation through management action plans.</td>
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<tr>
<td>As well as issues arising from audits, we manage the remediation of issues identified through our Supplier Speak Up and other grievance mechanisms.</td>
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<tr>
<td><strong>Collaboration and partnership are key to influencing and driving change in our communities, supply chain and industry.</strong></td>
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<tr>
<td>We actively seek ways to collaborate for positive change through:</td>
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<tr>
<td>• Industry partnerships and projects</td>
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<tr>
<td>• Stakeholder reference groups and workshops</td>
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<tr>
<td>• Internal collaboration for systems and process upgrades</td>
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<tr>
<td>• Worker engagement forums</td>
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<td>• Union engagement.</td>
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<tr>
<td>We collaborate on targeted programs for impact beyond audit, across key areas such as Living Wages, Freedom of Association and Women Empowerment.</td>
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<table>
<thead>
<tr>
<th>Key outcomes of our Responsible Sourcing Program</th>
</tr>
</thead>
<tbody>
<tr>
<td>2,694 workers surveyed to understand COVID-19 related concerns</td>
</tr>
<tr>
<td>549 suppliers participated in our annual virtual supplier roadshows across Australia and Asia</td>
</tr>
<tr>
<td>561 social compliance audits conducted in our supply chain</td>
</tr>
<tr>
<td>3 cases of cease trade due to non-compliance with RS Standards</td>
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<tr>
<td>20 zero tolerance cases identified</td>
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<tr>
<td>16 onsite follow-up visits</td>
</tr>
<tr>
<td>90 remote check-ins and assessments with a focus on COVID-19 safety protocols</td>
</tr>
<tr>
<td>19 grievance investigations managed</td>
</tr>
<tr>
<td>9 management action plans jointly agreed with suppliers to address root causes of identified issues</td>
</tr>
<tr>
<td>111 BIG W team members and suppliers completed a Responsible Purchasing Practices survey</td>
</tr>
<tr>
<td>31 women promoted to a supervisory position through the Shobola project in Bangladesh</td>
</tr>
</tbody>
</table>
Embracing the power of partnership for continuous improvement

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

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

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

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

Recognising the risks of climate change and the right to water and to a healthy environment, five BIG W suppliers have voluntarily undertaken green certification by Leadership in Energy and Environmental Design (LEED). The certification drives efficient use of resources, including lower energy consumption, use of renewable energy, water efficiency, which in turn promotes a reduction in costs, lower CO₂ emissions and air pollution, and improved worker health and safety.

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

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

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

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

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

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

More information is available on our BIG W Sustainability webpage.
Positive impact on our customers and communities

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

S.T.A.N.D

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

Working with our natural disaster partners

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

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

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

NSW east coast floods

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

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

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

We believe that partnering with the agricultural industry is critical to increasing innovation and greater sustainability in ways that will also meet the changing preferences of our customers. The Woolworths Organic Growth Fund, in partnership with Heritage Bank, continues to provide grants and interest-free loans to increase the local availability of organic fruits and vegetables. The Woolworths Foundation’s Western Australian Produce Innovation Program has also delivered a successful model that could be rolled out across the country. With our initial 16 projects, we will also be stocking these products in our stores.

Addressing period poverty

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

Woolworths donates 50c from every period care product sold during each Dignity Drive. Since our partnership commenced, more than $18 million has been donated, funding Share the Dignity's community installation of 86 Dignity Vending Machines which are located in community spaces such as libraries, high schools, hospitals, community centres, dressing rooms and public transport stations. This has provided approximately 500,000 packs of period care products discreetly and free of charge.

More than 222,000 period care products were collected in our Dignity Drive F21, which were then provided to local charities and community services.

Partnering with the next generation of environmental champions

Big problems require big solutions. We believe that every person can help to effect change for the better and make a positive impact on our environment. In June 2021, 1,609 primary school children from 240 Woolworths schools received Woolworths Junior Landcare Grants to help support local projects that build better environmental outcomes. Each year, Woolworths Junior Landcare Grants program is awarded to schools and community groups to help fund local projects. Since the program was launched in 2000, over $3 million has been awarded to fund over 2,750 projects across Australia.

The Woolworths Junior Landcare Grants program is funded by a 10c contribution from the full price sale of woolen material bags. Almost $2 million in funding was distributed, bringing our total contribution since 2018 to more than $3 million, supporting 2,750 projects in schools and centres across Australia.

Positive impact on our customers and communities

Governor-General, the Hon. David Hurley AC, AO (Retd) and Woolworths' representatives Mr. and Mrs. Todd Bennet and Dr. Shane Nairn joined local Woolworths Junior Landcare Grant recipients from Evanston Primary School, and three recipients of a Woolworths Junior Landcare Grant at Varraluma Primary School.
We believe in taking a stand.

Countdown Food for Good Foundation

Countdown believes that good businesses and communities work together. That’s why, in June 2020, we launched the Food for Good Foundation to provide meaningful and long-lasting support for communities, giving all Kiwis the opportunity to thrive, and helping to build a stronger, healthier New Zealand for future generations. Working with partners such as The Salvation Army and KidsCan, we are committed to delivering on this mission.

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

Standing against racism

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

Supporting the Uluru Statement from the Heart

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

Positive impact on our customers and communities

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

Other F21 Highlights for our Foundation include:

- Countdown’s annual Christmas Appeal.
- The Salvation Army – the most successful campaign to date, with $356,000 (NZD) of food donated through The Foodbank Project.
- KidsCan, which saw a 40% increase in demand for their support in 2020.
- Support from our customers, which saw a 40% increase in demand for their support in 2020.
- Food for Good Foundation, providing support for our communities, giving all Kiwis the opportunity to thrive, and helping to build a stronger, healthier New Zealand for future generations.
Making an impact

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

**COMMUNITY SUPPORT WITH GOOD360**

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

**WA: TELETHON**

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

**CENTRAL AUSTRALIA: FRESH FOOD SUPPORT**

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

**QLD: ROYAL FLYING DOCTOR SERVICE**

In May, we invited QLD and northern NSW customers to donate to our partner, the Royal Flying Doctor Service (Queensland Section). $228,862 was raised to help train doctors, nurses and pilots, purchase and upgrade vital aeromedical equipment and deliver mental health and wellbeing programs.

**QLD: CHILDREN’S HOSPITAL FOUNDATION**

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

**SUPPORTING CHILDREN’S LITERACY**

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

**SA: CRICKET BLAST AT KANGAROO ISLAND**

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

**VIC/TAS: WOOLWORTHS AND WARES FOOD FOR WILDLIFE PROGRAM**

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

**NSW: VARIETY THE CHILDREN’S CHARITY**

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

**NZ: GROWING FOR GOOD**

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

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1 Cash and In Kind donations have been verified in line with the $450 framework www.bsci.net
Building a better tomorrow for our planet means protecting and repairing the world we live in for future generations. It means going further than just limiting negative impacts to actively finding ways to create positive benefits.

**Power from solar**

31,480 kW capacity installed

**Organic waste diverted from landfill**

56%

**Carbon emissions scope 1+2 reduction of**

27%

below 2015 baseline, towards 63% by 2030
Responding to climate change

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

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

Woolworths Group is committed to identifying and managing climate change risks in keeping with the recommendations of the Global Financial Stability Board’s Taskforce on Climate-related Financial Disclosures (TCFD). In recent years we have achieved significant emissions reduction in our operations from our 2015 baseline, and have sought to better understand the impact of climate change to our business through our risk assessment and preliminary scenario analysis work (disclosed in 2019 and 2020 respectively). This year we have focused on combining all aspects of our climate change response into our holistic climate change strategy to guide our efforts over the coming years.

Strategy

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

Climate change strategy

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

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

**Governance**

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

**Climate change governance**

**Woolworths Group Board**

Responsible for reviewing and appraising the Group’s climate-related strategy, policies, performance and approve actions where necessary.

**Board Sustainability Committee (SusCo)**

Oversees the Group-level strategy, including response to climate change risks and opportunities. Responsible for reviewing actual or potential climate-related impacts to the Group and recommending actions to the Board for approval.

**Board Risk Committee**

Monitor and has oversight of the Risk Management Framework, Woolworths Group Risk Appetite and Group Risk Profile.

**CEO and Executive Committee**

Management is accountable for the overall implementation of our sustainability strategy, including climate change initiatives and reports to SusCo on a quarterly basis.

**Sustainability team**

Responsible for driving climate risk and opportunity identification across the business, and preparing our sustainability disclosures, including reporting in line with the TCFD requirements.

**Heads of Business Units and Business Areas**

Responsible for identifying, assessing, responding, managing, and reporting upon climate risks within their scope and implementing appropriate risk treatment.

**Woolworths’ Facilities Management**

Responsible for energy efficiency and managing the Board-endorsed energy strategy targeting supply, demand and innovation opportunities to reduce our carbon emissions.
Responding to climate change

Climate risks and opportunities

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

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

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

### Climate risk themes and mitigation opportunities

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

### Climate risks by business area

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

We are committed to monitoring, managing and reducing greenhouse gas emissions of our operations, and we are working to enhance our understanding of climate change for our business.

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

We are aware of the effects of climate change on our business and have already started to address these through our Sustainability Plan.

Climate Change Workshop in Australia

The Intergovernmental Panel on Climate Change has stated that the global average temperature has increased and relative sea levels have risen at a rate higher than the global average. It is clear that addressing climate change requires net zero emissions globally as soon as possible. We are committed to reviewing our annual business strategy and Sustainability Plan in line with our annual business strategy and will update our goals and targets to make sure that our level of ambition to drive meaningful change is maintained.
Green electricity

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

As shared in our Sustainability Plan 2025, we’re committed to sourcing 100% renewable electricity to power our business by 2025. As Australia’s largest retailer, using around one percent of Australia’s national electricity, we have a unique opportunity to lead, and make a real impact, with this shift. We’re working to invest tens of millions of dollars into renewable energy partnerships and to prioritise new green energy projects to drive growth and create new jobs in the sector. With 82% of our current operational emissions coming from electricity, the changes we make here will materially reduce our overall carbon footprint.

In a significant move, we recently announced our first renewable power purchase agreement (PPA) partnering with CWP Renewables on a new-build wind farm in NSW. From January 2022, the PPA will cover around 30% of Woolworths Group’s NSW energy needs with the electricity required to power 108 supermarkets; avoiding almost 158,000 tonnes of carbon emissions each year. This is equivalent to the yearly energy needs of 34,000 homes. The PPA will support more than 100 jobs in the construction and operation of the Bango wind farm. The Bango project will pay annual rents to local landholders whose properties host wind turbines, and CWP Renewables will establish a $14 million fund for community projects.

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

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

HELPING AUSSIE FAMILIES SWITCH TO GREEN ENERGY

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

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

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

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

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

During 2021, we conducted an audit within Woolworths Supermarkets, finding that around 45% of bin content was organic waste, indicating further opportunities to reduce our food waste. We continued to distribute food to 100 million meals per year via our stores and distribution centres. One of our food rescue partnerships, OzHarvest, now operates in 16 cities, collecting and distributing the equivalent of 10 million meals per year, from 500 of our stores. Over 1,100 Foodbank’s largest food donor, helping them reach more than 2,400 charities. Our partnership with FareShare, operator of Australia’s largest food rescue organisation, also continues to grow, as we work together to direct all our surplus food to where it is most needed.

We are committed to doing more, and with the help of our partners and suppliers. Our membership of the Right Food Waste Research Cooperative Research Centre, for example,
Battery and mobile phone recycling

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

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

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

Countdown Food Rescue Summit

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

For more information see the Countdown Sustainability Report 2021.

The Odd Bunch

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

Goodman Fielder bread backhauling

Working with Goodman Fielder, our vendor bread supplier, we now have 382 Woolworths stores across Australia diverting in-store baked (ISB) own brand bread from landfill. Goodman Fielder takes our ISB bread away when they replenish a store and together with a third party make it into other products such as pet food, giving us a circular economy solution for bread waste.
Net positive carbon emissions by 2050

We will reduce our scope 1 and 2 emissions by 63% from our 2015 baseline by 2050. This represents our direct operational emissions and our emissions associated with electricity use. This target has been defined by the Science Based Targets initiative (SBTi), an independent global body formed by the United Nations Global Compact, CDP, the World Resources Institute and the World Wildlife Fund for Nature.

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

Our ambition is to remove more emissions from the atmosphere than we are responsible for. Our reduction target, in partnership with our suppliers, includes emissions from fugitive synthetic gas (fossil-fuel based supplementary fuel gas) as well as Scope 2 emissions.

Our main sources of Scope 1 (direct) emissions are transport fuel, transportation and distribution, and the electricity we purchase.

Aim to reach net positive emissions for our Scope 3 emissions by 2030 compared to our 2015 baseline.
Net positive carbon emissions by 2050

Refrigeration management

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

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

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

See Refrigeration Apprenticeship story on page 8 for more information.

Emissions reduction initiatives

Highlights from our F21 emissions reduction initiatives include:

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

Low carbon fleet

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

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

Buildings and construction cause around 20% of more of emissions in Australia and New Zealand. Recognising this, Woolworths Ltd, the Woolworths Group has committed to all property development, including a newly designed and built store in Nelson, New Zealand. The store has been designed and built to achieve a Green Star 5-star certification.

In June 2021, Countdown opened its first Green Star 5-star store in Nelson. The store was built with sustainability at the heart of its design. Features include:

- Roof gardens to reduce water usage
- Use of recycled materials
- Use of low-VOC paints
- Use of energy-efficient lights
- Use of solar panels

The store is the first Countdown store in the country to be designed and built to achieve a Green Star 5-star certification. This level of certification is the highest achievable and requires a significant reduction in the building's environmental impact.

We are working to deliver more Green Star 5-star stores in New Zealand and in Australia.
Responsible stewardship of natural resources

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

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

Farmers also understand these issues and together we can do more to protect our natural reserves. We have committed to working with our farmers, suppliers and other partners to conduct a review to understand the potential for adopting sustainable and regenerative agricultural practices across our fresh food supply chain in high-risk areas. We’re working to complete this review in F22, and publicly share an annual update on our actions as we implement beyond F22.

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

Endeavour Drinks

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

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

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

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

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

Australia’s Healthiest Supermarket Own Brands¹
First Australian and New Zealand retailer to achieve Tier 2 in the global Business Benchmark on Farm Animal Welfare
Plastic packaging removed from circulation >6,000 t compared to F18 our baseline year
All palm oil in own brand food supported by the production of sustainable palm oil

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

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

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

New own brand health commitments
We continue to support our customers to make healthier choices through clear and transparent labelling, and have introduced a number of voluntary commitments to ensure we market our own brand products responsibly, particularly when it comes to children. By 2025, we will only use characters, graphics or activities that could be perceived as primarily appealing to children on healthier product packaging.

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

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

Developing healthier products
We know our customers want us to make healthier eating easier for them and their families, and we are firmly committed to delivering on this need. We continue to work towards the voluntary reformulation targets set by the Australian Government’s Healthy Food Partnership, and the New Zealand Heart Foundation’s HeartSafe program, to improve the nutritional quality of our own brand products in Woolworths and Countdown. To date, 74% of Countdown Own Brand products meet the HeartSafe targets. We also continue to work towards our own internal nutrition standards set by our team of qualified nutritionists – see table on the right.

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

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

<table>
<thead>
<tr>
<th></th>
<th>Australia</th>
<th>New Zealand</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less salt</td>
<td>99 t</td>
<td>3 t</td>
</tr>
<tr>
<td>Less saturated fat</td>
<td>155 t</td>
<td>10 t</td>
</tr>
<tr>
<td>Less sugar</td>
<td>269 t</td>
<td>9 t</td>
</tr>
<tr>
<td>More whole grain</td>
<td>5,600 t</td>
<td>n/a</td>
</tr>
<tr>
<td>More vegetables</td>
<td>607 t</td>
<td>101 t</td>
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</tbody>
</table>

Supporting healthier choices

Digital

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

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

Affordability

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

HealthyLife

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

Encouraging Aussie kids to be healthier

Free Fruit for Kids

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

Woolworths Centre for Childhood Nutrition Research

The Woolworths Centre for Childhood Nutrition Research (WCCNR) is a $5 million research centre which, in partnership with the Children’s Hospital Foundation, harnesses the combined resources of experts to make an impact on childhood nutrition. To date, the WCCNR has invested in multiple research projects, such as diet impact on early life microbiome and food allergy prevention, which focus on improving the nutritional health of all Australian children. The research findings will be translated into practical evidence-based strategies to help families consume healthier diets.

Junior sports

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

¹ IPSOS. Woolworths Food & Health Survey, 2020.
In seeking to positively impact our planet, we are partnering with industry to reduce the use of virgin plastic and increase the amount of recycled content in our own brand packaging, while making it easier for our customers to recycle and influencing our value chain to do the same.

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

Woolworths Group is working towards transitioning our entire own brand range to recyclable, compostable or reusable packaging by 2023 (by 2025 in NZ). Since F8, we’ve removed more than 6,000 tonnes of plastic packaging from circulation compared to our baseline year.

Also reported as 9,000 tonnes based on total avoided since F8, which has seen almost 8,000 tonnes of plastic removed from products, around 600 tonnes from battery products, and approximately 700 tonnes of plastic packaging over the coming years through initiatives, including:

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

2024
100% of own-brand plastic packaging (by weight against our 2021 baseline)

2025
Use an average of 50% recycled material in packaging

...
Collaborating to reduce hard to recycle materials

Refill stations in-store

As a key step towards enabling customers to reduce plastic waste and save money, we are trialing our first cold chain product refill stations. In Woolworths Queensland, customers can refill their bottles with three multipurpose surface cleaning and dishwasher liquid products from the Micro Whole Living Range – laundry detergent, dish and multi purpose surface cleaner, with a 30% carbon saving on energy compared to the full size model. This is a consumer benefit from the 70% recycled paper, 100% recycled plastic, 20% recycled glass and 90% recycled cardboard.

Sustainable Packaging

In response to customer demand, in 2020 we introduced Woolworths paper shopping bags, which are easily recyclable at home. We’ve continued to work with our partner Delpak on a solution to transition to 100% Australian manufacturing, which launched in stores across South Australia and the Northern Territory in December 2020. We are already trialing reusable bags in some stores across Australia. The bags made from 70% recycled paper, sourced responsibly, providing a sustainable alternative.

Our partnership with Delpak will also increase local manufacturing capacity with the company commissioning additional machines to double its local production capacity, and creating 2.6 new jobs.

Australian made paper bags

In 2020, specific retail ranges became the latest category in our own brand’s move towards more sustainable packaging. The new packaging uses 35% less plastic than previously and will eliminate 356 tonnes of plastic from the supply chain. To date, our trials have proven successful in reducing waste and carbon emissions, and we are now looking to expand the scope of the trials.

Recyclable meat trays

In 2020, specific retail ranges became the latest category in our own brand’s move towards more sustainable packaging. The new packaging uses 35% less plastic than previously and will eliminate 356 tonnes of plastic from the supply chain. To date, our trials have proven successful in reducing waste and carbon emissions, and we are now looking to expand the scope of the trials.

Green = packaging materials and characteristics which are readily recyclable in Australia and New Zealand. For example, PET, clear glass, corrugated cardboard.

Red = packaging materials which are readily recyclable in the UK and Europe. For example, cardboard, coated with wax.

Amber = when functional requirements mean problematic and preferred packaging materials based on how easily recyclable they are.

White = packaging materials are not an option. For example, PE, PS, PEG and older PET.
Sustainable sourcing

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

Palm oil

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

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

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

Soy

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

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

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

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

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

Macro Whole Living

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

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

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

Paper, pulp and timber

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

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

Cotton

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

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

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

In response, we have:

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

Better Cotton Initiative

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

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

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

Animal welfare

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

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

Business Benchmark on Farm Animal Welfare

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

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

F21 highlights

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

- Progressed to 32% of all own brand products containing egg from cage-free sources
- Created independent animal welfare training in collaboration with AusMeat and provided it to all Woolworths livestock, processing and sustainable sourcing teams
- Initiated a partnership with FAI Farms Limited, global independent animal welfare and sustainability consultants, to review our animal welfare-metrics. FAI provides independent review, input and support to our animal welfare policies and procedures
- Awarded our Sustainability Supplier of the Year to pork supplier, Rivalea, for its high animal welfare standards and impressive carbon reduction innovations.
As an Australian supermarket with a large seafood estate, we are committed to working with industry to fish sustainably. We have reviewed recent concerns raised about the effects of sustainable seafood practices and continue to work across our supply chain to understand and resolve challenges under our sustainable seafood initiatives.

Our Sustainability Plan 2020 maps our aspiration to have 100% of own-brand seafood ecologically responsibly sourced.

The past year has been challenging, achieving this commitment in full is more challenging than we anticipated. However, we are proud of our own-branded Smoked Oysters for receiving the highest commendation in the Seafood Industry for our Smoked Oyster Smoked Oyster Award Australia 2021.

For our fresh packaged and fresh counter seafood products, we are pleased to report that we continue to add to and strengthen our sustainable seafood offering. As we enter the fourth year of our relationship with WWF-Australia, we have commissioned the Ecological Sustainable Development (ESD) assessments for our Australian seafood products. This fresh packaged frozen products and behind the counter own brand seafood commitment by the end of 2022.

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

The fund is designed to help support research and development for suppliers, including our own, with the ultimate goal of having a positive effect on the animals within the supply chain. The fund will provide additional shelf space for products that support animal welfare, in addition to providing incentives for farms to improve their animal welfare practices.

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

FutureFeed

Woolworths Group is proud to be an investor in FutureFeed, the company set to help fight climate change by having a big impact on methane emissions from livestock. Developed by industry leaders, CSIRO, Meat & Livestock Australia and James Cook University, FutureFeed is commercialising the use of a species of red seaweed, Asparagopsis, as a feed ingredient for livestock. Asparagopsis has been proven to lower methane emissions from cattle by over 80% at low inclusion rates, with some studies showing near elimination of methane production.

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

Animal welfare achievements

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>100%</td>
<td>Woolworths Own Brand whole shell eggs are cage-free</td>
</tr>
<tr>
<td>53%</td>
<td>Non Woolworths brand whole shell eggs are cage-free</td>
</tr>
<tr>
<td>100%</td>
<td>Woolworths Own Brand fresh chicken and chicken used as an ingredient in Woolworths Own Brand products comes from RSPCA Approved farms</td>
</tr>
<tr>
<td>100%</td>
<td>Whole fresh Christmas turkeys are RSPCA Approved</td>
</tr>
<tr>
<td>100%</td>
<td>Macfree free-range fresh and ingredient chicken and whole Christmas turkeys are certified to the Free Range Eggs and Poultry Australia (FREPA) standard</td>
</tr>
<tr>
<td>100%</td>
<td>Fresh free-range pork is certified APIQ free-range</td>
</tr>
</tbody>
</table>

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

Plantitude, plant based deliciousness

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

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

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

Responsible service of alcohol

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

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

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

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

Liquor Accords Portal

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

Online Alcohol Sale and Delivery Code of Conduct

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

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

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

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

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

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

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

As a result of that review, we have committed to and implemented a range of best practices, including:

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

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

*The Charter can be found here.*

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

For more information on Countdown’s approach see page 46 of Countdown Sustainability Report 2021.
Message from our Chief Sustainability Officer

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

The achievements shared in our 2021 Sustainability Report represent the collective effort of our Woolworths Group team members, our customers, and our suppliers and partners. My heartfelt thanks to all of you, and especially to our team who have demonstrated care, leadership and perseverance against a background of ongoing disruption due to the pandemic. During this time, we have not lost focus on the bigger picture and have continued to make positive changes alongside the challenges of our shorter-term critical needs and responses to COVID-19. Sustainability is part of who we are and how we work, and this year we have deeply embedded accountability and delivery of sustainability into our business structures and decision making.

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

1. We act like a leader and speak up on issues that matter
2. We care for, and unlock the potential of our people
3. We have a positive impact on the planet
4. We apply circular thinking in everything we do
5. We embrace the power of partnerships to create change.

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

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

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

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

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

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

Alex Holt
Chief Sustainability Officer
Company directory

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

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