

WOOLWORTHS GROUP



11 November 2020

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

2025 Sustainability Plan

Please see attached Woolworths Group's 2025 Sustainability Plan, authorised for release to the market.

Marcin Firek
Company Secretary
Woolworths Group Limited

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Working together to create a better tomorrow

Our new program of positive
change for our people,
our planet and our product.

An introduction from our Chairman Gordon and our CEO Brad

Welcome to 'Working together to create a better tomorrow', the Woolworths Group Sustainability Plan 2025.

If there is one word that sums up our Sustainability Plan 2025, it's '**better**'.

Better for our team members, our partners, our customers and our suppliers.

Better for the planet that we call home. And **better** in finding the most ethical ways to do business.

We've been on our sustainability journey for many years now, and the results of our actions are starting to show.

In areas where we've fallen short, we are learning from those experiences and working hard to improve them, because we have more responsibility than ever to get it right.

Our customers want positive change and they are counting on us to make it happen, from eliminating waste to reducing the plastic packaging that pollutes our oceans.

In short, we're all looking to do the right thing.

Our Sustainability Plan 2025 is ambitious, but we're confident we can achieve our goals if we all get on board and lift the bar together.

That's what we mean by working together to create a better tomorrow, and tomorrow starts now.



This plan covers our 5 guiding principles and shows how we turn these into specific goals and detailed commitments that we aim to achieve by 2025.



UN 2030 Sustainable Development Goals (SDGs)

17 global goals set by the United Nations in 2015, the SDGs define global sustainable development priorities and aspirations for the planet. They seek to mobilise global efforts around a common set of goals and targets. We believe that the business community has a role to play in progressing these important issues, and we have aligned our goals with the relevant SDGs.

Find these on pages: 11, 12, 16, 20, 21

Guiding principles

An introduction to the 5 guiding principles that underpin our plan for a Better Tomorrow.

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Sustainability Tree™

An overview of how all the parts of our Sustainability Plan 2025 fit together.

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People

A look at why our teams, partners and communities are so important to us, with our goals and commitments.

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Planet

The planet that we all call home needs our help. Find out about the goals and commitments we've put in place.

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Product

We are working to make our sourcing and our partnerships more sustainable. Discover our goals and commitments.

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

Guiding principles

01

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

02

We care for, and unlock the potential of, our people

03

We have a positive impact on the planet

04

We apply circular thinking in everything we do

05

We embrace the power of partnerships to create change

Turning guiding principles into goals and commitments

To turn guiding principles into action, we've broken them down into three distinct focus areas: People, Planet and Product.

Each comes with its own set of goals and commitments.

People



Building a better tomorrow for our people means demonstrating our care, creating a great place for our teams to work and paving their way to a brighter future. It means letting people be their best self regardless of their gender, age, ethnicity, faith, ability or sexual orientation.

It means supporting our communities, building partnerships and working hand in hand with our suppliers to make sure that every worker in our supply chain is treated with respect.

Planet



Building a better tomorrow for our planet means repairing and protecting the world we live in for future generations.

It means going further than just limiting negative impacts; it means actively finding ways to create positive benefit.

Product



Building a better tomorrow through our products means evolving the way we do business to embrace circular thinking - which means all waste is a resource.

It means making it easy for our customers to choose products that are healthier, sustainably sourced and responsibly packaged.



Sustainability Tree™

Trees support and sustain life on our planet. They give us oxygen, absorb and store carbon dioxide emissions, stabilise the soil and provide shelter.

Our own Sustainability Tree™ represents our plan for a better tomorrow. It takes root in our goals, grows tall and strong with the seeds of commitment that we plant today and is nurtured by our guiding principles.

Sustainability Tree™

Our sustainability plan on a page

- 01 We act like a leader and speak up on issues that matter
- 02 We care for, and unlock the potential of, our people
- 03 We have a positive impact on the planet

- 04 We apply circular thinking in everything we do
- 05 We embrace the power of partnerships to create change

 People

 Planet

 Product

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

Goal 1
100% Green electricity by 2025

Goal 2
Zero food waste to landfill by 2025

Goal 4
Practise responsible stewardship of natural resources

Goal 3
Net positive carbon emissions by 2050

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

Goal 4
Lead the future of protein

Goal 3
100% of Own Brand sourcing is sustainable

Goal 2
100% of Own Brand packaging is sustainable

Our goals are underpinned by over 40 commitments





People



People Overview



Unlocking our full potential through a philosophy of care.



An important part of building a better tomorrow is to invest in the wellbeing and progress of our team so that every individual has an equal opportunity to succeed.

We know that people are happier and more fulfilled at work if they can be themselves. We want our team members to feel safe and welcome whatever their gender, age, ethnicity, faith, ability or sexual orientation.

We will achieve a **truly inclusive workplace** if everybody embraces our vision, from the newest arrival to our most senior leaders. Diversity among our leadership is critical in setting the tone for the kind of inclusion we want to see throughout our business.

The care doesn't stop at what we can do for our team members today. As our retail business moves at speed into a **new era of technology and progress**, we are determined not to leave anybody behind. We will make sure our teams feel comfortable with change and equip them with new skills so they can excel.

Customer and team safety has always been a primary focus, and we also have **mental health** in our sights. It's just as important as physical health, but often more difficult to spot. We want to create a culture where it's OK for our team to ask for help and where the workplace is a safe and supportive environment. With the help of our partners we are putting programs in place to help our team members to take care of themselves and each other.

Modern slavery is a growing global and systemic issue with an estimated 16 million people in forced labour in the private economy. Our commitment for people extends beyond our own teams to include every worker in our global supply chains, particularly in respect of their human rights. We will work together with our suppliers to build a rights-respecting culture where modern slavery risks can be identified, managed and mitigated.

Closer to home, we're at the **heart of all our communities**. We are determined to make a positive impact across Australia and New Zealand by investing in local programs and expanding our work with S.T.A.N.D. to provide relief in times of natural disaster.

Sustainability is important to us and it's key that our partners and suppliers share similar values. It's only in us working together through **mutually beneficial partnerships**, that we can achieve our ambitions for a better tomorrow.

People

Turning guiding principles into goals



We've identified areas where we can make a positive change to the future of our people, our partners and our communities.

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

People

Turning goals into commitments



Goal 1: Be a truly inclusive workplace

- Woolworths Group leadership will be balanced, bringing diversity of thought to all decision-making forums, including 40:40:20 gender balance, improved cultural diversity and Aboriginal and Torres Strait Islander peoples representation.
- Using benchmarking tools administered by expert external organisations, we will validate our performance and hold ourselves to account. We aim to:
 - Achieve WGEA Employer of choice for Gender Equality citation (note does not apply to New Zealand). Supported by gender pay parity for like-for-like roles.
 - Implement our current Innovate-level Reconciliation Action Plan and continue our commitment to reconciliation by developing a Stretch RAP. This includes reaffirming our commitment to support the Uluru Statement from the Heart (note: does not apply to New Zealand).
 - Achieve Platinum Tier employer status in the Australian Workplace Equality Index (AWEI) for LGBTQ inclusion. New Zealand: Maintain Rainbow Tick accreditation for 5 years with a ranking of 'fully achieved with continuous improvement'.
 - Create and implement an Accessibility Action Plan and submit to the Australian Network on Disability Access and Inclusion Index, with year-on-year improvement. New Zealand: Join Accessibility Tick program and achieve year-on-year improvement against the 9 competency areas through annual gap analysis.
- Our investment in listening and responding to our team's needs will be reflected in a sustainable increase in their advocacy for Woolworths as a place to work, as measured in our Voice of Team surveys.

Goal 2: Invest in the holistic wellbeing of our team

- We are committed to caring for our team, safeguarding them and investing in their holistic wellbeing (mental, physical, financial, social and community). We will do this by:
 - Providing a simplified wellbeing hub enabling team members to access support for all aspects of their wellbeing, as measured by the number of team members using these tools.
 - Building a psychologically-safe workplace where people believe it's OK not to feel OK and it's absolutely OK to ask for help.
- We are committed to keeping our teams safe by:
 - Eliminating serious incidents.
 - Eliminating the possibility of someone being injured, or suffering an illness, whilst working with us.
 - Continuing to provide the best care and response support.
- We will support the financial wellbeing of our team, by providing services and advice with the support of our partners.



Delivers on Sustainable Development Goals



People

Turning goals into commitments



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

- We will be an employer of choice for young people seeking their first job.
- For new team members joining us, we'll prepare them for their future careers, providing them with the tools needed to create and contribute to an inclusive culture.
- We will give our team members experiences and capabilities that last well beyond their first job.
- The Woolworths Future of Work Fund is our commitment to deploying funds towards identifying skills and capabilities for the future, and putting in place programs of work that will support the upskilling and reskilling of our teams.

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

- We will strengthen our human rights governance and promote a rights-respecting culture by:
 - Conducting and publishing a Group-wide Human Rights Impact Assessment.
 - Taking action on Responsible Purchasing Practices.
- We will mitigate, remedy and report on human rights and modern slavery risks by:
 - Conducting due diligence on high-risk commodities at multiple supplier tiers based on a forced labour risk assessment.
 - Developing remediation protocols for key modern slavery indicators.
 - Maintaining a supply chain map with key human rights indicators for strategic supplier sites.

- We will build sustainable human rights outcomes through multi-stakeholder and cross-industry partnerships by:
 - Establishing an external Human Rights Advisory Committee.
 - Engaging potentially affected groups in program design and evaluation.
 - Strengthening worker engagement to improve real-time supply chain intelligence.
 - Educating our customers on product provenance and promoting responsible sourcing.
- We will build long-term, trusted relationships with our partners based on mutual respect. Sustainability is important to us, and it is important that our partners share similar values. We will aim to achieve continuous improvement in our Voice of Supplier results.

Goal 5: Have a positive impact on our customers and communities

- We are committed to keeping our customers, partners and the community safe by:
 - Eliminating serious incidents.
 - Eliminating the possibility of someone being injured or suffering an illness, whilst engaging with us.
- We will invest the equivalent of 1 per cent of a 3 year rolling average of total Group Earnings Before Interest and Tax (EBIT) in community partnerships and programs.
- We will provide opportunities for our team members to give back to their local communities.
- We will listen to and learn from our customers and team members on social equity issues affecting our community, taking a stand where appropriate and in accordance with our guiding principles.

Delivers on Sustainable Development Goals





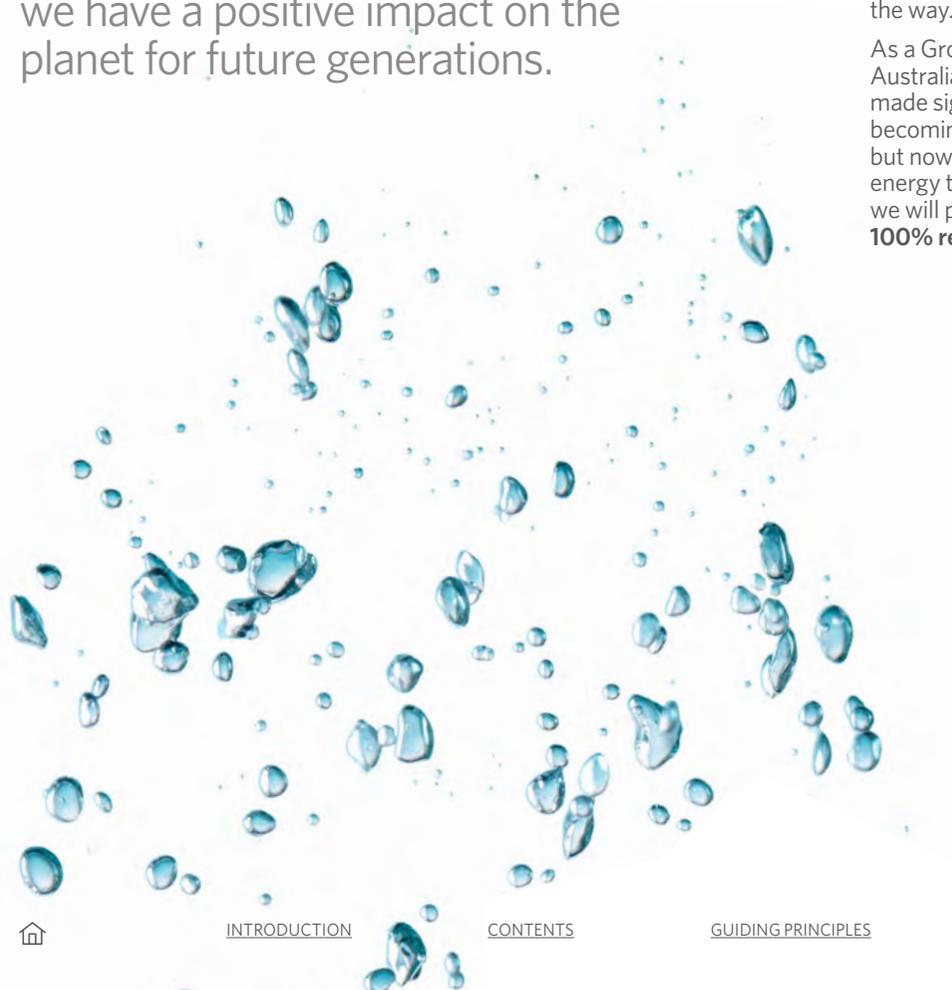
Planet



Planet Overview



We have a responsibility, and an opportunity, to do our part to ensure we have a positive impact on the planet for future generations.



Helping to protect the planet isn't just important to us. Our customers and communities are demanding change and looking to us to lead the way.

As a Group, we use around 1% of Australia's electricity. We have made significant progress in becoming more energy efficient, but now we want to ensure all the energy that we use is green. By 2025 we will power our business with **100% renewable electricity.**

Our electricity use is the biggest contributor to our greenhouse gas emissions. Climate change impacts are already apparent in shifting weather patterns and extreme weather events. Global science tells us that we need to limit global warming to 1.5°C to avoid the worst of these effects, and we have aligned our goal to decarbonise our business to this aim. But we want to go further than that and by 2050, and earlier if possible, we want to become a **net positive business**, supporting future generations by giving back more than we use.

The earth's population is projected to reach over 9 billion by 2050, which could require a 70% increase in food production. However, land suitable for farming is shrinking by 5 million hectares every year due to environmental change, and water is increasingly scarce. We will work with our farmers, suppliers and the broader agricultural industry to encourage **regenerative farming practices** to help preserve soils and improve water efficiency.

With this growth in population, it is becoming increasingly important to make sure that food goes to people in need and is not wasted. With the help of partners like OzHarvest, Foodbank and FareShare, we already donate the equivalent of 18 million meals every year to feed Australians and New Zealanders in need. We also contribute to animal feeding programs. However, we want to do more. We are making changes throughout all parts of the value chain to prevent food being wasted, with the goal of having **zero food waste to landfill by 2025.**

Guided by our principle of having a **positive impact on the planet**, we are focusing on the future and understanding the effect of our actions today, so we can not only start to reverse detrimental impacts but help ensure a better tomorrow.

Planet

Turning guiding principles into goals



We care deeply about leaving the environment better off for future generations.

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

Planet

Turning goals into commitments



Goal 1: 100% Green electricity by 2025

- By 2025, we will source 100% renewable electricity to power our business.

Goal 2: Zero food waste to landfill by 2025

- By 2025, we will have zero food waste going to landfill from our operations. With the help of our partners, we aim to redistribute 100% of edible unsold food so it can be consumed.

Goal 3: Net positive carbon emissions by 2050

- By 2030, in line with climate science, we aim to reduce emissions from our operations by 63% compared to a 2015 baseline.
- By 2030, in line with climate science, we aim to reduce our scope 3 emissions by 19% compared to a 2015 baseline.
- In line with climate science, we aim to reach net positive emissions for our operations no later than 2050, and much earlier if possible.
- All new property developments will achieve a 4 Green Star design and as-built rating, and by 2025 we aim to have a 5 Green Star minimum standard.

Goal 4: Practise responsible stewardship of natural resources

- By 2022, in collaboration with our farmers, suppliers and other partners, we will carry out and publish a review of the potential for adopting sustainable and regenerative agriculture practices across our fresh food supply chain aimed at improving areas such as soil health and water efficiency in high-risk areas and will provide an annual update on our actions to implement.
- We will improve the water efficiency of our operations. We have installed smart meters in some of our stores to help us understand our current water use, and in 2021 will publish this, along with our reduction targets and action plan to achieve them. We will further develop our plan to incorporate how we can play an active role in improving water efficiency across our supply chain. New Zealand: We will install smart meters by 2022 and will publish the targets and action plan in 2023.

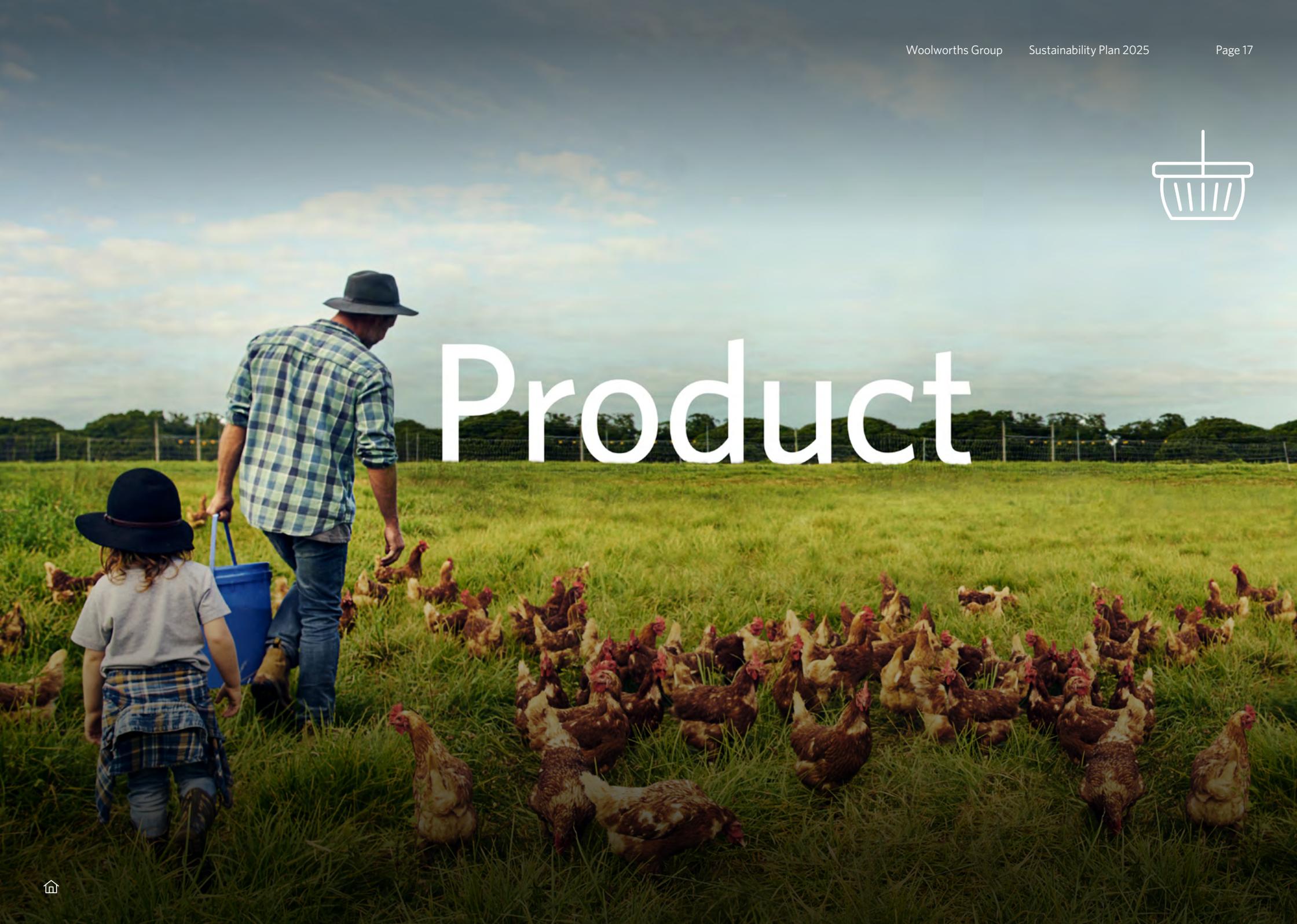


Delivers on Sustainable Development Goals





Product



Product Overview



Our customers are increasingly looking for healthier and more sustainable options when they shop.

We know that our customers want to make more informed decisions about their food and drink choices and they are looking to us to make this easier for them.

We're **making it easier for our customers to make healthier choices** by ensuring clear and transparent labelling on all our Own Brand products and increasing our range of healthy eating options. We're also teaming up with experts to inspire and educate our customers about better eating habits. We aspire to grow healthier products in our customers' baskets at a faster rate than unhealthy choices.

We're **making the sustainable choice the easy choice** by responsibly managing the way we source the ingredients that we use. Our sustainable sourcing work is focused on high-impact ingredients such as palm oil, beef, sugar and chocolate and addresses issues such as deforestation and animal welfare.

15% of Australia's greenhouse gas emissions come from livestock and we share our customers' concerns about the **environmental impacts of protein**. Through partnerships we will work to improve this, and are actively expanding our range of plant proteins so that our customers have a choice.

We know that our customers are concerned about packaging waste, and plastic waste in particular. Packaging is necessary for food safety and quality, protecting products in transportation, extending shelf life and reducing food waste. We are working hard to make our **packaging as sustainable as possible** by reducing the use of virgin plastic and increasing the amount of recycled content in our Own Brand packaging. We will label all of our Own Brand products with the Australasian Recycling Label so customers can clearly see which elements they can recycle.

We cannot achieve our ambitious goals alone. We will **invest in innovating, educating and advocating** in a way that brings our partners, farmers, suppliers, customers and team members with us on the journey.



Product

Turning guiding principles into goals



We can have a positive impact on people and the planet through the products and services we provide.

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

Product

Turning goals into commitments



Goal 1: Materially increase healthier choices in our customers' baskets

- We will make healthier choices easier for our customers. We will provide inspiration and healthy alternatives across our stores and online, to grow healthier products in our customers' baskets at a faster rate than unhealthy choices.
- Our Own Brands will lead the way for affordable and healthier products that customers love.
 - We will continue to make our Own Brand products healthier by reducing "nutrients of concern" such as salt, sugar and saturated fat, adding more vegetables and whole grains and maintaining our status of being free from artificial colours and flavours.
 - We will support customers to make healthier choices through clear and transparent labelling on our Own Brands by continuing to ensure nutrition content claims are used in a responsible way and display the Health Star Rating on 100% of eligible products. By 2025, characters, graphics and activities that could be perceived as primarily appealing to children will only be used on healthier product packaging.
 - Our Macro Wholefoods Market brand will lead the way on nourishing product innovation to offer customers better choices of nutritious, delicious and sustainably sourced and produced foods.
 - Our ambition is to have the healthiest supermarket Own Brand portfolio.
- We will create meaningful initiatives that support, inspire and educate our customers to establish healthier eating habits. We will partner with leading health experts and Woolworths' team of qualified nutritionists to support our ambition and validate our performance.

Goal 2: 100% of Own Brand packaging is sustainable

- We will collaborate with our trading partners, government and industry to reduce waste and transition our business to a circular economy:
 - We will accelerate the Australian Government's 2025 National Packaging Targets and work towards the removal of non-recyclable and hard to recycle packaging materials. We will publish a preferred materials list which categorises packaging materials based on how easily recyclable they are and work with all suppliers to phase out the hardest to recycle materials from their packaging by 2025.
 - We will work with our trading partners, government and industry to influence packaging sustainability across the value chain and create an ecosystem to support these targets.
- We align to the principles of Eliminate, Reduce, Reuse, Recycle for our Own Brand product packaging:
 - Halve the use of virgin plastic packaging by weight against our 2018 baseline (New Zealand: 2020) by 2024.
 - Achieve an average of 60% recycled content in our Own Brand packaging by the end of 2025.
 - Provide more refillable and reusable packaging options for products in our operations.
 - Phase out problematic and unnecessary materials, starting with our Own Brands by 2023.
- We will lead in making it easier for our customers to recycle plastic and difficult to recycle materials by:
 - Actively promoting recycling, including displaying the Australasian Recycling Label on 100% of Own Brand product packaging by the end of 2023.
 - Making 100% of our Own Brand packaging widely recyclable, reusable or compostable by 2023 (New Zealand: by 2025).

Delivers on Sustainable Development Goals



Product

Turning goals into commitments



Goal 3: 100% of Own Brand sourcing is sustainable

- By 2025, we will achieve net zero supply chain deforestation for our high-impact commodities in our Own Brand products, such as palm oil, timber, pulp and paper, and packaging.
- By 2025, 100% of our high-impact commodities (e.g. tea, coffee) in our Own Brand products, including raw materials, will be sourced sustainably.
- In our Own Brand products, we are committed to using cotton that has been produced sustainably and responsibly and encourage the use of recycled and reclaimed cotton where possible.
- We will make it easier for customers to choose sustainable products. By 2025, 100% of Own Brand products will have at least one health (where relevant) or sustainability attribute.

Goal 4: Lead the future of protein

- We aspire to lead in the future of protein to minimise our impact on the environment in sourcing our products whilst improving the lives of animals, providing nutritious quality products and protecting the people in our supply chain. By 2022 we will report on the approach and the key metrics that will be included in our approach to responsible protein at Woolworths.
- By 2025, fresh beef and soy in our brands and soy in livestock feed (assessing high-risk/high volumes) will be sourced sustainably and not contribute to deforestation.
- We will lead in animal welfare and show continuous improvement within our supply chains, through increased data capture and reporting. To validate our performance and hold ourselves to account, we aim to achieve the highest tier in the Business Benchmark on Farm Animal Welfare (BBFAW).

- By 2025, 100% of our Own Brand seafood will be ecologically responsible or sourced sustainably.
- By 2025, all vendor brand shell eggs and egg used as an ingredient in our Own Brand products will be cage-free.
- We will make it easy for consumers to eat sustainably and affordably, by balancing animal, plant and novel proteins in their diets.

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

- We aim to lead the industry with the highest standards of responsible service, sale and marketing of alcohol in our retail outlets and venues through the delivery of best practise training programs, customer education and community engagement.
- We aim to lead in providing customer choice in the areas of low and no alcohol beverages along with other educational initiatives supporting moderate consumption of alcohol.
- We aim to deliver the highest standards of responsible gambling in our venues to help customers make informed decisions about gambling and provide timely, appropriate assistance through our gambling charter, team training and customer voluntary pre-commitment programs supported by improvements in underlying technology.



Delivers on Sustainable Development Goals





“ As Australia and New Zealand’s largest retailer, we care deeply about our impact on people and the planet and we want to go further than just minimising harm – we want to create good.”

Brad Banducci, Woolworths Group CEO and the whole team

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Woolworths Group Sustainability

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Please consider the environment before you print this report.

