



6 September 2021

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

2021 Sustainability Report

Attached for release is a copy of the Woolworths Group 2021 Sustainability Report. This will be uploaded to the Woolworths Group website together with a copy of the Group's 2021 Modern Slavery Statement.

Further details on Woolworths Group Sustainability are available at:

<https://www.woolworthsgroup.com.au/page/community-and-responsibility/group-responsibility/>

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A photograph of a man and a young girl driving a tractor. The man, wearing a hat and a blue checkered shirt, is in the driver's seat. The girl, with curly hair and wearing a red and white checkered shirt, is sitting next to him, smiling at the camera. The tractor is moving through a field, and the background is slightly blurred.

WOOLWORTHS GROUP

A better
tomorrow

WOOLWORTHS GROUP LIMITED
ABN 88 000 014 675

2021 SUSTAINABILITY REPORT

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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 (F21). Only workforce data (excluding safety) is included for our global sourcing offices in China, Bangladesh and Thailand. Photos within the report may have been taken before social distancing restrictions were in place. All amounts are expressed in Australian dollars unless another currency is indicated.



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





Acknowledgement of Country

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

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



United Nations Global Compact (UNGC)

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

We create better experiences together for a better tomorrow

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

Guiding principles

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

We care for, and unlock the potential of our people

We have a positive impact on the planet

We apply circular thinking in everything we do

We embrace the power of partnerships to create change

Looking after our team, customers and communities



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

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

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

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

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

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

Community contribution
as % of EBT on a rolling
average

1.23%

Carbon emissions reduction

27%

below 2015 baseline

Plastics reduction F21

>2,500t

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

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

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

Brad

Brad Banducci
CEO

Gordon

Gordon Cairns
CHAIRMAN

2021 Countdown Sustainability Report.



How we create value

Our Value Drivers

Team

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

Customer services

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

Trusted brands and products

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

Sustainability

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

Business platforms

Leading business platforms built over many years enabling our business activities

Financial

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

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

Our Business Activities



Creating better experiences together for a better tomorrow

Value Created¹

Customer

Innovating to meet our customer needs

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

Enabling and empowering our team

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

Mutual benefit through strong partnerships

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

Caring for each other and creating a more sustainable future

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

Delivering sustainable returns for our shareholders

\$1,972M F21 Group NPAT ²	15.1% F21 ROFE ³	108¢ F21 Full Year Dividend
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¹ For the 2021 financial year. ² Before significant items. ³ F21 ROFE calculation normalised to exclude the \$7,870 million demerger distribution liability.



SUSTAINABILITY TREE™

Our sustainability plan on a page

Guiding principles

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

We care for, and
unlock the potential
of our people

We have a positive
impact on the planet

We apply circular
thinking in
everything we do

We embrace the
power of partnerships
to create change

People

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

Planet

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

Product

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

Our goals are underpinned by over 40 commitments



Progress towards our 2025 commitments



People



Planet



Product

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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





People

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

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



Voice of Team
advocacy score¹

15



WGEA Employer of
Choice for Gender
Equality achieved



Total recordable
injury frequency rate
(TRIFR)

12.08

▲ 1% from F20



Community
contribution

1.23%

as % of EBT on a rolling
two-year average²

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





A truly inclusive workplace

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

Gender equity

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

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

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

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

PEOPLE

Goal 1

Be a truly inclusive workplace

Progress



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

Sustainable Development Goals



Refrigeration Apprenticeship Program

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

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

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

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

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



Truly inclusive workplace



Aboriginal & Torres Strait Islander peoples

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

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

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

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

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

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

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

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

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


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

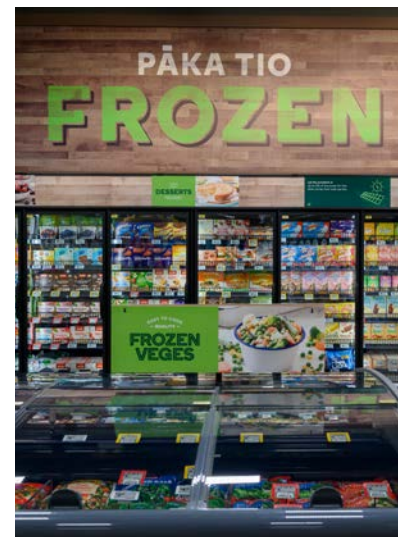
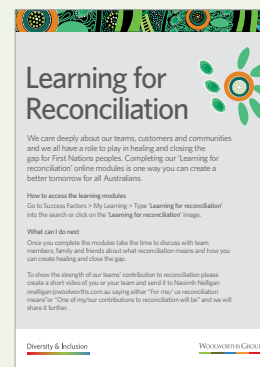
We set ourselves a high purpose and it is connected to a great deal of our decision making and what we do every day. In taking this approach, Woolworths Group understands that we raise expectations of society. In this case, we failed to live up to both our purpose and these expectations.

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

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

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

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



Te reo Māori year-round

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



Truly inclusive workplace

Accessibility Action Plan

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



Partnership with Auticon Australia

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

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

LGBTQ+

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

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

Gender Affirmation Policy

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



PEOPLE

Goal 2

Invest in the holistic wellbeing of our team

Progress



We care for, and unlock the potential of our people

Sustainable Development Goal



The 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 COVIDsafe protocols. This highly specialised and technical leadership role provides direct input into the Woolworths Group Board and its relevant sub-committees as well as the Group Executive Committee. Dr McCartney is also responsible for engaging with regulatory authorities and state and federal health departments, along with the development of educational materials for team members.

Wellbeing Council

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

Corporate Mental Health Alliance

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



Dr Rob McCartney, Chief Medical Officer



The holistic wellbeing of our team

Keeping our team safe through COVID

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

Vulnerable and impacted team

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

COVID leave

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

COVID vaccine

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



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

Key metrics 2021

12.08 total recordable injury frequency rate (TRIFR)

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

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

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

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

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

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





The holistic wellbeing of our team

24/7 care for our team

24/7 on demand health, safety and wellbeing support



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

Supporting our leaders to help our teams

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

Financial wellbeing support



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

Abuse and violence

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

Measures

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

Sonder stories

Anxiety

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

Financial hardship

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

Supporting community wellbeing

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

Meaningful retail careers in the workplace of the future

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

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

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

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

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

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

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

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 instore 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."

PEOPLE

Goal 3

Create meaningful retail careers in the workplace of the future

Progress

■ □ □ □ □

We care for, and unlock the potential of our people

Sustainable Development Goal





Human rights and responsible sourcing

PEOPLE

Goal 4

Activate ethical and mutually beneficial partnerships through the whole value chain

Progress



We embrace the power of partnerships to create change

Sustainable Development Goals



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

Responsible Sourcing Program

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

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

Our approach to reporting on human rights

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





Human Rights and Responsible Sourcing

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

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





Human Rights and Responsible Sourcing

Embracing the power of partnership for continuous improvement


Supplier engagement and capacity development

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

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

Targeted programs and partnerships

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

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

Greener together - a growing link between people and planet

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

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

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

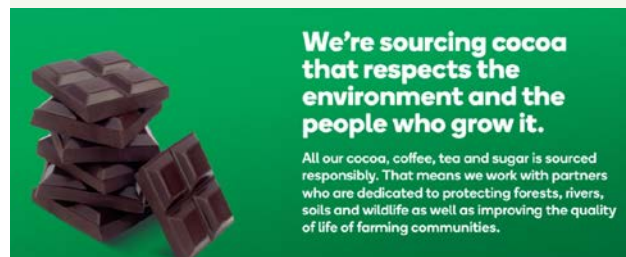
LEED certified suppliers demonstrate environmental leadership against Woolworths Group RS Standard 16 which requires suppliers to comply with environmental laws and regulations, and maintain an environmental management system that identifies and manages environmental impacts.

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

Promoting responsible sourcing to our customers

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

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



Shobola Project – Bangladesh

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

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



Positive impact on our customers and communities

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

S.T.A.N.D

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

Working with our natural disaster partners

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

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

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

NSW east coast floods

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

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

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

PEOPLE

Goal 5

Have a positive impact on our customers and communities

Progress



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

Sustainable Development Goals



The Salvation Army

11,824

people assisted who have been impacted by natural disaster



Lifeline

100,441

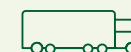
calls taken



Rural Aid

11,910t

of hay delivered by 42 road trains



Foodbank

1,233,544

meals provided



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



Positive impact on our customers and communities

Partnering with the next generation of environmental champions

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

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

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

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

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

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



Addressing period poverty

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

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

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

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



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

Investing in innovative Aussie farmers

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

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

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

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





Positive impact on our customers and communities



Countdown Food for Good Foundation

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

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

enabling The Salvation Army to feed thousands of Kiwi families.

Other F21 highlights for our Foundation included:

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

We believe in taking a stand

Supporting the Uluru Statement from the Heart

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

Standing against racism (NZ)

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





Making an impact

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



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 Tangentyere 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). \$328,862 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 WIRES FOOD FOR WILDLIFE PROGRAM

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

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.

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





Planet

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



Power from solar

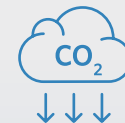
31,480kW

capacity installed



Organic waste diverted from landfill

56%



Carbon emissions scope 1+2 reduction of

27%

below 2015 baseline, towards 63% by 2030





Responding to climate change

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

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

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

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

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

Strategy

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

Climate change strategy

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

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

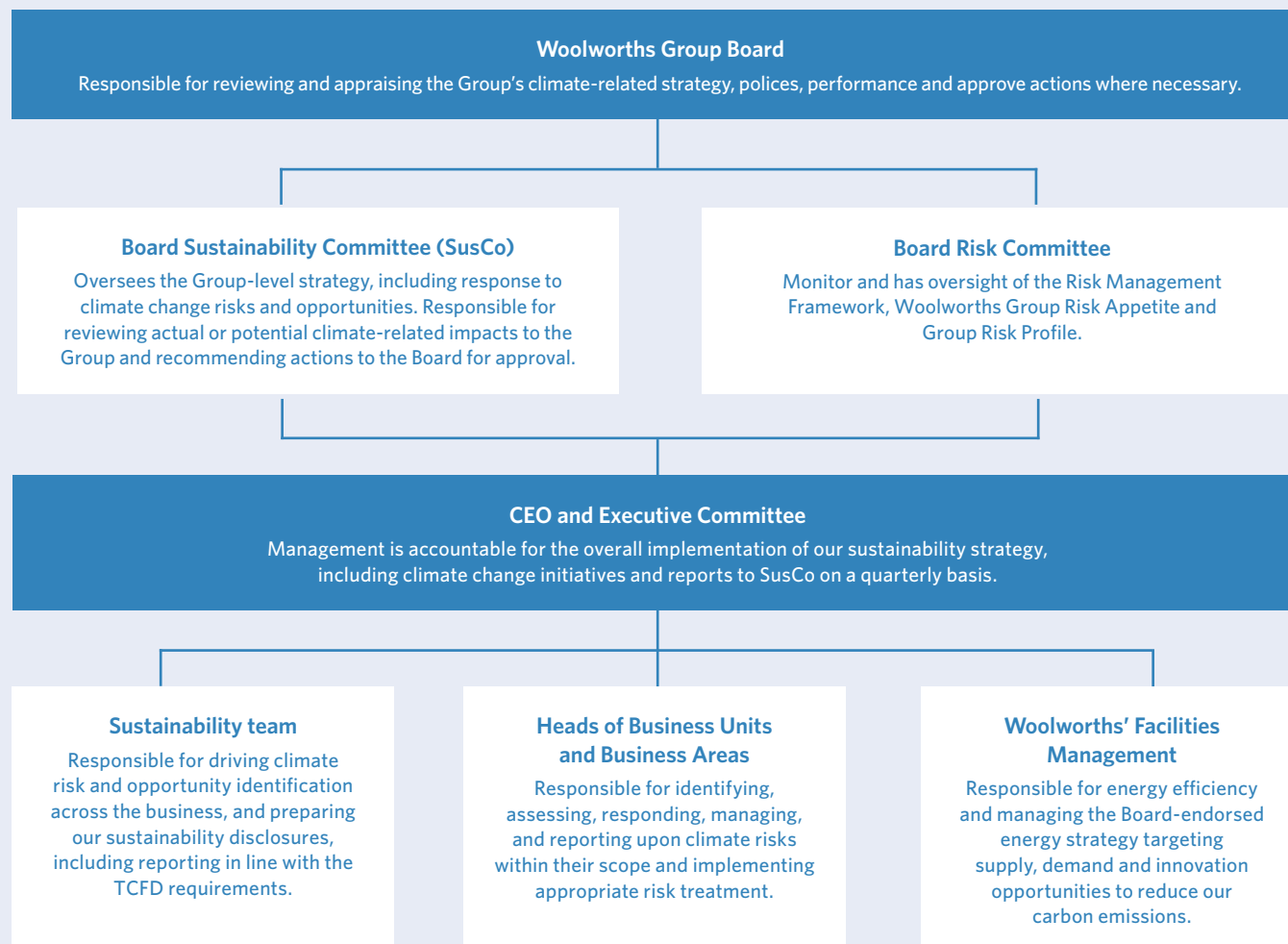


Responding to climate change

Governance

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

Climate change governance





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

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

Climate risks by business area

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



Responding to climate change

Climate risks and opportunities continued

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

Our next steps

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

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

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



Green electricity

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

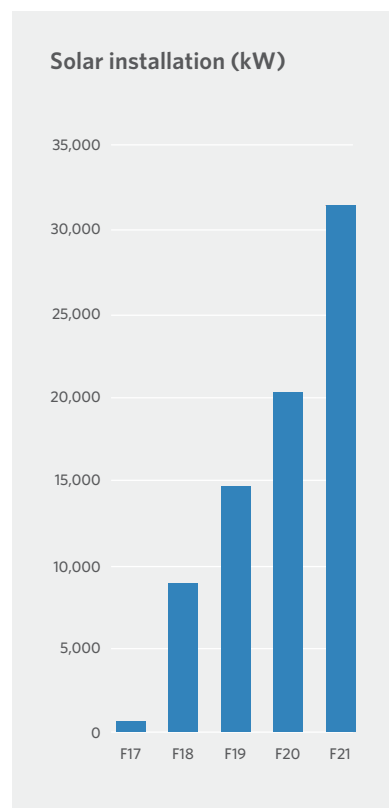
As shared in our Sustainability Plan 2025, we're committed to sourcing 100% renewable electricity to power our business by 2025. As Australia's largest retailer, using around one percent of Australia's national electricity, we have a unique opportunity to lead, and make a real impact, with this shift. 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.



PLANET

Goal 1

100% Green electricity by 2025

Progress

■ ■ ■ ■ ■

We have a positive impact on the planet

Sustainable Development Goals



HELPING AUSSIE FAMILIES SWITCH TO GREEN ENERGY

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

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





Food waste

PLANET

Goal 2

Zero food waste to landfill by 2025

Progress



We have a positive impact on the planet

Sustainable Development Goals



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

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

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

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

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

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

Food rescue partners and our local communities

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

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

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

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





Food Waste

Goterra – a successful ‘Proof of Concept’ investment

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

Battery and mobile phone recycling

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

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

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



Countdown Food Rescue Summit

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

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

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.

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.





Net positive carbon emissions by 2050



PLANET

Goal 3

Net positive carbon emissions by 2050

Progress

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We have a positive impact on the planet

Sustainable Development Goals



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

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

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

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

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

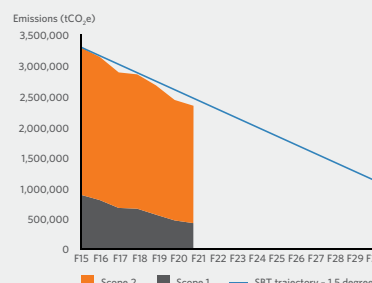
Our main sources of scope 1 (direct) emissions include emissions from fugitive synthetic

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

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

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

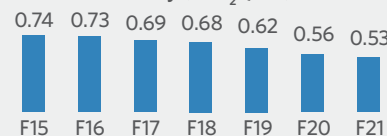
F21 update on SBTi



Energy intensity (GJ/m²)



Carbon intensity (tCO₂e/m²)



Intensity based on stationary emissions only.

Our emissions reduction commitments



63%

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

19%

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

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



Net positive carbon emissions by 2050

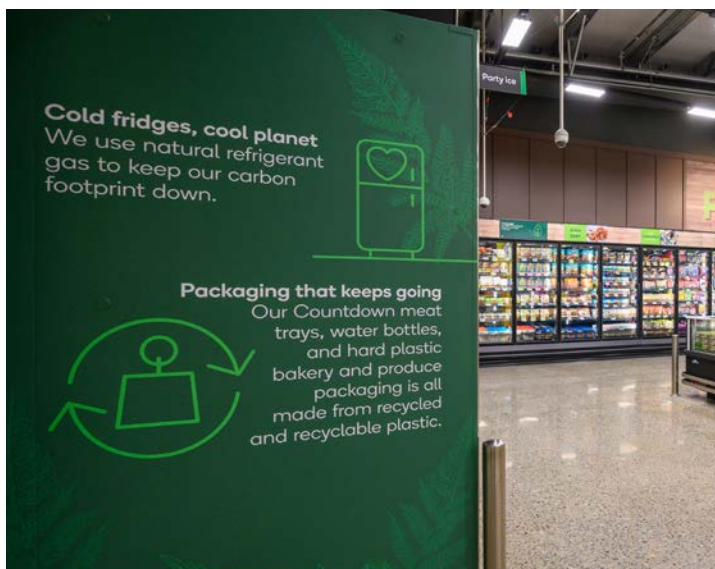
Refrigeration management

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

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

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

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



Emissions reduction initiatives

Highlights from our F21 emissions reduction initiatives include:

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

Low carbon fleet

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

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





Net positive carbon emissions by 2050

Green Star design

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

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

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

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

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

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

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





PLANET

Goal 4

Practise responsible stewardship of natural resources

Progress

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We have a positive impact on the planet

Sustainable Development Goals



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' Dorrien Estate Winery and Vinpac Angaston bottling facility have implemented new initiatives which include:

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

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

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





Product

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



Australia's
Healthiest
Supermarket
Own Brands¹



First Australian
and New Zealand
retailer to achieve

Tier 2

in the global Business
Benchmark on Farm
Animal Welfare



Plastic packaging
removed from
circulation

>6,000t

compared to F18 our
baseline year



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

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





Healthier choices

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

Our customers care about health, a trend only accelerated by COVID-19 – which 60% of Australians say has encouraged them to seek out healthier products¹.

In response, our [Sustainability Plan 2025](#) includes a number of ambitious health commitments supporting our goal to materially increase healthier choices in our customers' baskets. To help amplify our health strategy, in November 2020, we formed our Health Guild, which brings together business leaders across different teams to help us achieve our ambition of making healthier choices easier for our customers.

New own brand health commitments

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

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

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

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

Developing healthier products

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

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

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

PRODUCT

Goal 1

Materially increase healthier choices in our customers' baskets

Progress

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

Sustainable Development Goal



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

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

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

1 IPSOS. Woolworths Food & Health Survey. 2020.



Healthier Choices

Supporting healthier choices

Digital

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

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

Affordability

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

HealthyLife

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

Encouraging Aussie kids to be healthier

Free Fruit for Kids

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

Woolworths Centre for Childhood Nutrition Research

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

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

Junior sports

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



1 IPSOS. Woolworths Food & Health Survey. 2020.

Sustainable packaging

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

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

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

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

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

2025 use an average of 60% recycled material in packaging

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

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

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

PRODUCT

Goal 2

100% of own brand packaging is sustainable

Progress

■ ■ ■ ■ ■

We apply circular thinking in everything we do

Sustainable Development Goal



Product snapshots

Cotton tips



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

E-receipts



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

Dan Murphy's box



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





Sustainable Packaging

Collaborating to reduce hard to recycle materials

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

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

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

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

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



Refill stations in-store

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



Recyclable meat trays

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



Australian made paper bags

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

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



Sustainable sourcing

PRODUCT

Goal 3

100% of own brand sourcing is sustainable

Progress



We have a positive impact on the planet

Sustainable Development Goals



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

Palm oil

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

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

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

Soy

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

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

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

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

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

Macro Whole Living

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





Sustainable Sourcing

Tea, coffee, cocoa and sugar

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

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

Paper, pulp and timber

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

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

Cotton

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

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

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

In response, we have:

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

**Sustainably
sourced
single-ingredient
own brand
products
in Australia**



Tea
100%



Cocoa
100%



Coffee
100%



Sugar
100%

Better Cotton Initiative

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

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



Lead the future of protein

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

Animal welfare

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

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

Business Benchmark on Farm Animal Welfare

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

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

F21 highlights

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

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

PRODUCT

Goal 4

Lead the Future of Protein

Progress
■ □ □ □ □

We have a positive impact on the planet

Sustainable Development Goal



Animal Welfare Principles: Five Freedoms

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



Lead the Future of Protein

Woolworths and the RSPCA Approved Farming Scheme

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

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



Responsibly sourced seafood

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

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

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

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

Animal Welfare Horizon's Fund

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

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

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

Woolworths Ocean Pool Fund

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

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

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

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



Lead the Future of Protein

FutureFeed

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

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

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



Plantitude, plant based deliciousness

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



Animal welfare achievements



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

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

Responsible service and consumption of alcohol and gaming

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

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

Responsible service of alcohol

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

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

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

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

Liquor Accords Portal

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

Online Alcohol Sale and Delivery Code of Conduct

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

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

PRODUCT

Goal 5

Lead the responsible service and consumption of alcohol and gaming

Progress

■ ■ □ □ □

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

Sustainable Development Goal





Responsible service and consumption of alcohol and gaming

Alcoholic Beverage Advertising Code (ABAC)

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

DrinkWise

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

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

Responsible gambling

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


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

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

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

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

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

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

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



Message from our Chief Sustainability Officer



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

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

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

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

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

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

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

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

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

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

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

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

Alex Holt
Chief Sustainability Officer



Company directory

2021 Sustainability Report Appendix

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

www.woolworthsgroup.com.au/sustainability

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F21 corporate reporting suite

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



2021 Annual Report

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



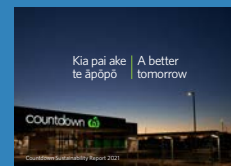
2021 Sustainability Report Appendix

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



2021 Modern Slavery Statement

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



2021 Countdown Sustainability Report

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



WOOLWORTHS GROUP



WOOLWORTHS GROUP

2021 Sustainability Report Appendix



WOOLWORTHS GROUP LIMITED
ABN 88 000 014 675



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





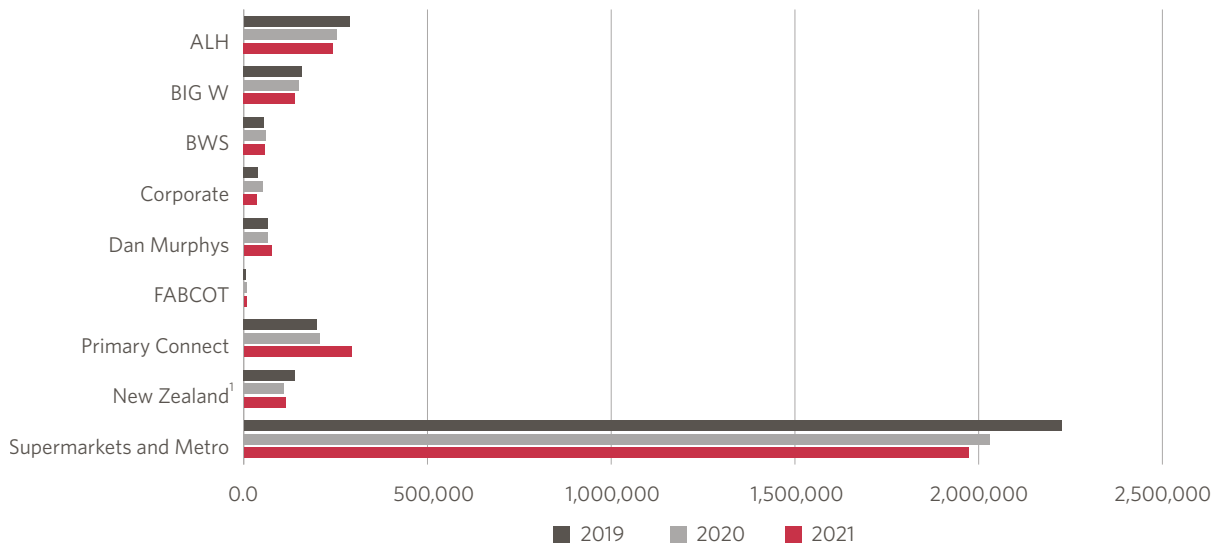
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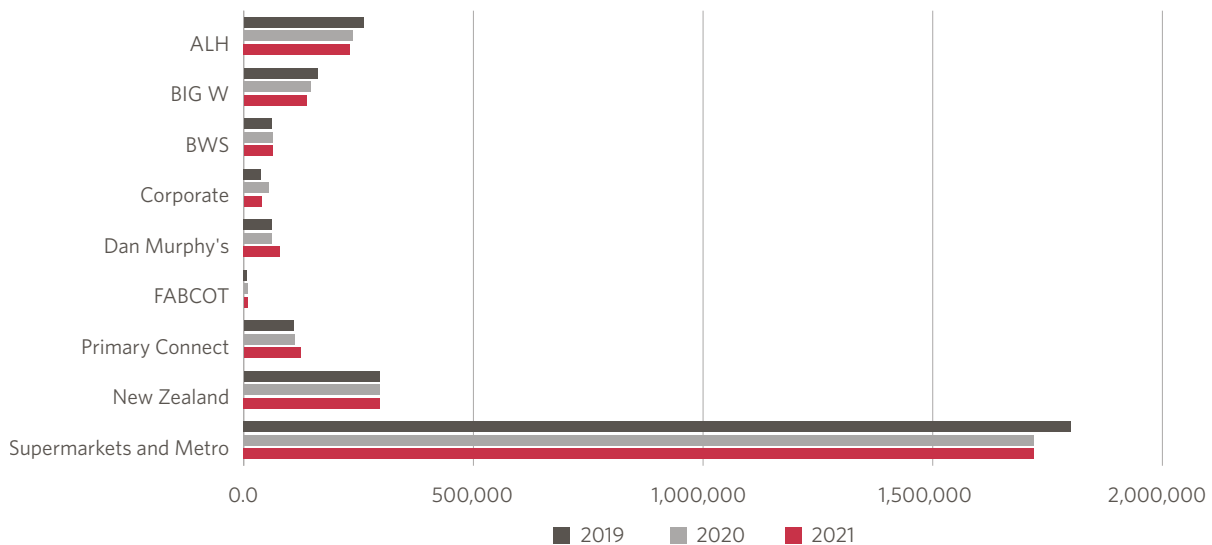
Sustainability metrics

TOTAL CO₂ EMISSIONS (t CO₂e)



¹ New Zealand sustainability report shows higher scope 3 emissions in F21, which were not incorporated in the Group report as we undergo reporting alignment to Australian Scope 3 data in F22.

ELECTRICITY USE (MWh)



EMISSIONS FROM FACILITIES (t CO₂e)

	SCOPE 1	SCOPE 2	SCOPE 3	TOTAL
ALH	29,931	186,669	25,997	242,597
BIG W	10,672	105,209	19,962	135,844
BWS	5,916	45,887	6,604	58,407
Corporate	1,600	27,600	3,967	33,168
Dan Murphy's	5,162	62,615	8,403	76,181
FABCOT	121	6,664	735	7,519
Logistics	253	89,231	20,616	110,101
New Zealand	28,926	30,133	19,685	78,744
Supermarkets and Metro	315,455	1,356,624	261,217	1,933,296
Grand Total	398,036	1,910,632	367,187	2,675,856

TRANSPORT EMISSIONS BY USE (t CO₂e)

END USE	AUSTRALIA	NEW ZEALAND
Business travel	2,942	2,744
Home delivery	24,411	3,389
Logistics 3rd party road	176,997	23,247
Trolley collection	17,839	0

WASTE (tonnes)

Australia - material diverted from landfill

	2019	2020	2021
Food waste to composting or energy	50,639	48,872	51,323
Food waste to farmers	32,285	33,271	50,751
Food to charity	7,787	8,659	10,005
Cardboard	234,210	240,111	242,299
Plastic film	8,975	8,840	7,313
Other	37	29	948
Total Australia	333,934	339,782	362,638

New Zealand - materials diverted from landfill

	2019	2020	2021
Cardboard	28,499	32,327	27,245
Plastic film	1,568	1,045	1,725
Food waste to farmers ¹	887	1,670	3,995
Food to charity ¹	2,603	1,470	4,087
Other	2,410	4,497	2,397
Total NZ	35,967	41,009	39,450
Total diverted	369,901	380,791	402,088

Total Waste to landfill	96,484	104,211
--------------------------------	---------------	----------------

¹ NZ food waste to charity and farmers updated to correct an error in the calculation. Prior years have not being restated.

Waste intensity¹

	2019	2020	2021
kg/Square meters	22	21	23

¹ Waste intensity is from Australian operations.



Workplace metrics

BOARD OF DIRECTORS

	FEMALE	MALE	TOTAL
<25	0	0	0
25-<35	0	0	0
35-<45	0	0	0
45-<55	2	0	2
55-<65	3	2	5
>65	0	2	2
Total	5	4	9

FEMALE REPRESENTATION BY EMPLOYMENT CATEGORY¹

Executives	30.60%
Senior Managers	37.91%
Managers	42.57%
Office support	55.63%
Technicians and trades	12.66%
Sales	59.22%
Other	18.55%

¹ The data covers the 12 months ended 1/1/2021 and is for Australian based team members only excl ALH and was used to prepare the WGEA report.

RATIO OF BASIC SALARY AND REMUNERATION OF FEMALE TO MALE EMPLOYEES BY EMPLOYMENT CATEGORY¹

This table averages all the salaries within the non-managerial or managerial category. Within each category, there are different roles and levels of positions. The ratio to average reported here does not compare like-with-like roles and does not represent the Pay Parity Project.

	2021		2020	
	AVERAGE ANNUALISED SALARY ¹	RATIO TO AVERAGE	AVERAGE ANNUALISED SALARY	RATIO TO AVERAGE
Non-managerial Female	\$53,543.00	96.64%	\$45,040.25	97.89%
Non-managerial Male	\$57,782.00	104.29%	\$47,243.96	102.68%
Average Salary	\$55,406.00		\$46,012.28	
Managerial Female	\$94,688.00	94.79%	\$87,720.01	94.36%
Managerial Male	\$103,676.00	103.78%	\$96,671.36	103.99%
Average Salary	\$99,897.00		\$92,964.01	

¹ The data covers the 12 months ended 1/1/2021 and is for Australian based team members only excl ALH and was used to prepare the WGEA report.

RESPECT AND DIGNITY

We expect our employees to treat each other, our customers and our suppliers with respect and dignity. We train our employees on these expectations. We are working towards a resolution on the outstanding claims.

Discrimination¹

Number of claims lodged in Australia during the year	94
Number resolved in financial year	83
Number of substantiated claims of discriminatory conduct	12

¹ Excludes ALH Hotels and New Zealand. In FY21 Woolworths has expanded the definition of the number of claims lodged in Australia during the year to include all reported cases of discrimination, not just those claims that have been substantiated. This is different to previous years, when only claims that were proven to be discrimination were reported.

Freedom of association

We have longstanding relationships with the unions that represent our employees, and 88% of our workplace is covered by Enterprise Bargaining Agreements (EBAs).

GROUP	EBA EMPLOYEES	TOTAL HEADCOUNT	%
ALH (Venue & Support)		15	0.00%
BIG W	15,856	17,465	90.79%
Endeavour Drinks	12,891	16,579	77.75%
Food Group	122,169	133,613	91.43%
Statewide Independent Wholesalers	372	406	91.63%
Group Support	6,621	10,677	62.01%
Total Employees	157,909	178,755	88.00%

WORKFORCE AND TURNOVER

Headcount by business unit

GROUP	FEMALE	MALE	TOTAL
ALH (Venue & Support)	6,322	4,976	11,298
BIG W	12,089	5,479	17,568
Endeavour Drinks	6,785	9,982	16,767
Food Group	87,470	65,837	153,307
Statewide Independent Wholesalers	30	376	406
Group Support	2,867	7,854	10,721
Total	115,563	94,504	210,067

Headcount by employee type

	FEMALE	MALE	TOTAL
Full-time	20,652	25,866	46,518
Part-time	55,437	36,239	91,676
Casual	39,474	32,399	71,873
Total	115,563	94,504	210,067

Headcount by region

	FEMALE	MALE	TOTAL
ACT	1,354	1,565	2,919
NSW	34,899	29,440	64,339
NT	1,016	871	1,887
QLD	24,298	17,757	42,055
SA	6,492	6,047	12,539
TAS	2,785	2,367	5,152
VIC	23,253	20,877	44,130
WA	10,074	6,914	16,988
NZ	11,110	8,526	19,636
China	269	114	383
Bangladesh	6	25	31
Thailand	7	1	8
Total	115,563	94,504	210,067



Workforce by age

AGE BAND	FEMALE	MALE	TOTAL
<25	36,917	36,207	73,124
25-<35	24,759	26,906	51,665
35-<45	19,415	15,262	34,677
45-<55	18,280	9,288	27,568
55-<65	13,539	5,585	19,124
>65	2,653	1,256	3,909
Total	115,563	94,504	210,067

Turnover by region

	TOTAL TERMINATIONS			% LABOUR TURNOVER		
	FEMALE	MALE	TOTAL	FEMALE	MALE	TOTAL
ACT	329	342	671	24.3%	21.9%	23.0%
NSW	7,805	7,234	15,039	22.4%	24.6%	23.4%
NT	330	290	620	32.5%	33.3%	32.9%
QLD	6,636	5,086	11,722	27.3%	28.6%	27.9%
SA	1,710	1,580	3,290	26.3%	26.1%	26.2%
TAS	551	583	1,134	19.8%	24.6%	22.0%
VIC	5,625	5,663	11,288	24.2%	27.1%	25.6%
WA	2,792	2,449	5,241	27.7%	35.4%	30.9%
NZ	2,760	2,833	5,593	24.8%	33.2%	28.5%
China	24	16	40	8.9%	14.0%	10.4%
Bangladesh	0	0	0	0.0%	0.0%	0.0%
Thailand	1	0	1	14.3%	0.0%	12.5%
Total	28,563	26,076	54,639	24.7%	27.6%	26.0%

Turnover by age

	TOTAL TURNOVER			% LABOUR TURNOVER		
	FEMALE	MALE	TOTAL	FEMALE	MALE	TOTAL
<25	13,495	12,669	26,164	36.6%	35.0%	35.8%
25-<35	6,749	7,647	14,396	27.3%	28.4%	27.9%
35-<45	3,296	2,846	6,142	17.0%	18.6%	17.7%
45-<55	2,652	1,546	4,198	14.5%	16.6%	15.2%
55-<65	1,648	992	2,640	12.2%	17.8%	13.8%
>65	723	376	1,099	27.3%	29.9%	28.1%
Total	28,563	26,076	54,639	24.7%	27.6%	26.0%

New hires by region

REGION	TOTAL NEW HIRES ¹		
	FEMALE	MALE	TOTAL
ACT	217	279	496
NSW	7,887	7,625	15,512
NT	262	266	528
QLD	5,558	4,171	9,729
SA	1,319	1,354	2,673
TAS	373	476	849
VIC	4,171	4,043	8,214
WA	2,589	2,054	4,643
NZ	2,758	2,448	5,206
China	39	19	58
Bangladesh	-	-	-
Thailand	1	-	1
Total	25,174	22,735	47,909

1 ALH data excluded from new hires.

New hires by age

AGE	TOTAL NEW HIRES ¹		
	FEMALE	MALE	TOTAL
<25	12,866	13,053	25,919
25-<35	5,423	5,562	10,985
35-<45	3,207	2,214	5,421
45-<55	2,491	1,162	3,653
55-<65	1,121	654	1,775
>65	66	90	156
Total	25,174	22,735	47,909

1 ALH data excluded from new hires.

Parental leave¹

We offer parental leave to eligible Australian-based team members, which includes 12 weeks paid parental leave, total parental leave period of up to 24 months and superannuation paid on both paid and unpaid leave for the first 12 months for primary caregivers, and two weeks paid leave for secondary caregivers. Permanent team members are eligible if they have completed six months of continuous service prior to taking the leave as a primary caregiver (12 months for secondary caregivers) or if they qualify as an eligible casual team member.

	2021		2020 ³	
	ON PARENTAL LEAVE IN PERIOD	RETURNED FROM PARENTAL LEAVE ²	ON PARENTAL LEAVE IN PERIOD	RETURNED FROM PARENTAL LEAVE ²
Female	4,314	2,961	4,440	1,978
Male	1,050	1,022	1,076	1,027
Total	5,364	3,983	5,516	3,005

1 The data covers the 12 months ended 1/1/2021 and is for Australian based team members only and was used to prepare the WGEA report.

2 Includes people who have returned to work from parental leave during the period for at least one day. This may include people who have returned from parental leave, but left before the end of the reporting period.

3 2020 parental leave results have been re-stated to only those who have returned from parental leave during the period rather than team members still employed



SAFETY AND HEALTH PERFORMANCE

Occupational health and safety management system

Number and % of employees covered by an occupational health and safety management system that are internally and externally audited.

All our Australian and New Zealand team members, contractors and labour hire workers are covered by Business Safety Management Systems.

All of our safety management systems are internally audited by our Group Safety and Health Assurance function or by Group Risk Internal Audit.

All of our safety management systems are externally audited in at least one Jurisdiction where it is required as part of our self-insurer license terms or as part of other legal requirements such as the ACC in New Zealand.

BUSINESS ^{1,2}	NO. OF EMPLOYEES	PERCENTAGE OF EMPLOYEES
Supermarkets	129,919	100.00%
Primary Connect	7,972	100.00%
BIG W	17,568	100.00%
Foodco incl. Metro	3,751	100.00%
Endeavour Drinks	16,767	100.00%
Corporate	3,155	100.00%
Woolworths New Zealand	19,637	100.00%
ALH Hotels	11,298	100.00%
Woolworths Group	210,067	100.00%

1 The table above provides data for employees only and excludes contractors and labour hire.

2 Employees that are not on the core Woolworths payroll system are excluded.

WORK RELATED INJURIES

High consequence work related injuries

BUSINESS	HIGH CONSEQUENCE INJURY	HCIFR (1 MILLION)	HCIFR (200,000)	F21 HOURS WORKED
Supermarkets	225	1.75	0.35	128,398,636
Primary Connect	25	1.96	0.39	12,778,249
BIG W	20	1.15	0.23	17,365,473
Foodco incl. Metro	4	1	0.2	4,006,945
Endeavour Drinks	7	0.38	0.08	18,254,177
Corporate	1	0.27	0.05	3,732,821
Woolworths New Zealand	Not Available	Not Available	Not Available	29,152,651
ALH Hotels	Not Available	Not Available	Not Available	10,106,041
Woolworths Group	282	1.26	0.25	223,794,992

Business TRIFR and TRI results for 2021

BUSINESS	PER MILLION HOURS	PER 200,000 HOURS	TRI	F21 HOURS WORKED
Supermarkets	11.57	2.31	1,486	128,398,636
Primary Connect	22.15	4.43	283	12,778,249
BIG W	7.49	1.5	130	17,365,473
Foodco incl. Metro	6.24	1.25	25	4,006,945
Endeavour Drinks	7.56	1.51	138	18,254,177
Corporate	0.54	0.11	2	3,732,821
Woolworths New Zealand	15.2	3.04	443	29,152,651
ALH Hotels	19.39	3.88	196	10,106,041
Woolworths Group	12.08	2.42	2,703	223,794,992

Business TRIs by gender for 2021

BUSINESS	FEMALE		MALE		TOTAL
	COUNT	%	COUNT	%	COUNT
Supermarkets	1,035	70%	451	30%	1,486
Primary Connect	53	19%	230	81%	283
BIG W	108	83%	22	17%	130
Foodco incl. Metro	12	48%	13	52%	25
Endeavour Drinks	84	61%	54	39%	138
Corporate	-	0%	2	100%	2
Woolworths New Zealand	263	59%	180	41%	443
ALH Hotels	106	54%	90	46%	196
Woolworths Group	1,661	61%	1,042	39%	2,703

Woolworths Group Limited TRIFR for F19-21

KPI	F19	F20	F21
TRIFR (million hours worked)	14.75	11.94	12.08
TRIFR (200,000 hours worked)	2.95	2.39	2.42

TRIs by nature group for 2021

TRIS BY NATURE GROUP FOR 2021 NATURE GROUP	FEMALE		MALE		TOTAL
	COUNT	%	COUNT	%	COUNT
Traumatic Sprain/Strain	629	63%	372	37%	1,001
Musculoskeletal	432	63%	249	37%	681
Wounds and Lacerations	323	61%	207	39%	530
Fractures	97	56%	76	44%	173
Other	180	57%	138	43%	318
Woolworths Group	1,661	61%	1,042	39%	2,703



TRIs by mechanism group for 2021

TRIS BY MECHANISM GROUP FOR 2021 MECHANISM GROUP	FEMALE		MALE		TOTAL
	COUNT	%	COUNT	%	COUNT
Manual Handling	957	60%	650	40%	1,607
Slips/Trips	285	73%	107	27%	392
Hitting Objects	158	59%	108	41%	266
Being hit by moving objects	161	62%	98	38%	259
Other	100	56%	79	44%	179
Woolworths Group	1,661	61%	1,042	39%	2,703

Business close calls (near hits)

BUSINESS	WOOLWORTHS GROUP COUNT	CONTRACTOR COUNT	AGENCY COUNT
Supermarkets	190	23	3
Primary Connect	1,301	139	360
BIG W	122	13	1
Foodco incl. Metro	29	6	0
Endeavour Drinks	244	27	7
Corporate	1	5	0
Woolworths New Zealand	3,124	259	15
ALH Hotels	Not available	Not available	Not available
Woolworths Group	5,011	472	386

Business high potential work related incidents

BUSINESS	TOTAL COMBINED	CONTRACTORS	AGENCY
Supermarkets	2	1	0
Primary Connect	1	10	0
BIG W	1	0	0
Foodco incl. Metro	0	1	0
Endeavour Drinks	0	0	0
Corporate	0	1	0
Woolworths New Zealand	3	7	0
ALH Hotels	1	0	0
Woolworths Group	8	20	0

WORK RELATED ILL HEALTH

'Ill health' indicates damage to health and includes diseases, illnesses, and disorders. The term 'disease', 'illness', and 'disorder' are often used interchangeably and refer to conditions with specific symptoms and diagnoses.

Business ill health by gender for 2021

BUSINESS	FEMALE		MALE		TOTAL	
	COUNT	%	COUNT	%	COUNT	F21 HOURS WORKED
Supermarkets	442	70%	188	30%	630	128,398,636
Primary Connect	20	15%	115	85%	135	12,778,249
BIG W	35	92%	3	8%	38	17,365,473
Foodco incl. Metro	4	40%	6	60%	10	4,006,945
Endeavour Drinks	25	61%	16	39%	41	18,254,177
Corporate	0	0%	0	0%	0	3,732,821
Woolworths New Zealand	12	71%	5	29%	17	29,152,651
ALH Hotels	21	54%	18	46%	39	10,106,041
Woolworths Group	559	61%	351	39%	910	223,794,992

Ill health TRIs by nature group for 2021

NATURE GROUP	FEMALE		MALE		TOTAL	
	COUNT	%	COUNT	%	COUNT	
Musculoskeletal	425	64%	242	36%	667	
Psychological	72	66%	37	34%	109	
Digestive System Diseases (e.g. Hernia)	11	19%	46	81%	57	
Other	51	66%	26	34%	77	
Woolworths Group	559	61%	351	39%	910	

WORK RELATED FATALITIES

Work related fatalities include those where Woolworths Group operations have been a contributing factor.

Fatalities

Employee work related fatalities	0
Contractor/Agency fatalities	0



Glossary

TERM	MEANING
Carbon dioxide equivalent (CO₂e)	A standard measure used to compare the emissions from various greenhouse gases based on their global warming potential. For example, one tonne of methane emissions is equivalent to 21 tonnes of carbon dioxide emissions.
EBIT	Earnings Before Interest and Tax – total earnings before provisions are deducted. This measures a company's performance and is often used in preference to net profit as it excludes the effects of borrowings and tax benefits and adjustments.
EBT	Earnings Before Tax – a measure calculated as revenue less expenses and before tax expenses.
Forest Stewardship Council (FSC)	FSC is an independent, not-for-profit organisation which promotes responsible management of the world's forests. Refer to fsc.org or fscaustralia.org.au
Lost Time Injury (LTI) and Lost Time Injury Frequency Rate (LTIFR)	A Lost Time Injury (LTI) is an injury or illness that results in an employee being unable to work a full scheduled shift (other than the shift during which the injury occurred). LTIFR refers to Lost Time Injury Frequency Rate, the number of lost time injuries occurring in a workplace per one million hours worked.
MWh	Megawatt hours is a unit of measurement for electricity use, referring to the amount of electricity needed to supply power to 1,000 homes for one hour.
National Greenhouse and Energy Reporting Act 2007 (NGER)	NGER establishes a national framework for Australian corporations to report greenhouse gas emissions, reductions, removals and offsets, and energy consumption and production. Refer to climatechange.gov.au/reporting/publications
Scope 1 emissions	Direct greenhouse gas emissions from sources owned or controlled by the company, such as combustion facilities (e.g. generators) and combustion of fuels in company-owned or company-controlled transport (e.g. cars and trucks).
Scope 2 emissions	Indirect greenhouse gas emissions from the generation of purchased electricity, heat, cooling or steam. Purchased electricity is defined as electricity that is bought or otherwise brought into the organisational boundary of the entity.
Scope 3 emissions	Other indirect greenhouse gas emissions that are a consequence of a company's activities, but that arise from sources that other entities own or control. Scope 3, like Scope 2, is a category of indirect emissions and covers all other indirect emissions from sources that are not owned or controlled by a company, but that occur as a result of its activities. Examples include emissions from waste disposal to landfill.
Sustainable Development Goals (SDG)	17 global goals set by the United Nations in 2015 to define global sustainable development priorities and aspirations for the planet.
Total Recordable Injury (TRI) and Total Recordable Injury Frequency Rate (TRIFR)	A Total Recordable Injury Frequency Rate (TRIFR) is the sum of the total number of employee fatalities, lost time injuries, restricted work injuries or medical treatment injuries per million hours worked.

United Nations Global Compact

PRINCIPLES	ACTIONS	PAGE
HUMAN RIGHTS		
Principle 1		
Protection of Human Rights	Responsible Sourcing Program	Sustainability Report pages 15-17 2021 Modern Slavery Statement
Principle 2		
No Complicity in Human Rights Abuse	Responsible Sourcing Program	Sustainability Report pages 15-17 2021 Modern Slavery Statement
LABOUR		
Principle 3		
Freedom of Association and Collective Bargaining	Responsible Sourcing Program	Sustainability Report pages 15-17 2021 Modern Slavery Statement
	Freedom of association and union engagement	Sustainability Report Appendix page 7
Principle 4		
Elimination of Forced and Compulsory Labour	Responsible Sourcing Program	Sustainability Report pages 15-17 2021 Modern Slavery Statement
Principle 5		
Abolition of Child Labour	Responsible Sourcing Program	Sustainability Report pages 15-17 2021 Modern Slavery Statement
Principle 6		
Elimination of Discrimination	Diversity and equal opportunity	Sustainability Report pages 8-10 Sustainability Report Appendix page 6
ENVIRONMENT		
Principle 7		
Precautionary Approach	No explicit reference to precautionary approach	Sustainability Report Appendix page 16
Principle 8		
Environmental Responsibility	Planet	Sustainability Report pages 22-33
Principle 9		
Environmentally Friendly Technologies	Technology addressing climate change, water conservation, transport and packaging	Sustainability Report pages 22-38
ANTI-CORRUPTION		
Principle 10		
Work against Corruption	Anti-corruption	Sustainability Report Appendix page 17



Global Reporting Initiative

Detailed GRI Index can be found at our website.

DISCLOSURE NUMBER	DISCLOSURE TITLE	REFERENCE
GENERAL DISCLOSURES		
102-1	Name of the organisation	Front cover
102-2	Activities, brands, products, and services	2021 Annual Report
102-3	Location of headquarters	Sustainability Report Appendix page 29
102-4	Location of operations	Sustainability Report Appendix page 7
102-5	Ownership and legal form	2021 Annual Report
102-6	Markets served	2021 Annual Report
102-7	Scale of the organisation	2021 Annual Report
102-8	Information on employees and other workers	Sustainability Report Appendix pages 6–9
102-9	Supply chain	2021 Modern Slavery Statement
102-10	Significant changes to the organisation and its supply chain	2021 Annual Report
102-11	Precautionary Principle or approach	GRI Index
102-12	External initiatives	Sustainability Report pages 7–45, Sustainability Report Appendix pages 15, 28
102-13	Membership of associations	Sustainability Report Appendix page 26
102-14	Statement from senior decision-maker	Sustainability Report page 3
102-16	Values, principles, standards, and norms of behaviour	2021 Annual Report
102-18	Governance structure	GRI Index
102-40	List of stakeholder groups	Sustainability Report Appendix pages 26–28
102-41	Collective bargaining agreements	Sustainability Report Appendix page 7
102-42	Identifying and selecting stakeholders	Sustainability Report Appendix pages 26–28
102-43	Approach to stakeholder engagement	Sustainability Report Appendix pages 26–28
102-44	Key topics and concerns raised	Sustainability Report Appendix pages 26–28
102-45	Entities included in the consolidated financial statements	2021 Annual Report
102-46	Defining report content and topic Boundaries	GRI Index
102-47	List of material topics	Sustainability Report Appendix pages 27–28
102-48	Restatements of information	GRI Index
102-49	Changes in reporting	GRI Index
102-50	Reporting period	Sustainability Report page 2
102-51	Date of most recent report	Jun-20
102-52	Reporting cycle	Annual
102-53	Contact point for questions regarding the report	Sustainability Report Appendix page 29
102-54	Claims of reporting in accordance with the GRI Standards	Sustainability Report Appendix page 25
102-55	GRI content index	Sustainability Report Appendix page 16, GRI Index
102-56	External assurance	Sustainability Report Appendix pages 20–24
MANAGEMENT APPROACH		
103-1	Explanation of the material topic and its Boundary	2021 Annual Report, GRI Index
103-2	The management approach and its components	2021 Annual Report, GRI Index
103-3	Evaluation of the management approach	2021 Annual Report, GRI Index

DISCLOSURE NUMBER	DISCLOSURE TITLE	REFERENCE
ECONOMIC PERFORMANCE		
201-1	Direct economic value generated and distributed	2021 Annual Report
ANTI-CORRUPTION		
205-3	Confirmed incidents of corruption and actions taken	GRI Index
ANTI-COMPETITIVE BEHAVIOUR		
206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	GRI Index
ENERGY		
302-1	Energy consumption within the organisation	Sustainability Report pages 22-33, Sustainability Report Appendix pages 4-5, GRI Index
302-2	Energy consumption outside of the organisation	Sustainability Report pages 22-33, Sustainability Report Appendix pages 4-5, GRI Index
302-3	Energy intensity	Sustainability Report pages 22-33, Sustainability Report Appendix pages 4-5, GRI Index
302-4	Reduction of energy consumption	Sustainability Report pages 22-33, Sustainability Report Appendix pages 4-5, GRI Index
EMISSIONS		
305-1	Direct (Scope 1) GHG emissions	Sustainability Report pages 22-33, Sustainability Report Appendix pages 4-5, GRI Index
305-2	Energy indirect (Scope 2) GHG emissions	Sustainability Report pages 22-33, Sustainability Report Appendix pages 4-5, GRI Index
305-3	Other indirect (Scope 3) GHG emissions	Sustainability Report pages 22-33, Sustainability Report Appendix pages 4-5, GRI Index
305-4	GHG emissions intensity	Sustainability Report pages 22-33, Sustainability Report Appendix pages 4-5, GRI Index
305-5	Reduction of GHG emissions	Sustainability Report pages 22-33, Sustainability Report Appendix pages 4-5, GRI Index
EFFLUENTS AND WASTE		
306-2	Waste by type and disposal method	Sustainability Report Appendix pages 5, GRI Index
ENVIRONMENTAL COMPLIANCE		
307-1	Non-compliance with environmental laws and regulations	GRI Index
EMPLOYMENT		
401-1	New employee hires and employee turnover	Sustainability Report Appendix pages 7-9
401-3	Parental leave	Sustainability Report Appendix page 9, GRI Index
LABOUR/MANAGEMENT RELATIONS		
402-1	Minimum notice periods regarding operational changes	GRI Index
OCCUPATIONAL HEALTH AND SAFETY		
403-1	Occupational health and safety management system	Sustainability Report Appendix page 10, GRI Index
403-2	Hazard identification, risk assessment, and incident investigation	GRI Index
403-3	Occupational health services	GRI Index
403-4	Worker participation, consultation, and communication on occupational health and safety	GRI Index
403-5	Worker training on occupational health and safety	GRI Index
403-6	Promotion of worker health	GRI Index



DISCLOSURE NUMBER	DISCLOSURE TITLE	REFERENCE
OCCUPATIONAL HEALTH AND SAFETY (CONTINUED)		
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	GRI Index
403-8	Workers covered by an occupational health and safety management system	Sustainability Report Appendix page 10, GRI Index
403-9	Work-related injuries	Sustainability Report Appendix pages 10-13, GRI Index
403-10	Work-related ill health	Sustainability Report Appendix pages 10-13, GRI Index
TRAINING AND EDUCATION		
404-2	Programs for upgrading employee skills and transition assistance programs	Sustainability Report page 14
DIVERSITY AND EQUAL OPPORTUNITY		
405-1	Diversity of governance bodies and employees	Sustainability Report Appendix pages 6-9
405-2	Ratio of basic salary and remuneration of women to men	Sustainability Report Appendix page 6
NON-DISCRIMINATION		
406-1	Incidents of discrimination and corrective actions taken	Sustainability Report Appendix page 6, GRI Index
FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING		
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	2021 Modern Slavery Statement, GRI Index
CHILD LABOUR		
408-1	Operations and suppliers at significant risk for incidents of child labour	2021 Modern Slavery Statement, GRI Index
FORCED OR COMPULSORY LABOUR		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	2021 Modern Slavery Statement, GRI Index
HUMAN RIGHTS ASSESSMENT		
412-1	Operations that have been subject to human rights reviews or impact assessments	2021 Modern Slavery Statement, GRI Index
PUBLIC POLICY		
415-1	Political contributions	Sustainability Report Appendix page 25
CUSTOMER HEALTH AND SAFETY		
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	GRI Index
MARKETING AND LABELLING		
417-1	Requirements for product and service information and labelling	GRI Index
CUSTOMER PRIVACY		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	GRI Index

TCFD reporting requirements

The following table provides an overview of the Taskforce on Climate-related Financial Disclosures recommended disclosures, and the sustainability report page reference where these have been addressed. These disclosures will continue to be refined in the future as we progress our work in this area.

TCFD RECOMMENDED DISCLOSURE	OUR APPROACH
Governance: Disclose the organisation's governance around climate-related risks and opportunities	
a) Describe the board's oversight of climate-related risks and opportunities	Annual Report page 36 Sustainability Report pages 23-26
b) Describe management's role in assessing and managing climate-related risks and opportunities	Annual Report page 36 Sustainability Report pages 23-26
Strategy: Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material	
a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long terms	Sustainability Report pages 23-26 Sustainability Report Appendix pages 27-28
b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning	Sustainability Report pages 23-26
c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios including a 2°C or lower scenario	Sustainability Report pages 23-26
Risk management: Disclose how the organisation identifies, assesses and manages climate-related risks	
a) Describe the organisation's process for identifying and assessing climate-related risk	Sustainability Report pages 23-26 Sustainability Report Appendix pages 27-28
b) Describe the organisation's process for managing climate-related risks	Sustainability Report pages 23-26 Sustainability Report Appendix page 25
c) Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management	Sustainability Report pages 23-26 Sustainability Report Appendix page 25
Metrics and targets: Disclosure the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material	
a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	Sustainability Report Appendix pages 4-5
b) Disclose Scope 1, 2 and, if appropriate, Scope 3 greenhouse gas emissions, and the related risks	Sustainability Report page 30, Sustainability Report Appendix pages 4-5
c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	Sustainability Report page 30



Assurance report



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INDEPENDENT ASSURANCE PRACTITIONER'S LIMITED ASSURANCE REPORT TO THE DIRECTORS OF WOOLWORTHS GROUP LIMITED IN RELATION TO THE SUSTAINABILITY REPORT DISCLOSURES FOR THE YEAR ENDING 30 JUNE 2021

CONCLUSION

We have undertaken a limited assurance engagement relating to the Sustainability Performance Indicator Disclosures and Sustainability Targets and Global Reporting Initiative Standard Disclosures detailed below (the 'Subject Matter Information') presented in Woolworths Group Limited's ('WOW') 2021 Sustainability Report in relation to the facilities of WOW for 1 July 2020 to 30 June 2021.

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that, the accompanying Subject Matter Information has not been prepared, in all material respects, in accordance with the Reporting Criteria detailed below for the period 1 July 2020 to 30 June 2021.

SUBJECT MATTER INFORMATION AND REPORTING CRITERIA

The Subject Matter Information and Reporting Criteria in scope for our limited assurance engagement for the year ended 30 June 2021 is as follows:

SUBJECT MATTER INFORMATION	REPORTING CRITERIA
GRI Standards 'Core' Disclosures GRI Standard Disclosures prepared in accordance with the 'Core' requirements of the GRI Standards set out in the GRI Index on page 16 and the Corporate Governance and Materiality sections on pages 25-28 of the 2021 Sustainability Report Appendix: <ul style="list-style-type: none"> GRI 101: Foundation GRI 102: General Disclosures: <ul style="list-style-type: none"> Disclosures 102-1 to 102-13 (Organizational profile) Disclosure 102-14 (Strategy) Disclosure 102-16 (Ethics and integrity) Disclosure 102-18 (Governance) Disclosures 102-40 to 102-44 (Stakeholder engagement) Disclosures 102-45 to 102-56 (Reporting practice) GRI 103: Management Approach 	Relevant GRI Standards and Woolworths' internal definitions, and approaches as described in the GRI Index on page and Corporate Governance and Materiality sections on pages 25-28 of the 2021 Sustainability Report Appendix and on Woolworths' website at www.woolworthsgroup.com.au

SUBJECT MATTER INFORMATION

REPORTING CRITERIA

GRI Standards Sustainability Performance Indicators

The following selected Sustainability Performance Indicator Disclosures for 2021 included within the 2021 Sustainability Report Appendix for the specific standard disclosure requirements of the GRI Standards:

- Energy on page 17 of the 2021 Sustainability Report Appendix
 - Energy consumption within the organization Emissions [302-1]
 - Energy consumption outside of the organization [302-2]
 - Energy intensity [302-3]
 - Reduction of energy consumption [302-4]
- Emissions on page 17 of the 2021 Sustainability Report Appendix
 - Direct (Scope 1) GHG emissions [305-1]
 - Energy indirect (Scope 2) GHG emissions [305-2]
 - Other indirect (Scope 3) GHG emissions [305-3]
 - GHG emissions intensity [305-4]
 - Reduction of GHG emissions [305-5]
- Effluents & Waste on page 17 of the 2021 Sustainability Report Appendix
 - Waste by type and disposal method [306-2]
- Employment on page 17 of the 2021 Sustainability Report Appendix
 - New employee hires and employee turnover [401-1]
 - Parental leave [401-3]
- Occupational Health and Safety on pages 17 to 18 of the Sustainability Report Appendix
 - Hazard identification, risk assessment, and incident investigation [403-2]
 - Work-related injuries [403-9]
- Non-discrimination on page 18 of the 2021 Sustainability Report Appendix
 - Incidents of discrimination and corrective actions taken [406-1]



SUBJECT MATTER INFORMATION	REPORTING CRITERIA
<p>Sustainability Targets</p> <p>The following 2021 performance data included within Woolworths' Sustainability Targets and commitments as contained in the People, Planet and Product sections within the 2021 Sustainability Report and the 2021 Sustainability Report Appendix:</p> <ul style="list-style-type: none"> • People <ul style="list-style-type: none"> – 'Female representation by employment category' table on page 6 of the 2021 Sustainability Report Appendix – 'Ratio of basic salary and remuneration of female to male employees by employment category' table on page 6 of the 2021 Sustainability Report Appendix • Planet <ul style="list-style-type: none"> – 'Food saved for meals / Total food relief diverted to people in need' of 24 million meals on page 6 and 28 of the 2021 Sustainability Report – 55 'stores with Transcritical systems' on page 31 of the 2021 Sustainability Report – Solar power generated of 32,178 MWh as included in the total 2021 'Electricity Use (MWh)' graph on page 4 of the 2021 Sustainability Report Appendix – 100% of 'Own brand products that have met our net-zero deforestation commitment' on page 40 of the 2021 Sustainability Report • Product <ul style="list-style-type: none"> – 'Own brand products undergone nutritional renovations' (Australia only) on page 35 of the Sustainability Report as; <ul style="list-style-type: none"> ▪ 99 tonnes of less salt ▪ 155 tonnes of less saturated fat ▪ 269 tonnes of less sugar 	<p>Woolworths' definitions, and approaches as described in the People, Planet and Product sections of Woolworths' 2021 Sustainability Report and on Woolworths website at www.woolworthsgroup.com.au.</p>

BASIS FOR CONCLUSION

We conducted our limited assurance engagement in accordance with Australian Standard on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* ("ASAE 3000"), issued by the Australian Auditing and Assurance Standards Board.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

WOW'S RESPONSIBILITIES

The management of WOW are responsible for:

- ensuring that the Subject Matter Information is prepared in accordance with the Reporting Criteria;
- confirming the measurement or evaluation of the underlying subject matter against the applicable criteria, including that all relevant matters are reflected in the Subject Matter Information;
- designing, establishing and maintaining an effective system of internal control over its operations including, without limitation, systems designed to ensure achievement of its control objectives and its compliance with applicable laws and regulations;
- selecting and applying measurement methodologies in accordance with the Report Criteria, and making estimates that are reasonable in the circumstances; and
- for referring to or describing in its Subject Matter Information the applicable criteria it has used and, when it is not readily apparent from the engagement circumstances, who developed them.

OUR INDEPENDENCE AND QUALITY CONTROL

We have complied with the independence and other relevant ethical requirements relating to assurance engagements, and applied Auditing Standard ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, Other Assurance Engagements and Related Services Engagements* in undertaking this assurance engagement.

ASSURANCE PRACTITIONER'S RESPONSIBILITIES

Our responsibility is to express a limited assurance conclusion on the Subject Matter Information as evaluated against the Reporting Criteria based on the procedures we have performed and the evidence we have obtained. ASAE 3000 requires that we plan and perform our procedures to obtain limited assurance about whether, anything has come to our attention that causes us to believe that the Subject Matter Information is not properly prepared, in all material respects, in accordance with Reporting Criteria.

A limited assurance engagement in accordance with ASAE 3000 involves identifying areas where a material misstatement of the Subject Matter Information is likely to arise, addressing the areas identified and considering the process used to prepare the Subject Matter Information. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, we do not express a reasonable assurance opinion about whether the Subject Matter Information has been properly prepared, in all material respects, in accordance with the Reporting Criteria.

Our procedures included:

- review of WOW's processes relating to stakeholder identification, engagement and responsiveness, including an assessment of stakeholder engagement outcomes and how this process and the outcomes have been presented in the 2021 Sustainability Report;
- review of WOW's process to identify and determine material issues to be included in the 2021 Sustainability Report with examination of underlying assessments and evidence on a sample basis;
- inquiry with a selection of WOW executives and senior management, including WOW's sustainability management team concerning the overall governance structure, corporate sustainability strategy and policies used for managing and reporting sustainability performance across the business; and
- in respect of the Subject Matter Information;
 - inquiry with a selection of WOW management responsible for selected FY21 Sustainability Performance Indicator Disclosures and Sustainability Targets and GRI Standards to understand the compilation and review processes;
 - applying analytical and other review procedures including assessing relationships between the reported information and other financial and non-financial data;
 - examination of evidence for a small number of transactions or events;
 - analysing and inspecting on a sample basis, the key systems, processes and procedures and controls relating to the collation, validation, presentation and approval process of the information included in the 2021 Sustainability Report; and
 - review underlying evidence on a sample basis to corroborate that the information is prepared and reported in line with the relevant reporting criteria.

INHERENT LIMITATIONS

Because of the inherent limitations of an assurance engagement, together with the inherent limitations of any system of internal control there is an unavoidable risk that it is possible that fraud, error, or non-compliance with laws and regulations, where there has been concealment through collusion, forgery and other illegal acts may occur and not be detected, even though the engagement is properly planned and performed in accordance with Standards on Assurance Engagements.

Additionally, non-financial data may be subject to more inherent limitations than financial data, given both its nature and the methods used for determining, calculating and sampling or estimating such data.

RESTRICTED USE

This report has been prepared for use by the management of WOW for the purpose of assisting directors and management in their reporting of the Subject Matter Information. We disclaim any assumption of responsibility for any reliance on this report to any person other than the management of WOW or for any purpose other than that for which it was prepared.



MATTERS RELATING TO ELECTRONIC PRESENTATION OF INFORMATION

It is our understanding that WOW may publish a copy of this report on their website. We do not accept responsibility for the electronic presentation of this report on the WOW website. The security and controls over information on the web site is not evaluated or addressed by the independent assurance practitioner. The examination of the controls over the electronic presentation of this Report on the WOW website is beyond the scope of this engagement.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU



P Dobson
Partner
Sydney, 27 August 2021



Corporate Governance

GOVERNANCE, THE BOARD AND DIRECTORS

Corporate governance is at the core of Woolworths Group and the Board's approach to the enhancement of shareholder value and the protection of shareholder funds. Integral to shareholder value is protecting and enhancing our reputation, which is why the Board oversees the Group's approach to corporate responsibility and sustainability.

The Woolworths Group Board Sustainability Committee, which meets quarterly, oversees the Group level 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 sustainability strategy including climate change initiatives. The committee also reviews performance on issues of safety and health, sustainability and community investment. The Group sustainability chapter orchestrates the work across the Group and supports the business ownership of change delivery required to achieve agreed goals.

Information on our Board of Directors and the Board Charter is at:

<https://www.woolworthsgroup.com.au/page/about-us/our-leadership-team/board-of-directors/>

Information on our Sustainability Committee and its charter is at:

<https://www.woolworthsgroup.com.au/page/about-us/our-leadership-team/board-committees/>

More information is in our corporate governance statement:

<https://www.woolworthsgroup.com.au/page/about-us/our-approach/corporate-governance/>

RISK MANAGEMENT FRAMEWORK

The continued growth and success of Woolworths Group depends on the ability of our Company to understand and respond to the challenges of an uncertain and changing world. As a large, dispersed and complex organisation, this uncertainty generates risk, with the potential to be a source of both opportunities and threats. By understanding and managing risk, the Group provides greater certainty and confidence for all its stakeholders. More information about our approach to risk management is in our risk management policy. See: http://www.woolworthsgroup.com.au/icms_docs/184824_Risk_Management_Policy.pdf

SENIOR MANAGEMENT

The Woolworths Group Executive Committee, chaired by the Chief Executive Officer, provides management oversight of the effectiveness of the Group's implementation of the safety and health vision, principles, policy, standards, strategy and initiatives, risk processes, resources, information, compliance and assurance.

DOING THE RIGHT THING

All of our team members commit to Woolworths Group Code of Conduct to maintain the highest legal, moral and ethical standards in our dealings with customers, suppliers, team members and local communities. This code outlines how employees can meet the highest standards through their everyday behaviours and choices.

We are committed to continuous improvement, transparency and accountability. We don't tolerate workplace misconduct under any circumstances and we need our trade partners to work with us to stamp out any and every instance. We have clear, long-standing and accepted procedures for trade partners to report any issues. However, we recognise there is always opportunity to strengthen our systems. Our Speak Up service is available for trade partners to use when normal escalation methods have been exhausted or are inappropriate.

POLITICAL DONATIONS

Woolworths Group participates in policy development and advocacy in a manner that is open, transparent, and compliant with all relevant laws. We do so in a non-partisan manner. Woolworths Group does not make political donations except through attendance at events, functions and forums organised by parliamentarians and political parties. This is overseen by the Chief Executive Officer and the Head of Government Relations and Industry Affairs in accordance with the Woolworths Group Political Donations Policy and applicable electoral laws.

TRANSPARENCY AND REPORTING

Woolworths uses the globally recognised reporting framework developed by the Global Reporting Initiative (GRI). The GRI reporting framework sets out the principles and indicators that organisations can use to measure and report their economic, environmental, and social performance. The F21 Sustainability Report has been prepared in accordance with the GRI Standards: Core option. More information can be found in the GRI Index starting on [page 16](#) of the 2021 Sustainability Report Appendix.

We continue to report to the Carbon Disclosure Project (CDP), an investor-driven disclosure initiative enabling companies to report on risk identification and mitigation processes related to climate change.

We are a signatory to the United Nations Global Compact (UNGC). Page 2 of the [2021 Sustainability Report](#) details our approach to the UNGC core values.



Industry association

INDUSTRY ASSOCIATION MEMBERSHIPS

Principles for engagement

- Industry Associations are an important component of Woolworths Group's overall public policy advocacy effort. Our broad set of memberships – from core economy-wide memberships such as the BCA and Ai Group (see below) to sector specific memberships such as the Green Building Council of Australia, the Australian Logistics Council and the Australian Retailers Association – reflect the breadth of policy issues relevant to the Group
- Our overriding ambition is that memberships help promote sustainable growth and productivity enhancing economic reforms that deliver broad societal benefit
- We seek broad alignment with the policy positions of our industry associations, but recognise this is not always possible. Membership does not preclude Woolworths Group from holding different policy positions, especially where this better reflects expectations of our customers, shareholders, team and the community
- We seek to participate as a constructive partner on the priority policy making forums of each Industry Association, including through the relevant Committee and Working Group structures. Support can extend to technical advice and to public campaigns designed to better inform public debate
- Each Membership has an internal relationship owner, the responsibility of which includes ensuring any major policy misalignments are identified and referred to our Group Government Relations and Industry Affairs team for review. Where any divergence persists, and is of a material misalignment with our own view, Woolworths Group will review our membership, evaluating that misalignment with the wider benefits of membership of that industry association
- On an annual basis (at the time of membership renewal) Woolworths Group has reviews its key industry association memberships to ensure alignment with our key areas of policy interest. This includes a focus on advocacy activities related to climate change and Woolworths Group's Sustainability Plan 2025 goals and commitments.

	BUSINESS COUNCIL OF AUSTRALIA	AUSTRALIAN INDUSTRY GROUP	AUSTRALIAN RETAIL ASSOCIATION
Involvement	Member/Committee/ Working Groups	Member/Working Groups	Member/Working Groups
Core Activity	Consider public policy in relation to economy-wide issues impacting the nation and businesses, including energy policy, tax policy and Indigenous affairs	Consider public policy in relation to economy-wide issues impacting the nation and businesses, including workplace relations, data policy and energy policy	Consider public policy specific to the retail sector, as well as efforts to promote the aspirational nature of a career in the retail sector
Contribution	<ul style="list-style-type: none"> • Membership fee • Non-financial contributions to projects of strategic relevance e.g. Strong Australia campaign 	<ul style="list-style-type: none"> • Membership fee • Technical advice on key policy issues 	<ul style="list-style-type: none"> • Membership fee • Technical advice on key policy issues

Materiality





















The issues that matter

To focus our efforts and maximise our impact, we need to understand the issues that matter most to our stakeholders. This is done through our materiality assessment process. A robust sustainability materiality process can help us to:

- Build better relationships with stakeholders
- Ensure global megatrends and local market conditions are being used to assess and approach risks and opportunities
- Prioritise what to focus on strategically.

The chart maps the 11 most material issues identified in our materiality assessment, grouping them into our three strategic pillars of people, planet and product.

These are the current focus of our sustainability efforts. Other material issues such as safety and health, cyber security/privacy, customer/product safety and quality are more mature and are embedded into the business-as-usual processes.

STRATEGIC PILLAR	MATERIAL ISSUE	DEFINITION	RELEVANT SDGs
People	Employee engagement and development	The success of our business is built on our people, therefore we must continue to focus on attracting, retaining and developing talented teams, today and into the future, as the nature of work continues to evolve. This also includes our continued focus on maintaining a safe environment for our team members and customers.	
People	Diversity and inclusion	We are committed to creating and maintaining a diverse and inclusive workforce in terms of gender, age, ethnicity, disability, sexual orientation, etc.	 
People	Responsible sourcing and human rights	Upholding human rights across all aspects of our operations, encompassing labour rights associated with our workforce, contractor and third-party relationships and in the supply chain; in addition to protecting rights to privacy for our own workforce and customers.	  
People	Community engagement and development	Sponsoring a meaningful role in the local communities where our businesses operate, including activities to engage, invest and develop local communities.	
People	Third-party relationships	Partnering throughout the supply chain to build collaborative relationships with suppliers, interest groups, media, government and other stakeholders, for the purpose of delivering sustainable development outcomes.	
Planet	Climate risk	Organisational responses to risks of climate change; both physical and transitional.	  
Product	Sustainable supply chain	Assessing and managing “ethical” and “responsible” issues embedded within our supply chain and other third-party partnerships, including both social and environmental issues.	 
Product	Waste and packaging	Implementing effective and meaningful waste management strategies, including our activities to help our customers manage their own waste and recycling.	 
Product	Responsible gaming	Providing a healthy and ethical environment, where customer (and community) interests are protected from the harmful consequences of problem gambling.	 
Core Values	Corporate conduct and ethics	Maintaining a values-based business with a culture of good governance and ethical conduct, where culture supports the effective functioning of core systems and processes.	
Core Values	Trust in Woolworths Group	We understand the responsibility that comes with the role our business plays in communities across Australia and New Zealand. We put our customers at the heart of everything we do at Woolworths Group and are committed to getting it right, and to make things better when we don't.	 



UN 2030 Sustainable Development Goals

In 2015, the United Nations set 17 Sustainable Development Goals (SDGs). The SDGs define global sustainable development priorities and aspirations for the planet, seeking 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 material issues with the relevant SDGs.

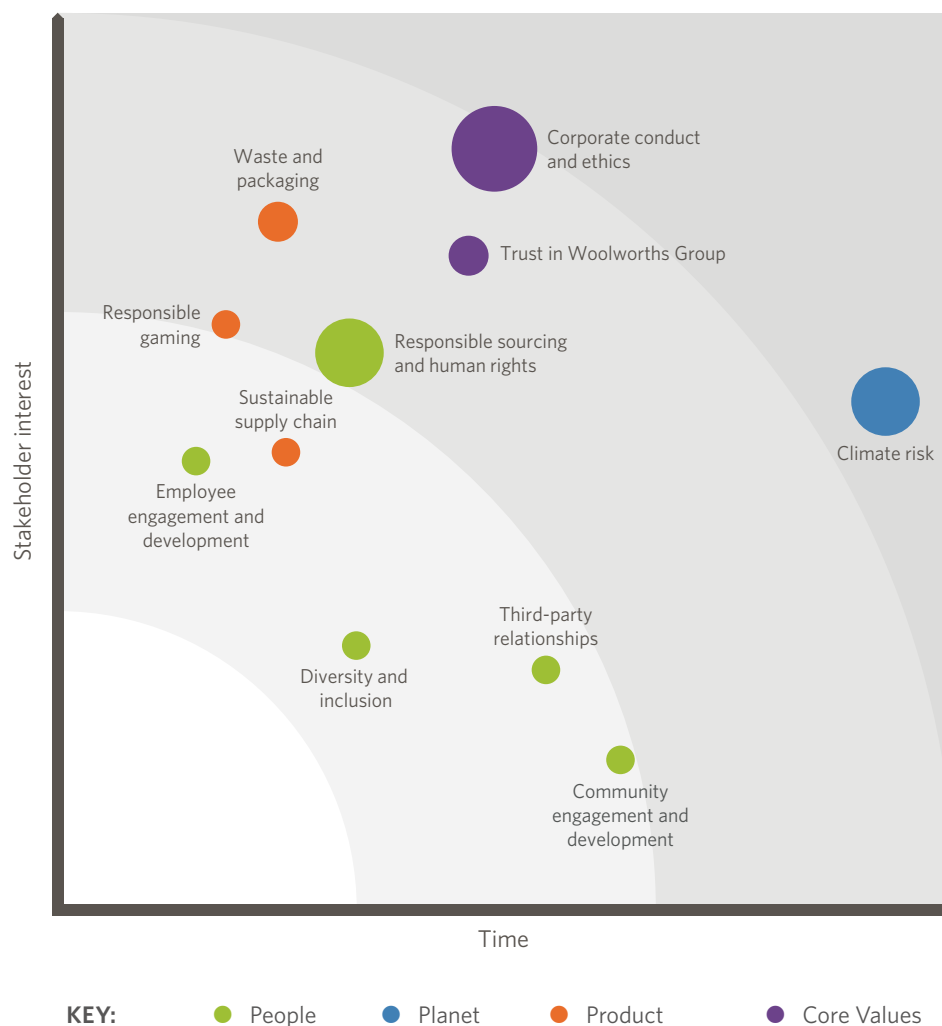
The approach

The approach we have taken to analyse Woolworths Group's material issues aligns to the Global Reporting Initiative Standards¹ reporting requirements and includes the following steps:

- Desktop review of a range of information sources
- Engaging with both internal and external stakeholders
- Prioritising what the most material issues are, including analysis of whether these present risks/opportunities over the short or longer-term time horizons
- Internal validation by senior leaders and board.

Materiality matrix

The materiality matrix shows the interest stakeholders had in the issue (y-axis), the time of potential impact (x-axis) and the consequence of the issue to Woolworths Group (size of the bubble).



¹ Refer to appendix for GRI Index.

Company directory

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Woolworths Group Sustainability

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Chief Sustainability Officer

Fiona Walmsley
Head of Sustainability Governance

Auditor

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F21 corporate reporting suite

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



2021 Annual Report

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



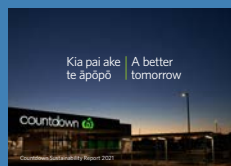
2021 Sustainability Report

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



2021 Modern Slavery Statement

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



2021 Sustainability Report

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





WOOLWORTHS GROUP

