



4 October 2017

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

## **Corporate Responsibility Report**

Attached is a copy of the Woolworths Group Corporate Responsibility Report which was released today.

## **For further information contact:**

### **Media**

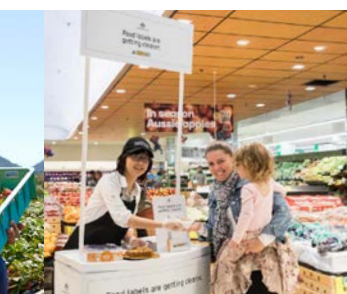
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**SCOPE OF REPORT:** Unless otherwise stated, this report covers all our operations in Australia and New Zealand for the 2017 financial year - 1 July 2016 to 30 June 2017 (FY17). Only workforce data (excluding safety) is included for our global sourcing offices in China, Bangladesh and Thailand.





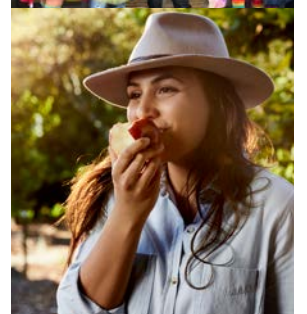
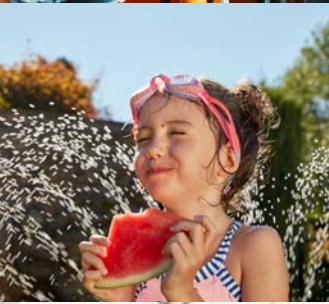
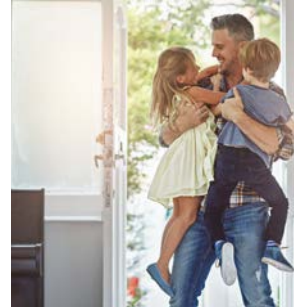
**At Woolworths Group, we know how important our approach to sustainability is to our customers and communities.**

With our presence across Australia's and New Zealand's cities, regions and remote areas, we are part of the fabric of society. The sustainability targets we set impact our nations' economies, communities and environments.

We serve over 900 million customers each year. We directly employ over 202,000 people, and indirectly, many thousands more, through our supply chain.

When it comes to sustainability, we understand that we will be judged on what we do, not what we say. We are taking action to positively influence the supply chain to become more sustainable and reduce our carbon footprint. In this way, and in many others, we are supporting a healthy environment. We are working together to create better experiences for our customers every day, and understand our responsibility for

**creating a better tomorrow.**





# CHIEF EXECUTIVE OFFICER'S REPORT



**Earlier this year, we launched our 2020 Corporate Responsibility Strategy. We made 20 commitments structured under the three key pillars of People, Planet and Prosperity. These commitments were developed collegially with our key business and function leaders, and are part of our shared commitment to create a better tomorrow. I am delighted to be able to report on our progress over the last six months.**

**People:** At the heart of our business are our people. We have been working hard to create a safe and inclusive environment for all of our team members, and to create opportunities for all to excel. We are particularly proud of our work in closing the gender pay gap, increasing indigenous employment and lifting our Voice of Team engagement scores this year.

**Planet:** The reach of our business means we have an important role to play in contributing to a healthier environment and have been working on creating better ways of using our natural resources, including reducing waste going to landfill, sourcing key commodities from sustainable sources for our products and reducing our carbon footprint.

**Prosperity:** In order to do good business, we need to value and nurture the trust that our customers and suppliers have in us. At our best we are a key part of the communities within which we operate and the way we responded to Cyclone Debbie in Australia and the Kikoura Earthquake in New Zealand are a real highlight.

I am proud to present our 2017 Corporate Responsibility Report, which details some of our achievements in F17 from across the Woolworths Group. We are clear however that we are on a journey and still have much to do. Working together with our customers, our suppliers and our communities, we are committed to creating a better tomorrow in all of the countries within which we operate, especially Australia and New Zealand.

Woolworths is a signatory to the United Nations Global Compact (UNGC). UNGC signatories embrace a set of core values in the areas of human rights, labour standards, the environment and anti-corruption. In this report, we share our performance against the UNGC core values.

**Brad Banducci**  
CHIEF EXECUTIVE OFFICER



# OUR GROUP

Woolworths Group manages some of Australia's and New Zealand's most recognised and trusted brands. We endeavour to create a world class experience for customers across all our stores and platforms. Woolworths Group consists of the following core businesses:

## AUSTRALIAN FOOD



### Woolworths Supermarkets

We are Australia's largest supermarket chain and operate 995 supermarkets across the country. Australian Food also includes FoodCo, Metro and WooliesX.

## ENDEAVOUR DRINKS



### Endeavour Drinks

Endeavour Drinks comprises 1,517 stores, including the Dan Murphy's, BWS, Cellarmasters and Langton's brands.

## NEW ZEALAND FOOD



### New Zealand Food

Our Countdown branded supermarket chain has 184 supermarkets across New Zealand, serving around three million customers every week. New Zealand Food also includes 65 franchise FreshChoice and SuperValue Supermarkets.

## PORTFOLIO BUSINESSES



### BIG W

BIG W provides Australians with great value across 185 stores as well as online choices for general merchandise.



### Hotels

ALH Group is a market leader, operating 329 hotels, including bars, dining, gaming, accommodation and venue hire operations.



## WOOLWORTHS GROUP

# 2020 COMMITMENTS

Launched in February 2017, our Corporate Responsibility Strategy 2020 brings new focus, resources and energy to sustainability.

The targets assigned under our People, Planet and Prosperity pillars cover Woolworths Group's engagement with customers, communities, supply chain and team members, as well as our responsibility to minimise the environmental impact of our operations.

## PEOPLE:

encouraging diversity

We value diversity across Woolworths Group. Our customers should see in our people a reflection of themselves and their communities. In this strategy we embrace targets that support diversity and, hand in hand with this aim, tolerance and respect.

### PROMOTING GENDER EQUITY

- 1** *At least 40 per cent of executive and senior manager positions to be held by women.*
- 2** *No salary wage gap between male and female employees of equivalent positions on a per-hour rate at all levels of the company, with a step change improvement in closing any gaps by the end of FY17.*

### EMBRACING OUR DIVERSITY

- 3** *100 per cent of those responsible for hiring new team members to have completed unconscious bias training.*
- 4** *Continue the focus on encouraging cultural diversity, with a commitment that by 2020 the Woolworths Group team will truly reflect the communities we serve.*

### SUPPORTING ABORIGINAL AND TORRES STRAIT ISLANDER EMPLOYMENT

- 5** *Proportion of Indigenous team members to equal Federal Government Employment Parity contract. Once achieved, 2 per cent of our Store Operations team members will be Indigenous.*
- 6** *Proportion of Indigenous Graduates to equal Federal Government Employment Parity contract. Once achieved, 2 per cent of our Graduates will be Indigenous.*

### CREATING OPPORTUNITIES FOR ALL

- 7** *We are committed to maintaining a workplace that safeguards the health and wellbeing of our team members, customers and visitors.*
- 8** *Achieve Gold Tier employer status in Australian Workplace Equality Index (AWEI) for Lesbian, Gay, Bisexual, Transgender and Intersex (LGBTI) inclusion.*



## PLANET:

for a healthy environment

We recognise Woolworths Group's environmental impact across our value chain and will work with our suppliers, service providers and operations to innovate for a healthy planet. We will support the move to a circular economy, source environmentally sustainable commodities and respond to climate change.

### MOVING TO A CIRCULAR ECONOMY

9

*Towards zero food waste going to landfill.*

10

*Improve the recyclability of our own brand packaging and contribute to the circular economy.*

### SOURCING ENVIRONMENTALLY SUSTAINABLE COMMODITIES

11

*Source key raw materials and commodities sustainably to an independent standard by 2020. We will raise awareness of sustainably sourced products.*

12

*Achieve net zero supply chain deforestation for 'high-impact' commodities in our own brand products, such as palm oil, timber, pulp and paper, and packaging.*

### RESPONDING TO CLIMATE CHANGE

13

*Reduce Woolworths Group's carbon emissions to 10 per cent below 2015 levels.*

14

*Innovate with natural refrigerants and reduce refrigerant leakage in our stores by 15 per cent of CO<sub>2</sub>-e below 2015 levels.*

## PROSPERITY:

founded on trusted relationships

We will focus on positive relationships with suppliers, give back to the communities in which we operate, and rebuild trust with our customers and investors.

### WORKING WITH OUR BUSINESS PARTNERS

15

*We will achieve a top quartile ranking in how we engage fairly and equitably with our suppliers as measured by independent supplier surveys.*

16

*We will focus on a best practice compliance system according to the Global Social Compliance Program. We will collaborate with peak organisations to improve workers' lives.*

### GIVING BACK TO THE COMMUNITIES IN WHICH WE OPERATE

17

*We will invest the equivalent of 1 per cent of a three-year rolling average of total Group Earnings Before Interest and Tax (EBIT) in community partnerships and programs.*

18

*We will publicly report social impact to quantify the positive changes we are creating with a focus on health, economic development and emergency relief.*

### CREATING SHARED VALUE WITH OUR CUSTOMERS

19

*We will achieve leading customer satisfaction scores.*

20

*We will inspire our customers to consume all of our products in a healthy, sustainable way.*

# 2017 at a glance

## PEOPLE: encouraging diversity

TOTAL  
RECORDABLE  
INJURY  
FREQUENCY  
RATE (TRIFR)



**12.97** TRIFR

TEAM  
MEMBERS



**202,000+**

LOST TIME INJURY  
FREQUENCY RATE (LTIFR)

**6.76** LTIFR

INDIGENOUS EMPLOYEES HIRED  
THROUGH THE PARITY PROGRAM  
SINCE LAUNCH<sup>1</sup>

**952**

YOUNG TEAM  
MEMBERS<sup>2</sup>

**77,000+**

BOARD  
DIVERSITY



● Female 50%  
● Male 50%

VOICE  
OF TEAM  
ENGAGEMENT  
SCORE



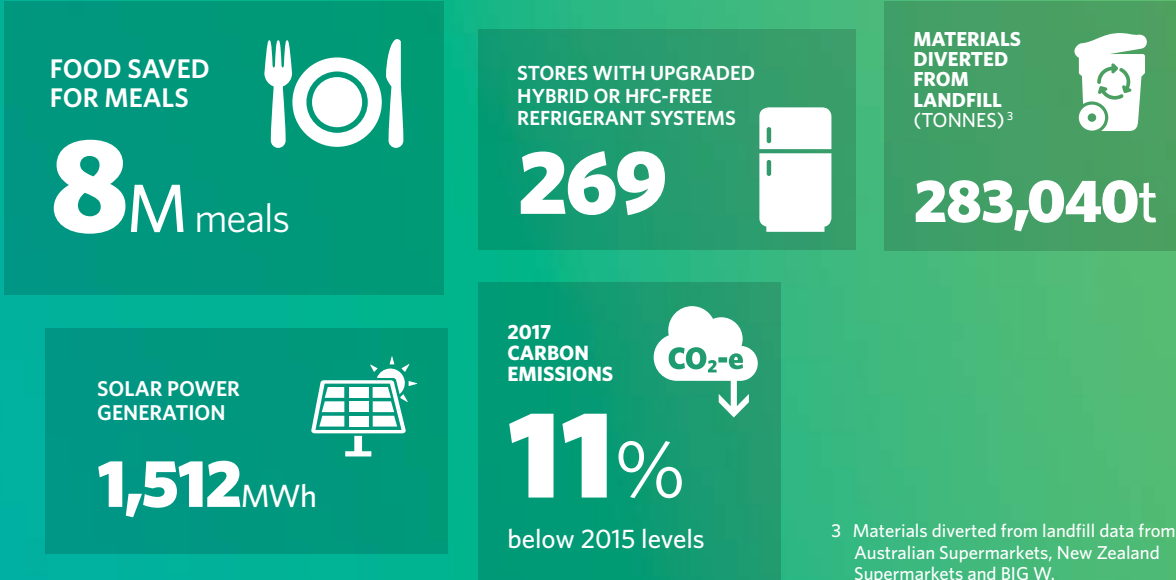
**82%**

<sup>1</sup> Figures stated relate to the period 11 December 2015 to 7 July 2017.

<sup>2</sup> Under the age of 25.



# PLANET: for a healthy environment



# PROSPERITY: founded on trusted relationships



# Our journey



## SAFETY & HEALTH DESTINATION ZERO

Our vision is to be one of the world's safest places to work and shop.



## ACHIEVED: WOOLWORTHS LIMITED BOARD 50% WOMEN

The Woolworths Limited Board is gender balanced with 50% women.



## WOOLWORTHS GROUP LAUNCH 2020 COMMITMENTS

In February 2017 we launched our CR 2020 strategy, setting out our sustainability journey.



## UNCONSCIOUS BIAS TRAINING

Unconscious bias training pilot program completed. Planning for rollout across the Group.

PEOPLE

PLANET

PROSPERITY



## PROJECT ENLIGHTEN COMMENCES

Commenced energy efficiency project focused on lighting technology.



## ACHIEVED: 100% SUSTAINABLE PALM OIL

100% certified sustainable palm oil in our own brand food products.



## OWN BRAND HEALTH STAR RATING

First Australian retailer to commence rollout of voluntary Health Star Rating System on own brand products.



## COUNTRY OF ORIGIN LABELLING

We were the first supermarket to label our own brand products.



## REDUCE FOOD WASTE TO LANDFILL

Re-committed our goal to reduce food waste to landfill.



## PRODUCT RENOVATION

Removing artificial colours, flavours and added MSG and reducing saturated fat, sugar and sodium across own brand products.



## ENERGY MANAGEMENT

Commence work on establishing the Energy Management Centre of Excellence.



## ACHIEVED: 1% EBIT COMMUNITY CONTRIBUTION

1% of EBIT donated to community causes across Australia and New Zealand.



## ACHIEVED: EMISSIONS REDUCTION

2017 carbon emissions 11% below 2015 levels.

2015

2016

2017



### MARRIAGE EQUALITY

Woolworths Group supports marriage equality.

### PAY PARITY

Gender pay gap reduced to less than 0.5%.

### INDIGENOUS TEAM MEMBERS

1,600 new Indigenous team members to join our business through employment parity program.

### NO SALARY WAGE GAP

No salary wage gap between male and female employees of equivalent positions.

### LGBTI INCLUSION

Gold Tier employer status in Australian Workplace Equality Index for LGBTI inclusion.

### HUMAN RIGHTS IMPROVEMENTS

Best practice review of our approach to ethical sourcing and human rights.

### ASSESS CLIMATE CHANGE IMPACT

Use science-based targets to assess the impacts of a two degree world on our business.

### SOLAR INSTALLATION

Commission a 1.2MW solar installation (3,344 panel) in Melbourne South Distribution Centre.

### MACRO WHOLEFOODS MARKET RELAUNCH

Relaunching our better-for-you Macro brand.

### PLASTIC BAGS

Australian stores will no longer offer single-use lightweight plastic shopping bags.

### TRANSPARENT LABELLING

All eligible own brand products will display a Health Star Rating.

### NET ZERO DEFORESTATION

Net zero deforestation from "high impact" commodities in own brand products.

### NATURAL REFRIGERANT

10 natural refrigerant systems installed and 15% leakage reduction achieved.

### TOP SUPPLIER SURVEY RATING

Achieve top quartile rating in independent supplier survey for fair and equitable engagement.

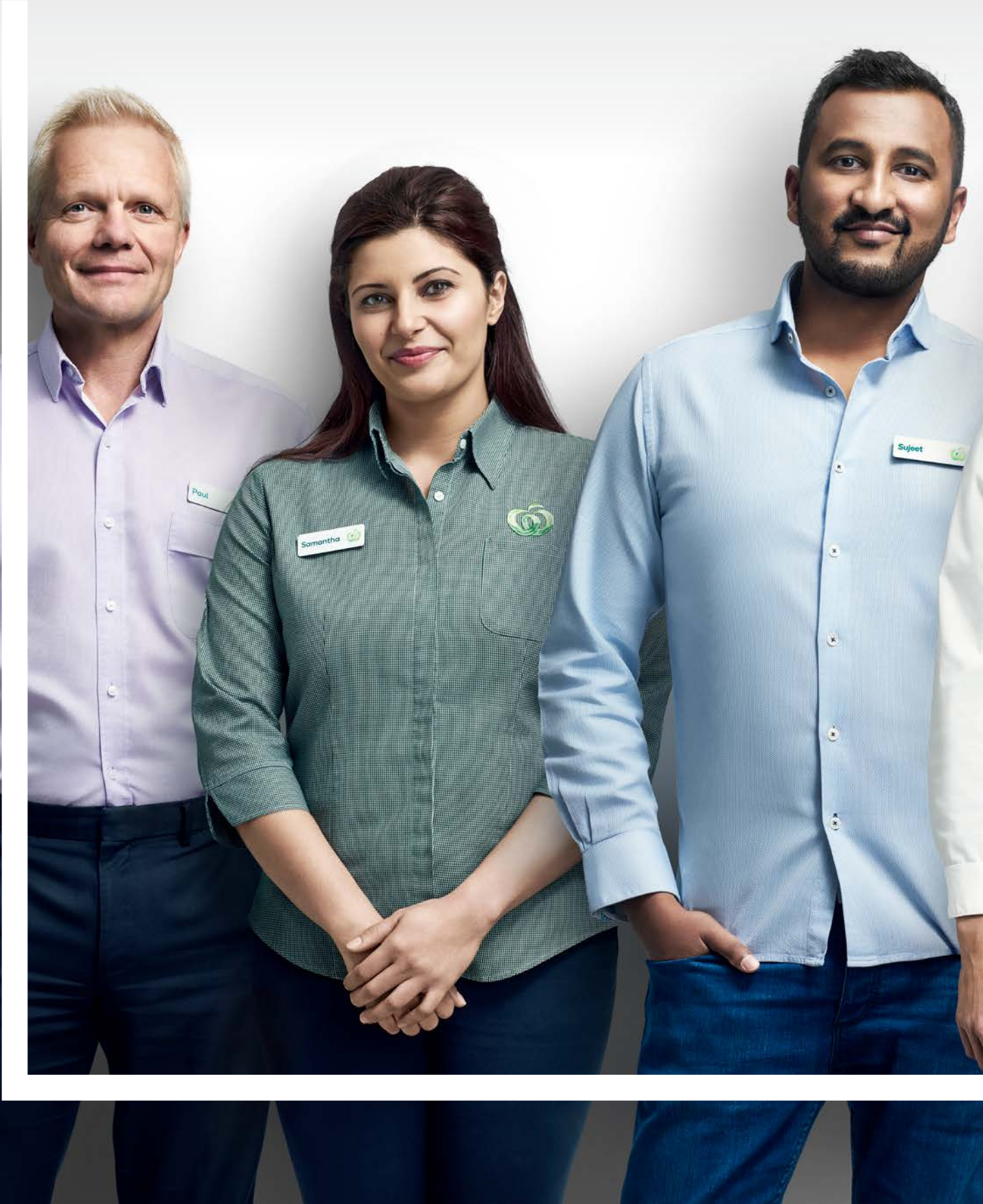
2018

2019

2020

# PEOPLE

Encouraging diversity







**We embrace diversity because we know that different backgrounds are a source of strength. We want our customers to see in our people a reflection of themselves, so our targets support diversity, tolerance and respect.**

# PROMOTING GENDER EQUITY

To encourage greater numbers of women in Woolworths Group's management, by 2020 we aim to have at least 40% of our executive and senior manager positions held by women.



## Women in Leadership

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We are increasing female representation across our whole business, especially in management. This will improve our gender equality, provide aspirational role models, and increase attraction and retention of high performing women. It also helps our team step closer to reflecting our customer base and the Australian community. Currently, women represent 55% of our total workforce, with 39% at manager level and 29% at senior leadership and executive levels.



*Store Leadership Pathway – class of March 2017.*


**1**

**COMMITMENT**

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*At least 40 per cent of executive and senior manager positions to be held by women.*

### BOARD DIVERSITY



● Female	<b>50%</b>
● Male	<b>50%</b>



### EMBRACING CHANGE

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We are proud to say that BIG W has already embraced the push for women to fill senior positions. Women now fill 50% of executive and senior manager positions, and 67% of the BIG W Executive Committee are women.



WOOLWORTHS GROUP

# Closing the gap

A key enabler to gender equity is equal pay for equal work. In December 2016 we completed phase one of the Pay Parity Project in Australia. Over 17,600 salaries were reviewed and the pay gap between male and female team members carrying out like-for-like roles was reduced to 0.5%. A further review is now underway for all remaining managers and senior leaders, which will be completed by September 2017. Our commitment is that gender is not a factor in the decisions we make in regards to how we reward our team members.

## COMMITMENT

# 2

*No salary wage gap between male and female employees of equivalent positions on a per-hour rate at all levels of the company, with a step change improvement in closing any gaps by the end of FY17.*



## EQUAL OPPORTUNITIES

Over the past year, Countdown has been reviewing our people strategies and goals, so that our team enjoys the same rewards, resources, and opportunities, regardless of gender. We've recently completed a gender pay equity review of our salaried team members. As a result, we awarded salary increases to both men and women where gender-based pay gaps were identified. So far, a total of 83 roles and 818 salaried team members have received a parity adjustment. We will continue our work on this important initiative.



# EMBRACING OUR DIVERSITY

Having a workforce that understands our customers is critical to providing the best shopping experience - our customers should see in Woolworths Group's people a reflection of themselves. We are building a workforce that supports and encourages diverse perspectives and contributions.

## COMMITMENT

# 3

100 per cent of those responsible for hiring new team members to have completed unconscious bias training.

## COMMITMENT

# 4

Continue the focus on encouraging cultural diversity, with a commitment that by 2020 the Woolworths Group team will truly reflect the communities we serve.

## Reflecting the communities we serve

WOOLWORTHS GROUP

Employing more than 202,000 people from all walks of life, we strive to be as diverse as the communities we serve. We are building a culture of inclusion and participation, with proportionate representation of women, and people of different cultural and Indigenous groups.

During FY17 we continued to recognise and celebrate our diversity through supporting key cultural events including Harmony Day, NAIDOC Week, Reconciliation Week, International Women's Day and Wear it Purple Day.

We are working to determine how to effectively capture and map ethnicity data to show that store team members reflect the communities they are serving. This includes at point of recruitment and through internal team engagement surveys. We are currently piloting an approach within one of our brands with a view to leveraging a successful model across the group by FY19.

We are a signatory to the Friendly Nation initiative with the NSW Government. This program is designed to provide employment opportunities for displaced refugees from Syria and Iraq to contribute to successful settlement. A successful program has been run in Western Sydney and in Logan in Queensland. We will continue to work with the Department to provide ongoing support and employment.





WOOLWORTHS GROUP

## RECRUITMENT, TRAINING AND RESEARCH

Our ambition is to recruit and develop a team that reflects the Australian community. To do this, we will equip our managers and executives with gender, cultural and unconscious bias training. A pilot training program has been completed in FY17 with a view to developing this further for senior leaders and all managers with responsibility for hiring decisions. We are working with external providers to identify a scalable approach for rollout in FY18.



## ENGLISH LANGUAGE SUPPORT

Countdown's English as a Second Language program is designed to help strengthen English language, numeracy and literacy. The lack of these communication skills is often a significant but hidden problem, and while our people may have a strong work ethic, language can be seen as a barrier to their success. The training focuses on language related tasks which workers with limited English find challenging in their regular work environment. We aim to assist 100 team members per year with their English language learning needs.

WOOLWORTHS GROUP

## SUSTAINABLE ENGAGEMENT

Woolworths Group understands the importance of having an engaged workforce and that this is a lead indicator of customer satisfaction. We run two team engagement surveys each year with team members to hear their voice and provide managers an opportunity to respond. In January 2017 we achieved a Voice of Team engagement score of 82% - representing an increase of 5% since the previous survey in June 2016. We are working on further positive initiatives so we can match national and international industry engagement standards.

VOICE OF TEAM ENGAGEMENT SCORE



82%



# SUPPORTING ABORIGINAL AND TORRES STRAIT ISLANDER EMPLOYMENT

We are committed to increasing Indigenous employment opportunities in our business. In partnership with the Federal Government and Diversity Dimensions, Woolworths Group has committed to recruit 1,600 additional Indigenous team members by 2019. Our 2020 target is for Indigenous people to make up at least 2% of our store team and graduates.

## COMMITMENT

# 5

*Proportion of Indigenous team members to equal Federal Government Employment Parity contract. Once achieved, 2 per cent of our Store Operations team members will be Indigenous.*

## COMMITMENT

# 6

*Proportion of Indigenous Graduates to equal Federal Government Employment Parity contract. Once achieved, 2 per cent of our Graduates will be Indigenous.*

## Resourcing the future

WOOLWORTHS GROUP

Our Indigenous employment program has continued to help us focus on 'Resourcing the Future'. With steady growth in applications and job placements, we are proud of our achievements to date. However, we are determined to continue this growth and stay ahead of our Federal Government 2020 parity target.

Since launching in 2015, we have implemented the program in 328 stores and seen an additional 952 Indigenous Australian job seekers placed into permanent part-time employment, with the majority of these positions in regional and remote Australia. This has also led to a significant increase in the number of direct job applications - resulting in an additional 1,082 Indigenous team members joining our Woolworths Group family in the last year alone.

Diversity Dimensions General Manager, Mimi Kind, said: "Woolworths has embraced this program with a level of commitment that inspires us. This is why we are seeing such great results in this program, with a retention rate of over 80% of Indigenous employees that we place. We've seen first-hand the positive impact it has had on the lives of individuals, families and their community."

Key to this success has been the strong senior leadership support and the continued rollout of targeted recruitment directly linked to our workforce plans, as well as the delivery of cultural awareness training by Indigenous mentors to all teams participating in the program.





WOOLWORTHS GROUP

## INDIGENOUS TALENT DEVELOPMENT STRATEGY

During the year we commenced development of an Indigenous talent development strategy that is based on the success of our Indigenous employment 'Resourcing the Future' Program. For our FY19 Graduate Program, we will proactively work with external partners on a targeted approach to attract and develop Indigenous graduates.

ENDEAVOUR DRINKS GROUP

## JAWUN INDIGENOUS COMMUNITY SECONDMENT PROGRAM

We have continued the partnership between Endeavour Drinks and Jawun - a not-for-profit organisation that supports innovative programs of change in Indigenous communities.

By providing skilled employees, we were able to help in areas such as marketing and business planning - giving much needed help over two separate staff trips to regional areas.

These initiatives added a FY17 contribution of approximately \$42,000, as well as our annual \$75,000 operating-cost contribution to the program.

Woolworths Group Head of Diversity and Inclusion, Tony Backshall, and the Tribal Warriors Cultural Dancers during National Reconciliation week, 30 May 2017.



# CREATING OPPORTUNITIES FOR ALL

Our vision is to become one of the safest places to work and shop. We are committed to maintaining a workplace that safeguards the health and wellbeing of our people, customers and visitors. Our aspiration is 'Destination ZERO': a place where people go home every day free from injuries or illness.

COMMITMENT

7

We are committed to maintaining a workplace that safeguards the health and wellbeing of our team members, customers and visitors.



## Focusing on mental health

WOOLWORTHS GROUP

Mental distress or illness impacts one in four Australians, which is why we have identified it as our number one safety and health risk. To protect and nurture our team members with mental health issues, we have worked with several industry experts to introduce a range of appropriate risk prevention and safety response options.

To combat the stigma that goes with mental health issues, we have created a positive workplace that encourages early intervention and an open platform for conversation regarding mental health. Partnering with leading mental health groups such as Lifeline, beyondblue, and R U OK, we support mental health on a larger scale outside of our team member network.

We have implemented a Mental Health First Aid Program that equips all levels of team members with the skills and knowledge to help peers showing signs of mental health issues. They can then use our confidential employee assistance program to help get back on their feet.







## CONFINED SPACES TRAINING

Our studies showed that the biggest risk to working in confined spaces is an inability to rescue workers should something go wrong. In line with world best practice, Endeavour Drinks have commissioned new rescue equipment for each of their manufacturing sites and all team members who work in confined spaces have completed Emergency Rescue Simulation training using this equipment.



## NATURAL DISASTER PREPARATION

To prevent a major incident in the face of an earthquake in New Zealand, we have collaborated with specialist engineers to dramatically improve the design of our warehouses. These will keep our workers safe and enable us to continue to serve the broader community should disaster strike.



## PREVENTING PEDESTRIAN ACCIDENTS

To reduce the risk of people being hit by moving vehicles in areas where machinery is at work, we have invested in physical barriers and suspended walkways. We are also trialling proximity sensors in our MeatCo and Supply Chain businesses to further protect workers.



## TRUCK BRAKE ALERT

Our warehouses see over one million trucks pass through each year, and one of the risks is vehicles rolling from parked positions. Our Supply Chain business is working with our transport providers to install park brake alarms on vehicles so drivers remember to apply the brake before leaving their truck.



## LIGHTENING THE LOAD

To reduce risk of injury when handling heavy loads, we use Rotatruck - a non-traditional trolley system that can reduce the physical effort required to move a load by up to 78%. A breakthrough in ergonomic design, it improves both productivity and safety and is being used across BWS stores nationwide.

TOTAL RECORDABLE INJURY FREQUENCY RATE (TRIFR)



**12.97** TRIFR

LOST TIME INJURY FREQUENCY RATE (LTIFR)

**6.76** LTIFR

# CREATING OPPORTUNITIES FOR ALL

We want all our team members to feel valued and respected at work, regardless of their gender, age, ethnicity, beliefs, disability, sexual orientation or gender identity. To address LGBTI issues and equality in the workplace, we have implemented a range of initiatives to demonstrate our commitment to the LGBTI community.

COMMITMENT

8

*Achieve Gold Tier employer status in Australian Workplace Equality Index (AWEI) for Lesbian, Gay, Bisexual, Transgender and Intersex (LGBTI) inclusion.*

## LGBTI community support


 Woolworths Group

Woolworths Group are members of Pride in Diversity, Australia's national not-for-profit organisation which provides support and advice across all aspects of Lesbian, Gay, Bisexual, Transgender, and/or Intersex (LGBTI) inclusion. Our 2020 target is to achieve Gold Tier employer status in the Australian Workplace Equality Index (AWEI) for LGBTI inclusion. During FY17, Woolworths Group received Participating Employer status for our first AWEI submission. We received positive feedback and support for our current initiatives. We will continue our partnership with Pride in Diversity, who will assist us with key projects for our FY18 submission to help on our pathway to Gold status by 2020.



### LGBTIQ WINNERS

This year two of our team members, Chelsea McPhail-Rosenberg and Kate McLaren, were awarded co-winners of the 2017 LGBTIQ Young Professional Role Models of the Year award, hosted by Out for Australia. The duo were recognised for co-founding the 'Proud @ Woolworths' initiative and were praised for their commitment and passion to the project, which resulted in Woolworths Group formalising our commitment to LGBTI diversity.





## BWS AND MARDI GRAS PARTNERSHIP

In celebration of the Sydney Gay and Lesbian Mardi Gras Festival, BWS showcased its support for equality and the local LGBTI community by painting its inner-city Sydney stores in rainbow colours, and creating a BWS Pride radio station on Pandora, our in-store radio network. It's the first time Australia's largest drinks retailer has partnered at this scale in the celebration of Mardi Gras.



## COUNTDOWN'S TRANSGENDER POLICY

Countdown launched a transgender transitioning policy aimed at supporting transitioning team members across New Zealand. It not only outlines our responsibilities as an employer and commitment to providing an inclusive environment, but also offers practical assistance to team members who are transitioning genders.



## 'LETS TALK GENDER'

So that BIG W is a workplace where our team members can truly bring their full selves to work, we have launched 'Let's Talk Gender' sessions in partnership with Pride in Diversity. Our aim is that all of the BIG W Support Office team members will have attended one of these sessions by the end of 2017.

# PLANET

For a healthy environment

We know how important it is to innovate for a healthy planet, which is why we are currently working to use less, waste less and pollute less. As well as using sustainable products and materials, we are committed to reducing our carbon emissions.







# MOVING TO A CIRCULAR ECONOMY

Towards zero food waste going to landfill.

## Reducing food waste in Australia



This ambitious target involves the year-on-year reduction in tonnes of food waste going to landfill. We'll do this by reducing stock loss, improving store waste management, and improving the effectiveness of our farmers' program and food rescue program.

We are constantly implementing new strategies to reduce food waste. Although we've made impressive progress and we lead the domestic market, each year sees us send around 52,000 tonnes of food waste to landfill at a cost of \$13 million.

Currently, 91% of stores have a food waste diversion program that successfully diverts 60,500 tonnes of food each year. However, it was recently highlighted that 49% of the volume in a general waste bin consists of savable food. To fix this, we are not only focusing on our supermarkets, but also our end-to-end supply chains, where there is still \$8 billion of food waste each year.

Some strategies we have implemented so far include:

- Improving back-of-house source separation with the rollout of colour coded bins.
- Extending our Odd Bunch range, which currently sells around 50,000 tonnes each year.
- Providing the equivalent of eight million meals to food rescue programs every year.
- Farmers are collecting produce and bakery goods from over 500 stores to be used as feed for animals.
- Introducing the Jamie Oliver 'Leftovers to Makeover' Christmas campaign.
- Improving reporting capability so we can see where we need to change for the better.
- Continuing to strengthen our relationships with food rescue organisations.

By partnering with OzHarvest, Foodbank, and other food rescue organisations, we are helping reduce food waste in Australia. The launch of The Odd Bunch saw local Aussie farmers cut their waste down too, as their once unused products are now being offered as cheaper alternatives at our stores across the country. As a result, we are seeing many Aussie families enjoying quality, healthy, and affordable food that was once wasted.

Woolworths' ambassador, Jamie Oliver, raised awareness of the disturbing amount of food wasted in Australia at a media event at our Food Innovation Centre. He captured public attention and put the spotlight on the changes we are making about food waste.

### TOTAL FOOD RELIEF DIVERTED TO THOSE IN NEED<sup>1</sup>

FOODBANK AUSTRALIA	FARESHARE	SECONDBITE	OZHARVEST	THE HOPE CENTRE FOODBARN
<b>1,346</b> tonnes of food	<b>478</b> tonnes of food	<b>711</b> tonnes of food	<b>1,177</b> tonnes of food	<b>303</b> tonnes of food
<b>2.7</b> million meals	<b>955,462</b> meals	<b>1.4</b> million meals	<b>2.4</b> million meals	<b>606,232</b> meals

<sup>1</sup> The ratio of rescued food to number of meals is based on a 500g meal size, as agreed at the SVA Food Forum.



## OZHARVEST

“Working hand in hand with Woolworths over the last 18 months has generated spectacular results. Food rescue operations have grown a staggering 320% in that time, saving over 100 tonnes of good food from landfill every month. The OzHarvest message has reached so many people through Woolworths’ ‘Good Acts’ campaigns including the ‘Christmas Table for Good’, which helped deliver over 1.4 million meals and continued with the successful OzSizzle pilot. Woolworths is united with us in the fight against food waste, through their support with the OzHarvest initiated Zero Food Waste Form, and showcasing their Odd Bunch range at our Think.Eat.Save events across the country.”

**Ronni Kahn, OzHarvest Founder & CEO**



## REDUCING FOOD WASTE IN NEW ZEALAND

Countdown’s Food Rescue program is the largest of its kind in the country. All our stores take part and help to see surplus food donated to foodbanks and food rescues each year, as well as to farmers for food scraps for their animals. To highlight the need for change, we bring together all our partners for an annual Food Rescue Partners Summit in Wellington and support their continued growth through our Food Rescue Partners Contestable Fund of \$100,000 p.a. Along with the re-launch of our internal policies, we also re-branded and launched our new purple donation bins in conjunction with our annual Winter Food Rescue Appeal with The Salvation Army, which saw a big increase in customer donations, both in-store and online.



*Improve the recyclability of our own brand packaging and contribute to the circular economy.*

# MOVING TO A CIRCULAR ECONOMY

Our target to 'Improve the recyclability of our own brand packaging and contribute to the circular economy' will see us decrease non-recyclable packaging, and increase recycled content. We will phase out expanded polystyrene by 2020. We will also introduce clear, user-friendly recycling instructions.

Packaging plays a key role in the retail supply chain. It protects the significant investment that we and our suppliers have made in growing, processing and transporting the products to our shelves and makes sure they are delivered safely to customers' homes. It is also critical in providing convenience and communicating to customers.

WOOLWORTHS GROUP

## *The end of the plastic bag*

To play our part in reducing plastic bag use, we will remove single-use plastic bags across Woolworths Group nationwide - including Woolworths Supermarkets and Metro stores, BIG W, BWS and Online. Dan Murphy's and Cellarmasters are already single-use plastic bag free.

The phased approach will begin shortly, with the aim to have it in place across the entire Woolworths Group in Australia by the end of FY18. This will see us cut the number of single-use plastic bags we distribute by 3.2 billion each year.

We will continue to provide our customers with a range of alternative shopping bag options across stores, and will offer thicker, reusable versions at different prices to suit our customers.



Woolworths

## OWN BRAND PACKAGING

When we design the packaging for Woolworths own brand products, we try to use our packaging as efficiently as possible and assess each new product against a list of sustainability criteria. The own brand Sustainable Packaging Guidelines have been updated in 2017 as part of the continued focus to improve their sustainability - the improved guidelines will be implemented in early FY18.

In December 2016 we changed the packaging format and reduced the amount of plastic packaging for potato and pasta salads by 120 tonnes.



WOOLWORTHS GROUP

## IMPROVED RECYCLE LOGO

Clear on-pack communication that informs customers how to dispose of each packaging component after use is an important part of increasing recycling rates in Australia. We have been working on a new recycle logo system which will be rolled out in FY18 to make our recycle instructions simple and easy to understand.



ENDEAVOUR DRINKS GROUP

## WASTE TO ENERGY

Pinnacle Drinks (the own and exclusive brands arm of Endeavour Drinks) partners with Australia's biggest packaging suppliers who are leaders in sustainability within their sectors, with preference towards recycled materials used in packaging. Pinnacle Drinks' main wine production site in Angaston, South Australia has a zero waste to landfill policy with five waste recycling streams for packaging waste. Any landfill waste is used as energy for the site.

countdown

## RECYCLABLE MEAT TRAYS

Meat departments across Countdown have moved away from non-recyclable expanded polystyrene packaging into recyclable RPET trays. The trays themselves are made using postconsumer 50-95% recycled PET (typically 95% depending on availability).

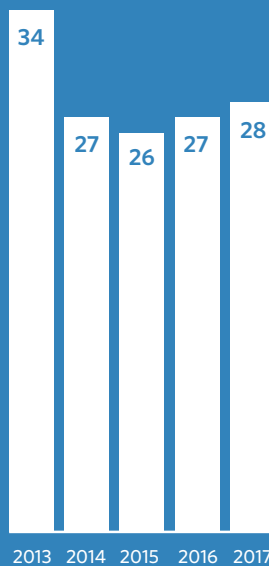


Woolworths

## SOFT PLASTICS PROGRAM

We currently partner with Redcycle in 96 of our supermarkets, where we collect soft plastics like bread bags, which are then recycled into products including outdoor furniture. We are expanding this program to over 500 stores. We also offer a place to recycle single use plastic bags in all our stores.

### WASTE INTENSITY (T/SQUARE METRES)<sup>1</sup>



<sup>1</sup> Waste intensity is from Australian operations.

### MATERIALS DIVERTED FROM LANDFILL (TONNES)<sup>2</sup>



283,040t

<sup>2</sup> Materials diverted from landfill data from Australian Supermarkets, New Zealand Supermarkets and BIG W.

### WASTE TO LANDFILL (TONNES)<sup>3</sup>

106,103t

<sup>3</sup> Waste to landfill data from Australian operations.

# SOURCING ENVIRONMENTALLY SUSTAINABLE COMMODITIES

COMMITMENT

11

*Source key raw materials and commodities sustainably to an independent standard by 2020. We will raise awareness of sustainably sourced products.*



WOOLWORTHS GROUP

## ENVIRONMENTALLY RESPONSIBLE SOURCING

Woolworths Group is committed to responsible sourcing, protecting people and reducing our impact on the planet. Our customers expect us to operate in an ethical and sustainable manner, particularly for high risk commodities, including tea, coffee, chocolate, sugar, fish and seafood.

Our customers want more sustainable products and more independently certified products. In FY17, our own brand products sold contained 28,883 tonnes of sustainably certified coffee, chocolate and sugar. We will continue to expand our certified sustainable offering in FY18, which in Australia will include the launch of our sustainably certified own brand tea range, and all of our Christmas and Easter chocolate will be sustainably certified. We are committed to achieving our target to 'Source key raw materials and commodities sustainably to an independent standard by 2020.'

We continue to raise awareness of sustainably sourced products through participation in initiatives such as the Good Egg Guide and Fairtrade Fortnight. We have developed our Responsible Sourcing Discovery webpage to share our sustainably sourced products with our customers.



Woolworths

## SUSTAINABLE FISH AND SEAFOOD

During FY17 Woolworths sourced 9,029 tonnes of fish and seafood from certified farms and fisheries. Third party certifications recognised by Woolworths are the Marine Stewardship Council (MSC), Aquaculture Stewardship Council (ASC), Best Aquaculture Practice (BAP) and Global GAP. We have started to label our own brand products with certification eco-labels helping our customers to identify products from third party certified sources.

Where we are unable to source certified product, Woolworths has committed to independently verifying the fishery or farm. To do this we need to risk assess the source against a set of credible criteria. To achieve this by 2020, Woolworths has engaged with the Fisheries Research & Development Corporation. The framework we will adopt will be in line with the FAO Code of Conduct for Responsible Fisheries. For wild-capture fisheries the assessment will look at stock, management and environmental impacts for which the methodology will be publicly available to provide transparency with our customers and stakeholders.





**WORKING WITH INDUSTRY  
AND INFLUENTIAL  
STAKEHOLDERS  
- FAIRTRADE MACRO COFFEE**



Our Macro Organic Coffee is Fairtrade certified, and has an authentic and direct link to provenance. All coffee is sourced through the network of small community growers producing through the Cooperative Coopchebi in central Peru, an area with abundant forests and birdlife. The growers get a fair price for a quality product and support for sustainable farming practices such that the small communities can produce quality coffee in generations to come.

**OWN BRAND  
SUSTAINABLY  
CERTIFIED  
COFFEE,  
CHOCOLATE  
AND SUGAR  
(TONNES)**



**28,883t**

*Achieve net zero supply chain deforestation for 'high-impact' commodities in our own brand products, such as palm oil, timber, pulp and paper, and packaging.*

# SOURCING ENVIRONMENTALLY SUSTAINABLE COMMODITIES

We understand the importance of protecting our forests and are working with numerous organisations to achieve net zero supply chain deforestation for our own brand products. We are working through our supply chain to identify the high impact commodities and subsequently source them from independently-certified sustainable supply chains.

## NET ZERO DEFORESTATION

We are a proud member of the Consumer Goods Forum (CGF), and as such we are a signatory to the CGF Deforestation Resolution of 2010 for achieving net zero deforestation by 2020. To achieve this, we will sustainably source the relevant high-impact commodities such as palm oil, timber, pulp and paper, and packaging. We are working towards a 2020 target of sourcing these products from independently certified sustainable supply chains<sup>1</sup>.

## PALM OIL

The Roundtable on Sustainable Palm Oil (RSPO) is a multi-stakeholder organisation comprising retailers, manufacturers, palm oil producers, traders and non-government organisations. It sets global standards for palm oil production and manages a certification scheme. In FY17, all of the palm oil used in our own brand food products support the production of RSPO-certified sustainable palm oil. We are working towards ensuring that all of the palm oil used in our own brand formulated non-food products meets third party independent certification requirements by 2020.<sup>1</sup>

## PAPER, PULP AND TIMBER

We are working towards a 2020 target of sourcing all products containing paper, pulp and timber from independently certified sustainable supply chains. Currently, over 70% of our products containing these materials come from sources certified by either the Forest Stewardship Council (FSC) or the Programme for the Endorsement of Forest Certification (PEFC). All of our own brand toilet paper, tissues and paper towel are FSC certified.

<sup>1</sup> Where this is not feasible, we will consider credible offsetting schemes.





## CATALOGUES AND PAPER

All of the paper used for the nearly 880 million catalogues we produced during FY17 came from sustainable sources. Within the rest of our business, we procured more than 147,000 reams of paper for office use during FY17, all of it FSC-certified. This represents a more than 30% reduction in paper use compared to FY16.

## ZERO DEFORESTATION PACKAGING

Our next step is to stretch beyond products and to continue our zero deforestation practices with our packaging. To do this we are working with our supply chains to expand the sourcing of certified sustainable and recycled packaging options.

OWN BRAND FOOD PRODUCTS SUPPORT THE PRODUCTION OF RSPO-CERTIFIED SUSTAINABLE PALM OIL

**100%**

PAPER, PULP AND TIMBER PRODUCTS USING SUSTAINABLY SOURCED FORESTRY MATERIALS



**>70%**



# ANIMAL WELFARE

Quality products start with quality producers, so we've taken steps to improve animal welfare across our business. We use the five freedoms to work with our suppliers to implement the most practical and commercially viable standards of animal welfare across our farming supply base.



**COLLABORATION WITH FARMERS AND NGOs**

- Farmer assurance scheme including food safety, animal welfare, land stewardship and retailer transparency
- Ranked higher than any other Australian retailer in the Business Benchmark For Animal Welfare (BBFAW)



**EGGS**

- 13% of total eggs sales are cage free
- Removed the sale of caged eggs in our own brand
- Committed to phase out caged eggs by 2025 to align with industry and customer demand



**POULTRY**

- 100% of fresh chicken is certified RSPCA
- All own brand products containing chicken as an ingredient to be RSPCA certified by 2020




**PORK**

- First retailer to launch an industry standard 'Pork Blueprint'
- Our world class PigSafe pens include sloped walls for piglet protection during sow lying events, nesting material for maternal instincts and heated bedding area for piglets



**DAIRY**

- First retailer to have a higher welfare standard for dairying
- New animal welfare standard developed for Farmers Own which will benefit 8,703 cows p.a.



**BEEF AND LAMB**

- 100% of beef and lamb sourced from Australia and New Zealand
- 230,000 tonnes of grass fed beef p.a.
- 13,000 tonnes of organic lamb p.a.

**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**





## NEW ZEALAND 100% CAGE FREE EGGS BY 2025

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In August 2016, Countdown launched our Egg Producer Program to support free range and barn egg farmers. This provides farmers with an opportunity to increase their investment in free range and barn egg capacity with certainty, as we are committed to take future supply through individual partnership agreements.

This year, we announced that we are aiming to be 100% cage-free in North Island retail stores by the end of 2024, and across the rest of New Zealand by the end of 2025. We are the first national retailer to make this move, and it extends our earlier commitment to transition to free range and barn only in our own brand eggs by the end of 2022.



## PERSONAL CARE AND COSMETIC ANIMAL WELFARE STANDARDS

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BIG W's own brand products are produced to high standards of animal welfare. BIG W does not use animal testing on its own brand products, including personal care and cosmetics. BIG W has also committed to not sell any products made from angora wool due to the animal welfare concerns of the process of fibre removal from rabbits.



*Reduce Woolworths Group's carbon emissions to 10 per cent below 2015 levels.*

# RESPONDING TO CLIMATE CHANGE: ENERGY AND CARBON INITIATIVES

Our immediate target is to 'Reduce Woolworths Group's carbon emissions to 10 per cent below 2015 levels.' In response to the Paris Agreement, we will use science-based targets to assess the impacts of a two-degree world, and examine their applicability to our Group. This work will be undertaken during the coming financial year.

WOOLWORTHS GROUP

## EMISSION REDUCTION FUND

Woolworths Group has successfully registered two programs under the Federal Government's Emission Reduction Fund. These programs look to help the Federal Government meet their 2030 Climate Change Target by reducing carbon emissions.

Project Enlighten utilises energy conservation measures (such as LED lighting, HVAC and lighting controls optimisation) to reduce carbon emissions, whilst our Source Separated Organic Waste Diversion project was rolled out to Woolworths supermarkets to help reduce organics ending up in landfill where they produce harmful gases as they decompose.



## ENERGY EFFICIENCY COUNCIL AWARDS

Project Enlighten won the Energy Efficiency Council's Leading Energy User award for 2016. The National Energy Efficiency Awards are Australia's highest profile honours dedicated to excellence in energy efficiency. Project Enlighten, an ambitious program of LED lighting, refrigeration and air-conditioning upgrades has delivered annual energy savings equivalent to powering 36 supermarkets that help offset rising energy costs. As well as the great energy benefits, Project Enlighten also delivers an enhanced in-store experience for our customers and team – a true win-win outcome.

WOOLWORTHS GROUP

## GREENER DEVELOPMENTS

To keep our future and current developments as green as possible, we became a member of the Green Building Council of Australia in 2017. Our property development division, Fabcot, has committed to obtaining a Green Star performance rating for currently owned retail centres. And for future developments, we are aiming to achieve an even higher Green Star rating by using the learnings and initiatives passed on from other market leaders.

We have committed to opening a new supermarket and Dan Murphy's store in the Burwood Brickworks development. With an ambitious sustainability agenda for the project, the goal is for the development to become the most sustainable shopping centre in the world. The sustainability will be measured by the Living Building Challenge – an initiative of the International Living Future Institute based in Seattle.





2017  
 CARBON  
 EMISSIONS

CO<sub>2</sub>-e

11%

below 2015 levels



**WAREHOUSE SKYLIGHTS**

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To reduce BIG W's carbon emission, we have introduced skylights in warehouses, as well as upgrading in-store lighting to LED bulbs - reducing energy use by approximately 15% per store. To date, we have 13 stores upgraded to the new LED bulbs. We are also shifting more traffic from truck routes to rail where possible, removing over 6,000 truck movements per year.



**SOLAR**

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We have been investing in renewable energy and will investigate further cost-effective investment as technology and commercial opportunities evolve. We are looking at the broad application of solar across our business and are about to commission a 1.2MW solar install (3,344 panels) at our new DC in Melbourne South. This will double our installed solar PV capacity to over 2.4MW.



**A FOCUS ON WATER TO MANAGE RISK**

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We will work with our suppliers to build capacity to manage risks such as water shortages and droughts, which could affect commodity supply and prices. This work has begun and will be completed during FY18.

COMMITMENT **14**

*Innovate with natural refrigerants and reduce refrigerant leakage in our stores by 15 per cent of CO<sub>2</sub>-e below 2015 levels.*

# RESPONDING TO CLIMATE CHANGE: ENERGY AND CARBON INITIATIVES

Running our refrigeration systems is a material contributor to the carbon footprint of our businesses. We are investing in new technologies to reduce the impact of this critical part of our business. Even though our overall refrigerant leakage for FY17 increased, the encouraging reductions in recent months gives us confidence that we will achieve our 2020 goal as our initiatives take effect.

## Refrigerant management

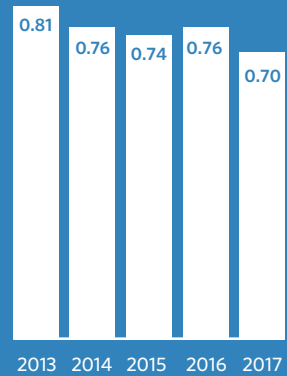
WOOLWORTHS GROUP

As a business, we depend on refrigeration, so it's in our best interests to make sure we are using the most advanced and sustainable technology to run it. Our 2020 target is to 'Innovate with natural refrigerants and reduce refrigerant leakage in our stores by 15% of CO<sub>2</sub>-e below 2015 levels.' We'll do this by implementing leakage reduction initiatives and by replacing existing refrigeration systems with hybrid (R134a and CO<sub>2</sub>) or HFC-free systems.

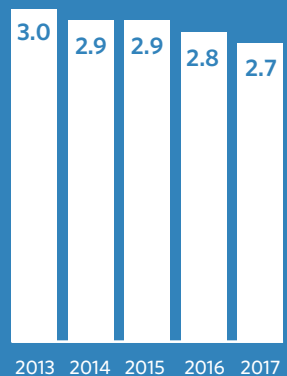
We've recently opened the first Australian Woolworths supermarket at Greenway Village in Colebee with transcritical CO<sub>2</sub> refrigeration. The system uses 100% natural refrigerants that have no global warming potential. Transcritical refrigeration systems have a lot more waste heat available for store heating, water heating, under floor heating, and even store cooling. Countdown in New Zealand has also embraced this technology, operating transcritical systems in four stores (as well as two of our FreshChoice stores). Going forward, all new Countdown stores will have transcritical systems, utilising natural refrigerants.

Another new technology we are using in our stores is waterloop refrigeration. It offers a reduction in refrigerant charge and refrigerant leak rates compared to standard supermarket systems.

### CARBON INTENSITY (t CO<sub>2</sub>-e/SQUARE METERS)



### ENERGY INTENSITY (GJ/SQUARE METERS)







2017  
REFRIGERANT  
LEAKAGE



11%

above 2015 levels



# PROSPERITY

Founded on trusted relationships



**We are a trusted business partner to thousands of suppliers. We will continue to foster these positive relationships, give back to the communities we serve, and continue to build trust with our customers by providing quality products and doing the right thing by people and the planet.**







*We will achieve a top quartile ranking in how we engage fairly and equitably with our suppliers as measured by independent supplier surveys.*

# WORKING WITH OUR BUSINESS PARTNERS

We believe our relationships with our suppliers are a huge part of our success. Building strong long-term partnerships through fair and equitable dealings will foster trust and innovation. These positives relationships will in turn provide our customers with the best possible products in the most sustainable way.

WOOLWORTHS GROUP

## UNDERSTANDING OUR SUPPLIERS

In order to better understand our suppliers, we continue to work closely with the Advantage Group, an independent body that measures business relationship perceptions and benchmarks these against industry peers. In 2017 we made good progress on our 2020 commitment to achieve a top quartile ranking in how we engage fairly and equitably with our suppliers, with some encouraging improvements across the business: supermarkets moved from the 4th quartile to the 2nd quartile (up eight places), BWS moved from the 4th quartile to the 2nd quartile (up six places) and Langton's moved into the first quartile (up 15 places). A key contributor was the introduction of Voice of Supplier (VOS) across the Group: a pulse survey independently managed by the Advantage Group. VOS provides regular feedback which has allowed us to understand our suppliers and address concerns in a more timely manner.



Woolworths

## REWARDING OUTSTANDING SUSTAINABILITY PRACTICES

Woolworths Supermarkets continues to provide business updates to its supplier base twice yearly, and recognises best in class performance at our Supplier of the Year awards. In 2016 awards were handed out in 23 categories, including, for the first time, Sustainable Supplier of the Year and Organic Supplier of the Year.

Our Sustainable Supplier of the Year Award encourages our suppliers to further develop their business models to be environmentally conscious. By nurturing these changes for good, we aim to increase best practice sustainability across a wide range of industries and filter these practices through our supply chains. Our 2016 winner was Natures Organics for Food Waste and & Packaging. The Company demonstrated admirable results in its recycling program, including using over 1.7 tonnes of recycled plastic to manufacture 42.4 million bottles during FY16.





## COUNTRY OF ORIGIN LABELLING

We firmly agree that customers should have as much information as possible about where their food comes from. We were the first supermarket to label our own brand products when the Federal Government introduced the Country of Origin Labelling reforms in 2016. We are proudly going beyond the minimum legal requirements, and are labelling all of our own brand products including compliant labelling online.



## BUYER & SUPPLIER PRINCIPLES

Our Endeavour Drinks' Good Buyer and Supplier Principles set standards for our buyers to follow when dealing with suppliers. The purpose is that all parties act with fairness and transparency. This is in support of our landmark 2014 agreement with the Winemakers' Federation of Australia. Using tools such as our supplier portal, we work to make sure all suppliers, both big and small, have a chance to range their products in our stores.



## VOICE OF SUPPLIER

BIG W has committed to holding a supplier conference every six months. This will inform key suppliers with business plans, performance updates, and address any key issues from the VOS survey.



## SUPPLIER CHARTER

In March 2017, Countdown launched its Supplier Charter, outlining principles for conducting supplier relationships and including a dispute resolution process. The Charter frames the expectations we have our own team and our suppliers regarding how we do business together.

# WORKING WITH OUR BUSINESS PARTNERS

As a modern-day retailer, we are constantly faced with complex issues when sourcing goods through our extensive supply chain. Our goal is: "We will focus on a best practice compliance system according to the Global Social Compliance Program."

COMMITMENT **16**

We will focus on a best practice compliance system according to the Global Social Compliance Program. We will collaborate with peak organisations to improve workers' lives.

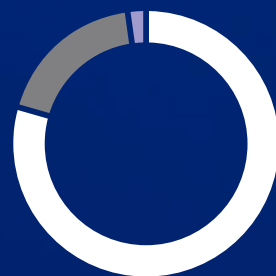
## Improving working conditions

Woolworths is committed to respecting human rights for our own team members and the workers in our supply chain in alignment with the principles and guidance contained in the United Nations Guiding Principles on Business and Human Rights. We are evolving our approach to management of human rights in our supply chain and we expect that this will be a multi-year journey. We are committed to transparent reporting of our progress each year in our Corporate Responsibility Report.

We have commenced a Group-wide holistic review of our ethical sourcing practices to help us reach our 2020 goal, and have become members of SEDEX, a global non-profit organisation for sharing responsible sourcing data on supply chains. As part of our review project, we will assess potential human rights risks through the full scope of our value chain: inside our organisation, tier 1 suppliers down to raw material suppliers, and also including distribution and warehousing. We will use the outcomes of this assessment to determine our areas of focus, in accordance with the UN Guiding Principles, which encourage the prioritisation of salient issues and risks.

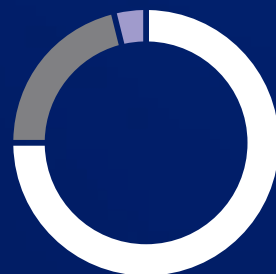
We expect all suppliers to comply with our ethical sourcing policy, which has a compliance audit program for factories making our own brand products. We engage experienced third-party certification bodies to conduct the audits and to rate factories as approved, conditionally approved or at risk. Factories at risk or that need critical corrective actions cannot start production for Woolworths until these issues are resolved.

### ETHICAL AUDIT STATUS<sup>1</sup> (PER SITE)



- Conditionally approved **79.5%**
- Approved **18.5%**
- At-risk **2.0%**

### CORRECTIVE ACTION PLAN SEVERITY<sup>1</sup> (PER NON-CONFORMANCE)



- Major **816**
- Minor **230**
- Critical **41**

<sup>1</sup> More details on our Ethical Sourcing Policy can be found at: [https://www.woolworthsgroup.com.au/page/community-and-responsibility/group-responsibility/responsible-sourcing/Labour\\_Practices\\_in\\_our\\_global\\_supply\\_chain/](https://www.woolworthsgroup.com.au/page/community-and-responsibility/group-responsibility/responsible-sourcing/Labour_Practices_in_our_global_supply_chain/)



WOOLWORTHS GROUP

## REMEDY

As a signatory of the 2015 Australian Business Pledge against Forced Labour, we have acknowledged a responsibility to identify and address any confirmed instances of forced labour in our supply chain. Effective remedy requires multi-stakeholder engagement and we are working together with other Pledge signatories to examine best practice approaches to remedy.



## OVERSEAS WORKERS

All of our fresh produce suppliers have now undergone verification checks against our Policy for Employing or Engaging Overseas Workers. Whilst these checks revealed a high rate of compliance, we are striving to continuously improve our management of this important issue and we are currently reviewing our policy, with engagement and input from our suppliers.

## BUILDING CAPACITY AT SPENCER FASHIONS

BIGW

Our BIG W Asia supply chain team has continued to focus on safety improvements to make sure that both new and existing suppliers comply and adhere to our ethical sourcing policy. This includes our work with the Bangladesh Accord, where we have achieved an overall company ranking of 99/206. The current remediation progress rating is sitting at 81%, well above the overall average progress rating for all members of 77%.

Spencer Fashions is a small manufacturer of men's denim in Bangladesh. It has supplied BIG W for many years. BIG W is the lead brand responsible for this factory under the Bangladesh Accord agreement, so we wished to enable the growth of this company. During our close relationship with this key supplier, we have recently worked together to improve the factory and its working conditions. This included improving the factory layout, which has helped improve the work flow and reduce wasted material handling. Improvements are continuing and we are very happy to have helped build capacity in this partner manufacturer.



## ENABLING SUPPLIER EXCELLENCE

During the year, we launched our new Supplier Excellence Program to improve the quality and product safety standards across our extensive global sourcing network. The launch included a series of roadshows in Australia and Asia, including Shenzhen, Bangkok and Shanghai. The program has streamlined our quality processes, applying clear standards and a risk-based approach. This includes supplier excellence standards, industry standards and codes of practice, as well as a specific code of practice for employing or engaging overseas workers for our domestic supply chain in Australia and New Zealand.



# MAKING AN IMPACT


With over 3,500 locations, Woolworths Group is part of the fabric of society and we are proud to be an important contributor to communities across Australia and New Zealand.

Our goal is to contribute the equivalent of at least 1% of our pre-tax profits on a three-year rolling average every year to the communities in which we operate. Throughout this year, all of our brands have made an impact - by assisting those affected by natural disasters, helping sick kids, or bringing a little bit of good to our customers and communities through our involvement in local events, both big and small.


## NT: CHRISTMAS IN DARWIN

Woolworths supported the Christmas in Darwin Association to stage the Darwin Carols by Candlelight, spreading Christmas cheer to Territorians.

### DIRECT COMMUNITY INVESTMENTS

**CASH DONATIONS** 

**\$6.3M**

**IN KIND** 

**\$17.3M**

**TEAM MEMBER TIME** 

**\$9.0M**

**DIRECT COMMUNITY INVESTMENT TOTTALING**

**\$32.6M**

**LEVERAGED FUNDRAISING** 

**\$19.1M**

**OUR COMMUNITY CONTRIBUTION<sup>1</sup> AS % OF EBIT<sup>2</sup> ON A ROLLING AVERAGE BASIS**

**1.1%**

**WA: TELETHON**

Woolworths stores in Western Australia supported the Telethon Institute for Child Health Research and Perth's Princess Margaret Hospital Foundation by fundraising year-round to help sick kids.

**WA: BIG W'S BIG HEART**

Our BIG W BIG Heart Appeal has been running for 15 years. The Appeal supports the Sydney Children's Hospital in Randwick (NSW), The Royal Children's Hospital Foundation (Qld), The Bone Health Foundation Inc (SA), The Royal Children's Hospital (Vic) and the Princess Margaret Hospital Foundation (WA).

**SA: RAISING FUNDS FOR VARIETY**

Together with Variety, we presented Adelaide North Special School with a new Sunshine Coach to help children who use wheelchairs to get out in the community.

**VIC: GOOD FRIDAY APPEAL**

Woolworths stores in local communities across Victoria have raised over \$20 million over our 30 year partnership with the Good Friday Appeal, which aims to help make a difference to the lives of sick children at the Royal Children's Hospital.



Note: map is not to scale.

1 Excludes leveraged funds.  
2 Before significant items.



COMMITMENT **17**

*We will invest the equivalent of 1 per cent of a three-year rolling average of total Group Earnings Before Interest and Tax (EBIT) in community partnerships and programs.*

**QLD: HELPING SICK KIDS**

Woolworths has been supporting the Children's Hospital Foundation to save lives, lessen the hurt and help sick kids to heal. Our partnership has spanned 30 years and raised \$50 million.

**QLD: FLYING DOCTORS**

Woolworths stores across Queensland and Northern NSW threw their support behind the Royal Flying Doctors Service (Qld Section). FY17 was our most successful year in this partnership, raising more than \$660,000.

**NSW: WHITE RIBBON**

In FY17 EDG, through BWS and Dan Murphy's, raised a total of \$480K to support White Ribbon's work towards stopping violence against women.

**NZ: KAIKOURA EARTHQUAKE**

The Kaikoura earthquake on 14 November 2016 had a local and national impact. Immediately following the earthquake, eight Countdown stores were closed, along with the Palmerston North Distribution Centre. We supported those impacted through our support of the Red Cross Kaikoura Earthquake appeal. We kicked started our customer appeal for the Red Cross with a \$25,000 donation, and Countdown customers donated \$19,633.47.

**NSW: FARM TO FORK**

Woolworths is a major sponsor of the Sydney Royal Easter Show. Together with the Royal Agricultural Society of NSW, Woolworths supported a new interactive exhibit in 2017 to take children on a paddock to plate adventure to learn more about where their food comes from.

**ACT: KIDS IN NEED**

Woolworths has worked with Variety, the Children's Charity for several years to assist children and their families in need all over NSW and the ACT.

**NZ: EDGECUMBE FLOODS**

In response to the major flooding in Edgecumbe in April 2017, Countdown supported the NZ Red Cross Bay of Plenty Floods Appeal 2017.

**NZ: CHRISTMAS**

For the majority of Kiwis, Christmas is a time of festivity, warmth, joy and celebration, however this is not the case for everyone. Thousands of struggling families and individuals in need find the Christmas season incredibly stressful. Countdown supports The Salvation Army with the Christmas Food Rescue Appeal. Each Countdown store donates \$500 worth of groceries (\$91,500 in total) and shoppers are encouraged to donate additional groceries and/or money to the cause.

**TAS: GIVE ME 5 FOR KIDS**

Woolworths store teams and customers fundraised for Give Me 5 For Kids to support sick children and their families in times of need.

**TAS: KIDS DAY OUT**

Woolworths sponsored the "Kid I Am" event in Launceston, a great kid-focussed family day out.

**VIC: VERY SPECIAL KIDS**

The ALH Group has been a major partner of the annual Very Special Kids fundraising event since 2012 and has raised more than \$2.4 million through its network of 88 Victorian venues.



# GIVING BACK TO THE COMMUNITIES IN WHICH WE OPERATE

COMMITMENT

18

*We will publicly report social impact to quantify the positive changes we are creating with a focus on health, economic development and emergency relief.*



## TOGETHER WE S.T.A.N.D.

Woolworths has supported The Salvation Army since 1954. Over the past five years we have averaged more than \$2 million a year in contributions, with a further \$3 million a year donated by our customers. Our ongoing formal partnership is called S.T.A.N.D. (Support Through Australian Natural Disasters) and provides natural disaster response, recovery and resilience works in the community. Operating at two levels, we collect year-round contributions, and provide a higher level of engagement if disaster strikes. We are continuing our commitment through staff engagement and initiatives such as volunteering at times of disaster and offering senior staff to act as strategic advisors to The Salvos' operations.

## Cyclone Debbie



The Queensland State Government asked The Salvation Army to play a key role in the Cyclone Debbie emergency response effort. The Salvation Army launched an appeal to provide disaster recovery assistance to households affected. At the peak of response efforts, they were providing immediate assistance from six hubs in Queensland and five centres in NSW. S.T.A.N.D.-donated funds were used to provide direct assistance in the form of cash grants, vouchers, counselling services and goods to help those affected.



The Salvation Army continued to work with individuals, businesses, families and communities on the ground through local centres, community recovery hubs, and by partnering with government and non-government agencies. With the support of Woolworths, Salvation Army recovery volunteers and local teams supported communities with immediate relief and assistance in the form of psychosocial support, as well as material assistance in the form of EFTPOS cards, various store gift cards and EFT payment grants. In total, the Salvos received \$196,421 in registered donations. S.T.A.N.D. water raised \$11,470, and \$446,500 worth of Woolworths gift vouchers were handed out to people in need.





## LT. COL. NEIL VENABLES

NATIONAL COMMUNICATIONS SECRETARY

"The S.T.A.N.D. initiative has been a way to bring together two brands that have a strong presence in local communities all over Australia. In 2017, we really saw the benefits of this strong partnership with ex-Tropical Cyclone Debbie devastating communities in Queensland and Northern New South Wales. With the support of Woolworths, we were able to provide immediate on-the-ground support in the form of gift cards, meals to disaster affected people and emergency crews, and the manning of recovery centres."

## MAJOR BRYCE DAVIES

COMMUNITIES OF HOPE COORDINATOR,  
SALVATION ARMY VOLUNTEER IN PROSERPINE FOR EX-TROPICAL CYCLONE DEBBIE

"A mother with four young children had spent the night trying to stop debris and howling winds from coming in through her smashed windows. When she came to the recovery centre and we handed her \$250 worth of Woolworths vouchers, she just burst into tears. It's so nice to be able to give something."

*Woolworths Group CEO Brad Banducci, Salvation Army Chief Secretary in Charge Colonel Mark Campbell and S.T.A.N.D. ambassador Adam Goodes launch S.T.A.N.D., 8 November 2016.*



We will publicly report social impact to quantify the positive changes we are creating with a focus on health, economic development and emergency relief.

# GIVING BACK TO THE COMMUNITIES IN WHICH WE OPERATE

As the fresh food people, we are passionate about using our resources and skills to partner with the communities that we are part of to improve the health and wellbeing of our customers.

## Foodbank



“Foodbank is Australia’s largest food relief organisation, providing 63 million meals a year. By our side for 15 years, Woolworths is the single biggest retailer donor of food and groceries, donating more than 15 million kilograms to date. With food waste in Australia being at dire straits, Woolworths has also been partnering with us to seek solutions to reduce this problem. From fighting hunger, to fundraising and sustainability - we couldn’t do what we do without the wonderful support of Woolworths.”

*Brianna Casey, CEO Foodbank Australia*

“Our partnership with Woolworths has opened up a range of ways to source the food and groceries needed in order to change the lives of vulnerable Australians. With the help of Woolies, Foodbank is able to capture fresh and staple food items, which ensures Foodbank’s warehouses all over Australia are always packed to the brim with delicious products. Woolworths has made a big impact, and for that, we can’t thank them enough.”

*Phil Riley, Warehouse Manager Foodbank NSW & ACT*



Woolworths Food Group Head of Sustainability Adrian Cullen and Brianna Casey, CEO Foodbank Australia.





## Jamie's Ministry of Food Australia



"With a vision to lead the transformation of Australia's food habits, it is through the support of Woolworths that we have been able to teach over 37,000 participants nationally how to cook from scratch using fresh ingredients. We have increased our participants' skills, knowledge and confidence to cook and have provided information during the course on budgeting, seasonality and the health benefits of cooking" says Felicia Mariani, CEO The Good Foundation and Jamie's Ministry of Food.

Woolworths has been integral to the success of this program by providing fresh ingredients nationally since 2014.

"This year alone, Woolworths has enabled participants to learn how simple it is to cook with eggs by donating 29,452 eggs. We've cooked over 6,423 omelettes and taught people aged between 12-96 years how to cook up over 3,205 roast chickens with all the vegetable trimmings." said Felicia.

Learning to cook used to be a skill passed on from generation to generation. The success of this program is how it is changing the way people feed themselves and their families. With programs running during 2017 in Queensland, New South Wales, Victoria, South Australia and Western Australia, we have connected with communities across the country.

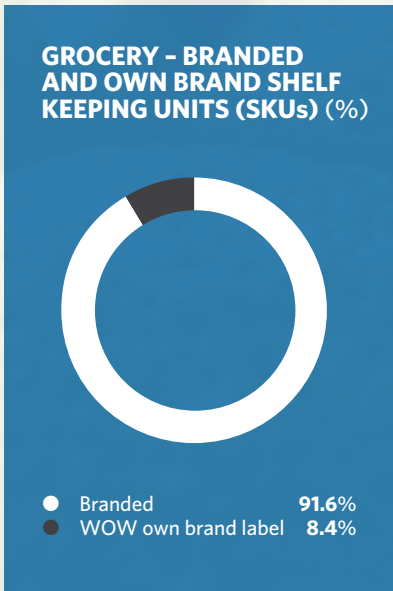




*We will achieve leading customer satisfaction scores.*

# CREATING SHARED VALUE WITH OUR CUSTOMERS

Voice of Customer (VOC) scores are a key indicator for our team to measure our performance. In FY17, customers have reacted positively to our initiatives in Australian Food with our store-controllable VOC score improving significantly to finish the year at record levels of 81% and we achieved record Net Promoter Scores (NPS) and VOC scores in both Dan Murphy's and BWS. Our Countdown team also achieved new highs in its customer satisfaction scores throughout the year.




## Catering for locals



Over the past year, we have been working to not only expand our range of locally-sourced products, but to also make sure our stores have ranges that are locally relevant for their customers. A good example of this is what we have achieved in our Glen Huntly store.

Customers of Woolworths Glen Huntly asked for a range more relevant to their local community - a larger Kosher range. Over the past year we have been working with new and existing Kosher suppliers to cater for our Jewish customers. With one of the largest Jewish populations in Melbourne, Glen Huntly is a test store, and will lead the way for us to move into more stores with a similar demographic. With the introduction of approximately 129 new Kosher products over the past year, feedback has been overwhelmingly positive.

## Sourcing locally



We listen to our customers, so in 2014 when 52% told us that buying local food is extremely important to them, we launched our Local Sourcing Program. Our team of state-based local sourcing managers search for products that are grown or produced locally in their home state. Since launching the program, we have validated nearly 3,000 products and added over 500 to our range from 66 new suppliers. This is in addition to approximately 97% of our fresh fruit and vegetables being Australian grown.





## WIMMERS QUEENSLAND

Wimmers Soft Drinks are an iconic Queensland soft drink brand that has been enjoyed by thirsty Queenslanders since 1910. In 2016, Wimmers were one of the first local suppliers in Queensland to be ranged under the Local Sourcing Program, supplying 12 stores around their Sunshine Coast factory. Today, Wimmers Soft Drinks are stocked in almost 150 stores across Queensland. The products have prime position, along with brand-specific signage to highlight the brand and the local relevance.



## DALY'S POTATO CO MARION BAY, TASMANIA

Sue and Gerard Daly have been supplying us with loose potatoes for over 30 years. In an effort to become a more sustainable business and eliminate food waste, Daly's Potato Co started producing potato salads and roast potatoes. The beautiful potato salads were introduced into our Tasmanian Woolworths stores in 2016 and the roast potatoes launched in August 2017.

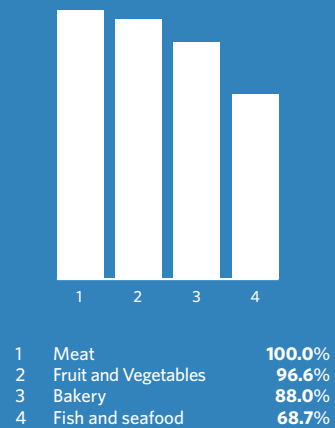


## ORGANIC AND RAW MCLAREN VALE, SOUTH AUSTRALIA

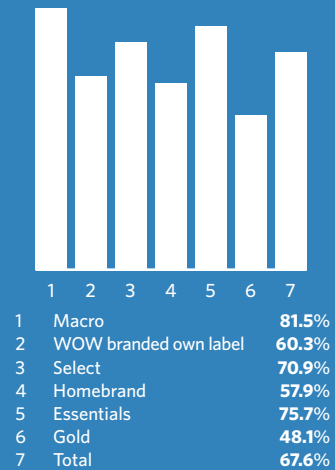
MOJO Kombucha, made by Organic and Raw, originally commenced business with us in 2015 in 11 stores in Adelaide. Their traditional style kombucha was spot-on trend and very topical with customers, so we've continued to add more lines to the range. Last financial year saw sales of over 600,000 units, with distribution of selected lines now in hundreds of stores across all states.



### AUSTRALIAN SOURCED FRESH PRODUCTS<sup>1</sup> (%)



### OWN BRAND GROCERY - AUSTRALIAN SOURCED<sup>1</sup> (%)



<sup>1</sup> In Australian supermarkets.



# MAKING IT EASIER TO CHOOSE HEALTHIER OPTIONS

COMMITMENT

20

We will inspire our customers to consume all of our products in a healthy, sustainable way.

We are committed to making healthy choices easier for our customers. In 2015, Woolworths and Countdown were the first national retailers to give away free fruit to any child shopping with an adult. In the last 12 months, we have given away \$10 million worth of free fruit, which is equivalent to 20 million pieces!

## Healthier own brand

We are committed to improving the nutritional profile of our own brand foods. In FY17 we achieved:

### FOOD AND HEALTH DIALOGUE

In 2009, we adopted the Food and Health Dialogue targets, a joint government and food industry initiative focused on reducing the sodium content of foods from nine commonly consumed categories. This year we met all targets when we completed a 20% salt reduction across seven hams and 30% salt reduction in Woolworths cheese slices.

### BEST READY MADE MEAL

Judged by Accredited Practising Dietitians, Delicious Nutritious Beef and Tomato Casserole won the Healthy Food Guide's Healthy Eating Award for the best ready meal category.

### NUTRITION RENOVATIONS

**120+** own brand foods with



**195** tonnes less salt



**100** tonnes less saturated fat



**200** tonnes less sugar



**8** billion less kilojoules

### RETAINING THE GOODNESS

There are no artificial colours or flavours or MSG in any own brand foods.

There are 1,000 tonnes more whole grains in 16 own brand foods.



## INCREASING FRUIT AND VEGETABLES

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Thanks to lower market costs, we've seen lower shelf prices for fresh produce, which has resulted in increased purchases. Berries are up 27%, Solano tomatoes grew by 70% and broccolini by 28% from last year. Customers are also buying more convenient options too, with single and double serve salad bowl and tub sales growing by over 25%.

## HEALTHIER NEW ZEALAND

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When the NZ government launched the Obesity Action Plan in 2016, the NZ team pledged to commit to health and nutrition targets. This includes nutrition renovations, at least one confectionery free checkout in 95% of stores, nutrition information on the website and health stars on front of pack. We will continue to provide free fruit for kids and healthy food inspiration through Feed Four for \$15.

## HEALTH STAR RATING

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Over 80% of our own brand range has the voluntary health star rating on front of pack. That's more than 2,000 products. Our customer research found shoppers like the simplicity of the health star ratings to make 'at a glance' choices. These ratings appeal to time poor shoppers and those less confident in their food health knowledge. Families see the benefit of making it easy to point out healthier choices to children.

## EDUCATING TEAMS

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We are showing our teams how to become healthy lifestyle advocates. Our internal health and nutrition events and communications help to give our team members the skills and knowledge they need to successfully shop and eat healthier.

## NUTRITION EXPERTS

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We have a team of accredited nutritionists to guide healthier product development, food labelling and communications. Transparent labelling, the removal of additives and an improved nutritional profile of our products help our customers to make better-informed choices when shopping.

## THE HEALTHY FOOD PARTNERSHIP

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Woolworths is an invited member of Healthy Food Partnership, a joint initiative between government, industry, retailers and public health advocates to improve the dietary habits of all Australians by making healthy food choices easier.



COMMITMENT

20

*We will inspire our customers to consume all of our products in a healthy, sustainable way.*

# RESPONSIBLE SERVICE OF ALCOHOL

As a retailer of alcoholic beverages, we are conscious of our obligations to address the issues of responsible drinking and the responsible service, ranging, sale and marketing of alcohol.

## *Keeping Darwin safe*

When the Safer City Program launched in Darwin, BWS was invited to attend by the city's Lord Mayor, Katrina Fong Lim. The launch event brought together various leading members of the community to look at the supply of alcohol in Darwin, and to work in close collaboration with the liquor industry to monitor and regulate it. As a result, the program initiated the Darwin Inner City Packaged Liquor Accord.

## *Serving alcohol responsibly*

We are very strict when enforcing the rules regarding alcohol. To keep young people safe, we have a policy to make sure all patrons of our hotels and liquor outlets are checked for ID if they appear under 25. We are also very diligent if there's a chance alcohol could be purchased for a minor or if people are already intoxicated. All staff receive regular RSA training updates from programs we have developed ourselves, many of which have gone on to be adopted industry-wide.

## DRINKING RESPONSIBLY

Endeavour Drinks is 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. DrinkWise develops and implements a range of national information and education campaigns, as well as providing practical resources to help inform and support the community about alcohol use.

## RESPONSIBLE RANGING

We pride ourselves on the quality and extent of our range but there are some drinks we don't stock because we've found they appeal to people who shouldn't be drinking and/or encourage people to drink too much. We never stock a drink item if its advertising and packaging makes a direct, unambiguous appeal to young people, or encourages excessive consumption.

## RESPONSIBLE MARKETING

As the first retail signatory to the Alcohol Beverage Advertising Code (ABAC), our advertising campaigns never step outside community standards, will never target young people, and will not encourage people who shouldn't be drinking to do so. All our exclusive and own brand liquor brands follow and comply with the ABAC. Our efforts are supported and outlined in our Charter for Ranging Alcohol.





# RESPONSIBLE GAMBLING

To be a responsible provider of electronic gambling services, we focus on setting limits, staff education and training, and partnerships. Our Hotel and Gaming Charter clearly demonstrates our commitment to responsible gambling.

## RESPONSIBLE GAMBLING AMBASSADOR

For seven years, we have worked with David Schwarz, a well-known former professional AFL footballer and reformed problem gambler. David is our Responsible Gambling Ambassador.

## VOLUNTARY PRE-COMMITMENT

This system is a cornerstone for our responsible gambling strategy. It allows gamblers to nominate a limit before they start using our machines.

## SELF-EXCLUSION PROGRAM

Our Self-Exclusion Program helps people who have decided to limit their access to gaming machines to implement that decision.

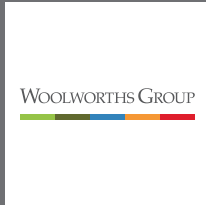
## RESPONSIBLE GAMBLING TRAINING

We have implemented a mandatory online responsible gambling training module for all relevant employees, teaching them how to approach and interact with customers showing signs of problem gambling.



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## ENDEAVOUR DRINKS



### Endeavour Drinks

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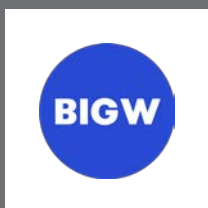
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# Value Chain

Our Corporate Responsibility Strategy addresses emerging issues from an understanding of the global trends that are shaping business through to 2020 and beyond.

These emerging issues include the increasingly connected and diverse communities from which our customers and team members are drawn, concerns for responsible and ethical supply relationships, food and water supply security, and climate change, water and waste management. At the same time, the United Nations 2030 Sustainable Development Goals define global sustainable development priorities and aspirations for 2030 and seek to mobilise global efforts around a common set of goals and targets.

Reflecting our operation within a global community, our commitments and interaction with the United Nations 2030 Sustainable Development Goals are mapped here along our value chain. This ensures that our efforts deliver value to our stakeholders.

Our strategy is Group-wide with clear targets and commitments for the business divisions. A materiality assessment that involved comprehensive internal and external stakeholder engagement, document review and landscape analysis was conducted to develop our priorities.

Acknowledging that key issues vary across our business divisions, we have identified the most important issues for each. Each business division will develop more detailed implementation plans on how they will achieve these targets.



**8** DECENT WORK AND ECONOMIC GROWTH **COMMITMENT 15**  
Independent supplier survey top quartile ranking

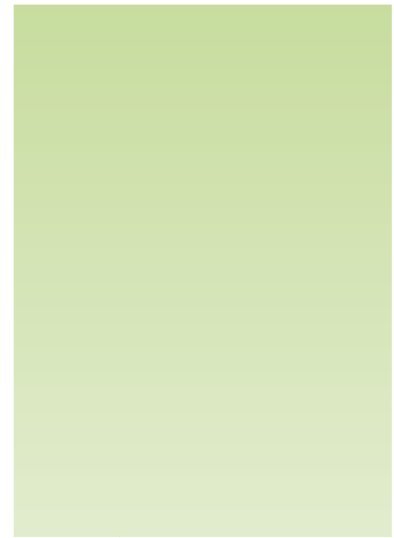
**1** NO POVERTY  
**8** DECENT WORK AND ECONOMIC GROWTH  
**12** RESPONSIBLE CONSUMPTION AND PRODUCTION **COMMITMENT 16**  
Develop a best practice compliance system to improve workers' lives

**12** RESPONSIBLE CONSUMPTION AND PRODUCTION **COMMITMENT 10**  
Improve recyclability of own brand packaging



**SUPERMARKETS**  
Labour rights in the supply chain, animal rights  
Local sourcing

**BIG W**  
Labour rights in the supply chain, animal rights



**12** RESPONSIBLE CONSUMPTION AND PRODUCTION **COMMITMENT 11**  
Sustainable sourcing

**15** LIFE ON LAND **COMMITMENT 12**  
Deforestation reduction

**COMMITMENT 15**  
Independent supplier survey top quartile ranking

**8** DECENT WORK AND ECONOMIC GROWTH **COMMITMENT 16**  
Develop a best practice compliance system to improve workers' lives



**SUPERMARKETS**  
Supplier relationships  
Environmentally responsible sourcing



**2 ZERO HUNGER**  
**COMMITMENT 9**  
Towards zero food waste

**5 GENDER EQUALITY**  
**COMMITMENT 1**  
At least 40% women executives

**COMMITMENT 2**  
No gender salary gap

**7 AFFORDABLE AND CLEAN ENERGY**  
**COMMITMENT 13**  
10% emissions reduction

**13 CLIMATE ACTION**  
**COMMITMENT 14**  
15% refrigerant leakage reduction

**COMMITMENT 3**  
Unconscious bias training

**8 DECENT WORK AND ECONOMIC GROWTH**  
**COMMITMENT 4**  
True cultural diversity reflection

**COMMITMENT 7**  
Safe workplace

**COMMITMENT 8**  
Achieve Gold Tier AWEI

**10 REDUCED INEQUALITIES**  
**COMMITMENT 5**  
2% Indigenous Store Operations team members

**COMMITMENT 6**  
2% Indigenous Graduate intake

**17 PARTNERSHIPS FOR THE GOALS**  
**COMMITMENT 17**  
Invest 1% EBIT in community

**COMMITMENT 18**  
Report on social impact

**3 GOOD HEALTH AND WELL-BEING**  
**COMMITMENT 20**  
Inspire healthy choices

**12 RESPONSIBLE CONSUMPTION AND PRODUCTION**  
**COMMITMENT 9**  
Zero food waste



**OPERATIONS**



**CONSUMPTION**



**END OF LIFE**

**SUPERMARKETS**

Employee conditions, wellbeing and communications  
Energy and emissions reduction  
Understanding and responding to customer needs

**ALH**

Responsible gambling

**SUPERMARKETS**

Low price and value for money  
Product quality, safety, availability and range  
Partners with the community

**ENDEAVOUR DRINKS GROUP**

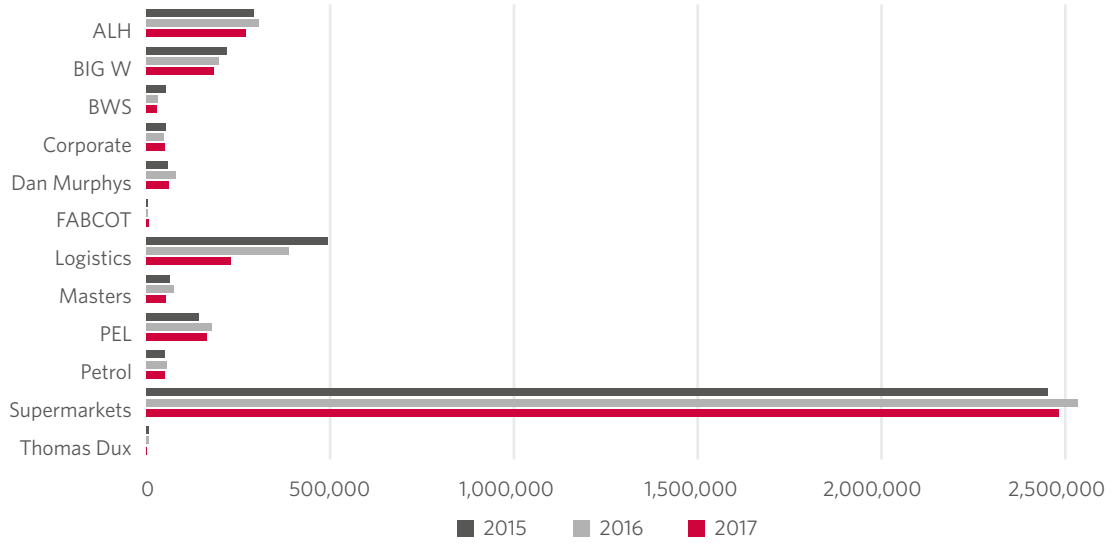
Range of alcohol  
Responsible marketing and service of alcohol  
Partners with the community



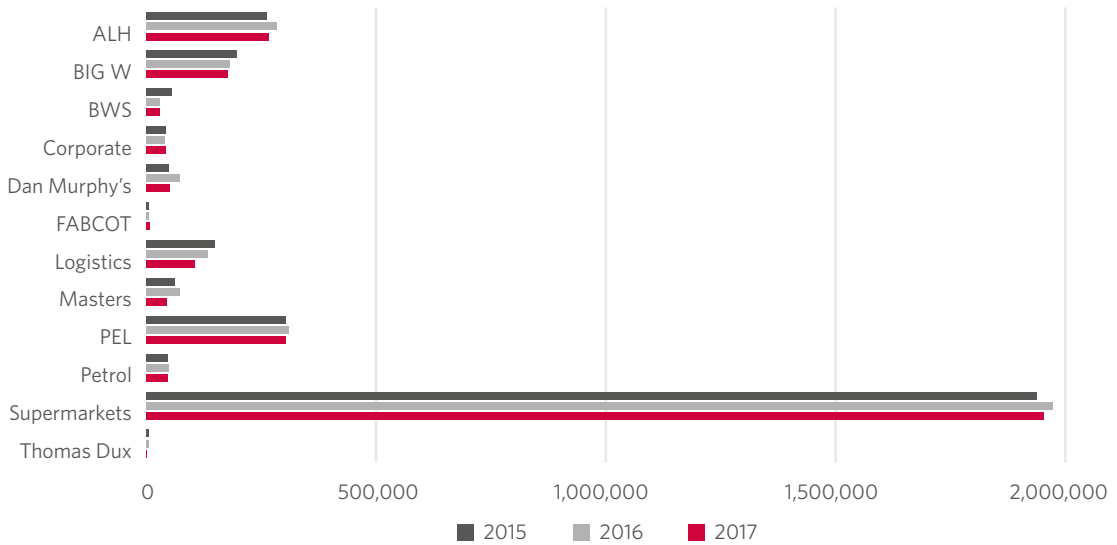
**THE GLOBAL GOALS**  
For Sustainable Development

# SUSTAINABILITY METRICS

## TOTAL CO<sub>2</sub> EMISSIONS (t CO<sub>2</sub>-e)<sup>1</sup>



## ELECTRICITY USE (MWh)<sup>1</sup>



<sup>1</sup> Energy use and carbon emissions data was prepared in accordance with NGER Guidelines.



## EMISSIONS FROM FACILITIES (t CO<sub>2</sub>-e)<sup>1</sup>

	SCOPE 1	SCOPE 2	SCOPE 3	TOTAL
ALH	15,987	226,133	29,285	271,405
BIG W	13,466	142,846	25,325	181,638
BWS	5,208	20,001	3,758	28,967
Corporate	414	36,690	5,789	42,892
Dan Murphy's	9,115	44,590	6,374	60,079
FABCOT	22	5,245	730	5,997
Logistics	342	85,385	11,649	97,376
Masters	-	39,191	14,663	53,855
PEL	76,835	36,078	18,874	131,787
Petrol	2,125	40,131	7,677	49,932
Supermarkets	537,529	1,616,722	311,328	2,465,580
Thomas Dux	477	1,873	350	2,701
<b>Grand total</b>	<b>661,521</b>	<b>2,294,885</b>	<b>435,802</b>	<b>3,392,209</b>

## TRANSPORT EMISSIONS BY USE (t CO<sub>2</sub>-e)<sup>1</sup>

END USE	AUSTRALIA	NEW ZEALAND
Business travel	3,772	2,178
Home delivery	5,717	-
Logistics 3rd party road	77,644	30,984
Trolley collection	14,380	-

## MATERIALS DIVERTED FROM LANDFILL (tonnes)

Materials diverted from landfill from Australian Supermarkets, New Zealand Supermarkets and BIG W.

AUSTRALIA	2014	2015	2016	2017
Food waste to composting or energy	14,655	17,359	15,791	<b>16,877</b>
Food to charity	1,381	2,956	3,231	<b>4,015</b>
Cardboard	201,165	192,170	218,535	<b>222,145</b>
Plastic film	7,869	7,028	8,226	<b>9,232</b>
Polystyrene	16	3	-	-
Other	205	131	47	<b>296</b>
<b>Total Australia</b>	<b>225,291</b>	<b>219,647</b>	<b>245,830</b>	<b>252,565</b>
NEW ZEALAND	2014	2015	2016	2017
Cardboard	24,546	25,324	26,057	<b>26,709</b>
Plastic film	977	1,253	1,307	<b>1,296</b>
Food waste to farmers	827	807	787	<b>768</b>
Food to charity	-	509	509	<b>509</b>
Other	430	435	440	<b>1,193</b>
<b>Total New Zealand</b>	<b>26,780</b>	<b>28,328</b>	<b>29,100</b>	<b>30,475</b>
<b>Total diverted</b>	<b>252,071</b>	<b>247,975</b>	<b>274,930</b>	<b>283,040</b>

# WORKPLACE METRICS

## BOARD OF DIRECTORS

AGE BAND	FEMALE	MALE	TOTAL
<25	0	0	0
25-<35	0	0	0
35-<45	0	0	0
45-<55	3	2	5
55-<65	0	0	0
>65	1	2	3
<b>Total</b>	<b>4</b>	<b>4</b>	<b>8</b>

## FEMALE REPRESENTATION BY EMPLOYMENT CATEGORY<sup>1</sup>

EXECUTIVES	SENIOR MANAGERS	MANAGERS	OFFICE/SUPPORT	TECHNICIANS AND TRADES	SALES	OTHER
29%	26%	39%	56%	10%	59%	17%

## RATIO OF BASIC SALARY AND REMUNERATION OF FEMALE TO MALE EMPLOYEES BY EMPLOYMENT CATEGORY<sup>2</sup>

	2017		2016	
	AVERAGE ANNUALISED SALARY	RATIO TO AVERAGE	AVERAGE ANNUALISED SALARY	RATIO TO AVERAGE
Non-managerial female	\$46,122	97.2%	\$44,627	97.3%
Non-managerial male	\$49,114	103.5%	\$47,438	103.4%
Average salary	\$47,467		\$45,888	
Managerial female	\$75,675	92.1%	\$73,380	92.8%
Managerial male	\$86,274	105.0%	\$82,582	104.5%
Average salary	\$82,153		\$79,033	

## 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, but sometimes we do have issues which escalate to external jurisdictions. We are working towards a resolution on the outstanding claims.

## DISCRIMINATION

Number of claims lodged in Australia during the year	19
Number resolved in financial year	15

<sup>1</sup> Workplace Gender Equality Agency (WGEA) data with an extraction date of 1 January 2017 (Australian business units only).

<sup>2</sup> The employment category does not reflect like-for-like roles. WGEA data with an extraction date of 1 January 2017 (Australian business units only).



**FREEDOM OF ASSOCIATION**

% of workforce covered by Enterprise Bargaining Agreements (EBAs)	79.6%
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GROUP	EBA	TOTAL HEADCOUNT	%
ALH (Venue & Support)	0	11,321	0.0%
BIG W	17,034	18,738	90.9%
EziBuy	355	542	65.5%
Endeavour Drinks	4,762	11,064	43.0%
Food Group	131,804	150,619	87.5%
Statewide Independent Wholesalers	314	341	92.1%
Group Support	6,753	9,562	70.6%
<b>Total Employees</b>	<b>161,022</b>	<b>202,187</b>	<b>79.6%</b>

**WORKFORCE AND TURNOVER****HEADCOUNT BY BUSINESS UNIT**

GROUP/BRAND	FEMALE	MALE	TOTAL
ALH (Venue & Support)	6,366	4,955	11,321
BIG W	12,857	5,881	18,738
EziBuy	459	83	542
Endeavour Drinks	4,074	6,990	11,064
Food Group	83,208	67,411	150,619
Statewide Independent Wholesalers	26	315	341
Group Support	2,156	7,406	9,562
<b>Total</b>	<b>109,146</b>	<b>93,041</b>	<b>202,187</b>

**HEADCOUNT BY EMPLOYEE TYPE**

	FEMALE	MALE	TOTAL
Full-time	25,493	32,887	58,380
Part-time	52,800	31,347	84,147
Casual	30,853	28,807	59,660
<b>Total</b>	<b>109,146</b>	<b>93,041</b>	<b>202,187</b>

**WORKPLACE METRICS** (continued)**HEADCOUNT BY REGION**

REGION	FEMALE	MALE	TOTAL
Australian Capital Territory	1,217	1,418	2,635
New South Wales	31,168	27,990	59,158
Northern Territory	1,011	911	1,922
Queensland	23,122	17,945	41,067
South Australia	6,112	6,078	12,190
Tasmania	2,900	1,937	4,837
Victoria	22,974	21,570	44,544
Western Australia	9,379	6,686	16,065
New Zealand	10,934	8,294	19,228
China	324	191	515
Bangladesh	2	19	21
Thailand	3	2	5
<b>Total</b>	<b>109,146</b>	<b>93,041</b>	<b>202,187</b>

**WORKFORCE BY AGE**

AGE BAND	FEMALE	MALE	TOTAL
<25	37,606	39,434	77,040
25-<35	21,966	24,739	46,705
35-<45	18,033	13,938	31,971
45-<55	17,886	8,877	26,763
55-<65	11,716	5,013	16,729
>65	1,939	1,040	2,979
<b>Total</b>	<b>109,146</b>	<b>93,041</b>	<b>202,187</b>

**TURNOVER BY REGION**

	TOTAL TERMINATIONS			% LABOUR TURNOVER		
	FEMALE	MALE	TOTAL	FEMALE	MALE	TOTAL
Australian Capital Territory	426	612	1,038	33%	41%	37%
New South Wales	7,347	8,126	15,473	23%	29%	26%
Northern Territory	445	477	922	44%	52%	48%
Queensland	6,477	6,117	12,594	28%	32%	30%
South Australia	1,503	1,518	3,021	25%	24%	24%
Tasmania	534	702	1,236	19%	30%	24%
Victoria	5,470	6,059	11,529	23%	27%	25%
Western Australia	2,678	2,489	5,167	27%	34%	30%
New Zealand	2,911	2,664	5,575	27%	33%	30%
China	127	96	223	39%	51%	43%
Bangladesh	0	0	0	0%	0%	0%
Thailand	4	0	4	114%	0%	73%
<b>Total</b>	<b>27,922</b>	<b>28,860</b>	<b>56,782</b>	<b>25%</b>	<b>30%</b>	<b>27%</b>



**TURNOVER BY AGE**

AGE BAND	TOTAL TERMINATIONS			% LABOUR TURNOVER		
	FEMALE	MALE	TOTAL	FEMALE	MALE	TOTAL
<25	13,044	13,678	26,722	34%	34%	34%
25-<35	6,248	7,865	14,113	28%	31%	30%
35-<45	3,587	3,360	6,947	19%	23%	21%
45-<55	2,854	2,051	4,905	16%	22%	18%
55-<65	1,639	1,417	3,056	14%	26%	18%
>65	550	489	1,039	29%	46%	35%
<b>Total</b>	<b>27,922</b>	<b>28,860</b>	<b>56,782</b>	<b>25%</b>	<b>30%</b>	<b>27%</b>

**NEW HIRES BY REGION**

	TOTAL NEW HIRES		
	FEMALE	MALE	TOTAL
Australian Capital Territory	347	495	842
New South Wales	7,747	8,271	16,018
Northern Territory	406	461	867
Queensland	6,087	5,590	11,677
South Australia	1,290	1,353	2,643
Tasmania	406	396	802
Victoria	4,831	5,430	10,261
Western Australia	2,194	2,156	4,350
New Zealand	2,253	2,284	4,537
China	109	54	163
Bangladesh	1	5	6
Thailand	1	0	1
<b>Total</b>	<b>25,672</b>	<b>26,495</b>	<b>52,167</b>

**PARENTAL LEAVE**

We continue to offer paid parental leave to eligible Australian-based employees, which includes six weeks paid parental leave, two weeks' return-to-work bonus and up to 104 weeks unpaid parental leave. All employees are eligible if they have completed six months of continuous service prior to taking the leave or if they qualify as an eligible casual employee.

	2017		2016	
	ACCESSED PARENTAL LEAVE	RETURNED FROM PARENTAL LEAVE	ACCESSED PARENTAL LEAVE	RETURNED FROM PARENTAL LEAVE
Female	4,834	4,621	2,091	1,883
Male	23	20	20	17
<b>Total</b>	<b>4,857</b>	<b>4,641</b>	<b>2,111</b>	<b>1,900</b>

**WORKPLACE METRICS** (continued)**SAFETY AND HEALTH PERFORMANCE**

<b>BUSINESS LTIFR RESULTS FOR 2017</b>	<b>PER MILLION HRS</b>	<b>PER 200,000 HRS</b>	<b>% FEMALE</b>
Supermarkets	6.57	1.31	61.7%
Logistics	11.68	2.34	20.4%
BIG W	4.10	0.82	82.9%
Endeavour Drinks	5.30	1.06	39.0%
Fuel and Metro	3.43	0.69	58.3%%
New Zealand	9.38	1.88	Not available
Corporate	1.00	0.20	50.0%
Woolworths Limited	6.76	1.35	57.0%%
ALH	10.85	2.17	Not available

**GROUP LOST TIME INJURY FREQUENCY RATE (LTIFR), TOTAL RECORDABLE INJURY FREQUENCY RATE (TRIFR) AND OCCUPATIONAL DISEASE RATE**

## Woolworths Limited LTIFR for 2015-2017

<b>KPI</b>	<b>2015<sup>1</sup></b>	<b>2016<sup>1</sup></b>	<b>2017</b>
LTIFR (million hours worked)	11.50	9.56	6.76
LTIFR (200,000 hours worked)	2.30	1.91	1.35
% change on previous year	-1.6%	-16.9%	-29.3%

<sup>1</sup> Previous year numbers have been updated to reflect any delayed reporting.

## Woolworths Limited TRIFR for 2015-2017

<b>KPI</b>	<b>2015<sup>1</sup></b>	<b>2016<sup>1</sup></b>	<b>2017</b>
TRIFR (million hours worked)	22.07	18.16	12.97
TRIFR (200,000 hours worked)	4.41	3.63	2.59
% change on previous year	-6.05%	-17.8%	-28.5%

<sup>1</sup> Previous year numbers have been updated to reflect any delayed reporting.

Occupational Disease Rate (200,000 hours)	0.70
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**WORK RELATED FATALITIES**

Employee	0
Contractor	0
Other	0



# CORPORATE GOVERNANCE

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We have set targets and made commitments to be a responsible and sustainable business. This can only be achieved with the support of our people at all levels of our business.

As any business should, Woolworths gives priority to issues that are material to the business and which align with our strategic pillars. The Destination Zero safety and health strategy and the Corporate Responsibility Strategy 2020 provide the direction and focus for our practices, policies and investment.

## GOVERNANCE, THE BOARD AND DIRECTORS

Corporate governance is at the core of Woolworths' 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 Company's approach to corporate responsibility and sustainability.

The Woolworths Board Sustainability Committee, which meets quarterly, reviews performance on issues of Safety and Health, Sustainability and Community Investment. The Sustainability Committee conducts regular site visits across our businesses.

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 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/182376\\_Risk\\_Management\\_Policy.pdf](http://www.woolworthsgroup.com.au/icms_docs/182376_Risk_Management_Policy.pdf)

## MATERIALITY

Woolworths conducted an independent assessment to identify our key material sustainability issues.

The assessment was based on the AccountAbility AA1000 Assurance Standard (2008) principle of materiality and guided by their Five Part Materiality Test, to identify and prioritise issues relevant to:

- Direct short-term financial impacts
- Policy-related performance
- Business peer-based norms
- Stakeholder behaviour and concerns
- Societal norms.

### WOOLWORTHS GROUP MATERIAL SUSTAINABILITY ISSUES

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Employee conditions, wellbeing and communications

End-to-end reduction of waste

Energy and emissions

Environmentally responsible sourcing

Labour rights in the supply chain

Low price and value for money model

Partners in the community

Product quality, safety, availability and range

Supplier relationships, communication and collaboration

Understanding and responding to customer needs

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The assessment considered all of our business divisions and a broad range of external stakeholders, including consumers, customers, employees, government, investors, peers and suppliers. Inputs included customer insights, employee surveys, strategic priorities and targets, the Advantage Report, traditional and social media reviews and industry sustainability benchmark indices.

The assessment identified the Group-wide material sustainability issues set out in the table on the previous page.

The assessment also identified some division-specific issues, which have been addressed in this report, e.g. local sourcing for supermarkets, responsible service of alcohol for Endeavour Drinks and responsible gaming for ALH Group.

## **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.

## **ANTI-CORRUPTION**

All our employees commit to our Code of Conduct to maintain the highest legal, moral and ethical standards in our dealings with customers, suppliers, employees 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 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 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 and Industry Affairs in accordance with the Woolworths 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. This report was prepared in accordance with the "core" principles of the GRI Guidelines. More information can be found in the GRI Index starting on page 69.

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 also participate in the Dow Jones Sustainability Indices (DJSI), a global index that tracks the financial performance of leading sustainability-driven companies.

We are a signatory to the United Nations Global Compact (UNGC). The Index on page 68 shows our approach to the UNGC core values.



# UNITED NATIONS GLOBAL COMPACT

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Woolworths Group addresses the 10 accepted Principles of the United Nations Global Compact (UNGC) in the following manner.

PRINCIPLES	ACTIONS	PAGE
<b>Human Rights</b>		
Principle 1 Protection of Human Rights	Ethical Sourcing Policy and audit program	42-43
Principle 2 No Complicity in Human Rights Abuse	Ethical Sourcing Policy and audit program Freedom of Association and Union Engagement	42-43 63
<b>Labour</b>		
Principle 3 Freedom of Association and Collective Bargaining	Ethical Sourcing Policy and audit program Freedom of Association and Union Engagement	42-43 63
Principle 4 Elimination of Forced and Compulsory Labour	Ethical Sourcing Policy and audit program	42-43
Principle 5 Abolition of Child Labour	Ethical Sourcing Policy and audit program	42-43
Principle 6 Elimination of Discrimination	Diversity and Equal Opportunity	12-21
<b>Environment</b>		
Principle 7 Precautionary Approach	No explicit reference to precautionary approach Approach to Risk Management	67-68
Principle 8 Environmental Responsibility	Environment	24-37
Principle 9 Environmentally Friendly Technologies	Technology addressing climate change, water conservation, transport and packaging	24-37
<b>Anti-Corruption</b>		
Principle 10 Work against Corruption	Anti-Corruption	67-68

# GLOBAL REPORTING INITIATIVE

GRI	DESCRIPTION	PAGE
G4-1	Statement from the CEO	2
G4-3	Name of the organisation	Front Cover
G4-4	Primary brands, products, and/or services	AR 14 -19
G4-5	Location of organization's headquarters	80
G4-6	Number of countries where the organization operates	Contents
G4-7	Nature of ownership and legal form	AR 126-127
G4-8	Markets served	78, AR 63
G4-9	Scale of the reporting organisation	2, 3
G4-10	Total workforce	62-66
G4-11	Collective bargaining agreements	63
G4-12	Describe the organisation's supply chain	12-21, 24-37, 40-55, 58-59
G4-13	Significant changes during the reporting period	AR 98-100
G4-14	Addressing the precautionary principle	GRI Index
G4-15	External corporate responsibility charters	12-21, 24-37, 40-55, 67-68, 69
G4-16	Memberships in associations	12-21, 24-37, 40-55, 69
G4-17	All entities included in the organisation's consolidated financial statements	AR 122
G4-18	Process for defining report content	67-68, Corporate Responsibility Strategy 4-5
G4-19	Material aspects identified when defining the report content	GRI Index
G4-20	Material aspect boundary inside the organisation	Contents: Scope of Report
G4-21	Material aspect boundary outside the organisation	Contents: Scope of Report
G4-22	Explanation of any re-statements	GRI Index
G4-23	Significant changes from previous reporting periods	AR 20-24, 98-100
G4-24	List of engaged stakeholders	67-68
G4-25	Basis for identification and selection of stakeholders	67-68
G4-26	Approaches to stakeholder engagement	14-15, 40-43, 50-51
G4-27	Key topics and concerns for stakeholder	67-68
G4-28	Reporting period scope	Contents
G4-29	Date of most recent previous report	June 2016
G4-30	Reporting cycle	Annual
G4-31	Contact point for the report	80
G4-32	GRI Content Index for comprehensive disclosure	GRI Index
G4-33	Policy seeking external assurance for the report	67-68, 74-77
G4-34	Governance structure	67-68
G4-56	Values, principles, standard and norms of behaviour	67-68, 69



Disclosure on Economic Management approach		
G4-EC1	Direct economic value generated and distributed	7, 44-45, AR
G4-EC2	Financial implications of climate change	34-37
G4-EC3	Defined benefit plan obligations	AR108
G4-EC4	Significant financial assistance received from Government	GRI Index
G4-EC8	Significant indirect economic impacts, including the extent of impacts	7
G4-EC9	Proportion of spending on local suppliers at significant locations of operation	50-51

Disclosure on Environmental Management Approach		
G4-EN1	Materials used by weight or volume	GRI Index, 60-61
G4-EN3	Energy consumption	34-37, 60-61
G4-EN4	Indirect energy consumption	34-37, 60-61
G4-EN5	Energy intensity	34-37
G4-EN6	Reduction of energy consumption	34-37, 60-61
G4-EN7	Reductions in energy requirements of products and services	34-37
G4-EN15	Direct greenhouse gas emissions (Scope 1)	34-37, 60-61
G4-EN16	Energy indirect greenhouse gas emissions (Scope 2)	34-37, 60-61
G4-EN17	Other indirect greenhouse gas emissions (Scope 3)	34-37, 60-61
G4-EN18	Greenhouse gas emissions intensity	34-37, 60-61
G4-EN19	Reduction of greenhouse gas (GHG) emissions	34-37, 60-61
G4-EN20	Emissions of ozone-depleting substances (ODS)	GRI Index
G4-EN23	Total weight of waste by type and disposal method	26-27, 60-61
G4-EN24	Total number and volume of significant spills	GRI Index
G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	GRI Index
G4-EN30	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce	34-37, 60-61
G4-EN32	Percentage of new suppliers that were screened using environmental criteria	GRI Index
G4-EN33	Significant actual and potential negative environmental impacts in the supply chain and actions taken	30- 31, 40-43
G4-EN34	Number of grievances about environmental impacts filed, addressed and resolved through formal grievance mechanisms	GRI Index

<b>Disclosure on Labour Management approach</b>		
G4-LA1	Employee turnover	62-66
G4-LA2	Benefits for full-time employees	AR 108-114
G4-LA3	Retention rate after parental leave	62-66
G4-LA4	Minimum notice period(s) for significant operational changes	GRI Index
G4-LA5	Workforce represented in joint management worker health and safety committees	18-21, 62-66
G4-LA6	Rates of injury, occupational disease, lost days and absenteeism	18-21, 62-66
G4-LA7	High incidence or risk of diseases related to occupation	GRI Index
G4-LA8	Health and safety topics covered in formal agreements with trade unions	GRI Index
G4-LA9	Average hours of training per year per employee	GRI Index
G4-LA10	Career and skills management	GRI Index
G4-LA11	Employee performance and career development reviews	GRI Index
G4-LA12	Governance bodies and breakdown of employees relating to diversity	62-66
G4-LA13	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation	62-66
G4-LA14	Percentage of new suppliers that were screened using labour practices criteria	GRI Index
G4-LA15	Labour practices impacts in the supply chain	40-43
G4-LA16	Grievances about labour practices	GRI Index

<b>Disclosure on Human Rights Management Approach</b>		
G4-HR1	Significant investment agreements that include human rights clauses	GRI Index
G4-HR2	Employee training on human rights	GRI Index
G4-HR3	Number of incidents of discrimination	62-66
G4-HR4	Risks to right to exercise freedom of association and collective bargaining	40-43
G4-HR5	Risks of incidents of child labour	40-43
G4-HR6	Risks of incidents of forced or compulsory labour	40-43
G4-HR9	Human rights impacts in the supply chain	GRI Index, 40-43
G4-HR10	Percentage of new suppliers that were screened using human rights criteria	GRI Index, 40-43
G4-HR11	Human rights impacts in the supply chain	GRI Index, 40-43
G4-HR12	Grievances about human rights in the supply chain	GRI Index, 40-43



Disclosure on Product Responsibility Management approach		
G4-SO2	Operations with significant negative impacts on local communities	54, 55
G4-SO4	Communication and training on anti-corruption policies and procedures	GRI Index
G4-SO5	Confirmed incidents of corruption and actions taken	GRI Index
G4-SO6	Total value of political contributions by country and recipient/beneficiary	67- 68
G4-SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes	GRI Index
G4-SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	GRI Index
G4-SO9	Percentage of new suppliers that were screened using criteria for impacts on society	GRI Index
G4-SO10	Significant actual and potential negative impacts on society in the supply chain and actions taken	GRI Index
G4-SO11	Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms	GRI Index

Disclosure on Product Responsibility Management approach		
G4-PR1	Significant product categories for which health and safety impacts are assessed	50-53
G4-PR2	Non-compliance regarding health and safety impacts of products	GRI Index
G4-PR3	Product information and labelling	GRI Index
G4-PR4	Non-compliance regarding product labelling	GRI Index
G4-PR5	Surveys measuring customer satisfaction	GRI Index
G4-PR6	Sale of banned or disputed products	GRI Index, 54, 55
G4-PR7	Non-compliance with regulations and voluntary codes concerning marketing	GRI Index
G4-PR8	Complaints regarding breaches of customer privacy	GRI Index
G4-PR9	Monetary value of significant fines	GRI Index

# EXTERNAL ASSURANCE STATEMENT

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## INDEPENDENT LIMITED ASSURANCE STATEMENT TO THE DIRECTORS OF WOOLWORTHS LIMITED IN RELATION TO THE 2017 CORPORATE RESPONSIBILITY REPORT

We have carried out a limited assurance engagement on the subject matter detailed below (the "Subject Matter") presented in Woolworths Ltd.'s ("Woolworths") 2017 Corporate Responsibility Report in order to state whether anything has come to our attention that would cause us to believe that the Subject Matter has not been reported and presented fairly, in all material respects, in accordance with the reporting criteria described below ("Reporting Criteria").

### SUBJECT MATTER AND REPORTING CRITERIA

The Subject Matter and Reporting Criteria for our limited assurance engagement for the year ended 30 June 2017 is as follows:

SUBJECT MATTER	REPORTING CRITERIA
<p><b>GRI G4 Sustainability Reporting Guidelines</b></p> <p>Woolworths 2017 Corporate Responsibility Report in accordance with the core criteria option (the "GRI self-declaration") prepared in accordance with the requirements of the G4 Sustainability Reporting Guidelines ("GRI Guidelines").</p>	<p>The GRI Guidelines and related information, publicly available at GRI's global website at <a href="http://www.globalreporting.com">www.globalreporting.com</a>, in particular the requirements to achieve the GRI Self Declaration</p>
<p><b>Selected Sustainability Indicators</b></p> <p>The FY2017 performance data and information in respect of Woolworths' Sustainability Indicators as contained in section Global Reporting Initiative within the 2017 Corporate Responsibility Report.</p> <ul style="list-style-type: none"> <li>• Environment:           <ul style="list-style-type: none"> <li>- Energy consumption within the organisation (G4-EN3)</li> <li>- Energy consumption outside the organisation (G4-EN4)</li> <li>- Energy intensity (G4-EN5)</li> <li>- Reduction in energy consumption (G4-EN6)</li> <li>- Direct greenhouse gas (GHG) emissions (Scope 1) (G4-EN15)</li> <li>- Energy indirect greenhouse gas (GHG) emissions (Scope 2) (G4-EN16)</li> <li>- Other indirect greenhouse gas (GHG) emissions (Scope 3) (G4-EN17)</li> <li>- Greenhouse gas (GHG) emissions intensity (G4-EN18)</li> <li>- Reduction of greenhouse gas (GHG) emissions (G4-EN19)</li> <li>- Total Weight of waste by type and disposal method (G4-EN23)</li> <li>- Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms (G4-EN34)</li> </ul> </li> </ul>	<p>Woolworths' definitions and approaches as described in section Corporate Responsibility Governance of Woolworths' 2017 Corporate Responsibility Report and GRI Guidelines and related information, publicly available at GRI's global website at <a href="http://www.globalreporting.com">www.globalreporting.com</a>.</p>

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## SUBJECT MATTER

## REPORTING CRITERIA

**Selected Sustainability Indicators** (continued)

- Economic performance:
  - Direct economic value generated and distributed (G4 -EC1)
- Employment:
  - Total number and rates of new employee hires and employee turnover by age group, gender and region (G4-LA1)
  - Return to work and retention rates after parental leave, by gender (G4-LA3)
  - Number of grievances about labour practices filed, addressed, and resolved through formal grievance mechanisms (G4-LA16)
  - Total hours of employee training on human right policies or procedures concerning aspects of Human Rights that are relevant to operations, including the percentage of employees trained (G4-HR2)
  - Total number of incidents of discrimination and corrective actions taken (G4 -HR3)
  - Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms (G4-HR12)
- Occupational health and safety:
  - Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region, and by gender (G4-LA6)
- Anti-corruption:
  - Communication and training on anti-corruption policies and procedures (G4 -SO4)
  - Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms (G4-SO11)

**WOOLWORTHS'S RESPONSIBILITIES**

The Directors of Woolworths are responsible for:

- ensuring that the Subject matter in the 2017 Corporate Responsibility Report is properly prepared and presented in accordance with GRI G4 Guidelines 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; and
- designing, establishing and maintaining internal controls to ensure that the Subject Matter information is properly prepared and presented in accordance with the Reporting Criteria.

**DELOITTE'S INDEPENDENCE AND QUALITY CONTROL**

We have complied with the independence and other relevant ethical requirements relating to assurance engagements, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies 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, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

**DELOITTE'S RESPONSIBILITIES**

Our responsibility is to express a limited assurance conclusion on the Subject Matter based on the procedures we have performed and the evidence we have obtained.

We conducted our limited assurance engagement in accordance with Australian Standards 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 in order to express a conclusion whether, based on the procedures performed and the evidence obtained, anything has come to our attention that causes us to believe that the Subject Matter has not been prepared and presented in all material respects in accordance with the Reporting Criteria. That standard requires that we plan and perform this engagement to obtain limited assurance about whether the Subject Matter is free from material misstatement.

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 in the 2017 Corporate Responsibility Report. 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.

**ASSURANCE WORK PERFORMED**

In order to form our conclusion we undertook the following limited assurance procedures:

- Review of Woolworths' 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 2017 Corporate Responsibility Report
- Review of Woolworths' process to identify and determine material issues to be included in the 2017 Corporate Responsibility Report with examination of underlying assessments and evidence on a sample basis
- Interviews with a selection of Woolworths executives and senior management, including Woolworths sustainability management team concerning the overall governance structure, corporate sustainability strategy and policies used for managing and reporting sustainability performance across the business
- In respect of the Selected Sustainability Indicators
  - interviews with a selection of Woolworths management responsible for the Selected Sustainability Indicators 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 Selected Sustainability Indicators included in the 2017 Corporate Responsibility Report.
  - review underlying evidence on a sample basis to corroborate that the information is prepared and reported in line with the relevant reporting criteria.
- Comparison of the content of Woolworths' 2017 Corporate Responsibility Report against the criteria for a GRI self-declaration

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 we performed a reasonable assurance engagement. Accordingly, we do not express an opinion providing reasonable assurance about whether the Subject Matter in the 2017 Annual report has been properly prepared and presented, in all material respects, in accordance with Reporting Criteria.

**INHERENT LIMITATIONS**

Non-financial information, including the Subject Matter may be subject to more inherent limitations than financial information, given both its nature and the methods used for determining, calculating and sampling or estimating such information. Qualitative interpretations of relevance, materiality and the accuracy of data are subject to individual assumptions and judgements. The Subject Matter should be read in the context of Woolworths' Reporting Criteria as set out in the 2017 Corporate Responsibility Report.

## LIMITATIONS OF USE

This report is made solely to the directors of Woolworths in accordance with our engagement letter dated 26th July 2017, for the purpose of providing limited assurance over Woolworths 2017 Corporate Responsibility Report. We disclaim any assumption of responsibility for any reliance on this report or on the Subject Matter to which it relates, to any person other than the directors of Woolworths or for any purpose other than that for which it was prepared.

## MATTERS RELATING TO ELECTRONIC PRESENTATION OF INFORMATION

Our limited assurance engagement included web-based information that was available via web links as of the date of this statement. We provide no assurance over changes to the content of the 2017 Corporate Responsibility Report after the date of this assurance statement.

## CONCLUSION

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the Subject Matter has not been properly prepared and presented, in all material respects, in accordance with the Reporting Criteria for the year ended 30 June 2017.

*Deloitte Touche Tohmatsu*

DELOITTE TOUCHE TOHMATSU



**PR Dobson**  
Partner

Sydney, 28 September 2017



# STORE ANALYSIS

FULL YEAR ENDED 25 JUNE 2017 STORES (NUMBER)	2017 FULL YEAR	2016 FULL YEAR	2015 FULL YEAR	2014 FULL YEAR	2013 FULL YEAR
<b>Continuing operations</b>					
NSW & ACT	312	303	292	282	271
QLD	234	237	230	225	209
VIC	244	242	234	224	221
SA & NT	80	84	82	80	78
WA	94	94	92	89	88
TAS	31	32	31	31	30
Australian Supermarkets	995	992	961	931	897
New Zealand Supermarkets	184	184	177	171	166
<b>Total Supermarkets</b>	<b>1,179</b>	<b>1,176</b>	<b>1,138</b>	<b>1,102</b>	<b>1,063</b>
Thomas Dux	3	5	9	11	11
Freestanding Liquor (incl. Dan Murphy's)	387	373	359	349	339
Attached Liquor	550	544	527	509	490
ALH Retail Liquor Outlets	580	569	557	544	526
Summergate	2	2	2	-	-
Woolworths Petrol <sup>2</sup>	-	-	513	499	482
Caltex/Woolworths Petrol	-	-	-	131	131
<b>Total Food, Petrol &amp; Endeavour Drinks Group</b>	<b>2,701</b>	<b>2,669</b>	<b>3,105</b>	<b>3,145</b>	<b>3,042</b>
BIG W	185	186	184	182	178
Hotels (includes clubs)	329	331	330	329	326
EziBuy (Unallocated)	-	5	5	4	-
Home Timber & Hardware (retail)	-	-	-	28	26
Masters	-	-	-	49	31
<b>Total continuing operations</b>	<b>3,215</b>	<b>3,191</b>	<b>3,624</b>	<b>3,737</b>	<b>3,603</b>
<b>Discontinued operations</b>					
Woolworths Petrol	531	527	-	-	-
Home Improvement	-	106	102	-	-
<b>Total Group</b>	<b>3,746</b>	<b>3,824</b>	<b>3,726</b>	<b>3,737</b>	<b>3,603</b>
<b>Wholesale customer stores (continuing operations)</b>					
Super Value and Fresh Choice	65	64	60	59	55
Home Timber & Hardware wholesale	-	-	-	475	490
Statewide Independent Wholesale	220	220	220	220	220
Total continuing operations	285	284	280	754	765
Discontinued operations (Home Timber & Hardware wholesale)	-	349	452	-	-
<b>Total wholesale customer stores</b>	<b>285</b>	<b>633</b>	<b>732</b>	<b>754</b>	<b>765</b>
<b>Trading area (sqm)<sup>1</sup></b>					
Australian Food	2,252,709	2,229,714	2,143,082	-	-
Endeavour Drinks Group	446,083	430,691	413,409	-	-
New Zealand Supermarkets	415,970	417,966	397,889	-	-
BIG W	1,055,838	1,061,413	1,051,159	-	-

1 As a result of separating the trading performance of Australian Food & Petrol and Endeavour Drinks Group, we are now disclosing separate trading area for Australian Food and Endeavour Drinks Group. FY15 trading area has been restated on the same basis and is no longer comparable to previously reported data.

2 From 2014 three distribution centres were included in store numbers.

# GLOSSARY

TERM	MEANING
<b>Carbon dioxide equivalent (CO<sub>2</sub>-e)</b>	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.
<b>EBIT</b>	Earnings before interest and tax (EBIT) reflects operating revenues less operating expenses and is reported before interest and tax expense or income.
<b>Forest Stewardship Council (FSC)</b>	FSC is an independent, not-for-profit organisation which promotes responsible management of the world's forests. Refer to <a href="http://fsc.org">fsc.org</a> or <a href="http://fscaustralia.org.au">fscaustralia.org.au</a> .
<b>Lost Time Injury</b>	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).
<b>ML</b>	Megalitres or million litres.
<b>Mt</b>	One million tonnes or megatonnes, equates to one billion kilograms.
<b>MWh</b>	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.
<b>National Greenhouse and Energy Reporting Act 2007 (NGER)</b>	NGER establishes a national framework for Australian corporations to report greenhouse gas emissions, reductions, removals and offsets, and energy consumption and production. Refer to <a href="http://climatechange.gov.au/reporting/publications">climatechange.gov.au/reporting/publications</a> .
<b>NPAT</b>	Net profit after tax (NPAT) is the net earnings for the group after taking into account all income and expenses for the financial period.
<b>PEFC Council</b>	The Programme for the Endorsement of Forest Certification (PEFC) Council is an independent, non-profit organisation that promotes sustainably managed forests through independent third-party certification. Refer to <a href="http://pefc.org">pefc.org</a> .
<b>Scope 1 emissions</b>	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).
<b>Scope 2 emissions</b>	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.
<b>Scope 3 emissions</b>	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.
<b>Total Recordable Injury</b>	A Total Recordable Injury (TRI) is the sum of the total number of employee fatalities, lost time injuries, restricted work injuries or medical treatment injuries.

# COMPANY DIRECTORY

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## REGISTERED OFFICE

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Web: [www.woolworthslimited.com.au](http://www.woolworthslimited.com.au)

## AUDITOR

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Sydney NSW 2000  
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Web: [www.deloitte.com.au](http://www.deloitte.com.au)

## WOOLWORTHS CORPORATE RESPONSIBILITY

Alex Holt  
General Manager, Quality, Health & Sustainability  
Fiona Walmsley  
Group Senior Manager, Corporate Responsibility





*We are constantly innovating to meet changing needs.*

*We look for ways to improve every day – better for our customers, team and communities.*

# We create **better** experiences **together.**

*It's both the retail experiences and the experiences we make possible in customers' lives.*

*We work seamlessly as one team, leveraging our strength as a Group.*

WOOLWORTHS GROUP

