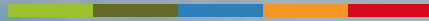


WOOLWORTHS GROUP



COMMITTED  
TO A

# Better Tomorrow

2020 SUSTAINABILITY REPORT



WOOLWORTHS GROUP LIMITED  
ABN 88 000 014 675





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Unless otherwise stated, the report covers all our operations in Australia and New Zealand for the 2020 financial year – 1 July 2019 to 30 June 2020 (F20). Only workforce data (excluding safety) is included for our global sourcing offices in China, Bangladesh and Thailand.

Photos within the report may have been taken before social distancing restrictions were in place.

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

This extraordinary year has highlighted the importance of continuing to work together to create better outcomes, greater resilience and health for all life on this planet.

Through these difficult times, we have continued to drive sustainable practices through our business to support the:

**Safety and wellbeing**

of our team, customers, partners and communities

**Diverse and inclusive culture**

to recruit and retain talent

**Reduction of emissions and waste**

to shrink our environmental footprint

**Responsible sourcing**

of our products to reduce environmental risk  
and uphold human rights

**Relationships with our partners**

to identify opportunities to serve our customers better.

**We remain committed,  
through good times  
and challenging times,  
to a better tomorrow.**

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# Committed to helping one another





Voice of Team  
engagement score

80

Remained steady  
from F19

Total recordable injury  
frequency rate (TRIFR)

11.94

▼ 19% from F19

Our community  
contribution  
as % of EBIT on a rolling  
average basis

1.05%

This has been an extraordinary year, marred by a number of natural disasters that none of us could have foreseen or imagined. Our farming industry continued to endure crippling drought conditions. The White Island disaster in New Zealand took 21 lives. Australia faced a horrific bushfire season that impacted many of our communities.

Then in late February of 2020 we began to experience the significant challenges that the coronavirus pandemic would bring to Australia, New Zealand and other countries in our supply chain. We did not anticipate the degree and speed with which we would need to recalibrate our business and the way that we interact with each other. Yet the true measure of the strength of a business is how it responds to such challenges.

The ramifications of the crisis brought out the best in our teams. They adapted, worked innovatively and supported each other to step up to their role as essential services personnel to provide our communities with essential everyday needs.

Our purpose guides every decision we make and it has never been more important than during this period of unprecedented challenge. We prioritised investment in the safety of our teams and customers. In order to meet surging demand, we welcomed 20,000 new team members, many of whom had been stood down by lockdown-affected organisations. We cared for our most vulnerable customers by providing dedicated shopping hours and priority delivery services. We know that our customers and team members choose to shop with, and work for, a company that is purpose driven.

inclusive workplace culture which values all forms of diversity.

Sustainability is important to our customers, and is now an intrinsic part of our business. We are continuing to lift our ambitions to drive the transformative change that is needed. We have been working hard on our new sustainability plan, which sets out our new goals that will guide our efforts in the coming years. We will collaborate and partner to influence and drive change beyond our walls, in our communities, supply chain and industry. We can no longer be satisfied with simply limiting detrimental impacts. We are actively looking for ways to create positive change and make the world a better place for tomorrow.

This year we have seen the way that our teams can lift to overcome a crisis, and what we can achieve together, at speed, when necessity calls. We will seek to apply these lessons to how we play our part in tackling the sustainability issues that are impacting our planet.

**We are proud to share with you our 2020 Woolworths Group Sustainability Report.**

Woolworths Group 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.

## A NEW HORIZON OF SUSTAINABILITY FOR WOOLWORTHS

We have been working hard on our sustainability agenda at Woolworths for many years. We are proud of the progress that we have made, and this year we concluded our work against our 2020 sustainability commitments. Since their launch in early 2017, we have reduced our greenhouse gas emissions by 24%, improved the sustainability credentials of our Own Brand products, and built a more

Brad

**Brad Banducci**  
CEO

Gordon Cairns

**Gordon Cairns**  
CHAIRMAN



# Living our Group purpose during turbulent times



As a diverse group of retail businesses across Australia and New Zealand, we are united by our **Purpose** – to create better experiences together for a better tomorrow.

In a year marked by a succession of crises, it has never been more important for us to live our **Purpose** and our **Core Values**.

F20 has been a challenging year for all, highlighting the importance of sustainable business, and the role we have in contributing to:

- our customers' and team members' lives
- our suppliers' ability to weather critical events
- the lives of vulnerable workers in our global supply chain
- our communities
- the broader economy and
- the environment which sustains us.

## Climate change: from drought to bushfires

During this year devastating drought and bushfires endangered the lives, food security and psychological health of our farming communities. With our partners The Salvation Army, Rural Aid, Lifeline and Foodbank, our program S.T.A.N.D (Support Through Australian Natural Disasters) has helped to fund

living expenses, food, animal feed and psychological assistance in rural communities impacted by adversity. This included using our logistics capability to transport over 37,000 tonnes of donated hay to over 3,200 farmers.

In the lead up to Christmas, our busiest time of the year, a number of our team also served as volunteers in rural fire brigades across Australia. In support of them, and in the spirit of doing the right thing by them and the communities we serve, we did what we could to help. Including providing extra paid leave for our volunteer team members to offering emergency services personnel in-store discounts.

Our bushfire response also included pledging \$250,000 to animal welfare organisations nationally and distributing over 20 tonnes of fresh food to endangered wildlife through emergency airdrops.

We have also expanded our long term support for natural disaster-impacted communities with a new fundraising initiative. Twenty cents from the sale of a 24x600ml pack of Woolworths Spring Water, or a Woolworths Spring Water 10 Litre pack, will now go towards our S.T.A.N.D program.





## Doing the right thing through COVID-19

Times of crisis only increase risks to vulnerable people, something we were extremely conscious of during our response to the coronavirus pandemic.

Our support initiatives include:

- **Collaborating with Government, regulators, our competitors and industry** to ensure an adequate and safe supply of food and essentials for all customers. Building urgent supply solutions to meet the specific needs of different groups of vulnerable customers, including the elderly, the disabled, remote and First Nations customers:
  - With the support of Australia Post and DHL Supply Chain, we created the 'Basics Box' (comprising of meals, snacks and essentials). Over 23,000 Basics Boxes have been delivered
  - Prioritising our home delivery service to provide dedicated assistance to the elderly, people living with disability and those in mandatory isolation. Over 350,000 Woolworths and Countdown customers have benefited from Priority Assistance to date.
- **Instituting dedicated shopping hours** for the elderly and disabled followed by dedicated community hours for emergency services and healthcare workers.

- **Protecting our team members and customers** by adopting stringent health and safety protocols to mitigate infection risks. This includes complying with changing regulatory requirements and taking a leadership role in recommending masks be worn at all of our Australian sites. While this has required significant investment, safeguarding the health and safety of our team, customers and communities continues to be paramount.
- **Thanking and rewarding** our store team members by giving them over \$50 million in company shares and gift cards
- **Supporting the economy** by increasing employment from impacted businesses such as the Qantas Group and deploying our ALH team members, to meet higher demand in other areas of the business and support safety initiatives.

## Speaking up when it matters

We acknowledge the Black Lives Matter movement that has seen a groundswell of support in the United States and globally, and recognise the connection and relevance it has to the serious issues affecting our First Nations peoples. This movement reinforces the importance of the work we are doing to support our First Nations customers, team members, suppliers and communities. Including our backing of the Uluru Statement from the Heart, and in our Reconciliation Action Plan.

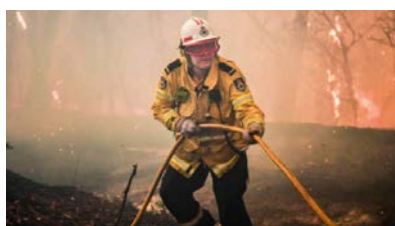
## David Mynard, Supply chain finance

With over 30 years of experience as a volunteer firefighter, David Mynard, Supply Chain Finance Lead, has attended countless incidents and community action days. During one of Australia's worst bushfire seasons, he continues to showcase his dedication and extreme bravery in helping others out on the front line, fighting fires in terrible conditions in locations such as Bilipin, because for him, helping others just comes naturally.

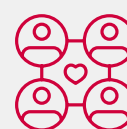
"It's all about giving back, contributing to my community and providing a better place to live," David said.

Donna Saarikko, Finance Manager, says that David is somewhat of a firefighter in the office too. "David is our go-to when we have

*exhausted all other resources and need a quick turnaround or solution. He's highly supportive, willing to try any task, and jumps in to help out when he is really needed," Donna said. "It's part of his caring and selfless nature, which he showcases in both firefighting and the office. He just thrives in helping people and it comes from a genuine place."*



We would also like to acknowledge the passing of Andrew O'Dwyer, a much respected team member whose commitment to volunteering touched the lives of many in the community.



## Community support

**\$8M+**

in financial, food, transport and labour costs to support hunger relief charity partners Oz Harvest, Foodbank and FareShare

**20,000**

plexisccreens installed across Woolworths Group stores to support team and customer health and safety

**3,200+**

farmers supported with donated hay

## Australian Leisure and Hospitality Group (ALH) supporting FareShare

When lockdown measures saw ALH venues closed and the Government asked FareShare to ramp up meal preparation from 40K to 100K per week, Woolworths donated meat and vegetables and paid for ALH chefs to work in FareShare's Victorian and Queensland kitchens. FareShare's COO Kellie Watson noted "It has given us the ability to be agile, pivot and achieve enormous production increases. I'd like to thank you again for your support to improve the lives of tens of thousands of Australians doing it tough."

# OUR 2020

## commitments and progress

Launched in February 2017, our 2020 Sustainability Strategy brought renewed focus and energy to Woolworths Group's engagement with customers, communities, supply chains and team members, as well as our responsibility to minimise the environmental impact of our operations.

In the last three years, we have made significant progress and have achieved many of our commitments. We have scored our progress in the context of our three pillars of People, Planet and Prosperity. Our new 2025 Sustainability Strategy will be released in the coming months which will guide our efforts into the future.

### Key:

- ✓✓✓ Achieved
- ✓✓ Materially progressed
- ✓ Progressed

## People – Strength in 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, inclusion and respect.

### Promoting gender equity

COMMITMENT

NEXT STEPS

1



At least 40% of executive and senior manager positions to be held by women.

Focus on improving the internal appointment process and ensuring enough women are on the short lists.

2



No salary wage gap between male and female employees of equivalent positions on a per-hour rate at all levels of the company.

Create better pay equivalency between roles with similar responsibilities.

### Building our diversity

3



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

Focus on building an inclusive environment for all of our team members.

4



Continue the focus on encouraging cultural diversity, with a commitment that our team will reflect the communities we serve.

Focus on building an inclusive environment for all of our team members.

### Supporting Aboriginal and Torres Strait Islander employment

COMMITMENT

NEXT STEPS

5



Proportion of Indigenous team members to equal Federal Government Employment Parity contract.

Focus on providing career development opportunities for our Indigenous team members.

6



Proportion of Indigenous Graduates to equal Federal Government Employment Parity contract.

Focus on providing career development opportunities for our Indigenous team members.

### Creating a safe environment

7



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

Focus on creating a COVIDSafe and COVIDCare environment.

8



Achieve Gold Tier employer status at the AWEI for LGBTQ+ inclusion.

Working to achieve Platinum Tier employer status.



## Planet – For a healthier 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

### Sourcing environmentally sustainable commodities

### Responding to climate change

COMMITMENT

NEXT STEPS

9

Towards zero food waste going to landfill.

Consistently improve our processes to reduce food waste going to landfill.

10

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

Continue to systematically remove single use plastic from our products.

11

Source key raw materials and commodities sustainably to an independent standard by 2020.

Focus on sourcing seafood from sustainable sources.

12

Achieve net zero supply chain deforestation for 'high-impact' commodities in our own brand products.

Expand our focus to other commodities.

13

Reduce Woolworths Group carbon emissions to 10% below 2015 levels by 2020. Revised: See [page 34](#).

Continue to implement innovative initiatives to decrease our energy footprint.

14

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

Continue to implement innovative initiatives to decrease our energy footprint.

## 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

### Giving back to the communities in which we operate

### Creating shared value with our customers

COMMITMENT

NEXT STEPS

15

We will achieve a top quartile ranking in how we engage fairly and equitably with our suppliers.

Build on current momentum to build supplier advocates for our business.

16

We will develop a revised Responsible Sourcing Program.

Continue to embed and improve our responsible sourcing program.

17

We will invest the equivalent of 1% of EBIT in community partnerships and programs.

Continue to support our communities especially in this time of COVID.

18

We will publicly report social impact to quantify the positive changes we are creating.

Continue to support our communities especially in this time of COVID.

19

We will achieve leading customer satisfaction scores.

Create customer advocates for our business.

20

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

Inspire (and nudge) our customers to be healthy and sustainable.



# OUR JOURNEY

## Sustainability commitments

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

### Bias training

Unconscious bias training pilot program completed.

**Our journey:** Training is now embedded for all future leaders.

ACHIEVED

### No salary wage gap

Salary wage gap between male and female employees of equivalent positions reduced to less than 1% (statistically insignificant).

ACHIEVED

### LGBTQ+ inclusion

Awarded Gold Tier employer status in Australian Workplace Equality Index (AWEI) for LGBTQ+ inclusion for three consecutive years since 2018.

ACHIEVED

## PEOPLE

## PLANET

## PROSPERITY

### Energy management

Commenced work on establishing the Energy Management Centre of Excellence.

**Our journey:** We now use the data to identify and prevent issues in our assets.

### 1% EBIT contribution

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

**Our journey:** We have donated 1% of EBIT every year.

ACHIEVED

### Plastic bags waste

Woolworths Group stores no longer offer single use lightweight plastic shopping bags.

**Our Journey:** We now offer a range of alternatives like the paper bag and the reusable "Bag for Good" where any money made from the sale goes to Junior Landcare.

### Responsible sourcing

Reviewed and launched our new Responsible Sourcing Program.

**Our journey:** We have embedded this program and continue to improve our processes to uphold human rights in our supply chain. In F20, we have released our first Modern Slavery Statement.

2017

2018



## Supporting mental wellbeing

Launched 'I am here' program dedicated to supporting mental wellbeing.

**Our journey:** In F20, over 27,000 team members completed the program and we launched the "I am here Ambassadors" program.

## Reconciliation

Launched our revised Reconciliation Action Plan.

**Our journey:** See our progress on [page 16](#).

## Resourcing the Future

We have recruited over 2,800 Aboriginal and Torres Strait Islander team members, and have met Government Employment contract conditions.

ACHIEVED

## Refugee Employment Program

Providing employment opportunities to over 100 refugees to help with successful resettlement.

## Climate risk workshops

Held Group wide climate risk assessment workshops to understand our key risks.

**Our journey:** In F20, we have taken learnings from here to develop scenario analysis for our Australian Food business.

## Reset our emission targets

Having achieved our emissions targets early, we revised our targets in line with limiting global warming to 1.5°C.

## Healthiest own brand products

Woolworths own brand products named the healthiest in Australia by independent researchers.

**Our journey:** We continue to make healthier easier for our customers and 100% of eligible products in Australia have a Health Star Rating.

## Reduced carbon emissions

Achieved both carbon emission targets for 2020, and progressing against our new target.

ACHIEVED

## Sustainable sourcing of key commodities

We have made significant progress to source our key commodities and raw materials from responsible supply chains.

## Circular economy

Improve the recyclability of own brand product packaging and reduce food waste going to landfill.

## Strong relationships with customers and suppliers

We do the right thing for our customers and partners and have improved our customer and supplier satisfaction scores.

2019

2020







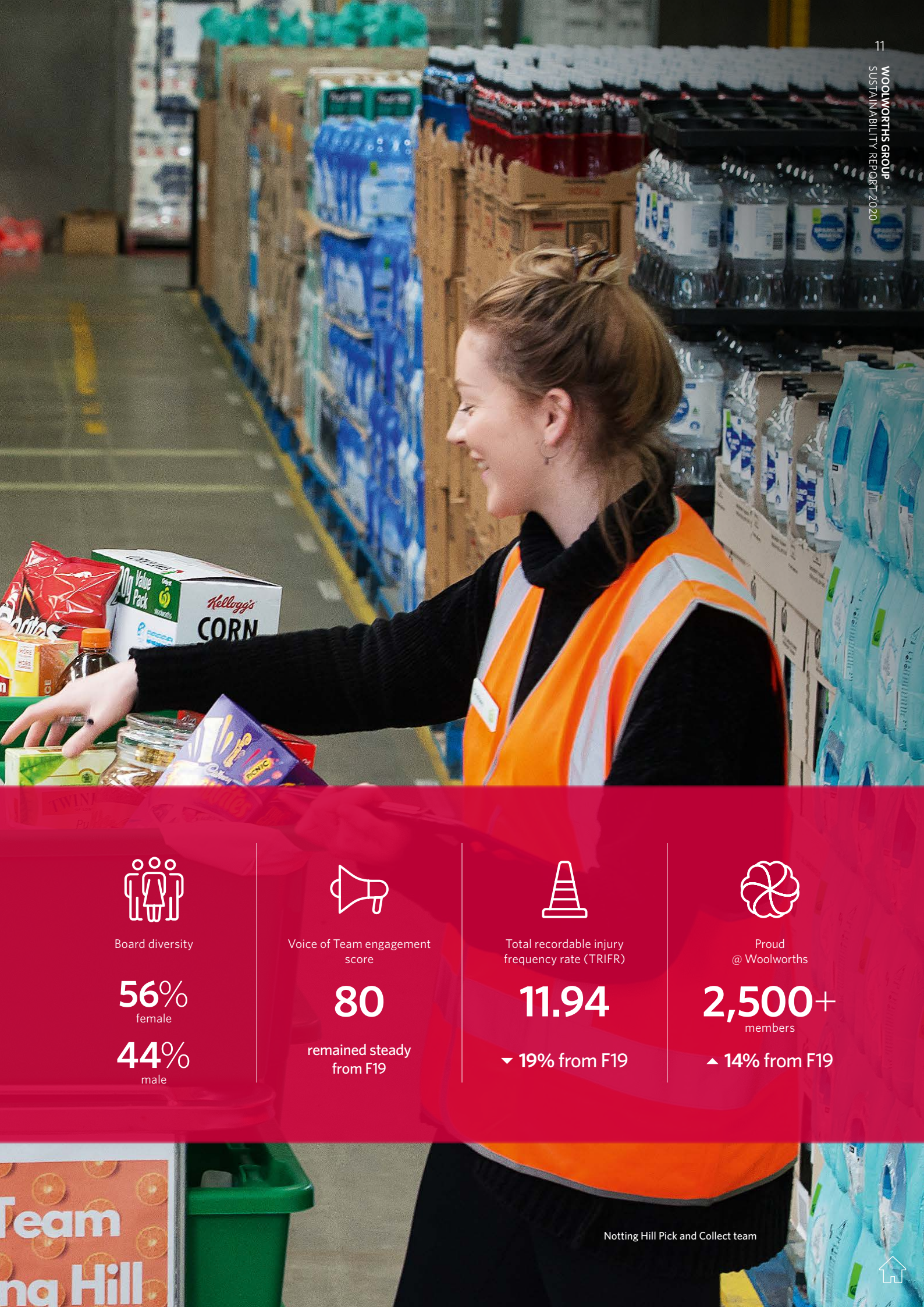
# PEOPLE

## STRENGTH IN DIVERSITY

Our purpose, ways of working and core values are embodied in the targets and commitments in our People pillar. Together, with over 215,000 team members across the Woolworths Group, we are focused on maintaining an inclusive and supportive culture that values diversity in all its forms. Our commitment to a diverse and vibrant workforce gives us the strength, skills and ability to support, sustain and foster better experiences for our teams, customers and communities.

Pick T  
Notti





Board diversity

**56%**  
female

**44%**  
male



Voice of Team engagement  
score

**80**

remained steady  
from F19



Total recordable injury  
frequency rate (TRIFR)

**11.94**

▼ 19% from F19



Proud  
@ Woolworths

**2,500+**  
members

▲ 14% from F19



Notting Hill Pick and Collect team





# Promoting gender equality

Woolworths Group is committed to maintaining an inclusive and supportive culture and workplace. We constantly strive to give all our team members equal access to the benefits, resources and opportunities to build their skills that working with us can provide. Our people are our strength – from our frontline team to those behind the scenes.

WOOLWORTHS GROUP

## Supporting our team through different life stages

Woolworths Group has a strong representation of women across our business, both in support and operational roles. Over 50% of our workforce identifies as female and more than half our board is comprised of female directors.

While we have not achieved our commitment of having at least 40% of executive and senior management positions in our business be held by women, we have improved significantly from F17 when we had 29% representation. Representation of women at senior levels of the organisation is currently at 35%, and through our Gender Equity and Inclusion strategy and in our next sustainability strategy, we are committed to improving this figure and addressing the common challenges faced by our female workforce, including the need to work flexibly, issues surrounding pay parity and systemic or unconscious bias.

As a key priority within our broader business strategy, we aim to provide equitable access to opportunities for people of all genders. We are committed to creating an environment that recognises and values all team members equally. We value and support flexibility across the Woolworths Group, in all locations including stores, distribution centres and support offices and commit to support team members in every part of our business to explore how flexibility can enable them to lead better lives and to better meet our customer and business needs.

Some of our other initiatives to support our team members this year included:

### Our Return to Work group


Team members from our “Return to Work” Group shared their personal stories of embarking on, and returning from, parental leave at a special event, which also provided hints and tips on how to survive the first 12 months, and beyond, as a new parent. It was an opportunity for those who attended to connect, ask questions and meet people at a similar life stage. The event was designed to support networking and the sharing of stories and experiences, and to ensure that team members understand the support we can offer them.

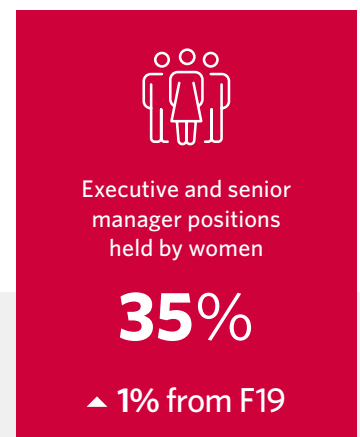
### Our Staying Connected events

Our “Staying Connected” events occur twice a year. They provide team members that are on extended leave (for reasons including parental leave or a career break) with business updates as well as updates on topics such as team benefits and our vacation care program operated in conjunction with the Guardian Early Learning Group. These events are an opportunity for team members to stay connected to our business, assisting with the transition back into the workplace when they feel ready to return.

### Woolworths Family Network

Family is central to our purpose, our values and our ways of working. At Woolworths Group, we are committed to making things better for families, including supporting our team members while they are growing their own family. The Woolworths Family Network provides important peer support for individuals within the Woolworths Group through listening sessions, networking lunches and other educational and information events.

IMPACT	
Commitment	1
Status	PROGRESSED
Commitment	2
Status	ACHIEVED
Sustainable Development Goal	





## Gender Equity Network launch

WOOLWORTHS GROUP



On 10 March, in honour of International Women's Day, we launched our new Gender Equity Network, which comprises a passionate group of team members from across the Woolworths Group who care deeply about, and believe strongly in, equity in the workplace.

The Network is a peer-led group to help instigate change, break down gender stereotypes and gender bias and create a gender-equitable workplace for all our team members. Going forward, the group will educate team members that equality is not just a women's issue, but a business issue, and one that is critical to our transformation.



## Gender equality at Countdown



Throughout New Zealand, the inequities between men and women when it comes to pay, and opportunities for career progression are well known, with the impacts being most keenly felt by Māori and Pacific women.

This year, the number of executive and senior positions held by women in Countdown is 37%. While we are disappointed to have not met this commitment target, this number has increased by almost 6% overall since F17. Although we have not met the commitment this year, we will continue to work to support all women to progress their careers at Countdown.

WOOLIESX

## WooliesX - Women in STEM

WooliesX, our technology business combining our digital, e-commerce, data and customer divisions, is keen to foster women, including women from diverse backgrounds, in science, technology, engineering and mathematics (STEM) roles within its business.

Zarah Dominguez, Senior Android Developer at WooliesX, who was raised in a rural community in the Philippines, helped to create the Woolworths' online shopping app, now used by over 1 million people.



*"It happens a lot that I'm the only woman in the team, so it is important to find and use your support network. To have others to bounce ideas off is really helpful!"*

WOOLWORTHS GROUP

## Pay Parity

We strongly believe in equal pay for equal work. Our Pay Parity Review methodology and ongoing review processes compare salaries of like-for-like roles of our team members across the Woolworths Group, at all levels. This continuing analytical work helps identify gender pay gaps between our male and female team members by grouping our positions and career streams, while accounting for team member movements that may result in fluctuations. Our last review resulted in a statistically insignificant less than 1% gap which we will aim to maintain.


## Salary payments

During F20, it was found that there were salaried team members that had not been paid in full compliance with the Woolworths Group obligations under the General Retail Industry Award and Hospitality Industry General Award. Woolworths Group is committed to fully rectifying the payment shortfalls and an extensive plan is in place to check that team members' pay is correct and fully compliant moving forward.



# Embracing our diversity

Woolworths Group believes in the power of people. Our continuing commitment to maintaining and growing a strong, diverse, engaged and inclusive workforce mirrors our commitment to the diverse customers and communities we serve and the challenges they face.

IMPACT	
Commitment	3
Status	ACHIEVED
Commitment	4
Status	PROGRESSED
Sustainable Development Goal	

WOOLWORTHS GROUP

## Inclusive leadership training

Since 2018, the Woolworths Group has run inclusive leadership and unconscious bias training across various key areas of its business. The training seeks to assist team leaders and managers, who are in a position to make hiring and promotion decisions, to develop and practice constructive and inclusive behaviours in the workplace. The training:

- Provides an overview of unconscious bias and how it impacts and limits the diversity of our workforce
- Demonstrates the importance of role-modelling inclusive and constructive leadership behaviours, values and processes in hiring decisions and people management
- Helps our leaders and managers develop strategies and actions to better leverage diversity in their teams.

Over the last three years, all relevant leaders and managers across Australia, Asia and New Zealand have completed the inclusive leadership training, which is now being built into leadership development programs across the business. In our next sustainability strategy, we will explore more opportunities to build an inclusive culture as we want every level of leadership in our business to develop and maintain more engaged, productive and innovative teams, whose diversity is recognised and celebrated.



## Refugee Employment Program

Since F18, we have worked in partnership with Community Corporate, an award-winning diversity and inclusion firm, to provide employment opportunities for displaced refugees from over 16 different cultural backgrounds, including Syria, Democratic Republic of Congo, Afghanistan, Bhutan and Iraq. The program seeks to provide hope and opportunity to its participants, assisting them with successful resettlement in Australia. The program benefits the Woolworths Group as it helps us to better reflect the cultural diversity of the communities that we serve. Since the program's inception, over 151 refugees have commenced employment with us and, in 2020 alone, we had 66 refugees join our team across the country, at our Metro, Supermarket stores and Customer Fulfilment Centres.



## Supporting and upskilling our people



At Woolworths Group, we invest in our people. Our team members, at every level, are provided with continued learning, development and upskilling opportunities to help them achieve their personal and professional goals. This not only supports them at whatever stage of their lives and careers they are at, but helps them better support our customers, and our future growth.

The Food Academy provides training for our team members working in store, and manage programs such as the Capabilities Pathways and Store Leadership programs. These are delivered through a combination of online learning, facilitated workshops and coaching to help develop the technical expertise and leadership skills required.

To develop support office team members, we partnered with Performance Frontiers to deliver programs to support leaders and teams in transformation and establish a common language and approach across the organisation. Leaders and managers were targeted and programs delivered included:

- GROW: focussing on supporting teams with growth mindset and personal buoyancy to live our purpose and values in a changing environment.
- CONNECT: focussing on supporting managers to develop stronger team first and customer first connections.
- ADAPT: focussing on supporting leaders to partner effectively across the ecosystem for us to be stronger together.
- COVID-19 had an impact on the delivery of existing programs and created demand for an immediate response to managers leading and supporting their teams virtually during this time. A quick series of nine (45-minute) virtually facilitated sessions were developed and launched within the first three weeks. 150 sessions ran over two months with 350 leaders from support offices across Australia, New Zealand and Asia attending one or more sessions.



## Refugee Employment Program: Karim Mansour



Karim Mansour is one of many shining examples of the amazing team members to come through the Woolworths Refugee Employment Program. He provides a great insight into the career progression opportunities that occur as a result of the program and is a perfect example of how refugees contribute to building Australia's economic and social prosperity.

Before moving to Australia in 2017, Karim lived in Syria with his brother and parents where he was studying law at university. Upon arrival, he began learning English at TAFE and applied for many roles, "I've applied for more than 100 jobs since arriving in Australia and have had no luck, not even an interview" said Karim.

Before the Woolworths Refugee Employment Program, Karim had no previous paid employment in Australia. That all changed in 2017, when Karim successfully applied for the program and within five months was promoted from team member to Acting Team

Leader in a relief role in the Fresh Food - Produce section at Kings Cross Metro Supermarket.

Now, in 2020, Karim has again been promoted to the role of "Fresh convenience Team Leader" at a new Metro store in Rosebery. He is working full-time and is impressing his workmates and manager with his hard work and dedication. "I feel very proud of Karim, he has been open to advice and keen to learn. He actively sought out mentorship from me to advance his career and he put in the hard work - so having the first ongoing promotion from the Refugee Employment Program into a Team Leader role is something we are all very excited about at Metro" said former store manager, Panetelis Archontides.

Karim is extremely grateful for this opportunity to create a sustainable life in Australia, through security of work. He says "Thank you Woolworths for caring for the refugees and giving me a chance to work and get experience in Australia".



# Supporting Aboriginal and Torres Strait Islander employment

We continue to play our part in building understanding and respect between our Aboriginal and Torres Strait Islander peoples and non-Indigenous Australia. With increased awareness of the challenges facing our First Nations People, our initiatives in this area have become more important.

WOOLWORTHS GROUP

## Reconciliation Action Plan

Since the launch of our second Innovate-level Reconciliation Action Plan (RAP) on 5 July 2019, we have made significant progress on our commitment to take concrete actions to build strong and lasting relationships, respect and understanding between Aboriginal and Torres Strait Islander peoples and non-Indigenous Australia. Our vision for reconciliation is a better future in which all Australians have an equal voice and access to opportunities for prosperity.

### Our progress

Strong governance in this area has been a major part of our progress this year. We participated in the annual RAP Impact Measurement Questionnaire overseen by Reconciliation Australia to get baseline data regarding our progress against our second RAP. This assists us to continually develop, implement and review our RAP, and our actions to meet it. Our data also contributes to Reconciliation Australia's annual RAP Impact Measurement Report, which outlines the collective impact of the wider RAP program.

During the year, we undertook a range of initiatives including:

- Further developing our RAP Working Group (RWG), which actively monitors our RAP and its implementation, and tracks our progress against our commitments through reporting. Currently, our RWG has three Aboriginal and Torres Strait Islander representatives and 20 non-Indigenous representatives, and we are establishing a team member network to have First Nations representation on various RAP squads throughout the business
- Launched the quarterly "Having a Yarn" newsletter to reach out to all our team members to share more about the First Nations culture
- Continuing to work with local Aboriginal land councils in implementing our Resourcing the Future Employment Program in local communities.

A key focus of our RAP is diversification of our supplier relationships by increasing our number of Aboriginal and Torres Strait Islander supply partners. We continue to actively seek out opportunities to build Aboriginal and

Torres Strait Islander supplier diversity within our organisation. This year, we appointed a supplier diversity manager who has implemented improved processes to track Aboriginal and Torres Strait Islander supplier spend. As a result, we have seen a 1,100% increase in spend with First Nations suppliers to the Woolworths Group. One example of the impact of this has been during the COVID-19 pandemic. We approached

### IMPACT

Commitment **5**

Status **ACHIEVED**

Commitment **6**

Status **ACHIEVED**

Sustainable  
Development Goal



## Having a yarn

**Kayal (Hello),**  
This is our very first newsletter and it's for everyone who works and lives across our beautiful lands.

Quarterly, we're going to reach out to all our team members, share culture and have a yarn. It's an opportunity to stay connected and be reminded of what we can be doing to care for this land and its people.

In this edition, you can get your head around this thing called reconciliation. You may hear a lot about it but may not have taken the time to fully understand what it is and why it's needed.

There is a role for everyone in reconciliation to take a look at some suggestions of how you can make a difference.

This is our first go at a newsletter so feel free to send feedback and ideas about what you'd like to see more or less of.

If you are a First Nations team member, join the First Nations team member network and contribute to our RAP and sharing culture with our 200,000 team members.

**Chairs,**  
Clint Johnson and Courtney Palmer

Clint Johnson  
Team or call: 0404 829 093  
Email: clintjohnson@woolworths.com.au

Courtney Palmer  
Team or call: 0404 829 140  
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**Giveaway**  
The movie, *The Final Quarter* is a must-see for all Australians. To ensure you, your family and friends get to see it, we've made it available for you to watch online until 31 March 2020. It's a powerful exploration of racism in Australia, presented in an engaging and interesting way using only clips from the media at the time. Ask the Finance team, as more than 100 team members watched it together during lunch. To watch the movie online go to:

**The Final Quarter** <http://bit.ly/WGTheFinalQuarter>

**Password:** w00lgr0up

To win a copy of the DVD go onto the First Nations Bardi's Google+ community and share an image or write something that tells us 'what reconciliation means to me'. Two winners from each state will be selected and sent a DVD.

**Diversity & Inclusion**



small Indigenous-owned businesses Supply Aus, Cole Workwear and Position Promo, when COVID-19 was at its peak in March to get much needed hand sanitiser supplies to its stores, with over 300,000 litres of hand sanitiser supplied by local Indigenous businesses.

We delivered critical food supplies to remote Aboriginal communities during the COVID-19 pandemic, whilst maintaining the integrity of remote travel restrictions and protecting our most vulnerable Australians. In order to effectively contribute to Aboriginal communities, we developed partnerships and worked with Metcash, manufacturers and organisations, including the Arnhem Land Progress Aboriginal Corporation (ALPA), Outback Stores and the NSW Aboriginal Land Council. We are pleased to have been able to donate approximately 6,500 Basics Boxes (equating to more than 100 tonnes of essential supplies) directly to those retailers. We were able to move around 4,000 Basics Boxes (or around 64 tonnes of product) in approximately 24 hours of learning of the issues being faced to assist with urgent distribution of essentials items.

We have also invested in listening and learning opportunities to foster a deeper understanding of the perspectives and experiences of our Aboriginal and Torres Strait Islander team members, customers and communities. While rollout has been delayed due to COVID-19, we have made plans for listening sessions in each State and Territory across Australia to better engage our Aboriginal and Torres Strait Islander team members and seek their views on our RAP and our framework to advance reconciliation. Two alumni of our Resourcing the Future Employment Program, Isha and Ranelle of our Rockhampton team (see page 19), have been integral in designing the listening sessions, which would include face-to-face First Nations team members and store and support office team member participation. The national program of listening sessions will get underway as soon as the pandemic passes.



Aboriginal and  
Torres Strait Islander  
team members

**4,500+**



## Supporting the Uluru Statement from the Heart

We have a deep respect for our Aboriginal and Torres Strait Islander team members, customers and all of those who live in the communities we serve. We firmly believe they should have a voice in decisions that affect them. That's why we support the Uluru Statement from the Heart, and the recommendations of the Referendum Council.

A First Nations voice to Parliament enshrined in our Constitution and a Makarrata Commission to oversee agreement-making and truth-telling are critical steps toward reconciliation. They allow First Nations people to claim their rightful place in our nation and enable us to move forward together.

## National Reconciliation Week

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Our vision for Reconciliation is a better tomorrow where all Australians have a voice and equitable access to opportunities for prosperity. During National Reconciliation Week 27 May - 3 June, we took this time to reflect, educate and raise awareness across the group. Our activities included sharing a video of Brad Banducci and Adam Goodes talking to Woolworths' team members about Reconciliation Week and the Uluru Statement from the Heart, opening meetings with a heartfelt Acknowledgement of Country, encouraging team members to learn about Australia's true history and to find out more about their local Aboriginal and Torres Strait Islander community.

To reinforce our support for the Uluru Statement from the Heart, we used Reconciliation Week as a platform to share information, start a conversation and encourage our team to learn more. This included adding a reconciliation wall containing the Uluru Statement from the Heart to the team rooms of our stores and sites to which our team members

added their own personal commitments to reconciliation. We distributed reconciliation notebooks that contained information about Acknowledgement of Country, our RAP and the Uluru Statement from the Heart, and launched our new First Nations - Sharing Culture website, containing links to register support for the Uluru Statement as well as information for our team members to explore further.



WOOLWORTHS GROUP

## Resourcing the Future

Our Resourcing the Future Employment Program is a partnership between us, the Australian Federal Government and Diversity Dimensions to address and overcome the barriers to employment opportunities in our recruitment processes for Aboriginal and Torres Strait Islander Australians and increase the number of First Nations team members joining the Woolworths Group. Since the program's inception in 2015, we have offered employment to 2,884 Aboriginal and Torres Strait Islander job seekers, with most of these roles offered in regional or remote areas. Retention rates remain high at 71%. The program has been structured to set up both our teams and the candidate for success. Our team members undertake Indigenous cultural training before the candidate commences work, and our candidates have access to a mentor to support them throughout the program.

## Apprenticeship First Nations baker: Cassandra Campbell



### WOOLWORTHS SUPERMARKET, COOMERA WESTFIELD

Aboriginal and Torres Strait Islanders make up 6.9% of all of our apprentices, and amongst them is Cassandra Campbell, a strong Aboriginal woman from the Waanyi people of the Lawn Hill area near the Gulf of Carpentaria.

In 2016 she moved to the Gold Coast to further her studies and career, first approaching Woolworths Ormeau to complete her apprenticeship as a baker. Cassandra chose Woolworths as *"bakers are in high demand and Woolworths has great job stability."* Balancing the demands of study with her apprenticeship was difficult at times, but Cassandra persevered. Cassandra's journey with us has made her stronger and more resilient.

*"If you are a female, don't be afraid to take on a trade! It can seem very daunting but also very rewarding."*

## Jawun partnership: Simon Tracey

WOOLWORTHS GROUP

### WOOLWORTHS SUPERMARKETS MARKETING TEAM

Since its inception in 2013, our partnership with the Jawun Indigenous Community Program has enabled team members from across the Group to take part in invaluable cultural immersion opportunities. Simon Tracey was seconded to help develop a partnerships strategy for the Gadigal Information Service Aboriginal Corporation (GIS), which broadcasts Koori Radio (93.7FM 2LND).

Simon supported the management team to develop the sponsorship strategy and examine the GIS brand, communications and website and assisted with team training in areas such as project, time and information management.

Simon found the secondment incredibly beneficial, as it forced him to challenge his personal beliefs and introduced him to more holistic, respectful and community-oriented ways of thinking, working, living and behaving. During his time with GIS, Simon was told, *"It's not the job of Elders to educate, it is the privilege of the younger generation to be able to ask for knowledge when they are ready to listen."*

Simon notes, *"There was a lot I didn't know, and conversations with First Nations peoples are steeped in truth-telling. Once I took a hard personal look at who I am, and what I'd like to create for future generations, my paradigm view expanded."*



Simon Tracey with Lola Forester, Presenter/Producer of "Blackchat" news and current affairs program on Koori Radio 93.7fm



## Resourcing the Future:

### IESHA GAGAI AND RYNELLE MAROU

We have been introduced to many talented Aboriginal and Torres Strait Islander peoples through our Resourcing the Future Employment Program delivered in partnership with Diversity Dimensions. Two examples of that talent are Iesha Gagai, a community member from Cherbourg, Queensland and the Badu community in the Torres Strait and Rynelle Marou, from the Wangkumarra people of Queensland and the Torres Strait Islands.

Iesha joined the Parkhurst store in 2019, which is her first ever job and Rynelle joined the Woolworths store in Yeppoon in October 2019. Both team members started off in their own quiet way, but quickly became familiar with our stores and customers and started to contribute and make a real difference. They are liked and respected by their team members and have a great relationship with our customers.

Rynelle says that this role with Woolworths has helped her to support her family and provided opportunities for growth that she has never had before. *"It has given me huge self confidence and makes me believe that I can achieve my goals"*. Iesha echoes a similar sentiment to Rynelle and feels like Woolworths has enabled her to "break the cycle" and be a positive role model to her children. They are both advocates for the program and working at Woolworths, due to the short and long term benefits that it has provided them in their personal and professional lives. They are excelling within their respective positions, with Rynelle taking the opportunity to step up into a relieving team support role.





Rynelle Marou, Woolworths Yeppoon, Qld





# Caring for the safety and wellbeing of our teams and customers

IMPACT	
Commitment	7
Status	PROGRESSED
Sustainable Development Goal	
Safety	

WOOLWORTHS GROUP

## Safety, health and wellbeing

We care deeply about the physical and psychological safety, health and wellbeing of our customers, team and business partners and we are committed to creating environments which uphold these commitments.

### Physical safety and health

With over 3,000 sites and a diverse set of operations spanning retail, manufacturing, logistics and hospitality, safeguarding the physical health and safety of our team, customers and partners is of paramount importance.

Our commitment is to implement the most effective solutions to enable us to manage our physical health and safety risks. As part of this commitment, we are continually looking at ways to innovate and improve and have invested in new technology to align with current examples of best practice.

For a business like Woolworths Group, repetitive strain injuries for team members, and a slippery floor for customers, are amongst our biggest incidents. In response to this, automated robots that can detect spills and tripping hazards, and wearable

sensors for our team to help improve their manual handling, are just two of the innovations that are being currently piloted within our business.

In addition to these predictable risks, we also face broader risks. One such example is the complex area of vehicle logistics. Sadly, in 2016, a member of the public lost his life in the Northern Territory after being involved in a vehicle incident at a Woolworths store loading dock.

We deeply regret this event and the tragic loss of life, however we have made a commitment to learn from this incident and have worked to further enhance the safety of our loading docks. Specifically we have looked at:

- Enhancing traffic controls, including traffic lights for trucks at store docks
- Installing sensors to detect people and reversing trucks
- Installing lighting, CCTV and monitors to increase visibility
- Installing barriers, signage and line marking to separate people from moving vehicles
- Improving the training for our team.

As part of the incident investigation, Woolworths entered into a Workplace Health and Safety enforceable

undertaking (EU) with the Northern Territory regulatory agency (WorkSafe) and remain committed to improving the effectiveness of how we manage our more significant risks.

We have seen a 19% reduction in total recordable injury frequency rate (TRIFR) in F20 (11.94) compared to F19 (14.75). Manual handling remains our key cause of injury, and throughout F20 there was a focus of tailored safety interventions. These included manual handling training and risk awareness campaigns, improved access and availability to manual handling aids and materials handling equipment, and proactive utilisation of our early intervention physiotherapy programs to deal with symptoms before an injury occurs. As a result we have seen a 24% reduction in manual handling injuries this year. We are exploring emerging technologies to help us better assess and address manual handling risks including the use of biofeedback technologies that help map real time biomechanics and identify at risk movement.

### Psychological safety and wellbeing

Safeguarding our team's psychological safety and wellbeing is an equally

critical part of our overall commitment to caring deeply for our people. Mental health and suicide remains a major challenge for Australia and New Zealand, and industry and government bodies recognise the impact of the COVID-19 pandemic is likely to lead to increased rates of suicide and mental health within our communities.

At Woolworths we believe that it is okay to not feel okay, and it's absolutely okay to ask for help.

To support this belief, we launched our "I am here" program, with over 27,000 team members completing the course. Using "I am here" at the centre we have broken down our wellbeing offering into Physical, Mental, Social, Community and Financial Wellbeing elements.

This year we also launched "I am here Ambassadors". This provides team

members with additional skills and an ability to support other team members who may be struggling to cope.

The concepts learnt through "I am here" not only improve the lives of team members, but can also be used outside of work with friends, family and the broader community.

In support of our commitment to mental health, we also introduced Unmind, an app that can be downloaded by any team member on their phone that empowers our team to discover and care for their mental wellbeing. Unmind provides practical tools based on positive psychology, cognitive-based therapy and neuroscience to support our team to help identify and manage mental health issues, and realise their full potential. We currently have over 10,000 active users of this app.

As with our commitment to innovate and improve in terms of physical safety, we are also continuing to listen and learn and have found that financial wellbeing is an ever increasing yardstick in determining people's wellbeing. In response to this, we have launched a series of targeted financial programs, supported by our partner, Good Shepherd such as interest free loans and targeted financial aid, so as to support teams through difficult life situations.

Our commitment to safeguarding our people remains resolute and by living our values of caring deeply, constantly listening and learning and, importantly, being willing to do the right thing, we believe we are strongly positioned to continue to create both physically and psychologically safe environments.

## Responding to COVID-19

WOOLWORTHS GROUP

Safety, health and wellbeing was at the forefront of our response to COVID-19 for both our customers and team members. As an essential service it was critical that we could continue trading to support our communities.

Our response was shaped by our values of doing the right thing, listening and learning and caring deeply. We worked closely with government bodies such as the Department of Health and shared learnings with other retailers both in Australia and across the world. It was amazing to see how quickly we came together, learnt, adapted and implemented measures in over 3,000 sites.

We significantly invested in new measures in place to help make our stores a safer place to shop and work, many as a direct result of feedback from store teams and customers. These included:

- A significant increase in cleaning, especially "high touch" surfaces and hygiene ambassadors to wipe down basket and trolley handles as you enter
- Sanitiser stations for customers at store entrances and exits
- Reinforcing hygiene standards and messages around hand washing and staying away when you are unwell
- Physical distancing across all sites – asking customers to keep 1.5m between each other in store
- New Plexiglass screens across our staffed checkouts

- Managing the number of customers in our stores
- Making gloves and masks available for all team members to wear, ramping up support for locations where mask use is mandatory, and highly recommending mask use for team members and customers in some regions
- Temperature checking options across all sites
- Providing wellbeing support programs, particularly related to mental and financial health.

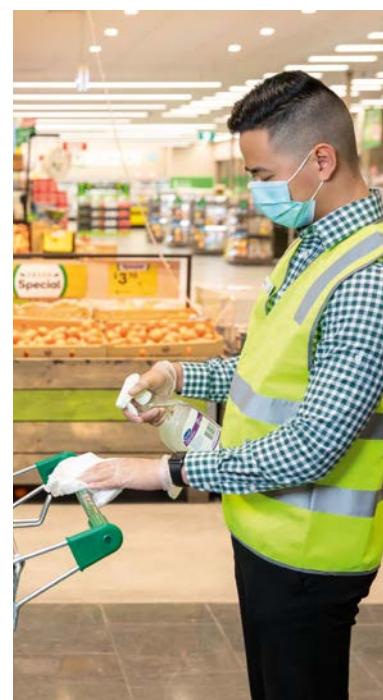
During this period, we were guided by our purpose and values in our interactions with our customers. Our team was empowered to continue to put the needs of the customer first, however they were equally empowered to safeguard themselves and their teammates and do the right thing when it came to dealing with isolated examples of customer aggression.

COVID-19 amplified certain levels of aggression, so to protect our team and customers, we employed extra security in our stores and also worked with academics and industry experts to develop responses to support our team members.

Despite these isolated incidents, overall it was heartwarming to see how much respect and kindness was shown to our team members and how the public responded so positively to our

unflinching commitment to the safety, health and wellbeing of all of those who came into contact with us whilst the pandemic was playing out. As we settle into the "new normal" we continue to focus on creating a COVIDSafe and COVIDCare environment for our team and customers.

We would genuinely like to thank all of you for your support in keeping us and each other safe.





# Creating opportunities for all

Building and maintaining an inclusive workplace is not only the right thing to do, but also allows us to recruit and retain strong talent.

## IMPACT

Commitment **8**

Status **ACHIEVED**

Sustainable Development Goal



WOOLWORTHS GROUP



## Gold Tier Employer

Woolworths Group is proud to announce that we have been recognised with gold tier status in the 2020 Australian Workplace Equality Index (AWEI) for the third year running. The AWEI is a national benchmark for Lesbian, Gay, Bisexual, Transgender and Queer + (LGBTQ+) inclusion and measures an organisation's level of inclusion for LGBTQ+ people in the workplace.

In 2017, Woolworths pledged to reach AWEI gold tier status by 2020, which was documented in our 2020 Sustainability Strategy. We are incredibly proud to have not only achieved gold status in 2018 – two years ahead of schedule, but our continuous drive to embed a culture of inclusivity at Woolworths Group for our LGBTQ+ team members has enabled us to reach gold for three consecutive years, the first retailer to reach this milestone.

In the past twelve months, Woolworths Group has undertaken the following initiatives to progress LGBTQ+ inclusion in the workplace:

- Expanding our reach into regional and local pride festivals
- Introducing our inaugural Proud awards, to recognise exemplary individuals that go above and beyond in promoting LGBTQ+ inclusion
- Increasing our focus in raising awareness for Intersectionality and Transgender and Gender Diverse inclusion

- Continuing educational LGBTQ+ events and training sessions for role specific cohorts – Early Careers, Managers, Culture and People, Talent Acquisition, Employee Relations and Allies
- Growing the Proud at Woolworths Group to 2,500+ members
- Celebrating Wear it Purple Day across the Group, nationwide
- Partnering with the Sydney Gay and Lesbian Mardi Gras since 2018, with team members participating in the parade for our second consecutive year
- Launching our new Proud at Woolworths Group website that houses all our tools, resources and learning materials.





## NZ Rainbow Tick

For the second year running, NZ Countdown has achieved Rainbow Tick accreditation. This prestigious certification is given on an annual basis, and attests that we are a progressive and inclusive organisation that reflects the community we serve.

Organisations that meet the Rainbow Tick benchmarks are committed to an ongoing quality improvement program focused on LGBTQ+ inclusion across the areas of Policies, Team Training, Team Engagement and Support, External Engagement and Monitoring.

WOOLWORTHS GROUP

## Welcome Here

In F19, BWS partnered with ACON, a community organisation supporting health, inclusion and HIV responses for people of diverse sexualities and genders, to become a registered Welcoming Place, in support of ACON's "Welcome Here" Project. The Welcome Here Project supports businesses and organisations throughout Australia to create and promote environments that are visibly welcoming and inclusive of LGBTQ+ communities.

BWS piloted this project with huge success, we currently have over 440 participating stores, and this number continues to grow. Due to the success experienced at BWS, the Welcome Here Project has, this year, expanded to 75 Metro stores across Australia.



## Proud Leadership

We implemented the Proud Leadership course this year, designed specifically for LGBTQ+ team members. This course is run over four full days, over eight weeks. The course combines management education subjects with others aimed at fostering inclusion. Learning occurs through a combination of classroom teaching, group discussions, team exercises, self-reflection and coaching. Feedback was positive: "it was an amazing course...one that helps us understand our paradigms and experiences".

1  
PERFORMANCE  
HIGHLIGHTS2  
PEOPLE3  
PLANET4  
PROSPERITY

## Proud at Woolworths Group

In the past year the Proud network at the Woolworths Group has been involved in more Pride festivals and marches than ever before, expanding our Proud network all across Australia. As one of Australia's largest employers, we have a place in every Australian community, and we want all our team members to feel safe, supported and proud to bring their whole self to work. Over the year, the Proud network was very proud to take part in the:

- Sydney Gay and Lesbian Mardi Gras 2020
- Fair Day 2020
- Melbourne Midsumma Pride March 2020
- Coastal Twist 2019
- Brisbane Pride 2019
- Perth Pride 2019
- Adelaide Pride 2019
- TasPride 2020.

## Proud Awards



The Woolworths Group Proud Committee hosted our first annual Proud Awards in December 2019, to acknowledge and recognise exemplary individuals who have done great work in LGBTQ+ inclusion. Team members who identify as LGBTQ+, and their allies, can be nominated for this award.

We received 54 nominations, as well as pictures and videos of our team members displaying their passion for LGBTQ+ inclusion, and all nominees went into the running to win a spot on our 2020 Sydney Gay and Lesbian Mardi Gras Parade float.

Guy Brent, Managing Director of FoodCo and Metro, and the Proud Committee Co-Chairs selected Ashley Martin as our well-deserving inaugural winner. Ashley is a wonderful LGBTQ+ role model, who lives our values every day. He took on the responsibility for organising participation in our first ever Adelaide Pride March in 2019 and achieved the highest participation rate of any Pride march so far. He played an integral role in influencing the BWS leadership team to add the Proud rainbow logo as an option for team member name badges and also brought Wear it Purple day to life across WA/SA/NT.





# PLANET

## FOR A HEALTHIER ENVIRONMENT

We continue to take vital steps to increase the sustainability of our business, to benefit the communities we serve and environments in which we operate. Our customers expect us to reduce our environmental footprint and lead by example, so we continue to partner with industry stakeholders to explore new innovative initiatives.







Total food relief diverted to people in need

**20.4M**  
meals

▲ 9% from F19



Stores with transcritical or waterloop systems

**34**

▲ 89% from F19



Solar power generation

**16,466**MWh

▲ 54% from F19



2020 carbon emissions

**24%**

below 2015 levels



NSW farmers picking fresh produce for Woolworths distribution





# Reducing our food waste

Woolworths Group continues to implement new initiatives to reduce food waste. This includes creating new product lines from unsold food and increase our support to our food rescue partnerships to provide relief to those suffering from food insecurity.

WOOLWORTHS GROUP

## Reducing food waste

As Australia's largest supermarket chain, tackling food waste and helping to feed Australians in need, continue to be two of Woolworths Group's key priorities to support our communities.

Food waste continues to be a circa \$20 billion problem for Australia, and it is estimated that Australian consumers threw out a staggering \$10.1 billion worth of food in 2019. Food production, processing, logistics and manufacturing utilises vast amounts of resources, including water, fuel and human labour. It is estimated that global food production is responsible for roughly 26% of global greenhouse gas emissions. As a concerned food retailer, we have been working hard to reduce the amount of unsold food that we throw out. We have also been partnering with our growers, distributors and customers to help them reduce wastage along the food value chain from farm to table.

To help reduce waste in the food chain we launched "The Odd Bunch" range of fruit and vegetables in December 2014. Since launch, we have sold more than 156,000 tonnes of these perfectly

edible, "beautiful on the inside", fruits and vegetables. This helps our farmers sell more of their crops, benefits cost-conscious and environmentally aware customers and keeps healthy, fresh food out of landfill.

Within our own operations, we introduced initiatives such as:



### Our "Reducing Food Waste to Landfill Program"

Since January 2019, 100% of our supermarkets across Australia have a food waste diversion program in place. Each store's program contributes towards at least one of the following beneficial streams: food rescue for hunger relief, donations to local farmers for animal feed and commercial organic recycling for composting.

### Woolworths banana bread

We use the unsold, overripe bananas from our own stores to create in-store Woolworths banana bread.

Not only does this stop unsold produce from going to landfill, 50 cents from the sale of each banana bread loaf goes directly to OzHarvest, supporting them to deliver a meal to someone in need.

IMPACT	
Commitment	9
Status	PROGRESSED
Sustainable Development Goal	
Sustainable Development Goal	

## Our food rescue partnerships

Woolworths has increased our donations of surplus food and is now the largest food donor to Foodbank, OzHarvest and FareShare, donating the equivalent of over 20 million meals this year. These relationships with our major food relief partners, as well as our many local community groups, ensure that our surplus fresh food is donated directly and free of charge to thousands of smaller food relief agencies across the nation helping to feed Australians in need everyday.

During the first four months of the COVID-19 outbreak from March to June, we were able to support our food relief partners with \$1.7 million additional cash for operating expenses, \$5.29 million in direct additional food donations, \$1.09 million in paid labour, and \$180,000 in transport and logistics.

By reallocating our Australian Leisure and Hospitality Group team members into Australia's two largest community kitchens run by FareShare, we were able to support FareShare to increase their production of free and healthy meals to over 500,000 a month. With OzHarvest and Foodbank also recording record months for distribution of food to Australian communities.

## Woolworths feeds endangered native wildlife impacted by bushfires



As part of our commitment to reducing food waste and supporting vital conservation and regeneration work, Woolworths already diverts over 30 million kilograms per year of surplus food to more than 700 local farmers for animal feed, including zoos such as Australia Zoo and Sydney Zoo.

So this year, when the devastating bushfires destroyed the habitat and natural food supply of many vulnerable and endangered native species such as the brush-tailed rock wallaby, grey-headed flying fox, and mountain pygmy possum, Woolworths teamed up with the WWF and the NSW Government's "Saving our Species" program to distribute over 20 tonnes of fresh food for wildlife.

Woolworths also teamed up with WIRES to launch the "Woolworths Food For Wildlife Initiative". This initiative connected scores of local wildlife carers to local stores across Queensland, New South Wales and Victoria to supply free fruits, vegetables and nuts for them to feed displaced native animals until ultimately returning them to their natural habitats when their natural food sources regrow.



## Endeavour Drinks reducing waste



Our Endeavour Drinks business continues to make great progress towards the commitment to zero waste to landfill and improving the recyclability of its own brand packaging at its winery and production facilities in South Australia.

Our sites (Dorrien Estate Winery and our Vinpac Angaston production facility) completed the implementation of their own environmental management systems and each obtained an ISO 14001:2015 Environmental Management System certification, covering matters including storage, packaging materials, resource and solid waste usage and effluent quality.

Other highlights include:

- The general waste produced on site at Dorrien Estate Winery is now processed at the ResourceCo facility in Adelaide. The waste is converted into processed engineered fuel (PEF), which can be used to replace fossil fuels to generate energy
- Participation in the Barossa Regional Recycling project as a member of the advisory group with local authorities and other members of the region's wine industry. The project's objective is to understand waste management systems, impacts to the area and identify opportunities to improve the waste management practices
- The Wine Industry Sustainable Packaging Alliance (WISPA), chaired by Endeavour Drinks, is now into its second year. This "collective impact model" is a collaboration between APCO and key businesses across the wine industry value chain, working together to improve recycling rates, drive innovation and fuel the circular economy within the Australian wine industry.

## Giving food a second life



Across New Zealand we work with over 20 food rescue charity partners. Food that is safe to eat but can't be sold is picked up by our partners and distributed to people most in need. Other food that is safe for animal consumption, is donated to farmers to feed their livestock. In F20, we diverted 6,279 tonnes of food from landfill.


After seeing the unique challenges our communities are facing in the wake of COVID-19, we established Countdown's Food for Good Foundation. As the first step, we donated \$1 million in the wake of COVID-19 to our food rescue and food welfare charity partners to help them answer the massively increased demand for food support, and help them operate in the immediate term.





# Moving to a circular economy

Across our product ranges, we continue to work hard to remove or reduce plastic packaging, and increase packaging recyclability, to enable our customers to contribute to the circular economy

IMPACT	
Commitment	10
Status	PROGRESSED
Sustainable Development Goal	

WOOLWORTHS GROUP

## Packaging initiatives

Our packaging work seeks to address two significant environmental issues:

- Removing or minimising packaging due to its potentially detrimental effects on the environment during production and post-sale
- Minimising food wastage, recognising that some packaging is necessary to reduce food waste for perishable items.

In response to these competing issues, we have been working hard to identify and reduce excess plastic packaging, as far as practical, across a range of fruit and vegetables. The trays for sweet potatoes and organic apples are now made of recycled cardboard, rather than plastic. Woolworths has also commenced a trial of switching plastic packaging in its popular Fresh Food Kids range of apples, pears and bananas to easy-to-recycle cardboard boxes. Also, by moving out of plastic clamshell and into adhesive tape for bananas, replacing rigid plastic trays with pulp fibre on tomatoes, moving to a paper tag on broccolini and reducing plastic film by 30% in weight on carrots

and potatoes, Woolworths has removed 237 tonnes of plastic packaging in produce.

We have also offered our customers access to the in-store RedCycle program, and have recycled approximately 10,600 shopping trolleys worth of soft plastics this year.

During the COVID-19 pandemic, we recognise that our customers are prioritising their health and that of their

families and we paused some of our initiatives (such as the “Unwrapped” trial in Countdown). However we have not made any changes to our long-term plastic reduction commitments. We believe that in the longer term, plastic reduction, and living more sustainably in general, will continue to be important to consumers as the ongoing global pandemic drives a renewed sense of urgency regarding the impact humans can have on the planet.

## Improving the recyclability of packaging

We continue to work with the Australian Packaging Covenant Organisation (APCO), a not-for-profit organisation partnering with government and industry, to reduce the environmental impact of packaging, on our commitment that 100% of all our own brand packaging be reusable, recyclable or compostable by 2025. We have been a member of APCO since 2007, and were the first supermarket to commit to the Australasian Recycling Label (ARL), which gives customers clear on-pack recycling information. We know that our customers want to contribute to a circular economy and do their part to increase recycling rates.



This year we have added the ARL to more than 850 Woolworths own brand products including ready-made meals and pre-packed salads. We will continue to add the ARL to other products as packaging is updated.

## Bringing Loop™ to Australia

Woolworths has partnered with waste management company TerraCycle to bring its zero waste reusable packaging solution, Loop™, to Australia. Loop™ allows customers to sustainably consume a range of common products (including washing detergent or shampoo) in customised, durable packaging, delivered to their home in a reusable shipping tote. When finished, the packaging can be collected from home, or dropped back in store, to be cleaned, refilled and reused. Through the partnership, which is due to commence in mid 2021, Woolworths is committed to reducing plastic waste in Australia.

## Woolworths 360

360<sup>®</sup>

Woolworths 360 was established in October 2019 to drive step changes on environmental priorities across our retail ecosystems.

Woolworths 360 will leverage our network including suppliers, consumers, regulators and assets, to address significant environmental challenges to generate long-term value for the business and stakeholders.



730

tonnes of plastic removed from produce since F18

## Countdown goes “Unwrapped”



From February 2020, Countdown commenced a 10 week trial across its Orewa, Ponsonby and Manukau stores aimed at removing plastic and packaging from our stores, with the goal of gathering learnings to further reduce plastic long-term.

The new-look “Unwrapped” fruit and vegetable section featured much less plastic and more loose produce, and trialled new, specially-designed paper and cardboard packaging. 65 products were “unwrapped” from their usual plastic wrap or packaging, and plastic produce bags were also removed, with customers encouraged to use reusable

bags. While some products, such as bagged lettuce and herb portions, remained in plastic due to a lack of suitable alternatives, where possible, any plastic packaging provided was made from recyclable and reusable PET or rPET. Each of the “Unwrapped” stores also offered soft plastics recycling. Countdown invested more than NZ\$500,000 in the trial, which included the opportunity for direct customer and team feedback. While trial was cut short due to COVID-19, the feedback received are being assessed by the produce team to make improvements in the packaging space.



## A new option: The Paper Bag

WOOLWORTHS GROUP

Woolworths Supermarkets and Countdown customers will have the option of purchasing paper bags to carry their shopping. The new carry bags, which were trialled successfully at a number of our stores last year, have been introduced to meet growing customer demand for alternatives which can be easily recycled in household curbside collection.

Made from 70% recycled paper, all paper used has been sourced responsibly, as certified by the Forest Stewardship Council, with non-recycled paper used in conjunction with recycled paper to provide a stronger structure. The bags have been tested to carry up to 6 kilograms worth of groceries.

Shoppers can now choose from four carry bag options, with Woolworths’ Bag for Good, reusable plastic bags, and foldable bags at the checkout. We also offer reusable mesh produce bags in approximately 200 stores.

Since Woolworths Group began phasing out single-use plastic bags in 2018, more than 6 billion bags have been taken out of circulation. Only 15% of customers now purchase a new bag during a transaction when visiting a Woolworths store.





# Sourcing environmentally sustainable commodities

We continue to work hard to source environmentally high impact commodities and key raw materials from responsible supply chains, and to raise customer and suppliers awareness of sustainably-sourced products.

IMPACT	
Commitment	11
Status	MATERIALLY PROGRESSED
Commitment	12
Status	MATERIALLY PROGRESSED
Sustainable Development Goal	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 
Sustainable Development Goal	15 LIFE ON LAND 



## Seafood

Woolworths is proud to offer the largest seafood range of any Australian supermarket. However, this comes with unique challenges with regard to ensuring that our seafood comes from environmentally responsible sources. We have made pleasing progress this year in our key seafood categories, increasing the number of sustainably sourced products available to our customers.

### Packaged and frozen seafood

26 out of 27 own brand frozen, chilled and deli seafood products are now sustainably sourced or have been reformulated so that they only contain environmentally responsible raw material, and all new products must also meet our sourcing commitment. Only our Woolworths Greenshell Mussels have not currently undergone the required assessments, although

farmed mussels are considered by many advisory groups worldwide to have a low environmental impact. We are in the early stages of engaging in a process to support the broader New Zealand mussel industry towards third-party certification against international standards for sustainability and expect this product to be in compliance by the end of F21.

### Canned seafood

As of June 2020, the majority of products on shelf meets our seafood commitment, and by December 2020, 100% of canned seafood that meets our commitment will be offered.

### Fresh seafood counter

We rely on more than 37 suppliers from around Australia, NZ and the world, and have identified more than 345 sources of seafood for our 229 products in this category. After close collaboration with our suppliers and WWF-Australia:

- We are pleased to report that currently 94% of our seafood (by weight) is ecologically responsible
- The remaining 6% comes from 225 sources, all of which will have been independently reviewed by WWF-Australia to understand the risk profile by December 2020. For seafood that does not come from environmentally responsible sources, we will have developed an action plan by the end of 2021.

Woolworths won the People's Choice Award in the Marine Stewardship Council's Sustainable Seafood Award



## Sustainably sourced own brand commodities in Australia



Tea **100%**



Chocolate **100%**



Coffee **100%**



Sugar **100%**

All Woolworths own brand coffee, tea, chocolate and sugar products are now from either Rainforest Alliance, UTZ, Fairtrade International or Bonsucro certified sources. All products carry the applicable certification to help customers make informed purchases.



### Palm oil



100% of palm oil used in our own brand food products support the production of Roundtable on Sustainable Palm Oil (RSPO)-certified sustainable palm oil and palm kernel oil. Currently, 91% of our own brand food products are independently certified and 9% of our range supports the production of Certified Sustainable Palm Oil (CSPO) through the use of RSPO credits.

We are still working towards transitioning away from the use of RSPO credits, however progress this year has been impacted by COVID-19, which impacted auditing capacity. We will continue to work with the RSPO, and our supply partners, to be 100% independently certified by the end of F21.

Woolworths continues to partner with Tiger Trek, an educational experience at Sydney's Taronga Zoo, which is designed to increase consumer understanding and sentiment towards CSPO. Woolworths own brand products are featured in Tiger Trek to highlight our continued strong commitment to using sustainable palm oil and palm kernel oil, and to build public support to transform the industry. In F20, Woolworths received over 9,700 emails from Taronga Zoo visitors acknowledging us for our commitment towards transforming the industry.

## Paper, pulp and timber

WOOLWORTHS GROUP

### PRODUCTS

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

We have created a dedicated page on our shopping website, to help customers directly purchase Forest Stewardship Council (FSC)-certified products.

CEO of FSC – Damian Paull says “Concerns over global deforestation have been at the core FSC’s DNA since its founding. We commend Woolworths for its stance on sustainability and sourcing FSC certified products”.

### PACKAGING

In Australia, packaging for own brand high volume lines such as egg cartons have been sustainably sourced from independently certified or recycled sources. We will continue to work with our suppliers on improving the primary and secondary packaging on our core range of own brand products.

Paper catalogues remain an important part of our customers’ weekly shop. This year, we transitioned all copy and catalogue paper used in our Australian businesses to come from sustainably managed sources certified by the FSC or Programme for the Endorsement of Forest Certification (PEFC).

## Soy

WOOLWORTHS GROUP

Soy is an incredibly versatile source of protein and vegetable oil that can be found in a wide variety of products. Soybean meal is also widely used in animal feed as it helps support and maintain healthy livestock growth. The use of soy is, however, not without its challenges. Soy is the second largest agricultural driver of tropical deforestation worldwide. Rainforests, grasslands and wetlands are being cleared at a rapid rate in order to make room for soy production. Woolworths is assessing the use of soy in our own brand products and will work with our suppliers and other critical stakeholders to ensure that soy used in products and livestock feed will not come from sources contributing to deforestation.





# Animal welfare

Animal welfare is of fundamental concern to us, our partners and to many of our customers. We continue to work with our farmers and partners to promote good animal welfare management in our supply chain.

WOOLWORTHS GROUP

## Animal welfare and the Five Freedoms

### 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

As a major food retailer, animal welfare is important to us. We are committed to working responsibly in this area and continue to progress and influence best practice, consulting with a number of industry representatives such as veterinarians, academics, government representatives, training providers such as RSPCA Australia, Compassion in World Farming (CIWF), World Animal Protection and many more to ensure that animal welfare in our supply chains is not compromised. We are working towards a Tier 1 Score on the Business Benchmark for Farm Animal Welfare (BBFAW), the leading global measure of farm animal welfare management, policy commitment, performance and disclosure in food companies. We maintained our Tier 3 position in the 2019 BBFAW benchmark.

Our Woolworths Animal Welfare Policy sets out our minimum sourcing requirements and expectations for Woolworths own brand dairy (fresh milk), beef, lamb, poultry, eggs, pork and aquaculture products. Our animal welfare principles and approach are embedded throughout our whole business, from Board level down.

We are committed to working responsibly in this area and continue to progress and influence best practice through our consultation with industry. Our approach is based on, and endorses, the Five Freedoms, proposed by the Farm Animal Welfare Council (FAWC).

We are proud to source all our fresh beef, lamb, pork, poultry, eggs and dairy (fresh milk) from Australia, supporting Australian farmers and providing jobs. We are also proud to work with a large number of Australian farmers, many of whom have supplied us for generations and are focused on good animal welfare as well as a consistently high quality product.

We have a dedicated Woolworths expert livestock team, who spend the majority of time out on the farm with our producers. Our livestock team is based regionally across Australia and collectively have over 250 years of experience and is responsible for buying our Woolworths cattle, lamb and pigs.

## Pork



All our Woolworths fresh pork is independently audited to the Australian Pork Industry Quality (APIQ) Assurance Programme standards, is certified gestation stall free (GSF) and 100% Australian-sourced. We are committed to improving the lives of animals within our supply chains and over the last year, we have worked with our suppliers to ensure all our fresh pork is free from any artificially added hormones, growth enhancers or promotants.



## EGGS

Since 2015, 100% of Woolworths branded fresh eggs are cage-free; laid by hens free from close confinement and produced to Egg Standards of Australia (ESA) Level 3 for farm and grading floors.

We are continuing our work towards using only cage-free eggs as an ingredient in own brand products and supplier branded eggs by 2025 and we will continue to work with our suppliers and industry to meet our cage free commitment.



## RSPCA CHICKEN

Woolworths own brand fresh chicken, and chicken used as an ingredient in Woolworths own brand products, comes from RSPCA Approved farms. The RSPCA Approved Farming Scheme focuses on improving farm animal welfare and production standards. As part of the scheme, RSPCA Australia conduct independent assessments on all farms and sheds. In 2019, 2,949 assessments were conducted to check for conformance with RSPCA Approved standards in sheds that supply Woolworths.



## Sustainable beef and cattle welfare

We want to ensure that cattle in our supply chains are raised in a way that promotes responsible production to benefit people, communities and the planet.

Our Woolworths cattle are sourced directly from the farm by one of our experienced livestock team and are 100% Australian. Cattle in our supply chain are sourced from feedlots accredited by the National Feedlot Accreditation Scheme (NFAS), as well as meeting our own Woolworths Animal Welfare Policy. The NFAS incorporates a strict animal welfare component, which ensures the cattle in an accredited feedlot are well cared for and monitored on a daily basis. Feed, water and air quality, temperature and heat levels are constantly monitored. If an animal displays any signs of illness,

it is treated by livestock team members who are trained by a veterinarian.

We believe strong collaboration will be the most effective approach in addressing the sustainability concerns surrounding beef production, and we are an active member of the Australian Beef Sustainability Framework (ABSF) Consultative Committee. The framework defines sustainable beef production and animal welfare forms part of their six key priorities. The ABSF allows us to engage with a variety of stakeholders to identify and protect high conservation value areas within our supply chains and work with suppliers, governments, producers and other corporate and NGO partners to achieve this.

As part of the ABSF's Consultative Committee, we support the annual performance review of various indicators including environmental stewardship. These indicators will help deliver the first national tree and grass cover measures for the beef industry.

Tess Herbert the chair of the Sustainability Steering Group (SSG) of the Australian Beef Sustainability Framework, as well as a supplier of Woolworths cattle says "Producing beef in a sustainable manner, is incredibly important to the longevity of the Australian beef industry. It is great to see this is a priority area for Woolworths and the industry looks forward to working with them on this journey".





# Responding to climate change

This year, natural disasters such as the bushfires were a stark reminder of the effects of climate change. We are committed to understanding the potential impacts of climate change on our business, and to implementing mitigation actions so that our business remains resilient in a carbon constrained future.

WOOLWORTHS GROUP

## Our position on climate change

Over 2019 and 2020, Australia experienced unprecedented bushfires, floods and the devastating effects of prolonged drought. Many communities across the country faced extraordinary challenges.

For Woolworths Group, our business and distribution partners were well equipped to manage the logistical challenge of supplying our stores due to the bushfires. In such unprecedented conditions we supported the immediate and ongoing emergency response by providing water and other essentials to firefighting brigades and evacuation centres. We are mindful of the deep and ongoing impacts on our team members and the communities in the affected areas, and the struggles our fresh food partners faced as they managed through the long and widespread drought.

In the wake of these challenges, and building on our emissions reduction efforts over more than 12 years, we are taking steps to understand the impacts

that can be expected from our changing climate, the actions we can take to manage our risks and how our business can evolve into the future.



We support Australia’s commitment under the Paris Agreement to limit global warming to 2 degrees above pre-industrial levels and work towards containing warming to 1.5 degrees.

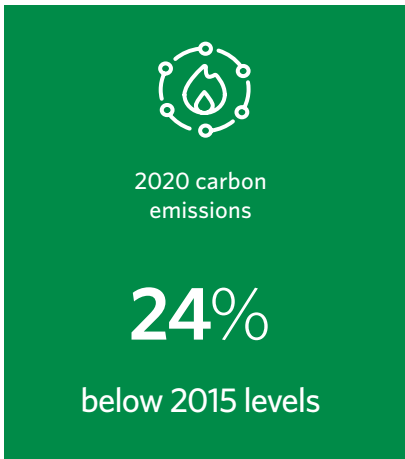
Our original emissions target was achieved early, so in F19, we set out a new target to reduce our scope 1 and scope 2 emissions by 60% against our 2015 emissions baseline by 2030. This target is in line with the 1.5 degree global ambition.

For our business, climate change is a material sustainability issue (see 2020 Sustainability Report Appendix). As part of our broader sustainability strategy, described on [pages 6 to 7](#) of this report, we have focused our response to climate change on driving down the greenhouse gas emissions of our operations.

Woolworths Group is also committed to identifying and managing climate change risks in keeping with the recommendations of the global

### IMPACT

Commitment	13
Status	ACHIEVED
Commitment	14
Status	ACHIEVED
Sustainable Development Goal	
Sustainable Development Goal	



Financial Stability Board’s Taskforce on Climate-related Financial Disclosures (TCFD). As part of this globally recognised standard, we seek to provide our stakeholders, particularly the investment community, with information on our risk management response.

## Setting ambitious targets and metrics

This year Woolworths Group has reduced our scope 1 and 2 emissions to 24% below 2015 level.

Our target of reducing scope 1 and 2 emission to 60% below 2015 levels has been calculated using the Sectoral Decarbonisation Method. This is in line with the level of carbon reduction required to limit global warming to 1.5 degree above pre-industrial levels.

We have submitted our application to have our target verified by the Science Based Targets initiative and are awaiting our results.

Our ambition to have a verified science based target shows our commitment to play our part to reduce our impact on the environment, and to help raise the ambitions of others. We are still working towards our pathway to achieve the 1.5 degree target and are continually improving the energy efficiency of our operations, and actively scanning emerging technologies.

## Understanding our emissions profile

This year we have emitted over 2.4 million tonnes of carbon dioxide equivalent (CO<sub>2</sub>e) from our facilities (scope 1 and 2 emissions). This is mainly due to activities at our stores especially from refrigeration. Electricity remains our most significant emissions source accounting for 1.96 million tonnes of CO<sub>2</sub>e. Scope 3 emissions relate to our waste disposals and indirect fuel usage.

## Scope 3

We have identified our material scope 3 categories to be fuel and energy-related emissions, waste and purchased goods and services. For the emissions related to fuel and energy-related emissions and waste we currently have active initiatives, such as installing solar panels on our sites, to reduce these emissions and have data to be able to track our progress. Purchased goods and services also contributes significantly to our scope 3 emissions. Due to the size and complexity of the Woolworths Group we currently do not have data of a sufficient quality to track our emissions and progress for this category. Our next step will be to develop an action plan to improve the data quality for this category and our ability to track emissions reductions in the future.

## Our emissions reduction initiatives

### LED lighting and Heating, Ventilation and Air-conditioning (HVAC) Optimisation Strategy

We continue to roll out LED lighting and HVAC programs across our stores. On average LED lighting is saving 11% of total store energy consumption and HVAC initiatives are reducing heating and cooling energy use by 30%. Combined, the projects have avoided over 272,000 tCO<sub>2</sub>e emissions.

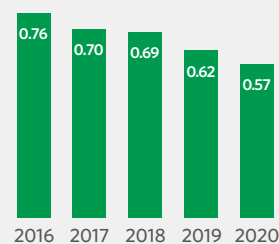
### Solar

We now have 126 stores and two distribution centres with solar panels, with a total capacity of 14MW. The TESLA battery at Erskine park Liquor Distribution Centre is paired with a 400kW solar system and continues to provide 25% of the site's electricity needs from renewable energy.

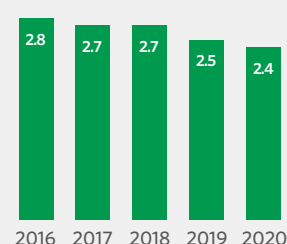
### Energy Management Centre (EMC)

The EMC allows us to monitor energy consumption live and now all Australian supermarkets and 50 Dan Murphy stores are connected. We have also launched predictive maintenance with jobs generated through EMC analytics, allowing us to identify issues in our assets before they lead to equipment failure. This proactive approach means we can save on energy and refrigerant loss.

### Carbon intensity (tCO<sub>2</sub>e/square meters)<sup>1</sup>



### Energy intensity (tCO<sub>2</sub>e/square meters)<sup>1</sup>



<sup>1</sup> Carbon and Energy intensity is based only on stationary emissions.

### Electric distribution vehicles

Our first truck ("Eve") introduced in 2018 was, and remains, the largest and most fully functional heavy electric vehicle in Australia, including refrigeration. A second comparable truck ("Buzz") has since been implemented. We are conducting a number of electric vehicle pilots with various suppliers, however commercial supply to meet our needs at scale is challenging.

## Teys Australia making an impact

As part of understanding our scope 3, we are keen to work with our partners to deliver more environmentally sustainable practices. We are aware that many of our suppliers are already proactively addressing environmental concerns. One such supplier is Teys Australia, the only Australian beef processor to publicly commit to reducing carbon intensity by 20% and water intensity by 10% by 2023. To help achieve this, they have upgraded their Naracoorte facility in South Australia to reduce greenhouse gas emissions by capturing methane-rich biogas from wastewater treatment and use it to offset grid electricity and natural gas by installing a combined heat and power plant (CHPP). This provides renewable baseload electricity for onsite consumption.

*"We're committed to a sustainable future especially within the Australian beef industry. We have been working across our beef business and with our partners across the supply chain to reduce emissions, energy and water intensity while increasing uptake of renewables, raising the bar on animal welfare, and supporting the communities in which we operate."* Brad Teys, CEO



### Improving our reporting systems

Our winery and bottling plants Dorrien and Vinpac have obtained international certification (ISO 14001:2015) for the environmental management system used at the sites. This will allow the sites to track their resource usage, environmental incidents and compliance to an internationally accepted standard.



Rainwater harvesting with Blake Miller Store Manager and Peter Gibney, Assistant Store Manager, Stanthorpe

### Improving our store resilience

We always consider appropriate design for the region in order to increase the resilience of our store assets to extreme weather. We are undertaking some measures retrospectively and are building these into the specifications of our new stores going forward. Some examples include:

- Cyclone specifications in areas such as Northern Queensland – these include shutters on windows and larger gutters to cope with heavy rainfalls
- In stores at high risk of power outages, the installation of standby generators and “easy connect” points for portable generators

- The addition of flood barriers to stores in flood prone areas (such as Townsville)
- In areas of severe water shortages we are investigating measures such as rainwater tanks to harvest water off the roof.

### Water-related risk and Stanthorpe

The droughts in Australia over the last few years highlights the importance of water management. We understand that being a food retailer that relies on agriculture production, there are water risks embedded within our supply chain.

Our Stanthorpe store was one of our worst drought affected stores, with the town's supply officially running out in mid January 2020, and they were forced to cart water from Connolly Dam. Engineering adjustments were made to various taps to reduce or cap off water flow to reduce overall store water usage, and we installed a rain water harvesting system.

As a first step towards better risk management, we have now taken steps to understand our water usage at store level. Smart water meters have been installed and connected to our EMC in 20 stores. This will allow us to be notified immediately when a leak is detected.

## 100<sup>th</sup> supermarket solar installation in Orange

Orange is the 100<sup>th</sup> Woolworths supermarket to have solar panels installed to reduce the store's environmental footprint and cut energy costs.

The 100kW solar system – which is shaped like the Woolworths logo – is made up of 357 high efficiency solar panels spanning around 1,000 square metres. The Orange store is one of more than 120 Woolworths Group sites now generating energy from solar power across Australia.

The solar system has the capacity to generate more than 150 megawatt hours of electricity each year – the equivalent to more than 23 Australian households' annual energy consumption. This will help offset approximately 8 percent of the store's energy consumption.

Woolworths Orange Store Manager Rae-Anne Ross said: “From store lighting and air-conditioning to food refrigeration and preparation, there is no doubt supermarkets are energy intensive to run. In recent years we've been working to run our stores more

sustainably, and energy use is a big part of the effort. We're investing in more efficient refrigeration and lighting systems, and harnessing the power of renewables across the network too. At Woolworths Orange, we're pleased to be doing our bit for the

planet with this solar installation. It will not only reduce the store's environmental footprint, but also help keep costs down so we can continue offering the best possible prices to our customers.”





## Refrigeration

Refrigeration is important to provide the freshest and safest food for our customers. As the operation of our refrigeration system is a material contributor to our overall carbon footprint, we continue to work towards reducing our reliance on certain synthetic refrigeration gases with high global warming potential.

We continue to align our phase-down of high Global Warming Potential (GWP) refrigerants in accordance with the Australian Government phase-down schedule under the Montreal protocol.

Due to current technology, all large reticulated refrigeration systems leak gas. Therefore we aim to minimise the leak rate and transition to low GWP gases so the leaks are more environmentally benign. We have been rolling out leak detection systems; and a monitoring system which samples air through an infrared sensor from multiple zones around the store, and notifies our technicians if the refrigerant level exceeds a set threshold. Early detection of a leak has resulted in improved staff safety due to reduced risk of oxygen depletion in confined spaces, reduced stock loss and

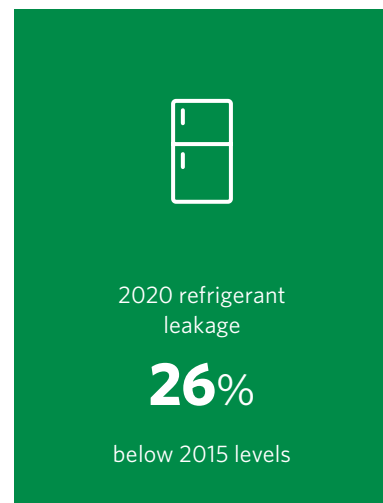
subsequent food waste and reduced carbon emissions related to the refrigeration loss. We have now installed these systems in 255 stores.

We have also been investing significantly in improving our refrigeration systems, especially in the transcritical CO<sub>2</sub> systems space.

An older refrigerant system may use R404A gas, which has a GWP of 3,922. Therefore if 1 tonne of this gas leaks, it is the equivalent of 3,922 tCO<sub>2</sub> emissions, in comparison to a transcritical CO<sub>2</sub> system, where if one tonne of CO<sub>2</sub> gas is leaked, it has the equivalent of 1 tCO<sub>2</sub> emissions. Transcritical refrigeration systems also has a lot more waste heat available for store heating, water heating, under floor heating, and even store cooling.

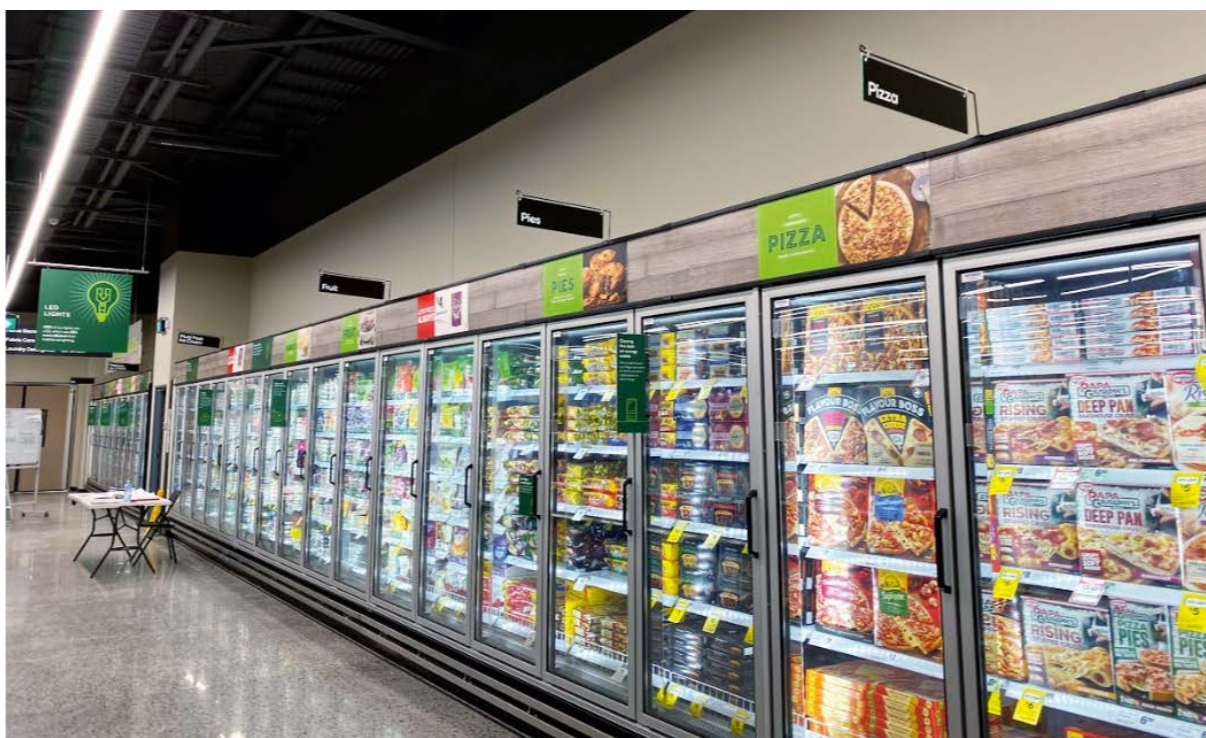
We have now rolled out a transcritical CO<sub>2</sub> (natural) system to 28 stores across Australia and New Zealand and a waterloop system to 6 stores in Australia.

Three stores have a combined natural refrigeration and HVAC system, into an integrated transcritical CO<sub>2</sub> platform. This combined system eliminates



nearly all synthetic refrigerants from the store. We have captured many learnings and system design improvements from these stores, and will be incorporating these improvements into our future stores such as Greenvale Lakes in Victoria.

Upgrading to more energy-efficient refrigerators combined with the above strategies, have reduced our carbon emissions and also our refrigeration leakage to 26% below 2015 levels.

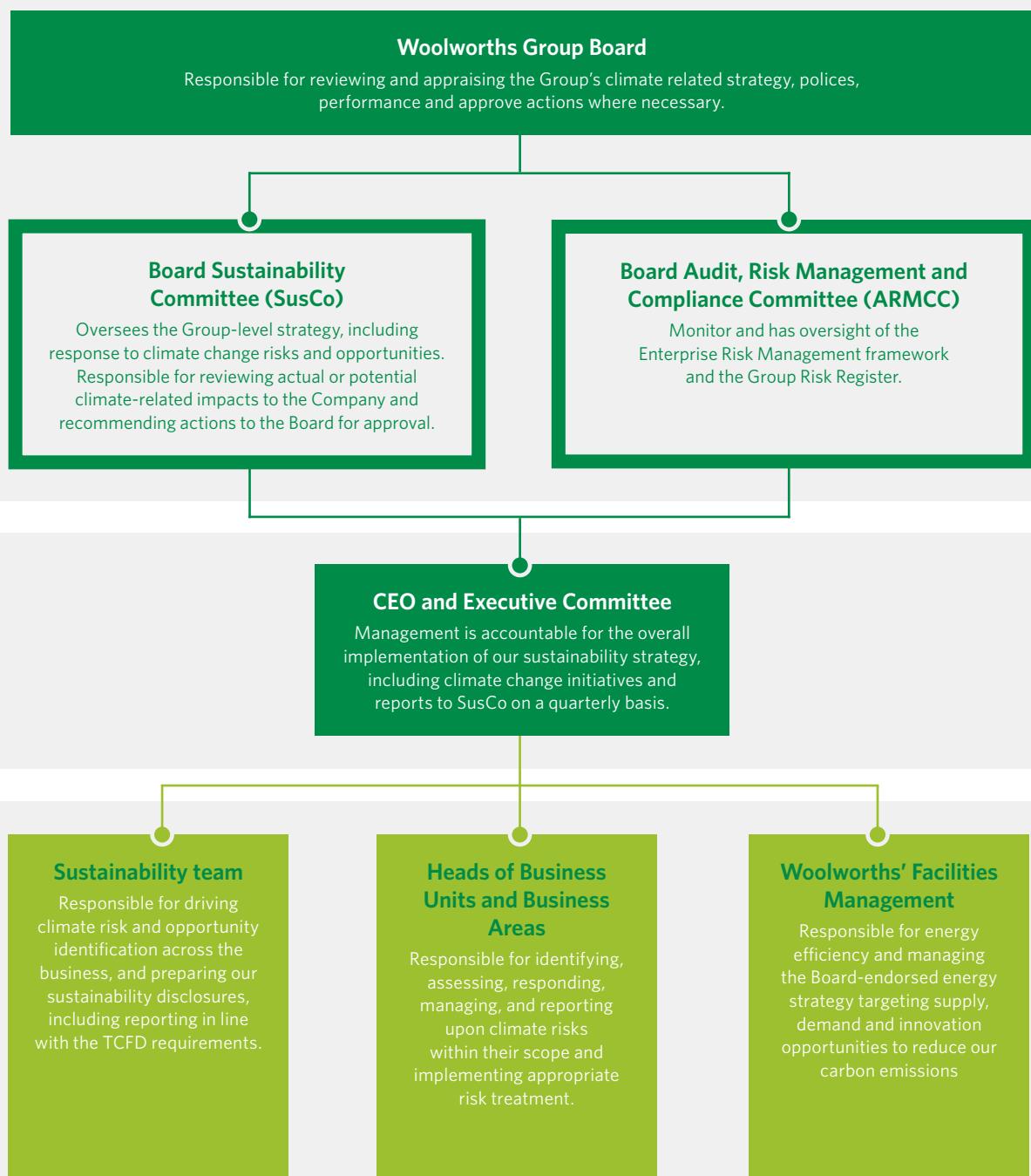


## Task Force on Climate-related Financial Disclosures

In line with the recommendations of the global Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD), we also seek to provide our stakeholders with information on our climate change governance, risk identification process and management and testing our strategic resilience against potential climate change impacts.

## Climate change governance

Woolworths Group considers climate change to be a board-level strategic issue.



## Identifying and managing climate risks

Under TCFD, companies should identify, assess and manage their climate risks (physical risks and transition risks) as well as potential opportunities.

Climate related risks and opportunities are identified through the Woolworths Group risk management process in line with our Enterprise Risk Management (ERM) framework. The ERM framework

sets out the requirement for consistent identification, assessment, escalation, management and monitoring of risks across the Company. Climate change has been identified as a material business risk and included in our Group Risk Register (see [Annual Report page 37](#)). As a result, climate-related risks are assessed and monitored in line with the Group Risk Management Policy. The Board Audit, Risk Management and Compliance Committee (ARMCC) is the primary Board committee that has oversight of the ERM framework and

the Group Risk Register. Governance is supported by the Woolworths Executive Committee and relevant committees and forums across the Group. Specific oversight of climate risk is managed by SusCo. We understand that there is a range of climate-related transitional and physical risks which impact our business in different ways. We disclose information on these risks in our F19 Sustainability Report. Given the breadth of impacts across our business we have summarised them into three business areas as follows:

### Customers

Perception of Woolworths may be influenced by our ability to provide sustainable, affordable, high-quality products that align to shifting customer preferences. We understand too that there are heightened stakeholder expectations of our role in tackling climate change, ethical sourcing and providing healthy food options.

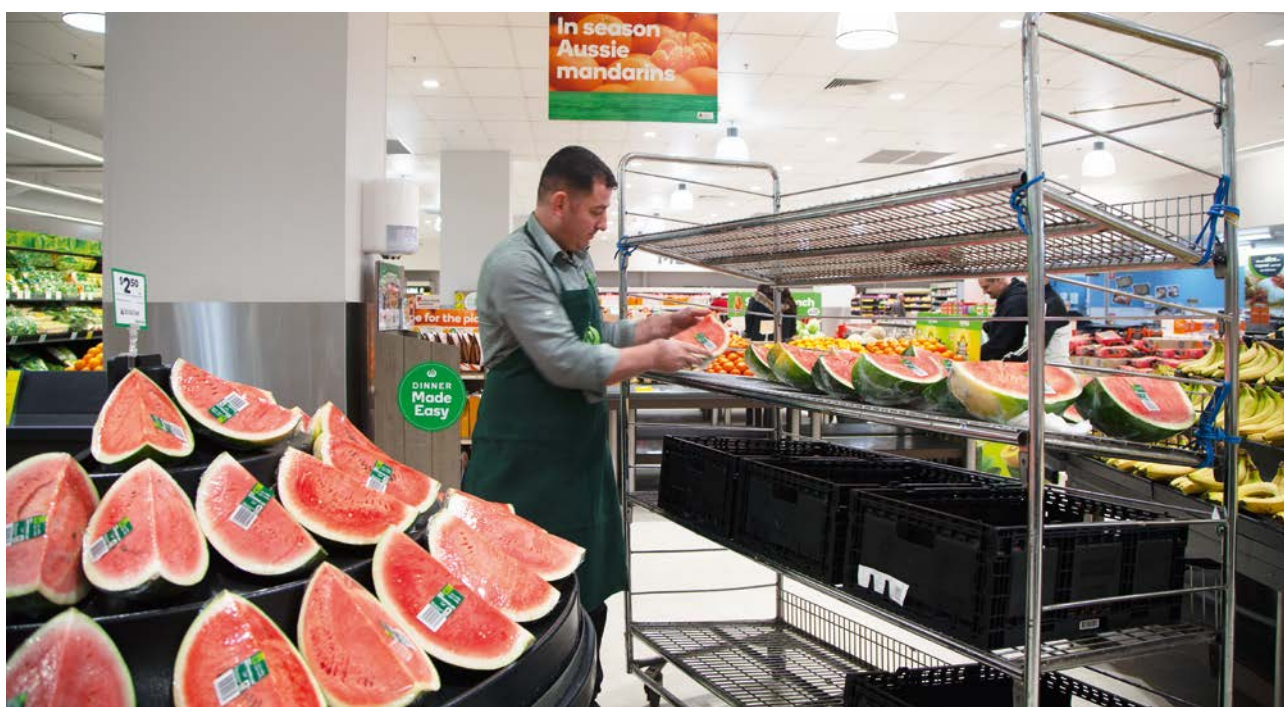
### Suppliers

Across the agricultural and food processing sectors, climate-related events such as droughts, cyclones and flooding, along with climate-related regulatory interventions, can affect the price, quality and quantity of fresh produce and how Woolworths is perceived.

### Operations

Our operations may increase their energy use and equipment may need replacing more frequently due to rising temperatures. We are likely to experience more store closures, product loss and logistics disruption with increased numbers of extreme weather events.

We may see higher energy costs due to fuel and carbon cost changes. Our building and equipment costs may increase with improved efficiency requirements and a move to electrification.





## Using scenario analysis to understand and enhance our resilience

Woolworths is committed to reducing our carbon emissions. We are conscious of the threat of climate change to our communities and our businesses. We have therefore undertaken scenario analysis, as recommended by the TCFD, to understand and enhance the climate change resilience of our businesses and strategy.

Our analysis indicates that all forms of significant global warming pose challenges for our businesses and supporting infrastructure. To address these challenges, we are reviewing our end-to-end operations and our supply chains to identify ways in which to improve their resilience to significant global warming.

In line with the TCFD recommendations, and with the help of our third-party expert partner Energetics, we reviewed three different potential scenarios, including a low-emissions scenario that is in line with a +1.5 degree world – the ambition to which we have aligned our own emissions reduction target. The scenarios were developed from research by the Intergovernmental Panel on Climate Change (IPCC), the Commonwealth Scientific and Industrial Research Organisation (CSIRO) and the Australian Energy Market Operator (AEMO), and applied to an analysis of the Woolworths Australian Food business, the largest reportable segment of the Woolworths Group.

We have used the scenarios to understand how, over the longer term, climate change risks may impact the Australian Food business, its supply chains and the needs of its customers. We assessed the impacts from a financial and non-financial perspective across our operations, customers and suppliers, and considered the impact to three financial metrics – revenue, capital expenditure and operating expenditure. Indirect impacts to the supply chain were largely determined using qualitative measures.

The analysis indicates that our Australian Food business is relatively resilient under each scenario. Many of our current strategic priorities would continue to be important under each of the scenarios, such as investment in digital and online, increasing our offer of sustainably sourced products, refrigerant phase downs and improving supply chain resilience through industry engagement.

We expect there to be financial impacts due to physical climate change, across all scenarios. The analysis suggests that our revenues will continue to grow, but will be influenced by the distribution and growth of our population and the impact of extreme weather events on individual store operations. Capital and operating expenditures are also expected to be impacted by factors such as policies which encourage earlier investment in refrigeration replacement. However, Australian Food already has

plans in place for the refurbishment of refrigeration systems in stores with low carbon emission alternatives.

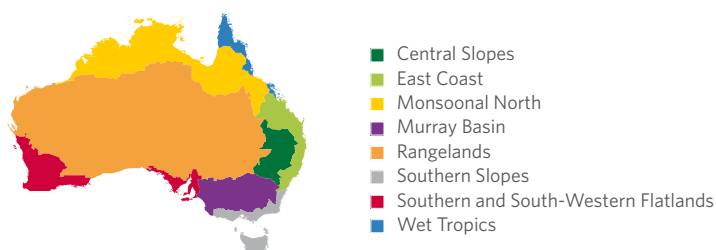
More broadly, our analysis showed that several features of the Australian Food business may reduce the impact of extreme weather events across its operations. We have a wide geographic spread of stores of which a high percentage are leased, with a weighted average lease expiry of around 9 years. This structure means we will incur fewer costs associated with physical impacts to stores, even though we may still be exposed to events which reduce our ability to trade due to store closures and stock damage. Also, over the longer term, as risks of climate change evolve (such as persistently extreme weather), or as changes in population occur within geographic areas, we have options available to us. These include adjusting our exposure to impacted areas or seeking out tenancies which are located or built to mitigate the anticipated physical impacts.

Our logistics operations also have inherent potential flexibility and resilience, through mode switching, alternate routes and strategic placement of distribution centres. Recent bushfire events have demonstrated the resilience of our logistics operations as we were able to find logistics solutions to get products to our stores that were affected by the bushfires.

## Current store exposure

We analysed our current store exposure to physical risk drivers, considering the density of stores per climatic region. We found that the East Coast region, containing the highest number of stores (450 stores) is at high risk of climate change, due to higher risks of extreme rainfall, extreme fire weather and sea level rise exposure. The Monsoonal North (29 stores) and Central Slopes (29 stores) are the next highest risk areas.

To mitigate these risks, we have already begun working to improve our store resilience by incorporating appropriate designs for the region, such as installing flood protection systems in stores prone to flooding and including appropriate specifications when building our new stores. See [page 35](#) for further details.



## What happens next?

This phase of work has focused on understanding potential impacts to operations, the supply chain and customers for Woolworths' Australian Food business, as well as quantifying a limited set of direct impacts to Woolworths Group from operational and socioeconomic changes and evolving customer preferences.

The key next step is to assess Woolworths' business response:

- We need to understand the impacts more fully on our supply chain, as only the qualitative impacts have been considered
- We will also consider the need to expand our assessment of supply chain impacts to include more commodities, and expand the scenario analysis beyond supermarkets to other parts of our business.

## Burwood Brickworks – our most sustainable supermarket



Anchored in the groundbreaking new Burwood Brickworks Shopping Centre, Woolworths Brickworks is undertaking the Living Building Challenge™ (LBC), which is the world's most rigorous proven performance standard for buildings. The site has a range of sustainability measures including a large solar PV system and an embedded electricity network, achieving a 6 Star Green Star Design & As Built v1.1 (Design Rating) by the Green Building Council of Australia. During the construction of our store, we looked at all angles to see how we could build and run this store more sustainably:

- Refrigeration doors have been included on all meat and dairy cases, which will reduce the energy consumption by around 30% by preventing cold air spilling from the cases
- By using natural refrigerants, Woolworths' fridges contribute almost no direct CO<sub>2</sub> emissions using 100% natural (CO<sub>2</sub>) rather than synthetic refrigerants
- Reducing energy by using waste heat from refrigeration to heat the store and switching lights off after hours to reduce power usage
- Use of recycled materials such as timber buffer rails substituted with product made from 100% recycled plastic recycled by customers through REDcycle
- Recycled or reclaimed timber on walls and registers and other locations with timber finishes which are permanently attached to the structure
- All internal pipework and wiring is PVC free. Piping has been replaced with HDPE or aluminium. PVC wire casing has been replaced with silicon casing.
- LED lighting is 35% more efficient than traditional lighting. We also have natural light in areas of the store which are occupied by team-members for more than four hours a day. This saves energy and improves wellbeing.
- 100% renewable energy is used within the store which is equivalent to taking 700 cars off the road each year
- Recycled material shopping trolleys, carry baskets and roller baskets: plastic content shopping trolley made from 100% locally sourced recycled milk bottles, as well as hand and roller baskets (excluding handle).

The Burwood Brickworks store is also where we have and will continue to trial new and innovative sustainability concepts that are customer focussed. So far, we have trialled:

- Reusable and washable produce bags made from lightweight nylon which can hold 2.5 kilograms of produce
  - Berries, sweet solanto tomatoes, mini quikes and vine sweet mini capsicums are available in loose format to remove or reduce plastic packaging in-store
  - Reducing bakery waste by diverting surplus in-store baked bread to be used as livestock feed
  - Trialled fully recycled paper shopping bags which have now been rolled out nationwide
  - Cardboard boxes at the front of store for customers as an alternative to bags to carry their shopping
  - Providing customer resting benches made from a minimum of 97% recycled commercial packaging plastics
  - Installing a battery recycling station at front of store for customers to return their batteries
  - Providing an in-store collection bin for customers to return soft plastics and packaging through our Redcycle program
  - For every Bokashi One eco-friendly home composting system sold in store, 30 meals will be delivered through OzHarvest to people in need.

Woolworths Supermarkets Managing Director Claire Peters said: *“Woolworths Burwood Brickworks is the next step in our journey to create a neighbourhood food store, with sustainability and the needs of local customers at the heart of its design. Woolworths Burwood Brickworks is the culmination of all our efforts to-date in one store. We will continue to trial initiatives that help us reduce our environmental impact and look forward to the feedback from our teams and customers as we do.”*

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# PROSPERITY

## FOUNDED ON TRUSTED RELATIONSHIPS

We are committed to building and maintaining strong relationships with our suppliers, customers and communities that are founded on mutual trust, communication, fairness, value and loyalty. We believe that by listening, learning and collaborating, we all benefit.







Own brand products undergone  
a nutritional upgrade

**190**

▲ 25% from F19



Woolworths own brand products  
with the health star rating

**100%**

steady from F19



In kind  
donations

**\$15.5M**

▼ 16% from F19



Community  
contribution

**1.05%**

as % of EBIT on a  
rolling average basis



Michael Shelley, Group energy manager, inspecting the solar panels on one of our distribution centres.



# Working with our business partners

IMPACT	
Commitment	15
Status	MATERIALLY PROGRESSED
Sustainable Development Goal	

We understand the importance of long-term relationships with our supply partners, and believe that collaboration, fair treatment and openness are key. More than 80% of our suppliers have worked with us for a decade or more, and we hope to continue to build long term beneficial partnerships.

WOOLWORTHS GROUP

## Giving suppliers a voice

We continue to work with global engagement experts, Advantage Group, to give our supply partners an open and anonymous platform to discuss our relationship with them. The Advantage Group prepares a detailed, aggregated report based on these interviews annually, along with a more regular “pulse” survey, to provide Woolworths with invaluable feedback across our business. These initiatives help us to:

- Address supplier concerns more quickly
- Improve by making adjustments to our behaviours on an operational and/or organisational level
- Deepen our relationships with our business partners to better service our customers.

In the 2020 Advantage Report, we are pleased to share that Woolworths achieved a ranking of #2 retailer with an improved Net Favourable (NF) score of 44 against our comparable peers. We have also achieved a first quartile ranking of “Dealing with suppliers in a fair and equitable manner”, an improvement from last year.

Woolworths Supermarkets also achieved a VOS score of 50 in March 2020 (a target we set when this program was created, as a best in class indicator). This was surpassed in May with a score of 52.

The VOS score for BWS is 38 and Dan Murphys’ is 42 and we will continue to work on improving our supplier relationships.

## Working with our suppliers and tenants during COVID-19

The Woolworths Group recognises the devastating impact that COVID-19 has had on the economy. We are doing our part to support other Australian businesses during this time.

Woolworths Group temporarily changed its payment policy so that small business suppliers (those with less than \$10 million in annual turnover) are paid faster for their goods and services. From 31 March until at least 30 June 2020, the payment terms for eligible small suppliers were aligned across the entire Group (including BIG W, Endeavour Drinks and our New Zealand operations) to not exceed 14 days (down from 30 days in many cases). This change positively impacted more than 1,100 of our small suppliers. Woolworths Group Chief Financial Officer Stephen Harrison notes: *“Our small business suppliers are an integral part of our supply chain – by paying them faster, we hope to ease some of the financial pressure many of them are currently facing amid the ongoing pandemic.”*

Woolworths Group also provided rental relief for retail partners and employment opportunities for retail tenants across its 28 Australian shopping centres and other retail assets. The multi-million dollar support package will provide rent relief for the majority of retail tenants and small businesses in our shopping centres and other retail assets to enable them to weather the crisis and bounce back. Wherever possible, we’ll also offer flexible contract and casual roles to employees of our speciality tenants, as we know the outlook will continue to be extremely tough for our retail partners over the coming months.



## Woolworths Organic Growth Fund invests \$1 million into four more Australian farms



In F19, we established the \$30 million Woolworths Organic Growth Fund, in partnership with Heritage Bank, to help Australian farmers meet growing customer demand for organic fruit and vegetables in the form of financial grants and interest-free loans.

Woolworths awarded \$1 million in a second round of funding to four organic farms across Australia. The four successful recipients grow a diverse range of fruits and vegetables on farms based across the country:

**Gingin organics – Neergabby, WA:** grows a range of organic and seasonal vegetables including celery, broccoli, carrots and cauliflower. It will use its \$200,000 grant to develop six hectares of new organic farmland and upgrade its packing facilities.

**N&A Group – Batlow, NSW:** has been supplying Woolworths since 1956 and diversified into organics in 2015. It will use its \$150,000 interest-free loan to fund high-quality organic berry cropping in Batlow.

**Biofarms Australia – Forth, TAS:** Run on a chemical-free basis since 1999, it produces a diverse range of certified organic vegetables such as broccoli, beetroot and pumpkin. It will use its \$500,000 interest-free loan to buy new machinery and equipment, and upgrade irrigation systems, to improve productivity and efficiency.

**Paringi Farms – Paringi, NSW:** Third-generation Paringi Farms will use a \$170,000 interest-free loan to convert its electricity supply to renewable sources and invest in new packing equipment. A producer of organic vegetables such as capsicums, zucchinis and tomatoes, the business is expected to be fully certified organic in the future.

Woolworths Head of Produce, Paul Turner, says: *"We're proud to back the expansion plans of entrepreneurial farmers across Australia through our Organic Growth Fund. Our customers are increasingly demanding organic fruit and vegetables, and we believe the trend will only continue. We're particularly interested in working with conventional growers who are looking to diversify their crops and convert to organic production."*

## The Bread & Butter Project



Australia's first social enterprise bakery, The Bread & Butter Project, ordinarily operates as a wholesale bakery, using 100% of its profits to support training and employment opportunities for refugees and asylum seekers in Sydney.

Due to COVID-19, The Bread & Butter Project pivoted in late April 2020 to supply 26 Woolworths Metro food stores and other online retailers directly, to ensure it could keep operating during these challenging times.

Like Woolworths, the bakery is invested in refugee employment, and we worked quickly to give the brand a good shelf presence in order to support the bakery's important social enterprise work, which includes:

- Maintaining much-needed income, purpose and support for its trainees, many of whom are not eligible for the Government's JobKeeper support program
- Helping the Project's trainees receive hands-on training in the company's Marrickville bakery and a TAFE Certificate II in Food Processing, as well as intensive tutoring in English and numeracy.

More than 70 professional artisan bakers have graduated from the program into employment in Australia's hospitality industry. We are also trialling a Bread & Butter bread bar in F21, where their team members will work in our stores to produce Bread & Butter bread.



## Sustainable Supplier of the Year: BioPak Pty Ltd



Woolworths' annual Sustainability Supplier of the Year Award encourages our suppliers to innovate, and implement sustainability practices into their business.

This year's award went to BioPak in recognition of its design of Woolworths' compostable bakery trays. This innovative packaging has helped support the removal of 590 tonnes of plastic packaging from our in-store bakeries over the past 24 months, reducing our environmental impact while meeting the needs and expectations of our customers.

Made with carbon-neutral sugarcane fibre, a by-product of the sugar refining industry, the trays are certified home compostable and recyclable. In addition to supplying trays to us, BioPak also supplies these trays to a number of our fresh fruit and vegetable suppliers.

Through BioPak's "Give Back" program where 7.5% of its profits are donated to environmental restoration initiatives with Rainforest Rescue (Australia) and Greenfleet (New Zealand), and community programs in conjunction with its charity partners including OzHarvest, Foodbank and Streat, an organisation supporting young homeless people to find employment in hospitality. BioPak has also planted over 22,000 trees on behalf of their customers, including Woolworths.



# Responsible sourcing

We believe all workers in our global supply chains have the right to be treated with dignity and respect, including during crisis.

IMPACT

Commitment

16

Status

MATERIALLY PROGRESSSED

Sustainable Development Goal

8

DECENT WORK AND ECONOMIC GROWTH

Sustainable Development Goal

12

RESPONSIBLE CONSUMPTION AND PRODUCTION

WOOLWORTHS GROUP

## Our year at a glance

We have made solid progress in our second year of the Responsible Sourcing (RS) Program. While we maintained focus on getting the foundations right, including governance and supplier audit data management, our teams further improved risk mitigation through enhanced investigation procedures and deepening supplier engagement in high risk areas.

In half two, the focus of our program partly shifted in response to two major external events – the bushfire crisis in Australia and COVID-19. These events resulted in some planned activities being paused and additional due diligence requirements in other areas.

Importantly, our team continues to operate under the principle that crisis increases risks to vulnerable workers and now, more than ever, it is critical to uphold human rights in our global supply chains.

Globally, socio-economic and political volatility is also reflected in our F20 supplier risk segmentation. We are seeing countries that were previously considered lower risk shifting into higher risk categories. Emerging risks are explored further in the chapter, while specific forced labour risks are outlined in our [Modern Slavery Statement](#).

## Key milestones in 2020:

- Commenced our horticulture deep dive strategy resulting in better risk identification of suppliers, growers and third-party labour providers
- BIG W joined Action, Collaboration, Transformation (ACT) to begin to address living wages in Bangladesh
- Piloted a survey tool to drive worker-level insights and engagement
- Improved oversight at Endeavour Group-owned vineyards through audit and remediation processes
- Enhanced our data platform resulting in better RS risk management and reporting capability.



### KEY METRICS IN 2020

474

audits reviewed

703

commercial team members completed Responsible Purchasing Practices e-learning module

55

site visits

14

virtual site visits

85

investigations

19

cases of zero tolerance identified

AU\$1,473,287  
NZ\$5,167

returned to supply chain workers via direct suppliers or labour providers



## Responding to COVID-19

The outbreak of COVID-19 caused significant disruption to global supply chains impacting not only the flow of goods but workers at all levels of the supply chain. Our commitment to respect human rights continues during the pandemic. We encourage workers and other stakeholders to raise human rights concerns in relation to COVID-19 and prohibit any retaliation against these groups. Our ongoing COVID-19 response is focused on the core labour rights components of our RS Standards:

- Health and safety protocols to mitigate infection risks
- Working hours are kept within healthy limits
- Wages meet minimum and legal wage requirements
- Hiring in these periods meets legal requirements and addresses child and forced labour risks
- Suppliers are able to meet demand and we are attune to risks of unauthorised subcontracting.

The varied impacts of COVID-19 on our RS Program appear throughout this section, with a detailed assessment of our response available in the [Modern Slavery Statement](#).

## Governance

Learning from the first year of program rollout and responding to a dynamic risk landscape, this year we continued to strengthen our RS governance including team structure, key processes, mitigating controls, and policy revisions.

### Team structure

Our Human Rights team in Australia and New Zealand (ANZ) expanded this year, reflecting the increasing importance of these countries for our work.

- In Australia, we have appointed our first Human Rights Manager for



Woolworths Group, responsible for developing an organisational-wide approach to human rights and modern slavery. They are supported by our RS Manager, two RS Specialists, and a Sustainability Specialist in BIG W.

- In New Zealand, we have appointed a full-time Human Rights, RS & Sustainability Specialist that will oversee compliance activities for Countdown.

The ANZ team is supported by RS Specialists in China, Bangladesh and Hong Kong. The RS team reports into the Human Rights Steering Committee, which reports to the Board Sustainability Committee.

### Key processes

This year, we continued to refine key processes and documentation to promote consistency across our global operating teams and improve suppliers' experience. Key updates include:

- Developed standard operating procedures for managing grievance investigations
- Reviewed audit grading for the non-conformance of excessive overtime to better prioritise higher risk supplier sites
- Conducted an effectiveness review of our grievance mechanisms resulting in improvements to our Supplier Speak Up hotline and information made available to workers.

### Building a responsible sourcing culture across our teams

We recognise that our commitment to responsible sourcing includes an obligation to promote Responsible Purchasing Practices (RPP). Purchasing practices are the way that global retailers interact and do business with the sites that supply their products. RPP encompasses improvements in strategic planning, sourcing,

development, purchasing and the underlying brand behaviours which may impact workers.

This year we launched a RPP eLearning module as part of our license to operate training for teams that manage commercial and supplier relationships. The purpose of the training is to support our teams understand how purchasing behaviours can drive both positive and negative impacts for workers in our broader supply chain. 84% of assigned team members have completed the training.

### Responsible Sourcing Policy review

Launched in July 2018, the Woolworths Group RS Policy governs our approach to safeguard the human rights of workers in our supply chains. This year the policy was reviewed to ensure it continues to reflect global best practice. Enhancements include:

- Explicit endorsement of the UN Guiding Principles on Business and Human Rights
- Acknowledgement of our human rights governance via the Board Sustainability Committee
- Further emphasis on the expectation for suppliers to cascade requirements into their own supply base
- Recognition of our internal responsibility (e.g. Responsible Purchasing Practices) as a vital factor in promoting respect for human rights in the supply chain.

Whilst none of the recommended Policy enhancements constitute significant changes to our RS Program, nor place additional requirements on our suppliers, they reflect the evolution of our vision and will help steer our 2020-2025 human rights commitments. The Policy updates were approved by the Board in May, effective 1 July 2020.



# Risk trends and due diligence

We source products from more than 50 countries. Each of these products and countries presents a different set of human rights challenges. This is why we use country-level risk insights, including aggregated third party audit findings, to inform our RS strategy. Using a risk-based approach allows us to prioritise our actions where we can have the greatest impact on human rights.

The risk landscape of global supply chains is constantly evolving and is sometimes unpredictable. Our 2020 risk assessment identified the following trends:

- Globally and in Australia, horticulture remains a high-risk industry for modern slavery and labour exploitation due to its seasonal nature and reliance on temporary and informal workers. This leads to decreased social protections for workers and potential forced labour risks.
- Economic instability coupled with COVID-19, have increased unauthorised subcontracting risks. It has been identified that downward market pressure can result in suppliers subcontracting production to un-approved factories without notifying their customers in order to be competitive. This poses significant social risks to worker wellbeing.
- COVID-19 could not have been planned for and it has created a global ripple effect. Unparalleled occupational health and safety risks are emerging, while underlying social risks in certain countries, such as wages, working hours and protections for migrant workers are exacerbated.

## Supplier segmentation

Our supplier segmentation approach blends country risk and leverage data to “segment” suppliers into four categories: priority, moderate, specialised and minimum. To ensure our supplier segments accurately reflect the latest global risk landscape, we refreshed our supplier segmentation in F20.

Our methodology continues to be based on country risk. We updated all leading indicators, such as the World Bank Governance Indicators, the Global Slavery Index and the Transparency International Corruption Perceptions Index, with the latest versions. We then blended this data with aggregated third party audit insights to calculate the country risk for where our products are sourced. We then layered additional leverage information based on the length of our business relationship and historical purchase order data.

Outcomes from the 2020 segmentation refresh by segment:

- Minimum risk suppliers are manufacturers from low risk countries, such as Australia, New Zealand and some European countries

- Moderate risk suppliers are manufacturing outside of high risk countries and in medium-risk countries, which include Spain, Poland and Fiji
- Priority risk suppliers were identified in 11 high-risk countries, including China, Turkey, Bangladesh, India, Mexico and Brazil
- The specialised risk segment continues to focus on the unique risks to migrant workers in horticulture.

We will incorporate these outcomes into our supplier management and monitoring processes in F21.



Our program framework reflects these four supplier risk segments with increasing levels of due diligence applied as the level of risk increases.

- The RS Policy is relevant to all Woolworths Group direct suppliers (non-vendor brands, vendor branded, trade and non-trade)
- All direct suppliers, other than suppliers of branded goods and services, are subject to further requirements that, at a minimum, include self-assessments and training accompanying self assessment, training and education programs. Additional layers, such as third party audit requirements, or unannounced factory visits, are then added as the level of risk increases with the moderate, priority and specialised groups.

#### Responsible sourcing due diligence framework

	ALL	MINIMUM	MODERATE	PRIORITY	SPECIALISED
8. Annual Unannounced Site Visit <sup>1</sup>				✓	✓
7. Implementing a Corrective Action Plan				✓	✓
6. Sharing Audit Report			✓	✓	✓
5. Mutual Recognition Audit Schemes			✓	✓	✓
4. Supplier Self-Assessment		✓			
3. Training and Education		✓	✓	✓	✓
2. Responsible Sourcing Standards		✓	✓	✓	✓
1. Responsible Sourcing Policy	✓	✓	✓	✓	✓

#### Promoting audit efficiency through mutually recognised audit schemes

For suppliers required to submit an audit, we accept compliance information from seven different third-party schemes. By accepting this selected range of schemes, rather than imposing our own internal audit on our suppliers, we aim to reduce suppliers' audit burden. These schemes were selected based on their coverage, governance, relevance to our supply chain and alignment to our RS Standards. The schemes are:

- amfori BSCI
- Sedex Members Ethical Trade Audit (SMETA)
- SA8000
- International Councils of Toy Industries (ICTI) Ethical Toy Program
- Worldwide Responsible Accredited Production (WRAP)
- GLOBAL G.A.P. Risk Assessment on Social Practice (GRASP)
- Fair Farms Initiative.

This coming year will review our controls of scheme partners and certification bodies with a focus on audit quality and robustness.

## Data driven due diligence

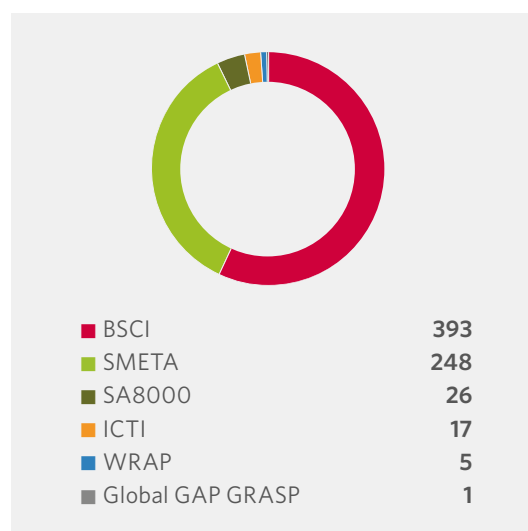
In Q2 we improved and updated our RS supplier data management, further strengthening our program foundations. System enhancements have resulted in:

- Automated mapping and grading of third party audits to the Woolworths RS Standards
- Automated site level order blocking when a zero tolerance finding occurs or an RS audit has expired
- Individual tracking of corrective actions including due dates
- Workflows to enable the team to better manage risk including prompts when audits have been submitted, when sites are due to expire, and exception reporting
- Automated supplier messaging to prompt corrective action reviews, audit expiry or site changes
- Easy access to supply chain insights enabling our teams to better identify risks quickly, especially during crisis
- Enhanced reporting capability that enables to proactively manage and target risk areas.

We now have the capability to look at macro RS compliance trends across our global supply chain, as well as drill down into higher risk areas to drive targeted interventions. We are better placed to identify systemic issues versus isolated cases and can also extract specific data on forced labour indicators for the purpose of reporting under the Modern Slavery Act.

#### Managing risk for moderate and priority suppliers

Suppliers in the moderate and priority risk segmentations are required to submit a third party audit. This year audits were submitted from the following third parties:



1 Selected based on risk assessment.





# Audit grading and non-conformance trends

All audits are graded against four possible outcomes: zero-tolerance (red), critical (purple), moderate (amber) and minor (green). We can now track individual non-conformances, enabling the RS team to focus on corrective actions for priority-segmented suppliers with critical issues. Follow up actions vary based on severity and include a follow up corrective action audit, an on-site visit, capacity building, or further investigation.

## Audit grading for suppliers in moderate and priority risk categories

AUDIT GRADE	RISK SEGMENTATION		TOTAL	%
	MODERATE	PRIORITY		
Green	36	29	65	9.4%
Amber	120	192	312	45.2%
Purple	108	200	308	44.6%
Red	2	3	5	0.7%
Total	266	424	690	100%

## Status of non-conformances (NCs) raised

WOW RS STANDARD AUDIT INDICATOR RATING	CLOSED OR SUPERSEDED NCs	OPEN NCs	OVERDUE NCs
Zero tolerance	12	1	
Critical	381	331	186
Major	1,130	1,821	40
Moderate	1,321	980	17
Minor	87	140	
Grand Total	2,931	3,273	243

Overdue non-conformances represent 243 or 4% of total non-conformances raised. We strive to close all non-conformances as per the timeframes indicated by third party-audit schemes. In some cases, issues may be systemic and require more time to address or, in other cases, we agree new timeframes with suppliers. If non-conformances become

overdue, we focus on closing the most critical issues. Our team then assess the types of critical issues to prioritise follow up actions that have the most positive direct impact on workers.

## Overdue NCs by risk area

WOOLWORTHS STANDARD SECTION	OPEN AND OVERDUE CRITICAL NCs	%
1 Business integrity & ethics	17	9.1%
2 Transparency	1	0.5%
3 Bribery & corruption	3	1.6%
7 Forced Labour	1	0.5%
9 Non discrimination	3	1.6%
10 Freedom of Association	5	2.7%
12 Wages & Benefits	7	3.8%
13 Working Hours	10	5.4%
14 Health & Safety	107	57.5%
15 Dormitories & Canteen	2	1.1%
16 Environment	30	16.1%
Total	186	100%

As the table highlights, health and safety, business ethics and the environment are the key non-conformances that remain open. Drilling further into these we can see that:

- Issues raised for health and safety largely relate to machinery safety and building licensees
- The findings for business ethics typically relate to data management
- Although it is not a current focus area of the RS Program, non-conformances related to environmental performance relate to not maintaining legally required environmental permits and labelling and storing chemicals properly.

This information enables our teams to focus efforts on the highest risk suppliers and issues. We are further assessing the risks of these NCs to identify those that may be prevalent in a particular region or industry so, where possible, we can take a root cause approach. Environmental supply chain data will become of greater importance as we begin to explore scope three emissions in the coming years.



## Country insights

Improved systems for managing and reporting audit findings also gives our team insight into issues trends across key sourcing locations. In F20, 85% of audit NCs were raised in China where 77% of our moderate and priority risk suppliers are located. Bangladesh, Thailand, Malaysia and India together account for 12% of NCs identified. In China, Thailand and Malaysia excessive overtime was the top NC raised while machine and operational safety is the main concern on the subcontinent.

Country	China	Bangladesh	India	Pakistan
Number of direct suppliers in scope of the RS Program	535	27	22	8
Top NC identified in supplier audits	Excessive overtime	Lack of machinery safety guards	Safe and hygienic workplace	Safe and hygienic workplace
Second most common NC identified in supplier audits	Lack of internal RS policies and procedures; not communicated and understood by all workers	Safe and hygienic workplace	Valid licences or permits not being maintained	Insufficient policies

Country	Thailand	Malaysia	Vietnam
Number of direct suppliers in scope of the RS Program	31	15	11
Top NC identified in supplier audits	Excessive overtime	Excessive overtime	Workers found to pay for personal protective equipment
Second most common NC identified in supplier audits	Insufficient emergency exits	Chemicals and hazardous substances are not contained in secondary containment to prevent leakages, spills, and accidents	Electrical safety not compliant with legal requirements



## Managing risks for minimum risk suppliers

Suppliers identified as minimum risk, mainly food manufacturers in Australia and New Zealand (ANZ), are required to complete a self assessment questionnaire (SAQ). If the supplier is an existing member of a mutual recognition scheme, we accept and review the corresponding SAQ. Suppliers that are not members of a scheme complete a Woolworths SAQ. The purpose of the SAQ is to validate our risk assumptions and highlight any red flags. In F20 we identified that:

- 48% of minimum risk suppliers utilise migrant workers in their operations
- 43% use a labour hire provider to meet workforce needs

- 95% workers can raise issues confidentially and in a language they understand.

Although these food manufacturers are based in ANZ, we have identified that there is a level of risk among these suppliers where migrant workers and labour hire providers are deployed. As a first step, we have proactively distributed 65 Supplier Speak Up posters to 13 minimum risk suppliers that had been flagged during the SAQ process.

In F21 we will provide resources to suppliers on our requirements for labour providers. Any sites that are deemed higher risk will be moved to the moderate risk segmentation and be required to submit a third party audit.

## Expanding visibility of our fresh food supply chain

In 2019, guided by risk prioritisation, our efforts in the fresh food supply chain concentrated on horticulture. This year, as our program matures, we conducted a baseline assessment of meat and seafood suppliers.

100% of our fresh cut meat is sourced in Australia from 26 suppliers across 50 sites. We have connected with 16 suppliers on the Sedex platform and 10 site audits meet our requirements for review. Of these, 2 were graded green (low risk), 7 were graded amber (medium risk) and 1 was graded purple (high risk). 93% of non-conformances have been addressed and we are working to close the remaining 2 issues.

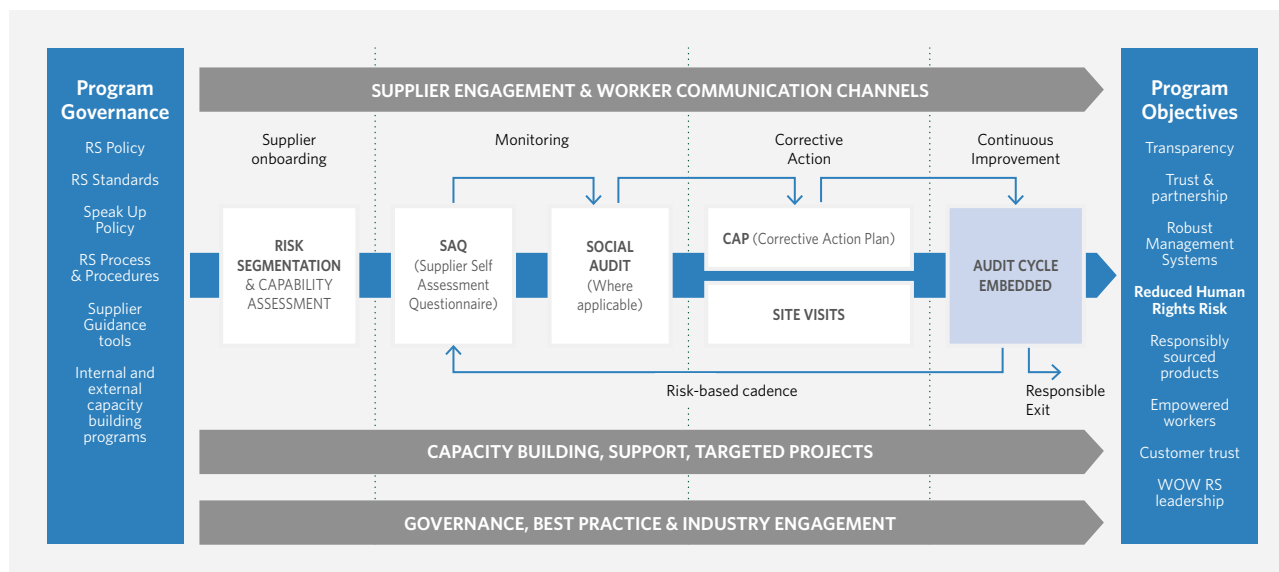
Own brand seafood, including fresh and canned, is sourced from 43 direct suppliers spanning operations and fisheries in 18 countries. 56% of seafood is fished in Australia followed by trans-boundary waters to the north east and west of Australia, Vietnam and USA. We have reviewed audits of 11 direct seafood sites and identified non-conformances in health & safety, working hours and compliance to environmental standards. Guided by our additional forced labour risk assessment, we will prioritise further due diligence for seafood suppliers in F21.





# Supplier engagement

## Framework for supplier engagement in our Responsible Sourcing Program



## Embedding Responsible Sourcing in our supplier's operations

This year we continued to embed the RS Program in our supply chain through supplier engagement and capacity building. 669 suppliers attended the annual Supplier Roadshows across six cities in China and Australia. Drawing on feedback from last year, this year we used case studies to deepen our collective understanding of root causes of RS non-compliances. We also launched Supplier Speak Up and distributed guidance material on operational level grievance mechanisms. 67% of roadshow attendees returned a feedback survey, on average, 4.35/5 people were satisfied with the RS session. In response to COVID-19, the team is considering alternative training opportunities for higher risk suppliers in F21.

### Site visits

Whilst audits to our supplier sites are carried out by third party certification bodies, we believe it's important to engage with our suppliers directly to improve oversight of supply chain risks. Site visits are carried out by our RS Specialists and offer an opportunity to build a sense of partnership with suppliers. Visits aim to support long term improvements by:

- Raising awareness of RS Program requirements
- Understanding our supplier's perspective and the challenges they face
- Sharing tools and tips to help suppliers meet requirements
- Where required, agreeing a capacity development plan.

During the reporting period, our teams conducted a total of 45 site visits, 21 in China, 20 in Bangladesh and 4 in Thailand. Visits were a combination of announced, for new sites, and semi-announced and un-announced visits for existing priority suppliers.

In light of COVID-19, we modified our site visit methodology to conduct virtual site visits in Bangladesh. Visits include

management interviews and a plant tour to check key health and safety measures such as entrance procedures, washing facilities, isolation stations, child care facilities, canteen area seating arrangements and social distancing protocols on the production floor. To date, 14 virtual site visits have been conducted at higher risk and strategic supplier factories representing 70% of our total order volume. All factories have formed a COVID-19 Task Force. Our team verified that factories are following government requirements by observing temperature checks, hand wash facilities and appropriate PPE during the virtual visit.

## Supplier training on effective grievance mechanisms

Our Supplier Speak Up channel has been a top priority this year. To assist suppliers with site level implementation of grievance mechanisms, we delivered an e-learning module on "How to Manage Worker Feedback" for all priority and moderate sites. The online module, available in both English and Chinese, had the following learning objectives:

- Identify key channels for accepting worker feedback
- Learn procedures for handling worker feedback
- Learn how to implement and monitor a worker feedback system.

During 2020, 735 suppliers completed the course. 97% of suppliers reported that this training was useful and that they have a better understanding of how to manage worker feedback.

Topics identified by suppliers for future training include production and capacity planning, communication and effective management. In F21 we will deepen our engagement with amfori BSCI and Sedex to better leverage online training for suppliers. This exercise was paused in F20 due to the re-prioritisation of the team in H2.



# Grievance and remediation procedures

## Supplier Speak Up

This year we progressed our commitment to improve the Group’s grievance mechanism through leveraging our Speak Up channel. Supplier Speak Up, governed by the Supplier Speak Up Policy, is an independent and confidential platform available to suppliers and workers in our global supply chain. The service can be accessed by phone from key sourcing countries and is available globally online.

This year we translated the Speak Up Policy, online intake form and posters into languages of our key sourcing countries and migrant worker cohorts. These are: Chinese, Bengali, Malay, Thai, Hindi, Arabic and Korean. We have continued to work with suppliers to cascade information posters to raise awareness of the service among workers.

We also conducted an operational review of the telephone service, which identified some issues with language selection. These have since been addressed and the phone intake reflects both the national and key languages of migrant workers in that location.

## Investigating and remedying breaches and grievances

This year we investigated 85 supply chain breaches or worker grievances, an increase of 27% from last year. At this stage of our program, this suggests continuous improvement in procedures to identify and resolve labour issues. The channels through which issues are raised is also diversifying:

Supplier Speak Up	56
Referred by the Fair Work Ombudsman (FWO)	13
Referred by Ministry of Business, Innovation and Employment (MBIE), NZ	4
Media investigations	4
Audits and self assessment questionnaires	5
Union engagement or direct contact from affected workers to our RS team	3

Of the 85 matters raised, 60 cases have been closed and the rest remain either under investigation or the suppliers have agreed to a management action plan.

Our Facilities Management team facilitated \$653,297 in repayments

by labour contractors to 37 workers in the trolley and cleaning sector across 32 sites in six states. As a result of our investigations, 23 subcontractors and their key management personnel were terminated and debarred from all sites. A further three primary contractors were put on hold due to critical issues identified and later released from hold when the issues were remediated. Two workers reflecting on their experiences of the remediation process said:

*“Thank you for helping me with the situation.. and for giving me my rights and what I deserve back to me. I would have never claimed my right or speak up to it until I received the encouragement and hope from you.*

*I and my colleague got a pay out from my employer as a result of a compliance activity by the Woolworths Facilities Management Compliance team. I appreciate the assistance and efforts taken by the auditor and their team to ensure the right thing is done with us, the trolley collectors.”*

In horticulture, our RS team monitored the repayments of \$819,990 in miscalculated wages and unpaid superannuation for 277 workers across 3 supplier sites. As a result of our investigations one supplier was temporarily suspended from trade while corrective actions were addressed. In total, 12 cases were raised in horticulture in relation to direct suppliers, and three from workers in our second tier supply chain.

## If you have any of these problems at work...



Forced to work



Underpaid



Bullied, abused or treated badly



In danger

## Speak Up.

Speak Up is a service managed by an independent third party. It provides an avenue for suppliers and their workers to report issues confidentially and anonymously, where they have not been resolved by the employer or regulator.

Contact Supplier Speak Up on:  
AU 1800 772 173  
NZ 0800 393 76739  
[WoolworthsSpeakUpMalay.ethicspoint.com](http://WoolworthsSpeakUpMalay.ethicspoint.com)  
Scan the QR code for more information



supplier  
**speakup**

## Case study: Addressing root causes – a 2020 remediation update

As disclosed in last year's sustainability report, we have been investigating and remediating an unauthorised subcontracting case with a general merchandise supplier based in China. This case was reported in 2018 and investigated in alignment with our formal grievance process. The initial investigation identified a number of issues, including validating the claim of unauthorised subcontracting and uncovering the underpayment of overtime wages involving three suppliers across four factories.

### SUPPLIER ENGAGEMENT

Woolworths and ELEVATE engaged the four factories as part of a targeted year-long capacity program, which concluded in November 2019. The program focused on helping suppliers develop stronger management systems to better align with the RS Standards.

A baseline assessment was conducted at the beginning of the program to identify where factories needed to strengthen controls to improve health and safety, wages and working hours. The results informed factory-specific remediation plans to build supplier capability to strengthen management systems.

Upon completion of the program, each factory was assessed to identify their overall improvements. The outcomes include:

- All sites demonstrated improvements in workforce management and health and safety
- Three sites established procedures to maintain accurate attendance and payroll records and aligned worker wages to local regulations
- Two sites improved their production management systems to improve capacity planning and labor forecasting to reduce risks of future overtime
- One site implemented effective systems to monitor working hours and rest days.

Each factory received a final report and recommendations for continuous improvement. We will work with factories and monitor progress as part of quarterly supplier meetings.

### Outcomes of factory development program in China

IMPROVEMENT AREA	SITE 1	SITE 2	SITE 3	SITE 4
1. Workforce management	✓	✓	✓	✓
2. Health and Safety	✓	✓	✓	✓
3. Production Management		✓	✓	
4. Attendance Records	✓		✓	✓
5. Payment Records	✓		✓	✓
6. Wage Guarantee Mechanism	✓		✓	✓
7. Weekly Working Hour Monitoring	✓			
8. Rest Day Monitoring	✓			
Total number of improved area:	7	3	6	4

### STRENGTHENING OUR PROCESSES

As part of our investigation, we reviewed our internal purchasing practices and processes. We identified that we did not have a clearly defined process for managing factory capacity and subcontracting risks. We developed an action plan to strengthen our systems and mitigate future exposure. Progress to date includes:



#### Training our team

We expedited planned training for commercial and procurement teams on responsible purchasing practices. All relevant team members in FoodCo Asia and BIG W Asia have completed the training.



#### Factory capacity assessments

The general merchandise team completed factory capacity assessments for all (100%) of its active factories and consolidated its active factory list from 232 to 215 sites, from 175 suppliers. No suppliers were identified as high risk, which would then trigger further due diligence.



#### Verifying supplier capacity during onboarding

Factory capacity assessments are verified during a site visit as part of the factory onboarding process before orders can be placed for all new sites. For existing sites, the sourcing team had commenced on-site capacity assessments, however, the plan is temporarily delayed due to COVID-19 travel restrictions.



#### On-site third-party capacity assessments

We have developed and piloted an on-site capacity verification protocol for third-party assessments. This protocol will be used when a factory is identified as high-risk during a site visit. The assessment considers available production time and planned capacity at different stages of the manufacturing process. The protocol has been piloted at two sites and has been deemed fit for purpose.





# Projects and partnerships

## A commitment to living wage in Bangladesh

**BIGW**

In February 2020, BIG W joined Action, Collaboration, Transformation (ACT) to address living wages in Bangladesh. ACT is an agreement between global brands, retailers and trade unions to achieve living wages for workers through collective bargaining at industry level linked to brands' purchasing practices.

The first step for ACT was to conduct a purchasing practices self-assessment survey across our BIG W team. Given the significant impacts of COVID-19 on the global apparel sector this is paused until later in the year. In response to COVID-19, ACT's strategy has pivoted to focus on the immediate needs in key sourcing countries. BIG W is an active participant in ACT's Bangladesh country group meetings, a tripartite dialogue between ACT brands, the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), and trade unions represented by the IndustriALL Bangladesh Council. The Bangladesh country group members agreed to share information on the payment of wages and festival holiday bonuses. ACT's ongoing support for workers during the pandemic will be conducted in coordination with the International Labour Organisation's Global Call for Action.<sup>1</sup> BIG W has also endorsed the Call to Action.



### ACT's purchasing practice commitments<sup>2</sup>

1. Brands commit that purchasing prices include wages as itemised costs
2. Brands commit to fair terms of payments
3. Brands commit to better planning and forecasting
4. Brands commit to undertake training on responsible sourcing and buying
5. Brands commit to practice responsible exit strategies.

## Shobola update: Year two of amfori's women empowerment program in Bangladesh

**BIGW**



Last year, a BIG W supplier was selected by amfori BSCI to participate in a women's empowerment program, Shobola. Shobola, meaning independent and empowered woman in Bengali, is a two-year project designed for female workers in Bangladesh's ready-made garment sector to consider pathways into supervisory positions.

In the first year a baseline assessment identified barriers women face in pursuing supervisory positions in factories including a lack of confidence from limited education or leadership experience, and concerns with juggling family commitments. The assessment also highlighted the need for training in the area of gender equality and sexual harassment in the workplace.

These insights formed the basis of the Shobola Project training conducted in F20 including topics such as understanding and reporting cases of sexual harassment, effective communication and leadership for career development. BIG W's supplier said of the training, "Overall this training was beneficial for workers and staff. Managerial and communication skills among employees has been improved and employees are very aware about gender equality and sexual harassment."

The planned consultation in factories in Q4 F20 has been postponed due to COVID-19.

<sup>1</sup> For more information see: [https://www.ilo.org/global/topics/coronavirus/sectoral/WCMS\\_742343/lang--en/index.htm](https://www.ilo.org/global/topics/coronavirus/sectoral/WCMS_742343/lang--en/index.htm)

<sup>2</sup> For more information see: <https://actonlivingwages.com/wp-content/uploads/2019/10/ACT-GLOBAL-PURCHASING-PRACTICES-COMMITMENTS-1.pdf>

# Embedding responsible sourcing in our global horticulture and viticulture supply chains



## Woolworths Supermarkets

This year, our horticulture-specific RS strategy in Australia focused on three key areas to strengthen our visibility and controls for higher risk suppliers:

- Supplier due diligence in high risk categories
- Industry collaboration
- Worker engagement.

In the first half of the year we achieved our first major milestone with all direct suppliers onboarded to the RS Program. We are now rolling out self-assessment and audit requirements to second tier growers in higher risk categories. We

continued to engage across industry through formal mechanisms such as the FWO's Horticulture Industry Reference Group and by liaising directly with peak bodies. We partnered with the United Workers Union (UWU) on worker education sessions and met with worker representatives during COVID-19 response planning. The RS team continued to work closely with the Fresh Produce team to engage suppliers on the requirements and manage investigations when issues were raised.

### Due diligence program for high risk categories

Last year we took a risk-based approach to determine our highest risk fruit and veg categories. We consider four key factors:

1. Type of harvest (manual/mechanical)
2. Location (including known risk regions and regulatory oversight)
3. Seasonality
4. Suspected or known red flag sites

As a result we identified six categories at higher risk for worker exploitation: berries, grapes, stonefruit, brassica, tomatoes and cucumbers. This year we commenced our high risk horticulture program for these categories, and included citrus (oranges) in this group based on geographic risks heightened during COVID-19. Our program for higher risk categories has five key activities.





## 1 Pre-harvest briefing sessions



## 2 Supplier, grower and labour providers due diligence



## 3 Information checks



### 1. PRE-HARVEST BRIEFING SESSIONS

In December we piloted our first pre-harvest briefing session in Mildura attended by 39 direct and indirect grape suppliers.

The forum offered the opportunity for suppliers to discuss areas of concern with our team and we were able to work through labour hire issues ahead of harvest. In February, Woolworths presented at the National Citrus Conference, reiterating our Program expectations to some 150 industry participants. When face-to-face briefings resume, we will trial combined category and RS updates so that human rights is integrated into business-as-usual discussions alongside commercial and quality updates.



### 2. SUPPLIER, GROWER AND LABOUR PROVIDERS DUE DILIGENCE

This step requires suppliers to conduct basic due diligence in their operations, for growers and any labour providers used in their supply chains. This has already improved transparency in high risk areas. This year we conducted information checks on 212 direct suppliers across all high risk categories, identifying 447 indirect suppliers that contribute to our supply chain. Prior to COVID-19, we also requested suppliers to undertake an audit at the site of their main operations and/or one significant tier two grower. Audit requests were put on hold from March-June, and will be reconsidered in consultation with certification bodies in Q1 F21.



### 3. INFORMATION CHECKS

Our team reviews the supplier and grower data to assess if our RS requirements are met. Key insights from this process include:

- The number of direct and indirect suppliers (also known as tier one and tier two suppliers)
- The mutual recognition scheme direct and indirect suppliers have selected
- If indirect suppliers have conducted an audit
- The names of the labour hire providers used in the supply chain and if those labour providers meet our Requirements (State-based license, registered with the Federal Government's Seasonal Workers Program, or Staffsure accredited).

This information enables the RS team to identify information, or information gaps such as undisclosed labour providers, that are a red flag for further due diligence.

#### Summary of due diligence activities in higher risk produce categories in Australia

CATEGORY	RESPONSE RATE	# DIRECT SUPPLIERS	#INDIRECT SUPPLIER SITES	# TOTAL SITES USING LABOUR HIRE	# OF LABOUR PROVIDERS IDENTIFIED	# OF SITES IDENTIFIED AS AT RISK <sup>1</sup>
Berries	87%	44	148	107	62	103
Cherries	100%	17	35	16	14	7
Grapes	73%	32	71	28	24	55
Stonefruit	50%	33	102	128	51	56
Tomatoes	39%	33	135	31	31	18
Citrus	47%	58	243	53	46	78
Cucumbers	50%	25	37	3	4	15

<sup>1</sup> At risk is defined by sites that are using a labour provider but that provider does not meet our Requirements, or are using a provider and details are still to be confirmed.





## 4 Worker engagement



### 4. WORKER ENGAGEMENT

This year we continued worker outreach in key locations in partnership with retail peers, labour hire providers, suppliers and UWU. Key engagements included:

- **October 2019:** Worker education session in Elizabeth, South Australia, organised by the UWU and attended by Woolworth's RS team and Chief Legal Officer.
- **December 2019:** A multi-stakeholder roundtable on the Sunraysia region attended by retailers, investors and UWU delegates and worker representatives.
- **February 2020:** We piloted a joint retail, union and labour hire provider session for workers in Sunraysia. Participants reported a positive experience.
- **May 2020:** We coordinated a meeting with UWU worker representatives and received direct feedback from key sourcing regions on the impact of COVID-19 on migrant workers.
- **June 2020:** We convened a meeting with the Sunraysia pilot group to discuss next steps in the region. The group agreed to focus the next event on awareness raising among labour providers.



## 5 Site visits during peak harvest



### 5. SITE VISITS DURING PEAK HARVEST

Visits to cherry, grape and strawberry suppliers commenced this year, while plans for other strategic categories were delayed due to COVID-19 travel restrictions. In Q4 alternative due diligence measures were put in place including one-on-one calls with suppliers to discuss their labour management plan for harvest and ensuring Supplier Speak Up posters were visible on sites.

To support suppliers at this time and maintain a focus on worker voice and wellbeing, packages have been mailed to 90 high risk suppliers containing Speak Up posters in 6 languages, guidance on effective Grievance mechanisms and government COVID-19 health and safety posters. Suppliers are encouraged to reach out if further support is needed, and engagement will continue, prioritising suppliers with harvest underway.

## Fair Farms Certification: Arnhem Mangoes



Arnhem Mangoes was one of the first growers to register and complete the Fair Farms Training and Certification Program. The business employs over 100 workers every year including overseas workers via the Government's Seasonal Worker Programme. The online self assessment highlighted only a few minor issues that were then addressed in training.

Arnhem Mangoes was audited during the summer mango harvest, where auditors identified best practices deployed at the site. Workers who stay in the provided accommodation are given toiletries and basic food packs, and a full-time chef is employed to provide all workers with free breakfast and morning tea.

Arnhem Mangoes was set on a 3-year recertification cycle. A yearly check-in by way of completing the self assessment is still required to ensure that standards are maintained.

## Fair Farms

Fair Farms is a grower-led initiative launched in June 2019, with the aim of promoting workplace compliance in Australian horticulture. Woolworths was a founding retail member and this year we assumed a role on the Fair Farms Stakeholder Reference Group. The purpose of this group is to provide advisory support to improve the Fair Farms program. Our priority areas while on the Reference Group are worker voice, best practice protocols for worker interviews and grievance mechanisms. To date:

- 77 of our suppliers have registered with Fair Farms
- 57 of those have now completed the Fair Farms SAQ
- 22 have completed training
- 9 have so far become Fair Farms certified.

In F21 we will continue to collaborate with Fair Farms by piloting the online buyers dashboard, promoting the program to our indirect growers, and improving audit quality with a particular focus on deepening confidentiality in worker engagement during audits.

## Reviewing effectiveness of grievance channels

In late 2019 we partnered with ELEVATE's LabourLink service to pilot a technology-based worker survey on grievance mechanisms among migrant workers in our fresh produce supply chain. The purpose was two-fold: to trial a mobile-based survey as a means of gathering real-time insights directly from workers; and to gather baseline information on the channels workers trust to raise issues. We worked with six suppliers, reaching a total of 230 workers. Key findings include:

- Workers prefer to talk to their supervisors or farmer/owner directly (80%) rather than using hotlines to raise issues.
- There is a correlation between language (proxy for nationality) and access to the grievance mechanism. 68% of English speakers said there is an easy way to make a complaint/suggestion, while only 25% of Chinese and 37% of Korean speakers surveyed agreed with this statement
- On average, 53% of respondents are concerned about retaliation from

management when filing a complaint; more so for younger workers

- On average, only 54% of workers across all surveyed farms think that management will treat their grievances seriously, with workers on smaller farms less confident.

The results of this survey have informed our communication strategy for Supplier Speak Up and will continue to guide the development of tools to support suppliers manage grievances.

## FWO Horticulture Reference Group

For the past eighteen months Woolworths has been a member of the Fair Work Ombudsman's (FWO) Horticulture Industry Reference Group. Members of our RS team have attended five quarterly meetings since March 2019 to discuss shared industry challenges with government, industry bodies, suppliers and unions. In this time we have deepened our relationship with key horticultural supply chain participants and will continue to engage across industry once the formal FWO Reference Group comes to an end in F21.

## Respecting freedom of association

This year we have engaged with the United Workers Union (UWU, formally the National Union of Workers) and the Retail Supply Chain Alliance (AWU, TWU and SDA) on issues arising from our horticulture supply chain. Key meetings with UWU are outlined above in the section on worker engagement.

In H2 our priorities with union engagement shifted in response to COVID-19. At this time, we are engaging with unions to:

- Better understand the impact on workers in key growing areas
- Improve insights into horticultural supply chain worker sentiment during COVID-19
- Support the most vulnerable workers with access to basic health and sanitation products.

We remain committed to working with all relevant unions to ensure necessary changes are made to protect workers in the horticultural sector.



## Countdown New Zealand



There has been a heightened focus on responsible sourcing over the past year in New Zealand, driven by both market and regulatory events. Countdown is the first major food retailer to require social compliance from its produce suppliers. We have been working to raise awareness of our RS Program through supplier communications, grower updates, and industry events.

Countdown worked closely with NZGAP, the certification arm of Horticulture New Zealand, to support the launch of its Social Practice Add-on module in Autumn 2020. NZGAP has also developed a Standard for Contractors that seeks to strengthen oversight of labour providers in the horticulture sector. This year Countdown advanced the onboarding of New Zealand produce suppliers to its RS Program:

This year Countdown advanced the onboarding of New Zealand produce suppliers to its RS Program:

- 104/108 (96%) direct suppliers are onboarded
- 95/108 (88%) of direct suppliers have completed Self-Assessment Questionnaires or submitted third-party assessments

### SUPPLIER INVESTIGATIONS

This year, Countdown has undertaken four investigations into four direct and two indirect suppliers linked to Labour Inspectorate and Immigration NZ investigations. The Government findings related to activities that occurred between 2015 - 2020, with the main issues identified:

- workers on holiday or expired work visas
- failure to pay workers full entitlements

- failure to provide employment agreements or keep accurate records.

We have engaged with the suppliers involved and in one instance facilitated restitution of underpayments of \$5,166.97 to workers by a direct supplier on behalf of the Labour Provider. We have received evidence that instances of worker underpayment in the other cases have been addressed via payments made directly to the Employment Relations Authority or Employment Court. During our meetings suppliers have analysed the root causes of the identified breaches, and set targets for follow-up actions via our Management Action Plan process.

Three of these four investigations related to the activity of Labour Providers on the suppliers' sites, currently a vulnerable point in the supply chain for protecting worker welfare. It is our expectation that suppliers and growers conduct due diligence on third party labour providers. We also welcome the development of NZGAP's Contractor Standard as a mechanism to drive improved performance through the contractor sector and are exploring how we support this through our RS Program requirements in F21.

Planned investigatory audits and support for professional development for social practice auditors in New Zealand was impacted due to COVID-19. We are working to draw on international expert practitioners remotely to support capability building in New Zealand in this area.

## Endeavour Group



This year Endeavour Group (EG) took a risk-based approach to determine RS due diligence requirements in its operations and supply chains. The most salient risk identified was our ownership of vineyards in Australia and New Zealand. EG's strategy is threefold:

1. Conduct a gap audit of EG owned vineyards to the RS Standards
2. Build a due diligence framework with key suppliers
3. Foster a collaborative working relationship with industry and the FWO.

Woolworth's RS team and global social audit experts, Verite, co-audited EG's vineyards in Australia. One of the audits resulted in an investigation of two labour hire providers contracted with EG's direct supplier for viticulture management. The investigation identified underpayments via labour hire providers and all repayments have been made. Where repayments could not be verified, this has been escalated to the Fair Work Ombudsman. Due to COVID-19, the planned audit of our winery in New Zealand scheduled for March 2020 was postponed.

EG is conscious of the leadership role it can play in the Australian wine industry, especially as the company looks to demerge from the Woolworths Group. The non-compliances

identified in our supply chain suggest that these practices could be seen more broadly across the Australian wine industry. To address these issues at an industry level EG engaged with members of the Australian Grape and Wine Association (AGWA) and the South Australian Wine Industry Association (SAWIA) in a roundtable discussion. Key outcomes from the roundtable were:

1. The establishment of a shared understanding of the challenges in responsible sourcing and ethical recruitment in the sector
2. Initial discussions on driving suppliers and labour hire companies towards better practices and implementation of responsible recruitment principles
3. Agreement by AGWA to drive the change with its members to improve the labour hire standards in Australian viticulture with support from EG.

In Q4 a follow up meeting was held with AGWA, Endeavour Group and the Fair Work Ombudsman with a commitment from the parties to continue proactive compliance efforts in the industry in F21. EG, in partnership with our key wine suppliers, will continue to support the AGWA in their engagement work across the wine industry.





# Making an impact in our communities

IMPACT

Commitment **17**

Status **ACHIEVED**

Commitment **18**

Status **ACHIEVED**

Sustainable Development Goal



WOOLWORTHS GROUP



## Our community investments<sup>1</sup>



**\$6.8M**

cash donations



**\$15.5M**

in kind donations



**\$8.8M**

team member time



**\$31.1M**

our total community investment



**\$11.6M**

leveraged fundraising



**1.05%**

our community contribution as % of EBIT on a rolling average basis

<sup>1</sup> Cash donations, in kind donations and team member time have been verified by LBG Australia & New Zealand.

## White Island support



When Whakaari erupted in December, it sent shockwaves throughout New Zealand. Many people had travelled to the island to see it, but on this occasion a number of visitors to its shore did not make it home alive. This sadly included a number of our team from Woolworths Australia.

Our team immediately set about supporting the families of our wider team who had been hurt or killed in the eruption. We worked with the Australian High Commission and the New Zealand Police to help the families as soon as they landed in the country by providing food, phones, transportation and support during what was an incredibly difficult time. Our Manukau store also prepared food that was delivered to Middlemore hospital for the families and emergency workers.

## Junior Landcare Grants



In 2020, proceeds from the sale of our "Bag for good" continued to fund the Woolworths Junior Landcare Grants program. The program provides grants of up to \$1,000 to primary schools and early learning centres for environmental projects. The second round of funding was distributed in late 2019, bringing the total number of organisations who have received a grant to 1,155. Our program has supported more than 100,000 Australian students get hands-on experience in caring for the environment; helping to grow our next generation of environmental champions.

To coincide with the 2020 school year, Junior Landcare launched an online Learning Centre funded by Woolworths, with resources developed by educational professionals and aligned to the school curriculum. The Learning Centre features dynamic 30-minute learning activities for educators, parents and carers, youth groups and Landcare community groups. The activities make it easy and fun to get children involved in environmental sustainability activities at school, at home or in the community.

Since its launch, there have been thousands of visitors to the Junior Landcare Learning Centre. The team behind it will continue to create new learning activities focused on four key areas: food production, Indigenous perspectives, waste management and biodiversity.

Woolworths also sponsors the Woolworths Junior Landcare Team Award, to recognise a youth organisation or young Landcare team that contributes to raising awareness, knowledge and understanding of Landcare amongst young people. In late 2019, State and Territory Landcare Associations held their awards events, where the Woolworths Junior Landcare Team Awards were presented. Winners from the 2019 State & Territory Landcare Awards go forward to the 2020 National Landcare Awards, with winners announced in late 2020.

## Share the Dignity



Woolworths' partnership with women's charity, Share the Dignity, supports Australian women and girls dealing with period poverty. More than \$1.3 million donated since our partnership commenced in March 2019 is set to deliver 80 #Pinkbox Dignity Vending Machines nationally.

Share the Dignity's #Pinkbox Dignity Vending Machines dispense period packs, free of charge, and are discreetly located in areas of social disadvantage to give at-risk women and girls access to sanitary items. As of March 2020, 31 machines have been installed; further installations are delayed until late 2020 due to COVID-19 precautions.

Woolworths also participated in Share the Dignity's twice annual Dignity Drive in August 2019 and March 2020. Our customers were invited to donate sanitary products during those months to collection boxes located in all supermarkets, which were then distributed to those in need.

Share the Dignity's Corporate Relations Manager, Tracey Wickham says "Share the Dignity's partnership with Woolworths helps so many at-risk women and girls and is invaluable in the fight to end period poverty."

## Real Care Community Program



Since 2016, BIG W has partnered with Good360 Australia to connect surplus stock to families who need it most. Through the Real Care Community Program, BIG W stores are matched with local charities and eligible schools in their areas, making a real difference for families in their community.

During F19/20, BIG W donated over 3.1 million items to 240 Good360 member charities and eligible schools which include The Salvation Army, St. Vincent De Paul Society, Heart & Soul Community Group, Global Care, Lomandra School and many more.

To build healthy minds and bright futures for Australian children, BIG W also donated an additional 40,000 books through the Free Books For Kids campaign to regional and rural schools across Australia. Another 48,000 books were created in partnership with The Wiggles, which were donated to charities and schools also across Australia. Podcasts of the books were also created, ensuring access to books for families who don't live near a BIG W store.

Over the lifecycle of BIG W's partnership with Good360, over 6.8 million items have been donated to 956 charities and disadvantaged schools, helping thousands of Australian families.



# S.T.A.N.D

IMPACT

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WOOLWORTHS GROUP

## Support Through Australian Natural Disasters

The past few years have been tough for so many Australians, with communities across the country suffering widespread damage due to severe drought, cyclones, devastating floods and unrelenting bushfires. The effects of these disastrous events will be felt for many years to come.

Woolworths commitment to supporting communities in need is longstanding. More recently, in 2016 we established

the S.T.A.N.D program with The Salvation Army to provide Support Through Australian Natural Disasters and help Australians impacted by adversity.

In F20 we reaffirmed our commitment to provide practical support in times of Australian natural disasters, with additional charity partners joining us. We are proud to now be working with

The Salvation Army, Rural Aid, Lifeline and Foodbank.

We are supporting each partner with funding to help them all deliver their expertise and care where it is needed. Through our S.T.A.N.D program we are helping our partners to address immediate needs following a disaster event, support for living expenses, supply of food and psychological first aid and counselling.





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## The Salvation Army



**\$5.66M**

funds raised for The  
Salvation Army



**5,310**

volunteers  
supported



**14,362**

people  
supported



**497,000+**

meals and refreshments  
provided

Since 2016 more than \$8.2 million has been raised to fund The Salvation Army's Emergency Services (SAES) to support people at their point of need. These funds have been raised through a \$500,000 annual donation, proceeds from S.T.A.N.D bottled water and customer and team donations, helping to provide the SAES teams with the equipment and capability to attend hundreds of emergencies each year - with over 5,000 volunteers, assisting over 14,300 people with recovery support.

With an additional corporate donation and the generosity of our customers and team, Woolworths Group raised over \$3.75 million in support of bushfire-affected Australians across the country during summer bushfires. This meant that SAES teams could provide services and support at over 290 locations, including evacuation, relief and recovery centres.

Janine and Robert Donaldson, The Salvation Army Australia Commissioners said "Woolworths support, during the 2019/2020 bushfires, was crucial in equipping The Salvation Army's Emergency Services. We simply could not have predicted the scale of disaster that was to unfold as our teams sprang into action from September 2019, at the forefront of bushfire emergency and relief efforts. Throughout the bushfires, over 3,000 Salvos worked around the clock to provide more than 250,000 meals, 220,000 light refreshments and personal packs to first responders and evacuees. Being able to provide practical and emotional support to those on the frontline and those impacted by the bushfires has been vital. Thank you for your continued commitment to help communities when they are most in need."



WOOLWORTHS GROUP

## Rural Aid

Since our partnership began in 2018, Woolworths and our customers have donated more than \$8.7 million to Rural Aid, facilitating the purchase of over 34,000 tonnes of hay to assist approximately 3,900 farmers.<sup>1</sup>

This has helped keep farmers on the land and enabled their stock to survive in extreme conditions. Importantly, these deliveries have provided hope; demonstrating to rural communities that they are not alone.

In 2018, Rural Aid initiated the employment of rural counsellors as a resource for communities under significant strain. Our financial support has facilitated the employment of two of these counsellors, who

conduct face-to-face and telephone counselling, and are responsible for saving lives.

Rural Aid's Chief Executive Officer, John Warlters, said the partnership with Woolworths meant much needed drought support to keep livestock alive could be delivered at scale, and with urgency.

*"Rural Aid's mission includes partnering with key stakeholders to provide financial and operational assistance to rural communities impacted by natural disaster. This is at the heart of our partnership with Woolworths. Woolworths' generous donations, and supply chain and logistics expertise, help us get help more efficiently to where it is needed."*



Woolworths Group CEO Brad Banducci (left) attend a hay drop in Dubbo, November 2019.

<sup>1</sup> Calculations are based on average cost of hay and average number of bales delivered to each farmer.

WOOLWORTHS GROUP

## Foodbank

Foodbank is the largest hunger relief provider in the country, supporting around 815,000 Australians experiencing food insecurity every month. Woolworths is Foodbank's largest food donor, and largest pro-bono freight provider. In 2020 Woolworths donated more than 5 million meals including 110,000 kilograms of non-food items for distribution through Foodbank's network of 2,400 community groups Australia-wide.

This has been the largest year on record for the volume of food and groceries donated by Woolworths to Foodbank and has been in direct response to growing challenges and demand. Foodbank has faced in supporting community groups impacted by drought, bushfires and the ongoing COVID-19 pandemic.

In addition to the millions of kilograms of surplus food donated via our stores and distribution centres, the final 4 months of the year saw the direct donation of \$3.75 million worth of purchased goods including ambient groceries; Woolworths Basics Boxes; fresh fruit, vegetables and protein. This was further supported by over \$700,000 in free freight across the year.

We expect this demand to continue, if not increase. Foodbank Australia CEO, Brianna Casey, says the longstanding partnership with Woolworths is crucial, especially in times like these. *"Woolworths has helped us provide key staple foods to communities who need it most. Through our partnership, we've been able to provide a reliable source of food that offers variety, nutritional value and cultural appropriateness. It's been amazing to receive the ongoing support we have from across Woolworths' business to get the most food to the most people, as efficiently as possible."*

Woolworths, together with Foodbank, continue to fight hunger while tackling Australia's \$20 billion food waste problem by redirecting edible food from landfill.

## Lifeline

Lifeline, a national charity providing 24 hour crisis support and suicide prevention services, their 13 11 14 crisis support line receives a contact from someone in crisis every 30 seconds. With recent events, there has been unprecedented demand for Lifeline's services.

Over half of Lifeline's 40 centres are located in rural and regional areas. There has been increased demand for support from these and other communities because of the devastating effects of multiple natural disasters and the COVID-19 pandemic.

Woolworths' funding of three initiatives over the past year has helped Lifeline reach more people in crisis, and provide connection, compassion and hope.

### LIFELINE TEXT

Our support over the last three years helped with the launch of a new crisis texting service this year. Lifeline Text, a new outreach channel, has helped some users overcome previous barriers to accessing Lifeline's services. Offering multiple channels of support – Phone, Chat and Text – is essential in ensuring that a full safety net of crisis support is available to everyone in the community, 24/7.

### DROUGHT SUPPORT

Woolworths are supporting six projects in rural and regional Australia, which provide face-to-face counselling, training and resources to bolster the wellbeing of people impacted by drought, and help them develop community connections. Projects like that led by Lifeline Crisis

Support volunteer, and Queensland dairy farmer, Ross Blanch, allow Lifeline to travel into drought-stricken areas to visit those directly affected. Ross provides support to farmers in the safety of their own homes, or in familiar community settings such as pubs and milk bars.

### COMMUNITY RECOVERY

Through our S.T.A.N.D (Support Through Australian Natural Disasters) program, Woolworths is assisting Lifeline to provide life-saving support to vulnerable communities affected by natural disaster. Part of this involves the delivery of psychological first aid and counselling in affected communities. This support is critical to ensuring affected communities have every chance to build resilience and recover.

*"Over the last three years, Woolworths has worked with Lifeline in two crucial ways. First, Woolworths donated \$1 million to assist us to launch, and pilot, Lifeline Text. This new platform has meant young people are accessing our service in greater numbers than ever before. An independent evaluation of the service found that 53.7% of people who accessed Lifeline Text last year were under the age of 24.*

*Second, with Woolworths' support, we've been able to deliver community education programs and face-to-face counselling for communities stricken by drought, and mobilise and deploy teams to deliver psychological first aid in communities ravaged by bushfire."*

Colin Seery, Chief Executive Officer, Lifeline Australia





# Creating shared value with our customers

IMPACT

Commitment

19

Status

MATERIALLY PROGRESSSED

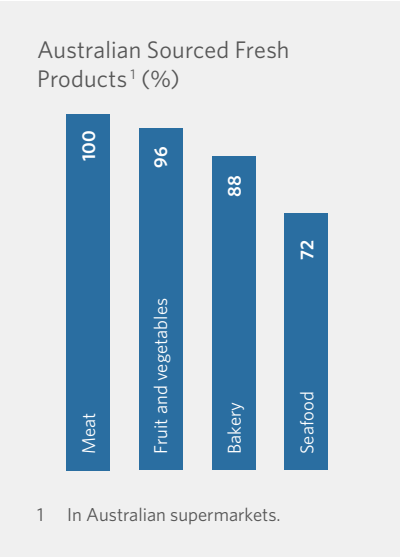
This year, it was more important than ever to work with our partners to meet our customers' food and everyday needs.

WOOLWORTHS GROUP

## Voice of Customer

We regularly undertake Voice of Customer (VOC) surveys to help us better understand our customers' needs and measure our team's performance. In 2020, customers reacted positively to our initiatives in Australian Food Group, with our VOC Net Promoter Score averaging 53%, despite COVID-19 impacting stock supply and customer accessibility. The surveys tell us that our customers value sourcing local products to support Australian farmers and producers; and product ranges with local relevance for customers.

Dan Murphy's is 76 and 70 for BWS, which has improved by 2 point and 5 points respectively from last year.



## Meeting our customers' food and everyday needs during COVID-19

Due to the unprecedented increase in demand and distribution challenges brought on by the COVID-19 crisis, the Woolworths Group has striven during these times to meet the twin challenges of ensuring that:

- Our customers' food and daily needs are met; particularly the needs of our most vulnerable shoppers, during a time of acute product shortages in some areas
- Our operational systems support safety and social distancing, however our customers wish to shop or engage with us.

To meet these challenges, we have:

- Increased employment (circa 22,000 new team members) across our Supermarkets, Store, Endeavour Drinks, eCommerce and Supply Chain to meet higher demand and support safety and social distancing, including increased cleaning, security and PPE. This includes the redeployment of more than 3,600 Hotels team members following the Government directive to close our hotel venues on 23 March, and new team members joining us from lockdown-impacted businesses such as the Qantas Group.

- Established five additional third-party sites across Victoria, New South Wales and Queensland, with a BIG W distribution centre partially repurposed to support Supermarkets
- Seen a record number of cartons handled by our Supply Chain team; higher than Christmas-week levels. Supply Chain continues to operate 24 hours a day and is running at capacity across most sites. Increasingly, the team is returning to scheduled delivery times at most distribution centres and product availability pressures have abated, with few product limits remaining.
- Scaled up our Australian and New Zealand eCommerce business materially. In Australia, we doubled overall home delivery capacity through hundreds of Woolworths Supermarkets, a new pop-up delivery hub in Notting Hill, Melbourne, and the onboarding of on-demand delivery services via Sherpa, Drive Yello and Uber. In New Zealand, four stores were temporarily converted into dedicated online hubs, and Countdown's first dedicated eStore was opened in Auckland. The significant disruption in the Group's online businesses through March and April did lead to the temporary suspension of our Pick up and Home delivery services in our Australian supermarkets.



- With the help of our community partners Food bank and FareShare, we supported over 3,000 residents in the Melbourne Towers with fresh food relief. We also redeployed 40 team members to our store at The District Docklands to be specifically dedicated to help pack and provide supplies for those in that area.
- With COVID-19 in Victoria rapidly changing, to support as many customers in Victoria as possible we added further precautionary measures across the state. This include deploying nurses in hotspot stores, Victorian distribution centres and the customer online fulfilment centre; monitor customer numbers entering the store and putting limits on products. For customers who prefer not to visit a store, we added over dozens of new trucks to help with online delivery orders.

## Prioritising vulnerable Australians during COVID-19

The Woolworths Group has sought to prioritise access to grocery and food essentials for vulnerable Australians and New Zealanders, frontline emergency workers and isolated communities during these difficult times. Some of our initiatives have included:

**Priority Assistance:** our Home Delivery service reprioritised to provide dedicated assistance and delivery windows to the elderly, people living with disability and those in mandatory isolation. To date, over 350,000 Woolworths Supermarkets and Countdown customers have benefited from Priority Assistance, with the service expected to continue for the foreseeable future.

**Priority Delivery Hubs:** In 200 locations across Australia, and four in New Zealand, existing stores have become hubs with reduced trading hours to support prioritising the delivery of groceries to the homes of vulnerable customers.

**Woolworths and Countdown Basics Box:** Containing set meals, snacks and essential items, the Basics Box is available online to all customers and made possible through a partnership with Australia Post and DHL Supply Chain in Australia, and New Zealand Couriers in New Zealand. Over 23,000 Woolworths Basics Boxes have been donated to organisations including Arnhem Land Progress Aboriginal Corporation, the Commonwealth Government-supported Outback Stores and the New South Wales Aboriginal Land Council's Indigenous communities.

**Community Pick up:** Available in 900 selected locations across Australia, this contactless initiative allows Priority

## Voice of Customer

BIG W

BIG W's Voice of Customer (VOC) score has improved one point to 79 in F20, largely driven by the Friendly & Helpful Team and Team Availability metrics. The rollout of Customer Led Rostering has also resulted in a one point improvement in the Quick Checkout metric.

With a significant increase in online demand due to COVID-19, our Online Net Promoter Score (NPS) pleasingly remained stable at 60. Our Ease of Pick up metric has improved one point to 85, which is a reflection of the focus on making BIG W a more convenient place to shop.

Assistance customers to place an order online for someone to pick up on their behalf.

**Partnership with Australian food services supplier PFD:** To support the temporary fulfilment of orders to B2B customers and essential services including day care centres, schools, disability services and nursing homes.

**First Australian supermarket to launch an "Elderly Hour":** On 17 March, Woolworths was the first supermarket to introduce a community shopping hour for the elderly and people living with disability, extending it to healthcare and emergency service workers later that month.

**Partnering with Meals on Wheels:** to help deliver 80,000 packs (320,000 rolls) of toilet paper directly to vulnerable clients across Australia.



# Supporting our customers to eat healthily

IMPACT

Commitment **20**

Status **PROGRESSED**

Sustainable Development Goal



Healthy eating is important to our customers, with 93% of those surveyed taking at least one healthy step in the last year, such as eating more fruit and vegetables, and drinking more water<sup>1</sup>. We share this vital focus on health with our customers, and are committed to making healthier eating easier for them, and their families.



## Developing healthier foods

### Our reformulation strategy

Woolworths' team of qualified expert nutritionists work closely with our product development team to make our own brand products healthier. Since 2012 we have reformulated our products to reduce "nutrients of concern" such as salt, sugar and saturated fat while still maintaining the taste and quality that our customers love.

Since July 2017, all of our own brand products have been free from artificial colours and flavours.

### Healthier product innovation

Our Macro Wholefoods Market brand offers a range of simple, wholesome food that's nutritious, delicious and affordable. We continue to go from strength to strength, recently winning the Organic Brand of the year 2020 by Organic Week Aotearoa, a Vertex design award and winner of the best vegetarian product in the 2019 Healthy Food Guide Awards. New and exciting products introduced in the year include Macro breads, Macro Organic frozen vegetables and further Macro snacking lines.

**Over the past three years we have reformulated 190 own brand products and added more whole grains into our range. This has resulted in:**

	<b>68</b> tonnes	less salt <sup>2</sup>
	<b>24</b> tonnes	less saturated fat <sup>2</sup>
	<b>132</b> tonnes	less sugar <sup>2</sup>
	<b>5,400</b> tonnes	more whole grain <sup>3</sup>

<sup>1</sup> IPSOS. Woolworths Food & Health Survey. June 2019.

<sup>2</sup> Through reformulation when compared to equivalent previous Woolworths own brand products since July 2017 (F18).

<sup>3</sup> Through Woolworths own brand products launched since July 2017 (F18).

## Healthier choices in New Zealand



- Currently, 99% of Countdown's eligible own brand products display the HSR, with 53% of these products having a rating of 3.5 stars or more (the greater the number of stars, the healthier the product)
- In the past 12 months we have improved the nutrition of our cassava vegetable crisps removing MSG and reducing sodium resulting in one tonne less salt in the food supply. Our mueslis were also reformulated this year resulting in 1.6 tonnes less sugar
- We have committed to the New Zealand Heart Foundation's HeartSAFE program, with 75% of eligible products meeting the targets for sodium and sugar
- Countdown stores also display health attribute information on 121 products instore.



## Supporting healthier choices

### Health Star Rating

Woolworths supports Health Star Rating, a Government-led front-of-pack labelling system designed to help customers make healthier choices. All eligible Woolworths own brand products display a Health Star Rating on pack.

### Online dietary and lifestyle filters

In June 2019, Woolworths partnered with UK Tech Company Spoon Guru to launch online filters to help our customers identify products that may be suitable for their dietary or lifestyle needs. Our search function includes health and lifestyle filters such as high fibre or vegetarian, as well as filters for allergies and intolerances such as gluten-free and lactose-free.

### Making vegetables more convenient

In the past year, almost three in five customers have actively made an effort to eat more vegetables<sup>1</sup>. To help, we have launched a variety of vegetables in convenient time-saving formats including tray bakes, steamers and punnets. We also launched Woolworths Prep Set Go, a range of pre-sliced and diced vegetables in the freezer.

### Promoting fresh produce in stores

In the past 12 months, 269 stores have been reformatted to highlight destinations for berries, avocados, organics and Odd Bunch, making it easier for customers to identify and shop these fresh food categories.



## Encouraging Aussie kids to be healthier

### Fresh Food Kids Discovery Tours

We continued to educate Aussie kids through a free, interactive and hands-on learning experience in-store, with more than 61,000 students across the nation experiencing the tours this financial year. While the COVID-19 crisis continues, the Fresh Food Kids Discovery Tours will be delayed for the safety of all participants.

### Free Fruit for Kids

Our Free Fruit for Kids program continues in all of our supermarkets across Australia. During this financial year alone, we have provided more than 18 million pieces of free fruit to kids through this program.

### Supporting junior sports

This year we continued to proudly partner with junior sports organisations across Australia including the Woolworths Cricket Blast program with Cricket Australia, as well as ongoing partnerships with Surfing Australia and Netball Australia.

### Woolworths Centre for Childhood Nutrition Research

The Woolworths Centre for Childhood Nutrition Research (WCCNR), a \$5 million research centre offered in partnership with the Children's Hospital Foundation, harnesses the combined resources of experts to improve the nutritional health of Australian children.

To date the WCCNR has invested in research into the link between parasites, their effect on gut microbiome and food allergy prevention.

### Woolworths Discovery Garden Program

This year, we inspired Aussie kids and families to learn and experience for themselves where fresh food comes from, by providing a free seedling kit with eligible in-store or online shopping. The program encouraged families, schools and communities to get outdoors and grow their own garden.

## Stakeholder Engagement



Woolworths is part of the Australian Government's Healthy Food Partnership Executive Committee, a joint collaboration between Government, food industry and public health which aims to support Australians to eat healthier.

In F20, Woolworths provided submissions on Government consultations related to health including the National Obesity Strategy and the ongoing Health Star Rating Five Year Review.

## Woolworths and Coeliac Australia partnership



In March 2020, Woolworths became Coeliac Australia's official supermarket partner. Coeliac Australia members and affiliates can now receive a 5% discount on eligible gluten-free products.

In the last three years, we have seen double digit growth in the demand for Woolworths gluten-free products and now have over 40 products in our "Woolworths Free From Gluten" range.



## Proud partner of Coeliac Australia

Try our gluten free range today



# Responsible service of alcohol

IMPACT

Commitment **20**

Sustainable Development Goal



We have obligations as a responsible retailer of alcoholic beverages. We are committed to remaining an industry leader with managing and mitigating issues relating to responsible drinking, responsible service of alcohol and the ranging, sale and marketing of alcohol.



Our aim is to go beyond basic regulatory compliance:

- We ask for ID if a shopper looks under the age of 25
- We run ID25 Mystery Shop programs at all BWS and Dan Murphy's sites, as well as in our online business. Every BWS store is tested twice a year, and Dan Murphy's stores are tested every eight weeks
- We help to stop secondary supply through our Don't Buy It for Them policy and awareness campaign
- We take the lead in campaigns for responsible drinking, e.g. DrinkWise Australia cultural change programs and labelling initiatives
- We never knowingly serve an intoxicated person
- We refuse service if a young shopper is in school uniform
- We ensure a first home delivery is attended and have our delivery team ask for ID and check for signs of intoxication
- We are implementing DrinkIQ, a responsible drinking training program developed by our trading partner Diageo for all our team members.

**LIQUOR ACCORDS PORTAL**

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

**DELIVERY CODE OF CONDUCT**

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

**ALCOHOLIC BEVERAGE ADVERTISING CODE (ABAC)**

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

**DRINKWISE**

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

# Responsible gaming

## IMPACT

Commitment **20**

Sustainable Development Goal



Problem gambling is a serious community issue, and we have taken steps to enhance responsible gaming practices.

## The Australian Leisure and Hospitality Group (ALH)

Woolworths Group has a significant stake in ALH Hotels through the Endeavour Group. ALH Hotels work to provide a safe and supportive environment at all of our venues so our customers make informed decisions about gambling and timely appropriate assistance and information is provided.

We have committed to and have implemented a range of best practices, recommended by the Responsible Gambling Council of Canada (RGCC):

- Enhanced training programs to assist gaming team with customer care
- Enhanced programs and customer engagement to promote voluntary pre-commitment to gaming limits by customers
- Enhancements to privacy training and procedures
- Preclude the service of complimentary alcohol in gaming rooms
- Developed a whistleblower platform to identify any issues across the business.

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

### ALH's Hotel and Gaming Charter:

1. We provide a safe, friendly environment in which all hotel customers can socialise and enjoy themselves in a good atmosphere
2. We provide good value, good quality meals and family-friendly dining experiences
3. We believe we have a shared responsibility, along with individuals, families, communities and governments, to ensure responsible behaviour
4. We do not conduct promotions which encourage irresponsible drinking
5. We restrict gaming room access to adults and ensure gaming rooms are screened or separated from other areas of the hotel, as to not to attract children
6. We offer and promote voluntary pre-commitment - a system that helps players stick to their limit by nominating maximum spending or time limits on gaming machines
7. We train our team to be aware of behaviour that may indicate gambling problems and to provide appropriate customer care. We require all ALH hotel managers and responsible gaming hosts to complete additional advanced responsible gambling training
8. We partner with expert groups and specialists who can help staff and patrons deal with problem gambling, including Gamblers' Help (Australia's leading professional counselling service) and the Salvation Army
9. We ensure that ATM machines, where approved, are provided for the convenience of all patrons in a safe, central location and not in gaming areas
10. We do not serve complimentary alcohol in gaming rooms
11. We support local communities in numerous ways, including working with charities to raise money through our hotels
12. We conduct internal and external audits to ensure we deliver on our commitment to be Australia's most responsible operator of hotels
13. We have introduced a national Gaming Code of Conduct to ensure a consistent approach to customer engagement across the business.

In July 2020 the NSW Independent Liquor and Gaming Authority (ILGA) released its decision, upholding a complaint made in connection with 2 ALH Hotels in NSW relating to conduct in 2017. ALH agreed to be subject to a formal reprimand and to pay the costs of ILGA's investigation. At the time the issue was first identified ALH commissioned a full review of our responsible gambling programs and operations across all venues and implemented a number of measures to address the issue. ILGA acknowledged the work undertaken by ALH within its findings.





# TOWARDS

# 2025

We look forward to launching our new sustainability strategy which will guide the next horizon of sustainability at Woolworths Group.



# Company directory

## **F20 SUSTAINABILITY REPORT APPENDIX**

For information on sustainability metrics, materiality, auditors report, UNGC Index, GRI Index please refer to the 2020 Sustainability Report Appendix found at: [www.woolworthsgroup.com.au/sustainability](http://www.woolworthsgroup.com.au/sustainability)

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## **WOOLWORTHS GROUP SUSTAINABILITY**

Alex Holt  
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Fiona Walmsley  
Head of Sustainability Governance



### What we mean by 'we'

Our team and our partners

### What we mean by 'create'

We constantly innovate to make a positive impact on the lives of our customers and team

### What we mean by 'experiences'

The moments we create in store and online for customers, communities and shareholders, as we work together in our teams – and with our partners

# We create **better** experiences **together** for a **better** **tomorrow**

### What we mean by '**better**'

We always look for ways to improve – for our customers, team, communities and partners

### What we mean by '**together**'

How we work in partnership – with each other, as well as with our partners and communities

### What we mean by '**tomorrow**'

The plans we make and the actions we take today will have a positive impact for generations to come

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