

09

CORPORATE RESPONSIBILITY REPORT

WOOLWORTHS LIMITED

ABN 88 000 014 675



2	Chairman's and CEO's Statement
4	Our approach to Corporate Responsibility and Sustainability
5	Issues of Public Interest
8	Marketplace
14	Stakeholder Engagement
19	Governance
30	Our People
44	Community
48	Environment
64	Independent Assurance Statement
68	Glossary

SCOPE OF THIS REPORT

Unless otherwise stated, this report covers all our operations in Australia and New Zealand for the 2009 financial year (1 July 2008 to 30 June 2009).

Our environmental targets are based on projected growth through additional new stores in our existing businesses as at the 2007 financial year. These projections do not account for the impact of future acquisitions. Should we acquire new businesses, the baseline data would be adjusted accordingly.

The environmental data in this report does not cover Cromax, our consumer electronics joint venture with the TATA Group in India, where we provide wholesale services to 22 retail stores. Nor are our global sourcing offices in Hong Kong and Shanghai included. These operations are small and not deemed to be material in the overall context.



MICHAEL LUSCOMBE, MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER AND JAMES STRONG, CHAIRMAN

Welcome to Woolworths Limited's Corporate Responsibility Report 2008-09. Over the last year the unprecedented effects of the global financial crisis have highlighted the importance of prudent financial management and stringent risk assessment to ensure we remain a financially viable business. It has also given further resonance to our philosophy of 'Doing the right thing', ensuring that even in challenging times, we continue to positively contribute to the economy, the communities in which we operate and the environment.

Doing the right thing

At Woolworths we are conscious of our responsibilities as a major retailer – serving millions of customers every day in communities across Australia and New Zealand.

We need to understand and manage our impacts, and take the opportunity to help achieve lasting and beneficial change that extends beyond our operations.

Our operations impact the way we treat people, serve our customers, invest in local communities, provide returns to our shareholders, manage our supply chain and affect the environment. This report aims to give the reader an insight into how we are performing in all these areas.

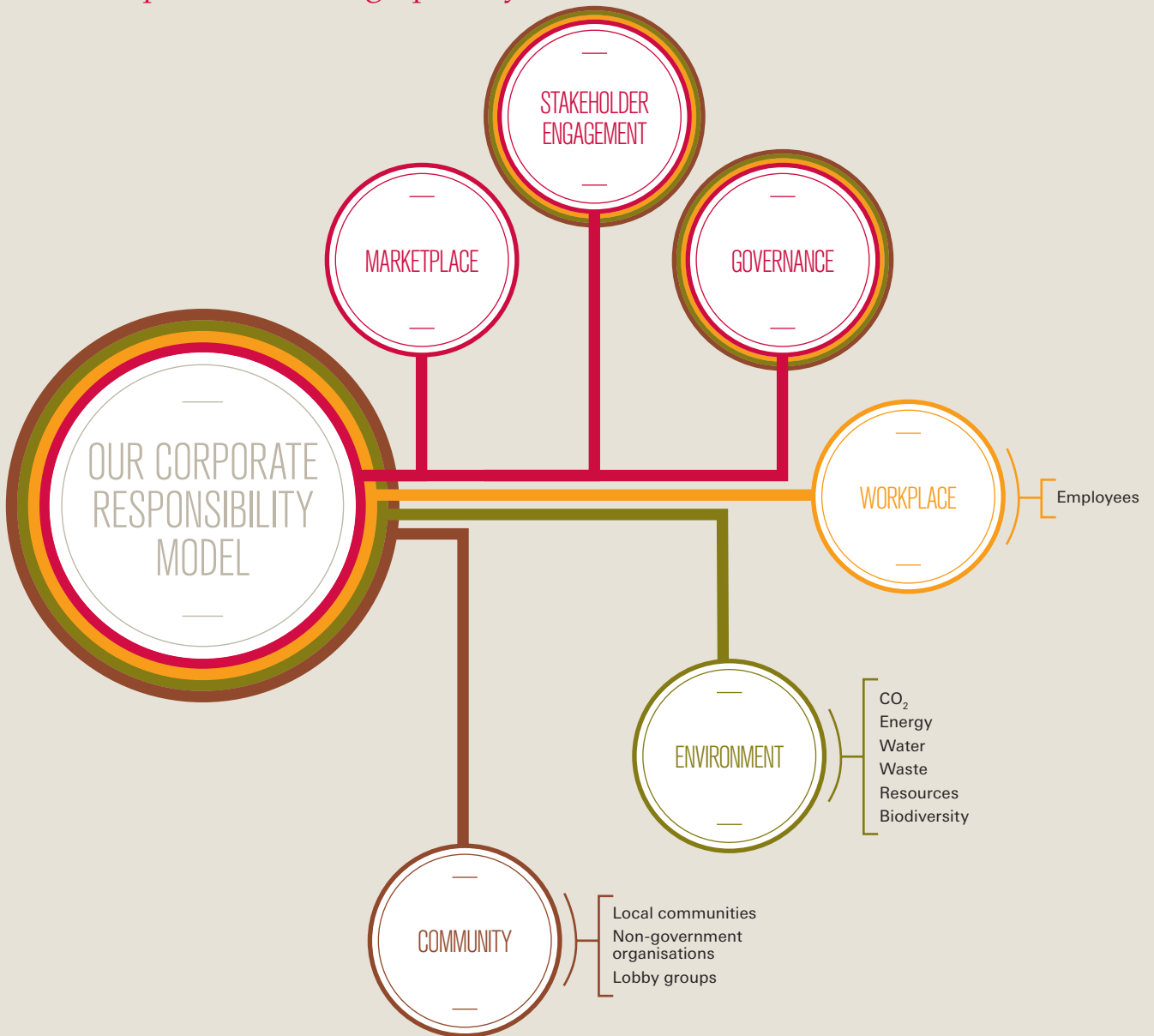
Simply put, we aim to make sure Woolworths remains a company people want to invest in, work for and do business with, well into the future.

You can also view this report online



www.woolworthslimited.com.au

Woolworths Limited's long-term goal is to be recognised as the leader in sustainable retailing in the Australian retailing sector. As such, integrating corporate responsibility and sustainability into our day-to-day business practices is a high priority.



CHAIRMAN'S AND CEO'S MESSAGE



We are now entering the third year of our sustainability strategy which was launched in 2007 and runs through to 2015. We remain confident we will reach the seven-year targets we set ourselves.

Welcome to Woolworths Limited's Corporate Responsibility Report 2008–09.

Over the last year we have witnessed the unprecedented effects of the global financial crisis. It has highlighted the importance of prudent financial management and stringent risk assessment to ensure we remain a financially viable business. In doing so, it has also given further resonance to our philosophy of 'Doing the right thing', ensuring that even in challenging times, we continue to positively contribute to the economy, communities in which we operate and the environment. But above all we remain steadfast to keeping our business transparent.

At a time when many organisations have been facing financial difficulty and shedding employees, Woolworths was able to continue to employ more Australians and grow its workforce by 4.5% to a total of 191,000 employees.

Young Australian jobseekers were particularly hard hit by the downturn in the economy. During this time we gave an additional 1,635 young people an opportunity to start a career in retailing. This brings the total traineeships and apprenticeships to 6,695, making our Supermarkets division one of the largest such groups in the country.

Our net profit after tax reached \$1,835.7 million, an increase of 12.8%. We continued investing in our premises and facilities to offer our customers a better shopping experience. Our sales revenue increased by 5.4% to just under \$50 billion.

Overall in 2009, our indirect contribution to Australian economic output was estimated to be more than \$92 billion. The flow-on effect generated an estimated 627,000 full-time equivalent jobs. Our construction expenditure created an estimated flow-on effect of more than \$171 million and 1,000 full-time equivalent jobs.

The numbers are impressive, but at their heart is the unrivalled Woolworths culture, which undoubtedly gives us our competitive edge. We have remained committed to building the capacity of our people, with over \$68 million spent this year on learning and development; the introduction of a diversity strategy and paid parental leave; as well as a range of wellbeing initiatives.

Our aspiration for safety is reflected in “Destination Zero”: zero harm to our people, our property and our community. Since 2006, we have reduced our lost time injury frequency rate (LTIFR) by 50%. While we missed our targeted rate of 13 by 7% in 2009, we reduced the rate by 19% over last year. Our target for 2010 is to achieve an LTIFR of less than 10.

Importantly, our commitment to the wellbeing of our people extends to the local communities in which we operate. This year our community investment and funds helped raise a total of \$27.4 million – the largest ever community investment in dollar terms. We thank our customers and employees for their incredible fundraising efforts. Our work with our partners has ensured we can continue to help address social issues important to our communities. Our promotion of healthy eating to counter obesity, our support of grassroots sustainable farming and our ambition of zero food waste are just three examples of our work for the wellbeing of the wider community.

The impact of climate change on long-term sustainability and food supply security is the most crucial environmental challenge for our business. But this is bigger than Woolworths. It is a challenge for Australia as a whole and requires a collaborative approach and leadership from both business and government.

Our total carbon emissions was 4.05 million tonnes and, while this is less than last year’s total emissions, it has increased from our baseline. This year we continued to invest in low carbon technologies for our stores and logistics network, increasing our energy efficiency focus. Importantly, we have seen a drop in the rate of our carbon emissions growth despite an increase in our business growth. Once all current efficiency measures are in place, we also expect to see a reduction in our total carbon emissions.

Project CO₂ involved a trial of new energy efficient innovations in stores and initiatives, such as glass lids on island freezers and high efficiency fans in refrigeration cases, are being implemented in both new stores and existing store refits. We reduced water usage by 172 million litres through our Water Wise Project and five of our 14 Distribution Centres now harvest rainwater. The largest harvesting system at our Sydney regional Distribution Centre in Minchinbury captured 6.5 million litres of rainwater in just over seven months of operation.

Reducing waste not only minimises our impact on the environment – it makes good business sense. We are making good progress in reducing food waste and, overall, we recycle more material than is sent to landfill. However, there are always opportunities to divert more recyclable material from our rubbish bins. Plastics in the waste stream have decreased to 8% (including 3% non-recyclable plastics) from 10% in 2007.

We aim to provide our customers with quality products and value for money. In today’s global market, this means sourcing products from a variety of locations nationally and internationally. Ethical sourcing from developing countries requires us to be scrupulous in ensuring a good price does not come at the expense of human suffering. In December 2008 we launched our Ethical Sourcing Policy.

Our policy is based on globally recognised standards – the Ethical Trade Initiative (ETI) and International Labour Organization (ILO) conventions. Both standards, in turn, are based on the principles of the United Nations Universal Declaration of Human Rights.

Ethical sourcing is not only about human rights. Increasingly, too, our community expectations have changed with respect to standards of animal welfare. We have seen this reflected in our sales of free-range chicken meat and eggs, which have increased by 33.6% and 32% respectively over last year. As part of our commitment, we will discontinue selling caged eggs under our Select brand at the end of 2009.

The misuse of alcohol and diet-related chronic disease are among the growing social concerns. We take our role as a responsible retailer very seriously and a strict buying charter governs all aspects of our liquor operations to ensure products that target minors or encourage irresponsible drinking are not sold in our stores. To help consumers make more informed food choices, we have adapted our store format, improved the availability and affordability of fresh food, educated parents and children about the importance of balanced diets and signed up to the Australian Food and Grocery Council’s Daily Intake Guide (DIG).

While we are proud of what we achieved this year, we cannot be complacent. The challenges we face are numerous and complex and the key to meeting these in the future is to learn to ask the right questions – and to fully understand the answers.

Companies like Woolworths must achieve sustainable growth. It is our duty to learn as quickly as we can so we can practice sustainability while delivering to our customers the goods they want at prices that they are prepared to pay.

We are now entering the third year of our sustainability strategy which was launched in 2007 and runs through to 2015. We remain confident we will reach the seven-year targets we set ourselves.

As to the future, we believe actively engaging with the community, leading the way in responsible retailing, sourcing ethically and responsibly and keeping our business transparent are all critical ingredients in our long-term sustainable growth.

That means seeking every opportunity to have a dialogue with shareholders, customers, suppliers, government, employees and the community. It might be about who we buy our tomatoes from or how the burden of emission reductions is shared fairly across the community. It might be about new store developments or how to make a broader variety of fresh foods more widely available year round. Building a sustainable transparent business is not about owning up, it is about opening up. And it will be vital to our sustainable growth.

This year is Woolworths’ 85th birthday. All of us at Woolworths are proud of what has been achieved over the past 85 years. While this gives us an opportunity to celebrate our history, we look forward to contributing to a more sustainable future.

As to the future, we believe actively engaging with the community, leading the way in responsible retailing, sourcing ethically and responsibly and keeping our business transparent are all critical ingredients in our long-term sustainable growth.

OUR APPROACH TO CORPORATE RESPONSIBILITY AND SUSTAINABILITY

Woolworths Limited's long-term goal is to be recognised as the leader in sustainable retailing in the Australian retailing sector. As such, integrating corporate responsibility and sustainability into our day-to-day business practices is a high priority.

Woolworths Limited's long-term goal is to be recognised as the leader in sustainable retailing in the Australian retailing sector. As such, integrating corporate responsibility and sustainability into our day-to-day business practices is a high priority. Priorities, targets, commitments and initiatives to direct the business towards this goal were established with the publication of "Doing the Right Thing: Sustainability Strategy 2007-2015" in November 2007. In addition all divisions have incorporated their sustainability targets in their five-year strategic plans; and are required to take sustainability criteria and considerations into account in any major investment decisions.

Overall responsibility for, and governance of, sustainability lies with the Board. The Board also oversees the effectiveness of our safety and health program through its People Policy Committee. The CEO and the General Manager Risk and Safety report to the People Policy Committee on Woolworths' overall Health and Safety performance on a quarterly basis. Divisions report to the Board on their divisional safety performance.

Woolworths Safety and Health Executive Committee chaired by the CEO comprises divisional management and meets monthly to evaluate the implementation and effectiveness of the safety and health vision, principles, policy, standards, strategy, initiatives, procedures and governance across the group (see page 42).

The Group Manager Sustainability reports to the Board on a monthly basis on overall Woolworths' performance against targets,

policy implementation, regulatory changes and compliance, risks and opportunities. Further details are provided in quarterly presentations to the Board on key performance indicators, emerging issues and reputation. Divisions report to the Board on their divisional sustainability performance against divisional targets.

A Sustainability Executive Committee, comprising the CEO and general managers from the trading and support divisions, has been established to ensure our sustainability strategy is implemented in a timely and cost effective manner. The committee monitors progress in meeting our targets, reviews trends in legislation and public opinion, ensures compliance with relevant legislation, and reviews and approves business cases, policy positions and relevant new technology.

A Sustainability Coordinators Committee, comprising sustainability champions from retail businesses and logistics, identifies business processes that need to be adapted to enable sustainable practices, shares ideas across divisions and facilitates our Eco Ambassadors program (see page 60).

Finally, our Corporate Responsibility Panel, comprising the CEO and external experts from a wide range of relevant fields, meets three or four times a year to communicate knowledge of national and international best practice and provide advice on Woolworths' corporate responsibility and sustainability strategies and direction, and on effective stakeholder engagement strategies (see page 14).

ISSUES OF PUBLIC INTEREST

GROCERY INQUIRY

In 2008, in response to public concern about rising grocery prices, the government directed the Australian Competition and Consumer Commission (ACCC) to hold a public inquiry into the competitiveness of retail prices for standard groceries.

Woolworths welcomed the opportunity to reaffirm our commitment to providing the lowest possible prices to our consumers, and to contribute to a better understanding of the challenges facing Australian food producers and retailers.

The cornerstone issues raised in the inquiry related to the introduction of a unit pricing code, prices of groceries and the competitive position of small and independent retailers.

Unit pricing

In 2009, Woolworths introduced comparative unit pricing. In November 2008, we commenced rolling it out on approximately 19,000 items in all supermarkets across the country and by the end of the financial year we had unit pricing on 15,000 items. Customer feedback has been extremely positive.

The introduction of unit pricing across the grocery industry is a positive move for consumers and will make it easier to make like-for-like price comparisons between products.

Grocery prices

Woolworths is committed to everyday low prices. Over one thousand items are the same price, regardless of where our customers shop. For branded products we aim to ensure prices are the same at stores within each state. Woolworths also supports the concept of independent price checking.

Woolworths is constantly striving to become more efficient, to allow us to lower prices, absorb cost increases and improve our stores. Since 1999 we have revolutionised our supply chain, including stock and management systems. This has resulted in significant cost savings and huge productivity gains.

Competition in the retail sector

The inquiry generated considerable discussion and subsequent media comment suggesting Woolworths and other major supermarket chains have increased their market share at the expense of small and independent retailers.

We believe it is important to set the record straight. Woolworths has never had such a strategy, and the facts support this. Between 1998 and 2007 large supermarkets' share of food and grocery sales fell from 66% to 63%. At the same time, smaller supermarkets' and convenience stores' share grew from 13% to 16%. As well, fresh food specialty stores

made up 48% of the increase in outlets, compared with Woolworths' 4%, while 45% of the net gain in store numbers was attributable to supermarkets and stores other than major supermarket chains.

Most of our growth is organic: from 2001 to 2007, 121 of the 139 stores we opened were the result of converting non-supermarket retail sites to supermarket sites, developing a greenfields site or simply moving from one location to another nearby.

Produce and Grocery Industry Code of Conduct

Woolworths works closely with the ACCC on all acquisitions to ensure there is an open and transparent independent store acquisition process to protect the interests of all parties. We are also a founding signatory to the *Produce and Grocery Industry Code of Conduct* introduced by the federal government in 2000, and a founding member of the committee that administers it. This voluntary code aims to promote fair trading practices and build better business relationships. At the same time it provides access to a dispute resolution procedure for individuals and groups.

GLOBAL FINANCIAL CRISIS

The recent global financial crisis triggered by the collapse of the subprime housing market and financial-sector excesses in the US has had effects that are well documented in Australia. Though we have been less adversely affected than other western economies and have been able to continue raising capital in global markets, many businesses have been significantly impacted by the general downturn.

Largely as a result of liquidity problems, a tightening of credit, falling commodity prices and a plunge in sentiment, 77,000 Australian jobs could be lost in the year from June 2009, according to Access Economics. Although there have been no significant job losses in retailing thus far, Access forecasts that retail sales may fall by 0.3% in the 2010 financial year and that there could be layoffs in the sector that employs 15% of the Australian working population.

The crisis has not substantially affected Woolworths' growth plans. We have continued to open new stores and to refurbish existing ones in line with our strategy. As one of Australia's largest employers with a staff complement of more than 191,000, we have created thousands of new jobs and will create more this year.

New store openings led to a 4.5% increase in employees and an additional 1,635 people commencing new trainee or apprentice roles.

In June Woolworths launched a new recruitment campaign underlining a commitment to employ Australians and provide training and career development opportunities.

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(1)
Excludes ALH and PEL.

HEALTHY EATING

The incidence of diet-related chronic disease is a growing social concern. According to the Australian Institute of Health and Welfare, the national agency for health and welfare statistics, over seven million adult Australians aged 25 years and over (60%) are overweight and there has been a significant increase in the number of obese Australians over the past 20 years. This trend has implications for the economy in health costs and productivity.

As a major food retailer Woolworths believes it has an important role to play in promoting healthy eating. We are adapting our store format and have improved the availability and affordability of fresh food, educated parents and children about the importance of balanced diets and signed up to the Australian Food and Grocery Council's Daily Intake Guide (DIG). This gives consumers information about nutrients to allow them to compare brands and make better informed food choices.

To provide consumers with as much information as possible about their food consumption, the government is considering introducing front-of-pack labelling (FOPL) guidelines. Woolworths supports the purpose of the proposed policy. However we believe the introduction of a national, mandatory scheme should be evidence-based and included in other initiatives and education measures to increase activity and encourage healthy diets.

Steps we have taken in the past year to encourage healthy eating include:

Fresh food: We have introduced a range of initiatives aimed at promoting healthier diets. In February 2009 we introduced Fresh Ideas stands into our stores. They contain a range of material on healthy living, updated quarterly, as well as *Fresh* magazine, a free publication with nutritional information to help families make better-informed eating choices. An increasing proportion of our catalogues is devoted to promoting fresh food and we have a dedicated section on our website that encourages healthy eating with advice for parents on preparing nutritious meals.

Working with suppliers: We have therefore made a significant investment, working with suppliers, to make a broader variety of fresh foods more widely available year-round.

Market updates: With fluctuating supply and demand, trends in the fruit and vegetable business can be hard to predict. Woolworths' televised weekly Fresh Market Update explains how to make the most of seasonal produce, how to get the best value and why certain products are abundant or in short supply.

Fresh Food Kids: Our multi-million-dollar 'Fresh Food Kids' campaign is aimed at making fruit and vegetables fun for children. It was launched in August 2007 and followed a Woolworths-commissioned survey showing 93% of parents wanted fresh food advertised in the same way as junk food. In February 2008, building on this campaign, we announced a new community program aimed at expanding our healthy eating initiatives in Australia and New Zealand. (See page 46 for more details)

CARBON POLLUTION REDUCTION SCHEME

Woolworths supports the government's commitment to an emissions trading scheme as the principal mechanism for moving Australia towards a low-emissions economy. We recognise the challenge posed by climate change. Across our business, it is a key focus of our sustainability strategy which includes initiatives aimed at reducing emissions from stores and Distribution Centres by 40% by 2015.

We recognise the broader impact of a trading scheme will be felt by millions of customers and by our domestic suppliers, including the farm sector. The federal government's Carbon Pollution Reduction Scheme (CPRS) will result in higher costs for electricity and fuel contributing to higher grocery prices.

We continue to invest significantly in driving operational efficiencies and reducing our carbon footprint. We acknowledge that by making our business more energy efficient we can help cut emissions while maintaining cost competitiveness and delivering value to customers at the same time.

We believe the CPRS should be broadly based with the burden of emission reductions shared fairly across the community. While it is vital Australia's export sector is not seriously disadvantaged, it is equally important that domestic firms and households are not forced to bear a disproportionate burden from lowering emissions.

We have urged the government to maintain its clearly articulated position of assisting households (especially low- and middle-income households) to meet the cost of living increase flowing from the scheme.

We are encouraging the government to consider an investment allowance or accelerated depreciation for the acquisition of low emission plant and equipment and generation of renewable energy. Such incentives would encourage all businesses to increase investment in low emission assets and renewable energy.

PLASTIC BAGS

The merits or otherwise of different types of shopping bags have been the subject of much public debate. Opinion has swung strongly against plastic bags because of their visibility and durability in the litter stream.

However this concern should be kept in perspective. Plastic shopping bags make up only around 1% of littered items and accounted for only 3.8% of all plastic litter, according to the latest Keep Australia Beautiful survey released in 2008.

A strong argument can be made that the real environmental issue is less the shopping bags themselves than the way they are discarded, and that there is no single, simple solution that can be easily implemented.

We believe that a more effective strategy to countering litter would be to address it through educational and enforcement activities to discourage – and ultimately change – littering behaviour and to get shoppers to use fewer plastic bags.

To that end, we have implemented a range of measures such as only offering bags to customers who buy more than three items and encouraging them to bring back their reusable bags.

In 2009 Woolworths also commissioned research to investigate the environmental costs and benefits of seven shopping bag options from ‘cradle to the grave’ to inform the shopping bag debate. The paper is available on www.woolworthslimited.com.au.

The study found that each type of bag had its own set of issues and impacts.

Overall, ‘green’ reusable bags (made from polypropylene – PP or polyethylene terephthalate – PET) seem to be the best environmental option, but only when used regularly for two years or more than 100 times.

Paper bags surprisingly have the highest overall environmental impact as a result of pulp and paper production and because paper is heavier than plastic. However, they are easily recycled and less intrusive if left as litter, but people are just as likely to leave paper litter as any other kind.

Plastic bags are unsightly, take longer to break down and can injure wildlife if they end up as litter. But if they are reused in the home and recycled or disposed of correctly, they are a relatively good option from an environmental perspective. Their impact can also be reduced if more bags are recycled. If the recycling rate reached 50%, their greenhouse emissions would be similar to those of a reusable bag.

Oxodegradable bags are likely to break down faster than plastic bags due to the prodegradant additive which is added to the plastic that triggers and accelerates the degradation. More research is needed to learn how long the degradation might take and the possible ecological impacts of the additives. Oxodegradable bags need to be separated from compostable ones because they may not break down completely when they degrade. They are also not compatible with the current plastic bag recycling facilities provided by most supermarkets.

Compostable plastic bags are potentially recoverable through green or garden waste collection bins but collection can only be done with the support of local councils and commercial composters. There’s great potential for consumer confusion about what is compostable and how to correctly dispose of the compostable bags. The terms ‘biodegradable’ or ‘compostable’ are used loosely to describe many plastic films without having the appropriate testing and verification. The Australia Standard for biodegradable plastics only applies to plastics that biodegrade in commercial, not home, composting. The temperatures and operational conditions of a commercial composting facility are very different to those at home.

Based on these findings, our key initiatives to reduce plastic bag use are:

- Encourage our customers not to take plastic bags for three or less items. Continue training our staff not to automatically give bags to customers for three or fewer items
- Continue our commitment to increase awareness and encourage the use of green reusable bags. We have many reminders for our customers to bring their reusable bags. We have also increased our range of reusable bags to include a foldable recycled PET bag that can easily fit in a handbag or briefcase for unplanned shopping occasions
- Continue our commitment to provide in-store collection for plastic bags to be recycled.

We have investigated biodegradable shopping bag options but have delayed any decision to use these products as we are concerned about the level of consumer awareness on suitable disposal of the bags. Current biodegradable bags that comply with the Australian Standard for biodegradable plastics (AS4736-2006) are not suitable for home composting. This means consumers are reliant on councils to provide a green waste collection service that will accept biodegradable plastics. Moreover, some commercial composting facilities have been unable to maintain the required temperatures and time required for biodegradation to take place.

MARKETPLACE

Woolworths Limited is a retail company made up of a range of businesses that provide our customers with quality, range and value.

Our retailing expertise encompasses some of the most recognisable and trusted brands in food and grocery, liquor, petrol, general merchandise, hotels and consumer electronics.

ABOUT WOOLWORTHS

Since opening our first store in 1924, Woolworths has changed the face of Australian retailing. Starting with a single basement store in Sydney's Pitt Street, we have grown into a household name with a presence in almost every metropolitan and regional centre in Australia and New Zealand.

We began operating fresh food stores 60 years ago when advances in refrigeration technology revolutionised transport and storage. In 1993 Woolworths Limited was offered to the public in what was, at the time, the largest share float in Australian history. We are listed on the Australian Securities Exchange (ASX Limited) under the code WOW.

24.5
MILLION
CUSTOMERS
SERVED ON
AVERAGE
EVERY WEEK

SALES REVENUE

\$49.6
BILLION

389,551
SHAREHOLDERS
IN TOTAL

40,000
EMPLOYEE
SHAREHOLDERS



Since opening our first store in 1924, Woolworths has changed the face of Australian retailing. We have a presence in almost every metropolitan and regional centre in Australia and New Zealand.

191,182
EMPLOYEES
IN TOTAL
(AUSTRALIA AND
NEW ZEALAND)

172,429
EMPLOYEES IN
AUSTRALIA

18,753
EMPLOYEES IN
NEW ZEALAND

175
EMPLOYEES IN
HONG KONG,
SHANGHAI
AND INDIA

WOOLWORTHS

ABOUT WOOLWORTHS

3,162

**STORES, PETROL
SITES AND
HOTELS IN
AUSTRALIA AND
NEW ZEALAND**

STORE AND TRADING AREA ANALYSIS

	FY08	FY09
Stores (number)		
NSW and ACT	234	241
QLD	177	186
VIC	187	192
SA and NT	72	72
WA	81	82
TAS	29	29
Supermarkets in Australia ⁽¹⁾	780	802
New Zealand Supermarkets (includes franchise)	201	202
Total Supermarkets	981	1,004
Thomas Dux	1	3
Freestanding Liquor (incl. Dan Murphy)	233	256
ALH Retail Liquor Outlets	434	463
Caltex/WOW Petrol	133	133
Woolworths Petrol – Australia	389	409
Woolworths Petrol/Convenience – New Zealand	22	22
Total Supermarket Division	2,193	2,290
BIG W	151	156
Dick Smith	310	349
Tandy	106	87
Total General Merchandise Division	567	592
Hotels (includes 8 clubs)	271	280
Total Group	3,031	3,162
Trading Area (sqm)		
Supermarkets Division – Australia ⁽²⁾	1,945,641	2,037,680
Supermarkets Division – New Zealand ⁽³⁾	296,549	303,889
General Merchandise Division ⁽⁴⁾	989,767	1,038,561

Notes:

(1)

Supermarket Store Movements July 08 – June 09

New Stores – incremental	28
Closures – permanent	(4)
Closures – for re-development	(2)
Net New Stores	22

(2)

Australian Supermarkets Division trading area (excluding Petrol and ALH BWS outlets and including the Australian Ex-FAL stores) has increased by 4.7% FY09 and 5.2% FY08.

(3)

Excludes Gull and franchise stores.

(4)

Excludes Woolworths India.

OUR GLOBAL RANKING

In January 2009 Deloitte Touche Tohmatsu published the 12th annual *Global Powers of Retailing* report. The report identifies the 250 largest retailers around the world based on publicly available company data for the 2008 financial year. Woolworths was ranked in 22nd position, up from 25th in the previous year. We were also ranked third in the Asia-Pacific region.

Top 25 Retailers

- 1 Wal-Mart Stores, Inc (USA)
- 2 Carrefour S.A. (France)
- 3 Tesco plc (UK)
- 4 Metro AG (Germany)
- 5 The Home Depot Inc (USA)
- 6 The Kroger Co (USA)
- 7 Schwarz Unternehmens Treuhand KG (Germany)
- 8 Target Corp (USA)
- 9 Costco Wholesale Corp (USA)
- 10 Aldi GmbH & Co. oHG (Germany)
- 11 Walgreen Co (USA)
- 12 Rewe-Zentral AG (Germany)
- 13 Sears Holdings Corp (USA)
- 14 Groupe Auchan SA (France)
- 15 Lowe's Companies Inc (USA)
- 16 Seven & I Holdings Co Ltd (Japan)
- 17 CVS Corp (USA)
- 18 Centres Distributeurs E Leclerc (France)
- 19 Edeka Zentrale AG & Co KG (Germany)
- 20 Safeway Inc. (USA)
- 21 AEON Co Ltd (Japan)
- 22 Woolworths Limited (Australia)**
- 23 ITM Développement International (Intermarché) (France)
- 24 Best Buy Co., Inc. (USA)
- 25 Koninklijke Ahold N.V (Netherlands)

The *Global Powers of Retailing* report can be viewed at www.deloitte.com/consumerbusiness

In 2009, Woolworths Limited's indirect contribution to Australian economic output and employment generated was estimated to be in excess of \$92 billion and 627,000 full-time equivalent jobs. Our construction expenditure created an estimated flow-on effect in the Australian economy of more than \$171 million and 1,000 full-time equivalent jobs.⁽¹⁾

(1)
Calculated for Woolworths Limited by Concept Economics based on 2009 economic input/output data published by Australian Bureau of Statistics.



INDIRECT CONTRIBUTION TO THE ECONOMY

In 2009, Woolworths Limited's indirect contribution to Australian economic output and employment generated was estimated to be in excess of \$92 billion and 627,000 full-time equivalent jobs. Our construction expenditure created an estimated flow-on effect in the Australian economy of more than \$171 million and 1,000 full-time equivalent jobs.⁽¹⁾

Our Brands

- BIG W
- BWS – Beer Wine Spirits
- Dan Murphy's
- Dick Smith
- Everyday Mobile
- Everyday Money
- Everyday Rewards
- Safeway
- Safeway Liquor
- Tandy
- Woolworths
- Langton's
- Woolworths Liquor
- Woolworths Petrol
- ALH Group
- Countdown
- Foodtown
- Fresh Choice
- SuperValue
- Woolworths New Zealand
- Thomas Dux

KEY FINANCIAL DATA

DIRECT ECONOMIC VALUE

	2008 53 weeks \$'000	2009 52 weeks \$'000	inc %
Direct economic value generated			
(a) Revenues	47,327,311	49,892,205	5.4
Total direct economic value generated	47,327,311	49,892,205	5.4
Economic value distributed			
(b) Operating costs	(38,288,000)	(40,147,811)	4.9
(c) Employee wages and benefits	(5,542,178)	(5,724,343)	3.3
(d) Payments to providers of capital	(1,237,234)	(1,409,564)	13.9
(e) Payments to government	(1,642,229)	(1,964,199)	19.6
(f) Community investments	(20,422) ⁽¹⁾	(27,460)	34.5
Total economic value distributed	(46,730,063)	(49,273,377)	5.4
Economic value retained	597,248	618,828	3.6

ACCRUED LIABILITY FOR DEFINED BENEFIT OBLIGATION IN THE FINANCIAL STATEMENTS OF WOOLWORTHS LIMITED

	June 2008 \$m	As at June 2009 \$m
Defined benefit obligation ⁽²⁾	(1,609)	(1,536)
Fair value of assets	1,556	1,444
Liability for defined benefit obligations	(53)	(92)

GOVERNMENT SUBSIDIES⁽³⁾

	2008 53 weeks \$'000	2009 52 weeks \$'000	inc %
Government subsidies received			
Government subsidies	3,131	3,401	8.6
Total Government subsidies received	3,131	3,401	8.6

Notes:

- (1)
Correction of 2008 figure.
- (2)
Includes contribution tax liability.
- (3)
Subsidies are for training and encouraging employment in regional areas.

SALES REVENUE
INCREASED TO
\$49.6 BILLION

+5.4%

EARNINGS
BEFORE INTEREST
AND TAX (EBIT)
INCREASED TO
\$2,815.5 MILLION

+11.3%

NET PROFIT
AFTER TAX
(NPAT)
INCREASED TO
\$1,835.7 MILLION

+12.8%

EARNINGS PER
SHARE (EPS)
INCREASED TO
150.71 CENTS

+11.7%



THE RETAIL SECTOR IN AUSTRALIA AND NEW ZEALAND

Woolworths is a strong supporter of competition in the retail market. Competition helps to keep prices low for customers and drives retailers to provide better products and services. The food retail sector in Australia and New Zealand is competitive, particularly given the number of new market entrants and growth in the number of independent and specialist retailers in recent years.

The ACCC inquiry completed in 2008 into the competitiveness of retail prices for standard groceries investigated a number of issues, including the ability of independent supermarket operators and smaller retailers such as butchers, bakeries and greengrocers to compete with major supermarket chains. The inquiry found that, “viewed overall, supermarket retailing is workably competitive” and noted that the most significant factor in the nature of competition is the high cost of setting up large-format, one-stop-shop supermarkets.

There is a popular perception that Woolworths dominates the retail food market. However, research undertaken for the *Roy Morgan Supermarket Monitor (August 2008–July 2009)* found that, for Woolworths customers, 68% of weekly spending on fruit and vegetables takes place outside of Woolworths – at fruit shops, markets and other supermarkets.

Australia is a net agricultural exporter, with around two-thirds of its total production sold overseas. Australian farmers produce food for export to other countries as well as for other Australian retailers, wholesalers, manufacturers and food service businesses. We buy a relatively small proportion of total domestic production. In 2007, 12% of the fruit and vegetables grown in Australia were sold at Woolworths, 6% of Australia’s beef and 15% of Australia’s lamb.

In 2008, our market share of food and liquor retailing in New Zealand was estimated to be about 28% (estimated by Concept Economics from publicly reported information).

In 2009, in our Australian supermarkets, 100% of our fresh meat was sourced from Australian producers and 97.2% by weight (96.4% by value) of our fresh fruit and vegetables were grown in Australia.

In 2009, in our New Zealand supermarkets, 98% of our whole sourced meat, 100% of our fresh chicken and 76% of our whole sourced fruit and vegetables were grown in New Zealand and 99% of fresh seafood was sourced from NZ waters.

Across our business, we abide by voluntary codes of conduct in supplier trading relationships. We were an inaugural member of the Produce and Grocery Industry Code of Conduct, a voluntary



In 2009, in our New Zealand supermarkets, 98% of our whole sourced meat, 100% of our fresh chicken and 76% of our whole sourced fruit and vegetables were grown in New Zealand and 99% of fresh seafood was sourced from NZ waters.

THE AUSTRALIAN RETAIL FOOD SECTOR



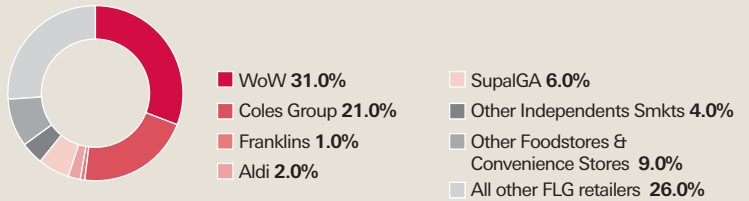
More than 80% of our suppliers have been partners for more than 10 years.

code aimed at promoting fair trading practices and building better business relationships. The code also provides access to a simple and accessible dispute resolution procedure for individuals or groups in the event of a dispute.

Fresh food is our business and we have made it our mission to partner with the very best farmers and growers in Australia. We have hundreds of direct trading relationships with fruit, vegetable and meat suppliers.

We are committed to domestic sourcing. Our preference is to have direct, long-term trading relationships. The benefits of working this way are better quality management, improved planning and forecasting, and greater consistency and sustainability of supply. More than 80% of our suppliers have been partners for more than 10 years. We do, however, from time to time buy small quantities of produce in the wholesale markets so we can pass on special offers to customers. By working this way we can find great specials for customers and help suppliers to clear their stock.

THE AUSTRALIAN RETAIL FOOD SECTOR

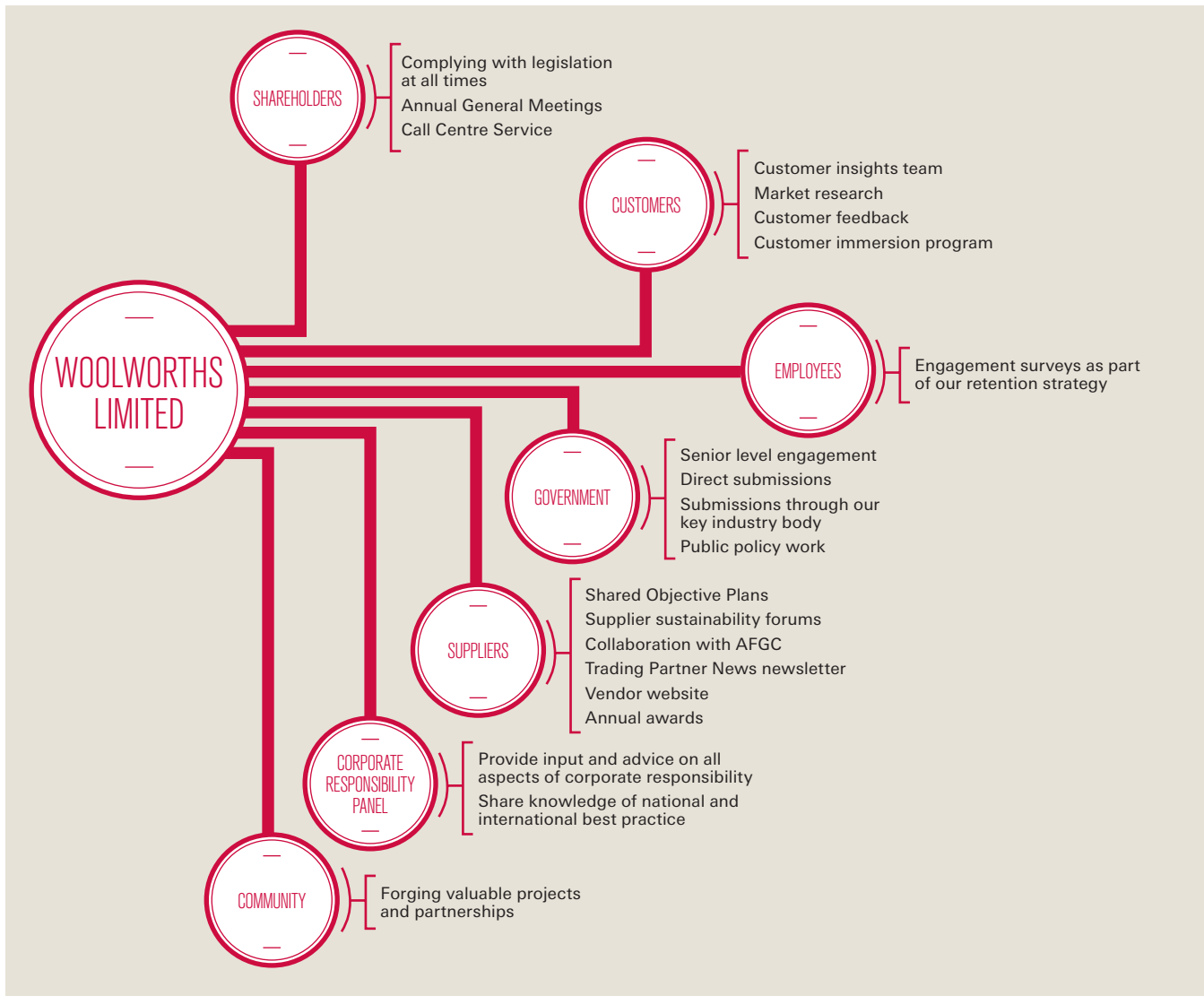


Source: December 2008 Pitney Bowes MapInfo based on company reports and ABS sources including Household Expenditure, Australia National Accounts and Australia Retail Trade Services.

In 2009, in our Australian supermarkets, 100% of our fresh meat was sourced from Australian producers and 97.2% by weight (96.4% by value) of our fresh fruit and vegetables were grown in Australia.

STAKEHOLDER ENGAGEMENT

Woolworths' size and reach means our operations have an impact beyond our immediate interactions with customers, shareholders and staff. Inevitably too, we play a significant role in the lives of the communities in which our businesses are located.



In recognition of this, we have established a number of programs to engage with stakeholders. Through these programs and other avenues we have established, we seek input and advice, and communicate and share knowledge with groups and individuals with whom we share mutual interests.

Our most important stakeholders include shareholders, employees, customers, suppliers, government and the broader community. However, we also engage with interest and advocacy groups from time to time on particular issues.

SHAREHOLDER ENGAGEMENT

Woolworths' engagement with shareholders is governed by the Corporations Act 2001 which sets out the laws regulating businesses in Australia.

Ensuring we comply with this legislation at all times, we make use of many channels to engage and communicate with shareholders, heed their advice and concerns and, where appropriate, adapt our strategies and policies accordingly. The most important of these is the annual general meeting (AGM), traditionally held in November each year. (The 2009 AGM has been scheduled for 26 November in 2009 at the Sydney Convention and Exhibition Centre in Darling Harbour). All shareholders are invited to attend the meeting and can address questions and raise issues and concerns directly with our management and board.

In addition, Woolworths provides a call centre service to address shareholders' questions about their investment. Our call centre provider is required to conduct annual satisfaction surveys with investors to measure service satisfaction. The contact details are as follows:

Computershare Investor Services Pty Limited
Level 3, 60 Carrington Street
Sydney NSW 2000
Phone: 1300 368 664

Shareholders are also able to raise matters in writing with our CEO, Chairman, Company Secretary or via the email contact page on the Woolworths Ltd website at www.woolworthslimited.com.au.

CUSTOMER ENGAGEMENT

As a company that prides itself on being 'customer-centric,' Woolworths has an established customer insights department which plays a key role in identifying customer needs and employing strategies that lead to greater satisfaction levels and the best-possible shopping experience.

The aim of the customer insights team, which provides support to all our divisions, is to provide an early indication of opportunities – and challenges –



for the business, keep abreast of trends and develop growth strategies. In doing so it works with a select group of high-calibre market research agencies who can interpret research findings and make actionable recommendations.

We use several sources to understand the attitudes and feelings of Australian consumers and to identify key retail trends around the world. We also commission studies to get customer feedback on specific issues – such as evaluating the 'fresh' shopping experience and identifying drivers of cross-shopping, evaluating new store designs and the self-checkout system, and catalogue design and effectiveness.

Our customer immersion program – aimed at seeing our operations through the eyes of the customer – is another project that offers useful insights. It involves decision makers spending time with customers (in their homes and on shopping trips).

CUSTOMER COMPLAINTS AND ENQUIRIES

Woolworths has policies to handle all types of customer feedback:

- Service oriented
- Product contamination
- Shortfalls in product quality
- Transaction charging disputes.

We have systems in place to capture customer feedback and complaints including:

- Store Management details displayed at the entrance of our stores for complainants to consult when they have feedback
- If a customer does not wish to discuss the complaint at store level, they can contact Woolworths on the customer line 1300 767 969 or via the Woolworths Supermarkets website www.woolworths.com.au.

If the issue cannot be resolved at store level, the complaint is escalated to either a regional or national level. The complaint is investigated and the customer contacted (if they have requested further contact).

Our customer immersion program – aimed at seeing our operations through the eyes of the customer – is another project that offers useful insights. It involves decision makers spending time with customers (in their homes and on shopping trips).



If the issue is with a product, the supplier may become involved and contact the customer to help resolve the issue. This will only occur if the customer has given their consent to have their details passed on. On a monthly basis we receive between 3,500 and 4,500 customer queries. These range from customer complaints to compliments and general enquiries.

SUPPLIER ENGAGEMENT

We work with all our suppliers, in particular with our top 50–60, to draw up annual Shared Objective Plans. Our senior management team briefs suppliers on our business strategy and discusses issues of significance with them at annual meetings in every capital city. Additionally we communicate with suppliers via a quarterly newsletter called Trading Partner News and a vendor website on which we post all relevant documents to ensure they have easy and up-to-date access to information. Finally, we hold annual awards and celebrate our partnerships at a dinner where we announce the Supplier of the Year, as well as the winner of the \$100,000 Fresh Food Grant, awarded for a sustainable product, packaging or process.

To complement these efforts, in 2009 we established a supplier sustainability forum which meets every six months. At the first event, held in April 2009, the main topic was sustainable packaging. Among those represented were Woolworths' Private Label suppliers, members of the Australian Food and Grocery Council (representing our suppliers), representatives of the National Packaging Covenant (a voluntary initiative by government and industry to reduce the environmental effects of packaging on the environment) and a number of other brand suppliers.

Our draft Sustainable Packaging Design Guidelines were discussed and feedback from our suppliers was sought.

Suppliers' industry representatives

Woolworths worked closely with the Australian Food and Grocery Council (AFGC) on various research projects during the year. In 2008 we jointly funded a study with the AFGC to examine the costs and benefits of carbon labelling, which would allow customers to see at a glance how much greenhouse gas was used to produce the product.

In 2009 we contributed to a water project which is investigating water use in the Australian food manufacturing industry, the potential for recycling and improved efficiency measures.

GOVERNMENT ENGAGEMENT

We engage with Government and contribute to public policy work through senior level engagement, direct submissions and through our key industry body the Australian National Retailers Association. We also contribute to the public policy work of a number of other relevant industry bodies such as the Business Council of Australia, Property Council of Australia, the Australian Food and Grocery Council and many more.

Our submissions to the Government are available on our website www.woolworthslimited.com.au.

EMPLOYEE ENGAGEMENT

With over 191,000 team members, Woolworths is one of the largest employers in Australasia. We aim to ensure that every member of our team remains engaged and views Woolworths as a great place to work.

With this in mind we offer a range of financial and non-financial employee benefits, and continually seek new and improved ways to stay ahead of the changing needs of the workforce. For example, as part of our retention strategy we conduct engagement surveys to identify employee issues. In 2008 over 51,000 staff were surveyed. The research showed engagement levels and commitment that exceed international benchmarks. A general trend in this research has been levels of engagement and commitment to the organisation and manager, as well as intent to stay, that exceed international benchmarks identified, measured and reported by the Corporate Leadership Council.

For more information about how we engage with our employee stakeholders, please refer to the People section on page 30 and information about our 'Eco Ambassadors' on page 60.



2009 Corporate Responsibility Panel
Back row, left to right:
 Armineh Mardirossian, Bob Welsh, Terry A'Hearn (representing Mick Burke), Dr Simon Longstaff (Panel Chair), Stephen Dunne and Andrew Hall.
Front row, left to right:
 Sam Mostyn, Michael Luscombe and Clare Martin.

CORPORATE RESPONSIBILITY PANEL

In 2007, Woolworths set up a Sustainability Advisory Group to provide input and advice on environmental sustainability issues to the CEO and senior management. In early 2009, we expanded the scope and membership of the group to encompass all aspects of corporate responsibility. The new body, which meets three or four times a year, is called the Corporate Responsibility Panel.

The panel's role is to communicate knowledge of national and international best practice and provide advice on Woolworths' corporate responsibility and sustainability strategies and direction, and on effective stakeholder engagement strategies.

The panel's first meeting was held on 13 August. Discussion focused primarily on Woolworths Liquor Group's existing initiatives for responsible retailing of alcohol and opportunities for future initiatives and investment in this area.

The panel comprises the following external experts:

- Greg Bourne – CEO, WWF Australia
- Mick Burke – Chairman, Vic EPA
- Stephen Dunne – MD, AMP Capital Investors
- Dr Simon Longstaff – Executive Director, St James Ethics Centre (Panel Chair)
- Clare Martin – CEO, The Australian Council of Social Service
- Sam Mostyn – Business Consultant
- Guy Salmon – Executive Director, Ecologic Foundation, New Zealand
- Bob Welsh – CEO, VicSuper
- Leann Wilson – Group Manager Aboriginal and Torres Strait Islander Strategies and Programs, Red Cross.

COMMUNITY ENGAGEMENT

Engagement framework for new stores

Our aim is to work with internal and external stakeholders to understand their views and expectations about a broad range of issues relating to our business and to achieve outcomes that benefit all.

During 2009 Woolworths opened 195 new stores, including 28 new Australian supermarkets. While the vast majority of our new store developments proceed smoothly, we recognise there is a significant opportunity to improve communication with local community stakeholders during the development process.

Because one of our objectives is to build long-term relationships with customers and the communities in which we operate, we are working to incorporate this principle into our store planning and construction process.

Supermarkets are long-term community amenities. We believe local communities should be aware of the potential economic, employment and social benefits they represent. It is equally important to win the support and trust of community stakeholders before a store opens.

As such, a new framework was created in 2009 for property development stakeholder communications which will equip local, regional and national teams with the skills and resources they need to better manage stakeholder issues relating to property projects.

The framework will help identify likely community concerns such as design, traffic,



construction impact and heritage issues and encourages a consultative approach. Full implementation will occur over time but a number of new development projects have already used its principles to improve consultation with the community. These include Yarram and Bright in Victoria, Sippy Downs in Queensland, Harbourtown in South Australia, and Ulladulla and BIG W Moree, both in New South Wales.

Partnerships

Woolworths has forged many valuable community projects and partnerships. They include:

The Country Women's Association (CWA)

The Country Women's Association is the largest women's organisation in Australia with a membership of over 25,000 in 1,500 branches. Its aim is to improve conditions for women and children and make life better for families in rural and remote parts of the country.

Because it works closely with farming communities and understands their needs, Woolworths views the CWA as having special relevance as a community partner. The CWA's knowledge and contacts help us to understand how we can support and build capacity in rural and regional communities, especially those affected by drought.

One way in which we do this is through the Woolworths and CWA Community Recovery Grants program, which gives community organisations the opportunity to receive funding of up to \$3,000 for initiatives that strengthen social infrastructure and

have long-term benefits. Beneficiaries include seniors and sporting groups, community halls, drama clubs, Lions and Rotary clubs, charities and not-for-profit organisations. The money is typically spent on upgrades to community social infrastructure, equipment for sporting clubs and volunteer services.

Landcare Australia

In partnership with Landcare we are funding the Woolworths Sustainable Farming Program. Our aim is to support grassroots sustainable farming initiatives by landholders and community networks. Projects that receive grants will be implemented by community Landcare groups or natural resource management organisations guided by Landcare Australia.

Agricultural Business Scholarship

Together with University of Western Sydney and the Royal Agricultural Society of New South Wales, Woolworths set up the Agricultural Business Scholarship in 2007. In 2009, for the third year, the scholarship was offered to 30 young Australians working in agriculture and related fields, giving them a chance to fast-track their careers. This year's program was oversubscribed, with almost 200 applicants seeking places.

The 12-day course is coordinated by the University of Western Sydney whose lecturers, along with our senior management, present on various business topics. The course is held at the Woolworths Academy at our Norwest office in Baulkham Hills, Sydney.

Planet Ark

Research commissioned by Planet Ark, the not-for-profit environmental organisation set up by tennis player Pat Cash and charity campaigner Jon Dee in 1991, shows that there is still confusion among consumers about what materials can be recycled and where.

Woolworths is working with Planet Ark to develop a consumer education campaign through our stores to boost recycling rates, reduce contamination and improve the quality of materials going into the recycling stream.

An awareness program during National Recycling Week (9–15 Nov) will focus on kerbside recycling – how to recycle correctly and avoid contamination of the recycling streams with non-recyclables. Awareness will be boosted through in-store communication and via *Australian Good Taste* and our *Fresh* magazine, as well as catalogues and other point-of-sale communication material.

GOVERNANCE

Woolworths is committed to integrity in business and to ensuring our policies and practices meet the highest levels of disclosure and compliance.



James Alexander Strong, AO
Chairman since April 2001.

Michael Gerard Luscombe
Managing Director and Chief Executive Officer since October 2006.

John Frederick Astbury
FAICD
Director since January 2004.

Roderick Sheldon Deane
PhD, B Com (Hons), LLD (Hons), FCA, FCIM, FNZIM
Director since April 2000.

Diane Jennifer Grady, AM
BA (Hons), MA, MBA
Director since July 1996.

Leon Michael L'Huillier
BCom (Hons), MBA, MPhil
Director since September 1997.

Ian John Macfarlane, AC
BEC (Hons), MEd
Director since January 2007.

Thomas (Tom) William Pockett
Finance Director since November 2006.

Alison Mary Watkins
BComm, CA, FSIA, AICD
Director since January 2007.

CORPORATE GOVERNANCE

Under the direction of our experienced board, Woolworths has created a comprehensive corporate governance framework which is particularly strong in the critical areas of compliance and financial reporting.

Woolworths follows the Australian Securities Exchange (ASX) Corporate Governance Council's Corporate Governance Principles and Recommendations (second edition). Our directors are committed to the ethical pursuit of shareholders' best interests.

The following documents outline our governance framework and are available at www.woolworthslimited.com.au:

- Code of Conduct
- Corporate Governance Manual
- Constitution
- Risk Management Policy
- Securities Dealing Policy
- Continuous Disclosure Policy
- Audit, Risk Management and Compliance Committee Charter.

For more information refer to the Corporate Governance Statement in our 2009 Annual Report.

Directors

The board of directors is accountable to shareholders for the company's performance and its responsibilities

include Woolworths' corporate governance practices.

The board's principal objective is to maintain and increase shareholder value while ensuring Woolworths' overall activities are properly managed.

The board views its ongoing support of the highest standards of corporate governance as fundamental to its commitment to business integrity and professionalism in all its activities. It regularly reviews the practices and standards governing its composition, independence and effectiveness, and the accountability and compensation of its directors and senior executives.

For more information please refer to the Annual Report 2009 which is available at www.woolworthslimited.com.au.

Board committees

The board has established a number of committees to support it in matters that require more intensive review. These are the:

- Audit, Risk Management and Compliance Committee
- Corporate Governance Committee
- People Policy Committee
- Superannuation Policy Committee.

More information on board committees, their roles and responsibilities can be found in the Annual Report 2009 which is available at www.woolworthslimited.com.au.

Privacy policy

Woolworths complies with the *National Privacy Principles for the Fair Handling of Personal Information* that sets standards for collection, use and disclosure, access, storage and destruction of personal information that we collect as part of our business operations. We also have a general privacy policy and a number of product-specific privacy policies covering various aspects of our business. If you would like a copy of the Woolworths privacy policy please write to
 Privacy Officer
 Woolworths Limited
 Mail Point N2:B4
 1 Woolworths Way
 Bella Vista NSW 2153.

Our privacy policy is available on all our websites.

In 2009, external consultants were appointed to review our privacy practice and procedures across most business divisions. The review is underway and it forms part of our standard business practice seeking continual improvement for everything we do.

Political donations

Woolworths aims to keep governments and other important stakeholders informed about its activities. Our standard policy is not to make outright political donations. If cash donations are made we disclose the amount and the recipient as per the requirements of the Australian Electoral Commission.

All political contributions are transparent, are made in the spirit of supporting the democratic process on a bipartisan basis and strictly adhere to all relevant laws and regulations.

In 2009, we contributed \$24,200 to Australian Labor Party (ALP), \$17,450 to Coalition (National Party and Liberal Party) in NSW and \$28,400 (includes part cash donation) to Australian Labor Party (ALP) and \$20,000 to Liberal National Party (LNP) in QLD.

RESPONSIBLE RETAILING

Responsible food retailing

Our wide-ranging commitment to responsible food retailing is evidenced in a variety of ways, from our competitive pricing and fresh food offer to the confectionery-free checkouts in all our supermarkets for parents who may be shopping with their children. New signage, introduced about 18 months ago to support the launch of the Fresh Food Kids campaign, is aimed at making these checkouts more obvious in the stores and easier to identify.

Selling alcohol responsibly

The sale and consumption of alcoholic beverages bring with it considerable responsibilities. Many of these obligations are defined by legislation that seeks to protect individuals and society from harm caused by excessive alcohol consumption.

Alcohol consumption is ultimately an issue of individual responsibility. However, as a responsible retailer of alcoholic beverages, we go beyond regulatory compliance and abide by a strict buying charter that governs all aspects of our liquor operations.

Any alcoholic or alcohol branded product (such as branded chocolate, chips or soft drinks) submitted for potential sale by any buyer within the Woolworths Liquor Group must first be benchmarked against a checklist. Any product failing to meet these guidelines will not be considered for ranging. The charter includes ten principles that aim to avoid the sale of any products that appeal to minors, encourage inappropriate drinking practices or make inappropriate associations.

These practices are intended to send a strong message to the community and manufacturers that products that target minors and encourage irresponsible drinking are not welcome in our stores.

Preventing sale of alcohol to underage customers and to people who are supplying them is one of the challenges facing our 8,000 staff working in licensed premises.

To help our staff make the right decisions we have implemented our ID25 policy, which requires employees to ask for identification when customers appear to be aged 25 or younger. This reduces the guesswork and potential stress for staff while helping to ensure we only sell to customers of legal age. This policy has been incorporated into our Responsible Service of Alcohol training for all staff. Prominent in-store signage supports the program. We have recently initiated another point of sale campaign, 'Don't buy it for them,' the purpose of which is to raise community awareness of the danger of secondary supply of alcohol to minors.⁽¹⁾

Woolworths has always been a willing and conscientious participant in efforts by state and territory police, local councils and community groups to tackle problem drinking. We have voluntarily introduced a range of measures (over and above our licence requirements) to assist local communities to better manage alcohol related issues. These have included removing 'long-neck' beer, wine casks and fortified wines from our range in those areas in which these products are prone to abuse; we have also voluntarily reduced trading hours in some areas.

(1)

The Australian Secondary Students use of alcohol survey (2006) identifies parents, older friends and siblings as the source of alcohol purchased for 84% of 12-17 year olds.

Woolworths Liquor Group has introduced an intranet-based Accord management system to manage our participation in local community liquor accords around the country.

Responsible service of gaming

The ALH Group is committed to providing responsible gaming in our venues. We acknowledge that problem gambling is a serious community issue and that a small proportion of customers are harmed by their gambling activities.

We believe that the industry, government, community and individuals have a shared responsibility for the promotion, development and practice of responsible gambling.

ALH complies with all applicable responsible gambling legislative requirements in each state and participates in many state and local government gambling working groups to assist in identifying and developing appropriate responsible gambling initiatives.

All ALH gaming staff are trained in the responsible service of gambling and all frontline managers and staff are trained in the responsible service of alcohol. It is general ALH practice not to promote any practice which may encourage rapid or excessive consumption of alcohol such as ‘happy hours’.

The ALH Group has engaged David Schwarz, a well-known former AFL footballer and media identity, as its responsible gambling ambassador to provide employee education and customer awareness about the importance of ‘being honest with yourself about your gambling’. David has completed an accredited responsible service of gambling course. This program is now in its third year of supporting our efforts in responsible service of gaming.

Key elements of the program include:

- State venue manager and staff meetings covering David’s personal experiences with the aim of assisting staff in interacting with problem gamblers. ALH invites interested community groups, welfare agencies and local government representatives to many of these meetings
- Venue posters and other material highlighting the importance of ‘being honest with yourself about your gambling’
- Working with ALH management to identify further opportunities where we can proactively assist those who have a problem with gambling.

David’s role includes being available for our staff to discuss gambling problems they or their families and friends may be experiencing.

PRINCIPLE 1	The product should not have the potential to appeal to minors.
PRINCIPLE 2	The product should not have an appearance that could potentially lead to confusion with confectionery or soft drinks.
PRINCIPLE 3	The product should not have an appearance which may lead to confusion about its alcoholic nature or strength.
PRINCIPLE 4	The products should not draw any association with drug culture, narcotics or other illicit drugs or drug paraphernalia.
PRINCIPLE 5	The product should not encourage illegal or immoderate consumption such as binge drinking, drunkenness or drink-driving.
PRINCIPLE 6	The product should not suggest any association with dangerous, violent, aggressive or antisocial behaviour.
PRINCIPLE 7	The product should not suggest that consumption can lead to social, sporting or sexual success.
PRINCIPLE 8	The product should not feature imagery or language that could be deemed offensive on cultural, religious, ethnic or gender grounds.
PRINCIPLE 9	The product should not suggest that any physical or mental health benefit can be obtained by consumption.
PRINCIPLE 10	Ready to drink (RTD) products containing more than two standard drinks per single serve container will not be ranged by WLG.



PRODUCT RESPONSIBILITY FOR PRIVATE LABEL

Supermarkets – food and groceries

Our most recognised supermarket Private Label brands are Homebrand, Select and Essentials.

Our Homebrand range has been developed over 20 years and encompasses around 800 products. This value range provides quality products within the budget price category. Homebrand is Australia’s largest selling single brand of groceries.

The Woolworths Select range was introduced in 2005 to provide customers with more than 1,200 premium Private Label products.

Our customers have responded enthusiastically to the quality and value that Woolworths Select offers, with past research indicating 75% of customers who have purchased a Woolworths Select product have become repeat buyers.

As health and nutrition are becoming increasingly important concerns for many customers, all products in the Woolworths Naytura range have been carefully selected to help contribute to a healthy diet. Each product is selected to provide the best taste while reducing salt, sugar, fat and additives. The Naytura range includes nuts, dried fruits, cereals, spreads and biscuits. We are continually looking to expand the range to provide our customers with better food options.

Woolworths Organics is a range of organically certified fresh foods and grocery products for customers who prefer organic produce. The range includes fresh fruit and vegetables, poultry, tinned products, milk and cheese. We are continually looking to expand this range in line with growing demand.

BIG W

BIG W has 54 exclusive brands across all general merchandise categories. There are 28 throughout the softgoods categories like Dymples in the baby categories, Pink Sugar and Bed Bugs in children’s wear and House and Home in Manchester, Expressions in womenswear and Tweed River in menswear. Similarly there are 26 exclusive brands in hardgoods like Abode in electrical appliances, AWA in home entertainment, Patio by Jamie Durie in outdoor leisure, Cocoa Belgian in confectionery, Scribblers and Ditto in stationery, Woofbix and Moggybix in petcare.

Dick Smith

Dick Smith has an extensive range of more than 1,000 Private Label products ranging from simple accessories to sophisticated, multi-function entertainment systems. Our main Private Label brand names are DSE, Digitor, Tandy, Radioshack, Distinct and Dick Smith. The Dick Smith brand has been highly recognised for more than 40 years. Its product development and packaging designs continue to evolve to ensure the products and packaging are in line with today’s customer needs.

Woolworths Liquor Group

Our Liquor Group retails a range of beer, wine and spirits products. This offering has been made possible by the partnerships developed with leading vineyards, distillers and breweries from Australia and around the world. Examples of our Private Label brands here are Cow Bombie, Dimensions, Sonata, Golden Oak, Craftsman and Baily & Baily.

Currently we have placed % DI thumbnails on 566 Private Label food products across both WOW Select and Homebrand.

QUALITY ASSURANCE, PRODUCT INFORMATION AND LABELLING

Supermarkets

Our quality assurance (QA) team is made up of 24 and four qualified technical staff in Australia and New Zealand respectively. They include food technologists, nutritionists, chemists and the QA Laboratory team located in state-of-the-art laboratory facilities at Norwest.

The QA team is responsible for ensuring all products sold in our Fresh Food Departments and under our Private Label brands are safe and of the highest quality and that all claims made on products are validated and comply with relevant regulations.

All suppliers of fresh food products and some general merchandise products in Australia must be certified to the Woolworths Quality Assurance (WQA) standard. Currently more than 2,300 suppliers are independently audited biannually to demonstrate compliance to the WQA Standard. The WQA program is also audited globally to ensure compliance of suppliers.

WQA certification is underway for over 300 suppliers to our New Zealand supermarkets who supply Private Label and Fresh Food products. The certification of all these suppliers is on track for completion by October 2009.

The WQA Standard is updated annually in line with global food safety and retailer standards. The most recent update was completed in June 2009 to include our revised Ethical Sourcing Policy and audit requirements.

We are committed to clear labelling of ingredients, nutritional content and country of origin. Our team of inhouse food scientists and nutritionists reviews every specification and ingredient list to ensure that each product meets our high standards. We also aim to minimise the use of artificial colourings, additives and preservatives. Our Private Label brands meet regulatory standards and provide as much information as possible. This includes listing nutrients such as trans-fat content.

To help customers make healthier choices we commenced rolling out the Australian Food and Grocery Council (AFGC) % Daily Intake (DI) labelling on all Private Label products from August 2008. Currently we have placed % DI thumbnails on 566 Private Label food products across both WOW Select and Homebrand. We work actively with the AFGC to ensure that we continue to educate consumers on the use of % DI labelling on food.

Woolworths is a member of the Australian Food and Grocery Council Allergen Bureau, an industry initiative to improve allergen management



within food manufacturing and ensure that allergen statements made on products are clear and concise for the consumer.

The Allergen Bureau has developed a tool, VITAL, which Woolworths has mandated for all Private Label suppliers to use prior to providing information for allergen labelling of packaged products. To this end Woolworths has committed to provide allergen advice on packaging in the form of a 'one-stop spot' which clearly advises what allergen the product may contain. Please refer to the Allergen Bureau for further detail.

BIG W and General Merchandise

All exclusive and Private Label products are subject to relevant elements of our quality assurance program which includes:

- Vendor specifications
- Assessment at sample stage to determine if the product is fit for purpose, is functional and complies with mandatory safety standards
- Verification of certificates and test reports
- Post-production, pre-shipment and factory audits
- Product audits at the Distribution Centres and in stores
- Procedures for product withdrawals and recalls.

Routine checks conducted at the Distribution Centres and cyclical audits at stores form key elements of our quality assurance program.

Packaging and labelling for exclusive brands are assessed at various stages of product development to ensure compliance with regulatory requirements. Products are assessed to ensure all required warnings, age grade recommendations, measurements, labels, care instructions and country of origin claims are correct.

Woolworths Limited Product Category Standards were developed during the year and are being rolled out progressively to exclusive and Private Label vendors.

Dick Smith

Dick Smith manages product compliance with Australian and international standards covering a broad range of criteria including electrical safety, human electromagnetic exposure, toy safety, radiocommunications and telecommunications compatibility and energy efficiency.

Our engineering staff assess product safety impact prior to ranging products and monitor ongoing compliance using a combination of independent factory and incoming goods inspections.

Woolworths Liquor Group

Woolworths Liquor Group is currently establishing its quality assurance process in line with our Woolworths Quality Assurance (WQA) standard. However, our Private Label brands in liquor are predominantly produced by reputable and well-known brand owners retailing products under their own brands with established quality assurance processes.

Petrol

Fuel quality is subject to the Australian Government's Fuel Quality Standards Act 2000. This Act covers all fuel types including all gasoline, diesel and LPG. Refiners are required to manufacture fuel to comply with this Act, and all fuel is tested prior to release against the requirements under it. Imported fuel is also subject to the standards imposed under the Act. Woolworths requires its fuel suppliers to complete testing and to furnish Woolworths with certificates of quality, certifying that fuel supplied to us complies.

GREEN MARKETING AND OUR PRIVATE LABEL BRANDS

The retail market is becoming increasingly saturated with products making environmental claims. Unfortunately some claims can be misleading if they are not supported by evidence or not well explained. This practice of 'greenwash' has led to a great deal of consumer confusion when making decisions about buying environmentally friendly products.

With more and more suppliers wanting to put environmental claims on their products it is becoming increasingly difficult to distinguish between environmental certification standards, particularly when dealing with international suppliers. There is a demonstrated need for retailers,



including Woolworths, to improve environmental labelling and verification processes to build customer trust and make it easier for customers to choose legitimately sustainable products.

Woolworths has a group-wide Environmental Claims Policy, to help our buying, advertising and marketing staff ensure that the environmental claims made on Woolworths Private Label brands and in our catalogues have been properly verified and described in a way that does not mislead our customers or the general public. The policy was developed with reference to the Australian Competition and Consumer Commission (ACCC) guidelines on green marketing and New Zealand Commerce Commission.

A labelling audit was conducted in 2009 on all Private Label packaging, assessing compliance with the ISO 14021 standard for environmental labelling. From 694 Private Label products audited, 331 non-conformances were identified. Of these 21 were categorised as high, 50 medium and 260 as low priority.

Most of the high and medium issues related to the use of the Plastics Identification Code (PIC) or the recycling logo on flexible plastic packaging, which cannot be recycled in kerbside recycling systems. Outstanding actions will be addressed through scheduled product reviews, design changes and tenders.

A labelling audit was conducted in 2009 on all Private Label packaging, assessing compliance with the ISO 14021 standard for environmental labelling. From 694 Private Label products audited, 331 non-conformances were identified. Of these 21 were categorised as high, 50 medium and 260 as low priority.

PRODUCT RECALLS

Supermarkets

In financial year 2009, from more than 2,000 Private Label products we only had one product recall – for Homebrand garlic bread which was part of a much larger recall of all garlic bread lines from the same manufacturer.

BIG W

BIG W has an annual average product count of 202,399. BIG W had 12 Private Label product recalls in financial year 2009.

Dick Smith

Dick Smith had no Private Label product recalls in financial year 2009.

Woolworths Liquor Group

Woolworths Liquor Group had no Private Label product recalls in financial year 2009.

Petrol

There were no incidents of product non-compliance with regard to fuel.

RESPONSIBLE SOURCING

Ethical sourcing

In December 2008 we launched our Ethical Sourcing Policy. Our policy is based on globally recognised standards – the ETI (Ethical Trade Initiative) and ILO (International Labour Organisation) conventions. Both standards are based on the principles of the United Nations Universal Declaration of Human Rights.

Woolworths became a signatory to the UN Global Compact in May 2009.

The objectives of the Ethical Sourcing Policy are to ensure that we:

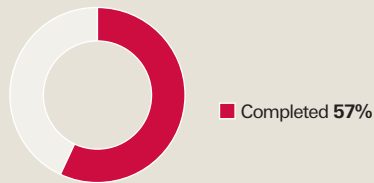
- Source our products in a responsible manner
- Work with suppliers to improve their social and environmental practices
- Provide clear guidance to our buying staff
- Protect our corporate reputation, the reputation of our individual businesses and their brands.

The policy includes four key risk areas: bribery and corruption, labour rights, working conditions and environmental compliance. The policy is available on our website www.wowlink.com.au.

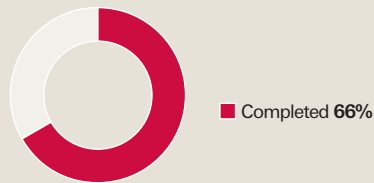
All Woolworths Limited suppliers are expected to comply with requirements of our policy, which is complemented by a compliance audit program for predominantly suppliers of our own branded products.

REVIEW OF SUPERMARKET PRIVATE LABEL FOR ENVIRONMENT CLAIMS COMPLETED AND OUTSTANDING ACTIONS

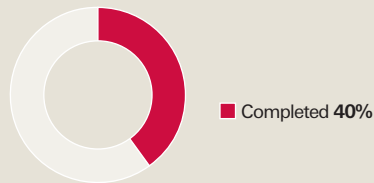
High Priority



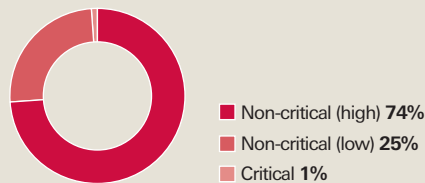
Medium Priority



Low Priority



ETHICAL SOURCING AUDIT PROGRAM NON-CONFORMANCE



Note:

Critical non-conformances related to lack of appropriate segregation between employee dormitory space and storage of packaging materials. One critical non-conformance has been resolved and one is being addressed.



Our aim is to audit all suppliers of our own brands within a two-year timeframe. Given the volume of supplier audits to be conducted, the business has taken a risk assessment type approach to prioritise how we go about whom to audit first. Suppliers have been assessed in terms of brand, product category and country of origin.

Audits are conducted by experienced third-party certification bodies. All audit criteria have been assessed according to the level of risk and categorised as critical and non-critical non-conformances. Non-critical is further categorised as 'high' or 'low' in severity.

Areas of significant risk deemed to be critical include specific criteria relating to child labour, imprisoned or bonded labour, health and safety, or bribery and corruption. Breach of any specific critical criterion will result in a request for immediate resolution or corrective action by the supplier. Woolworths is notified of any critical findings within 24 hours of the audit, often while the auditor is still on site.

Suppliers are categorised as 'approved', 'conditionally approved' or 'at risk' depending on the audit outcome and compliance with policy requirements. Our approach is to work with suppliers to help improve their labour and environmental practices no matter which category they are in. This is particularly important in cases of child labour, where any threat of contract termination would typically result in the factory terminating the child worker's employment. An important consideration here is the detrimental consequences this would be likely to have on the

child and the family members who may depend on him or her – including loss of income and the hunger, homelessness and general deprivation and poverty that would inevitably follow.

Results thus far have shown the most common area of non-conformance is related to working hours and living wages, an issue which is broadly recognised and acknowledged and more specific throughout various areas of China. Employees are generally working more normal or overtime hours compared with local requirements – for example, more than seven days consecutively without time off, or receiving wages which are not in line with local award requirements for social insurances or overtime awards.

Some issues are bigger than Woolworths, and we cannot fix these problems alone despite our best efforts. For this we look beyond our own business to seek assistance and advice about issues that are systemic and require a global approach to bring about change and improvement.

Woolworths is an active member of the Global Social Compliance Program (www.gscpnet.com), a multi-stakeholder program aimed at delivering a shared, consistent approach for continuously improving working and environmental conditions across all categories and sectors.

ANIMAL WELFARE

As communities become more affluent and better educated, they demand more information about how their food is produced, transported and processed, and how animals are managed through the production chain.

The consumer interest in animal welfare has been increasing over the past few years. We have seen this reflected in our sales of, particularly, free-range eggs and chicken meat. We have responded accordingly by making more choices available to our customers.

Our Select branded eggs currently comprise free-range, barn-laid and caged eggs. As part of our commitment we will discontinue selling caged eggs under our Select brand at the end of 2009.

In 2009, we made a decision to change egg shelf layouts in all our stores to reflect segregation by farming type such as caged, free-range and barn-laid. This change is supported by point of sale material such as floor media clearly identifying the range available to customers. The new shelf layouts were released to all stores nationally in August 2009.

We stock Bred Free Otway Pork in 23 stores in Victoria and will be extending the distribution to more stores. We will continue to review the supply base to explore further opportunities to make additional free-range pork products available to customers over coming years.

However, we are mindful of the magnitude of change and investment such developments may represent for our suppliers. We have a responsibility to suppliers and customers to introduce any fundamental change such as this in a responsible manner so suppliers have the capacity to invest in change and can provide our customers with affordable product.

We are currently working on specifying animal welfare compliance criteria for our suppliers for all relevant product categories. We aim to publish these compliance criteria by early 2010. These compliance criteria will underpin our policy and form part of our product category standards and their implementation will be monitored through our existing Woolworths Quality Assurance Program.

We thank all stakeholders for helping us better understand all concerns and views. They include:

- RSPCA
- Animals Australia
- Animal Liberation
- Australian Pork Limited
- Inghams Enterprises
- Rivalea Foods
- Australian Meat Industry Council
- Aus-Meat
- Australian Egg Corporation
- Victorian Farmers Federation
- DPI Victoria.

GROWTH IN DEMAND FOR ANIMAL WELFARE PRODUCTS IN 2009

Product	Percentage increase in sales*	Percentage of total category sales in 2009
Free range chicken	33.6%	6.4%
Free range eggs	32.0%	31.7%
Barn laid eggs	20.7%	

*Percentage increases based on increased sales from 2008.

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FAIR TRADE

Our supermarkets range a number of fairtrade certified products in response to their customers' requests.

Some fairtrade certified brands that we retail are:

- Scarborough tea and coffee
- Green & Black's chocolates
- Nerada tea
- Robert Timms coffee bags.

GENETICALLY MODIFIED (GM) FOODS

Woolworths is committed to food safety, quality and truth in advertising and labelling its products and services. We comply with all relevant national, state and territory food standards.

Our standard practice is to avoid GM material in our Private Label food range. In 2009, we had no Private Label food product requiring GM ingredients labelling.

Our suppliers are required to declare any GM ingredients at product development stage in the Private Label Product Specification in the GMO Declaration section. If GM ingredients are declared, we work with our suppliers in an effort to replace the GM ingredient with a non-GM alternative before finalising the product specification and the supply contract.

The suppliers are contractually bound to adhere to the agreed product specification at all times and cannot change any ingredients without our consent.

We are committed to transparency and giving our customers accurate information about our products.

We comply with the Food Standards Australia New Zealand (FSANZ) prescribed mandatory labelling requirements for GM foods. FSANZ is the statutory agency that develops the food standards.

We cannot guarantee that the stock feed in meat or dairy products supply chain is non-GM. However, scientific evidence shows that GM material in stock feed is not transferred to milk, meat or other dairy products.

We do not use the term 'GM-free' or 'Genetically Engineered-free' in any labelling or claims. The use of the term 'free' is required, by Fair Trading Legislation, to mean the substance

is not present in the product without a trace at any time. 'Free' claims can be misleading for customers as it is possible for trace levels of GM material to be present unintentionally.

SUSTAINABLE SOURCING

Palm oil

The growing demand for palm oil is putting added pressure on rainforest areas in Southeast Asia, West Africa and South America. The loss of forest in Indonesia is threatening the survival of many native species and the draining of peatlands is contributing to climate change. There are also nutritional concerns and benefits in using palm oil – it contains about 50% saturated fats but has no trans fats.

Woolworths policy for the past two years has been to reduce the use of palm oil in Select food products where an alternative oil can be used without compromising the product quality and increasing the trans-fat content.

Replacing palm oil (palm stearin) in bakery goods has proved difficult. The key to maintaining functionality in baking fats is to retain the 'hardness' of the fat. Typically these properties come with fats high in saturated and trans fats. If nutrition and health is considered, then the goal of any viable replacement in baking should be to reduce these cholesterol-raising fats and replace with unsaturated fats. At present the only practical alternatives that offer desirable baking characteristics (crisp and firm) are butter and hydrogenated fats, both of which contain trans fat, so neither can be recommended alternatives to palm stearin.

For more details on palm oil, fats and health go to www.woolworthslimited.com.au.

In 2009, no new Select branded food products were launched containing palm oil. Our palm oil replacement policy upheld by the Select brand has seen 40 food products that would otherwise have contained palm oil sell over 1.1 million units. In our bakery area we have removed palm oil from over 35 lines which would have traditionally used palm oil which sold 6.7 million units.

These products may still have traces of palm oil derivatives which may exist in additives such as emulsifiers and flavour bases as a very small percentage. These are not easily identifiable as there are no currently prescribed mandatory labelling requirements for palm oil.

Our Private Label team implements our palm oil requirement through the product development process working with our suppliers. Our position is clearly communicated to them through our product



development brief which forms part of the trade agreement with Private Label suppliers. The ongoing monitoring forms part of our quality assurance system. Biannual audits of Private Label suppliers ensure adherence to our product specifications.

We are reviewing our position on the use of palm oil with the aim of achieving a balanced outcome in addressing health, nutrition and environmental concerns as well as maintaining product quality and value for customers.

Timber and paper goods

A supply tender was advertised for our Select tissue range in March 2009 and closed on 6 May 2009. Tender assessment is currently underway and we expect to have a supply contract in place by the end of 2009.

The supply tender included specific sustainability requirements as well as our standard requirements in line with our Ethical Sourcing Policy.

We specified that the successful supplier must be able to demonstrate that fibre for production

of Select tissue products is purchased only from legal, well-managed sources and holds all relevant certifications for either Forest Stewardship Council (FSC) or Program for the Endorsement of Forest Certification (PEFC). The alternative for PEFC certification was to accommodate local suppliers as no local tissue suppliers have FSC certifications currently.

In 2009, we also issued a supply tender for our A4 copy paper for internal use. This tender also specified sustainability criteria with regards to the paper source. The tender is expected to be completed by the end of 2009.

Tenderers were required to provide copies of all valid and current certificates related to their FSC or PEFC certification and specify country of origin, region/province and tree species of the wood fibre to be used in manufacturing of the Select tissue products. The successful supplier will be required to provide annual compliance reports as well as access to the Woolworths Limited audit team for the purpose of third party verification of compliance with our sustainability criteria.

BIG W retails FSC certified outdoor furniture brand "Patio".

Fish and seafood

We have specific requirements for trade partners who supply seafood products to our supermarkets. These requirements support the Woolworths Quality Assurance (WQA) Standard. All direct suppliers of seafood, both local and international, are required to become certified to the Woolworths Quality Assurance Standard (WQA). The scope of the standard covers aquaculture, catch, harvest, procurement of raw and packaging materials, processing, packaging and distribution through to supply to Woolworths Distribution Centres and supermarkets.

All our trade partners as part of our trading terms are required to maintain compliance to all Government regulatory requirements related to the seafood industry.

We require that all seafood products comply with:

- Any seasonal or permanent prohibition on the sale of the species
- Any minimum or maximum size restrictions for the species
- Labelling requirements of the Food Standards Code, States and Territories
- Trade Weights and Measurements
- Country of Origin labelling.

We have been working with the Marine Stewardship Council to help develop a better understanding of the issues relating to sustainable seafood, fishing practices and chain of custody certification.



PEFC promotes sustainable forest management - environmentally, socially beneficial and economically viable management of forests for present and future generations - through independent third party forest certification.

OUR PEOPLE

With over 191,000 team members, Woolworths Limited is one of the largest employers in Australasia. We have generated employment opportunities as we have grown, even in challenging economic times.

We are committed to doing the right thing by every member of our team. We aim to ensure all our people are engaged and continue to view Woolworths as a great place to work.

During 2009, our team grew by 4.5%⁽¹⁾. An additional 1,635 people were appointed to new trainee or apprentice roles.

RECRUITMENT

Woolworths sources the overwhelming majority of candidates for new or vacant roles from our internal talent pool. As a supplement to promoting and developing our own people, we also recruit talent externally from the local market. Where local candidates are unavailable, we source them internationally.

This ensures we access fresh ideas but continue to consolidate deep industry knowledge and expertise. During 2008–2009, almost 54,000⁽²⁾ employees started work with us. Less than half of 1% of these employees were sourced internationally.

Typically, external recruitment focuses on specialist roles, often at our corporate support office in Norwest, Sydney. We source candidates through a variety of channels to ensure we locate those best suited to the role and company. These include online job boards, industry magazines, recruitment agencies, employee referrals and word of mouth, career expos and press advertising.

The Woolworths Graduate Program continues to be a key source of talent. Open to existing employees in their final year of a tertiary qualification, it provides tailored job rotations and development experiences in the graduate's chosen field. Since 2005, we have recruited 85 graduates with a 93% retention rate.

We are committed to doing the right thing by every member of our team. We aim to ensure all our people are engaged and continue to view Woolworths as a great place to work.

DURING 2009,
OUR TEAM
GREW BY

4.5%⁽¹⁾

(1)
Published ALH headcount as at June 2008 should have been 13,342.

(2)
Excluding ALH and PEL.

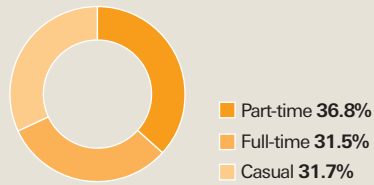
Woolworths has a long-standing commitment to building internal capability. We consider this to be a key driver of our ability to perform, change and grow.



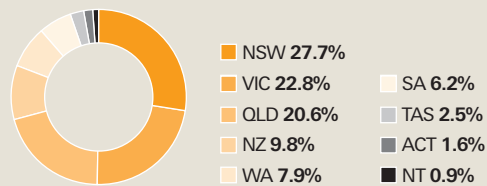


WORKFORCE COMPOSITION

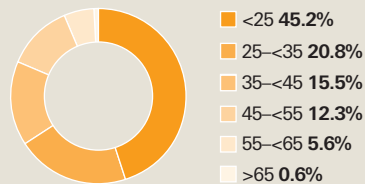
Total workforce by employment type Australia (excludes ALH and PEL)



Total workforce by region, Australia and New Zealand (includes ALH)



Woolworths employees by age ratio 2008-9 Australia and New Zealand (includes ALH)



TOTAL EMPLOYEES

Headcount by division

Supermarkets	113,817
BIG W	25,451
PEL NZ	18,753
ALH	12,978
Logistics	7,190
Consumer Electronics	4,445
FSL	3,813
Petrol	2,898
Corporate Support and IT	1,837
Total	191,182



Woolworths places a high importance on supporting new employees to ensure they successfully adapt to their new role and organisation. As part of our 'on-boarding' process we have an induction program for all trading businesses, a regular business orientation led by members of the senior management group, as well as executive transition coaches.

Woolworths has a long-standing commitment to building internal capability. We consider this to be a key driver of our ability to perform, change and grow. We have retained more people during the past year and turnover rates have decreased in seven of the Australian states and territories. Overall our turnover decreased by 10 percentage points during this period.

Turnover has also decreased at executive level, with year-on-year rates falling from 8.6% (2008) to 6.5% (2009). We are pleased to have retained all executive women who were due to return from parental leave in the 2008 calendar year.

To help ensure we retain our diverse employee base, we offer a range of financial and non-financial employee benefits. These include professional development options, access to flexible work arrangements, paid maternity leave and a range of wellness programs.

PROMOTING FROM WITHIN

Woolworths' diverse operations enable us to offer employees an unusually broad range of careers within the one company. Our commitment to promoting internal talent is strong: 30% of our executives switched roles and 8% of executives moved to another division during the 2008 calendar year.

Indeed experience in multiple divisions is a common characteristic of a Woolworths career. Many members of the senior management group have held leadership roles in two or more divisions. For example Julie Coates, Director of BIG W, previously led the HR and Logistics operations.

Many employees have had long service, including our CEO Michael Luscombe who has spent over 30 years with Woolworths. Approximately 31% of executives joined Woolworths aged 25 or younger, and over 4,500 past and present staff are members of the 25-Year Club.

The nature of retailing means a high proportion of our people join us as on a casual basis, often as teenagers new to work. A range of pathways allow these new employees to build their careers with us, develop their skills and then convert



to permanent employment when it suits their personal circumstances. We have many programs to support them, including school-based and certificate traineeships and apprenticeships.

Likewise, a number of pathways exist for store staff to progress to management roles, including the Store Management Trainee Program and the Woolworths Graduate Program.

Some 47% of our management group and 46% of our executive group have over 10 years service with us.

UNDERSTANDING OUR EMPLOYEES

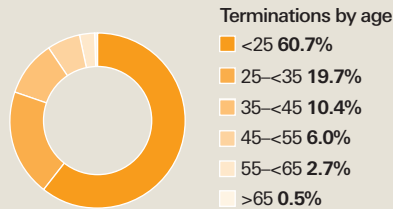
We continually seek new and improved ways to stay ahead of the changing needs of our workforce. As part of our retention strategy we conduct engagement surveys to identify employee issues and priorities for action. In FY2008 over 51,000 staff were surveyed. A general trend in this research has been levels of engagement and commitment to the organisation and manager – as well as intent to stay – that exceed international benchmarks.

We conduct focus groups in each business to discuss gender diversity and issues relating to work-life balance. In the first eight months of 2009, 791 employees attended these sessions.

RETENTION

EMPLOYEE TURNOVER

Turnover by age group 2008–2009, Australia and New Zealand (including ALH)

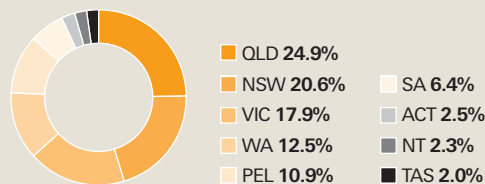


TURNOVER BY GENDER 2008–2009 AUSTRALIA AND NEW ZEALAND (INCLUDING ALH)

Total terminations by gender and division	Female %	Male %
National supermarkets	53%	47%
National BIG W	59%	41%
National logistics	14%	86%
National petrol	50%	50%
National liquor	35%	65%
Corporate	65%	35%
Thomas Dux	23%	77%
Consumer electronics	29%	71%
IT	28%	72%
PEL	56%	44%
ALH	51%	49%
Total WOW	52%	48%

TURNOVER BY REGION 2008–2009 AUSTRALIA AND NEW ZEALAND (INCLUDING ALH)

Terminations by state/country



Exit interviews form part of the separation process for all salaried staff, and are regularly analysed to identify trends and opportunities for new policies or initiatives.

In fact Woolworths uses the information from all engagement surveys, focus groups and exit interviews to refine its employee offer. Many initiatives including more flexible work options and new wellness programs can be directly linked to the insights gained in this way.

Flexible work options

Flexible work options tailored to individual needs have proven to be an important factor in retaining people as their work-life balance needs evolve.

The number of part-time roles at Woolworths has risen from 58,474 in June 2008 to 60,023 in April 2009. This includes more part-time roles at managerial level. For example 30 women currently work in such roles in the IT Division.

In addition we continue to offer job-share opportunities, a flexible work option that has led to an increase in the number of shared roles across the business, including in our buying and store operations teams.

Parental leave

Since the introduction of paid maternity leave in July 2008, more than 1,080⁽¹⁾ women at all levels of the organisation have accessed this benefit.

Options available to new parents include up to 104 weeks of parental leave, a Stay in Touch program for those on parental leave and access to reduced workloads and flexible work options upon return.

HEALTH AND WELLBEING

We openly encourage our people to seek work-life balance and have made several health and wellbeing programs available to this end. Weight Watchers, Quit (smoking cessation) and 10,000 Steps, for instance, have gained in popularity across the organisation.

As in previous years, we offered 'flu vaccinations to employees in support and Distribution Centres. Meanwhile executive health checks continue. We have developed a health check program tailored to store managers in Supermarkets and BIG W, and to our regional and area managers in Liquor and Dick Smith. The Supermarket store manager health checks have begun and we have scheduled dates for BIG W, Liquor and Dick Smith to start theirs.

Logistics has made significant inroads in health and wellness by creating a wellness room at our Brisbane Regional Distribution Centre and

a health and wellness corner at our Perth Regional Distribution Centre. Onsite physiotherapy for employees has already been introduced for 75% of the Distribution Centre network.

A range of other health and wellbeing initiatives has been designed to support and assist employees as their circumstances change. BIG W is introducing wellness content on its intranet for staff to access wellness programs and related information. Lunch and Learn sessions have been running at our Norwest Support Office for the past 12 months. Topics here include stress management, men's health and heart health.

Employee assistance program

A resource available to all employees is the Woolworths Employee Assistance Program. This enables all staff and members of their immediate families to access confidential counselling free of charge. During the year under review, 1,550 employees used the service, a 7.7% increase on last year. Managers are increasingly promoting the service, with management-initiated counselling accounting for 45% of referrals in the past 12 months.

REMUNERATION

Woolworths prides itself on market competitive benefits and remuneration. In the case of operational roles the entry-level rate of pay is at or in excess of the state award. Our remuneration structure includes two components – fixed remuneration (base salary plus superannuation) and a variable, performance-based component. The cash-based short-term incentive plan (STIP) is made available to all managerial salaried employees. The long-term incentive plan (LTIP) is offered to managers who play a critical role in the long-term success of our business, including executives, store managers and buyers in supermarkets and BIG W.

A range of incentive programs are designed to support attraction, retention and a culture of performance. Part-time employees have access to the same benefits as their full-time counterparts on a pro-rata basis. Benefits here include a staff discount card, access to the Woolworths Employee Credit Union and discounted private health insurance.

Share purchase plan

The Woolworths Share Purchase Plan plays an important role in encouraging employees to build an ownership stake in the business. Under the plan an annual invitation allows participating employees to acquire Woolworths shares using pre-tax rather

Parental leave



Since the introduction of paid maternity leave in July 2008, more than 1,080⁽¹⁾ women at all levels of the organisation have accessed this benefit.

Options available to new parents include up to 104 weeks of parental leave, a Stay in Touch program for those on parental leave and access to reduced workloads and flexible work options upon return.

(1)

Excludes ALH and PEL.



than after-tax income. Participation is entirely voluntary. Under the FY08/09 plan 16,923 employees participated. Woolworths now has approximately 40,000 employee shareholders.

Superannuation

Woolworths Limited makes superannuation contributions for employees of the company and its controlled entities to company sponsored superannuation funds at rates set out in trust deeds, rules governing these funds and in accordance with legislative requirements.

Extracts from the company's 2009 Annual Report covering the Woolworths Group Superannuation Plan's (WGSP) financial position are shown in the table below. More details are available in Notes to the Financial Statements (Note 23) in the 2009 Annual Report.

LIABILITY FOR DEFINED BENEFIT OBLIGATION

	As at June 09 \$m	As at June 08 \$m
Defined benefit obligation ⁽¹⁾	(1,536)	(1,609)
Fair value of assets	1,444	1,556
Liability for defined benefit obligations	(92)	(53)

While the WGSP's defined benefit obligation exceeds its assets at 30 June 2009, the company makes contributions in line with actuarial recommendations so members' benefits when payable are fully covered by the WGSP's assets.

PERFORMANCE DEVELOPMENT

All salaried employees complete an annual performance review with their managers. Once the company's business plans have been set and senior executive key performance indicators (KPIs) developed, these are incorporated into, and aligned with, the performance criteria for each manager so all our people work toward the same broad goals.

The purpose of annual (and in many cases half yearly) reviews is to set specific goals and objectives for the year ahead for each employee, review the previous year's performance and identify a development plan to be implemented that year. The outcome of the review is reflected in the employee's annual remuneration review and STIP.

The annual performance review cycle was completed at the end of 2009. Over 26,000 reviews were conducted across our salaried talent pool (including PEL).

Non-salaried staff receive a review during and at the conclusion of their probation period.

(1)
Includes contribution tax.



Absenteeism

All full-time and part-time employees have access to personal leave so they can take time off for their own illness or injury or to provide care and support to a member of their immediate family or household. In cases in which an employee is absent from work for an excessive time and this impacts on their ability to meet the requirements of their role, an assessment and investigation of the employee's condition is undertaken. This helps us to work with the staff member involved to identify the appropriate next steps.

RECOGNITION

A key component of the Woolworths culture is recognition of high achievers. The annual Woolworths Heroes Program recognises 27 outstanding contributors to our business, community and environment. Nominated for consideration by their own division, the 'Heroes' are flown to the company conference and thanked in front of thousands of delegates.

Established in 1995, the Paul Simons Award is an annual program that recognises the development of young people within the company. Participants are nominated from all divisions and a winner is selected in each category.

In 2009 there were 55 Paul Simons finalists, and the winners of the 2009 awards were:

- Apprentice of the Year – Phillip Gagen
- Certificate III of the Year – Stuart Paine
- Certificate IV of the Year – Andrea Tarrant
- Graduate of the Year – Matthew Teggin
- Trainee Buyer/Planner of the Year – Belinda Grice.

The Joe Berry Award is an external competition acknowledging and recognising outstanding young (35 years and under) achievers in retail. Some of the country's most prominent retail and supplier managers have won this competition, which began in 1986.

In 2009 there were seven finalists including four from Woolworths. The Woolworths finalists were:

- Mitch Tanner – Duty Manager
- Kerryn Bullpit – Store Services Specialist
- Brendan Robinson – Assistant Communications Manager
- Brett Griffiths – Promotional Manager.

The Young National Executive of the Year Award for 2009 was won by Brett Griffiths who received a \$12,000 scholarship for education and development.

In 2008 Julie Coates (then Chief Logistics Officer) was a New South Wales finalist in the Telstra Business Woman of the Year Awards.

TRAINING AND DEVELOPMENT

In 2009, Woolworths' learning and development opportunities involved an investment of over \$68 million. This spanned core training programs, training for new employees and leadership programs for managers and executives. This commitment is steadfast in the face of changing economic conditions; the 2009 investment represents an increase of almost 9% on the previous year.

Part of this investment has been aimed at extending the reach of critical programs. For example:

- Day-to-Day Management provides core management principles and is targeted at new frontline managers
- Personal Leadership enables employees to develop insights into their behaviour at work and develop their personal effectiveness and resilience.

The program gives participants the opportunity to put into practice changes in behaviour they have learned and to share their achievements with peers.

Management and executive development is key to building leadership capability for the future. A number of programs have been effective in preparing people for more complex future roles.

For example:

- The 12-month Future Leader Program is targeted at managers early in their careers and designed to develop leadership skills to position participants for future promotion. The program places a strong



emphasis on personal responsibility, accountability and proactivity. It also covers in-depth business acumen and innovation. Its success is demonstrated by the 50% of participants in the 2009 program who were promoted within 12 months of completing it

- The 18-month Engaging Leaders Program is targeted at leaders who have the potential to move into executive positions in the future. It places strong emphasis on principle-centered leadership, business acumen, innovation and engagement.

In addition we offer a range of training and development opportunities including skill-based training, job-relief assignments, secondments and formal academic training through our partnership with Macquarie Graduate School of Management (MGSM).

One of our most important priorities remains the development of young Australians' skills. We are proud that our supermarket division has one of the largest groups of apprentices and trainees in Australia.

Our partnership with the Royal Agricultural Society of NSW and the University of Western Sydney has created an Agricultural Scholarship Program for young Australians in horticulture and agriculture.

TRAINING AND DEVELOPMENT

TYPES OF TRAINING UNDERTAKEN (NUMBER OF PARTICIPANTS) – AUSTRALIA AND NEW ZEALAND

Training participation	Actual 2009
Induction	61,984
Trainees and apprentices (indentured)	6,534
Systems and general training	46,292
Management development	7,450
Executive development	427

Note:

Data reported is for financial year.

TRAINING COST PER PARTICIPANT – AUSTRALIA & NEW ZEALAND (EXCLUDES ALH)

Training cost per participant	Actual 2009 \$
Induction	207
Trainees and apprentices	730
Executive development	3,969

Note:

Data reported is for financial year.



Compliance training

During 2009 Woolworths had a major focus on compliance policy and behaviour. This involved the launch of our compliance policy and the training package ‘Between the Flags’. The package refers to surf lifesaving and the boundaries on beaches in which it is ‘safe’ to swim. Though we operate in an environment which carries many compliance risks, with clear boundaries, strong support, leadership and guidance, our people can focus on what they do best.

The compliance training focuses on three key principles:

- Am I doing the right thing? (Am I between the flags?) How do I know if I am starting to move outside the flags?
- Do I need to put my hand up and ask for help?
- Do I need to tell someone about this? Who do I need to tell?

Other examples of training that enable employees to operate ‘between the flags’ include but are not limited to:

- Responsible service of alcohol (RSA) (which we deliver in all states, even those where we are not legislatively required to do so)
- Fire safety training
- Food safety training
- Sale of tobacco training
- Weights and measures training
- Trade practices training.

Over 90%⁽¹⁾ of employees have received training in anti-corruption policies.

In addition to the internal focus, Woolworths uses its training and development capability to support community initiatives. One example is the Northern Territory government’s photo identification system, implemented in all licensed liquor stores and public hotel takeaway outlets in Alice Springs. While Woolworths developed training material to support the rollout of this system for the Woolworths Liquor Group, a generic version of the material was provided to the government to support its rollout to other liquor outlets in the region.

Graduate program

The Woolworths Graduate Program offers employees career opportunities during their transition from tertiary studies to full-time employment. Those who have either recently graduated or are in their final year of tertiary studies are eligible to apply.

- Since 2005 (Australia excludes ALH and PEL):
- 85 graduates have been recruited
- 39 have completed the program and moved into permanent roles
- 45 are currently participating in programs.

The retention of graduates is particularly high – with over 93% of participants staying with the company.

(1) Excludes ALH and PEL.

Macquarie Graduate School of Management (MGSM)

Woolworths' academic programs through our partnership with MGSM are designed to broaden thinking and expose employees with future management potential to contemporary business thinking beyond the company.

Since 2004 over 400 managers and executives have participated in MGSM programs. In 2009, 163 were enrolled in study programs.

- Since 2004, qualifications have been awarded to 251 participants
- Over 90 per cent of MGSM participants have been retained by the company.

Mentoring and networking

Mentoring is one way our people can actively drive their own development. By partnering with more experienced colleagues, employees can increase their knowledge, develop their skills and support their own career growth.

Mentoring is open to all employees. However, specific initiatives include:

- Cross-divisional mentoring for executives
- Leadership development programs which foster mentoring relationships within their own function or division or across the broader business
- The senior management group's active role in mentoring talent.

To provide additional informal learning opportunities, we continue to run a range of networking activities. These include:

- The Chief Executive Officer (CEO) Network Forum, which provides young leaders with a forum to discuss and debate key business and community issues in an informal setting with the CEO
- Senior management forums.

DIVERSITY AND EQUAL OPPORTUNITY

As part of Woolworths' ongoing commitment to diversity, a diversity strategy has been developed and endorsed by the senior management group. Its aim is to provide a work environment that is inclusive and where all employees are treated with dignity, courtesy and respect. We acknowledge that diversity adds value in bringing different perspectives to the workplace and in reflecting the communities we serve. It generates business benefits as well.

A Diversity Working Group has been formed comprising line and HR managers from all divisions. The purpose of the group is to:

- Prioritise actions to harness diversity within Woolworths
- Ensure that recognising diversity is 'owned' by the business and managed accordingly.

Profile Peter Chandler



"Aboriginal customers often approach me in the store for a chat while I am working," says Peter, who is now keen to see more Indigenous Australians joining Woolworths. "They like to see me working – their children often giggle at me!"

Peter Chandler, a part-time member of our team at Katherine in the Northern Territory 320 kilometres south of Darwin, is among an expanding group of Indigenous Australians who have become Woolworths employees.

Since joining Woolworths in 2009, Peter has gained experience in a variety of departments including bakery and perishables and is currently working as a nightfiller.

Before that Peter worked on cattle stations doing physically demanding work like fencing, tree-logging, breaking in horses and mustering cattle. He first worked with us as a participant in a program jointly run by ourselves and CRS Australia, a provider of vocational rehabilitation and assessment services. The program enables participants to obtain a Certificate II in Retail Operations and to gain retail work experience with Woolworths.

As a result of the hard work and commitment Peter demonstrated during the program, we asked him to join the team permanently.

What does he enjoy most about his role? The people and the good friends he has made. And he especially loves the community contact. "Aboriginal customers often approach me in the store for a chat while I am working," says Peter, who is now keen to see more Indigenous Australians joining Woolworths. "They like to see me working – their children often giggle at me!"

During 2008–09, 25 discrimination claims were lodged with state and federal tribunals. There have been no incidents of racial discrimination concerning Indigenous Australians lodged with a state or federal tribunal. As mentioned earlier, Woolworths fosters a culture in which people treat each other with dignity, courtesy and respect. Employees are prepared to act quickly and responsibly to address behaviour that does not align with these values. The training we provide frontline managers is a key element of building this culture.



Both staff and customers fall within the terms of reference of the working group, whose priority groups are:

- Indigenous Australians
- People with a disability
- Mature-aged workers.

Initial activities include the appointment of a Diversity Manager, and:

- Commitment to Indigenous employment through *The Australian Employment Covenant (AEC)*. The intent of the covenant is to promote the employment of 50,000 Indigenous Australians across all businesses in Australia within the next few years. The covenant has been signed by Michael Luscombe on behalf of Woolworths Limited
- Participation in the CEO's Network for Disability, a collaboration between Australian business and government leaders. We have signed a statement of intent, a public commitment to improve employment opportunities for people living with a disability
- Celebration of Harmony Day (20 March 2009) at a number of Woolworths sites. Team members brought in traditional delicacies which were shared

with colleagues and generated discussions about the countries represented

- Tracking and monitoring employee numbers
- Delivery of a diversity awareness session
- Employment initiatives.

Gender balance

Women constitute 55% of the Woolworths workforce and we are proud of the progress we have made in the area of gender diversity, particularly in leadership roles.

In the 2003-04 financial year, 16.7% of leadership roles in Woolworths Limited were held by women. In the 2008-09 year it had risen to 27%.

In facilitating women's career development and progression, our focus has been to create an inclusive environment that is supportive and appreciative of difference. Women and men offer different perspectives, which provide undeniable business benefits. We have introduced programs to facilitate the inclusion of women and to remove barriers that may restrict their career progression. These programs include structured mentoring and networking opportunities, the provision of

Collective bargaining agreements cover 86% of our workforce, or 130,070 employees.⁽¹⁾

(1) Excludes ALH and PEL.



part-time and job-share roles, flexible reintegration after parental leave and support during this leave.

Of the nine Woolworths Board members two are women, representing 22% of the Board.

FREEDOM OF ASSOCIATION AND UNION ENGAGEMENT

We aim to foster active partnerships with unions and have been able to build cooperative, constructive working relationships with them. Representatives from Corporate HR, divisional HR teams and all trading businesses regularly meet with the unions that represent our employees. We fully respect the role these unions play in maintaining a positive, productive workplace.

Collective bargaining agreements cover 86% of our workforce, or 130,070⁽¹⁾ employees. Our enterprise agreements include a major change clause. Although the timeframe is not defined, we are transparent in our communications and conscious of the importance of communicating and engaging our employees and their representatives in a timely manner.

GENDER BALANCE

GENDER DIVERSITY – AUSTRALIA AND NEW ZEALAND (INCLUDING ALH)

Female	104,815	55%
Male	86,367	45%

RATIO OF BASIC SALARY OF MEN TO WOMEN BY EMPLOYEE CATEGORY AUSTRALIA (EXCLUDING ALH)

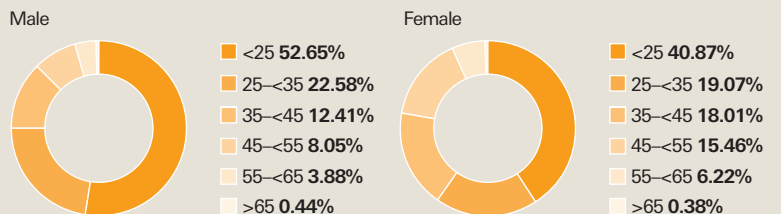
Grade	Female	Male
Non-managerial ratio	99%	101%
Managerial ratio	94%	106%

Ratio = (Average salary by sender/average salary by grade).

GENDER RATIO BY EMPLOYMENT LEVEL AUSTRALIA (INCLUDING ALH)

	Women %
Senior executives	27%
Senior managers	24%
Managers	41%
Office/support employees	50%
Store employees	60%
Distribution employees	15%
Tradespeople and apprentices	11%
Plant employees	0%

WOOLWORTHS AUSTRALIA (EXCL. ALH) GENDER AND AGE DISTRIBUTION



GENDER DISTRIBUTION BY EMPLOYMENT TYPE AUSTRALIA (INCLUDING ALH)

	Full-time Women %	Part-time Women %	Casual Women %
Senior executives	25%	100%	0%
Senior managers	23%	92%	50%
Managers	40%	72%	0%
Office/support employees	47%	70%	50%
Store employees	56%	68%	56%
Distribution employees	12%	25%	13%
Tradespeople and apprentices	10%	23%	8%

SAFETY & HEALTH

At Woolworths we are committed to protecting the safety, health and welfare of our employees, customers, contractors, visitors and the community. Safety is a key aspect of our business and underpins all operational activity.

Our vision for safety in Woolworths is zero harm to our people, environment and community and is encapsulated in our Destination Zero program. This program is supported by the following principles:

- We will make safety personal
- No task is so urgent and no service so important that we cannot take time to do it safely
- We will aim to improve the quality of life, now and for future generations
- We are responsible for:
 - our own safety and health
 - the safety and health of our co-workers, customers, contractors and visitors
 - our impact on the environment
- We recognise and promote excellence in safety, health and environmental performance.

We also recognise that the journey to achieve and sustain world-class safety performance has no destination; it continues forever and our aim is to prevent all incidents.

Our performance

Since 2006, we have reduced our lost time injury frequency rate (LTIFR) by 50%. While we missed our target rate of 13 by 7% in 2009, we reduced the rate by 19% over last year. Our target for 2010 is to achieve an LTIFR of less than 10. Our Short Term Incentive Program for management is linked to our safety performance.

Prosecutions

In 2009, a forklift collided with a high-rise order selector at the Mangere Distribution Centre in New Zealand. The operator of the forklift was struck by the selector's cage and sustained fractures to his ribs. The Department of Labour in New Zealand charged Progressive Enterprise Limited (PEL) with failure to take all practicable steps under the Health, Safety and Environment Act. PEL was fined \$50,000.

International SOS (ISOS)

To safeguard our international travellers and expatriates, we have contracted International SOS to provide a duty-of-care program that gives the latest pre-travel information and day-to-day support and advice for emergency response and repatriation. The program was implemented in 2009.

Asbestos management

As part of our asbestos management program, we have a consistent asbestos inspection and removal service and we are implementing a centralised data management system to ensure critical data is captured and maintained.

Internal awards

CEO Safety Award

The 2008 CEO Safety Award was awarded to the Petrol division in Victoria at the Company Conference in August 2008. The award recognises excellence in safety leadership. Submissions were judged on such criteria as results, innovation, leadership, and winning the hearts and minds of front line staff.

The Petrol division was awarded \$100,000 to invest in further safety innovation and improvement strategies. The Logistics division also received the CEO's 'Highly Commended Award' for driving significant improvements in safety performance.

CEO Safety Club

In 2009, Tom McCrorie from Supermarkets and Lawrie Thomas from Logistics received the prestigious CEO Safety Club Award. The award recognises individuals that have made an outstanding contribution to safety.

Safety and Health governance framework

Safety and Health is the responsibility of management and every individual throughout Woolworths and is supported by safety, health and environment personnel who provide specialist advice and program development.

The Board oversees the effectiveness of our safety and health program through its People Policy Committee and through the Woolworths Safety and Health Executive Committee chaired by the CEO. The latter meets monthly to evaluate the implementation and effectiveness of the safety and health vision, principles, policy, standards, strategy, initiatives, procedures and governance across the group.

Woolworths' workforce is represented in formal joint management-worker health and safety committees. Called Safety Teams, these operate at a site or store level and their functions are formalised through charters, procedures and legislative requirements where applicable.

Most of our workforce is covered through the formal agreements which exist with unions. Employee representatives review and approve each division's safety and health procedures manuals.



Our vision for safety in Woolworths is zero harm to our people, environment and community and is encapsulated in our Destination Zero program.

Agreed policies covered in the manual include, but are not limited to:

- Safety & Health Policy
- Safety Health & Environment Management Planning
- Safety Health & Environment Responsibilities
- Statutory Safety Health & Environment Training
- Safety Health & Environment Issue Resolution
- Internal & External Communication
- Joint Employee and Management Consultation Mechanism
- Risk Management Activities (Personal Protective Equipment, Hazard reporting, Manual Handling, etc)
- Emergency Preparedness and First Aid
- Workplace Inspections
- Incident Reporting and Investigation
- Internal and External Auditing
- Management Review
- SH&E Performance Reporting.

The Safety and Health framework is applicable to Woolworths' activities in all jurisdictions and countries in which we operate including Australia, New Zealand, India, Shanghai and Hong Kong.

Education and training

Comprehensive training programs have been developed for safety and health communication, hazard and risk management, incident reporting and analysis and safety leadership.

These include:

- Drive 4 Life (Driver Education)
- Move 4 Life (Manual Handling)
- Safety the Woolworths Way (Leading through Safety).

In addition employees receive training through standard operating procedures where safety requirements are integrated and part of the way we work. We continue to provide access to our lifestyle-based program Drive 4 Life to the family members of employees during promotions and at discounted rates.

Our workforce in Australia and New Zealand has a low risk of exposure to serious diseases such as HIV/AIDS in general and community awareness is high. Education programs run by government and industry are readily available, accordingly the country risk is low.

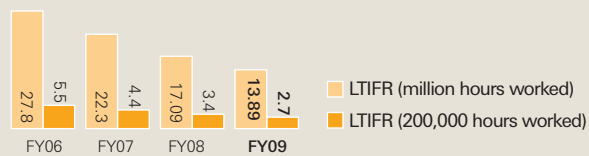
LOST TIME INJURY FREQUENCY RATE (LTIFR) RESULTS

KPI	2006	2007	2008	2009
LTIFR (million hours worked)	27.8	22.3	17.09	13.89
LTIFR (200,000 hours worked)	5.5	4.4	3.4	2.7
% Change on last year		-10%	-20%	-23%

Note:

All data is for financial years.

WOOLWORTHS LIMITED LTIFR RESULTS FROM FY06-FY09



DIVISIONAL LOST TIME INJURY FREQUENCY RATE (LTIFR) RESULTS FOR 2009 FINANCIAL YEAR

LTIFR	Per million hours	Per 200,000 hours	% change
Supermarkets	15.58	3.1	-23%
Logistics	18.72	3.7	-39%
BIG W	8.97	1.7	-39%
Dick Smith	6.92	1.3	-12%
Liquor - BWS	26.67	5.3	26%
Liquor - Dan Murphy	15.70	3.14	11%
Petrol	10.32	2.0	1%
Progressive (NZ)	11.05	2.6	-34%
Thomas Dux	6.64	1.3	-77%
Woolworths Group	13.89	2.7	-19%

OTHER HEALTH & SAFETY - KEY PERFORMANCE INDICATORS

2007-2009 financial years			
KPI	2007	2008	2009
Employee work-related fatalities	0	0	0
Contractor fatalities	1	1	0
Other fatalities	0	0	1
Reduction in LTI frequency rate	20%	23%	19%
Reduction in New Claim Frequency Rate	9%	9%	8%
Reduction in Customer Claims	9%	9%	2%
Reduction in hours lost as a result of an injury in the last 12 months	10%	7%	3%

OCCUPATIONAL DISEASE

Measure	2008	2009	% variance
Occupational Disease Rate (per 200,000 hours worked)	1.48	1.11	-25%

Note:

Data is for financial years and is captured using the Australian Standards: AS1885.1-1990 - Measurement of Occupational Health & Safety performance.

DETAILS OF FATALITIES

Year	Customers	Contractors	Country	Location	What happened?
2009	1*	0	Australia	Victoria	A member of the public was struck by a trailer operated by a Trolley Collection sub-contractor at a shopping centre.

* Member of public.

COMMUNITY

All Woolworths' businesses are active in the local communities in which we operate. We support these communities through our work with a range of partners and through fundraising and charitable partnerships. Our partnerships and programs are continually reviewed to ensure they align with broader social issues and community concerns.

MEASURING OUR COMMUNITY INVESTMENT

To make our community contributions as transparent as possible, we became a member of the London Benchmarking Group (LBG) in 2007, which provides a process for measuring, benchmarking and reporting on these contributions.

We use the LBG reporting model to calculate the total contribution we make to the community through cash, fundraising, time, in-kind donations and management costs and convert it to a dollar value. For more information go to www.lbg-australia.com

In the 2009 financial year our community investment and funds raised with the help of customers and employees totalled \$27,460,379 in Australia and New Zealand.

BACKING OUR FARMERS DAY

This endeavour typifies Woolworths' commitment to the communities it serves, and to rural Australia in particular. Under the Backing Our Farmers Day program, Woolworths donates its entire supermarkets profits from one trading day to support farmers and communities suffering the effects of drought. (The day in question this year was 20 February.)

Two thirds of the money raised goes to the Country Women's Association (CWA) in each state for distribution to farming families to help pay for their basic needs. (The CWA is a national organisation that aims to improve the conditions for country women and children). The other third of the funds is provided to Landcare, to establish the Woolworths Sustainable Farming Program.

In 2009 we raised \$7.065 million under the program, based on a calculation which was independently audited by Deloitte Touche Tohmatsu. With the support of our customers we have been able to raise more than \$10 million over the past two years, providing thousands of families with emergency financial support.



Thank you to all our customers that helped us raise over \$27.4 million in FY09.

**DIRECT
COMMUNITY
INVESTMENT
AND FUNDS
RAISED
TOTALLED
\$27.4
MILLION**

An integral part of the Fresh Food Kids campaign is our Fresh Food Kids Community Grants program. This helps community groups to develop grassroots initiatives to promote healthy lifestyles for primary school children.



CHARITABLE DONATIONS AND INVESTMENTS (2009)

Charitable donations	\$4,407,398
Community investments	\$23,052,981
Total investments (including management costs)	\$27,460,379

SUPPORTING COMMUNITY CAUSES

The table below provides a snapshot of the charities and local and national community organisations Woolworths supported in 2009, and details of funds raised.

AUSTRALIA	
Children's hospitals and research foundations	\$6.6 million Including Big Heart, BIG W's fundraising campaign for the Sydney Children's Hospital, the Fresh Food Kids Children's Hospital Appeal, Sids and Kids, Children's Cancer Institute and Children's Medical Research Foundation.
CanTeen	\$600,000 Through collection tins and sale of merchandise.
Juvenile Diabetes Research Foundation	\$445,000 Through collection tins and sale of merchandise.
Cystic fibrosis	Over \$70,000 Through BIG W employees' fundraising activities.
Backing our Farmers Day	\$7.065 million In partnership with the Country Women's Association (CWA) and Landcare Australia.
Red Cross	\$1,000,000 Donation to Victorian bushfire appeal.
North Queensland Flood Appeal	\$150,000 Donation to Queensland Premier's Disaster Relief Appeal.
RSPCA	\$140,412 Through BIG W stores.
Australia Day Ambassador Program	Welcoming high-achieving Australians to local community celebrations on Australia Day.
Heritage posters in schools	Providing educational posters for classrooms around the country.
NEW ZEALAND	
Salvation Army	NZ\$84,628 Through in-store collection boxes at Woolworths and Foodtown stores. ⁽¹⁾
Fresh Future Appeal	NZ\$950,000 Through staff fundraising activities at Countdown, Woolworths, Foodtown, Fresh Choice, SuperValue and Dick Smith stores.
New Zealand Fire Service	Partnership formed with the New Zealand Fire Service, using the annual switch to Daylight Savings Time to remind kiwis to "change your clock and check your smoke alarm battery". This effort, supported by Panasonic Batteries, is raising funds that will help the Fire Service provide thousands of smoke alarms to at-risk families.
Alzheimer's	Over NZ\$120,000 Through our annual charity golf tournament and Alzheimer's NZ's 'Cuppa for a Cause' Appeal.
Variety	NZ\$128,000 Through coin collection boxes at Countdown checkouts.

(1) We helped the Sallies raise another \$167,498 for their Christmas Appeal by promoting the sale of their first-ever Christmas CD in our stores.



FRESH FOOD KIDS CAMPAIGN

Our commitment to active, healthy lifestyles for Australian children is reflected in our Fresh Food Kids program, introduced in August 2007 to encourage children to eat fresh fruit and vegetables – and to make it fun and desirable to do so.

In a recent Woolworths national survey, 93% of Australian parents with children aged between two and 16 said they would like to see fresh fruit and vegetables advertised to children in the same way junk food is.

In response, we launched our ‘Fresh Food Kids’ campaign which includes:

- A high-rotation television advertising schedule, with ads broadcast at times when children are traditionally snacking
- An interactive Fresh Food Kids website (www.freshfoodkids.com.au) where children and their parents can find educational material, games and kids’ recipes approved by nutritional experts
- Conveniently packaged fresh fruit and vegetable snack packs.

Our Fresh Food Kids television campaign was the winner of the Parents Choice prize at the 2007 and 2008 Parent’s Jury Children’s TV Advertising Awards.

An integral part of this campaign is our Fresh Food Kids Community Grants program. This helps community groups to develop grassroots initiatives to promote healthy lifestyles for primary school children. This year grants were awarded nationally in July 2009. The full list of successful applicants can be seen at www.freshfoodkids.com.au.

FOOD RESCUE PROGRAM

As part of our commitment to sustainability – as outlined in our Sustainability Strategy 2007-15 – we aim to achieve zero food waste by 2015, subject to the availability of appropriate receiving facilities. Our Food Rescue program is integral in helping us achieve this aim.

Food products are diverted based on rigorous ‘fit for purpose’ classification:

- Food suitable for human consumption
 - Longlife products with damaged packaging or nearing their expiry date and no longer suitable for retail sale go to Foodbank which distributes to welfare agencies
 - A combination of fresh food and longlife products go to a range of charitable organisations to be prepared as meals for disadvantaged people
- Food suitable for animal feed
 - This includes fruit and vegetables from approved stores which is given to farmers or local zoos to be used as animal feed.

Foodbank

Suitable grocery items, previously sent to landfill, are now donated to Foodbank – the largest hunger-relief charity in Australia. Woolworths has formally supported Foodbank since 2002 and was recognised as the largest donor by Foodbank in September 2008 at the Australian Food and Grocery Council’s annual dinner.

It works like this: Distribution Centres donate items with damaged packaging or short use-by dates that are safe but unsuitable for retail sale. Volunteers at Foodbank then sort, store and distribute the

As part of our commitment to sustainability we aim to achieve zero food waste in the general waste stream by 2015



In 2009 we provided
1,354,084 kg
of groceries to food
rescue programs.

products to accredited welfare agencies, which use the food and groceries to prepare meals or distribute it in parcels for people in need.

In 2009, a new initiative for this partnership was introduced to supermarkets. 375 supermarkets now return non-saleable groceries fit for human consumption to the Distribution Centres for collection by Foodbank. The groceries are donated to Foodbank centres in Queensland, New South Wales, Victoria, South Australia and Western Australia. We continue to extend this program to more supermarkets.

Charitable organisations

In addition to donating longlife products to Foodbank, the Food Rescue Program also provides a combination of groceries and fresh products to local welfare agencies. Twenty-seven of our supermarkets are now working directly with food rescue charities Exodus Foundation, OzHarvest, FareShare and SecondBite to donate groceries as well as fresh food. Nine more are supporting soup kitchens in local communities including Karrinyup, Bunbury and Kalgoorlie in Western Australia and Ashfield, Byron Bay, Wollongong and Lismore in New South Wales.

The growth of the fresh food aspect of the food rescue program has been made possible by changes in legislation. By 2009, legislation had been passed in all states and territories, excluding the Northern Territory, to allow companies to donate food to registered charitable organisations. Woolworths has introduced strict criteria to define acceptable and non-acceptable items for donation, control the process and minimise risk.

EMPLOYEE PARTICIPATION PROGRAMS

Employee matching award scheme

Woolworths' employee matching award scheme encourages all staff in Australia to contribute to causes of particular personal concern to them. It matches, dollar for dollar, any amount above \$100 raised by a staff member for a registered charity up to a total of \$1,000. In 2009, 66 employees took part in this scheme with matched donations to the value of \$58,498.

Charity of the month

A well-supported program is the monthly fundraising scheme at our Norwest office in Sydney's Baulkham Hills to raise money for the issues and causes that matter most to our people. In 2009 we collected \$375,313.

Landcare/ Woolworths Sustainable Farming Project



Native brine
shrimp caught in
the seaweed ponds

In Western Australia's wheat belt, the Morawa Farm Improvement Group has come up with a novel way of dealing with rising salt water levels – and drought proofing their farms.

When the first signs of rising salt levels appeared in the 1990s, deep drains were built to carry the salty groundwater away from farming land into natural salt lakes nearby.

The water flowed constantly, even through the drought. Thinking there must be a way to use this salty water, the group tried, unsuccessfully, to grow seaweed, but found it was perfect for producing brine shrimp, which is used as fish food.

Thanks to funding from the Woolworths Sustainable Farming Program, they were able to research the feasibility of producing brine shrimp commercially. They found that not only did a market exist for a small-scale supplier, potential clients were keen to trial their product.

In addition to the feasibility study, the grant money was used to complete marketing plans, a production manual and a feeding trial to maximise production.

"While producing brine shrimp won't replace income from traditional farming, diversifying into aquaculture is an important step in getting through severe droughts," says Cameron Tubby of the Morawa Farm Improvement Group.

The Woolworths funding, he says, has provided vital help for farmers. "Diversifying like this could be the difference between surviving and not surviving for some farmers."

ENVIRONMENT

Beyond pure business and cost considerations, Woolworths is highly aware of the steadily growing public and media awareness of climate change and its potential long-term effects on the planet and food supply. We understand, too, that these concerns are shared by our customers and the communities we serve and that they will expect, and appreciate, steps we take to be part of the solution.

CLIMATE CHANGE

We have retail businesses in Australia and New Zealand. Both are signatories to the Kyoto Protocol and committed to implementing a globally consistent emissions trading scheme.

Australia's national greenhouse gas inventory was an estimated 553 Mt CO₂-e in 2008⁽¹⁾. It was 75.6 Mt CO₂-e in New Zealand in 2007⁽²⁾. This is equal to 28.6 tonnes CO₂-e per capita in Australia⁽⁶⁾, making it the fifth largest per capita emitter in the world⁽³⁾, and 18.8 tonnes CO₂-e per capita in New Zealand in 2005, making it the eleventh highest per capita emitter.

While these quantities are not significant in the global context – Australia contributes 1.5% and New Zealand 0.2% of global total emissions – the effect of climate change in the region could indeed be significant if an international agreement is not reached to reduce global greenhouse emissions.

(1) National Greenhouse Gas Inventory, accounting for the KYOTO target May 2009 – Australian Government, Department of Climate Change.

(2) New Zealand's Greenhouse Gas Inventory 1990–2007 www.mfe.govt.nz/publications/climate/greenhouse-gas-inventory-2009/html/page2.html

(3) Garnaut Review, Chapter 7 www.garnautreview.org.au/chp7.htm



SUMMARY OF PERFORMANCE AGAINST SUSTAINABILITY COMMITMENTS AND TARGETS

Target	Progress status		Comments
CO₂-e emissions reduction from facilities			
Achieve overall 40% CO ₂ -e reduction by 2015 (on projected growth levels), bringing our emissions back to 2006–07 levels.	➔	➔	Emissions from our facilities (stores, Distribution Centres and offices) totalled 3.45 Mt which is a 3% decrease compared to the recalculated emissions for 2008. Further reduction in total CO ₂ -e is expected as we increase the proportion of our sustainable stores and retrofit our old stores with lower carbon technologies.
Build all new Woolworths supermarkets opening from September 2008 to conform to our sustainable design guidelines to minimise energy use and environmental impacts.	➔	✓	Of 28 supermarkets opened after 1 September 2008, 24 were built and fitted to our sustainable guidelines. The four non-compliant stores were scheduled to open prior to September 2008 and were designed before the adoption of the sustainable design guidelines.
Achieve 25% reduction in CO ₂ -e emissions per square metre for new sustainable store designs compared with business as usual designs.	➔	➔	20 of the stores have been opened long enough to have sufficient data for performance analysis. 17 out of 20 meet or exceed the 25% CO ₂ -e reduction/m ² and three fall short of this target. All stores will be reassessed after a full 12 months of trading.
Work with the Green Building Council to develop a green star-rating tool for supermarket interiors.	🕒	🕒	
Engage with interested parties in the development of an ecological footprinting calculator for evaluation of supermarket interior design and fit-out.	🕒	🕒	This commitment is under investigation to determine its value to the business.
CO₂-e emissions reduction from transport			
Establish accurate baseline data in 2008 for all modes of transport.	➔	✓	Very accurate data available for Woolworths-owned vehicles and improved accuracy from third party logistics provider fleet.
Establish a forum with major transport suppliers to develop a low carbon strategy for our third party distribution network.	➔	✓	Direct meetings with third party logistics providers, including fleet development and operational planning participation in industry forums, including the Road Transport Authority's Green Truck Partnership.
Conduct a comprehensive study on biodiesel availability in Australia, including quality, vehicle compatibility and cost impacts.	✓		Woolworths sponsored and contributed to CSIRO Future Fuels Forum on alternative fuel research. The report "Fuel for thought – the future of transport fuels: challenges and opportunities" is available on www.csiro.com.au
Trial the use of hybrid powered trucks for home deliveries.	➔	✓	Our third party carrier trialed the use of hybrid trucks and the fuel savings at this stage are not enough to justify the higher cost of investment required to purchase the trucks. This technology is rapidly evolving and we will continue to evaluate commercial viability as the trucks' fuel efficiency improves.
Achieve 25% reduction of CO ₂ -e emissions per carton delivered by Woolworths owned trucks by 2012.	➔	➔	Total reduction of 6.5% in emissions, achieved to date.
Achieve 30% reduction on 2006 levels in CO ₂ -e emissions from company car fleet of 3,100 cars (dependant on mix of car size and fuels chosen) by 2010.	➔	➔	13% reduction in emissions achieved compared to 2008, 5% reduction compared to 2007 ⁽¹⁾ . Only 56% of the fleet has been converted to fuel efficient cars. Full conversion is expected in 2010.

(1) This is based on a fleet size of 3,496 instead of the target fleet of 3,100.

✗ Not achieved 🕒 Delayed ➔ In progress ✓ Completed ★ Target Exceeded

SUMMARY OF PERFORMANCE AGAINST SUSTAINABILITY COMMITMENTS AND TARGETS

Target	Progress status		Comments
	2008	2009	
Water efficiency			
Develop a more complete baseline of water usage.	➔	➔	Developed improved estimation of supermarket water use. Data collection underway for water use in Logistics, Petrol, Liquor and BIG W.
Roll out the Water Wise project nationally for all our supermarkets.	✓		Completed in 2008. 664 supermarkets and 148 BIG W stores were fitted with water efficient fittings in 2008.
Reduce water use by at least 200 million litres a year by 2010.	➔	➔	Comparing like for like store numbers in 2007, 172 million litres of water saved.
Ethical sourcing			
Develop and implement an Ethical Sourcing policy.	➔	✓	The Ethical Sourcing Policy was launched in December 2008 and implementation commenced in February 2009. Please refer to page 25 for more information.
Identify sustainable sourcing gaps and develop appropriate policies.	➔	➔	Work completed in 2009: – Select tissue range: PEFC certified – A4-paper for own-use: FSC certified supply contract finalised for 2010. Work in progress: – Animal welfare – Fish and seafood sourcing – Review of palm oil sourcing policy.
Conduct staff training and capacity building for our buying teams to help them understand issues and types of third party certification required from suppliers.	➔	➔	Training conducted: – Green claims and green marketing in 2008 – Forest Stewardship Council (FSC) certification process conducted by FSC in 2008 – Ethical Sourcing Policy training conducted in 2009.
Packaging			
Establish a supplier forum to work together on more sustainable packaging.	✓		Sustainable Packaging forums were held in September 2008 and April 2009. In agreement with our suppliers we will continue these forums biannually extending the scope beyond packaging to all sustainability aspects.
Establish more comprehensive baseline data for packaging of Private Label products, including information on materials consumption, local/imported origin, recycled content and recyclability.	➔	⌚	National Packaging Covenant is being revised for its next term. We are waiting to learn the final requirements for data due by the end of 2009 before investing in data improvements and database development.

✗ Not achieved ⌚ Delayed ➔ In progress ✓ Completed ★ Target Exceeded

Target	Progress status		Comments
	2008	2009	
Packaging continued			
Review Private Label procurement policy and supplier guidelines to incorporate: <ul style="list-style-type: none"> – Standardised reporting and data collection – Compliance with the Environmental Code of Practice for Packaging (ECOPP) – Package labelling in line with ISO 14021 Standard for environmental claims – Supplier training to assist them in meeting policy requirements. 	➔	➔	Sustainable Packaging Guidelines have been drafted, provided to suppliers for review and discussed during a Supplier Forum. Application of the Guidelines will be trialled, but the Guidelines will not be finalised until the new version of the National Packaging Covenant is finalised.
Conduct an audit of compliance with the ECOPP and ISO 14021 for Private Label products.	✓		Audit conducted on 694 Private Label products and 45% of all non-compliances have been addressed.
Trial the use of PIQET for Private Label products.	✓		Meat tray packaging options were assessed using PIQET.
Report annually to the National Packaging Covenant (NPC) and Woolworths Corporate Responsibility Report.	✓		NPC and Corporate Responsibility Reports delivered each year.
Provide training to 50 suppliers by 2008.	🕒	🕒	PIQET Training provided to Woolworths Packaging Technicians and external packaging suppliers.
Use PIQET to evaluate 20 Private Label products by 2010.	➔	➔	PIQET assessments conducted on five products with 11 different packaging systems.
Continue to replace waxed cardboard and foam boxes with reusable plastic crates where possible, with a targeted increase of 1.7 million to 3.4 million crates.	➔	✓	Number of reusable produce crates was doubled to 3.4 million.
Waste minimisation			
Identify organics recycling technologies similar to EarthPower for recycling source separated food waste from supermarkets outside Sydney and determine commercial feasibility.	➔	➔	Expression of interest for organics recycling services to be issued in late 2009, searching for services in all states.
Implement a waste audit program for all stores and Distribution Centres.	🕒	✓	Waste audits conducted at 30 supermarkets, delivering an up-to-date snapshot of our waste stream.
Continue phasing out polystyrene.	➔	➔	Doubling the number of reusable crates to 3.4 million has reduced the need for 31.1 million in total of polystyrene, cardboard and waxed cardboard boxes.
Implement a staff education program to encourage greater recovery of plastic and cardboard.	✓		Eco Ambassador Program has increased awareness of recycling programs and improving efforts. Eco Ambassador education programs are ongoing.
Eliminate food waste from the general waste stream by 2015 (where receiving facilities are available).	➔	➔	Foodbank and Food Rescue Program have provided 1,354 tonnes of food to charities. Organic material sent to EarthPower increased to 5,785 tonnes.
Reduce amount of plastic in the general waste stream to less than 1% by weight by 2010.	➔	➔	Reduced plastic in waste from 10% to 8%.
Reduce amount of cardboard in the general waste stream to less than 1% by weight by 2010.	➔	➔	Cardboard in waste stream remained at 7%.



Woolworths opened 28 supermarkets after 1 September 2008 and 24 were built and fitted to our sustainable guidelines.

CLIMATE CHANGE continued

Why is this material to our business?

Climate change and its impact on food production is the most critical environmental issue facing Woolworths and the sustainability of our business. The effects of drought and severe weather events on the availability and pricing of staple food items are becoming more common, making a compelling case for reducing our carbon footprint and promoting the same through our supply chain.

The main carbon emissions from our business arise from facilities (existing and new stores, Distribution Centres and offices) and transport. Electricity and fuel costs are rising and the advent of carbon pricing in the near future could add significantly to these costs. So there is a strong business case to find ways to reduce our electricity and fuel use and support the development of renewable energy and alternative fuels. By reducing the price impact of carbon on our business we can be more cost competitive and deliver better value to our customers.

Beyond pure business and cost considerations, Woolworths is highly aware of the steadily growing public and media awareness of climate change and its potential long-term effects on the planet and food supply. We understand, too, that these concerns are shared by our customers and the communities we serve and that they will expect, and appreciate, steps we can take to be part of the solution.

What is our commitment?

In our Sustainability Strategy 2007-2015 we set the following commitments and targets:

Facilities

- Reduce our CO₂-e emissions by 40% by 2015 (from projected growth levels), bringing our emissions back to 2006-07 levels
- Build all new supermarkets opening from September 2008 to conform to our sustainable design guidelines to minimise energy use and environmental impacts
- Achieve 25% reduction in CO₂-e emissions per square metre for new sustainable store designs compared with business-as-usual designs.

Transport

- Establish accurate baseline data in 2007-08 for all modes of transport
- Establish a forum with major transport suppliers to develop a low-carbon strategy for our third-party distribution network
- Trial the use of hybrid-powered trucks for home deliveries
- Reduce CO₂-e emissions per carton delivered by Woolworths owned trucks by 25% by 2012
- Reduce 2006 levels of CO₂-e emissions from company car fleet of 3,100 cars (dependent on mix of car size and fuels chosen) by 30% by 2010 (and adjust for growth in the business).

How are we performing?

In 2009 our total carbon emissions in Australia and New Zealand was 4.05 Mt, which is higher than our baseline total emissions of 3.7 Mt. In 2008 we reported total emissions of 4.3 Mt which has now been found to be an overestimate and the emissions for that year have been recalculated to be 4.19 Mt.

Our emissions reported for this year are the most accurate we have reported as we improve our measuring and estimating processes to meet the standards required by the National Greenhouse and Energy Reporting (NGER) legislation. As well as improving estimations, which are required for some parts of our business, reduced refrigerant loss and developing new stores with efficient designs has reduced emissions. Electricity usage has increased in almost all parts of the business due to business growth but the carbon impacts from synthetic refrigerants, transport fuels and waste have reduced.

We are continuing to expand as a business and the impact of that expansion is starting to reduce as we benefit from initiatives in our stores and within logistics.

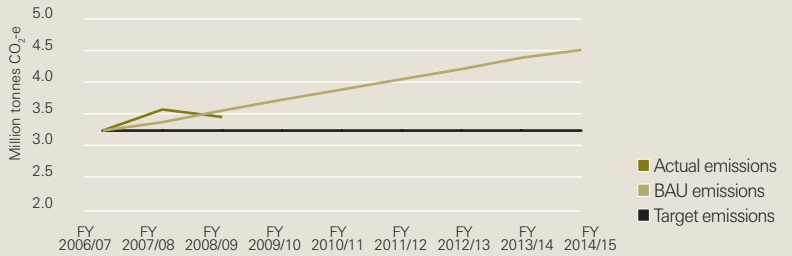
Facilities

Emissions from our facilities (stores, Distribution Centres and offices) totalled 3.45 Mt which is a 3% decrease compared to the recalculated emissions for 2008.

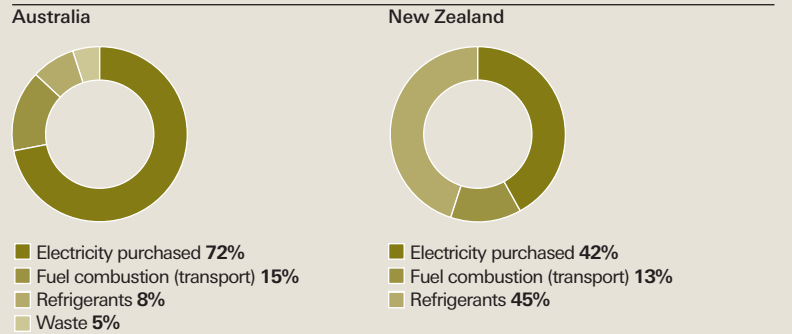
Existing stores

As well as building new supermarkets to meet our sustainable guidelines we have also included energy efficient innovation in the planned retrofits and refurbishments of existing stores. Project CO₂ involved a trial on retrofitting eight stores resulting in reductions in carbon emissions and cost savings. Store refits now include installation of high efficiency fans in refrigeration cases, improved heating control in freezers' glass doors to minimise fogging and adding

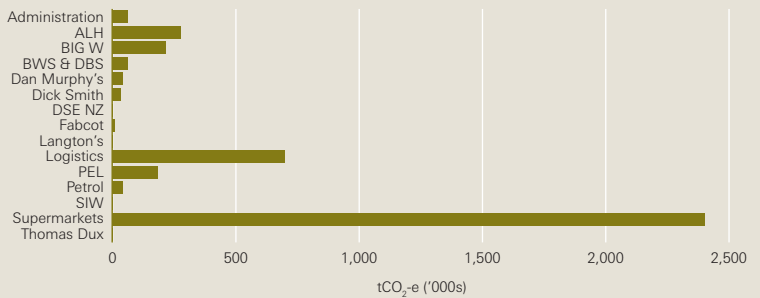
TOTAL EMISSIONS FROM FACILITIES 2006-2009



TOTAL EMISSIONS, BY SOURCE (TONNES OF CO₂-e)



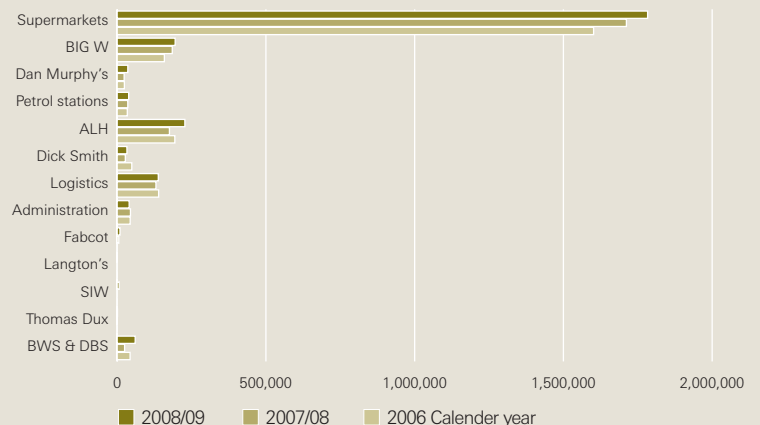
COMPARISON OF CO₂-e EMISSIONS FROM FACILITIES, BY DIVISION



TRANSPORT EMISSIONS BY END USE



ELECTRICITY USE (MWh) - COMPARISON BY DIVISION



heat into the case, installing small glass fences to the front of open multi-shelf refrigeration to reduce the spill of cold air, and installing glass lids onto island freezers.

Woolworths' Petrol division continues to benefit from the rollout of LED canopy lighting at petrol stations, reducing both the energy use associated with lighting and maintenance costs. This business also implemented a "Lights Off" energy efficiency program, involving a traffic light colour code system where light switches are colour coded depending on whether they are never turned off (Red) for safety or security reasons, turned off at close of business (Amber) or off when not required (Green).

In our Distribution Centres, Logistics have installed daylight switches in non-refrigerated "sheds" with skylights, allowing the lights to switch to 50% lighting or off during sunny days. A range of compact fluorescent and LED lighting has been trialled in high-bay areas to determine if adequate lighting levels can be delivered with this technology.

Green stores

Woolworths opened 28 supermarkets after 1 September 2008 and 24 were built and fitted to our sustainable guidelines. Four stores – Redcliffe (Queensland), Glen Innes (NSW), Campbelltown Mall (NSW) and St Georges Terrace (WA) – did not meet these guidelines. The latter three stores were identified in the 2008 Corporate Responsibility report. Redcliffe was scheduled to open in August 2008 but the opening date was postponed to early September. These stores included technologies such as efficient refrigeration, refrigerants with lower global warming potential, LED signage, T5 lighting and automated after hours lighting controls.

Our green store guidelines have been adapted for application in Woolworths Liquor Group stores with other divisions to follow in 2010.

Transport

In 2009, we reduced our carbon emissions per carton delivered by a further 6%. This was achieved by improving the efficiency of our Victorian fleet through investment in more fuel efficient fleet prime movers and trailers and through consolidating deliveries between Distribution Centres and stores.

We continue to roll out the Euro 5 prime movers, which comply with the strictest international emissions standards and tested a new aerodynamic trailer designed to reduce drag, improve fuel efficiency and cut noise. If approved, the latter would allow deliveries outside regular times, which in turn would take trucks off the roads during peak times.

In the second half of 2009 we will be contracting a third party carrier which operates a fleet on 20%

Five Distribution Centres harvesting rainwater.

RAINWATER HARVESTED FOR REUSE IN 2009

8.05ML

Water Wise Project

In 2009, Woolworths used an estimated 1.94 GL in all supermarkets. Compared with the amount used in the same number of stores in 2007, we have reduced our water usage by 172 million litres. This was achieved through our Water Wise Project which saw the installation of flow restrictors in taps and water-saving ultra rinse guns at 812 supermarkets and BIG W stores throughout Australia. Completed in June 2008, Water Wise is being extended to other divisions and is expected to deliver further water savings.



biodiesel, made from reclaimed waste tallow (non food based). Our own use of alternative fuels, including biodiesels, liquified natural gas and compressed natural gas continues with some changes expected in the coming year.

In 2009, the carbon emissions from our company car fleet reduced by 13% compared to the previous year. This occurred, even though the size of our total fleet increased by 241 vehicles, because over half the fleet has been converted to fuel efficient options. The ongoing roll out of new vehicles will continue to reduce carbon emissions.

WATER

Australians use on average 722,000 litres of water per person per year, enough to fill three-quarters of an Olympic size swimming pool. This figure includes the water used to produce our food and the goods we buy.

Water continues to be one of our most precious resources and its sustainable supply to homes, communities, farmers, businesses and industry is an ongoing challenge for which we all need to help find solutions.

Why is this material to our business?

Food production accounts for 45.9% of average water use in Australia. As a retailer of fresh fruit, vegetables and meat we rely upon the sustainability and productivity of our farming communities, so they, and Woolworths, have a responsibility to use water wisely. Using water efficiently can obviously also deliver business cost savings.

All water supplied to and discharged from Woolworths stores and sites is managed by licensed water authorities. We draw no water directly from bores, rivers, or other natural sources. We do not treat wastewater for reuse or recycling on site.

We only have metered water data for 20% of our supermarkets. The remainder are located in shopping centres and billed for water usage through their lease outgoings. We have estimated our total water use based on our metering data.

172 ML reduction in water use in our stores in 2009 based on 2007 baseline.

What is our commitment?

In our Sustainability Strategy 2007-2015 we committed to:

- Developing a more complete baseline of water usage
- Rolling out the Water Wise project nationally for all our supermarkets
- Reducing water use by at least 200 million litres a year by 2010.

How are we performing?

In 2009, Woolworths used an estimated 1.94 GL in all supermarkets. Compared with the amount used in the same number of stores in 2007, we have reduced our water usage by 172 million litres. This was achieved through our Water Wise Project which saw the installation of flow restrictors in taps and water-saving ultra rinse guns at 812 supermarkets and BIG W stores throughout Australia. Completed in June 2008, Water Wise is being extended to other divisions and is expected to deliver further water savings.

Five of our 14 Distribution Centres harvest rainwater. The largest rainwater harvesting system commissioned in November 2008 with a capacity of 924 kilolitres is located at our Sydney regional Distribution Centre in Minchinbury. In just over seven months of operation, 6.5 million litres of rainwater has been captured and reused for cooling towers.

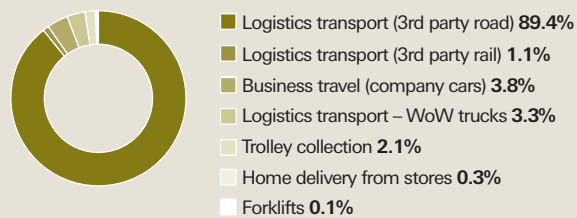
The rainwater tanks were complemented by the installation of smart water meters in key areas of water use – including the cooling towers and rainwater tanks – to allow online trending of water use at the site. Having up-to-date, accurate information on water use allows us to monitor improvements from water reduction initiatives or to identify more opportunities to reduce water use.

The next large scale rainwater harvesting is planned for our Wyong Distribution Centre. The capacity of this project will be one million litres. It has received funding from the NSW Department of Environment, Climate Change and Water. In addition, through engagement with the Rural Fire Service in Wyong, the tanks and system are being designed to provide access to a fill-up point so the Fire Brigade/RFS will be able fill appliances and water tankers in fire emergencies.

CO₂-e EMISSIONS FROM COMPANY CARS

Year	Australia		New Zealand			tCO ₂ -e
	Total Fleet	New Fleet	tCO ₂ -e	Total Fleet	New Fleet	
2007	2700	0	20314	433	0	23364
2008	2795	598	21670	460	0	25508
2009	3037	1800	19719	459	180	22170
Combined	Total Fleet	New Fleet	Conversion			
2009	3496	1980	56.6			

TOTAL EMISSIONS FROM TRANSPORT, BY END USE (TONNES OF CO₂-e)



EMISSIONS FROM FACILITIES

Division	TONNES OF CO ₂ -e EQUIVALENT			
	Scope 1	Scope 2	Scope 3	Total
Supermarkets	299,323	1,677,914	414,746	2,391,983
BIG W	7,685	180,376	27,696	215,757
Dan Murphy's	1,718	36,411	5,085	43,214
Petrol	1,174	37,883	5,317	44,374
BWS and other liquor	3,973	52,724	7,748	64,445
ALH	20,973	228,863	29,165	279,000
Dick Smith	193	31,370	4,812	36,374
Logistics – Distribution Centres	1,532	134,280	19,043	154,855
Administration/Data Centres/Fabcot	798	44,806	8,436	54,039
Australia sub-total	337,368	2,424,625	522,047	3,284,041
Supermarkets NZ (PEL)	73,957	59,660	28,196	161,813
Dick Smith (NZ)	–	1,890	178	2,068
New Zealand sub-total	73,957	61,550	28,374	163,881
Total	411,326	2,486,175	550,421	3,447,922

Note:

Scope 1 emissions cover direct greenhouse emissions, Scope 2 emissions cover indirect greenhouse gas emissions from the generation of purchased electricity, and Scope 3 emissions cover other indirect emissions from sources not owned by Woolworths (Source www.greenhouse.gov.au).

Transport end use	Tonnes of CO ₂ -e	
	Australia	New Zealand
Logistics transport (3rd party road)	539,026	–
Logistics transport (3rd party rail)	6,377	–
Business travel (company cars)	22,912	3,838
Logistics transport – WoW trucks	20,084	–
Trolley collection	12,429	–
Home delivery from stores	1,778	–
Forklifts	616	–
Total	603,222	3,838

INVESTING IN SUSTAINABLE AGRICULTURE

Why is this material to our business?

In line with our 'Fresh Food People' branding, maintaining sustainable, reliable ongoing supplies of fresh food is of profound strategic and operational importance to Woolworths. It is obviously of equal importance to local farmers and suppliers, many of whom depend on us for their livelihoods and existence. Ninety-seven per cent of the fresh produce we sell is grown in Australia, representing a huge commitment to local sourcing.

What is our commitment?

In our Sustainability Strategy 2007–2015 we committed to a partnership with Landcare Australia to fund grassroots sustainable farming projects and promote sustainable agricultural practices.

How are we performing?

Through the Landcare partnership we established the Woolworths Sustainable Farming Program in 2007. In the past three years, \$5.80 million, one third of the funds raised through our Backing Our Farmers Campaign and Drought Action Day, has gone to Landcare to fund projects under the Woolworths Sustainable Farming Program.

In 2008 Landcare allocated supporting funds of over \$1.25 million to 57 projects throughout Australia. This year it allocated further funding to three of the existing projects and supported a further 36 projects to the value of over \$1.2 million.

Landcare has issued funding to projects ranging from addressing climate change mitigation, climate adaptation, water efficiency, improving grazing and livestock management, crop management, soil conservation and many more across Australia. For more information on projects and grant applications go to www.landcareaustralia.com.au

In addition to our Landcare partnership, we launched the Fresh Food Grant in 2007, committing to the awarding of \$100,000 to a project annually for 10 years. The projects must focus on improving fresh food sustainability in Australia.

The 2007 grant was awarded to Houston's Farm to support the development of a carbon footprinting tool for the horticulture industry. The 2008 grant went to Moraitis for piloting the use of biochar in agriculture and monitoring output improvements.

PACKAGING

Why is this material to our business?

We have more than 2,000 Private Label products just in our supermarkets and many more in our other retail brands. As a brand owner, we can influence the choice and efficiency of consumer packaging used in our Private Label range. Consumer packaging is also an important issue to our customers, as evidenced by the volume of inquiries we receive about packaging reduction and recyclability.

Woolworths Limited is a signatory to the National Packaging Covenant, an industry agreement covering the whole of the packaging supply chain with the aim to reduce packaging waste. The National Packaging Covenant reported that the overall recycling rate of packaging was 57% in 2008, with improvement still required to achieve the 2010 target of 65%.

What is our commitment?

In our Sustainability Strategy 2007–2015 we set the following commitments and targets:

- Establish a supplier forum to work together on more sustainable packaging
- Establish more comprehensive baseline data for packaging of Private Label products, including information on materials consumption, local/imported origin, recycled content and recyclability
- Review Private Label procurement policy and supplier guidelines to incorporate:
 - Standardised reporting and data collection
 - Compliance with the Environmental Code of Practice for Packaging (ECOPP)
 - Package labelling in line with ISO 14021 Standard for environmental claims
 - Supplier training to assist them in meeting policy requirements
- Conduct an audit of compliance with the ECOPP and ISO 14021 for Private Label products
- Trial the use of The Packaging Impact Quick Evaluation Tool (PIQET), a packaging life cycle assessment tool, for Private Label products
- Report annually to the National Packaging Covenant and Woolworths Corporate Responsibility Report
- Implement revised Private Label procurement policy and supplier guidelines by 2008
- Provide training to 50 suppliers by 2008
- Use PIQET to evaluate 20 Private Label products by 2010
- Continue to replace waxed cardboard and foam boxes with reusable plastic crates where possible, with a targeted increase of 1.7 million to 3.4 million crates.

In the past three years, \$5.87 million, one third of the funds raised through our Backing Our Farmers Campaign and Drought Action Day has gone to Landcare to fund projects under the Woolworths Sustainable Farming Program.

NUMBER OF REUSABLE BAGS BOUGHT BY OUR CUSTOMERS

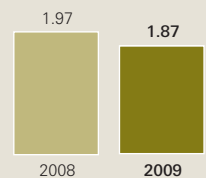
8.82⁽¹⁾ MILLION



(1) Supermarkets only.



**HDPE PLASTIC BAGS
USED PER CUSTOMER
TRANSACTION**



Number of reusable plastic produce crates used to replace waxed cardboard and polystyrene boxes has been doubled to 3.4 million crates. Eliminating the need for approximately 31.1 million waxed cardboard boxes.

How are we performing?

Two supplier forums were held in 2009, one providing training on PIQET and the other involving review and feedback of Woolworths’ Sustainable Packaging Guidelines.

Our draft Sustainable Packaging Guidelines were issued to our Private Label suppliers and relevant industry groups for review and feedback. The draft guidelines include design strategies for effectiveness, efficiency, reuse, recovery, recycling, safety and communication.

Meanwhile the National Packaging Covenant Council has issued its draft Sustainable Packaging Guidelines for the broader industry which are expected to be finalised at the end of 2009.

Woolworths has taken a strategic decision to finalise its guidelines only once the National Packaging Covenant has formalised and made its own guidelines public. This is to ensure consistency – that both sets of guidelines support the same objectives and that we avoid potential conflicts that could create problems for packaging suppliers.

The independent labelling audit of all Private Label packaging assessed compliance with the ISO 14021 standard for environmental labelling.

Of the 331 non-conformances identified in 694 Private Label products, 57% of the 21 high priority, 66% of the 50 medium priority and 40% of the 260 low priority actions have been addressed.

The PIQET was used to compare polyvinyl chloride (PVC) and polyethylene terephthalate (PET) clamshell packaging, and polystyrene, PET and polypropylene (PP) meat trays. The packaging life cycle assessment revealed that the polypropylene tray has the lowest environmental impact and is recyclable. However it also showed that a film layer must be applied to the inner surface of the tray to enable heat sealing to ensure the shelf life of the meat in it is not compromised.

From an environmental perspective, protecting the shelf life of meat products is highly important because meat has a relatively high water and carbon footprint. However, initial evaluation of the combined polypropylene tray and film option shows that it may be prohibitively expensive.

Progress on packaging targets, commitments and actions has been reported in the National Packaging Covenant annual reports available on www.packagingcovenant.org.au.



WASTE AND RECYCLING

Why is this material to our business?

Reducing waste not only minimises our impact on the environment – it makes good business sense. Woolworths pays for every kilogram of waste we put into a rubbish bin and goes to landfill. When we recycle we get revenue for some of these materials.

What is our commitment?

In our Sustainability Strategy 2007–2015 we set the following commitments and targets:

- Identify organics recycling technologies similar to EarthPower for recycling source-separated food waste from supermarkets outside Sydney and determine commercial feasibility
- Implement a waste audit program for all stores and Distribution Centres
- Continue phasing out polystyrene
- Implement a staff education program to encourage greater recovery of plastic and cardboard
- Increase the number of Sydney stores using EarthPower from 53 to 100 by 2010
- Eliminate food waste from the general waste stream by 2015 (where receiving facilities are available)
- Reduce amount of plastic in the general waste stream to less than 1% by weight by 2010
- Reduce amount of cardboard in the general waste stream to less than 1% by weight by 2010.

How are we performing?

In Australia, the volumes of waste⁽¹⁾ to landfill and materials recycled increased in 2009 as the company continued to open and operate new stores and as data collection and reporting improved.

In New Zealand, waste and recycling volumes decreased along with waste to landfill in 2009.

Organic waste

Fifty-three Woolworths supermarkets in Sydney send their organic waste to EarthPower, a reprocessing facility that produces green power and fertiliser from the waste. In 2009, we increased the volume of organic material dispatched to EarthPower by 8% up to 5,785 tonnes, generating about 1,850 MWh of electricity, enough to power 290 homes for a year.

Food Rescue program

Over the past year our supermarkets have focused on diverting fit-for-purpose food waste from landfill. Expanding upon our lengthy partnership with Foodbank, the Supermarkets division implemented its Food Rescue program, in which food fit for human consumption, but not for sale, is either transported back to the Distribution Centres for donation to Foodbank or donated to local, approved charities. More than 1,350 tonnes of food is diverted from waste through these programs. (More information on these is available in the Community Investment section.)

Produce and bread fit for animal consumption is also being diverted to wildlife carers and zoos.

Waste audits

Woolworths recycles more material than is sent to landfill, but there are always opportunities to divert more recyclable material from our rubbish bins.

A recent waste audit of 30 supermarkets nationally showed that our cardboard and paper recycling had not improved but our plastic recycling had increased. Plastics in the waste stream have decreased to 8% by weight (including 3% non-recyclable plastics) from 10% in 2007.

Further improvement is expected from the national roll-out of the Eco Ambassador program, which includes an Eco Ambassador in every supermarket and supporting processes and material to encourage improvement in recycling.

Electronic waste

As the world becomes more innovative the volume of electronic waste, or e-waste, is increasing. Dick Smith is a founding member of Product Stewardship Australia (PSA), an industry led organisation that is developing nationally consistent solutions for end-of-life electronic and electrical products.

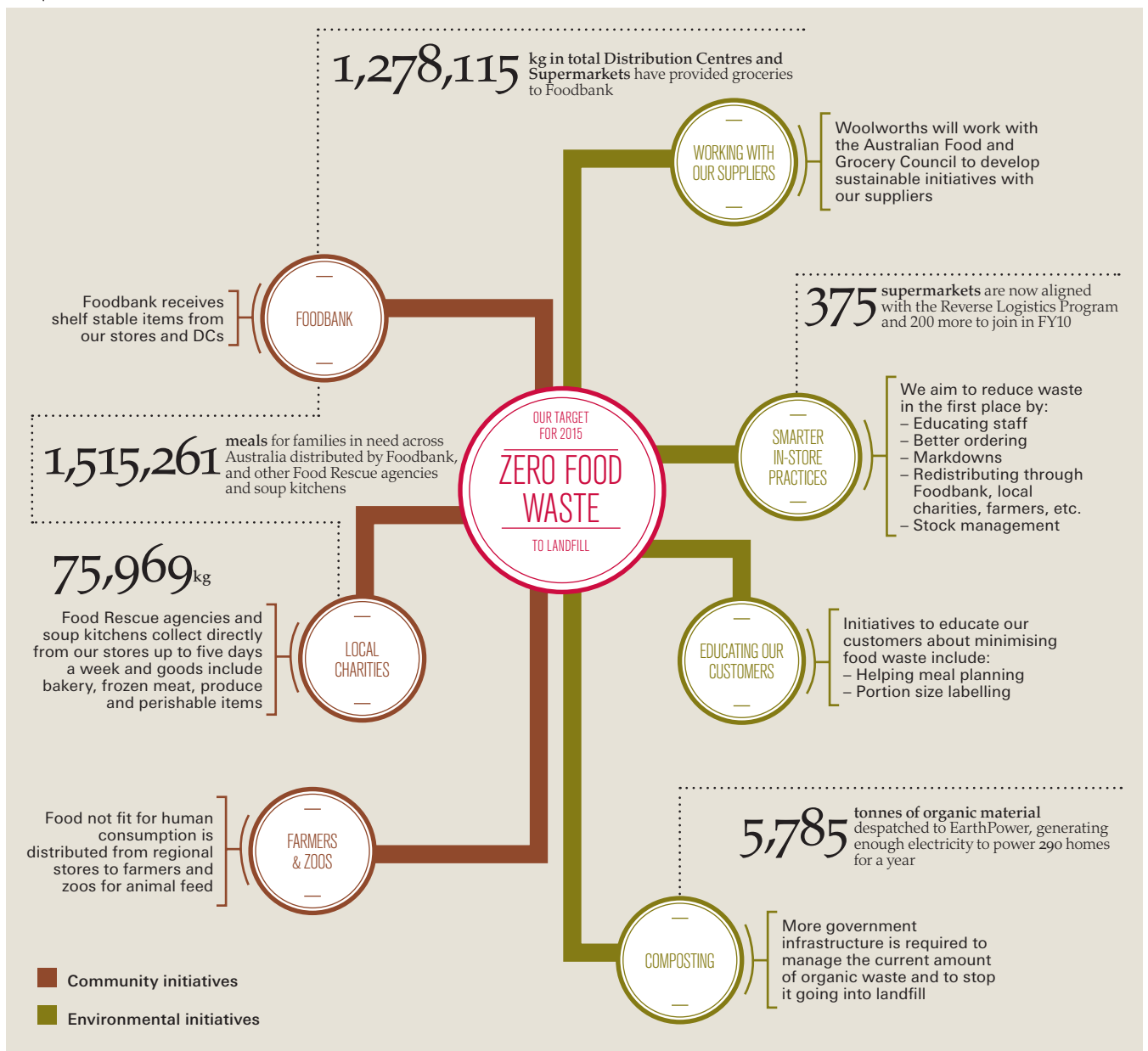
In 2009, PSA has successfully escalated e-waste stewardship to a Federal level and is working with the Federal Government on legislation needed to support a national e-waste infrastructure.

Dick Smith collects mobile phones and accessories under the Mobile Muster program, printer cartridges in conjunction with Planet Ark and operates its own scheme for collecting and recycling batteries.

In 2009, these programs resulted in the diversion of 971 kg of phones and accessories, 120,867 printer consumables (including cartridges) and 807 kg of batteries from landfill. BIG W also supported the recycling of 887 mobile phones, raising \$1,227 for charities associated with Cerebral Palsy.

⁽¹⁾ Woolworths does not have any waste deemed hazardous under the terms of the Basel Convention.

As part of our commitment to sustainability, we aim to achieve zero food waste by 2015



Eco Ambassador Program



Engaging with our staff on sustainability at work and at home is essential for Woolworths to achieve many of its targets and commitments. The Eco Ambassador program involves training and support for passionate employees on sustainability to help them champion improvements in their workplace, homes and communities.

Our aim is to have at least one Eco Ambassador at every store.

ECO AMBASSADORS TRAINED

2008	530
2009	838
Total	1368

The Eco Ambassador program continues to expand and develop. Following on from the national workshops held last year we conducted our first workshop in New Zealand in February 2009, adding another 38 keen employees to the program.

In addition to workshops for our Eco Ambassadors we have developed a number of other tools such as self-training toolkit, e-learning and an employee website to help increase the number of Eco Ambassadors quickly.

Our Supermarket division has achieved their target of having at least one Eco Ambassador per store through these tools and by adopting a regional based structure and Chairpersons. This approach is supported by monthly communications within the ten regions, national phone links between the Chairs and a monthly newsletter.

Awareness on sustainability and our initiatives has also been made available to all employees through our dedicated website, www.acttoday.sustainability.com.au, which includes up-to-date information and forums for our employees to share ideas.

PAPER USE

From January to June 2009 we used 181,396 reams of paper in Australian Supermarkets, BIG W, BWS, logistics, support offices, petrol and Thomas Dux. In 2009 our two largest users of paper, the support offices at Norwest and Pennant Hills used a total of 41,590 reams.

In 2009, our retail businesses distributed 892 million catalogues in Australia and 148 million in New Zealand using 52,800 tonnes of paper. Our catalogues are a key marketing tool, liked by our customers and match our competitors' activities.

In an on-line survey of our registered Everyday Rewards customers in September 2008, our customers told us that 53% of them read the catalogues in full and 65% read the catalogues to find the specials.

BIODIVERSITY

Our property division complies with all federal, state and territory planning laws for all our store developments, in which we include a Statement of Environment Effect. Biodiversity and environment protection measures are identified as part of the development application and consent process and we fully comply with all consent conditions imposed by the relevant authorities.

The majority of our store developments are urban redevelopments or renewal of sites previously used for retail or commercial purposes. In 2009 we had 23 projects in construction, all of which had no biodiversity concerns or consent conditions.

Review of our existing facilities commenced in 2008. This is work in progress and with more than 3,000 sites it will take time to complete.

VOLUNTARY CODES AND REPORTING

National Packaging Covenant (NPC)

Woolworths Limited's NPC Annual Report and data for 2008 are available on the NPC website www.packagingcovenant.com.au. Our NPC annual report was approved and registered by the NPC on 1 April 2009. The assessors rated our report 3.1 stars out of the NPC 1-5 star rating system.

Carbon Disclosure Project (CDP)

Woolworths Limited has been a signatory to the CDP since 2007. Our 2008 report (CDP7) was submitted in May 2009. CDP is an independent not-for-profit organisation that acts as an intermediary between shareholders and corporations on all climate change related issues, providing primary climate change data from the world's largest corporations to the global marketplace.



In the financial year ending June 2009 10,438 palletised boxes of clothes hangers were reused by BIG W, up 3% from the previous year.

WASTE AND RECYCLING

Woolworths Limited's CDP reports are all available from the CDP website at www.cdproject.net/.

Global Reporting Initiative (GRI) and Accountability Standard

Woolworths Limited's annual corporate responsibility reports are based on the GRI (www.globalreporting.org) Sustainable Reporting Guidelines (G3). The Global Reporting Initiative is a network-based organisation that has pioneered the development of the world's most widely used sustainability reporting framework and is committed to its continuous improvement and application worldwide.

The reports are independently assured to AccountAbility's AA1000 Assurance Standard 2008 www.accountability21.net/.

United Nation Global Compact (UNGC)

In May 2009, Woolworths limited became a UNGC signatory. The United Nations Global Compact is a strategic policy initiative for businesses that are committed to aligning their operations and strategies with ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption. For more information go to www.unglobalcompact.org.

Compliance

Regulatory reporting

Woolworths Limited is required to report under the Energy Efficiency Opportunities (EEO) Act 2006 and the National Greenhouse and Energy Reporting (NGER) Act 2007. Our first EEO report is available on our corporate website homepage www.woolworthslimited.com.au. Our first NGER report is due by 31 October 2009 and will cover the financial year 2009. Our second EEO report for the 2009 financial year is due by 31 December 2009.

Spills

Woolworths Petrol had two spill incidents in 2009 at petrol stations in South Dandenong, Victoria, and Maddington West, Western Australia.

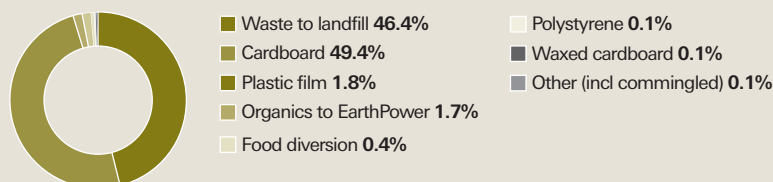
The South Dandenong service station spill occurred on 29 April 2009. The root cause analysis showed that the third-party carrier had misread the current dip figure and as a result over-filled one of the tanks. The overflow entered Eumemmerring Creek. The incident was reported to all relevant authorities. Police and fire brigade worked to contain the spill and EPA and Melbourne Water also attended to advise on any further action.

MATERIALS DIVERTED FROM LANDFILL

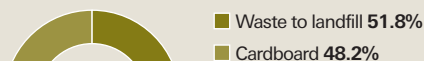
	2007 tonnes	2008 tonnes	2009 tonnes
Australia			
Organic waste	4,860	5,354	5,785
Food to Foodbank	700	1,251	1,278
Food Rescue (excl. Foodbank)	-	-	76
Plastic film	6,055	6,057	6,207
Cardboard	147,189	165,908	167,787
Polystyrene	-	589	99
Waxed cardboard	-	220	268
Other (incl. commingled)	-	-	336
New Zealand			
Cardboard	-	20,547	19,105
Plastic film	-	641	-
Total (tonnes)	158,804	200,567	200,941

WASTE DISPOSED AND RECYCLED

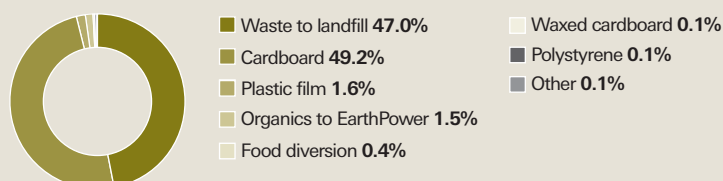
Australia



New Zealand



Australia and New Zealand



SUPERMARKETS GENERAL WASTE COMPOSITION

	Cardboard (incl. paper)	Plastics (incl. flexible and rigid)
2006 Audit	7 %	10 %
2009 Audit	7 %	8 %

The contracted third-party carrier completed an incident investigation and a copy of the incident report has been provided to the EPA. No further information or outcomes have yet been provided by the EPA.

On 15 May 2009 a fuel tanker caught fire at Maddington West petrol station in Western Australia which resulted in fuel spilling into the stormwater drains surrounding the site. This incident is still the subject of investigation and no root cause has been identified.

Fines

In 2009, there were no environmental incidents that incurred monetary fines.

OTHER EMISSIONS

Ozone depleting substances

In 2009, total emissions of ozone depleting substances were 50,779 kg from refrigerant gas losses (primarily R22) from our air conditioning units.

RESEARCH

Environmental Impacts of Shopping Bags, prepared for Woolworths Limited by Sustainable Packaging Alliance and RMIT. This paper is available on our website www.woolworthslimited.com.au

AWARDS

Woolworths Limited was a Banksia 2009 finalist in the Large Business Sustainability Award category. Other finalists in this category were GPT Group, Yarra Valley Water, Tasmanian Alkoloids and University of Technology (UTS). We congratulate the finalists and the category winner, The GPT Group.

Woolworths Limited was awarded the Association of Chartered Certified Accountants Australia and New Zealand (ACCA) 2009 Sustainability Reporting Award in the retail sector for its 2008 Corporate Responsibility report.

Foodbank Australia CEO Bronwyn Broekenstein presented Woolworths with an award recognising it as the first organisation (retailer or manufacturer) to donate 1,000,000 kg of product to Foodbank. This award joins the Leadership award that was awarded to Woolworths at the Australian Food and Grocery Council dinner, held in Canberra during September 2008.

MEMBERSHIPS AND INDUSTRY CODES

Some of the organisations of which Woolworths is a member are:

Australia

- Australian National Retailers Association
- Food & Beverage Importers Association
- Australian Food & Grocery Council (AFGC) – Allergen Bureau
- Australian Liquor Stores Association
- Australian Institute of Food Science & Technology
- Australian Institute of Packaging
- Packaging Council of Australia
- Property Council of Australia
- Business Council of Australia
- Australian Logistics Council
- Australasian Compliance Institute
- Compliance and Ethics Leadership Council
- Produce Marketing Association
- Horticulture Australia Limited
- Australian Citrus Growers
- Efficient Consumer Response Australasia
- Sydney Chamber of Commerce
- Australian Employers Network on Disability
- Environment Business Australia
- Victorian Transport Association
- NSW Road Freight Advisory Council
- Safety Institute of Australia
- Victorian Storage Industry Alliance
- Procurement Strategy Council
- Customs Brokers and Forwarders Council of Australia
- Consumer Electronics Suppliers Association
- National Retail Technical Standards Committee
- Western Australian Chamber of Commerce and Industry (Retail Trade Association)
- Australian Hotels Association
- Urban Taskforce
- Retail Traders Association – WA
- NSW Central Coast Chamber of Commerce
- National Retail Association – Queensland
- Energy Users Association of Australia
- National Australian Testing Authority
- Australian Toy Association
- National Safety Council of Australia (NSW Division) – Life Member
- New South Wales Self Insurers Association
- Self Insurers of South Australia
- Self Insurers Association of Western Australia
- Association of Self Insured Employers of Queensland
- Self Insurers Association of Victoria
- Self Insurer Association of Tasmania
- Photographic Members Association.

In 2009, total emissions of ozone depleting substances were 50,779 kg from refrigerant gas losses (primarily R22) from our air conditioning units.

New Zealand

- New Zealand Retailers Association – Board member
- New Zealand Business Council for Sustainable Development
- Packaging Council of New Zealand and a signatory to the New Zealand Packaging Accord
- New Zealand Business Roundtable
- Property Institute of New Zealand
- Association of New Zealand Advertisers
- The New Zealand Marketing Association
- Equal Employment Opportunities Trust
- New Zealand Fresh Produce Importers Association
- New Zealand Retail Meat Industry Training Organisation
- Retail Meat New Zealand
- Equal Employment Opportunities Trust
- Employers Disability Network
- Seafood Industry Training Organisation.

International

- CIES – The Food Business Forum – www.ciesnet.com
- Global Social Compliance Program (GSCP)
- United Nations Global Compact (UNGC).

Industry codes

Woolworths is a signatory to the following industry codes:

- Electronic Product Code
- Produce and Grocery Industry Code
- Retail Logistics Supply Chain Code of Conduct
- AS 3806 – Australian Standard for Compliance Programs.

Product requirements

All products must meet the current New Zealand and Australian Commonwealth, State or Territory's regulatory requirements relevant to the product type/category.

The following is a list of applicable product standards:

Food

- Food Standards Australia and New Zealand (FSANZ) – Governs all food legislation in Australia relating to food safety, labelling
- Australian Competition & Consumer Commission (ACCC) – Stipulates the requirements relating to country of origin statements and deceptive and misleading labelling
- New Zealand Commerce Commission
- Therapeutic Goods Administration (TGA) – Stipulates the requirements relating to country of origin statements and deceptive and misleading labelling.

- Australian Pesticides and Veterinary Medicines Authority (APVMA)
- Australian Quarantine and Inspection Service (AQIS) – Body accountable for inspection of all imported goods
- Trade Weights and Measurements – Legislation governed by the Department Fair Trading within each Australian state/territory
- Trade Weights and Measurements (New Zealand)
- New Zealand Food Safety Authority (NZFSA)
- Environmental Risk Management Authority (ERMA)
- New Zealand Medicines and Medical Devices Safety Authority (Medsafe).

Alcohol

- Australian Liquor Stores Association (including the various state branches)
- Various state and territory based mandatory licensing restrictions and voluntary product restrictions.

Consumer Electronics Standards

- AS/NZS61558 Safety of power transformers, power supply units and similar
- AS/NZS60335 Household and Similar Electrical Appliances – Safety
- AS/NZS60065 Audio, video and similar electronic apparatus—Safety requirements
- AS/NZS60950 Information technology equipment – Safety
- AS/NZS3197 Portable Electrical Control or Conditioning Devices
- AS/NZS3112 Plugs and Socket Outlets
- Radiocommunications (UHF CB Radio Equipment) Standard
- Radiocommunications (Short Range Devices) Standard
- AS/NZS4763 Safety of Portable Inverters
- AS/NZS3820 Essential Safety Requirements for Low Voltage Electrical Equipment
- AS/NZS3105 Electrical Portable Outlet Devices
- ASA/NZS3191 Electric Flexible Cords
- AS/NZS ISO 8124 Safety of Toys
- Radiocommunications (Electromagnetic Compatibility) Standard
- Radiocommunications (Electromagnetic Radiation – Human Exposure) Standard
- Relevant standards specified in the Telecommunications Labelling (Customer Equipment and Customer Cabling) Notice
- AS/NZS60320 Appliance couplers for household and similar general purposes
- AS/NZS4665 Performance of External Power Supplies
- AS/NZS62087 Power Consumption of Audio, Video and Related Equipment.

INDEPENDENT ASSURANCE STATEMENT



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To the Board of Directors, Management and Stakeholders of Woolworths Ltd:

Woolworths Ltd (Woolworths) commissioned Net Balance Management Group Pty Ltd (Net Balance) to provide independent assurance of their 'Corporate Responsibility Report 2009' (the 'Report'). The Report presents Woolworths' sustainability performance over the period 1 July 2008 to 30 June 2009. Woolworths were responsible for the preparation of the Report and this statement represents the assurance provider's independent opinion. Net Balance's responsibility in performing its assurance activities is to the Board and Management of Woolworths alone and in accordance with the terms of reference agreed with them. Other stakeholders should perform their own due diligence before taking any action as a result of this statement.

ASSURANCE STANDARD AND OBJECTIVES

The assurance was undertaken in accordance with the AA1000 Assurance Standard (AA1000AS (2008)). Assurance undertaken using this standard, provides a comprehensive way of ensuring an organisation is responsible for its management, performance and reporting on sustainability issues. This is achieved through the evaluation of the organisation's adherence to the AA1000 AccountAbility Principles (2008) and by reviewing the accuracy and quality of disclosed sustainability performance information.

The AA1000 Accountability Principles (2008) against which Woolworths' processes are assessed include:

Inclusivity: An assessment is made on whether the organisation has included stakeholders in developing and achieving an accountable and strategic response to sustainability.

Materiality: An assessment is made on whether the organisation has included in its report the material information required by its stakeholders to be able to make informed judgements, decisions and actions.

Responsiveness: An assessment is made on whether the organisation has responded to stakeholder concerns, policies and relevant standards and adequately communicated these in its report.

ASSURANCE TYPE AND SCOPE

Net Balance provided Type 2 assurance in accordance with the AA1000AS (2008). This involved an assessment of the organisation's adherence to the AA1000 AccountAbility Principles (2008) and an assessment of the accuracy and quality of the report's sustainability performance related information.

The review of accuracy and quality of sustainability performance information was undertaken using Woolworths' internal protocols and the Global Reporting Initiative's (GRI) G3 principles of quality.

ASSURANCE LEVEL AND LIMITATIONS

The level of assurance provided is moderate as defined by the scope and methodology described in this assurance statement. The assurance covered the whole report and focussed on systems and activities of Woolworths during the reporting period, with the following exceptions:

- The scope of work did not involve verification of financial data, other than that relating to environmental, social or broader economic performance.
- The verification process was conducted primarily at the Bella Vista Head Office as well as the Pennant Hills Office.

ASSURANCE METHODOLOGY

The assurance engagement was undertaken in October 2009, and the process involved:

- Development of a materiality register using the five-part materiality test, including a comparison of Woolworths against its peers, a risk review, a review of selected Australian media, a policy review and review of stakeholder feedback.
- Senior management interviews to assess the effectiveness of the policy, procedures and frameworks in place to manage sustainability within the organisation.
- A review of the processes used by Woolworths to engage with its stakeholders and the outcomes of the external and internal stakeholder engagement undertaken during the reporting period in order to understand the nature of material issues raised by stakeholders.
- A review of Woolworths' key sustainability strategies, policies, objectives, management systems, measurement and reporting procedures, background documentation and data collection and reporting procedures.
- Interviews with key staff responsible for the sustainability report to ascertain their views, understanding and response to material sustainability issues faced by the business.
- A series of interviews with key personnel responsible for collating and writing various parts of the report in order to substantiate the veracity of selected claims.
- A review of the Report for any significant anomalies, particularly in relation to significant claims as well as trends in data.
- Examination of the aggregation and/or derivation of, and underlying evidence for over 140 selected data points and statements made in the report and evaluation of the data and statements against Woolworths internal data protocols and the GRI G3 principles of quality.
- Collecting and evaluating evidence to support the assurance work undertaken.
- A GRI G3 application level check.

OUR INDEPENDENCE

Net Balance was not responsible for preparation of any part of the Report. Our team's independence was ensured by selecting an assurance team that had no other involvement with Woolworths during the reporting period that could impair the team's independence or objectivity. However, Net Balance completed Global Reporting Initiative (GRI) G3 Application level check for the 2009 Report and verification of Woolworths' reporting data in relation to the National Greenhouse and Energy Reporting (NGER) Act 2007. These projects were deemed complementary to the assurance function and therefore did not impact upon the team's independence or objectivity.

OUR COMPETENCY

The Woolworths assurance engagement was carried out by an experienced team of professionals led by a Lead Sustainability Assurance Practitioner (Lead CSAP), accredited by the International Register of Certified Auditors UK (IRCA UK). The project included consultants with expertise in environmental, social and economic performance measurement across a range of industry sectors. Net Balance is a global leader in the use of Accountability's AA1000AS, having undertaken over 50 assurance engagements in Australia over 2007 and 2008.

FINDINGS AND CONCLUSIONS

Adherence to AA1000 Principles

Inclusivity: Woolworths has effective systems in place to collect feedback from key stakeholders to ensure that the organisation appropriately measures, monitors and manages its material sustainability issues.

Net Balance investigated a number of material issues from the Report, and found comprehensive and continuous processes in place for communicating with key stakeholders. Issues and feedback are actively monitored and regularly inform the group's strategy development processes. The issues reviewed include corporate governance, responsible alcohol consumption, and quality assurance of Private Label products.

Materiality: Woolworths has multiple processes in place to determine material issues across the organisation. The Report was found to be in alignment with the outcomes of these processes and, as such, appropriately addressed Woolworths' environmental, social and economic material issues. In addition, the Report was also found to provide balanced information about Woolworths' sustainability management and performance. Net Balance acknowledges that as a large organisation, representing over 190,000 team members, identifying the gamete of material issues across all business presents many challenges for Woolworths. However, considering sustainability in developing strategies for the various businesses is starting to address this.

Responsiveness: Woolworths actively engages with customers, industry groups, government and the communities in which it operates to identify material issues. It also reports relevant and timely information in relation to those issues and this was demonstrated throughout the report. Net Balance recommends Woolworths could further improve reporting on engagement by incorporating within the Report an outline of the process for stakeholder engagement and how stakeholders' responses are being addressed at a high level. While a number of engagement processes are in place, a group-wide stakeholder engagement strategy will assist in improving engagement with stakeholders and the responsiveness of the Report to address the material issues identified by these groups.

Reliability of Performance Information

Based on the scope of the assurance process, the following was observed with regard to performance information:

- The findings of the assurance engagement provide confidence in the systems and processes used for managing and reporting sustainability performance information.
- The level of accuracy of sustainability performance information was found to be within acceptable limits.
- Data trails selected were generally identifiable and traceable, and the personnel responsible were able to reliably demonstrate the origin(s) and interpretation of data.
- The sustainability performance disclosures presented within the report appropriately reflect environmental, social and economic performance achieved during the period.
- The GRI application level check found that the Report was classified as A+.

Overall, it is Net Balance's opinion that the information presented within the report is fair and accurate and that the report is a reliable account of Woolworths' sustainability performance during the reporting period.

THE WAY FORWARD

Woolworths continues to take a lead role with respect to its international peers as being one of the few top retailers to have its Report prepared and independently assured. In its second year of assurance, Woolworths' practically demonstrates an ongoing commitment to corporate responsibility by communicating the company's performance to stakeholders, peers and the wider community. The following provides an overview of key findings and recommendations.

It was found that Woolworths have strong processes in place for collecting sustainability performance information and that the Report appropriately addresses Woolworths' environmental, social and economic material issues. Significant improvements were observed in:

- Data collection processes with respect to Human Resources information.
- Processes for engaging with stakeholders on key issues.
- Increased focus on Quality Assurance and Ethical Sourcing, particularly with respect to Private Label products.
- The furnishing of supporting evidence for the statements made in the Report.

The size and breadth of the business presents continuing challenges to Woolworths in terms of how it integrates sustainability into its operations. Recent and expected growth of the business introduces ongoing challenges of integrating environmental and social performance objectives that are consistent across business units. These challenges are not likely to disappear, and indeed are more likely to increase with time.

Now that Woolworths' Corporate Responsibility framework is well established, the focus moving forward is on increased integration and alignment of corporate responsibility objectives and strategies across the whole business. It is therefore an opportune time to look at the alignment of internal policies and procedures where synergies may exist. Net Balance also suggests that Woolworths:

- Establishes formal data management and reporting protocols and procedures.
- Focuses on consistent boundaries for performance data to increase consistency across business units that allows for comparable measures over time.
- Continues to formalise stakeholder engagement strategies to support existing processes and committees.
- Commences the assurance process with increased staff engagement to provide a greater understanding of, and engagement with the process.
- Continues to focus on its supply chain across all business units.

To ensure that Woolworths continue to improve, Net Balance has provided recommendations and suggestions that have been outlined in a more detailed report presented to Woolworths's management.

On behalf of the assurance team
30th October 2009
Melbourne, Australia



Terence Jeyaretnam

Director, Net Balance & Lead CSAP (IRCA UK)

GLOSSARY

Australian Competition and Consumer Commission (ACCC)	ACCC is an independent Commonwealth statutory authority. The ACCC's role is to promote competition and fair trade in the marketplace to benefit consumers, business and the community. www.accc.gov.au
Australian Employment Covenant (AEC)	The covenant is a three-way commitment between Australian employers, the Australian government and Indigenous people aimed at securing 50,000 sustainable jobs for Indigenous Australians.
Australian Food and Grocery Council (AFGC)	The AFGC is the national body representing the nation's food and grocery products manufacturers. The role of the council is to help shape a business environment that encourages the food and grocery products industry to grow and remain profitable. The council provides these manufacturers with a platform from which they can voice their views on a range of issues. www.afgc.org.au
Australian Food and Grocery Council Allergen Bureau	This is an industry initiative to improve allergen management within food manufacturing and ensure that allergen statements made on products are clear and concise for the consumer.
Australian Institute of Health and Welfare (AIHW)	The AIHW is a national agency set up to provide information on Australia's health and welfare, through statistics and data development that inform discussion and decisions on policy and services. It works closely with all state and federal health, housing and community services agencies in collecting, analysing and disseminating data.
Australian National Retailers Association (ANRA)	ANRA is a membership-based organisation that was established in 2006 to represent the interests of large national retailers across Australia. The founding board members of ANRA include Coles Group, Woolworths, Bunnings, David Jones and Best and Less. www.anra.com.au
Biodegradable	Biodegradable plastic bags are often made from farmed products such as cornstarch, which, in the right conditions, will break down into elements like carbon dioxide, water and methane. Biodegradable bags are generally best suited to composting and not suited for recycling. To meet international standards, bags need to compost within 12 weeks and biodegrade completely within six months. Standards Australia has developed Australian Standards for biodegradable plastics, AS 4736-2006.
Carbon dioxide (CO₂)	The greenhouse gas whose concentration is being most affected directly by human activities. CO ₂ also serves as the reference to compare all other greenhouse gases (see carbon dioxide equivalent). The major source of CO ₂ emissions is fossil fuel combustion. CO ₂ emissions are also a product of forest clearing, biomass burning, and non-energy production processes such as cement production.
Carbon dioxide equivalent (CO₂-e)	A standard measure used to compare the emissions from various greenhouse gases based upon their global warming potential (GWP). For example, one tonne of methane emissions is equivalent to 24.5 tonnes of carbon dioxide emissions.
Carbon footprint	A carbon footprint is a measure of the impact human activities have on the environment in terms of the amount of greenhouse gases produced, measured in units of carbon dioxide equivalent. It is a useful tool for individuals, nations and organisations to conceptualise their personal or organisational impact in contributing to global warming.
Carbon Pollution Reduction Scheme (CPRS)	The Australian Government's proposed emissions trading scheme is a cap and trade system, in which total emissions would be limited or 'capped'. Permits are allocated or auctioned up to the set cap, and a market allows those participants emitting less than their quota to sell their excess permits to emitters needing to buy extra to meet their cap. www.climatechange.gov.au/greenpaper/index.html
Climate change	The term 'climate change' is sometimes used to refer to all forms of climatic inconsistency, but because the Earth's climate is never static, the term is more properly used to imply a significant change from one climatic condition to another. In some cases, 'climate change' has been used synonymously with the term 'global warming'. Scientists however tend to use the term in the wider sense to include natural changes in climate.
Compressed Natural Gas (CNG)	CNG or compressed natural gas is the compressed form of the gas commonly used in homes throughout Australia for domestic cooking and heating appliances. It consists mainly of methane (80%-95%), a colourless, odourless and tasteless gas. The distinctive smell associated with natural gas is in fact an additive which enables quick detection of leaking gas.

CSIRO	CSIRO, the Commonwealth Scientific and Industrial Research Organisation, is Australia's national science and research agency. www.csiro.au
EarthPower	EarthPower is a regional food waste to energy facility in Sydney, Australia. EarthPower accepts source segregated food wastes from the industrial, commercial and domestic sectors and converts them to green energy and nutrient rich fertilisers using state of the art technology. www.earthpower.com.au
EBIT	Earnings before Interest and Tax – total earnings before provisions are deducted. This measures a company's performance and is often used in preference to net profit as it excludes the effects of borrowings and tax benefits and adjustments.
Ecological footprint	A resource accounting tool that can measure how much land and water area a person or a specific group – for example, an event, a business, a city or a country – requires to produce the resources it consumes and to absorb its waste. The footprint is measured in global hectares (gha). The average Victorian needs 8.1 global hectares of land to sustain his or her lifestyle. If everyone on the planet lived like Victorians, we would need more than four Earths to support us.
EEO Act	The Energy Efficiency Opportunities Act 2006 (Australia) took effect on 1 July 2006 (with an amendment in March 2007). It aims to improve the identification, assessment and reporting of energy efficiency opportunities by large energy using businesses. www.energyefficiencyopportunities.gov.au
Environmental Code of Practice for Packaging (ECOPP)	ECOPP is designed to provide companies with guidelines to help evaluate the environmental impact of new and existing packaging.
Environment Protection and Heritage Council (EPHC)	EPHC was formed following changes to natural resource and environment related Ministerial Councils agreed by the Council of Australian Governments in June 2001. EPHC was created by amalgamating the National Environment Protection Council (NEPC), the environment protection components of the Australian and New Zealand Environment and Conservation Council (ANZECC), and Heritage Ministers' Meetings. The natural resource management components of ANZECC were transferred to the Natural Resource Management Ministerial Council. www.ephc.gov.au
Ethical Trade Initiative (ETI)	The ETI is an alliance of companies, trade unions and voluntary organisations that works in partnership to improve the lives of workers across the globe who make or grow consumer goods.
Fair Trade	Fair trade is an organised social movement and market-based approach that aims to help producers in developing countries and promote sustainability.
Foodbank	Foodbank is a not-for-profit, non-denominational organisation that sources and distributes food and grocery industry donations to welfare agencies that feed the hungry. Foodbank is Australia's largest hunger relief organisation. A national organisation, with Distribution Centres in five states, Food bank is endorsed by the Australian Food and Grocery Council as the food industry's preferred means of disposal of surplus product. www.foodbank.com.au
Food Standards Australia New Zealand (FSANZ)	FSANZ is the statutory agency that develops food standards.
Forest Stewardship Council (FSC)	FSC is an independent, not-for-profit organisation established to promote the responsible management of the world's forests.
Fuel Quality Standards Act 2000	This Act covers all fuel types including all gasoline, diesel and LPG. Refiners are required to manufacture fuel to comply with this Act, and all fuel is tested prior to release against the requirements under it.
Genetically modified (GM) foods	GM foods are created using biotechnology to change their genetic material.
GL	Gigalitres or billion litres.

Global Social Compliance Program (GSCP)	The GSCP is a multi-stakeholder program aimed at delivering a shared, consistent approach for continuously improving working and environmental conditions across all categories and sectors.
Global warming	Global warming refers to an increase in the near surface temperature of the Earth. Global warming has occurred in the distant past as the result of natural influences, but the term is most often used to refer to the warming predicted to occur as a result of increased emissions of greenhouse gases. Scientists generally agree that the Earth's surface has warmed by about one degree Fahrenheit in the past 140 years. The Intergovernmental Panel on Climate Change (IPCC) recently concluded that increased concentrations of greenhouse gases are causing an increase in the Earth's surface temperature and that increased concentrations of sulphate aerosols have led to relative cooling in some regions, generally over and downwind of heavily industrialised areas.
Global warming potential (GWP)	The index used to translate the level of emissions of various gases into a common measure in order to compare the relative radiative forcing of different gases without directly calculating the changes in atmospheric concentrations. GWPs are calculated as the ratio of the radiative forcing that would result from the emissions of one kilogram of a greenhouse gas to that from emission of one kilogram of carbon dioxide over a period of time (usually 100 years).
Greenhouse gases	Gases that absorb infra-red radiation in the atmosphere. The six greenhouse gases under the Kyoto Protocol are: carbon dioxide, methane (CH ₄), nitrous oxide (N ₂ O), halogenated fluorocarbons (HCFCs), ozone (O ₃), perfluorinated carbons (PFCs) and hydrofluorocarbons (HFCs).
Green power	Green power is renewable energy sourced from the sun, the wind, water and waste that is purchased by an energy company on behalf of consumers. www.greenpower.gov.au
HDPE	High density polyethylene or HDPE is a type of plastic used to make consumer packaging such as milk bottles, shampoo and detergent bottles. Plastic supermarket carry bags are typically made from HDPE film. The HDPE plastics identification code is 2.
International Labour Organisation (ILO)	The ILO is a UN agency that advances opportunities for women and men to obtain decent and productive work. Its main aims are to promote rights at work, encourage decent employment opportunities, enhance social protection and strengthen dialogue in handling work-related issues.
kt	A kilotonne is equal to one million kilograms.
KWh/m²	Kilowatt hours per square meter. KWh is a unit of measurement for electricity use.
Kyoto Protocol	An international agreement, reached in 1997 in Kyoto, Japan, which extends the commitments of the United Nations Framework Convention on Climate Change (UNFCCC). In particular it sets targets for future emissions in developed countries.
Light emitting diode (LED)	A Light Emitting Diode (LED) is a semiconductor device that converts electricity into light. LEDs last considerably longer than incandescent or fluorescent lighting but are more expensive. LEDs don't typically burn out like traditional lighting, but rather gradually decrease in light output.
Liquefied Natural Gas (LNG)	Liquefied natural gas. Natural gas (NG) is a mixture of hydrocarbons, mainly methane (CH ₄), and is produced either from gas wells or in conjunction with crude oil production. NG is consumed in the residential, commercial, industrial, and utility markets.
Lost Time Injury	An LTI is defined as an injury or illness that resulted in an employee being unable to work a full scheduled shift (other than the shift on which the injury occurred)
Lost Time Injury Frequency Rate (LTIFR)	Number of lost time injuries per million hours worked.

Marine Stewardship Council (MSC)	MSC is an independent non-profit organisation that promotes responsible fishing practices. Its role is to recognise, via a certification program, well-managed fisheries and to harness consumer preference for seafood products bearing the MSC label of approval. MSC has developed an environmental standard for sustainable and well-managed fisheries. It uses a product label to reward environmentally responsible fishery management and practices, allowing consumers concerned about over fishing and its environmental and social consequences to choose seafood products that have been independently assessed against the MSC Standard. www.msc.org
ML	Megalitres or million litres.
Mt	A million tonnes or megatonnes equates to one billion kilograms.
MWh	Megawatt hours is a unit of measurement for electricity use, referring to the amount of electricity need to supply power to 1,000 homes for one hour.
National Packaging Covenant (NPC)	NPC is a voluntary initiative by Commonwealth Government and industry to reduce the effects of packaging on the environment. It is designed to minimise the environmental impacts arising from the disposal of used packaging, conserve resources through better design and production processes and facilitate the re-use and recycling of used packaging materials. www.packagingcovenant.org.au
National Packaging Covenant Council	The NPCC was formed to oversee the implementation of the National Packaging Covenant. The council is made up of State, Local and Commonwealth Government and industry and community representatives. The council meets quarterly to discuss packaging issues, covenant communication, procedures, reports and data collection as well as what each individual sector has been doing to support the Covenants objectives.
New Zealand Packaging Accord	The New Zealand Packaging Accord is a voluntary initiative to cut down on wasteful packaging. Those signing it – the packaging and packaged goods industry, local and central government and the recycling operators – are voluntarily committing to doing what they can to reduce the proportion of packaging in our total waste stream. www.packagingaccord.org.nz
NGER Act 2007	National greenhouse and Energy Reporting Act 2007 (Australia) took effect on 1 July 2008. NGER establishes a national framework for Australian corporations to report greenhouse gas emissions, reductions, removals and offsets, and energy consumption and production www.climatechange.gov.au/reporting/publications/index.html
Occupational disease	A disease arising from the work situation or activity (eg, stress or regular exposure to harmful chemicals), or from a work-related injury.
Oxodegradable	Type of plastic used to make plastic carry bags. The oxodegradable plastic bag breaks down primarily through the reaction of a chemical additive to oxygen, light or heat. Best suited to landfill disposal, they are also likely to survive long enough to present a threat to animals if littered. It may take time for them to break down and, even when they do, it is into smaller pieces that may pose a threat to animals who mistake the pieces for food. www.cleanup.com.au/au/LivingGreener/faq1.html
Produce and Grocery Industry Code of Conduct	This voluntary code aims to promote fair trading practices and build better business relationships. At the same time it provides access to a dispute resolution procedure for individuals and groups.
Product Stewardship Australia (PSA)	Product Stewardship Australia Limited (PSA) is a not-for-profit, industry-led organisation working on permanent solutions to recover and recycle consumer electronics in an environmentally sound manner. PSA is membership based and is developing national solutions for end-of-life (or obsolete) electronic and electrical products on behalf of its members. Dick Smith is a member of PSA. www.productstewardship.asn.au
Program for the Endorsement of Forest Certification (PEFC) Council	The PEFC Council is an independent, non-profit organization that promotes sustainably managed forests through independent third party certification. www.pefc.org

Scope 1 emissions	Direct greenhouse gas emissions from sources owned or controlled by the company, such as combustion facilities (eg. boilers, furnaces, turbines, heaters, incinerators, engines, flares, etc.), combustion of fuels in company-owned or company-controlled transportation (e.g. cars, buses, planes, ships, barges, trains, etc.), and physical or chemical processes (eg. in cement manufacturing, catalytic cracking in petrochemical processing, aluminium smelting, etc.).
Scope 2 emissions	Indirect greenhouse gas emissions from the generation of purchased electricity, heat, cooling or steam. Purchased electricity is defined as electricity that is purchased or otherwise brought into the organisational boundary of the entity.
Scope 3 emissions	Other indirect greenhouse gas emissions that are a consequence of a company's activities, but that arise from sources that are owned or controlled by others. Scope 3, like Scope 2, is a category of indirect emissions. However Scope 2 covers emissions that a company indirectly causes to be emitted through importation – and usually purchase – of electricity, heat, cooling and steam. By contrast, Scope 3 covers all other indirect emissions from sources that are not owned or controlled by a company, but that occur as a result of its activities. Examples include emissions as a result of the extraction, manufacture and production of materials it has purchased, the transportation of purchased fuels or goods, the use of products and services it has sold, and business travel and employee commuting in vehicles not owned or controlled by the company.
Serious Diseases	Occupational or non-occupational related impairment of health with serious consequences for employees, their families, and communities, such as HIV/AIDS, diabetes, RSI and stress.
T5 fluorescent light	T5 fluorescent lights have the highest light output of any fluorescent lamp. In most environments they offer energy savings of nearly 30% compared to other fluorescent lamps.
United Nation Global Compact (UNGC)	UNGC is a strategic policy initiative for businesses that are committed to aligning their operations and strategies with ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption. For more information go to www.unglobalcompact.org .

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