



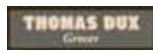
CORPORATE RESPONSIBILITY REPORT

WOOLWORTHS LIMITED

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WOOLWORTHS LIMITED



SCOPE OF REPORT

Unless otherwise stated, this report covers all of our operations in Australia and New Zealand for the 2012 financial year (1 July 2011 to 30 June 2012). Data for Croma (our electronics joint venture with Tata in India which provides wholesale services to 64 stores) is only included in the Our Business and Building the Best Team (excluding Safety) sections. Data for global sourcing offices in Hong Kong and China is only included in the Building the Best Team section (excluding Safety). With only 25% ownership and no operational control of Gage Road Brewery, there is no information reported for this business.

EARNING TRUST

- 67.6% of factories making our own brand products were audited on Ethical Sourcing criteria
- Our stores are the most regular places of purchase for Australians buying Fairtrade certified products
- 98% of our fresh pork supply comes from farms that no longer use gestation stalls
- Increased sales of free range eggs by 20.9%
- Introduced 16 new certified sustainable fish products in our own Select brand
- Homebrand tissue and toilet paper was certified sustainable by the Forest Stewardship Council

SERVING OUR COMMUNITY

- Invested the total equivalent of \$36.6 million through our community programs
- Contributed \$2.1 billion in taxes to Governments
- Contributed \$108 billion in flow on indirect economic contribution to the Australian economy resulting from our retail and construction activities

USING RESOURCES WISELY

- 16.5% reduction in carbon emissions compared to our original projected growth emissions for 2012
- 25.6% reduction in carbon emissions per carton delivered
- Prevented 8,390 tonnes of food from going to landfill through donations to food relief organisations, and diverting food waste to composting and energy generation
- 208 ML of water saved through efficiencies and 23.2 ML of rainwater harvested at our distribution centres

BUILDING THE BEST RETAIL TEAM

- We employ more than 195,000 people across our business
- Recruited over 57,000 new people to our Australian and overseas businesses in more than 3,000 locations
- Made 175 executive appointments, of which 37.7% were female and 40.0% were internal promotions
- Provided training to more than 1 million participants including core training programs, training for new employees and leadership programs for managers and executives



KEY STATISTICS
ABOUT OUR BUSINESS

SINCE 1924
 WOOLWORTHS HAS GROWN FROM A SINGLE STORE IN SYDNEY'S PITT STREET INTO ONE OF THE MOST RECOGNISABLE BRANDS IN AUSTRALIA, WITH STORES IN MOST METROPOLITAN AND REGIONAL AREAS IN AUSTRALIA AND NEW ZEALAND. WOOLWORTHS HAS BEEN LISTED ON THE AUSTRALIAN STOCK EXCHANGE SINCE 1993, UNDER THE CODE WOW.

SHAREHOLDERS
416,638

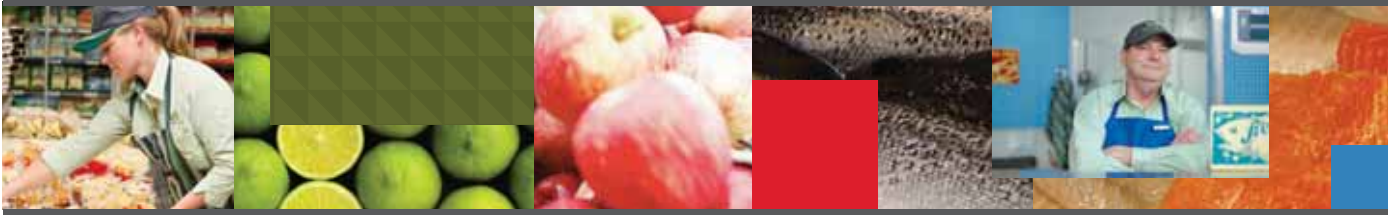
ESTIMATED EMPLOYEE SHAREHOLDERS
45,000

TOTAL EMPLOYEES
195,206

SALES INCREASED TO
\$56.7^B
 UP BY
4.7%▲

EBIT INCREASED TO
\$3,377^M
 UP BY
3.1%▲

DIRECT ECONOMIC CONTRIBUTION		
\$6.6^B	\$2.1^B	\$36.6^M
IN WAGES AND BENEFITS FOR OUR EMPLOYEES	IN TAXES TO GOVERNMENTS	INVESTMENT IN LOCAL COMMUNITIES



RANKED

18TH IN GLOBAL RETAILING,
BASED ON SALES REVENUE –
THE HIGHEST RANKING
AUSTRALIAN RETAILER

GLOBAL RANKING OF SUPERMARKET CHAINS WITH STORES IN AUSTRALIA

Costco Wholesale Corp (USA)	7
Aldi Einkauf GmbH & Co oHG (Germany)	10
Woolworths Limited	18
Wesfarmers Limited (owns Coles)	21

Source: Deloitte, Global Powers of Retailing 2012.

AVERAGE CUSTOMERS SERVED WEEKLY

28^M

RETAIL STORES

3,329

NEW ACQUISITIONS

During 2012, Woolworths acquired Tait Timber and Hardware in Victoria and Mittagong Timber and Hardware in New South Wales, as part of its growth into the Home Improvement sector.

NET PROFIT AFTER TAX INCREASED TO

\$2,200^M

UP BY

3.6% ▲

EARNINGS PER SHARE INCREASED TO

179¢

UP BY

3.1%* ▲

In November 2011, we completed the acquisition of 12 hotels from the receivers of the Compass Hotel Group located in Western Australia.

As at 24 September 2012, 28 hotels have been acquired from the Laundry, Waugh and DeAngelis Hotel Groups with the acquisition of an additional hotel pending finalisation.

An additional two sites, which are part of this transaction, remain subject to ACCC approval.

INDIRECT ECONOMIC CONTRIBUTION

729,900

FULL-TIME
EQUIVALENT JOBS

\$108^B

CONTRIBUTION TO
AUSTRALIAN ECONOMY

• All results (excluding Earnings Per Share) are Total Group before Consumer Electronics Provision.
* Continuing Operations Only.



MANAGING DIRECTOR

AND
CEO

GRANT O'BRIEN

AS WE LOOK TO THE FUTURE

MULTI-OPTION RETAILING IS A KEY STRATEGIC PRIORITY FOR WOOLWORTHS. WE ARE ALREADY AUSTRALIA'S AND NEW ZEALAND'S LARGEST ONLINE RETAILER ...

CEO'S STATEMENT

Woolworths aims to be Australia's and New Zealand's most trusted brand. As we serve more than 28 million people a week, it is a goal that is central to ensuring our business can evolve and grow through this rapidly transforming era in retail. That is why we are committed to stretching ourselves beyond the basic expectations in all areas where we operate.

In 2012, Woolworths once again demonstrated its capacity to evolve the business to meet the challenges of a changing economic and consumer environment. We delivered a profit within our guidance in a year when our customers benefitted substantially from lower prices across our brands.

As we look to the future, multi-option retailing is a key strategic priority for Woolworths. We are already Australia's and New Zealand's largest online retailer, and it is something that our entire business is actively embracing, providing opportunity in our core business, providing new growth opportunity and influencing the type of retail talent we recruit and foster. We are investing in innovation and working towards an ambitious target to reach \$1 billion in online sales by the end of 2014.

We will only achieve our aspirations if we maintain and continue to build on our reputation as a responsible business. In particular, we are currently focused on building trust with customers, building better relationships with suppliers and being the most responsible operator of hotels.

We are proud of our relationship with our suppliers. We are taking a number of measures internally and externally to further strengthen this relationship and to address areas of mutual concern.

Our performance in 2012 is detailed in this report under the following four themes:

AWARD

WOOLWORTHS WAS VOTED THE SUSTAINABLE RETAILER OF THE YEAR BY BRW AMP SHOPPING CENTRES AUSTRALIAN RETAILER OF THE YEAR AWARDS 2012.

AUSTRALIAN RETAILER OF THE YEAR AWARDS 2012



AMP CAPITAL  BRW.

WINNER

EARNING TRUST,

which will be achieved by acting responsibly both in our stores and beyond through sustainable and ethical sourcing, and enabling our customers to make informed choices. In 2012, we worked with our suppliers on improving animal welfare practices in farms supplying our fresh pork meat, with 98% of the production no longer using gestation stalls. We have achieved this well ahead of the industry target date of 2017. We have increased the sales of free range eggs lines - with two of our own brand eggs Select and Macro.

We have continued our commitment in the responsible service of gaming and alcohol and responsible marketing across all facets of our business.

SERVING OUR COMMUNITY,

which we believe is demonstrated through investing to create a positive impact for both the community and the business. Woolworths contributed the equivalent of \$36.6 million in our communities through cash donations, leverage, in-kind support and through staff and management time.

Community programs undertaken by our businesses align closely to their strategic priorities. Of particular note is the investment we are making in Australian farming and agriculture through the Fresh Food Future Program (refer pages 30-31) designed to advance farming innovation, productivity and long-term sustainability and support the next generation of farmers and industry leaders. Since 2007, \$9 million has been invested in this program and we continue to invest every year to support the sector.

We employ more than 195,000 people and create new jobs with every new store we open. In addition to the \$6.6 billion paid in wages and benefits and return to our shareholders, the flow-on effect of our business activity contributed an estimated \$108.3 billion to the Australian economy and about 229,000 full-time equivalent jobs.

USING RESOURCES WISELY,

which involves minimising our carbon footprint to strengthen our ability to supply low price fresh produce to our customers; finding cost-effective ways to reduce packaging and minimising waste from own brand products; and moving to zero food waste to landfill.

In 2007, we took the initiative to set our carbon reduction targets. We could see that carbon was going to be priced in the future and wanted to be prepared, reduce our business costs, manage our risk and make sure we remained competitive in prices for our customers. We have invested \$66.5 million since our Sustainability strategy was launched and we estimate this investment will deliver \$110.9 million in operational cost savings by 2015. Our investment in energy efficiency and low carbon technologies has also resulted in our supermarkets having 37% lower carbon emissions per square metre compared

CEO'S STATEMENT

to 2008. Our target was a 25% reduction per square metre. We have exceeded this target. The efficiencies contribute to our ability to offer our customers affordable and competitive prices.

BUILDING THE BEST RETAIL TEAM,

which involves combining the best retail talent locally with the best in the world to build a world class retail team. Woolworths is committed to a program of transformation that will ensure we extend our leadership position in all categories where we are represented. This requires us to focus on having in place the best team which involves ensuring best practice in recruitment, career advancement, employee engagement and inclusivity. I am confident that Woolworths has Australia's best retail team which has the expertise and drive to deliver on our plans.

Finally, Woolworths continues to earn respect and recognition, both domestically and globally, for the integrity and depth of the company's corporate responsibility programs.

In the 2012 BRW Australian Retailer of the Year Awards, Woolworths won the sustainable retailing category. Through our close association with global organisations such as The Consumer Goods Forum and The United Nations Global Compact Network, we are at the forefront of debate and central to the positive change taking place in critical areas such as ethical sourcing. Working collaboratively with the world's best retail organisations, Woolworths is actively ensuring that Australia's and New Zealand's interests are represented and paving the way for other retailers to follow and adopt more sustainable working practices.

Woolworths has made great progress in 2012 and there are many more opportunities ahead. My congratulations go to all our employees who have helped with the achievements outlined in this report, and who will continue to drive positive change for our business, our community and our society.

GRANT O'BRIEN
MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER



FUTURE OF RETAILING

BEST MULTI CHANNEL RETAILER

Woolworths won the 2012 Online Retail Industry Award (ORIA) for best multi channel retailer.

Highlights

2.3 million downloads of shopping apps from Woolworths businesses across Australia and New Zealand.

Launched a click & collect service allowing customers to order groceries online and pick up from store when it's convenient for them.

48% increase in total online sales this year.

10% of BIG W's online transactions during the 2012 Toy Spectacular promotion were done through their iPhone app.

Multi-option retailing

"WE ARE ON THE CUSP OF EXCITING CHANGE IN RETAIL AS WE ENTER THE NEW ERA WHERE THE CUSTOMER IS IN CHARGE. BUT FAR FROM BEING DAUNTED BY CHANGE, I FIRMLY BELIEVE IT BRINGS OPPORTUNITY FOR OUR BUSINESS, OUR EMPLOYEES, OUR SUPPLIERS AND OF COURSE, OUR CUSTOMERS. YOU JUST HAVE TO LOOK FOR THAT OPPORTUNITY. WOOLWORTHS IS LEADING THIS SHOPPING REVOLUTION IN AUSTRALIA AND THERE'S A LOT MORE OPPORTUNITY STILL TO BE REALISED."

GRANT O'BRIEN, MANAGING DIRECTOR
AND CHIEF EXECUTIVE OFFICER.



FUTURE OF RETAILING



Over the decades, computerisation, supply chain advances, manufacturing innovations and major consumer lifestyle changes have all reshaped the face of retailing. Now a digital transformation of commerce is driving a new retail approach. Woolworths believes that, more than ever before, the consumer is in the driving seat of its business. It's a global marketplace and the tools of trade for that global marketplace now fit literally 'in the palm of the consumer's hand'.

Retailers are taking full advantage of a global market to secure stock at cheaper prices, to parallel import, to find innovations and capitalise on talent. This is true for Woolworths, but we also remain totally committed to locally sourced food and we are not going to import food just because it's cheaper. Suppliers of food and non-food goods need to be increasingly globally competitive, not just domestically competitive, recognising that consumers overseas often enjoy cheaper prices than Australian consumers. Customers are naturally seeking the same advantages, and the tools are there for this to happen.

In this new era, customers will have more shopping options than at any point in history. Some call it multichannel but we are increasingly calling it multi-option retailing and it's a time when Woolworths' customers can choose from the widest range of well-priced, quality groceries and goods, in stores tailored to meet their needs - by size, location and offering.

Customers will have the freedom to choose when, how and where they want to shop - on their phone on a bus, on an iPad while waiting for a train, on a computer during a coffee break, at home, at work, on holiday, providing them with ultimate choice and ultimate convenience, using all available technologies to ease their way to and through the shopping experience. It's not a choice between online and bricks and mortar - it's about how the two work seamlessly together, integrating different store formats, sources of information and technology channels.



Multi-option retailing is a key strategic priority for Woolworths. We are already Australia and New Zealand's largest online retailer, and it is something that our entire business is actively embracing. It is underpinned by our vision to put customers at the heart of our business, supported by three clear planks:

1. Growing our core business to better serve our customers with fresh range, choice and value;
2. Pursuing new areas of growth to meet changing customer needs and provide innovation; and
3. Optimising the best retail talent in the world to truly deliver for our customers.

Multi-option arches across all of those strategic planks, providing opportunity in our core business, providing new growth opportunity and influencing the type of retail talent we need to recruit and foster.

We are aggressively pursuing innovation and integration and are working towards making our entire business multi-option by 2015 with an ambitious target to reach \$1 billion in online sales by the end of 2014. And that's not just through groceries. We have a direct wine business in Cellarmasters and we are in the process of launching Australia's first home improvement online store as the roll-out of Masters, our brand new home improvement chain, takes place. We also have a daily deals site called Door Busters.

By 2020, we believe 100% of Woolworths' turnover will be linked in some form to our multi-option approach.

Some commentators have suggested the advent of multi-option retailing will have a negative impact on Australian jobs. This is simply not true. Retail has always been and will always be a highly people-focused industry. But the nature of those retail jobs will change in some ways over time and multi-option is a major driver of that change.



We are a strong believer that retail is actually about connecting customers to the goods they want in a way that best suits them - that might be driven by convenience such as shopping from a mobile phone or by the need for personal expert service as you would find at Masters - but regardless of whether retailing is happening behind the scenes or front and centre of the store, there will always be a need for people.

Jobs aren't replaced by technology, they just change as a result. Woolworths is an employer of more than 195,000 people and the creation of new jobs and development of talent remains a critical plank for us.

RESPONSIBLE BUSINESS PRACTICES

IMPORTANT ISSUES

FOR OUR STAKEHOLDERS

Woolworths Limited commissioned The Centre for Social Impact and Net Balance to conduct a comprehensive and independent materiality assessment for its entire business. Our brief to the researchers was to actively canvass the opinions of our key stakeholders through surveys and focus groups on what issues over the next decade are important to them. This insight helps keep us in touch with stakeholder opinion and priorities.

In summary, the study found that the priority sustainability and corporate responsibility issues likely to materially impact on Woolworths' business in the coming decade are:

- The responsible use of market power, including support for local farmers and support for local manufacturers.
- Delivering affordable safe and fresh food, and assisting consumers to make healthier choices.
- Ensuring ethical sourcing and ethical suppliers, and communicating these credentials to consumers via appropriate labelling and product information.
- Maintaining a healthy, safe and fair workplace.
- Managing and minimising environmental externalities, particularly carbon emissions.
- Responsible service of gaming.

The researchers were asked to identify material issues and to categorise them into three categories:

Act – issues that are in our direct control and where we can take ownership to achieve positive outcomes;

Influence – issues which are relevant to Woolworths' operations but are not entirely in our control and where collective actions are required from industry, community and government to influence positive change and outcomes; and

Take interest – issues that fall outside of our direct sphere of control or influence, but where we have the capacity to take an interest and be involved.

The survey results form an important part of the input into Woolworths' strategic planning and setting our priorities, and also provide a firm basis and accountability for existing and new projects undertaken, in particular in the important areas of corporate responsibility and sustainability.

Woolworths

The responsible use of market power, including support for local farmers and support for local manufacturers.

Delivering affordable, safe and fresh food.

Maintaining a healthy, safe and fair workplace.

Managing and minimising environmental externalities, particularly carbon emissions.

OWN

Assisting consumers to make healthier choices.

Responsible service of gaming.

Ensuring ethical sourcing and ethical suppliers, and communicating these credentials to consumers via appropriate labelling and product information.

ACT ON

Food security

Water supply crisis

TAKE INTEREST IN

ISSUES OF PUBLIC INTEREST

"BUILDING FAIR AND CO-OPERATIVE RELATIONS AND PARTNERSHIPS TO ADDRESS AND HELP RESOLVE ISSUES OF CONCERN TO OUR STAKEHOLDERS IS IMPORTANT TO WOOLWORTHS TO CONTINUE BUILDING TRUST IN OUR BRAND."

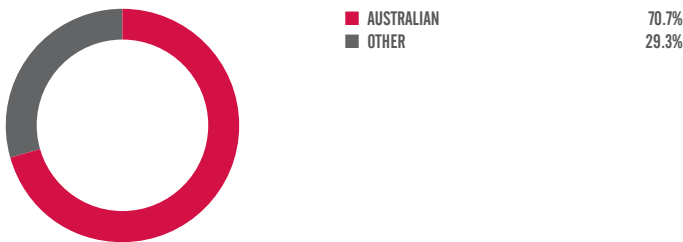
GRANT O'BRIEN, MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER

GROCERIES*

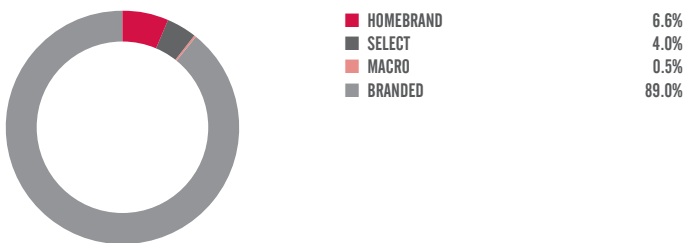
BRANDED AND OWN BRAND – STOCK KEEPING UNITS (SKU) TOTAL 44,000



OWN BRAND – % AUSTRALIAN SOURCED BY SALES



BRANDED AND OWN BRAND – % SALES



*Includes packaged, perishables, general merchandise, front of store and tobacco.

AUSTRALIA

Woolworths Product Range Profile – July 2012

Woolworths stocks a large range of Australian grown and produced products.

FRESH FOOD

100% FRESH MEAT

96% FRESH FRUIT AND VEGETABLES

92% BAKERY

59% SEAFOOD

OWN BRAND GROCERIES

71% OF WOOLWORTHS OWN LABEL PRODUCTS BY SALES VOLUME ARE MADE IN AUSTRALIA, MADE UP OF:

92% IN MACRO

76% IN HOME BRAND

59% IN SELECT

Strategic focus on increasing the amount of Australian own brand products on our shelves to give customers more home grown choices.

NEW ZEALAND

Woolworths Product Range Profile – July 2012

Woolworths stocks a large range of products grown and produced in New Zealand.

FRESH FOOD

100% FRESH CHICKEN, PORK AND LAMB

99% FRESH BEEF

SUPPLIER RELATIONSHIPS

The environment:

- Value driven consumers are increasingly seeking lowest price.
- The market is increasingly competitive and consumers have choice.
- After a period of strong growth, price deflation is a current reality and is impacting cost structures of retailers and suppliers.
- Suppliers feel price squeeze and have concerns over fair pricing.
- Calls for farm-gate pricing controls for commodities like milk.
- Regulators monitor any behaviour considered anti-competitive or unconscionable.

Our response:

Woolworths supports strong competition in the retail market. Competition keeps prices low for customers and drives improvements in products, range and services. Our aim is to be the most competitive retailer across our stores in whatever market we are in.

Increasing competition has been present in all categories in which Woolworths operates. This has increased discounting activity. Retailers have also taken full advantage of the high Australian dollar to pass through cost savings in better prices.

Woolworths has developed strong long-term direct relationships with producers and suppliers across the primary industries sector. Some pricing action initiated by other retailers, for example private label milk reductions, has caused considerable concern among suppliers that long-term profitability will be impacted. Whilst Woolworths did not initiate this pricing, we took the decision to match it so that we continued to offer our customers competitive prices. A Federal Parliamentary Inquiry was held in 2011 to consider these issues and concluded that: “In general, price discounting is likely to be pro-competitive and of benefit to consumers. Provided it does not constitute predatory pricing, a retail price cut should not be discouraged.” The report implied that discounting had not affected farm-gate prices, but indicated that the degree to which any losses suffered by processors are passed on to farmers remains a key concern.

Woolworths participated fully in the inquiry and has argued in this and other forums that delivering value to consumers has to be balanced with sustainable return for the producers and that the long-term health of Australia’s farming sector is critical.

In the past year, numerous other Government inquiries impacting Woolworths have been conducted, notably the Productivity Commission’s Inquiry into the Economic Structure and Performance of the Australian Retail Industry (December 2011), the Select Committee on Australia’s Food

Processing Sector (June 2012) and Standing Committee on Agriculture, Resources, Fisheries and Forestry Inquiry into the Constitutional Corporations (Farm Gate to Plate) Bill 2011 and Competition and Consumer Amendment (Horticultural Code of Conduct) Bill 2011 (December 2011). These inquiries provide important opportunities for the Australian community to understand the significant contribution that the retail sector provides to the Australian economy, and specifically for Woolworths to state its position and views on issues of public concern. In all cases, we speak up when the health of the supply chain sectors that are important to our business are potentially impacted or when there is a more direct impact on our company’s operations.

Woolworths has a record of fair dealing that we are proud of. Our vendor trading relationships are governed by policies and procedures which have been in place for a number of years. These policies are founded on principles of fairness and a partnership with our suppliers.

We are proud of our relationship with our suppliers. We are taking a number of measures internally and externally to further strengthen this relationship and to address areas of mutual concern. These include:

- Initiating discussions to develop a consumer goods forum jointly between national retailers, logistics providers and proprietary and own brand manufacturers;
- Working with the Australian Food and Grocery Council (AFGC) and the National Farmers Federation (NFF) to better understand where suppliers costs are and to see what we can do to relieve pressures they are under in the current environment. We have focused on our cost base in order to be more competitive, but we are also asking our suppliers, both domestic and international, to look at their efficiencies so that we can jointly deliver the best prices to consumers.
- Trade partner **Speak Up** program: provides additional means for suppliers to report matters of a serious nature to an external, independent third party channel when normal escalation methods are exhausted or inappropriate. Woolworths is the first major Australian retailer to adopt such a scheme.
- Working in co-operation with, and supporting the National Farmers Federation in the roll-out of their blueprint for the future of Australian agriculture through a series of forums around the country, and providing assistance in developing a charter of fair trading.

In 2011 the Federal Government announced a Green Paper/ White Paper process to develop a National Food Plan. Woolworths has worked with the Federal Government through this consultation and submission process, and consultations concluded on 30 September 2012. Woolworths is working with other major retailers and suppliers to develop a Charter of Fair Trade that can encapsulate the key principles of supplier/retailer business relationship. It is anticipated that this voluntary code will be launched by 2013.

ISSUES OF PUBLIC INTEREST

Woolworths Fresh Food Future program

Woolworths considers it vital that we work with key stakeholders in a way that enhances the sustainability of Australian agriculture and safeguards our nation's future food security.

Woolworths Fresh Food Future program was established in 2007 with the aim to promote sustainable agriculture. The program focuses on two key areas of concern to the sector: skill shortages – attracting young people and talent to farming; and increased productivity and innovation – helping reduce the lag time between innovation developed in R&D and on-farm adoption.

Woolworths has invested more than \$9 million in its Fresh Food Future program since its conception, of which \$6.5 million, in partnership with Landcare Australia, has been invested in 180 projects across Australia to help farmers adopt innovation from research and apply it in practice. The remainder of the funds has been invested in helping the sector develop talent and leadership.

COST OF LIVING

The environment:

- Consumers are increasingly concerned about cost increases across a range of utilities, especially power and water; rising living costs and the impact on quality of life and family life.
- There is particular concern about those who are on fixed or low incomes, such as pensioners and self-funded retirees, and low income families.
- Woolworths 'own brands' are impacted by cost of living/inflation, but consumers want cheaper prices.
- Why are consumer prices dearer in Australia than markets such as the UK and USA?

Our response:

Woolworths is committed to bringing downward pressure on prices in all our operations.

We have continued our campaign in Woolworths Supermarkets and BIG W to reduce shelf prices on thousands of products, and have achieved these price reductions through efficiency gains in our operations and cost of doing business. We have also adjusted the prices across our own brand ranges to ensure they meet or beat branded product. Woolworths own brand products have proven to be a key alternative for families looking for value when shopping, and the range has increased in Australia and New Zealand.

In many key categories, such as food and consumer electronics, consistent price deflation has been the norm and reported to the market by many retailers, which has benefited consumers.

Price conscious customers seeking better value and more affordable choices are on the increase, having grown from 49% in 2009 to 60% in 2012.

More than ever, consumers are able to take advantage of a global marketplace and the tools of trade are becoming increasingly available to do that (refer page 7 Future of Retailing). Multinational brands retailing in the UK and USA are cheaper than Australia because of the size of the domestic markets and the ability of those brands to manufacture cheaply, particularly from Asia, and bulk supply these products into the large consumer markets of Europe and the USA. For Australian retailers, own brand can play an important role in bringing international price parity by offering Australian consumers alternative great quality at affordable prices.

RESPONSIBLE GAMING

The environment:

- Problem gambling is a serious community concern.
- Woolworths' investment in hotels that operate electronic gaming ('poker') machines is under scrutiny from a number of stakeholders, including some shareholders.
- There has been significant coverage of proposed policy responses by the Federal and State Governments and there is some uncertainty about the regulatory environment.
- There is a growth in online gambling alternatives to poker machines.

Our response:

As a diversified business, Woolworths' joint venture with ALH operates 323 hotels – 4% of Australia's total – and we are committed to being the most responsible operator of hotels in Australia.

Our hotels are safe and professionally managed and provide a family friendly environment where more than 300,000 good value meals are served every week in our bistros, restaurants, bars and cafes. Like many other clubs and pubs, our hotels provide gaming machines as part of a diverse entertainment offer.

While we operate just 6% of Australia's poker machines – and machines are just one form of gambling – Woolworths acknowledges it has a shared responsibility, along with the wider industry, governments, communities, families and individuals to minimise the risk of problem gambling.

Woolworths takes this responsibility very seriously and goes well beyond its legal and regulatory obligations to promote responsible gambling. For example:

- We are the first major hotel operator to support voluntary pre-commitment – a system that allows patrons to set limits on how much time and money they intend to spend playing gaming machines, and stick to those limits. By 2014, all gaming machines at our venues will have this system in place;

- In addition to training required by legislation, we provide advanced annual full training in responsible gaming for all hotel managers and key staff;
- Gaming rooms are being screened or separated from other areas of the hotel at all ALH venues;
- We have established partnerships with expert counselling services, such as Gambler's Help, that help our patrons and we contribute financially to organisations involved in alleviating problem gambling; and
- ALH has a comprehensive Hotel and Gaming Charter (see page 24) and conducts rigorous internal and external audits to ensure our hotels are fulfilling their obligations.

AUSTRALIAN SOURCED AND OWNED BRANDS

The environment:

- Consumers want locally sourced goods, particularly groceries, but at lowest price.
- Consumers say country of origin labels are confusing.
- Australian manufacturers are concerned that the big retailers are squeezing out their products and replacing them with own brand at cheaper prices.

Our response:

Woolworths has a commitment to continually demonstrate how we meet our customers' needs.

In packaged groceries and perishables, we stock more than 44,000 lines of which 94% are branded products and 2,500 (6%) are Woolworths Own Brand products. Our business is very much a house of brands, with the widest range of any food retailer in Australia. Our shelves are a reflection of what our customers want to buy.

Own brand provides choice and value to our customers. We give preference to domestic sourcing, especially in Fresh Food, and increasingly in Own Brand groceries. There are 3,490 large and small Australian businesses that supply Woolworths with fresh food.

Our responsibility is to provide consumers with accurate information regarding our products, which includes explaining where products are sourced from and produced. We endeavour to be transparent and open in all communications, and to ensure that our own brand products are clearly labelled. There is no one definitive labelling regime in Australia or internationally, and this is an area which continues to challenge the industry.

Woolworths is very conscious of its obligations under the law and in all areas of fair trading. Our focus is on providing products in a fair and ethical way which meets the demands of our customers.

ALCOHOL REFORM IN NEW ZEALAND

The environment:

- The sale and consumption of alcohol is an important public health issue and there are a range of views in the public domain about the place of alcohol in society, types of social harm caused by alcohol and the most appropriate ways to minimise that harm.
- The introduction of the Alcohol Reform Bill before Parliament which includes reforms to tighten up alcohol laws and reducing availability.
- There continues to be significant community interest and some opposition to new liquor outlets and renewals.

Our response:

Progressive Enterprises believes it has a shared responsibility, along with individuals, governments, families and the community, to prevent alcohol related harm.

In the past year, Progressive Enterprises has critically reviewed its approach to the responsible sale of beer and wine in the context of changing regulatory and community attitudes to the sale of beer and wine. The business affirmed its commitment to be the clear industry leader in the responsible service of beer and wine.

We will continue identifying ways to further encourage and promote the responsible consumption of alcohol by supporting information campaigns on responsible drinking.

Progressive Enterprises actively engaged with Government representatives during the course of the Alcohol Reform Bill's development. The Bill included a number of significant changes for retailers such as restricting supermarkets and grocery stores to displaying alcohol in a single area.

Countdown has begun a nationwide assessment of the impacts of proposed changes and once the law has been enacted we will continue to comply with licensing requirements and undertake any required reconfiguration in a planned and coordinated fashion to ensure we comply with the new legislation.

EARNING TRUST

Earning our customers' trust and respect will be achieved by acting responsibly both inside and outside our stores and enabling our customers to make informed choices. Our customers' values are our values.

Buy and sell responsibly.

Source sustainably and ethically.

Ensure quality and safety.



GOAL



- **MARKET OUR PRODUCTS RESPONSIBLY**
- **WORK WITH OUR SUPPLIERS TO ENSURE WORKERS' RIGHTS ARE RESPECTED**
- **CONTINUE TO RAISE THE BAR ON ANIMAL WELFARE**
- **SOURCE ALL OUR FISH AND SEAFOOD FROM SUSTAINABLE SOURCES**
- **AVOID GM FOODS IN OUR OWN BRANDS**
- **AVOID SOURCING PRACTICES THAT CONTRIBUTE TO DEFORESTATION**
- **RESPONSIBLE SERVICE OF GAMING AND ALCOHOL**

PROGRESS



- Follow our strict charter for ranging alcohol and other marketing practices
- 67.6% of our suppliers were audited for fair treatment of their workers under our Ethical Sourcing policy
- No caged eggs in our Select brand and 98% of our fresh pork supply comes from farms that don't use gestation stalls
- 16 new MSC certified products in our Select brand
- Significantly increased our FSC certified products in Woolworths supermarkets, BIG W and Masters Home Improvement
- Sourced 387 tonnes of sustainable palm oil
- Implemented our Responsible Hotel and Gaming Charter

MORE TO DO



- Review our Ethical Sourcing policy to incorporate lessons learnt from the past 5 years
- Review our Animal Welfare criteria to ensure alignment with our customers' expectations
- Complete the implementation of our Sustainable Seafood Sourcing policy
- Continue implementation of our Sustainable Palm Oil policy for own brand food products
- Become the most responsible gaming operator

MSC (Marine Stewardship Council)
FSC (Forest Stewardship Council)



LABOUR CONDITIONS IN OUR SUPPLY CHAIN

WE WILL WORK WITH OUR SUPPLIERS TO ENSURE WORKERS' RIGHTS ARE RESPECTED

ETHICAL SOURCING

67.6% OF FACTORIES MAKING WOOLWORTHS' BRANDED PRODUCTS WERE AUDITED ON ETHICAL SOURCING STANDARDS

ETHICAL SOURCING

Woolworths is committed to upholding human rights, not only with respect to its own employees but also in its supply chain, and has an Ethical Sourcing Policy which includes four key risk areas: bribery and corruption; labour rights; working conditions; and environmental compliance. The policy is available on our website. Woolworths is also a signatory to the United Nations Global Compact (UNGC). UNGC signatories embrace, support, and enact, within their spheres of influence, a set of core values in the areas of human rights, labour standards, the environment and anti-corruption.

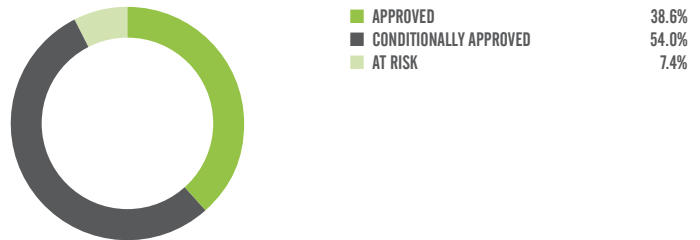
Our policy is based on International Labour Organisation (ILO) conventions and the principles of the United Nations Universal Declaration of Human Rights.

All Woolworths suppliers are expected to comply with requirements of our policy, which is complemented by a compliance audit program predominantly for suppliers of own brand products. 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, high or low in severity.

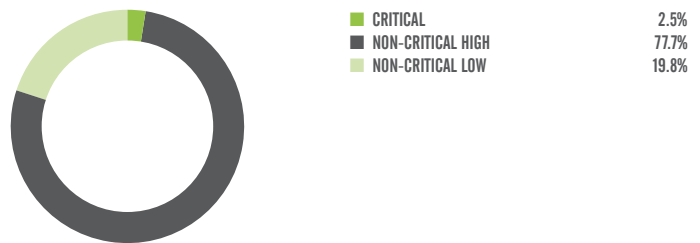
Areas of significant risk deemed to be critical include specific criteria related to child labour, imprisoned and bonded labour, health and safety, or bribery and corruption. Breach of any specific critical criterion will result in a request for immediate resolution or corrective action by the supplier.

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.

AUDIT RESULTS – FACTORY CLASSIFICATIONS IN 2012



AUDIT RESULTS – CORRECTIVE ACTIONS RAISED IN 2011



Of the 2.5% of corrective actions that are categorised as critical, most of these issues are related to staff accommodation areas not being clearly segregated from factory production or material storage areas. Child labour was identified in one factory. The worker was a few months under the working age. We asked the factory to place the worker in a low risk role until the working age requirements were met.

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 the consumer goods supply chains. Through the Global Social Compliance Program, major consumer brands and retailers are working together with civil society to improve working conditions and workers' lives in their supply chains. In 2013, we will commence a review of our current policy and audit program which has been in place for five years to incorporate learnings and developments from the GSCP.



WWW.GSCPNET.COM

ANIMAL WELFARE
 WE WILL CONTINUE TO RAISE THE BAR FOR
 ANIMAL WELFARE IN OUR SUPPLY CHAIN

98%

OF OUR FRESH PORK
 SUPPLY COMES FROM
 GESTATION STALL FREE
 ENVIRONMENT.



ANIMAL WELFARE

We continue to work closely with our suppliers, certification bodies and industry experts to help ensure that our standards, procedures and practices are in keeping with the community's expectations.

Our approach to animal welfare is monitored through the Woolworths Quality Assurance program. All vendors supplying own brand products to Woolworths are required to participate in the program and to meet our standards, and are audited by third-party certification bodies.

PORK

98% of our fresh pork supply comes from gestation stall free environment. We are working towards removing all gestation stalls by mid 2013.

EGGS

Free-range eggs continue to grow in sales in Australian Supermarkets. Caged eggs constitute 55% of all egg sales, which was an 8.1% decrease in volume compared to 2011. Our Select and Macro branded eggs are only free-range or barn-laid.

SALES GROWTH FOR ANIMAL WELFARE PRODUCTS (SUPERMARKETS AUSTRALIA)

	PERCENTAGE INCREASE OF VOLUMES IN 2011 (%)	PERCENTAGE INCREASE OF VOLUMES IN 2012 (%)	PERCENTAGE OF TOTAL CATEGORY OF VOLUMES IN 2012 (%)
Free range chicken (Macro meat)	35.0	25.1	14.2
Free range chicken (Macro deli)	212.8	10.1	2.3
Free range eggs	12.8	20.9	33.4
Barn laid eggs	8.7	-7.1	9.9
Organic Macro meat	36.4	24.8	1.0

FAIRTRADE

WE WILL REMAIN A POPULAR DESTINATION FOR FAIRTRADE CERTIFIED PRODUCTS

The demand for Fairtrade Certified products has steadily increased in recent years and our supermarkets range a number of Fairtrade Certified brands in tea, coffee and chocolate categories.

In our Macro brand, we launched Fairtrade Certified coffee and drinking chocolate during the year.

A survey commissioned by Fairtrade Australia New Zealand in July 2012 found that Woolworths was identified as the most regular place customers bought Fairtrade certified products.

OUR STORES ARE THE MOST REGULAR PLACES OF PURCHASE FOR AUSTRALIANS BUYING FAIRTRADE CERTIFIED PRODUCTS.



Fairtrade is about better prices, decent working conditions, local sustainability, and fair terms of trade for farmers and workers in the developing world.

www.fairtrade.com.au

PLACE OF REGULAR PURCHASE



	FAIRTRADE (N = 407) %	RAINFOREST ALLIANCE (N = 365) %	UTZ-CERTIFIED* (N + 57) %
Woolworths	34	29	26
Coles	25	20	26
Oxfam Shops	16	4	0
IGA	8	5	17
Other Café	4	2	3
McDonald's	4	14	2
Gloria Jeans	4	21	6
Convenience Store	3	7	3
Starbucks	3	2	0
Wild Bean Café	2	3	3
Coffee Club	2	5	2
Tomax Dux	1	1	3
Other Retailer [Please specify]	7	2	1
Can't remember	27	26	36

FISH AND SEAFOOD

ALL OUR FISH AND SEAFOOD WILL COME FROM SUSTAINABLE SOURCES

Woolworths' long-term goal is to have all our wild-caught seafood sourced from fisheries certified to Marine Stewardship Council (MSC) standards (or equivalent). For farmed seafood, our aim is to have all the products certified sustainable by credible third party certification schemes by 2015. Our detailed policy is available on our website www.woolworths.com.au/sustainableseafood.



The MSC ecolabel and fishery certification program recognises sustainable fishing practices and provides credible information to help people make sustainable choices when buying seafood.

WWW.MSC.ORG

Certification takes time and resources and we will work with our suppliers and other stakeholders to achieve our goal. Meanwhile, we have partnered with Sustainable Fisheries Partnership (SFP) to assess the sustainability of the species we range and the source fisheries. SFP's assessments are based on scientific evidence, independently conducted and transparent. The assessment methodology, results and sustainability ratings are publicly available on SFP's website www.fishsource.org.

In 2012:

- In our Select brand, we introduced 16 lines of MSC certified products in our canned tuna and salmon range as well as the frozen ready meals range.
- We provided funding for Northern Prawn Fisheries (NPF) to help with the cost of MSC certification. NPF is aiming to achieve certification by the end of this year. This means we will be able to offer our customers MSC certified banana prawns for Christmas.
- SFP assessed 44% of wild-caught fish sold in our stores and assessments for another 26% are currently being completed.



GENETICALLY MODIFIED (GM) FOODS
WE ARE COMMITTED TO AVOIDING GM INGREDIENTS
AND CLEAR AND TRANSPARENT LABELLING

Woolworths is fully committed to food quality and safety and we know that our customers expect food labelling and advertising to be clear and accurate.

Woolworths is committed to meeting very high standards through:

- A standard policy of avoiding genetically modified (GM) material in our own brand food range;
- Requiring suppliers to declare GM ingredients at product development stage and replacing the GM ingredients;
- Contractually binding all suppliers to adhere to agreed product specifications and not changing any ingredients without our consent; and
- Complying with all relevant national, state and territory food standards.

Woolworths also fully complies with the Food Standards Australia New Zealand prescribed mandatory labelling requirements for GM foods. These standards recognise the possibility of unintentional minor traces of GM material to be present and therefore don't require labelling if there is an unintentional trace of less than 1% of an ingredient.

Under these standards, Woolworths has had no own brand products labelled with GM ingredients in the last year. However, to ensure we are absolutely correct with our labelling, we do not use the term 'GM-free' or 'genetically engineered-free', because it is not possible to give an absolute guarantee that there could never be such an unintentional, minor trace of GM material. While continuing to stress our requirements to avoid GM material, we acknowledge that we are unable to give an absolute guarantee that all stock feed used in the supply chain is completely GM free.

FORESTS
BY 2020, OUR OWN BRAND PRODUCTS WON'T
CONTRIBUTE TO GLOBAL DEFORESTATION

As a member of The Consumer Goods Forum (CGF), a global industry network that brings together the CEOs of major global retailers and consumer brand owners, Woolworths is a signatory to the CGF Board resolution to achieve zero net deforestation through the consumer goods supply chain by 2020 through sourcing commodities like palm oil, soya, beef, paper and board in a sustainable fashion.

Paper and timber products

Woolworths is making substantial progress in sustainably sourcing paper and timber products.

- 100% of our own brand tissues, toilet paper and kitchen towels are sourced from third party certified sustainable sources.
- All outdoor furniture sold at BIG W is sourced from sustainably managed sources certified by the Forest Stewardship Council (FSC).
- 41.4% of timber and panel products sold by Masters are sourced from sustainably managed forests certified by the Forest Stewardship Council (FSC) and 2.3% sourced from the Programme for the Endorsement of Forest Certification (PEFC).
- 100% of copy paper, 457,250 reams, used in our Australian businesses are from sustainably managed sources certified by FSC.
- 100% of our catalogue paper, 1.15 billion catalogues (weighing 55,280 tonnes), are sourced from sustainably managed sources certified by PEFC.





Palm Oil

Woolworths is committed to sourcing only Roundtable on Sustainable Palm Oil (RSPO) certified sustainable palm oil by 2015 for all Woolworths own brand products. We are clearly labelling use of palm oil in our products so our customers can make informed choices. 85% of Supermarkets own brand products that use palm oil are labelled with palm oil in the ingredients list.

We used 4,350 tonnes of palm oil in 2012; including 387 tonnes of RSPO approved certified sustainable palm oil.



HOW DO WE CHECK THAT OUR REQUIREMENTS ARE MET?

Woolworths has a comprehensive Quality Assurance (QA) process in place which includes food safety, product safety, sustainable and ethical sourcing and accurate labelling criteria. All own brand, fresh food and exclusive brand products sold under the Woolworths banner in Australia and New Zealand are governed by a comprehensive process which ensures we meet all regulatory requirements and all own requirements.

Product packaging and labelling for our own 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, environmental and country of origin claims are correct, properly verified and described in a way that does not mislead our customers or the general public.

RESPONSIBLE SERVICE

RESPONSIBLE SERVICE OF GAMING

AS A DIVERSIFIED BUSINESS, WOOLWORTHS' JOINT VENTURE WITH ALH OPERATES 323 HOTELS – 4% OF AUSTRALIA'S TOTAL HOTELS AND JUST 6% OF POKER MACHINES – AND WE ARE COMMITTED TO BEING THE MOST RESPONSIBLE OPERATOR OF HOTELS IN AUSTRALIA.

IN JANUARY 2012, ALH WAS AWARDED THE SOCIALLY RESPONSIBLE OPERATOR OF THE YEAR AT THE INTERNATIONAL GAMING AWARDS.



ALH Responsible Hotel and Gaming Charter

- 1 We provide a safe, friendly environment in which all hotel customers can socialise and enjoy themselves in a good atmosphere*
- 2 We provide good value, good quality meals and family friendly dining experiences*
- 3 We believe we have a shared responsibility, along with individuals, families, communities and governments, to ensure responsible behaviour*
- 4 We do not conduct promotions which encourage irresponsible drinking*
- 5 We restrict gaming room access to adults and ensure gaming rooms are screened or separated from other areas of the hotel, so as to not to attract children*
- 6 We were the first national hotel operator to support voluntary pre-commitment – a system that helps players stick to their limit by nominating maximum spending or time limits on gaming machines. This system will be implemented at all ALH Hotels by 2014*
- 7 We train our staff to be aware of behaviour that may indicate gambling problems and to provide appropriate patron support. We require all ALH hotel managers to complete additional advanced responsible gaming training*
- 8 We partner with expert groups and specialists who can help staff and patrons deal with problem gambling, including Gambler's Help (Australia's leading professional counselling service) and The Salvation Army*
- 9 We ensure that ATM machines, where approved, are provided for the convenience of all patrons in a safe, central location and not in gaming areas*
- 10 We support local communities in numerous ways, including working with charities to raise money through our hotels*
- 11 We conduct internal and external audits to ensure we deliver on our commitment to be Australia's most responsible operator of hotels*

Responsible service of alcohol

As a responsible liquor retailer, Woolworths goes beyond regulatory compliance with a strict set of processes and procedures that govern all aspects of our liquor operations to help protect individuals and society from the harm caused by excessive alcohol consumption.

All Woolworths Liquor Group staff Australia-wide are trained in Responsible Service of Alcohol and regular refresher training occurs. Compliance with responsible service and licensing is assessed in annual audits of our licensed outlets.

To limit the risk of selling alcohol to underage customers, or to people supplying them, we continue to apply the ID25 policy, which requires staff to ask customers for identification if they appear to be aged 25 or younger. The 'Don't buy it for them' point of sale campaign provides awareness on the dangers of secondary supply of alcohol to minors.

Woolworths continues to participate with police, local councils and community groups in initiatives to advocate responsible drinking.

In 2012, 559 licensed Woolworths venues had made a commitment to local liquor accords. Commitment to these accords involved an estimated \$518,000 in wages and 16,770 labour hours to attend local liquor accords.

RESPONSIBLE MARKETING

ALCOHOL

WOOLWORTHS LIQUOR GROUP IS A CONTRIBUTING MEMBER OF DRINKWISE – AN ORGANISATION DEDICATED TO THE ACHIEVEMENT OF A MORE RESPONSIBLE DRINKING CULTURE IN AUSTRALIA. WE SUPPORT DRINKWISE SOCIAL MARKETING CAMPAIGNS THROUGH POINT OF SALE MATERIAL IN OUR STORES.

OUR CHARTER FOR RANGING ALCOHOL IN OUR STORES INCLUDES 10 PRINCIPLES ON WHICH WE ASSESS ANY ALCOHOLIC OR ALCOHOL BRANDED PRODUCTS BEFORE CONSIDERING THEM FOR SALE. THESE PRINCIPLES SEND A STRONG MESSAGE AGAINST PRODUCTS THAT TARGET MINORS OR ENCOURAGE IRRESPONSIBLE DRINKING.

Our Charter for ranging alcohol in our stores

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 products containing more than two standard drinks per single serve container will not be ranged by Woolworths Liquor Group.

Advertising

Engaging in responsible marketing and advertising practices is a key issue and expectation of our stakeholders and it features prominently this year in our survey of consumers and staff on issues important to them. This is a high priority area for Woolworths and across our businesses we continue to apply the highest standards and the necessary checks and balances to ensure that our advertising is not misleading or in breach of any regulatory requirement or community standard. There are a number of areas where we pay particular attention:

Product labelling: to provide transparent, easily understood, specific and accurate information.

Truthfulness: to ensure that the information relayed through all our advertisements is accurate and truthful and not misleading.

Time-sensitive: to be sensitive to time habits of viewers, in particular when advertising during children's programs.

Age-appropriate: to ensure, based on strict internal guidelines, that no advertising/promotion of alcohol is directed to minors.

Healthy Food Choices

Woolworths continues to reduce salt, saturated fat, fat and sugar in our own brand products and we continue to provide clear nutritional information, enabling our customers to make informed choices.

We are aiming to eliminate artificial colours, flavours and preservatives from our own brands.

We are actively involved in the Food & Health Dialogue with work currently being undertaken in the following categories for Woolworths' products: Breads, Ready to Eat Breakfast Cereals, Simmer Sauces, Processed Meats, Soups and Savoury Pies.

We are also working with HeartSAFE NZ, an industry-led initiative facilitated by the New Zealand Heart Foundation, to support the continued reduction of sodium in manufactured foods in New Zealand. Work is being done in the following categories for Woolworths' products: Breads, Breakfast Cereals and Processed Meat.

Woolworths is a member of the Allergen Collaboration in Australia, a working group designed to increase awareness, communication and understanding of food allergens among consumers susceptible to allergies and their effective management across all food industry sectors. Members include food manufacturing representatives, consumer representatives, FSANZ and other government representatives.



SERVING OUR COMMUNITY

Our community partnerships and investment are relevant to our core businesses, meet community expectations and are supported by our customers and employees. We regularly review our investment and partnerships to ensure we deliver shared value to our business and to the communities we serve.



Our strategic Priorities

SUPERMARKETS AUSTRALIA

- Supporting our local communities
- Health & Food
- Supporting Australian Farming & Production
- Helping Australians with sustainable choices

SUPERMARKETS NEW ZEALAND

- Supporting our local communities
- Health & Food

BIG W

- Supporting children's health

Woolworths Limited believes strongly that corporate leadership in the community is demonstrated by doing the right thing, being involved through our people and investing to create a positive impact for both the community and the business.

2012

\$36.6M

In 2012, Woolworths Limited contributed the equivalent of \$36.6 million in our communities:

- \$8.6 million cash
- \$14.8 million leverage
- \$3.2 million in-kind
- \$10.0 million staff and management time

	COMMUNITY INVESTMENT EXCLUDING EMERGENCY RELIEF FOR NATURAL DISASTERS	COMMUNITY INVESTMENT – EMERGENCY RELIEF FOR NATURAL DISASTERS
2010	\$36.30	\$0.07
2011	\$40.83	\$21.48*
2012	\$36.60	NA

* Floods and cyclone - Queensland, earthquakes - New Zealand. NA - no natural disasters occurred during the reporting period.



OUR TARGET

We have a target of the equivalent of 1% of pre-tax profits going towards supporting our communities. Our businesses achieve this by supporting organisations, programs and initiatives in our core focus areas in a manner that is relevant to their business objectives, strengths and skills.

Woolworths Limited is an active member of the London Benchmark Group (LBG). The LBG provides a process for measuring, benchmarking and reporting our investments, with transparency in Australia and New Zealand. For more information, go to www.lbg-australia.com.

WOOLWORTHS LIQUOR

- Responsible drinking awareness and education
- Supporting Australian service personnel and their families

WOOLWORTHS PETROL

- Road safety

MASTERS

- Supporting our local communities
- Men’s wellbeing

ALH

- Supporting our local communities
- Responsible gaming

Opportunity – Education and employment

Emergency response for natural disasters

SERVING OUR COMMUNITY

OUR PROGRAMS

PROGRAMS UNDERTAKEN BY EACH OF OUR BRANDS ALIGN CLOSELY TO THEIR STRATEGIC PRIORITIES

4M

MEALS WORTH OF FOOD DONATED TO FOOD RELIEF ORGANISATIONS, WORTH MORE THAN \$3 MILLION

WOOLWORTHS SUPERMARKETS

Local communities

Community BBQ's

Our supermarkets' Community BBQ facilities have been used to hold 2,536 local fundraising events at our 870 stores around the country for their local schools, community groups and other local charities raising \$757,800.

Earn and Learn

In 2012, Woolworths supermarkets launched a new community program called Earn and Learn. The program was designed to help primary and secondary schools acquire vitally needed educational equipment and resources. By collecting shopping dockets schools were awarded points per \$10 spend. These were

redeemable for over 7,000 items, including science, maths, arts & craft, music, IT or other equipment.

We donated \$4.5 million worth of resources to more than 6,900 schools that participated across Australia.

Health and Food

Fresh Food Kids Hospital Appeal

Thanks to the generosity of our customers and commitment of our staff, \$7,690,320 was raised for the Woolworths Fresh Food Kids Hospital Appeal in 2012. These funds will help children's hospitals and children's wards around Australia.

Fresh Food Rescue

Woolworths has a proud record of food donation in partnership with food relief organisations in Australia and New Zealand. We work with many food relief charities that collect food from our stores and provide nutritious meals for people in need in our communities. Organisations that collect from our stores include Foodbank, OzHarvest, SecondBite, FareShare, Churchlands, House of Hope and The Salvation Army.

Supporting Australian Farming and Production

Fresh Food Future program

The United Nations Food and Agriculture Organisation (UNFAO) estimates that feeding a global population that is projected to reach 9.1 billion in 2050 would require a 70% increase in food production. The UNFAO projections indicate that 90% of the gains in production needed will be achieved by increasing yield growth and cropping intensity on existing farmlands rather than by increasing the amount of land brought under agricultural production.¹

Fresh Food Future Program – overview

OBJECTIVES

- Advancing farming innovation, productivity and sustainability – grow more food with less
- Supporting the next generation of farmers and industry leaders

INVESTMENTS

- Total investment of \$9 million since 2007
- \$6.6 million to support over 180 projects around Australia in partnership with Landcare; \$500,000 through our Fresh Food grants for suppliers
- \$1.6 million with several partners all working on attracting and retaining talent and developing leadership

The challenge of boosting crop yields is made more pressing by climate change. In Australia, there is the additional concern of the ageing of the farm population which has been evident in official statistics in Australia since 1981.²

Our Fresh Food Future program aims to contribute to developing solutions for these challenges and it reaffirms our commitment to investing in the future of rural Australia and food security.

Fresh Food Future draws together a number of initiatives to address two main objectives with the help and guidance of our trusted partners:

- Advancing farming innovation, productivity and long-term sustainability; and
- Supporting the next generation of farmers and industry leaders.

Advancing farming innovation, productivity and sustainability
Landcare Australia

Woolworths has partnered with Landcare Australia since 2007 to support and promote farming innovation, productivity and sustainability. Through our partnership with Landcare Australia we have provided financial support to more than 180 projects around Australia focusing on innovation, increased efficiency, reducing input costs, increased productivity and long-term sustainability.

1 *How to Feed the World in 2050 was the theme of the UN Food and Agriculture Organisation's (FAO) expert forum in October 2009.*
2 Garnaut @ Helali 1999.

A wide range of issues have been addressed including water and fertiliser efficiency and cost reduction, improved grazing management in beef production, better climate adaptation responses in mixed farming, new crop and orchard species, evaluation of low-rainfall pasture cultivars, efficient fertiliser use, cereal stubble management, improved fallow efficiency in dryland cropping, precision agriculture and carbon mitigation in horticulture.

Supporting the next generation of farmers and industry leaders
Woolworths Agricultural Business Scholarships

Since 2007, in partnership with the Royal Agriculture Society of NSW, every year Woolworths has offered 30 young Australians the opportunity to attend the Woolworths Agricultural Business Scholarship program. In 2012, \$140,000 was invested in this program. The 12-day course at the Woolworths support office in north-west Sydney gives participants valuable insights into key issues and opportunities on the business of agriculture from academics, Woolworths' business leaders and other industry experts.

Horizon Studentship program

Woolworths funded \$11,000 for one participant in this program run by the Rural Industries Research and Development Corporation. The studentship offers the undergraduate student financial support and a mentor who can provide valuable career advice. Under the program, we offer relevant industry placements to gain experience in the student's chosen field of study.

Primary Industry Centre for Science Education (PICSE)

In partnership with PICSE, we promote agricultural sciences as part of the secondary school curriculum. We provided \$68,000 in support of this program.

Australian Rural Leadership Foundation

Woolworths has been a long-term supporter of the Australian Rural Leadership Foundation, funding one scholarship annually. In 2012, we provided one scholarship to the value of \$50,000. The Foundation is committed to enhancing the nation's social, economic and environmental viability and resilience. To this end, it provides leadership programs for individuals, businesses, communities and organisations that have a commitment to rural, regional and remote Australia.

Nuffield Australia Farming Scholarships

Woolworths funds one Nuffield scholar every year. In 2012, we funded an additional scholarship in partnership with the Fisheries Research and Development Corporation, a total contribution of \$75,000.

Nuffield Australia is a prestigious professional development program that provides scholarships to primary producers with the objective to increase practical farming knowledge and management skills and techniques in the primary production sector. These scholarships give Australian farmers the opportunity to study farming practices in New Zealand, Europe, Asia and the Americas and those countries best suited to the scholar's area of study.

KEY PARTNERS



SERVING OUR COMMUNITY

"ON BEHALF OF THE SALVATION ARMY, WE EXPRESS OUR SINCERE THANKS TO COUNTDOWN FOR THEIR FOOD RESCUE PROGRAMME PARTNERSHIP INITIATIVE. BECAUSE OF THEIR INVOLVEMENT, WE ARE ABLE TO PROVIDE A RANGE OF GOODS TO KIWIS IN NEED THAT WE SIMPLY COULDN'T HAVE PROVIDED WITHOUT THEIR SUPPORT. IT'S A PARTNERSHIP THAT FEELS RIGHT. THE PARTNERSHIP BETWEEN THE SALVATION ARMY AND COUNTDOWN WILL PROVIDE MUCH NEEDED FOOD ITEMS TO HELP ALLEVIATE FURTHER HARDSHIP AS A RISING NUMBER OF NEW ZEALANDERS DEAL WITH INCREASING FINANCIAL AND SOCIAL PROBLEMS."

SHANE CHISHOLM
TERRITORIAL PUBLIC RELATIONS DIRECTOR, THE SALVATION ARMY



WOOLWORTHS NEW ZEALAND (PROGRESSIVE ENTERPRISES)

Countdown community partnering

Countdown is the flagship brand of Progressive Enterprises, Woolworths' New Zealand supermarket subsidiary. For many years, Countdown has donated food, that it can no longer sell, to charities that support New Zealanders in need. In late 2011, Countdown took this commitment to a new level with the formalisation of an ongoing partnership with the Salvation Army to launch the Countdown Food Rescue program. To launch the program, Countdown also donated \$80,000 worth of food to The Salvation Army to help create more than 1,000 food parcels for New Zealanders in need at Christmas.

There are now over 125 Countdown stores with formalised ongoing partnerships with their local Salvation Army centres, working together to ensure that surplus groceries are put to good use and go to the people who need them most. In addition, Countdown has formed partnerships with other charities including o8oo Hungry in Christchurch and Fair Food in West Auckland which now collect perishable products such as produce, bread and other bakery items. Through Countdown Food Rescue, the team is working hard to ensure not a grain of food goes to waste whilst actively contributing towards our zero food waste goal.

BIG W

Children's health

Children's health is a priority focus area for our customers and staff at BIG W. Our stores run a number of fundraising activities during the year to raise much needed funds for various children's health initiatives.

BIG W has supported the Big Heart Appeal Respiratory Research Program since 2003 and donated \$862,500 in 2012. Among other charities supported by BIG W in 2012 were Starlight Foundation, Red Nose Day for SIDS & Kids and Jeans for Genes Day for the Children's Medical Research Institute.

WOOLWORTHS LIQUOR GROUP

Responsible drinking

Woolworths is a contributing member of DrinkWise, an organisation dedicated to bringing about positive changes to Australia's drinking culture through education and social marketing campaigns. DrinkWise was responsible for the acclaimed 'Kids absorb your drinking' campaign.

In 2012, 559 licensed Woolworths venues had made a commitment to local liquor accords. Commitment to these accords involved an estimated \$518,000 in wages and 16,770 labour hours to attend local liquor accords.

Supporting Australian service personnel and their families

BWS and Dan Murphy's have partnered with Legacy to assist Legacy to provide practical support for the work it does in caring for the families of Australia's deceased Veterans. Today, Legacy's caring and compassionate service assists more than 100,000 widows and 1,900 children and dependants with a disability.

In 2012, we contributed more than \$190,000 to help Legacy with its work.



WOOLWORTHS PETROL

Safe driving

Woolworths Petrol team is developing a community partnership with Bstreetsmart, a Road Safety Education initiative of the Trauma Service of Westmead Hospital in New South Wales. The program's purpose is to reduce the fatality and injury rates of young people, aged 15-30 years, by promoting safe behaviour as drivers, riders and passengers.

We are currently working with Bstreetsmart to develop a partnership agreement.

ALH GROUP

Supporting local communities

ALH hotels are part of the community and provide a meeting place for most communities, in particular in regional towns, where there is a long tradition of the role of the local 'pub' in community life. The company regularly initiates and sponsors fundraising activities for local charity and community service groups, schools, and a wide range of other worthy causes. In 2012, our hotels donated \$540,000 in cash and raised \$430,000 for local community groups and other charities.

Responsible gaming

AHL Group is committed to being the most responsible operator of hotels in Australia, and acknowledges it has a shared responsibility, along with the wider industry, governments, communities, families and individuals, to minimise the risk of problem gambling. We have established partnerships with expert counselling services, such as Gambler's Help and charitable organisations like The Salvation Army, that help our patrons; and we contribute substantial amounts to organisations involved in alleviating problem gambling.

In 2012, ALH Group contributed \$161,000 to responsible gambling awareness programs.

MASTERS HOME IMPROVEMENT

Local community

Our Masters stores help local community groups and charities with fundraising events at our stores around the country.

Men's Sheds Australia

Men's Sheds is an Australia-wide organisation, with community-based branches across the country, which focuses on providing a safe and supportive environment where men are welcome to work on a project of their choice in their own time and where the only 'must' is to observe safe work practices ... all in the spirit of 'mateship'. The program, which has a long tradition in Australia, allows men to make new friends, learn and explore workshop skills and become involved in the community. A major objective is to advance the wellbeing and health of their male members.

Our Masters stores provide assistance to Men's Sheds by providing items for their projects at a discount.



EMERGENCY RELIEF FOR NATURAL DISASTERS

Woolworths has a history of giving generously to support those affected by natural disasters. Whether donations are from the business, customers or staff, Woolworths ensures that all donations are going to credible organisations that are able to support those in need and react quickly to natural disasters.

The Salvation Army is our official partner in the case of domestic natural disasters in Australia and New Zealand. Oxfam Australia is our official partner in the event of natural disasters in our region.

Woolworths supermarkets and their customers donated \$38,000 to support Oxfam in its relief efforts on food crisis in East Africa and \$500,000 for The Salvation Army to continue supporting their work in rebuilding lives after last year's floods.

USING RESOURCES WISELY



RESOURCES EFFICIENCY

	2010	2011	2012
Carbon intensity (t CO ₂ -e/\$m EBIT) ¹	956	881	962
Energy intensity (GJ/\$m EBIT) ²	3,497	3,325	3,685
Water intensity (kL/\$m EBIT)	586	560	685
Waste intensity (T/\$m EBIT)	48	45	43

¹ Scope 1 and 2 emissions only, from stationary energy sources.

² Energy from stationary sources.



GOAL



- **MINIMISING OUR CARBON FOOTPRINT TO STRENGTHEN OUR ABILITY TO SUPPLY LOW PRICE FRESH PRODUCE TO OUR CUSTOMERS**
- **FINDING COST-EFFECTIVE WAYS TO REDUCE PACKAGING AND MINIMISE WASTE FROM OWN BRAND PRODUCTS**
- **ZERO FOOD WASTE TO LANDFILL BY 2015**

PROGRESS



- 16.5% reduction in carbon emissions compared to our original projected growth emissions for 2012
- 25.6% reduction in carbon emissions per carton delivered
- Baseline data collected on packaging for 1,186 private label products, which accounts for 28.1% of sales volume in Supermarket's Own Brand
- Prevented 8,390 tonnes of food from going to landfill through donations to food relief organisations, and diverting food waste to composting and energy generation

MORE TO DO



- Continue investment in energy efficient and low carbon technology
- Conduct further review of Own Brand products and implement measurable innovation in packaging sustainability
- Maximise cost effective options for reducing food waste and developing new diversion programs



USING RESOURCES WISELY



CLIMATE CHANGE

Why is this material to our business?

The Materiality Assessment indicated that carbon emissions and environmental impacts are material to the business and that the company has established management practices in place to address these issues.

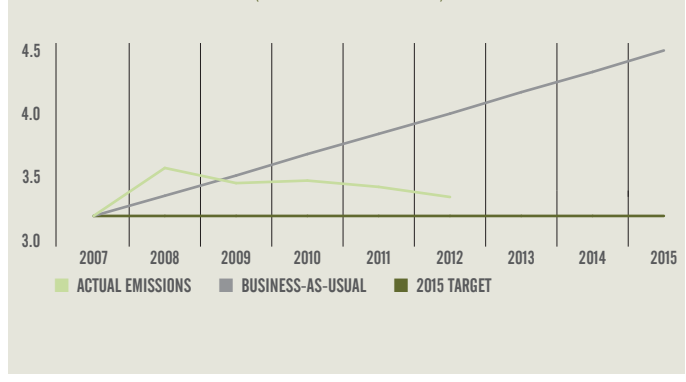
What is our commitment?

In summary, our commitments and targets are:

Facilities

- Reduce our CO₂-e emissions by 40% by 2015 (from projected growth levels), bringing our emissions back to 2006-07 levels.
- Achieve 25% reduction in CO₂-e emissions per square metre for new sustainable store designs compared with business-as-usual designs.

TOTAL EMISSIONS FROM FACILITIES (MILLION TONNES OF CO₂-E)



Transport

- Reduce CO₂-e emissions per carton delivered by Woolworths owned trucks by 25% by 2012.
- Reduce CO₂-e emissions from company car fleet of 3,100 cars by 30% by 2010.

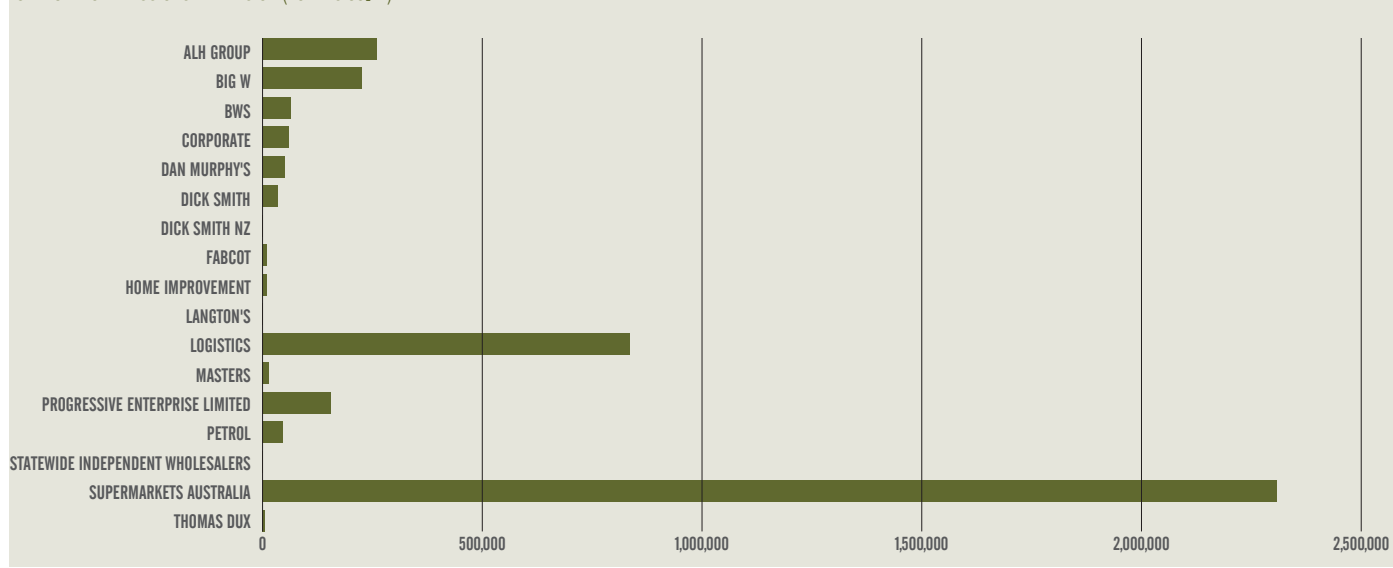
Our 2012 performance

Our total carbon emissions in Australia and New Zealand were 4.09 Mt, remaining static for a third straight year. Despite the company's growth in sales (4.7%) and store numbers (2.7%), emissions were controlled through improved energy efficiency and reduction in waste.

Facilities

Emissions from our facilities totalled 3.34 Mt in 2012, which is a 2.3% reduction in emissions compared to the previous year. Woolworths has more than 100 active energy efficiency projects, addressing areas of refrigeration, air conditioning, lighting and general power.

TOTAL CARBON EMISSIONS BY DIVISION (TONNES CO₂-E)



LOWER CARBON EMISSIONS

16.5% ▼
 COMPARED TO BUSINESS-AS-USUAL PROJECTIONS

LOWER CARBON EMISSIONS

37.2% ▼
 PER SQUARE METRE FLOOR SPACE FOR NEW SUPERMARKETS BUILT IN AUSTRALIA, COMPARED TO STORES BUILT IN 2008

ESTIMATED OPERATIONAL COST SAVINGS

\$110.9M
 BY 2015, FROM \$66.5 MILLION INVESTED IN ENERGY EFFICIENCY SINCE 2009



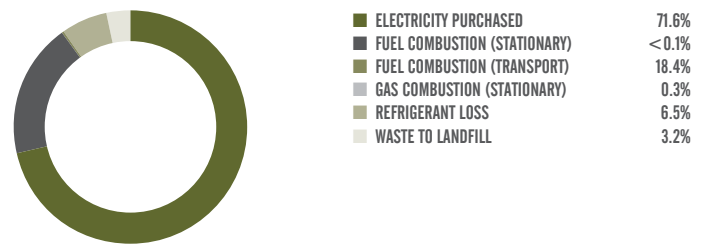
Supermarkets Australia, BIG W, Dan Murphy's, BWS, Petrol and Dick Smith all benefit from these initiatives. Project CO₂, which focuses on the refrigeration fit-out in new stores and existing store refurbishments, continues to be the main initiative to deliver reductions in energy use, carbon emissions and operational costs for Supermarkets.

Improved lighting plans for Supermarkets, BIG W and Dan Murphy's include selective use of LED lights and T₅ fluorescent lamps to deliver energy savings and still meet safety needs for staff and customers and retail needs for illuminating products on shelves.

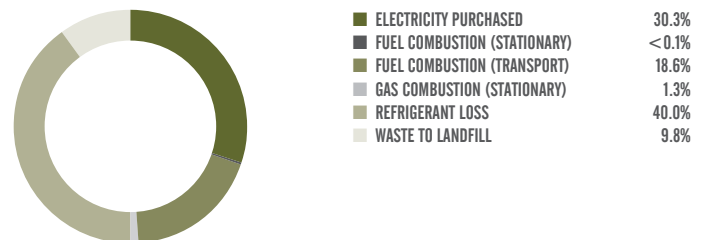
Renewable energy

The two photovoltaic systems at Petrol sites in Hume and Belconnen in the Australian Capital Territory generated 80,269 kWh, reducing carbon emissions by 86 tonnes - the same as taking 20 cars off the road.

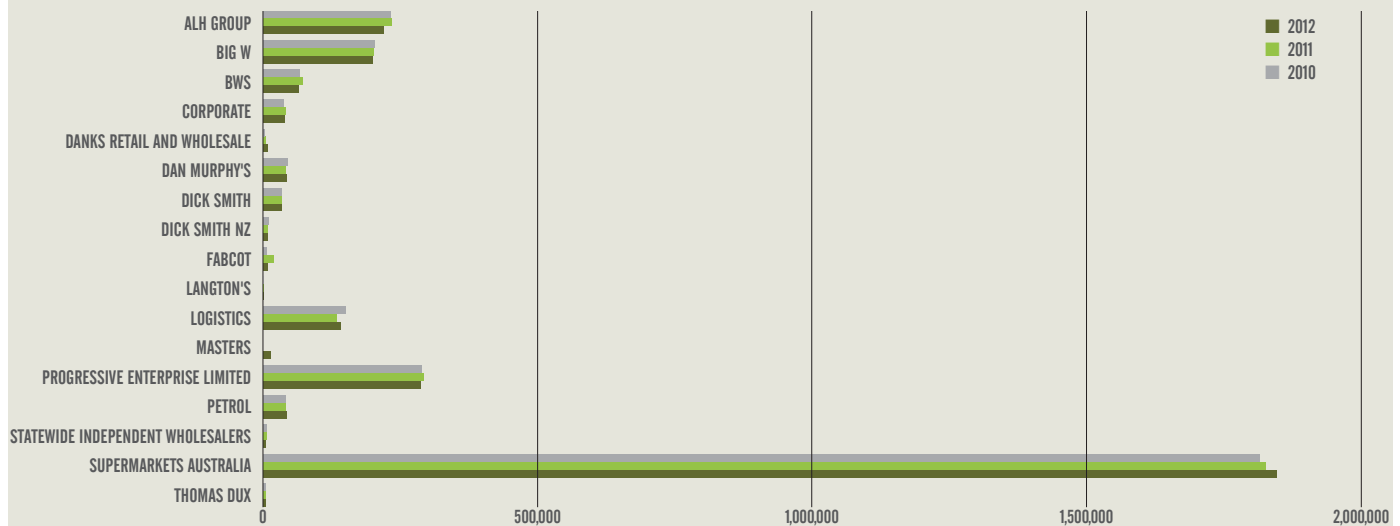
TOTAL EMISSIONS BY SOURCE – AUSTRALIA



TOTAL EMISSIONS BY SOURCE – NEW ZEALAND



ELECTRICITY USE (MWH)



USING RESOURCES WISELY

LOWER CARBON EMISSIONS

25.6% ▼

PER CARTON DELIVERED FROM WOOLWORTHS-OWNED TRUCKS. WOOLWORTHS HAS ACHIEVED ONE OF ITS KEY SUSTAINABILITY TARGETS

LOWER CARBON EMISSIONS

31% ▼

FROM COMPANY CARS COMPARED TO 2007. CALCULATED ON BASELINE FLEET OF 3,100 VEHICLES

BODIESEL

5+ ML

OF BODIESEL MADE FROM WASTE TALLOW AND OIL USED BY OUR TRUCKS



Transport

Through innovation in load planning, network optimisation, new prime movers and the predominant use of biodiesel made from waste materials, the Woolworths-owned logistics fleet has achieved a key sustainability target, reducing carbon emissions per carton delivered by 25.6%.

Woolworths continues to set a high standard for the performance of its company car fleet. Absolute carbon emissions have reduced by 2,592 tonnes, or the equivalent of taking 603 vehicles off the road, despite the fleet being 28.8% larger than projected.

99.8% of the Australian car fleet (excluding ALH and Danks) has converted to the new fleet of diesel and hybrid vehicles.

WATER

Why is this material to our business?

Water is used throughout the business and Woolworths takes responsibility for using this resource in an efficient manner. Water is more material to our supply chain, where we depend on Australian farmers for reliable supplies of fresh food.

What is our commitment?

Our main target for water was:

- Reduce water use by 200 million litres a year by 2010.

Our 2012 performance

Australian supermarkets used an estimated 2.08 GL of water (estimate calculated based on metered water use data for 13% of our supermarkets).

Due to the importance of water in the supply chain Woolworths' Fresh Food Future program, in partnership with Landcare Australia, has funded projects that have improved water efficiency and the understanding of water usage in food production.

Bratasha Farm, in Queensland, has been a supplier to Woolworths since its establishment almost two decades ago and currently supplies Asian vegetables, baby cos lettuce and shallots through a hydroponic system. Funding from the program enabled the installation of a water storage tank and world-leading water treatment technology. Water will now be reused two or three times, saving an estimated 7 million litres, and fertiliser use is expected to be reduced by 30 to 40%.

EMISSIONS FROM OUR OWN TRUCKS (gCO₂-E/CARTON DELIVERED)

FY07	117
FY08	116
FY09	109
FY10	106
FY11	98
FY12	87

WATER SAVINGS FROM WATER WISE PROJECT – ANNUAL SAVINGS (ML)

FY08	44
FY09	172
FY10	302
FY11	317
FY12	208

WATER EFFICIENCY

208ML

OF WATER SAVED
THROUGH WATER
EFFICIENT EQUIPMENT

RAINWATER HARVESTED

23.2ML

RAINWATER HARVESTED
AT SYDNEY AND WYONG
REGIONAL DISTRIBUTION
CENTRES



EMISSIONS FROM FACILITIES

	SCOPE 1	SCOPE 2	SCOPE 3	TOTAL
ALH Group	19,040	214,176	27,441	260,656
BIG W	9,507	179,861	35,175	224,543
BWS	1,460	54,243	8,155	63,858
Corporate	580	35,190	7,041	42,811
Danks Retail and Wholesale	300	6,566	936	7,802
Dan Murphy's	1,939	42,195	6,117	50,251
Dick Smith	98	30,429	4,741	35,268
Dick Smith NZ	0	1231	131	1,361
Fabcot	20	8,152	1,249	9,421
Langton's	0	255	37	292
Logistics	1,249	130,437	19,019	150,705
Masters	22	13,710	1,736	15,468
Progressive Enterprise Limited	64,912	41,831	20,052	126,796
Petrol	901	40,257	5,829	46,987
Statewide Independent Wholesalers	13	1,500	101	1,614
Supermarkets Australia	233,437	1,693,504	368,368	2,295,309
Thomas Dux	74	5,514	845	6,434
Grand Total	333,551	2,499,051	506,975	3,339,577

EMISSIONS FROM COMPANY CARS (TONNES CO₂-E)

COUNTRY	2010	2011	2012
Australia	18,362	18,298	18,767
New Zealand	2,415	2,135	2,060
Total	20,777	20,433	20,827

TRANSPORT EMISSIONS BY USE (TONNES CO₂-E)

END USE	AUSTRALIA	NEW ZEALAND
Business Travel	19,663	2,216
Home Delivery	1,525	-
Victorian Logistics Fleet	16,778	-
Logistics 3rd party rail	50,428	-
Logistics 3rd party road	618,456	27,097
Trolley collection	13,306	-

USING RESOURCES WISELY

AIMING FOR ZERO FOOD WASTE

47.3M

CARDBOARD BOXES AVOIDED. A RESULT OF ONGOING USE OF OUR 3.4 MILLION REUSABLE PRODUCE CRATES

AIMING FOR ZERO FOOD WASTE

1,678T

TONNES OF FOOD NOT SUITABLE FOR RETAIL SUPPLIED TO FARMING PARTNERS IN NEW ZEALAND FOR USE AS FEED STOCK

AIMING FOR ZERO FOOD WASTE

1,664T

TONNES OF FOOD DONATED TO FOODBANK ACROSS AUSTRALIA



The benefit to Bratasha Farm's environmental footprint will be measured through the Vegetable Carbon Calculator, which was developed by Horticulture Australia, after initial funding to another of our suppliers. This calculator has been expanded to measure a farm's water footprint as well, with development of this tool also funded through the program. The Calculator will be available online soon and further information and case studies can be found at www.freshfoodfuture.com.au.

PACKAGING

Why is this material to our business?

Packaging is an important part of Woolworths' sustainability program because of resources involved in its production and its importance to customers. What is also important to our customers is that Woolworths provides safe and fresh food, so any innovation in packaging must not impact upon the protection of the products.

What is our commitment?

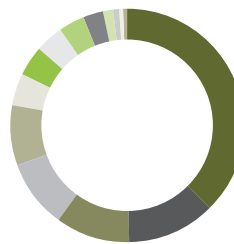
In summary, our commitments and targets are:

- Increase the number of reusable produce crates to 3.4 million;
- Review private label procurement policies and supplier guidelines;
- Establish more comprehensive baseline data for packaging of own brand products; and
- Review the packaging of 50% of our existing own brand products by 2015.

Our 2012 performance

Through the sustainable packaging assessment on Woolworths' private label products, we have calculated the volumes of packaging materials used for these products. The 1,154 products reviewed account for 28.2% of sales from Supermarket's Own Label and the highest weights of material used are High Density Polyethylene plastic (HDPE), paper, glass, cardboard and steel.

PACKAGING USED IN SUPERMARKET'S OWN BRAND



PLASTIC – HDPE	37.6
PAPER	12.1
GLASS	10.4
CARDBOARD	9.5
STEEL	8.3
PLASTIC – PET	4.4
PLASTIC – PP	4.1
PLASTIC – OTHER	4.0
PLASTIC – LDPE	3.6
PLASTIC – POLYSTYRENE	2.7
PLASTIC – PVC	1.4
ALUMINIUM	0.7
COMPOSITES	0.6
WOOD	0.5

PLASTIC BAGS ISSUED PER CUSTOMER TRANSACTION (SUPERMARKETS AUSTRALIA ONLY)

FY08	1.97
FY09	1.87
FY10	1.75
FY11	1.81
FY12	1.88

Most of the 9,651 tonnes of HDPE used was in plastic milk bottles, whilst the pulped paper used for egg cartons was a driver for the 3,115 tonnes of paper used.

By building on this baseline of information and reviewing products, Woolworths aims to improve packaging where it is practical and does not affect product shelf life.



WASTE AND RECYCLING

What is our commitment?

In summary, our commitments and targets are:

- Zero food waste in the waste stream by 2015 (where facilities are available);
- Identify organics recycling technologies for recycling food waste from supermarkets outside Sydney, and determine commercial feasibility; and
- Reduce the amount of cardboard and plastic in the general waste stream to less than 1%, by weight, by 2010.

Our 2012 performance

Woolworths' business divisions continue to reduce waste and shrinkage. Waste to landfill from Supermarkets Australia, BIG W and PEL reduced by 16.7%.

Food Waste

Woolworths uses many strategies to minimise food waste. Improved ordering and stock rotation limits products going out-of-date and discounting blemished produce or products with damaged packaging generates sales rather than loss. Partnerships with Foodbank and local food charities, and diversion programs to composting and waste to energy facilities, divert a total of 6,713 tonnes of food waste from landfill in Australia.

Progressive Enterprises Limited, through our Countdown brand in New Zealand, has implemented a successful food waste diversion partnership with farmers, contributing to a 14.2% reduction in waste to landfill.

The successful food waste diversion trial in Adelaide was expanded to include 31 supermarkets and diverted 641 tonnes of material for composting.



USING RESOURCES WISELY

MOBILE PHONES RECYCLED

1,528KG
THROUGH DICK SMITH

PRINTER CONSUMABLES RECYCLED

92,803 (INCLUDING CARTRIDGES)
THROUGH DICK SMITH

BATTERIES RECYCLED

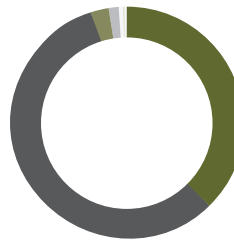
810KG
THROUGH DICK SMITH



Electronic Waste

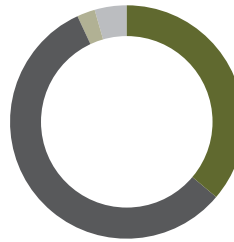
Woolworths has contracted DHL to provide a recycling scheme for televisions and computers. We envisage DHL recycling an estimated 3,000 tonnes of televisions, computers and computer products on our behalf.

WASTE DISPOSAL AND RECYCLING – AUSTRALIA



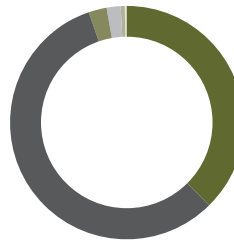
WASTE TO LANDFILL (SUPERMARKETS AND BIG W)	37.8%
CARDBOARD	57.3%
PLASTIC FILM	2.5%
FOOD WASTE TO COMPOSTING AND ENERGY	1.6%
FOOD CHARITY	0.6%
POLYSTYRENE	<0.1%
OTHER (INCLUDING GLASS AND COMMINGLED RECYCLING)	0.2%

WASTE DISPOSAL AND RECYCLING – NEW ZEALAND



WASTE TO LANDFILL	36.2%
CARDBOARD	57.0%
PLASTIC FILM	2.5%
FOOD WASTE TO COMPOSTING OR ENERGY	4.3%

WASTE DISPOSAL AND RECYCLING – AUSTRALIA AND NEW ZEALAND



WASTE TO LANDFILL	37.6%
CARDBOARD	57.3%
PLASTIC FILM	2.5%
FOOD WASTE TO COMPOSTING AND ENERGY	1.9%
FOOD DIVERSION	0.6%
POLYSTYRENE	<0.1%
OTHER (INCLUDING GLASS AND COMMINGLED RECYCLING)	0.1%



COAT HANGERS REUSED

33.3M

CLOTHES HANGERS WERE REUSED BY BIG W, WHICH REDUCED PLASTIC USE BY 913 TONNES



MATERIALS DIVERTED FROM LANDFILL (TONNES)

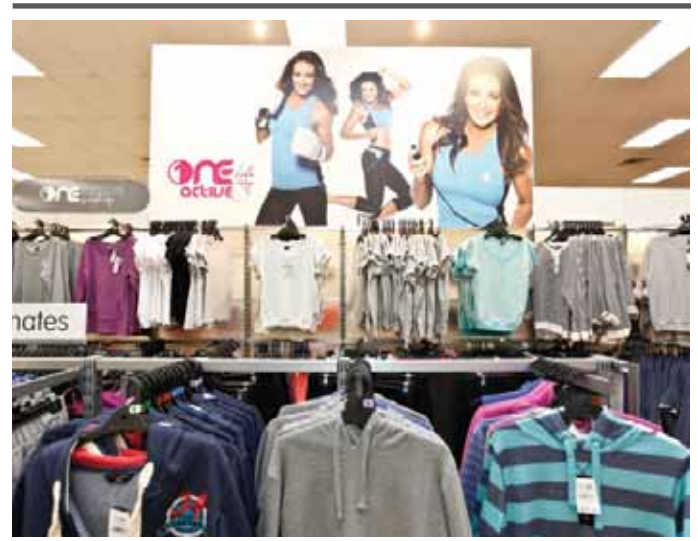
AUSTRALIA	2010	2011	2012
Food Waste to Composting or Energy	5,948	5,246	4,733
Food to charity	3,069	2,247	1,980
Cardboard	170,585	175,518	173,554
Plastic film	6,956	6,807	7,520
Polystyrene	98	81	90
Other	312	323	469
Total (Australia)	186,968	190,222	188,346
NEW ZEALAND			
Cardboard	20,559	21,987	22,194
Plastic film	-	969	990
Food Waste to Farmers			1,678
Total (NZ)	20,559	22,956	24,862
Total (Group)	207,527	213,178	213,208

ENVIRONMENTAL COMPLIANCE

Regulatory reporting

Woolworths Limited submitted reports for the Energy Efficiency Opportunities (EEO) Act and the National Greenhouse and Energy Reporting (NGER) Act. The 2011 EEO report is available at www.woolworthslimited.com.au.

Woolworths Limited complied with the NGER legislation in the submission of the 2011 report, covering the Scope 1 and 2 emissions in Australia. The emissions reported differ to those reported in the Corporate Responsibility Report as the latter includes all refrigerants and Scope 3 emissions. All emission calculations complied with the methodology set for NGER.



BUILDING THE BEST RETAIL TEAM



GOAL



- **COMBINE THE BEST RETAIL TALENT IN AUSTRALIA WITH THE BEST IN THE WORLD**

PROGRESS



- Recruiting the right mix of talent to deliver to our customers what they need, today and tomorrow
- Developing talent to build skilled retailers across multiple brands for future management and leadership roles
- Engaging talent - conducting our first company-wide engagement survey for employees to share how they feel about working for us

MORE TO DO



- Actively promote careers in Woolworths to diverse talent both locally and internationally
- Continue to focus on leadership and Store Managers' development
- Focus on key areas to improve our engagement, using results from the survey



BUILDING THE BEST RETAIL TEAM

COMBINE THE BEST RETAIL TALENT
LOCALLY WITH THE BEST IN THE
WORLD TO BUILD A WORLD CLASS
RETAIL TEAM

Woolworths Limited is an employer of more than 195,000 people. Underpinning our approach as an employer of a large workforce is to foster a culture of trust and team spirit, based on how we develop our people, an 'inclusive' workplace and engaging, respecting and valuing our people.

The creation of new jobs and development of talent remain key to our success. Customer expectations are changing; the world of retailing is changing to provide customers with multiple channels to shop. Our focus is to have the right talent to deliver to our customers what they need, today and tomorrow.

To achieve our goal of building the best retail team we are focusing on recruiting the right mix of talent, career advancement, engagement and inclusivity.

RECRUITING THE RIGHT MIX OF TALENT

In 2012, we recruited over 57,000¹ new people to our Australian and overseas businesses in more than 3,000 locations.

We have a culture that has a strong history of growing our people and promoting from within. We also recognise that as the retail environment changes, we need to introduce people with different skills and new perspectives to diversify our talent pool.

It is this approach to recruitment that provides us with the right mix of people and skills to serve our customers, achieve our business strategy and grow our business. During the year, there were 175 executive appointments, of which 37.7% were female and 40.0% were internal promotions.

¹ Excludes Hong Kong, India, Danks Retail, Statewide Independent Wholesalers and Cellarmasters.



CAREER ADVANCEMENT

Retail Fastrack Program to Management and Leadership

The Retail Fastrack Program to Management and Leadership has been developed specifically for our employees in operations and aims to build skilled retailers with a focus on diversity of experience and thinking across multiple brands. This program is designed to give the individual ownership of his or her career. The emphasis is on identifying and developing talent for future management and leadership roles.

Applications were open to all Woolworths Limited employees in Australia and New Zealand, with employees either nominating themselves for the program, or being nominated by their managers. Successful applicants were chosen based on their capability and motivation to be our future store managers, site managers, area managers and beyond.

The first intake will occur in July 2012 with 119 expected to commence the program. All participants have access to a one-on-one coaching/mentoring relationship with a Fastrack Coach who is currently a leader within Woolworths.

Training and development

In 2012, we provided training to more than 1 million participants. This investment spanned core training programs, training for new employees and leadership programs for managers and executives.

With the introduction of our new state-based Business Centres, we have provided a cross-divisional approach to training. This new approach provides centralised training for programs including safety, first aid and Responsible Service of Alcohol (RSA).



Our training programs also feature:

- **Personal Leadership:** This program aims to improve self-awareness, resilience, personal effectiveness and insight into leadership styles and is open to leaders at all levels within the organisation. In the past year, 283 leaders across Australia have participated in the program.
- **Future Leaders:** This 12 month program is targeted at managers early in their careers and is designed to develop leadership skills to position them for future promotion. 55 leaders from across Australia participated in the program in the past year.
- **Engaging Leaders:** The 13 month program involves leaders who have the potential to move into Executive positions in the future or have recently moved into an Executive position. The program aims to further develop leadership skills and build a strong cross-divisional peer group network. 44 leaders from across Australia and New Zealand participated in the program in the past year.
- **Leadership Behaviours:** As part of our commitment to providing feedback to support personal development for leaders in the business, 689 Australian and New Zealand based leaders participated in our 360 degree feedback process in 2012. Specific feedback, focusing on how these leaders perform against Woolworths' 11 leadership qualities, was obtained from approximately 5,500 employees.
- **Macquarie Graduate School of Management (MGSM):** Our academic programs are delivered in partnership with MGSM and are available to Australian and New Zealand based employees. They provide the opportunity to gain academic qualifications and are designed to broaden thinking and expose employees with leadership potential to current business trends and thinking beyond the Company. In 2012, there were 97 employees enrolled in MGSM programs.

Graduate Program

Our Graduate Program continues to offer Australian and New Zealand based employees who have recently completed a tertiary degree the opportunity to work with the business in their chosen field. Graduates are rotated through various business units and functions, and are supported by on and off job development and the opportunity to work on projects. In 2012 we had 65 graduates participating in the program.

In March 2012, we opened the Graduate Program to external candidates for the first time. This further complements our recruitment strategy of retaining talent within the business, whilst introducing fresh ideas and skills.

BUILDING THE BEST RETAIL TEAM

Apprenticeships and Trainees

We continue to offer apprenticeships as a pathway for those who want a trade based career. Our national program for butcher and bakery apprentices facilitates accelerated skill development for apprentices.

Training Participation by Gender and Employee Category

TRAINING PARTICIPATION	2011	2012
Induction	100,768	87,951
Trainees and Apprentices	4,607	3,857
Systems and General Training	1,379,472	990,841
Management Development	7,700	4,183
Executive Development	591	1,072

TRAINING PARTICIPATION – GENDER – 2012	FEMALE	MALE
Induction	46,605	41,346
Trainees and Apprentices	1,285	2,572
Systems and General Training	578,906	411,935
Management Development	1,720	2,463
Executive Development	261	811

TRAINING PARTICIPATION – EMPLOYMENT TYPE – 2012	CASUAL	PART-TIME	FULL-TIME
Induction	39,251	30,565	18,135
Trainees and Apprentices	0	316	3,541
Systems and General Training	249,771	437,024	304,046
Management Development	23	107	4,053
Executive Development	1	107	964

2011 excludes Danks Retail and Wholesale, SIW, India, Hong Kong and Dick Smith NZ.
2012 Training participation excludes Danks Wholesale, Cellarmasters, SIW, India, Hong Kong and Dick Smith NZ. Dick Smith NZ is included in Induction Training Participation.



INCLUSIVITY

Diversity

Our diversity strategy encourages leaders at all levels to value, respect and leverage the unique contributions of people with diverse backgrounds, experiences and perspectives to provide innovation and exceptional service to our customers and the communities in which we operate.

Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity

Non-Executive Directors on the Board of Directors

2012	FEMALE	MALE	TOTAL
<25	0	0	0
25-<35	0	0	0
35-<45	1	0	1
45-<55	1	0	1
55-<65	1	3	4
>65	0	4	4
Total	3	7	10

Females by Employment Category

2012	FEMALE
Executives*	28.3%
Senior Manager	26.6%
Managers	40.5%
Office Support Employees	50.7%
Store Employees	58.9%
Distribution Employees	14.9%
Tradespeople and Apprentices	10.0%

Excludes PEL, Dick Smith NZ, Hong Kong and India.

* Executives includes all business divisions.



Ratio of Basic Salary and Remuneration of Women to Men by Employment Category

2012

Non-Managerial Female Average of Annualised	\$49,278	97.5%
Non-Managerial Male Average of Annualised	\$51,660	102.2%
Average of Annualised	\$50,533	
Managerial Female Average of Annualised	\$72,502	93.7%
Managerial Male Average of Annualised	\$80,401	103.9%
Average of Annualised	\$77,366	

2012 excludes PEL, Dick Smith NZ, ALH Group, Hong Kong and India.

Indigenous employment

Since the launch of our Reconciliation Action Plan in June 2011, the number of our employees who have identified themselves as Indigenous has increased to 949 (an increase of 334 from 2011).¹

Our indigenous employment focus continues at all levels, using new stores as a key recruitment opportunity across our business. In the past year, 378 people have attended pre-employment training, with 333 gaining employment. Of these, 232 are currently employed with Woolworths.

Disability

Supporting people with a disability to find meaningful employment continues to be a key focus and we have put a number of initiatives in place to support our delivery of this.

Of our current employees, 939 have declared that they have a disability.¹ This is an increase of 472 people on last year and attributed to our continued relationship with Workfocus, the National Disability Recruitment Coordinator (NDRC).

In April 2011, NDRC was awarded an innovation grant to partner with Woolworths on streamlining the process for people with a disability obtaining work in Woolworths stores located in South East Victoria. During the 12 month period of funding, the following results were achieved:

- 45 placements were made in South East Victoria;
- 101 managers attended disability awareness training;
- Job role competencies were reviewed to support disability placements; and
- A guide to disability employment was developed for all store managers nationally.



We continue to support, and provide representation with, organisations such as the Australian Network for Disability (AND) and the Employers' Disability Network (EDN) in New Zealand.

Fresh Start

On 1 April 2012, we signed the Fresh Start Agreement with the Federal Government. The Agreement was formed to drive collaboration between business, industry, associations and government to achieve our ultimate goal of a fully engaged and productive workforce, one which fully represents the diversity of the Australian community. The agreement focuses on three key priorities:

- Recruitment for new stores, new growth businesses such as Masters Home Improvement and new fields such as online retail;
- Advancing workplace participation for people with diverse backgrounds including indigenous workers, people with a disability, older workers and the long-term unemployed through targeted employment programs; and
- Building the skills and competencies to develop a long-term career in retail through access to training and certification programs.

¹ Excludes ALH Group, PEL, Cellarmasters, Danks Retail and Wholesale, SIW, Dick Smith NZ, Hong Kong and India.

BUILDING THE BEST RETAIL TEAM

Respect, Courtesy and Dignity

Incidents of bullying, harassment and discrimination can negatively impact on an employee's health, and how they engage with the company. We expect our people to foster a working environment where everyone is treated with dignity, courtesy, and respect whether in the workplace, when interacting with customers and suppliers, at company functions or when using social media. This includes employees as well as others with whom we do business. We provide training to employees about our expectations of them in relation to discrimination, harassment and bullying on the commencement of their employment and periodically during their employment. We also have policies about bullying, harassment and discrimination which are located on the intranet and posters on staff notice boards. We take appropriate action in response to any incidents of discrimination, bullying and harassment.

Twelve new claims were lodged in discrimination tribunals (both State and Federal) during 2012, of which six were resolved.¹ This compares to the 10 claims reported last year.

We invite employees to declare they are indigenous on a voluntary basis. Of discrimination incidents lodged with a State or Federal discrimination tribunal in 2012, two were from employees who have voluntarily declared that they are Indigenous.

Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained

2012

	NUMBER OF EMPLOYEES	TOTAL HOURS
Training on policies and procedures	73,091	323,311

Excludes Danks Wholesale, PEL, SIW, India, Hong Kong and Dick Smith NZ.

Freedom of Association and Union Engagement

We have longstanding relationships with the unions that represent our employees. We support our employees' right to exercise freedom of association and collective bargaining. Enterprise agreements (EBAs) cover 72.2% of our workforce.²

¹ Excludes Hong Kong and India.

² 2012 excludes Dick Smith NZ, Hong Kong and India. There is a notable difference in the definition of an EBA employee in Australia vs New Zealand. New Zealand records EBA employees based on union membership.

ENGAGING, RESPECTING AND VALUING OUR PEOPLE

Engagement

Engagement of our team is a key driver of retention and customer service. In July 2012 we will conduct our first company-wide engagement survey, for all employees, to share how they feel about working for us. The engagement survey will contain questions which are specifically designed to measure three themes of engagement:

- Employee advocacy;
- Employee commitment; and
- Discretionary effort.

The results will provide our leaders with real information that they can act on.

Divestment of Dick Smith

This year, we announced plans to divest our Dick Smith business, with consolidation of stores prior to the divestment. This consolidation involved store closures and redeployment of impacted employees. To date, more than 500 people have been impacted by store closures, with over 79% of impacted team members redeployed internally.

Parental Leave

We continue to offer paid maternity leave to eligible Australian based employees, which includes six weeks paid maternity leave, two weeks' return-to-work bonus and up to 104 weeks parental leave. This entitlement is in addition to the Australian Government's Paid Parental Leave Scheme. During the 2012 financial year, 2,638 employees have accessed parental leave. New Zealand based employees are offered up to 14 weeks paid maternity leave under the New Zealand Government's parental leave scheme.

Parental Leave

	2011		2012	
	EMPLOYEES ACCESSING PARENTAL LEAVE	EMPLOYEES WHO RETURNED FROM PARENTAL LEAVE	EMPLOYEES ACCESSING PARENTAL LEAVE	EMPLOYEES WHO RETURNED FROM PARENTAL LEAVE
Male	14	12	22	19
Female	2,187	1,738	2,616	1,973
Total	2,201	1,750	2,638	1,992

2012 excludes SIW, India, Hong Kong and Dick Smith NZ.

2011 excludes PEL, SIW, ALH Group, Danks Retail, Danks Wholesale, India, Hong Kong and Dick Smith NZ.



HEALTH AND WELLBEING

Our health offerings are designed to assist our employees to understand their health status and provide support to improve and maintain their health, both at work and at home.

Employee Assistance Program

Woolworths offers Australian and New Zealand based employees and their immediate families access to a free confidential counselling service through the Employee Assistance Program.

Corporate Health Plan

We have been actively promoting our Corporate Private Health Insurance offering with Bupa in Australia. Since relaunching our program in November 2011, 3,240 Woolworths Limited employees have taken up this offer, with Bupa representatives visiting our support offices in Norwest, Pennant Hills and Yennora, and our DCs and supermarkets around the country.

In New Zealand, employees have access to a discounted Private Health Insurance offering with Southern Cross Health Society.

RECOGNITION

Our divisional recognition programs are based on the principle of recognising outstanding achievements. To further encourage the recognition of positive behaviour, we introduced a company-wide online recognition program, encouraging peer to peer nominations, via the employee website, AllYours.

The programs have seen an increase in recognition across the business, with 4,139 nominations received since the launch in September 2011.

This year, we also introduced the Jack Shewmaker Scholarship, in honour of Jack Shewmaker, Wal-Mart Stores executive and consultant to Woolworths who passed away in 2011. The scholarship recognises innovation by awarding an Australian

or New Zealand based employee who has developed and implemented a successful new idea, or program within the business, a \$20,000 scholarship. The winners of the 2011 scholarship were Buyers, Kym Pearce (BIG W) and Nathan Cary (Masters Home Improvement).

We have continued with established recognition schemes including the annual Paul Simons Awards, a Woolworths Limited program which recognises the development of young people within our company. The award is open to employees within Australia and New Zealand who are current trainees or apprentices and also recognises trainee buyers/planners and graduates.

REWARD

Woolworths continues to provide market competitive benefits and remuneration. Our remuneration structure includes fixed and variable, performance based components, depending on the employee's position.

The objective of our reward framework is to:

- Retain, attract and motivate key talent;
- Align to shareholder value creation; and
- Link to company, financial and HR strategy.

A range of incentive programs are designed to support attraction, retention and a culture of performance. All Store Managers participate in an annual cash-based, short-term incentive plan and an equity-based deferred short-term incentive with annual allocations.

Part-time employees have access to the same general benefits as their full-time counterparts on a pro-rata basis. Other benefits include a staff discount card, access to the Woolworths Employee Credit Union, discounted private health insurance and the 25 Year Club.

BUILDING THE BEST RETAIL TEAM

SHARE PURCHASE PLAN

Under the Woolworths Share Purchase Plan, an annual invitation enables participating employees to acquire Woolworths' shares using pre-tax rather than after-tax income. Through voluntary participation in this program, 16,107 employees were issued shares in 2012.

Workforce by Division

	2011			2012		
	FEMALE	MALE	TOTAL	FEMALE	MALE	TOTAL
Supermarkets	62,692	48,612	111,304	62,885	48,509	111,394
BIG W	15,444	7,269	22,713	15,098	6,761	21,859
Logistics	1,200	6,383	7,583	1,372	6,927	8,299
Petrol	1,580	1,478	3,058	1,694	1,601	3,295
Woolworths Liquor Group	1,405	2,809	4,214	1,433	3,010	4,443
Corporate and BTS	969	1,040	2,009	1,070	950	2,020
Thomas Dux	209	236	445	235	254	489
Dick Smith (Australia)	1,129	2,931	4,060	1,049	2,721	3,770
Masters	114	174	288	1,585	1,612	3,197
Dick Smith NZ	221	674	895	182	613	795
Progressive Enterprises Limited	10,508	7,701	18,209	10,727	7,785	18,512
Hong Kong	64	48	112	80	51	131
India	18	73	91	20	76	96
Danks Retail and Wholesale	303	632	935	477	712	1,189
ALH Group	7,188	6,691	13,879	7,591	6,933	14,524
Cellarmasters	357	571	928	357	570	927
Statewide Independent Wholesalers Limited	-	-	-	24	242	266
Total	103,401	87,322	190,723	105,879	89,327	195,206

2011 excludes SIW.

Workforce by Employment Type

	2011			2012		
	FEMALE	MALE	TOTAL	FEMALE	MALE	TOTAL
Full-time	26,280	34,458	60,738	26,661	35,132	61,793
Part-time	46,742	24,484	71,226	49,663	26,364	76,027
Casual	30,022	27,809	57,831	29,555	27,831	57,386
Total	103,044	86,751	189,795	105,879	89,327	195,206

2011 excludes SIW and Cellarmasters.

Employee Turnover by Age

2012	TOTAL TURNOVER			TURNOVER		
	FEMALE	MALE	TOTAL	FEMALE	MALE	TOTAL
<25	14,578	14,977	29,555	36.9%	36.1%	36.5%
25-<35	5,250	6,213	11,463	25.6%	28.2%	26.9%
35-<45	3,175	2,368	5,543	17.4%	19.9%	18.4%
45-<55	2,205	1,175	3,380	12.7%	14.9%	13.4%
55-<65	963	574	1,537	11.2%	13.7%	12.0%
>65	183	197	380	19.6%	28.7%	23.5%
Total	26,354	25,504	51,858	25.0%	28.9%	26.8%

2012 excludes SIW, Cellarmasters and Danks Retail.

Employee Turnover by State/Territory and Country

2012	TOTAL TURNOVER			TURNOVER		
	FEMALE	MALE	TOTAL	FEMALE	MALE	TOTAL
Australian Capital Territory	481	590	1,071	36.9%	36.5%	36.7%
New South Wales	5,650	5,858	11,508	19.7%	23.9%	21.7%
Northern Territory	571	516	1,087	56.0%	67.9%	61.1%
Queensland	6,682	5,544	12,226	30.1%	33.0%	31.4%
South Australia	1,598	1,697	3,295	25.4%	28.2%	26.7%
Tasmania	441	417	858	16.3%	23.5%	19.2%
Victoria	4,702	5,262	9,964	20.3%	24.3%	22.2%
Western Australia	3,643	3,144	6,787	39.9%	47.9%	43.3%
New Zealand	2,572	2,449	5,021	24.0%	29.3%	26.3%
India	3	15	18	15.8%	20.6%	19.6%
Hong Kong	11	12	23	16.2%	23.5%	19.4%
Total	26,354	25,504	51,858	25.0%	28.9%	26.8%

2012 excludes SIW, Cellarmasters and Danks Retail.

Workforce by Age

	2012		
	FEMALE	MALE	TOTAL
<25	38,658	40,656	79,314
25-<35	20,802	22,511	43,313
35-<45	18,423	12,247	30,670
45-<55	17,587	8,146	25,733
55-<65	9,017	4,404	13,421
>65	1,035	793	1,828
Total	105,522	88,757	194,279

2012 excludes Cellarmasters.

Workforce by State/Territory and Country

	2012		
	FEMALE	MALE	TOTAL
Australian Capital Territory	1,444	1,842	3,286
New South Wales	28,325	24,306	52,631
Northern Territory	1,018	756	1,774
Queensland	21,943	16,508	38,451
South Australia	6,205	5,871	12,076
Tasmania	2,848	2,263	5,111
Victoria	23,404	21,936	45,340
Western Australia	9,326	6,750	16,076
New Zealand	10,909	8,398	19,307
India	20	76	96
Hong Kong/ Shanghai	80	51	131
Total	105,522	88,757	194,279

2012 excludes Cellarmasters.

BUILDING THE BEST RETAIL TEAM

SAFETY AND HEALTH

The safety and health of Woolworths' employees and customers are an essential part in providing the best retail experience. We continue to look for opportunities to improve our processes and to develop a culture that provides an environment that is both safe to work and shop in.

We have reviewed the way in which we manage risk across the business and have identified areas in which we can optimise our performance. The review resulted in a restructure of Woolworths' safety resources into an integrated shared service model. This approach aims to improve governance and the delivery of risk and assurance through accountability and empowerment. We will build on the good practices that are already in place and aim to:

- **Simplify** what we do to free up people;
- **Clarify** roles and expectations;
- Provide **visible**, simple and clear KPIs and measures;
- Value **ownership** and accountability in our culture; and
- **Empower** and enable our people to make the right decisions by building the right tools and skills.

By taking a considered and consistent approach to how we manage risk across the business we will deliver better outcomes for our people and our customers.

Woolworths has continued to reduce its Lost Time Injury Frequency Rate (LTIFR) over the past eight years and this approach will assist Woolworths to continue to improve our safety performance and culture towards achieving our Safety Health & Environment vision of 'Destination ZERO' - zero harm to our people, environment and community.

Our performance

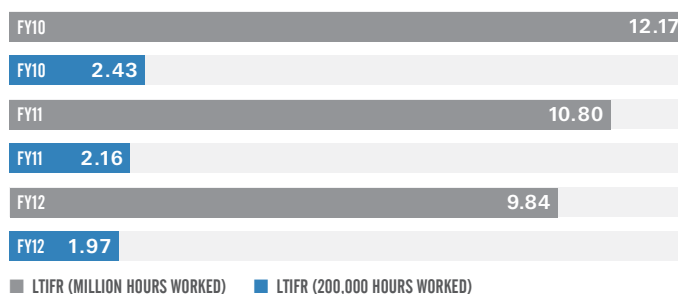
In 2012, we achieved a reduced LTIFR of 9.84, 8.9% lower than 2011. In addition, we experienced a 18.9% reduction in New Claim Frequency Rate (NCFR) and an 8.0% reduction in the number of our customers injured in our stores compared to 2011.

Woolworths Limited LTIFR for 2010-2012

KPI	2010 ¹	2011 ¹	2012
LTIFR (million hours worked)	12.17	10.80	9.84
LTIFR (200,000 hours worked)	2.43	2.16	1.97
% Change on previous year	-23%	-11%	-9%

Excludes ALH Group, Masters and Danks Wholesale and Retail.
¹ Previous year numbers have been updated to reflect any delayed reporting.

WOOLWORTHS LIMITED LTIFR FOR 2010-2012 (EXCLUDING ALH GROUP)



PROSECUTIONS

There were no prosecutions during the 2012 financial year.

SAFETY AT THE DOCK

WOOLWORTHS HAS COMMITTED TO INSTALLING THE UNIVER BRAKE INTERLOCK SYSTEM (UBIS) TO THE COMPANY'S TRAILERS TO MITIGATE THE RISK OF TRUCKS PREMATURELY DEPARTING A DOCK DURING THE PROCESS OF LOADING AND UNLOADING. UBIS IS A SAFETY SOLUTION THAT UTILISES THE TRAILER'S PARK BRAKE SYSTEM TO RESTRAIN THE VEHICLE FROM INADVERTENTLY DEPARTING. THE SYSTEM ALSO INCLUDES VISUAL AND AUDIBLE AIDS.

Divisional LTIFR results for 2012

LTIFR AS AT 2012	PER MILLION HRS	PER 200,000 HRS	CHANGE ON LAST FINANCIAL YEAR*
Supermarkets	11.34	2.27	-11%
Logistics	18.62	3.72	-1%
BIG W	5.57	1.11	-17%
Dick Smith	3.34	0.67	-25%
Liquor - BWS	9.47	1.89	-19%
Liquor - Dan Murphy's	8.79	1.76	-6%
Petrol	2.30	0.46	-3%
Progressive Enterprise Limited (NZ)	5.65	1.13	-1%
Thomas Dux	17.24	3.45	6%
Corporate	3.42	0.68	5%
Woolworths Group	9.84	1.97	-9%

Excludes ALH Group, Masters and Danks Wholesale and Retail.

* Compared to 2011 results finalised after completion of reporting period.

Other Safety, Health and Environment – Key Performance Indicators 2010-2012

KPI	2010 ¹	2011 ¹	2012
Employee work-related fatalities	Zero	Zero	Zero
Contractor Fatalities	Zero	Zero	Zero
*Other Fatalities	2	1	Zero
% change in Lost Time Frequency Rate	-23%	-11%	-9%
% change in New Claim Frequency Rate	2%	3%	-19%
% change in Customer Claims	-7%	-10%	-8%
% change in Hours Lost as a result of an injury.	2%	15%	7%

Excludes ALH Group, Masters and Danks Wholesale and Retail.

* Customers/Visitors.

¹ previous year numbers have been updated to reflect any delayed reporting.

Woolworths Limited Occupational Disease Rate for 2010-2012

KPI	2010 ¹	2011 ¹	2012
Occupational Disease Rate (per 200,000 hours worked)	1.43	1.64	1.68
% Change on previous year	-3%	14%	3%

Excludes ALH Group, Masters, Danks Wholesale and Retail, PEL and Dick Smith NZ.

¹ Previous year numbers have been updated to reflect any delayed reporting.

OUR APPROACH TO CORPORATE RESPONSIBILITY AND SUSTAINABILITY

FOR GENUINE PROGRESS IN OUR COMMITMENT TO BE A RESPONSIBLE AND SUSTAINABLE BUSINESS, THE GOALS AND COMMITMENTS WE SET MUST BE SUPPORTED AT ALL LEVELS OF THE BUSINESS

We focus on issues that are material to our business and aim to achieve alignment with overall business objectives, manage our risk and take advantage of emerging trends and opportunities.

MAINSTREAMING CORPORATE RESPONSIBILITY IN OUR BUSINESS

The Destination Zero safety strategy, Sustainability Strategy 2007-2015 and Community Investment Strategy provide the direction and focus for practices, policies and investment.

GOVERNANCE AND THE BOARD

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

Details of our Governance Framework can be found at www.woolworthslimited.com.au and additional information is available in the Corporate Governance Statement in our 2012 Annual Report.

BOARD OF 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.

Information on our Board of Directors, the Board Charter and the relevant Committees can be found at www.woolworthslimited.com.au.

RISK MANAGEMENT FRAMEWORK

The continued growth and success of Woolworths Limited depends on the ability of our company to understand and respond to the challenges of an uncertain and changing world. As a large, dispersed and complex organisation, this uncertainty generates risk, with the potential to be a source of both opportunities and threats. By understanding and managing risk, the Company provides greater certainty and confidence for all its stakeholders. Our risk management policy can be found in the same location as our Governance Framework, referred to above.

SENIOR MANAGEMENT

Woolworths' safety culture is a daily consideration for all staff. The effectiveness of our safety and health vision, principles, policy, standards, initiatives and procedures is evaluated during the quarterly meetings of the Safety and Health Executive Committee, which is composed of divisional management and chaired by the CEO.

DIVISIONAL LEVEL

Every employee is responsible for safety and health and they are supported by specialist advice from Safety, Health & Environment (SH&E) personnel. Woolworths' workforce is represented in formal joint management-worker health and safety committees. These safety teams operate in the workplace and their functions are formalised through charters, procedures and legislative requirements where applicable.

Corporate and business division staff, in key roles, initiate and implement sustainability programs across divisions and logistics which will have the most beneficial impact.

RESPONSIBLE BUSINESS FORUM

In the past, Woolworths has sought advice from corporate responsibility leaders from Australia and New Zealand through its initiative, the Sustainability Advisory Group and the Corporate Responsibility Panel. From mid-2012, Woolworths has broadened the scope of the advisory group to explore and discuss core strategies in relation to responsible business. This evolution of the advisory group will be called the Responsible Business Forum to reflect its broader strategic focus.

The Forum will consider key strategic issues including improving supplier relationship and engagement, responsible management of our gaming and liquor business and improved engagement with suppliers, customers and employees.

TRANSPARENCY AND REPORTING

Woolworths uses the globally recognised reporting framework developed by the Global Reporting Initiative (GRI). The GRI reporting framework sets out the principles and indicators that organisations can use to measure and report their economic, environmental and social performance. This Report was prepared in line with the G3.1 Guidelines.

Woolworths reported to the Carbon Disclosure Project (CDP), both on Carbon Disclosure and Water Disclosure. The CDP is an investor driven disclosure initiative enabling companies to report on risk identification and mitigation processes related to climate change and water security.

Woolworths also participates in the Dow Jones Sustainability Index, a global index that tracks the financial performance of leading sustainability-driven companies.

ANTI-CORRUPTION

Woolworths' Code of Conduct is a cornerstone for how we expect our employees to work and represent the Company. The Code of Conduct provides guidance on our commitment to the highest legal, moral and ethical standards in our dealings with customers, suppliers, employees and local communities. The Code of Conduct clearly details expected behaviours in how we engage with vendors and also employees' responsibilities in declaring conflicts of interest.

Following on from the launch of the employee Speak Up program, Woolworths Limited launched the Vendor Speak Up program in March 2012. The Vendor Speak Up program is an independent, confidential telephone, internet, email, mail and fax service, operated by an external provider which is available to all of our trading partners to report matters of a serious nature where the standard escalation procedures have either been exhausted or are not an option.

Woolworths is the first major Australian retailer to adopt such a scheme, as part of its commitment to continuous improvement, transparency and accountability. Issues that can be reported through the Vendor Speak Up service include breaches of the law or instances where trade partners believe that dealings with a Woolworths business division or employee have created or are likely to create issues such as fraud, corruption, conflict of interest, bullying and harassment.

Business Review conducts analysis reviews in response to specific requests by management. In 2012, reviews conducted by Business Review included specific supplier product pricing trends, service contractor charging behaviour and stock loss analysis. Trading and support divisions are assessed as required.

POLITICAL DONATIONS

Woolworths prepares for legislative and regulatory reforms through direct engagement with political parties in Australia and New Zealand. Our policy is to not make outright cash donations to political parties; however, we do permit attendance as business observers at political conferences which may require an admission fee. Woolworths adheres to all relevant political disclosure laws and regulations and strives to make contributions in a bi-partisan manner.

In 2012, we contributed (for attendance to conferences and other functions) \$86,175 across the political parties in Australia. Woolworths did not make political donations in New Zealand or attend any political functions.

PRIVACY POLICY

Woolworths is committed to meeting the National Privacy Principles for the Fair Handling of Personal Information, which sets standards for the collection, use and disclosure, access, storage and destruction of personal information that we collect as part of our business operations.

Our respect for our customers' right to privacy of their personal information is paramount. We have policies and procedures to ensure that all personal information, no matter how or where it is obtained, is handled sensitively, securely, and in accordance with the National Privacy Principles. Please refer to www.woolworthslimited.com.au.

UNITED NATIONS GLOBAL COMPACT

Woolworths Limited addresses the 10 accepted principles of the UNGC in the following manner.

PRINCIPLES	ACTIONS
Human Rights	
Principle 1 Protection of Human Rights	Ethical Sourcing Policy and audit program, Page 18
Principle 2 No Complicity in Human Rights Abuse	Ethical Sourcing Policy and audit program, Page 18 Freedom of Association and Union Engagement, Page 48
Labour	
Principle 3 Freedom of Association and Collective Bargaining	Ethical Sourcing Policy and audit program, Page 18 Freedom of Association and Union Engagement, Page 48
Principle 4 Elimination of Forced and Compulsory Labour	Ethical Sourcing Policy and audit program, Page 18
Principle 5 Abolition of Child Labour	Ethical Sourcing Policy and audit program, Page 18
Principle 6 Elimination of Discrimination	Ethical Sourcing Policy and audit program, Page 18 Inclusivity, Pages 46 - 48
Environment	
Principle 7 Precautionary Approach	No explicit reference to precautionary approach. Approach to Risk Management, Page 54
Principle 8 Environmental Responsibility	Using Resources Wisely, Pages 32 - 41
Principle 9 Environmentally Friendly Technologies	Technology addressing climate change, water conservation, transport and packaging, Pages 32 - 41
Anti-Corruption	
Principle 10 Work against Corruption	Anti-Corruption, Page 55

GLOBAL REPORTING INITIATIVE

GRI	DESCRIPTION	PAGE	GRI	DESCRIPTION	PAGE
1.1	Statement from the Chairman and CEO	5-6, AR 11	4.11	Addressing precautionary principle	21-23, 34-35, 56
1.2	Key impacts, risks, and opportunities	1-15, 54-55	4.12	External corporate responsibility charters	16-23, 54-56
2.1	Name of the organisation	Front cover	4.13	Memberships in associations	18
2.2	Primary brands, products, and/or services	Inside front cover, 16-25, AR 38	4.14	List of engaged stakeholders	10-15
2.3	Operational structure of the organisation	AR 16-27, AR 32-37	4.15	Basis for identification and selection of stakeholders	10-15
2.4	Location of organisation's headquarters	64	4.16	Approaches to stakeholders	10-15
2.5	Number of countries where the organisation operates	Inside front cover, 61	4.17	Key topics and concerns for stakeholders	10-15
2.6	Nature of ownership and legal form	2-3, AR 179-180	Disclosure on Economic Management Approach		
2.7	Markets served	12, 61	EC1	Direct economic value generated and distributed	2-3
2.8	Scale of the reporting organisation	2-3, 44, AR 14-15	EC2	Financial implications of climate change.	32-35
2.9	Significant changes during the reporting period	AR 13-31, AR 39	EC3	Defined benefit plan obligations	GRI Index, AR 39
2.10	Awards	5, 7	EC4	Significant financial assistance received from government.	GRI Index
3.1	Reporting period	Inside front cover	EC5	Ratios of standard entry level wage compared to local minimum wage	49
3.2	Date of most recent previous report	2011	EC6	Policy on locally-based suppliers	12
3.3	Reporting cycle	Annual	EC7	Procedures for local hiring	44, 51
3.4	Contact point for the report	64	EC8	Infrastructure investments and services for public benefit	26-31
3.5	Process for defining report content	10-15, 55	EC9	Indirect economic impacts	3
3.6	Boundary of the report	Inside front cover	Disclosure on Environmental Management Approach EN		
3.7	Limitations on the scope or boundary	Inside front cover	EN1	Materials used by weight or volume	38-41, 22-23
3.8	Reporting on joint ventures and other entities	3, AR 24-26, AR 164-167	EN2	Percentage of materials used that are recycled input materials	38-41
3.9	Data measurement techniques	Where relevant	EN3	Direct energy consumption by primary energy source	34-37
3.10	Explanation of re-statements	Nil	EN4	Indirect energy consumption by primary source	34-37
3.11	Significant changes from previous reporting periods	Nil	EN5	Energy saved due to conservation and efficiency improvements	34-37
3.12	Table of Standard Disclosures	57-58	EN6	Initiatives to provide energy-efficient products and services	34-37
3.13	External assurance for the report	59-60	EN7	Initiatives to reduce indirect energy consumption	34-37
4.1	Governance structure	54-55, AR 72-86	EN8	Total water withdrawal by source	36
4.2	Chair of the highest governance body	54	EN9	Water sources significantly affected by withdrawal of water	GRI Index
4.3	Independent and/or non-executive members	AR 32-36	EN10	Percentage and total volume of water recycled and reused	36-37
4.4	Mechanisms for providing recommendations to the Board	54-55, AR 86	EN11	Location and size of land owned near areas of high biodiversity value	GRI Index
4.5	Linkage between compensation and performance	AR 42-49	EN12	Description of significant impacts on biodiversity in protected areas	GRI Index
4.6	Avoiding of conflicts of interest	AR 74-75	EN13	Habitats protected or restored	GRI Index
4.7	Determining the qualifications and expertise of the Board	AR 74-75	EN14	Managing impacts on biodiversity	21-23
4.8	Mission statements, values and code of conduct	16, 26-27, AR 81			
4.9	Management of performance	54-55, AR 48-51			
4.10	Performance evaluation	54-55, AR 48-51			

GLOBAL REPORTING INITIATIVE

GRI	DESCRIPTION	PAGE	GRI	DESCRIPTION	PAGE
EN15	IUCN Red List species	GRI Index	Disclosure on Human Rights Management Approach		
EN16	Direct and indirect greenhouse gas emissions	33-37	HR1	Significant investment agreements that include human rights clauses	GRI Index
EN17	Other indirect greenhouse gas emissions	33-37	HR2	Supplier screenings on human rights	18
EN18	Initiatives to reduce greenhouse gas emissions	33-37	HR3	Employee training on human rights	48, GRI Index
EN19	Emissions of ozone-depleting substances	GRI Index	HR4	Number of incidents of discrimination	48
EN20	NOx, SOx, and other significant air emissions by type and weight	GRI Index	HR5	Risks to right to exercise freedom of association and collective bargaining	18, 48
EN21	Total water discharge by quality and destination	GRI Index	HR6	Risks of incidents of child labour	18
EN22	Total weight of waste by type and disposal method	39-41, GRI Index	HR7	Risks for incidents of forced or compulsory labor	18
EN23	Total number and volume of significant spills	GRI Index	HR9	Incidents involving rights of indigenous people	46-48
EN24	Hazardous wastes	40-41	Disclosure on Society Management Approach		
EN26	Mitigating impacts of products and services	17-23	SO1	Manage the impacts of operations on communities	26-31, 24-25
EN28	Fines for non-compliance with environmental laws	GRI Index	SO2	Analysis of business units for risks related to corruption	55
EN29	Impacts of transporting products and other goods	36	SO3	Employees trained in anti-corruption policies	GRI Index
Disclosure on Labour Management Approach			SO4	Actions taken in response to incidents of corruption	55
LA1	Total workforce	51	SO5	Participation in public policy development	13-15, GRI Index
LA2	Employee turnover	50-51	SO6	Financial and in-kind contributions to political parties	55
LA3	Benefits for full-time employees	48-49, AR 138-146	SO7	Legal actions for anti-competitive behaviour	GRI Index
LA4	Collective bargaining agreements	48	SO8	Non-compliance with laws and regulations	GRI Index
LA5	Minimum notice periods for significant operational changes	GRI Index	Disclosure on Product Responsibility Management Approach		
LA6	Workforce represented in joint management-worker health and safety committees	GRI Index	PR1	Life cycle stages products and services	17-25
LA7	Rates of injury, occupational diseases, lost days, and absenteeism	52-53	PR2	Non-compliance regarding health and safety impacts of products	GRI Index
LA8	Education, training and risk-control programs regarding serious diseases	52-53	PR3	Product and service information	10-11
LA9	Health and safety topics covered in formal agreements with trade unions	52-53	PR4	Non-compliance regarding product and service information	GRI Index
LA10	Average hours of training per employee	46, 48	PR5	Practices related to customer satisfaction	10-11, GRI Index
LA11	Career and skills management	44-46	PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing	25
LA12	Employee performance and career development reviews	GRI Index	PR7	Non-compliance with regulations and voluntary codes concerning marketing	GRI Index
LA13	Governance bodies and breakdown of employees relating to diversity	46-48	PR8	Complaints regarding breaches of customer privacy	55
LA14	Ratio of basic salary of men to women by employee category.	47	PR9	Monetary value of significant fines	GRI Index

INDEPENDENT ASSURANCE STATEMENT



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INDEPENDENT ASSURANCE STATEMENT

To the Board of Directors and Management of Woolworths Limited:

Woolworths Limited (Woolworths) commissioned Net Balance Management Group Pty Ltd (Net Balance) to provide independent assurance of Woolworths' 'Corporate Responsibility Report 2012' (the 'Report'). The Report presents Woolworths' corporate responsibility performance over the period 1 July 2011 to 30 June 2012. Woolworths was responsible for the preparation of the Report and this statement represents the assurance provider's independent opinion. In performing its assurance activities, Net Balance's responsibility is to the Board and Management of Woolworths alone 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

The assurance engagement was undertaken in accordance with the AA1000 2008 Assurance Standard (AA1000AS). Net Balance provided 'Type 2' moderate level of 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 sustainability performance related information contained within the report. A full description of the assurance standard and methodology applied is available in our more detailed assurance statement available with the online version of the Report at www.woolworthslimited.com.au under 'Invest in us'.

Our Independence

Net Balance was not responsible for preparation of any part of the Report. During 2012, Net Balance provided support to the Centre for Social Impact on developing a materiality process for Woolworths. The assurance team's independence was ensured by selecting a team that had no other significant involvement with Woolworths during the reporting period that could impair the team's independence or objectivity. Net Balance also completed the Global Reporting Initiative (GRI) G3.1 Application Level Check for the Report and undertook verification of Woolworths' 2011/12 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 were deemed not to impact upon the team's independence or objectivity. Net Balance confirms that we are not aware of any other issue that could impair our objectivity in relation to this assurance engagement, in accordance with our Independence Policy, a copy of which is available at <http://www.netbalance.com/services/assurance>.

Findings and Conclusions

Adherence to AA1000 Principles

This year Net Balance focused on assessing the adherence to the Principles in the Supermarket division of Woolworths, as the largest and most material to the business and stakeholders.

Inclusivity: Woolworths has a good understanding of who its key stakeholders are, and has processes in place to engage with these stakeholders. During the assurance process, Net Balance observed a strong focus on people. This was evident from divisional heads through to the store manager level. The focus on people includes developing the skills of key employees, and increases Woolworths' agility in responding to local issues. Woolworths is aware of the importance of local communities in its long term success, and that its people and customers are its key interface with the broader community. This awareness informs how the community is engaged throughout the lifecycle of a store, from construction, opening, and through the operational life of the store.

Materiality: Woolworths determines its material corporate responsibility issues through two main mechanisms. Firstly, Woolworths takes a high level view of issues that may be material to Woolworths directly, those that are of impacted by its operations, and are of importance to its stakeholders. Secondly, issues are identified as they arise within divisional teams, such as customer call centres and store-level enquiries. This year Woolworths also undertook a comprehensive review of its material corporate responsibility issues, including giving consideration to control and influence over identified issues. During the assurance process, Net Balance found staff interviewed had a good understanding of these issues and the actions and responsibilities to address the issues within the business.

INDEPENDENT ASSURANCE STATEMENT



Responsiveness: Woolworths is continuing to identify areas where it can improve its responsiveness to material issues and those issues important to its stakeholders. Woolworths has developed strong initiatives to address its environmental impacts and ensure progress against its targets. At the store level, this has translated into a focus on reducing waste, and reducing energy consumption through new technologies and optimised procedures. Net Balance observed a continued focus on health and safety, as well as people attraction and retention strategies. A specific demonstration of Woolworths' responsiveness has been its approach to staff impacted by the divestment of the Dick Smith business. Woolworths has also been proactive in ensuring its suppliers have mechanisms to voice concerns through an independently run program.

Reliability of the performance information

Overall, it is Net Balance's opinion that the information presented within the report is fair and accurate. The report was found to be a reliable account of Woolworths' corporate responsibility performance during the reporting period. Information on the reliability of performance information is available in our more detailed assurance statement available with the online version of the Report at www.woolworthslimited.com.au under 'Invest in us'.

The Way Forward

To remain at the forefront of corporate responsibility performance in relation to its industry peers and other publicly listed companies, Net Balance would like to see Woolworths focus on:

- improving and documenting methodologies for data sets which are not derived directly from internal systems, including for data sets that are typically of a lower materiality to Woolworths, but may be significant to some stakeholder groups
- increasing key stakeholders' awareness of specific corporate responsibility activities Woolworths' has implemented that are associated with those stakeholders (e.g. suppliers)
- increasing staff engagement on Woolworths' corporate responsibility activities to facilitate better understanding of the these programs and their relationship to their day-to-day operations
- engaging external stakeholders through a range of tailored communication of corporate responsibility performance and credentials, including the customer interface
- investigating opportunities to increase flexibility at a store level to respond to variation between local communities.

Net Balance has provided recommendations and suggestions that have been outlined in a separate, more detailed report presented to Woolworths' Board and Management.

On behalf of the assurance team
12 November 2012
Sydney, Australia

Terence Jeyaretnam, FIEAust
Director, Net Balance & Lead CSAP (AccountAbility UK)



STORE AND TRADING AREA ANALYSIS

Five Year Store and Trading Area Analysis Year Ended 24 June 2012

	2012 FULL YEAR	2011 FULL YEAR	2010 FULL YEAR	2009 FULL YEAR	2008 FULL YEAR
Stores (number)					
New South Wales and Australian Capital Territory	262	255	248	241	234
Queensland	203	194	189	186	177
Victoria	214	203	200	192	187
South Australia and Northern Territory	78	76	74	72	72
Western Australia	85	83	83	82	81
Tasmania	30	29	29	29	29
Supermarkets in Australia ⁱ	872	840	823	802	780
Supermarkets in New Zealand ⁱⁱ	161	156	152	149	149
Total Supermarkets	1,033	996	975	951	929
Thomas Dux	11	11	11	3	1
Freestanding Liquor (incl. Dan Murphy's)	329	305	281	256	233
ALH Group Retail Outlets	507	488	480	463	434
Caltex/WOW Petrol	132	132	132	133	133
Woolworths Petrol - Australia	467	449	429	409	389
Woolworths Petrol/Convenience - New Zealand	-	-	22	22	22
Total Supermarket Division	2,479	2,381	2,330	2,237	2,141
BIG W	172	165	161	156	151
Dick Smith Electronics	-	390	394	349	310
Tandy	-	4	22	87	106
Total General Merchandise Division	172	559	577	592	567
Hotels including clubs	294	282	284	280	271
Danks (Home Improvement Retail)	21	19	8	-	-
Masters	15	-	-	-	-
Total continuing operations	2,981	3,241	3,199	3,109	2,979
Discontinued operations	348	-	-	-	-
Total Group	3,329	3,241	3,199	3,109	2,979
Wholesale customer stores					
Dick Smith	-	3	18	35	43
Progressive	54	51	54	53	52
Croma (India CEG)	77	64	50	33	22
Danks (Home Improvement Wholesale)	518	543	581	-	-
Statewide Independent Wholesale	220	220	220	218	216
Total Wholesale customer stores	869	881	923	339	333
Area (sqm)					
Supermarket Division (Australia) ¹	2,318,756	2,202,620	2,127,195	2,037,680	1,945,641
Supermarket Division (New Zealand) ²	351,744	333,274	325,256	303,889	296,549
General Merchandise Division ³	1,107,732	1,086,082	1,061,934	1,038,561	989,767
Store Movements July 11 – June 12	ⁱ Australian Supermarkets		ⁱⁱ New Zealand Supermarkets		
New Stores - incremental	38			7	
Closures - permanent	(5)			(1)	
Net Closures - re-development	(1)			(2)	
Temporary Closures - natural disasters	-			1	
Net New Stores	32			5	

1 Supermarket Division excludes Langtons, Cellarmasters, Petrol, Wholesale and ALH Group retail (BWS).

2 New Zealand Supermarkets excludes Gull and franchise outlets.

3 Includes BIG W, Dick Smith and Tandy. Excludes Woolworths India.

GLOSSARY

Australian Competition and Consumer Commission (ACCC)

ACCC is an independent Commonwealth statutory authority responsible for promoting competition and fair trade in the marketplace to benefit consumers, business and the community. www.accc.gov.au.

Australian Packaging Covenant

APC 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 reuse and recycling of used packaging materials. www.packagingcovenant.org.au.

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 21 tonnes of carbon dioxide emissions.

EBIT

Earnings before Interest and Tax - total earnings before provisions are deducted. This measures a company's performance and is often used in preference to net profit as it excludes the effects of borrowings and tax benefits and adjustments.

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.

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 www.foodbank.com.au.

Food Standards Australia New Zealand (FSANZ)

FSANZ is the statutory agency that develops food standards. www.foodstandards.gov.au.

Forest Stewardship Council (FSC)

FSC is an independent, not-for-profit organisation established to promote the responsible management of the world's forests. www.fsc.org or www.fscaustralia.org.au.

Global Warming Potential (GWP)

The index used to translate the level of emissions of various gases into a common measure without directly calculating the changes in atmospheric concentrations.

Greenhouse gases

Gases that absorb infrared radiation in the atmosphere. The six greenhouse gases under the Kyoto Protocol are: carbon dioxide, methane (CH₄), nitrous oxide (N₂O), halogenated fluorocarbons (HCFCs), ozone (O₃), perfluorinated carbons (PFCs) and hydrofluorocarbons (HFCs).

kt

A kilotonne is equal to one million kilograms.

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).

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 needed to supply power to 1,000 homes for one hour.

National Greenhouse and Energy Reporting (NGER) Act 2007

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.

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 organisation 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 (e.g. generators) and combustion of fuels in company-owned or company-controlled transportation (e.g. cars, trucks, 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 and covers all other indirect emissions from sources that are not owned or controlled by a company, but that occur as a result of its activities. Examples include emissions from waste disposed of to landfill.

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A photograph of a flock of sheep in a lush green field. The sheep are in the middle ground, some looking towards the camera. The background features a line of trees and a clear blue sky. A Woolworths logo is overlaid in the upper center of the image, consisting of a red bar above the text 'WOOLWORTHS LIMITED' and a multi-colored bar below it.

WOOLWORTHS LIMITED

