

Woolworths Group

No-Deforestation Policy

and Supplier Guidance

We create better experiences together
for a better tomorrow

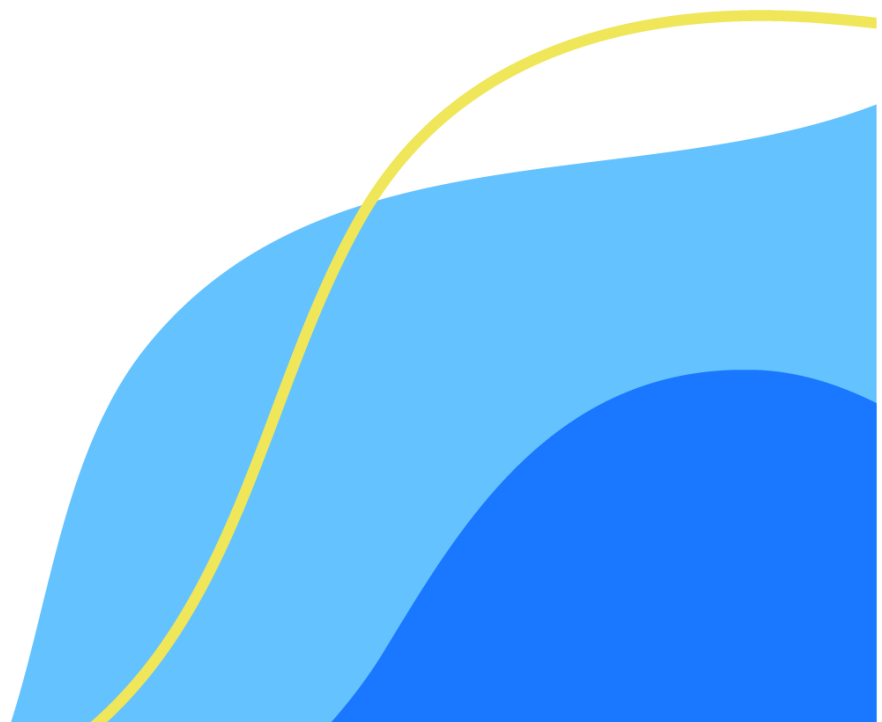


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Background

Woolworths Group's purpose is to create better experiences together for a better tomorrow. Aligned with our goal to positively impact our planet, we're working to make it easier for customers to make sustainable choices by aiming to source commodities which are not linked to deforestation.

In August 2024, we set a No-Deforestation goal across our Primary Deforestation-Linked Commodities sourced from high-risk regions, which we aim to apply from 31 December 2025. These commodities are considered to have the most material impact in our supply chain on the deforestation of natural ecosystems. In turn, these Primary Deforestation-Linked Commodities also contribute to the net emissions of our supply chain. We also recognise that a No-Deforestation goal is aligned with our goal to respect human rights in our supply chain.

Our Primary Deforestation-Linked Commodities are already part of our previous Net Zero-Deforestation goal for our Own Brand products set in 2020, so work is already underway. Whilst we have focused our efforts to date on setting clear expectations for our Own Brand products as an important first step, we recognise the need for a wider focus.

This Policy details our ambition to support a deforestation-free supply chain, and provides additional guidance for our Suppliers and Trade Partners.

Our No-Deforestation goal

Woolworths Group aims to achieve No-Deforestation across our Primary Deforestation-Linked Commodities with a target date of 31 December 2025.

Our Primary Deforestation-Linked Commodities are:

- **Paper, pulp & timber (PPT) (packaging and products)**
- **Palm oil (food and non-food)**
- **Cocoa**
- **Soy (in Stockfeed)**
- **Fresh beef**

Our No-Deforestation goal applies to both **Own Brand** and **Vendor Brand** products.

Our approach to our No-Deforestation goal

We aim to work co-operatively and in good faith with our Suppliers, Trade Partners and industry to eliminate deforestation in our supply chain. We know this will be achieved progressively, and by working with other leaders of industry, we aim to support sector-wide change.

We support our Suppliers and Trade Partners making this transition in a fair and orderly manner, having regard to their size, scale and available resources.

We engage with our Suppliers or Trade Partners on a case-by-case basis if we become aware of deforestation occurring across any primary-deforestation linked commodity within our supply chain, seeking to understand the specific circumstances of each case, and supporting positive progress towards our goal.

What No-Deforestation means for our Suppliers and Trade Partners

Our No-Deforestation goal aims to source our primary deforestation-linked commodities to a No-Deforestation standard from 31 December 2025. Guidance as to how Suppliers and Trade Partners can support this goal for relevant commodities is detailed in the Supplier Guidance **Annexure**.

This Policy is subject to change and may be updated through the course of engagement with our Own Brand Suppliers and Vendor Brand Trade Partners.

Commodities remaining under our existing Net Zero-Deforestation target

Some additional commodities are not identified as Primary Deforestation-Linked Commodities as part of our No-Deforestation goal, but remain within scope of our existing Net Zero-Deforestation goal for Own Brand products. We will continue to source products containing the following commodities to a Net Zero-Deforestation standard in our Own Brand products:

- Soy (food)
- Tea (product and ingredient)
- Coffee (product and ingredient)
- Cane Sugar (sold as a product)

Contact

For further information or questions about this Policy, please contact Woolworths Group Sustainability at sustainablesourcing@woolworths.com.au.

Definitions

Definitions informing the interpretation of this Policy and Supplier Guidance Annexure include:

Additive: As defined by the Australian New Zealand Food Standards Code, an additive is any substance intentionally added to food to achieve a technological purpose (e.g., preservation, coloring, flavoring, or texturizing), which is not normally consumed as a food itself nor typically used as a food ingredient. These substances, or their by-products, may remain in the final food product.

Chain of Custody: The process by which materials and associated information are transferred, monitored, and controlled as they move through each step in a supply chain.

Cutoff date: The date after which deforestation renders a given area or production unit not aligned to no-deforestation policies, goals, targets, or other obligations.

Deforestation: Loss of natural forest as a result of: (i) conversion to agriculture or other non-forest land use; (ii) conversion to a tree plantation; or (iii) severe and sustained degradation.¹

Derivatives: In the context of food, "derivatives" refer to ingredients derived from a specific source that are not a primary component of that source. They can be byproducts, processed extracts, or parts of a whole that are no longer in their original form.

¹ Briefly put, these definitions focus on the loss of "natural ecosystems", which "possess many or most of the characteristics of a forest native to the given site, including species composition, structure and ecological function". See SBTi Forest, Land and Agriculture Science-based Target-setting Guidance, Version 1.1, December 2023.

Fractions: the basic level of refining sources (such as oil) into liquid and solid parts to produce products with unique physical and chemical properties.

Goods Not For Resale or GNFR: Means goods that Woolworths Group purchases from Suppliers which are not for retail sale but otherwise used for the operations of any Woolworths Group business.

Identity Preserved: A Chain of Custody model in which the materials or products originate from a single source and their specified characteristics are maintained throughout the supply chain.

Natural forest: A forest that is a natural ecosystem. Natural forests possess many or most of the characteristics of a forest native to the given site, including species composition, structure and ecological function.²

Net-Zero Deforestation: The difference in forest area between two points in time, taking into account both losses from Deforestation and gains from forest regeneration and restoration. Net-Zero Deforestation is measured with reference to a given geographic area (e.g. a district, state, nation, or globe) and a given timeframe.

No-Deforestation: Commodity production or sourcing that does not cause or contribute to Deforestation.

Own Brand: is defined as all products and or/packaging with the Woolworths Group (or a subsidiary) business name and/or address on pack or accompanying label (including a digital label).

PPT: Paper, Pulp and Timber

Primary Deforestation-Linked Commodities: Commodities assessed, in accordance with global standards, as presenting the most material risk of deforestation within a supply chain. For Woolworths these are paper, pulp & timber (packaging and products), palm oil (food and non-food), cocoa, soy (in stockfeed), and fresh beef.

Primary Packaging: Packaging that directly contains the product, typically the retail unit that the customer purchases.

Processing Aid: As defined in the Australia New Zealand Food Standards Code, a processing aid is a substance used during the processing of raw materials, foods, or ingredients for a specific technological purpose, but it does not perform a technological function in the final food product for sale. Any residues of the processing aid in the final food must be at levels no more than necessary to achieve its function, consistent with Good Manufacturing Practice (GMP).

Secondary Packaging: Packaging used to contain the primary package product during its shipment to, or display in, store (e.g. shelf ready tray).

Segregated: A Chain of Custody model under which materials with particular characteristics of interest are kept physically separate from materials that may lack these characteristics, although materials are not necessarily traced and controlled back to a single identifiable source and may be mixed from among multiple sources. Segregated Chain of Custody is used commonly but not exclusively in the context of certification. This is distinct from 'Mass Balance' which is a Chain of Custody model under which products with particular

² Woolworths Group references the current SBTi definition of "natural forest", SBTi Forest, Land and Agriculture Science-based Target-setting Guidance, Version 1.1, December 2023.

characteristics of interest may be mixed according to defined criteria with material that may lack these characteristics.

Stockfeed: Food for farmed animals or seafood.

Suppliers: Woolworths' suppliers of Own Brand products.

Trade Partners: Woolworths' suppliers of Vendor Brand products.

Vendor Brand: Any product supplied to Woolworths Group that does not fit within the definition of Own Brand.

Woolworths Group, 'us' or 'our': Includes all businesses wholly or majority owned or controlled by Woolworths Group Limited. This includes but is not limited to Woolworths Supermarkets Australia and New Zealand, Woolworths Metro, Big W, Petstock, Woolworths MarketPlus, Milkrun, PFD, Woolies at Work, Australian Grocery Wholesalers and Healthy Life.

Annexure - Supplier Guidance

Own Brand Suppliers

1. Our approach to each primary deforestation-linked commodity

Paper Pulp Timber		Cocoa	Palm Oil		Soy	Beef
Product	Packaging	Food	Food	Non-food	Stockfeed	Fresh beef
Products and Goods Not For Resale containing solid wood, reconstituted wood (e.g. MDF), wood fibre, timber-sourced cellulose / viscose, pulp and paper products	Primary and secondary packaging, paper labels	Products containing cocoa powder, cocoa butter, cocoa mass and cocoa Derivatives. Additives and Processing Aids are excluded from scope.	Products containing crude palm oil, palm kernel oil, including Derivatives and Fractions. Additives and Processing Aids are excluded from scope.		Products containing animal proteins where the animal has been fed Stockfeed containing soy	Directly sourced fresh beef from Australia
Unless specified above, commodities are considered in scope if they are noted on the ingredient or packaging material list						

For commodities remaining under our existing Net-Zero Deforestation commitment (soy in food, tea and coffee products and ingredients, sugar as a product), please refer to existing policies and guidance.

2. How can Own Brand Suppliers support the goal?

Suppliers can validate their No-Deforestation supply chain via:

- Use of independent certifications; or
- Use of independent supply chain validation evidencing a No-Deforestation supply chain, endeavouring to incorporate a Cut-off date of no later than 31 December 2020 where possible; or
- Compliance with regulated due diligence.

Refer section 4 below for specific guidance on Fresh beef.

Independent Certifications

The below certifications are currently accepted by Woolworths Group. Suppliers seeking to use alternative independent certifications not listed below should confirm acceptance by Woolworths Group prior to use.

Suppliers should strive for full chain of custody certification wherever possible (except for Paper, Pulp, and Timber, which must always be chain of custody certified). If a Supplier utilises a mix of compliant and non-compliant material at their site/s and does not hold full chain of custody certification, full batch

traceability is required, with the Supplier to provide evidence that deforestation-free material has been used in Woolworths' products.

Commodity	Paper Pulp Timber		Cocoa	Palm Oil		Soy	Beef
Form of commodity	Product	Packaging	Food	Food	Non-food	Stockfeed	Fresh beef
Example Certifications	<p>Suppliers of Own Brand PPT products and packaging to Woolworths and BIG W must follow the current version of the Woolworths Group POL.050 - Paper, Pulp and Timber Policy and related procedures with respect to appropriate certifications.</p> <p>Acceptable certifications/options are:</p> <ul style="list-style-type: none"> Option 1: Forest Stewardship Council (FSC) certification (FSC 100%, FSC Recycled or FSC Mix) throughout the entire supply chain up until the finished product or packaging manufacturer³ Option 2: Programme for the Endorsement of Forest Certification (PEFC) certification (Certified or Recycled), throughout the entire supply chain up until the finished product or packaging manufacturer⁴ Option 3: For PPT Product: Be made of 100% post-consumer recycled content For PPT Packaging: Be made of 100% 		<p>Rainforest Alliance (RFA) Segregated or Identity Preserved</p> <p>Fairtrade Segregated</p> <p>Evidence of compliance with regulated due diligence (eg. EUDR)</p>	<p>Roundtable on Responsible Palm Oil (RSPO) Segregated or Identity Preserved</p> <p>International Sustainability and Carbon Certification (ISCC PLUS) with EUDR Add-on</p> <p>Roundtable on Responsible Palm Oil (RSPO) mass balance certification and the No Deforestation, No Expansion on Peat and No Exploitation Implementation Reporting Framework (NDPE IRF)</p> <p>Evidence of compliance with regulated due diligence (eg. EUDR)</p>		<p>Roundtable on Responsible Soy (RTRS) Segregated</p> <p>International Sustainability and Carbon Certification (ISCC PLUS) with EUDR Add-on</p> <p>Bunge (formerly Viterro) deforestation and conversion free Sustainable Soybean Meal</p> <p>Cargill DCF Free Soy (using polygon mapping for high risk countries)</p> <p>Louis Dreyfus Company DCF Free Soy (using polygon mapping for high risk countries)</p> <p>ASC Feed Standard Certification</p> <p>Evidence of compliance with regulated due diligence (eg. EUDR)</p>	No certification is available at this time (see section 4 below)

³ Documentation must be validated in line with the relevant Woolworths Group Procedure (PRO.063 for product or PRO.092 for packaging)

⁴ PEFC certified material is accepted only where the timber was harvested and milled in countries identified as having a 'Preferred by Nature' score >80

Commodity	Paper Pulp Timber		Cocoa	Palm Oil		Soy	Beef
Form of commodity	Product	Packaging	Food	Food	Non-food	Stockfeed	Fresh beef
	<p>recycled content⁵</p> <ul style="list-style-type: none"> • Option 4: Be made of a minimum 70% recycled content with the remaining virgin material from No-Deforestation sources⁶ <p>Periodic compliance checks may be conducted on Own Brand Products or Packaging that meet this Policy using these options.</p>						
	Suppliers of Own Brand products should also refer to their product brief for specific requirements of Woolworths Group businesses.						

Independent supply chain validation

Suppliers may refer to guidance frameworks which address the requirements of SBTi Forest Land and Agriculture Guidance to determine appropriate independent validation systems. An example is the Accountability Framework initiative (AFi) and its associated resources. Other frameworks may be used to guide Suppliers' approaches.

Validation processes typically utilise a combination of tools such as geolocation of farms that the commodity has been sourced from and traceability documentation to trace the deforestation-free material throughout the entire supply chain. Validation systems should include an assurance process performed by a third party.

Suppliers seeking to use alternative independent supply chain validation will need to seek approval from Woolworths Group Sustainability.

⁵ Recycled content is to be validated in-line with Woolworths Group Recycled content claims and labelling Policy POL.075

3. What is the target date of this Policy for Own Brand Suppliers?

The target date of our No Deforestation Policy is 31 December 2025. This is the date from which we intend our supply chain to have implemented our No-Deforestation Policy. Any new or existing product which contains Primary Deforestation-Linked Commodities developed from the date of this Policy and/or when the customer facing product is being processed or manufactured from 31 December 2025 should meet this No-Deforestation Policy. This information should be captured within the product brief for Own Brand products as appropriate.

Own Brand examples:

- An Own Brand chocolate bar should have No-Deforestation cocoa utilised as an ingredient and incorporated in its manufacturing process from 31 December 2025
- Paper packaging on Own Brand products should contain No-Deforestation PPT in its manufacturing process (conversion of paper into packaging) from 31 December 2025
- Own Brand hand wash containing glycerine (derived from soy or palm oil) should have No-Deforestation glycerine utilised as a component and incorporated into its manufacturing process from 31 December 2025.

4. How will Woolworths monitor progress against the goal?

For Own Brand products, we seek independent certification or validation in our product specifications systems.

Fresh Beef

We continue to support industry wide solutions to progress assessment of deforestation risk and validation of deforestation-free supply chains, including improved lifecycle traceability.

As industry wide solutions are progressed, we assess risk in our directly sourced livestock supply chain back to the location of last consignment (farm or feedlot).⁶ We aim to continuously improve our sourcing data to support these risk assessments.

We engage with Suppliers on a case-by-case basis if we become aware of potential deforestation occurring in our supply chain, seeking to understand the specific circumstances of each case, and supporting positive progress towards our goal.

We apply a Cutoff date of 31 December 2025 for fresh beef.⁷

⁶ The last place of consignment refers to the Property Identification Code set out on the producer's Livestock Production Assurance National Vendor Declaration.

⁷ While SBTi FLAG Guidance recommends the application of a cut-off date of 2020, or earlier, unlike our other deforestation-linked commodities above, there is currently no certification or standard for beef products that supports the achievement of no deforestation retrospectively from 2020. As a result, we apply a cut-off date of 31 December 2025.

Vendor Brand Trade Partners

1. Our approach to each deforestation-linked commodity

Paper Pulp Timber		Cocoa	Palm Oil		Soy	Beef
Product	Packaging	Food	Food	Non-food	Stockfeed	Fresh beef
Products and Goods Not For Resale containing solid wood, reconstituted wood (e.g. MDF), wood fibre, timber-sourced cellulose / viscose, pulp and paper products	Primary and secondary packaging, and paper labels	Products containing cocoa powder, cocoa butter, cocoa mass and cocoa derivatives. Additives and Processing Aids are excluded from scope.	Products containing crude palm oil, palm kernel oil, including Derivatives and Fractions. Additives and Processing Aids are excluded from scope.		Products containing animal proteins where the animal has been fed Stockfeed containing soy	Directly sourced fresh beef from Australia
As a guide, if the above commodities are noted as an ingredient or packaging material list this Policy should apply to the product						

2. How can Vendor Brand Trade Partners support the goal?

Trade Partners can demonstrate their No-Deforestation supply chain via:

- Use of independent certifications; or
- Use of independent supply chain validation evidencing a No-Deforestation supply chain, endeavouring to incorporate a cut-off date of no later than 31 December 2020 where possible; or
- Compliance with regulated due diligence (e.g. EUDR).

Independent Certifications

Examples of suitable certifications include, but not limited to:

Commodity	Paper Pulp Timber		Cocoa	Palm Oil		Soy	Beef
Form of commodity	Product	Packaging	Food	Food	Non-food	Stockfeed	Fresh beef
Example Certifications	Acceptable certifications/options are: <ul style="list-style-type: none"> • Option 1: Hold Forest Stewardship Council (FSC) certification (FSC 100%, FSC Recycled or FSC Mix) throughout the entire supply chain up until the finished product or packaging manufacturer 		Rainforest Alliance (RFA) Segregated or Identity Preserved Fairtrade Segregated Evidence of compliance with regulated due diligence	Roundtable on Responsible Palm Oil (RSPO) Segregated or Identity Preserved International Sustainability and Carbon Certification (ISCC PLUS) with EUDR Roundtable on Responsible Palm Oil (RSPO) mass balance		Roundtable on Responsible Soy (RTRS) Segregated International Sustainability and Carbon Certification (ISCC PLUS) with EUDR Add-on Bunge (formerly	No certification is available at this time

Commodity	Paper Pulp Timber		Cocoa	Palm Oil		Soy	Beef
Form of commodity	Product	Packaging	Food	Food	Non-food	Stockfeed	Fresh beef
	<ul style="list-style-type: none"> Option 2: Hold Programme for the Endorsement of Forest Certification (PEFC) certification (Certified or Recycled), throughout the entire supply chain up until the finished product or packaging manufacturer⁸ Option 3: Be made of 100% recycled content Option 4: Be made of a minimum 70% recycled content with the remaining virgin material from confirmed No-Deforestation sources. <p>Vendor branded products and packaging that are imported by Woolworths Group into Australia are also in scope of our Paper, Pulp and Timber Policy (POL.050) detailing our due diligence requirements for compliance with illegal logging prohibition legislation.</p>		(eg. EUDR)	<p>certification and the No Deforestation, No Expansion on Peat and No Exploitation Implementation Reporting Framework (NDPE IRF)</p> <p>Evidence of compliance with regulated due diligence (eg. EUDR)</p>		<p>Viterra) deforestation and conversion free Sustainable Soybean Meal</p> <p>Cargill DCF Free Soy (using polygon mapping for high risk countries)</p> <p>Louis Dreyfus Company DCF Free Soy (using polygon mapping for high risk countries)</p> <p>ASC Feed Standard</p> <p>Evidence of compliance with regulated due diligence (eg. EUDR)</p>	

To support their assessment of independent certifications, Trade Partners may refer to guidance frameworks which support the Science Based Targets Initiative (SBTi) *Forest Land and Agriculture Guidance*. An example is the Accountability Framework initiative (AFi) and its associated resources. Other frameworks may be used to guide Trade Partner's approaches.

⁸ PEFC certified material is accepted only where the timber was harvested and milled in countries identified as having a 'Preferred by Nature' score >80

Independent supply chain validation

Trade Partners may refer to guidance frameworks which address the requirements of SBTi Forest Land and Agriculture Guidance to determine appropriate independent validation systems. An example is the Accountability Framework initiative (AFi) and its associated resources. Other frameworks may be used to guide Suppliers' approaches. This may include Trade Partners' in-house systems or those of participants in their supply chain that are independently validated to meet a No-Deforestation standard.

Validation processes typically utilise a combination of tools such as geolocation of farms that the commodity has been sourced from and traceability documentation to trace the deforestation-free material throughout the entire supply chain. Validation systems should include an assurance process performed by a third party.

3. What timelines apply to Vendor Brand Trade Partners?

The target date of our No Deforestation Policy is 31 December 2025.

This means that we are aiming for products supplied by our Trade Partners that are produced from 31 December 2025 and that contain Primary Deforestation-Linked Commodities, to meet our No-Deforestation Policy.

It also means that we are aiming for new products, line replacements and extensions ranged from 31 December 2025 to be sourced in line with this Policy.

We acknowledge that production systems are complex and that this may result in a variable transition to No-Deforestation commodities by Trade Partners. Consideration will be given to individual Trade Partners' circumstances, particularly regarding existing assortments, where time or other adjustments may be reasonably necessary for ranges to transition.

4. How will Woolworths monitor progress towards our goal?

Woolworths Group may seek information from Trade Partners to understand No Deforestation transition progress and may request information from Trade Partners about the deforestation status of products from time to time.

References

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