

WOOLWORTHS LIMITED

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Woolworths Limited 2009-2010 Corporate Responsibility Report

- **Mainstreamed sustainability into business**
- **Embedded a number of new initiatives including Fresh Food Rescue**

Woolworths Limited's (Woolworths) has today released its 2009-2010 Corporate Responsibility Report, detailing the company's commitment to responsible retailing and reporting in Australia and to taking an active lead in the global debate on sustainable consumerism.

Woolworths is now three years into the eight year strategy announced at the 2007 Annual General Meeting, and Chief Executive Officer, Michael Luscombe, says the company is pleased with the progress made to date.

"During 2010 Woolworths has been working hard to mainstream sustainability into the business more than ever before and we have maintained our commitment to support our people and the communities we serve," Mr Luscombe said.

"We recognise the importance of making our business as transparent and accountable as possible and so we are pleased that our 2010 Corporate Responsibility report achieved GRI A+ application level for the second year in a row.

"Our sustainability performance is reported annually based on the Global Reporting Initiative's (GRI) G3 guidelines. Our reports are independently assured in accordance with the AA1000 Assurance Standard.

"I am particularly proud of the new initiatives launched this year, such as the Fresh Food Rescue program. In response to our work in this area, Woolworths received Foodbank's inaugural Patron's Award from the Governor-General and Patron of Foodbank Australia, her Excellency Ms Quentin Bryce AC. The award recognised Woolworths' significant increase in food donations during the year."

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Woolworths is a signatory to Carbon Disclosure Project (CDP) and United Nations Global Compact. In 2010, Woolworths was featured in the Global Carbon Disclosure Leadership Index (CDLI), one of only seven Australian companies listed.

Below is a summary of Woolworths key Corporate Social Responsibility commitments and the progress made to date:

40% reduction in carbon emissions on projected growth levels by 2015, bringing emissions back to 2006 levels.

- In 2010, Woolworths commenced 46 new energy saving initiatives in stores and distribution centres. Long-term investment of over \$13 million is projected to reduce annual carbon emissions by 2015 by 109,520 tonnes.
- Woolworths has retrofitted 98 supermarkets with technology such as high efficiency fans, leading to an average store electricity consumption reduction of 7%.
- 26 new supermarkets were opened in 2010; all built to minimum sustainable design standards – taking the total number of green stores to 51. Big W and BWS also opened their first green stores.
- In March 2010, Woolworths commissioned solar photovoltaic (PV) systems at two Petrol sites. These are expected to provide 15% of each site's electricity needs.

25% reduction in carbon emissions per carton delivered by Woolworths-owned trucks by 2012.

- This year, Woolworths achieved a further 3% reduction in carbon emissions per carton delivered through improved consolidation and optimisation of delivery schedules and route planning. This brings the total reduction in carbon emissions to 9.4% since 2007.

Up to 30% reduction in carbon emissions from the company fleet by 2010 (from 2006 fleet emissions).

- Transfer of Company car fleet to diesel and hybrid options has continued, with 71.9% of Woolworths' fleet in Australia and New Zealand now converted.

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- Carbon emissions from the fleet have decreased by 11.1% since 2007, the equivalent of taking 602 vehicles off the road. Due to the inclusion of the ALH fleet and the acquisition of Danks, the fleet is 21.5% larger than expected for 2010 which makes comparing emissions to the target difficult. If the fleet was the same size as it was in 2007, emissions per vehicle would have reduced by 26.8%.

200 million litres reduction in annual water use by 2010.

- The Water Wise Project saved 302 million litres of water in 2010, exceeding the 200 million reduction target. Woolworths will continue to install water efficient equipment and promote water efficient practices in store, and to harvest rainwater.

Increase the number of reusable crates in Woolworths supply chain to 3.4 million to replace single-use waxed boxes.

- In 2009, Woolworths increased the number of reusable produce crates to 3.4 million. In 2010 it is estimated that 41.2 million less cardboard boxes ended up in landfill because of these crates.

Zero food waste to landfill by 2015.

- Waste to landfill volumes have decreased as Woolworths continues to improve recycling and find alternative uses for waste.
- This year Woolworths launched Fresh Food Rescue, a year long campaign to make \$2 million available to food relief organisations for infrastructure needs.
- Over the year over 3000 tonnes of food were diverted to Foodbank and Food Rescue Programs.
- 63 supermarkets in Sydney now send their food waste not fit for human consumption to Earth Power to generate electricity and produce fertiliser.

Develop and implement ethical and sustainable sourcing policies.

- In 2010, Woolworths reviewed its palm oil policy in consultation with WWF and has committed to move to RSOP (Roundtable on Sustainable Palm Oil) certified sustainable palm oil by 2015 for all Woolworths private label products.

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- Woolworths developed its Ethical Sourcing Policy during 2008 which is underpinned by a monitoring framework, including a factory audit program. This year Woolworths continued to audit factories making own brand products and 52% of all corrective actions raised were addressed and closed. Monitoring continues to resolve the remaining corrective actions.
- Woolworths introduced a new range of paper products including facial tissues that are all Programme for the Endorsement of Forest Certification (PEFC) certified. Woolworths also completed its catalogue tender, so that catalogue paper will be PEFC certified from 2011.

Community investment

- In 2010, Woolworths invested a total of \$36.3 million in local communities around the country.
- In addition to launching Fresh Food Rescue and the continued food donations to Foodbank, customers and staff have raised over \$6.8 million for the Woolworths Fresh Food Kids Hospital Appeal in 2010. These funds help children's hospitals and children's wards around Australia.

- Ends -