Creating a BETTER tomorrow
SCOPE OF REPORT: Unless otherwise stated, this report covers all our operations in Australia and New Zealand for the 2017 financial year – 1 July 2016 to 30 June 2017 (FY17). Only workforce data (excluding safety) is included for our global sourcing offices in China, Bangladesh and Thailand.

At Woolworths Group, we know how important our approach to sustainability is to our customers and communities.

With our presence across Australia’s and New Zealand’s cities, regions and remote areas, we are part of the fabric of society. The sustainability targets we set impact our nations’ economies, communities and environments.

We serve over 900 million customers each year. We directly employ over 202,000 people, and indirectly, many thousands more, through our supply chain.

When it comes to sustainability, we understand that we will be judged on what we do, not what we say. We are taking action to positively influence the supply chain to become more sustainable and reduce our carbon footprint. In this way, and in many others, we are supporting a healthy environment. We are working together to create better experiences for our customers every day, and understand our responsibility for creating a better tomorrow.
Previously this year, we launched our 2020 Corporate Responsibility Strategy. We made 20 commitments structured under the three key pillars of People, Planet and Prosperity. These commitments were developed collegially with our key business and function leaders, and are part of our shared commitment to create a better tomorrow.

I am delighted to be able to report on our progress over the last six months.

People: At the heart of our business are our people. We have been working hard to create a safe and inclusive environment for all of our team members, and to create opportunities for all to excel. We are particularly proud of our work in closing the gender pay gap, increasing indigenous employment and lifting our Voice of Team engagement scores this year.

Planet: The reach of our business means we have an important role to play in contributing to a healthier environment and have been working on creating better ways of using our natural resources, including reducing waste going to landfill, sourcing key commodities from sustainable sources for our products and reducing our carbon footprint.

Prosperity: In order to do good business, we need to value and nurture the trust that our customers and suppliers have in us. At our best we are a key part of the communities within which we operate and the way we responded to Cyclone Debbie in Australia and the Kaikoura Earthquake in New Zealand are a real highlight.

I am proud to present our 2017 Corporate Responsibility Report, which details some of our achievements in F17 from across the Woolworths Group. We are clear however that we are on a journey and still have much to do. Working together with our customers, our suppliers and our communities, we are committed to creating a better tomorrow in all of the countries within which we operate, especially Australia and New Zealand.

Woolworths is a signatory to the United Nations Global Compact (UNGC). UNGC signatories embrace a set of core values in the areas of human rights, labour standards, the environment and anti-corruption. In this report, we share our performance against the UNGC core values..

Brad Banducci
CHIEF EXECUTIVE OFFICER
Launched in February 2017, our Corporate Responsibility Strategy 2020 brings new focus, resources and energy to sustainability. The targets assigned under our People, Planet and Prosperity pillars cover Woolworths Group’s engagement with customers, communities, supply chain and team members, as well as our responsibility to minimise the environmental impact of our operations.

We value diversity across Woolworths Group. Our customers should see in our people a reflection of themselves and their communities. In this strategy we embrace targets that support diversity and, hand in hand with this aim, tolerance and respect.

We promote gender equity.

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

No salary wage gap between male and female employees of equivalent positions on a per-hour rate at all levels of the company, with a step change improvement in closing any gaps by the end of FY21.

We embrace our diversity.

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

Continue the focus on encouraging cultural diversity, with a commitment that by 2020 the Woolworths Group team will truly reflect the communities we serve.

We support Aboriginal and Torres Strait Islander employment.

Proportion of Indigenous team members to equal Federal Government Employment Parity contract. Once achieved, 2 per cent of our Store Operations team members will be Indigenous.

Proportion of Indigenous Graduates to equal Federal Government Employment Parity contract. Once achieved, 2 per cent of our Graduates will be Indigenous.

We creating opportunities for all.

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

Achieve Gold Tier employer status in Australian Workplace Equality Index (AWEI) for Lesbian, Gay, Bisexual, Transgender and Intersex (LGBTI) inclusion.

We recognise Woolworths Group’s environmental impact across our value chain and will work with our suppliers, service providers and operations to innovate for a healthy planet. We will support the move to a circular economy, source environmentally sustainable commodities and respond to climate change.

We move to a circular economy.

Towards zero food waste going to landfill.

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

We source environmentally sustainable commodities.

Source key raw materials and commodities sustainably to an independent standard by 2020. We will raise awareness of sustainably sourced products.

Achieve net zero supply chain deforestation for ‘high-impact’ commodities in our own brand products, such as palm oil, timber, pulp and paper, and packaging.

We respond to climate change.

Reduce Woolworths Group’s carbon emissions to 10 per cent below 2015 levels.

Innovate with natural refrigerants and reduce refrigerant leakage in our stores by 15 per cent of CO2-e below 2015 levels.

We will focus on positive relationships with suppliers, give back to the communities in which we operate, and rebuild trust with our customers and investors.

We work with our business partners.

We will achieve a top quartile ranking in how we engage fairly and equitably with our suppliers as measured by independent supplier surveys.

We will focus on a best practice compliance system according to the Global Social Compliance Program. We will collaborate with peak organisations to improve workers’ lives.

We will give back to the communities in which we operate.

We will invest the equivalent of 1 per cent of a three-year rolling average of total Group Earnings Before Interest and Tax (EBIT) in community partnerships and programs.

We will publicly report social impact to quantify the positive changes we are creating with a focus on health, economic development and emergency relief.

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

We will achieve leading customer satisfaction scores.

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

We will achieve a top quartile ranking in how we engage fairly and equitably with our suppliers as measured by independent supplier surveys.

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We will inspire our customers to consume all of our products in a healthy, sustainable way.
2017 at a glance

**PEOPLE:** encouraging diversity

- **TEAM MEMBERS:** 202,000+
- **YOUNG TEAM MEMBERS:** 77,000+
- **INDIGENOUS EMPLOYEES HIRED THROUGH THE PARITY PROGRAM SINCE LAUNCH:** 277,000+
- **SOLAR POWER GENERATION:** 1,512 MWh
- **FARE:** 50%

**TEAM DIVERSITY**

- **VOICE OF TEAM ENGAGEMENT SCORE:** 82%
- **TENURE:** 955

**PLANET:** for a healthy environment

- **FOOD SAVED FOR MEALS:** 8M meals
- **STORES WITH UPGRADED HYBRID OR HFC-FREE REFRIGERANT SYSTEMS:** 269
- **MATERIALS DIVERTED FROM LANDFILL (TONNES):** 283,040 t
- **2017 CARBON EMISSIONS:** 11% below 2015 levels

**PROSPERITY:** founded on trusted relationships

- **JOBS IN INDIRECT CONTRIBUTION TO THE AUSTRALIAN ECONOMY:** 769,438
- **OWN BRAND PRODUCTS UNDERGONE A NUTRITIONAL RENOVATION:** 120+
- **CASH DONATIONS:** $6.3 M
- **EARNINGS BEFORE INCOME TAX (EBIT):** $2.3 B
- **TOTAL SHAREHOLDER DIVIDEND PAID:** $1.1 B
- **TOTAL SALES:** $55.5 B

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1 Figures stated relate to the period 11 December 2015 to 7 July 2017.
2 Under the age of 25.
3 Materials diverted from landfill data from Australian Supermarkets, New Zealand Supermarkets and BIG W.
5 From continuing operations.
6 Before significant items.
7 From continuing operations attributable to equity holders of the parent entity (before significant items).
Our journey

SAFETY & HEALTH DESTINATION ZERO
Our vision is to be one of the world’s safest places to work and shop.

ACHIEVED:
PROJECT ENLIGHTEN COMMENCES
Commenced energy efficiency project focused on lighting technology.

ACHIEVED:
COUNTRY OF ORIGIN LABELLING
We were the first supermarket to label our own brand products.

ACHIEVED:
REDUCE FOOD WASTE TO LANDFILL
Re-committed our goal to reduce food waste to landfill.

ACHIEVED:
PRODUCT RENOVATION
Removing artificial colours, flavours and added MSG and reducing saturated fat, sugar and sodium across own brand products.

ACHIEVED:
ENERGY MANAGEMENT
Commence work on establishing the Energy Management Centre of Excellence.

ACHIEVED:
HUMAN RIGHTS IMPROVEMENTS
Best practice review of our approach to ethical sourcing and human rights.

ACHIEVED:
PLASTIC BAGS
Australian stores will no longer offer single-use lightweight plastic shopping bags.

ACHIEVED:
NET ZERO DEFORESTATION
Net zero deforestation from “high impact” commodities in own brand products.

ACHIEVED:
MARRIAGE EQUALITY
Woolworths Group supports marriage equality.

PAY PARITY
Gender pay gap reduced to less than 0.5%.

ACHIEVED:
INDIGENOUS TEAM MEMBERS
1,600 new Indigenous team members to join our business through employment parity program.

LGBTI INCLUSION
Gold Tier employer status in Australian Workplace Equality Index for LGBTI inclusion.

ACHIEVED:
PROJECT ENLIGHTEN 2020 COMMITMENTS
In February 2017 we launched our CR 2020 strategy, setting out our sustainability journey.

ACHIEVED:
UNCONSCIOUS BIAS TRAINING
Unconscious bias training pilot program completed. Planning for rollout across the Group.

ACHIEVED:
PAY PARITY
Gender pay gap reduced to less than 0.5%.

ACHIEVED:
MACRO WHOLEFOODS MARKET RELAUNCH
Relaunching our better-for-you Macro brand.

ACHIEVED:
1% EBIT COMMUNITY CONTRIBUTION
1% of EBIT donated to community causes across Australia and New Zealand.

ACHIEVED:
EMISSIONS REDUCTION
2017 carbon emissions 11% below 2015 levels.

ACHIEVED:
ASSESS CLIMATE CHANGE IMPACT
Use science-based targets to assess the impacts of a two degree world on our business.

ACHIEVED:
TOP SUPPLIER SURVEY RATING
Achieve top quartile rating in independent supplier survey for fair and equitable engagement.

ACHIEVED:
SOLAR INSTALLATION
Commission a 1.2MW solar installation (3,344 panel) in Melbourne South Distribution Centre.

ACHIEVED:
HUMAN RIGHTS IMPROVEMENTS
Best practice review of our approach to ethical sourcing and human rights.

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Achieve top quartile rating in independent supplier survey for fair and equitable engagement.
We embrace diversity because we know that different backgrounds are a source of strength. We want our customers to see in our people a reflection of themselves, so our targets support diversity, tolerance and respect.
PROMOTING GENDER EQUITY

To encourage greater numbers of women in Woolworths Group’s management, by 2020 we aim to have at least 40% of our executive and senior manager positions held by women.

COMMITMENT 1

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

COMMITMENT 2

No salary wage gap between male and female employees of equivalent positions on a per-hour rate at all levels of the company, with a step change improvement in closing any gaps by the end of FY17.

BOARD DIVERSITY

A key enabler to gender equity is equal pay for equal work. In December 2016 we completed phase one of the Pay Parity Project in Australia. Over 17,600 salaries were reviewed and the pay gap between male and female team members carrying out like-for-like roles was reduced to 0.5%. A further review is now underway for all remaining managers and senior leaders, which will be completed by September 2017. Our commitment is that gender is not a factor in the decisions we make in regards to how we reward our team members.

EMBRACING CHANGE

We are increasing female representation across our whole business, especially in management. This will improve our gender equality, provide aspirational role models, and increase attraction and retention of high performing women. It also helps our team step closer to reflecting our customer base and the Australian community. Currently, women represent 55% of our total workforce, with 39% at manager level and 29% at senior leadership and executive levels.

We are proud to say that BIG W has already embraced the push for women to fill senior positions. Women now fill 50% of executive and senior manager positions, and 67% of the BIG W Executive Committee are women.

EQUAL OPPORTUNITIES

Over the past year, Countdown has been reviewing our people strategies and goals, so that our team enjoys the same rewards, resources, and opportunities, regardless of gender. We’ve recently completed a gender pay equity review of our salaried team members. As a result, we awarded salary increases to both men and women where gender-based pay gaps were identified. So far, a total of 83 roles and 818 salaried team members have received a parity adjustment. We will continue our work on this important initiative.

Women in Leadership

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Closing the gap

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EMBRACING OUR DIVERSITY

Having a workforce that understands our customers is critical to providing the best shopping experience – our customers should see in Woolworths Group’s people a reflection of themselves. We are building a workforce that supports and encourages diverse perspectives and contributions.

COMMITMENT 3

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

COMMITMENT 4

Continue the focus on encouraging cultural diversity, with a commitment that by 2020 the Woolworths Group team will truly reflect the communities we serve.

Reflecting the communities we serve

Employing more than 202,000 people from all walks of life, we strive to be as diverse as the communities we serve. We are building a culture of inclusion and participation, with proportionate representation of women, and people of different cultural and Indigenous groups.

During FY17 we continued to recognise and celebrate our diversity through supporting key cultural events including Harmony Day, NAIDOC Week, Reconciliation Week, International Women’s Day and Wear it Purple Day.

We are working to determine how to effectively capture and map ethnicity data to show that store team members reflect the communities they are serving. This includes at point of recruitment and through internal team engagement surveys. We are currently piloting an approach within one of our brands with a view to leveraging a successful model across the group by FY19.

We are a signatory to the Friendly Nation initiative with the NSW Government. This program is designed to provide employment opportunities for displaced refugees from Syria and Iraq to contribute to successful settlement. A successful program has been run in Western Sydney and in Logan in Queensland. We will continue to work with the Department to provide ongoing support and employment.

RECRUITMENT, TRAINING AND RESEARCH

Our ambition is to recruit and develop a team that reflects the Australian community. To do this, we will equip our managers and executives with gender, cultural and unconscious bias training. A pilot training program has been completed in FY17 with a view to developing this further for senior leaders and all managers with responsibility for hiring decisions. We are working with external providers to identify a scalable approach for rollout in FY18.

ENGLISH LANGUAGE SUPPORT

Countdown’s English as a Second Language program is designed to help strengthen English language, numeracy and literacy. The lack of these communication skills is often a significant but hidden problem, and while our people may have a strong work ethic, language can be seen as a barrier to their success. The training focuses on language related tasks which workers with limited English find challenging in their regular work environment. We aim to assist 100 team members per year with their English language learning needs.

SUSTAINABLE ENGAGEMENT

Woolworths Group understands the importance of having an engaged workforce and that this is a lead indicator of customer satisfaction. We run two team engagement surveys each year with team members to hear their voice and provide managers an opportunity to respond. In January 2017 we achieved a Voice of Team engagement score of 82% – representing an increase of 5% since the previous survey in June 2016. We are working on further positive initiatives so we can match national and international industry engagement standards.

VOICE OF TEAM ENGAGEMENT SCORE

82%
RESOURCING THE FUTURE

Our Indigenous employment program has continued to help us focus on ‘Resourcing the Future’. With steady growth in applications and job placements, we are proud of our achievements to date. However, we are determined to continue this growth and stay ahead of our Federal Government 2020 parity target.

Since launching in 2015, we have implemented the program in 328 stores and seen an additional 952 Indigenous Australian job seekers placed into permanent part-time employment, with the majority of these positions in regional and remote Australia. This has also led to a significant increase in the number of direct job applications – resulting in an additional 1,082 Indigenous team members joining our Woolworths Group family in the last year alone.

Diversity Dimensions General Manager, Mimi Kind, said: “Woolworths has embraced this program with a level of commitment that inspires us. This is why we are seeing such great results in this program, with a retention rate of over 80% of Indigenous employees that we place. We’ve seen first-hand the positive impact it has had on the lives of individuals, families and their community.”

Key to this success has been the strong senior leadership support and the continued rollout of targeted recruitment directly linked to our workforce plans, as well as the delivery of cultural awareness training by Indigenous mentors to all teams participating in the program.

INDIGENOUS TALENT DEVELOPMENT STRATEGY

During the year we commenced development of an Indigenous talent development strategy that is based on the success of our Indigenous employment ‘Resourcing the Future’ Program. For our FY19 Graduate Program, we will proactively work with external partners on a targeted approach to attract and develop Indigenous graduates.

JAWUN INDIGENOUS COMMUNITY SECONDMENT PROGRAM

We have continued the partnership between Endeavour Drinks and Jawun – a not-for-profit organisation that supports innovative programs of change in Indigenous communities. By providing skilled employees, we were able to help in areas such as marketing and business planning – giving much needed help over two separate staff trips to regional areas.

These initiatives added a FY17 contribution of approximately $42,000, as well as our annual $75,000 operating-cost contribution to the program.

SUPPORTING ABORIGINAL AND TORRES STRAIT ISLANDER EMPLOYMENT

We are committed to increasing Indigenous employment opportunities in our business. In partnership with the Federal Government and Diversity Dimensions, Woolworths Group has committed to recruit 1,600 additional Indigenous team members by 2019. Our 2020 target is for Indigenous people to make up at least 2% of our store team and graduates.
CREATING OPPORTUNITIES FOR ALL

Our vision is to become one of the safest places to work and shop. We are committed to maintaining a workplace that safeguards the health and wellbeing of our people, customers and visitors. Our aspiration is ‘Destination ZERO’: a place where people go home every day free from injuries or illness.

Focusing on mental health

Mental distress or illness impacts one in four Australians, which is why we have identified it as our number one safety and health risk. To protect and nurture our team members with mental health issues, we have worked with several industry experts to introduce a range of appropriate risk prevention and safety response options.

To combat the stigma that goes with mental health issues, we have created a positive workplace that encourages early intervention and an open platform for conversation regarding mental health. Partnering with leading mental health groups such as Lifeline, beyondblue, and R U OK, we support mental health on a larger scale outside of our team member network.

We have implemented a Mental Health First Aid Program that equips all levels of team members with the skills and knowledge to help peers showing signs of mental health issues. They can then use our confidential employee assistance program to help get back on their feet.
CREATING OPPORTUNITIES FOR ALL

We want all our team members to feel valued and respected at work, regardless of their gender, age, ethnicity, beliefs, disability, sexual orientation or gender identity. To address LGBTI issues and equality in the workplace, we have implemented a range of initiatives to demonstrate our commitment to the LGBTI community.

LGBTI community support

Woolworths Group are members of Pride in Diversity, Australia’s national not-for-profit organisation which provides support and advice across all aspects of Lesbian, Gay, Bisexual, Transgender, and/or Intersex (LGBTI) inclusion. Our 2020 target is to achieve Gold Tier employer status in the Australian Workplace Equality Index (AWEI) for LGBTI inclusion. During FY17, Woolworths Group received Participating Employer status for our first AWEI submission. We received positive feedback and support for our current initiatives. We will continue our partnership with Pride in Diversity, who will assist us with key projects for our FY18 submission to help us on our pathway to Gold status by 2020.

LGBTIQ WINNERS

This year two of our team members, Chelsea McPhail-Rosenberg and Kate McLaren, were awarded co-winners of the 2017 LGBTIQ Young Professional Role Models of the Year award, hosted by Out for Australia. The duo were recognised for co-founding the ‘Proud @ Woolworths’ initiative and were praised for their commitment and passion to the project, which resulted in Woolworths Group formalising our commitment to LGBTI diversity.

BWS AND MARDI GRAS PARTNERSHIP

In celebration of the Sydney Gay and Lesbian Mardi Gras Festival, BWS showcased its support for equality and the local LGBTI community by painting its inner-city Sydney stores in rainbow colours, and creating a BWS Pride radio station on Pandora, our in-store radio network. It’s the first time Australia’s largest drinks retailer has partnered at this scale in the celebration of Mardi Gras.

COUNTDOWN’S TRANSGENDER POLICY

Countdown launched a transgender transitioning policy aimed at supporting transitioning team members across New Zealand. It not only outlines our responsibilities as an employer and commitment to providing an inclusive environment, but also offers practical assistance to team members who are transitioning genders.

‘LET’S TALK GENDER’

So that BIG W is a workplace where our team members can truly bring their full selves to work, we have launched ‘Let’s Talk Gender’ sessions in partnership with Pride in Diversity. Our aim is that all of the BIG W Support Office team members will have attended one of these sessions by the end of 2017.
We know how important it is to innovate for a healthy planet, which is why we are currently working to use less, waste less and pollute less. As well as using sustainable products and materials, we are committed to reducing our carbon emissions.
MOVING TO A CIRCULAR ECONOMY

Reducing food waste in Australia

This ambitious target involves the year-on-year reduction in tonnes of food waste going to landfill. We'll do this by reducing stock loss, improving store waste management, and improving the effectiveness of our farmers’ program and food rescue program.

We are constantly implementing new strategies to reduce food waste. Although we’ve made impressive progress and we lead the domestic market, each year sees us send around 52,000 tonnes of food waste to landfill at a cost of $13 million.

Currently, 99% of stores have a food waste diversion program that successfully diverts 60,500 tonnes of food each year. However, it was recently highlighted that 49% of the volume in a general waste bin consists of savable food. To fix this, we are not only focusing on our supermarkets, but also our end-to-end supply chains, where there is still $8 billion of food waste each year.

Some strategies we have implemented so far include:

- Improving back-of-house source separation with the rollout of colour coded bins.
- Extending our Odd Bunch range, which currently sells around 50,000 tonnes each year.
- Providing the equivalent of eight million meals to food rescue programs every year.
- Farmers are collecting produce and bakery goods from over 500 stores to be used as feed for animals.
- Introducing the Jamie Oliver ‘Leftovers to Makeover’ Christmas campaign.
- Improving reporting capability so we can see where we need to change for the better.
- Continuing to strengthen our relationships with food rescue organisations.

By partnering with OzHarvest, Foodbank, and other food rescue organisations, we are helping reduce food waste in Australia. The launch of The Odd Bunch saw local Aussie farmers cut their waste down too, as their once unused products are now being offered as cheaper alternatives at our stores across the country. As a result, we are seeing many Aussie families enjoying quality, healthy, and affordable food that was once wasted.

Woolworths’ ambassador, Jamie Oliver, raised awareness of the disturbing amount of food wasted in Australia at a media event at our Food Innovation Centre. He captured public attention and put the spotlight on the changes we are making about food waste.

TOTAL FOOD RELIEF DIVERTED TO THOSE IN NEED 1

| FOODBANK AUSTRALIA | 1,346 tonnes of food | 2.7 million meals |
| CARICASHARE | 478 tonnes of food | 955,462 meals |
| SECONDITE AUSTRALIA | 711 tonnes of food | 1.4 million meals |
| OZ HARVEST | 1,177 tonnes of food | 2.4 million meals |
| THE HOPE CENTRE FOUNDATION | 303 tonnes of food | 606,232 meals |

1 The ratio of rescued food to number of meals is based on a 500g meal size, as agreed at the SVA Food Forum.

OZHARVEST

“Working hand in hand with Woolworths over the last 18 months has generated spectacular results. Food rescue operations have grown a staggering 320% in that time, saving over 100 tonnes of good food from landfill every month. The OzHarvest message has reached so many people through Woolworths’ ‘Good Acts’ campaigns including the ‘Christmas Table for Good’, which helped deliver over 1.4 million meals and continued with the successful OzSizzle pilot. Woolworths is united with us in the fight against food waste, through their support with the OzHarvest initiated Zero Food Waste Form, and showcasing their Odd Bunch range at our ThinkEat.Save events across the country.”

Ronni Kahn, OzHarvest Founder & CEO

REDUCING FOOD WASTE IN NEW ZEALAND

Countdown’s Food Rescue program is the largest of its kind in the country. All our stores take part and help to see surplus food donated to foodbanks and food rescues each year, as well as to farmers for food scraps for their animals.

To highlight the need for change, we bring together all our partners for an annual Food Rescue Partners Summit in Wellington and support their continued growth through our Food Rescue Partners Contestable Fund of $100,000 p.a. Along with the re-launch of our internal policies, we also re-branded and launched our new purple donation bins in conjunction with our annual Winter Food Rescue Appeal with The Salvation Army, which saw a big increase in customer donations, both in-store and online.
MOVING TO A CIRCULAR ECONOMY

Our target to ‘Improve the recyclability of our own brand packaging and contribute to the circular economy’ will see us decrease non-recyclable packaging, and increase recycled content. We will phase out expanded polystyrene by 2020. We will also introduce clear, user-friendly recycling instructions.

Packaging plays a key role in the retail supply chain. It protects the significant investment that we and our suppliers have made in growing, processing and transporting the products to our shelves and makes sure they are delivered safely to customers’ homes. It is also critical in providing convenience and communicating to customers.

To play our part in reducing plastic bag use, we will remove single-use plastic bags across Woolworths Group nationwide - including Woolworths Supermarkets and Metro stores, BIG W, BWS and Online. Dan Murphy’s and Cellarmasters are already single-use plastic bag free.

The phased approach will begin shortly, with the aim to have it in place across the entire Woolworths Group in Australia by the end of FY18. This will see us cut the number of single-use plastic bags we distribute by 3.2 billion each year.

We will continue to provide our customers with a range of alternative shopping bag options across stores, and will offer thicker, reusable versions at different prices to suit our customers.

OWN BRAND PACKAGING

When we design the packaging for Woolworths own brand products, we try to use our packaging as efficiently as possible and assess each new product against a list of sustainability criteria. The own brand Sustainable Packaging Guidelines have been updated in 2017 as part of the continued focus to improve their sustainability – the improved guidelines will be implemented in early FY18. In December 2016 we changed the packaging format and reduced the amount of plastic packaging for potato and pasta salads by 120 tonnes.

The end of the plastic bag

We currently partner with Redcycle in 96 of our supermarkets, where we collect soft plastics like bread bags, which are then recycled into products including outdoor furniture. We are expanding this program to over 500 stores. We also offer a place to recycle single use plastic bags in all our stores.

We will continue to provide our customers with a range of alternative shopping bag options across stores, and will offer thicker, reusable versions at different prices to suit our customers.

IMPROVED RECYCLE LOGO

Clear on-pack communication that informs customers how to dispose of each packaging component after use is an important part of increasing recycling rates in Australia. We have been working on a new recycle logo system which will be rolled out in FY18 to make our recycle instructions simple and easy to understand.

WASTE TO ENERGY

Pinnacle Drinks (the own and exclusive brands arm of Endeavour Drinks) partners with Australia’s biggest packaging suppliers who are leaders in sustainability within their sectors, with preference towards recycled materials used in packaging. Pinnacle Drinks’ main wine production site in Angaston, South Australia has a zero waste to landfill policy with five waste recycling streams for packaging waste. Any landfill waste is used as energy for the site.

RECYCLABLE MEAT TRAYS

Meat departments across Countdown have moved away from non-recyclable expanded polystyrene packaging into recyclable RPET trays. The trays themselves are made using postconsumer 50–95% recycled PET (typically 95% depending on availability).

We currently partner with Redcycle in 96 of our supermarkets, where we collect soft plastics like bread bags, which are then recycled into products including outdoor furniture. We are expanding this program to over 500 stores. We also offer a place to recycle single use plastic bags in all our stores.

MATERIALS DIVERTED FROM LANDFILL (TONNES)

1 2 Materials diverted from landfill data from Australian Supermarkets, New Zealand Supermarkets and BIG W.

WASTE TO LANDFILL (TONNES)

1 Waste intensity is from Australian operations.
2 Material Data for 2013 and 2014 for Woolworths Supermarkets and Metro stores.
3 Waste to landfill data from Australian operations.
Woolworths Group is committed to responsible sourcing, protecting people and reducing our impact on the planet. Our customers expect us to operate in an ethical and sustainable manner, particularly for high-risk commodities, including tea, coffee, chocolate, sugar, fish, and seafood.

Our customers want more sustainable products and more independently certified products. In FY17, our own brand products sold contained 28,883 tonnes of sustainably certified coffee, chocolate, and sugar. We will continue to expand our certified sustainable offering in FY18, which in Australia will include the launch of our sustainably certified own brand tea range, and all of our Christmas and Easter chocolate will be sustainably certified. We are committed to achieving our target to ‘Source key raw materials and commodities sustainably to an independent standard by 2020.’

Where we are unable to source certified product, Woolworths has committed to independently verifying the fishery or farm. To do this we need to risk assess the source against a set of credible criteria. To achieve this by 2020, Woolworths has engaged with the Fisheries Research & Development Corporation. The framework we will adopt will be in line with the FAO Code of Conduct for Responsible Fisheries. For wild-capture fisheries the assessment will look at stock, management and environmental impacts for which the methodology will be publicly available to provide transparency with our customers and stakeholders.

**WORKING WITH INDUSTRY AND INFLUENTIAL STAKEHOLDERS**

**- FAIRTRADE MACRO COFFEE**

Our Macro Organic Coffee is Fairtrade certified, and has an authentic and direct link to provenance. All coffee is sourced through the network of small community growers producing through the Cooperative Coopchebi in central Peru, an area with abundant forests and birdlife. The growers get a fair price for a quality product and support for sustainable farming practices such that the small communities can produce quality coffee in generations to come.
We understand the importance of protecting our forests and are working with numerous organisations to achieve net zero supply chain deforestation for our own brand products. We are working through our supply chain to identify the high impact commodities and subsequently source them from independently-certified sustainable supply chains.

NET ZERO DEFORESTATION

We are a proud member of the Consumer Goods Forum (CGF), and as such we are a signatory to the CGF Deforestation Resolution of 2010 for achieving net zero deforestation by 2020. To achieve this, we will sustainably source the relevant high-impact commodities such as palm oil, timber, pulp and paper, and packaging. We are working towards a 2020 target of sourcing these products from independently certified sustainable supply chains.

PALM OIL

The Roundtable on Sustainable Palm Oil (RSPO) is a multi-stakeholder organisation comprising retailers, manufacturers, palm oil producers, traders and non-government organisations. It sets global standards for palm oil production and manages a certification scheme. In FY17, all of the palm oil used in our own brand food products support the production of RSPO-certified sustainable palm oil. We are working towards ensuring that all of the palm oil used in our own brand food products meet third party independent certification requirements by 2020.

PAPER, PULP AND TIMBER

We are working towards a 2020 target of sourcing all products containing paper, pulp and timber from independently certified sustainable supply chains. Currently, over 70% of our products containing these materials come from sources certified by either the Forest Stewardship Council (FSC) or the Programme for the Endorsement of Forest Certification (PEFC). All of our own brand toilet paper, tissues and paper towel are FSC certified.

CATALOGUES AND PAPER

All of the paper used for the nearly 880 million catalogues we produced during FY17 came from sustainable sources. Within the rest of our business, we procured more than 147,000 reams of paper for office use during FY17, all of it FSC-certified. This represents a more than 30% reduction in paper use compared to FY16.

ZERO DEFORESTATION PACKAGING

Our next step is to stretch beyond products and to continue our zero deforestation practices with our packaging. To do this we are working with our supply chains to expand the sourcing of certified sustainable and recycled packaging options.

OWN BRAND FOOD PRODUCTS SUPPORT THE PRODUCTION OF RSPO-CERTIFIED SUSTAINABLE PALM OIL

100%

PAPER, PULP AND TIMBER PRODUCTS USING SUSTAINABLY SOURCED FORESTRY MATERIALS

>70%
ANIMAL WELFARE

Quality products start with quality producers, so we’ve taken steps to improve animal welfare across our business. We use the five freedoms to work with our suppliers to implement the most practical and commercially viable standards of animal welfare across our farming supply base.

ANIMAL WELFARE PRINCIPLES: FIVE FREEDOMS

1. Freedom from hunger and thirst
2. Freedom from discomfort
3. Freedom from pain, injury or disease
4. Freedom to express normal behaviour
5. Freedom from fear and distress

EGGS

• Farmer assurance scheme including food safety, animal welfare, land stewardship and retailer transparency ranked higher than any other Australian retailer in the Business Benchmark For Animal Welfare (BBFAW)

POULTRY

• 100% of fresh chicken is certified RSPCA
• All own-brand products containing chicken as an ingredient to be RSPCA certified by 2020

DAIRY

• First retailer to have a higher welfare standard for dairying
• New animal welfare standard developed for Farmers Own which will benefit 8,703 cows p.a.

POULTRY

• 13% of total eggs sold are cage-free
• Removed the sale of cage eggs in our own brand
• Committed to phase out cage eggs by 2025 to align with industry and customer demand

NEW ZEALAND 100% CAGE FREE EGGS BY 2025

In August 2016, Countdown launched our Egg Producer Program to support free range and barn egg farmers. This provides farmers with an opportunity to increase their investment in free range and barn egg capacity with certainty, as we are committed to take future supply through individual partnership agreements.

This year, we announced that we are aiming to be 100% cage-free in North Island retail stores by the end of 2024, and across the rest of New Zealand by the end of 2025. We are the first national retailer to make this move, and it extends our earlier commitment to transition to free range and barn only in our own brand eggs by the end of 2022.

BIG W’s own brand products are produced to high standards of animal welfare. BIG W does not use animal testing on its own brand products, including personal care and cosmetics. BIG W has also committed to not sell any products made from angora wool due to the animal welfare concerns of the process of fibre removal from rabbits.

PERSONAL CARE AND COSMETIC ANIMAL WELFARE STANDARDS

BIG W’s own brand products are produced to high standards of animal welfare. BIG W does not use animal testing on its own brand products, including personal care and cosmetics. BIG W has also committed to not sell any products made from angora wool due to the animal welfare concerns of the process of fibre removal from rabbits.
RESPONDING TO CLIMATE CHANGE: ENERGY AND CARBON INITIATIVES

Our immediate target is to ‘Reduce Woolworths Group’s carbon emissions to 10 per cent below 2015 levels.’ In response to the Paris Agreement, we will use science-based targets to assess the impacts of a two-degree world, and examine their applicability to our Group. This work will be undertaken during the coming financial year.

EMISSION REDUCTION FUND

Woolworths Group has successfully registered two programs under the Federal Government’s Emission Reduction Fund. These programs look to help the Federal Government meet their 2030 Climate Change Target by reducing carbon emissions.

Project Enlighten utilises energy conservation measures (such as LED lighting, HVAC and lighting controls optimisation) to reduce carbon emissions, whilst our Source Separated Organic Waste Diversion project was rolled out to Woolworths supermarkets to help reduce organics ending up in landfill where they produce harmful gases as they decompose.

ENERGY EFFICIENCY COUNCIL AWARDS

Project Enlighten won the Energy Efficiency Council’s Leading Energy User Award for 2016. The National Energy Efficiency Awards are Australia’s highest profile honours dedicated to excellence in energy efficiency. Project Enlighten, an ambitious program of LED lighting, refrigeration and air-conditioning upgrades has delivered annual energy savings equivalent to powering 36 supermarkets that help offset rising energy costs. As well as the great energy benefits, Project Enlighten also delivers an enhanced in-store experience for our customers and team – a true win-win outcome.

GREENER DEVELOPMENTS

To keep our future and current developments as green as possible, we became a member of the Green Building Council of Australia in 2017. Our property development division, Fabco, has committed to obtaining a Green Star performance rating for currently owned retail centres. And for future developments, we are aiming to achieve an even higher Green Star rating by using the learnings and initiatives passed on from other market leaders.

We have committed to opening a new supermarket and Dan Murphy’s store in the Burwood Brickworks development. With an ambitious sustainability agenda for the project, the goal is for the development to become the most sustainable shopping centre in the world. The sustainability will be measured by the Living Building Challenge – an initiative of the International Living Future Institute based in Seattle.

WAREHOUSE SKYLIGHTS

To reduce BIG W’s carbon emission, we have introduced skylights in warehouses, as well as upgrading in-store lighting to LED bulbs – reducing energy use by approximately 15% per store. To date, we have 13 stores upgraded to the new LED bulbs. We are also shifting more traffic from truck routes to rail where possible, removing over 6,000 truck movements per year.

SOLAR

We have been investing in renewable energy and will investigate further cost-effective investment as technology and commercial opportunities evolve. We are looking at the broad application of solar across our business and are about to commission a 1.2MW solar install (3,344 panels) at our new DC in Melbourne South. This will double our installed solar PV capacity to over 2.4MW.

A FOCUS ON WATER TO MANAGE RISK

We will work with our suppliers to build capacity to manage risks such as water shortages and droughts, which could affect commodity supply and prices. This work has begun and will be completed during FY18.
RESPONDING TO CLIMATE CHANGE: ENERGY AND CARBON INITIATIVES

Running our refrigeration systems is a material contributor to the carbon footprint of our businesses. We are investing in new technologies to reduce the impact of this critical part of our business. Even though our overall refrigerant leakage for FY17 increased, the encouraging reductions in recent months gives us confidence that we will achieve our 2020 goal as our initiatives take effect.

Refrigerant management

As a business, we depend on refrigeration, so it’s in our best interests to make sure we are using the most advanced and sustainable technology to run it. Our 2020 target is to ‘Innovate with natural refrigerants and reduce refrigerant leakage in our stores by 15% of CO2-e below 2015 levels.’ We’ll do this by implementing leakage reduction initiatives and by replacing existing refrigeration systems with hybrid (R134a and CO2) or HFC-free systems.

We’ve recently opened the first Australian Woolworths supermarket at Greenway Village in Colebee with transcritical CO2 refrigeration. The system uses 100% natural refrigerants that have no global warming potential. Transcritical refrigeration systems have a lot more waste heat available for store heating, water heating, under floor heating, and even store cooling. Countdown in New Zealand has also embraced this technology, operating transcritical systems in four stores (as well as two of our FreshChoice stores). Going forward, all new Countdown stores will have transcritical systems, utilising natural refrigerants.

Another new technology we are using in our stores is waterloop refrigeration. It offers a reduction in refrigerant charge and refrigerant leak rates compared to standard supermarket systems.
We are a trusted business partner to thousands of suppliers. We will continue to foster these positive relationships, give back to the communities we serve, and continue to build trust with our customers by providing quality products and doing the right thing by people and the planet.
WORKING WITH OUR BUSINESS PARTNERS

We believe our relationships with our suppliers are a huge part of our success. Building strong long-term partnerships through fair and equitable dealings will foster trust and innovation. These positive relationships will in turn provide our customers with the best possible products in the most sustainable way.

REWARDING OUTSTANDING SUSTAINABILITY PRACTICES

Woolworths Supermarkets continues to provide business updates to its supplier base twice yearly, and recognises best in class performance at our Supplier of the Year awards. In 2016 awards were handed out in 23 categories, including, for the first time, Sustainable Supplier of the Year and Organic Supplier of the Year.

Our Sustainable Supplier of the Year Award encourages our suppliers to further develop their business models to be environmentally conscious. By nurturing these changes for good, we aim to increase best practice sustainability across a wide range of industries and filter these practices through our supply chains. Woolworths is committed to provide a full range of Statistics and labels online.

COUNTRY OF ORIGIN LABELLING

We firmly agree that customers should have as much information as possible about where their food comes from. We were the first supermarket to label our own brand products when the Federal Government introduced the Country of Origin Labelling reforms in 2016. We are proudly going beyond the minimum legal requirements, and are labelling all of our own brand products including compliant labelling online.

BUYER & SUPPLIER PRINCIPLES

Our Endeavour Drinks’ Good Buyer and Supplier Principles set standards for our buyers to follow when dealing with suppliers. The purpose is that all parties act with fairness and transparency. This is in support of our landmark 2014 agreement with the Winemakers’ Federation of Australia. Using tools such as our supplier portal, we work to make sure all suppliers, both big and small, have a chance to range their products in our stores.
WORKING WITH OUR BUSINESS PARTNERS

As a modern-day retailer, we are constantly faced with complex issues when sourcing goods through our extensive supply chain. Our goal is: “We will focus on a best practice compliance system according to the Global Social Compliance Program.”

Improving working conditions

Woolworths is committed to respecting human rights for our own team members and the workers in our supply chain in alignment with the principles and guidance contained in the United Nations Guiding Principles on Business and Human Rights. We are evolving our approach to management of human rights in our supply chain and we expect that this will be a multi-year journey. We are committed to transparent reporting of our progress each year in our Corporate Responsibility Report.

We have commenced a Group-wide holistic review of our ethical sourcing practices to help us reach our 2020 goal, and have become members of SEDEX, a global non-profit organisation for sharing responsible sourcing data on supply chains. As part of our review project, we will assess potential human rights risks through the full scope of our value chain: inside our organisation, tier 1 suppliers down to raw material suppliers, and also including distribution and warehousing.

We will use the outcomes of this assessment to determine our areas of focus, in accordance with the UN Guiding Principles, which encourage the prioritisation of salient issues and risks.

We expect all suppliers to comply with our ethical sourcing policy, which has a compliance audit program for factories making our own brand products. We engage experienced third-party certification bodies to conduct the audits and rate factories as approved, conditionally approved or at risk. Factories at risk or that need critical corrective actions cannot start production for Woolworths until these issues are resolved.

1 More details on our Ethical Sourcing Policy can be found at: https://www.woolworthsgroup.com.au/page/community-and-responsibility/ group-responsibility/responsible-sourcing/Labour_Practices_in_our_global_supply_chain/
MAKING AN IMPACT

With over 3,500 locations, Woolworths Group is part of the fabric of society and we are proud to be an important contributor to communities across Australia and New Zealand.

Our goal is to contribute the equivalent of at least 1% of our pre-tax profits on a three-year rolling average every year to the communities in which we operate. Throughout this year, all of our brands have made an impact – by assisting those affected by natural disasters, helping sick kids, or bringing a little bit of good to our customers and communities through our involvement in local events, both big and small.

PROSPERITY: founded on trusted relationships

INVESTMENTS
DIRECT COMMUNITY

NT: CHRISTMAS IN DARWIN
Woolworths supported the Christmas in Darwin Association to stage the Darwin Carols by Candlelight, spreading Christmas cheer to Territorians.

QLD: HELPING SICK KIDS
Woolworths has been supporting the Children’s Hospital Foundation to save lives, lessen the hurt and help sick kids to heal. Our partnership has spanned 30 years and raised $50 million.

QLD: FLYING DOCTORS
Woolworths stores across Queensland and Northern NSW threw their support behind the Royal Flying Doctors Service (Qld Section). FY17 was our most successful year in this partnership, raising more than $660,000.

NSW: WHITE RIBBON
In FY17 EDG, through BWS and Dan Murphy’s, a raised of total $480K to support White Ribbon’s work towards stopping violence against women.

NSW: FARM TO FORK
Woolworths – a major sponsor of the Sydney Royal Easter Show. Together with the Royal Agricultural Society of NSW, Woolworths supported a new interactive exhibit in 2017 to take children on a paddock to plate adventure to learn more about where their food comes from.

ACT: KIDS IN NEED
Woolworths has worked with Variety, the Children’s Charity for several years to assist children and their families in need all over NSW and the ACT.

ACT: TELETHON
Woolworths stores in Western Australia supported the Telethon Institute for Child Health Research and Perth’s Princess Margaret Hospital Foundation by fundraising year-round to help sick kids.

WA: BIG W’S BIG HEART
Our BIG W Big Heart Appeal had been running for 15 years. The Appeal supports the Sydney Children’s Hospital in Randwick (NSW), The Royal Children’s Hospital Foundation (Qld), The Fiona Health Foundation Inc (SA), The Royal Children’s Hospital (Vic) and the Princess Margaret Hospital Foundation (WA).

VIC: GOOD FRIDAY APPEAL
Woolworths stores in local communities across Victoria have raised over $20 million over our 30 year partnership with the Good Friday Appeal, which aims to help make a difference to the lives of sick children at the Royal Children’s Hospital.

VIC: VERY SPECIAL KIDS
The ALH Group has been a major partner of the annual Very Special Kids fund raising event since 2002 and has raised a total of $2.4 million through its network of 58 Victorian venues.

TAS: GIVE ME 5 FOR KIDS
Woolworths store teams and customers fundraised for Give Me 5 For Kids, to support children and their families in times of need.

TAS: KIDS DAY OUT
Woolworths sponsored the “Kid I Am” event in Launceston, a great fun-focussed family day out.

DIRECT COMMUNITY INVESTMENTS

CASH DONATIONS

$6.3M

IN KIND

$17.3M

TEAM MEMBER TIME

$9.0M

DIRECT COMMUNITY INVESTMENT TOTALLING

$32.6M

LEVERAGED FUNDRAISING

$19.1M

IN DARWIN

NORTHERN TERRITORY

WESTERN AUSTRALIA

SOUTH AUSTRALIA

NEW SOUTH WALES

VICTORIA

TASMANIA

NEW ZEALAND

NZ: KAIOUKRA EARTHQUAKE
The Kaikoura earthquake on 14 November 2016 had a local and national impact. Immediately following the earthquake, eight Countdown stores were closed, along with the Palmerston North Distribution Centre. We supported those impacted through our support of the Red Cross Kaikoura Earthquake Appeal. We kicked started our customer appeal for the Red Cross with a $25,000 donation, and Countdown customers donated $19,633.47.

NZ: EDGECEMUNE FLOODS
In response to the major flooding in Edgecumbe in April 2017, Countdown supported the NZ Red Cross Bay of Plenty Floods Appeal 2017.

NZ: CHRISTMAS
For the majority of Kiwis, Christmas is a time of festivity, warmth, joy and celebration, however this is not the case for everyone. Thousands of struggling families and individuals in need find the Christmas season incredibly stressful. Countdown supports The Salvation Army with the Christmas Food Rescue Appeal. Each Countdown store donated $500 worth of groceries ($91,500 in total) and shoppers are encouraged to donate additional groceries and/ or money to the cause.

55.4

17

1.1%

17

0.2

45

17

45

CORPORATE RESPONSIBILITY REPORT 2017
WOOLWORTHS GROUP
We will publicly report social impact to quantify the positive changes we are creating with a focus on health, economic development and emergency relief.

LT. COL. NEIL VENABLES
NATIONAL COMMUNICATIONS SECRETARY

“The S.T.A.N.D. initiative has been a way to bring together two brands that have a strong presence in local communities all over Australia. In 2017, we really saw the benefits of this strong partnership with ex-Tropical Cyclone Debbie devastating communities in Queensland and Northern New South Wales. With the support of Woolworths, we were able to provide immediate on-the-ground support in the form of gift cards, meals to disaster affected people and emergency crews, and the manning of recovery centres.”

MAJOR BRYCE DAVIES
COMMUNITIES OF HOPE COORDINATOR
SALVATION ARMY VOLUNTEER IN PROSERPINE FOR EX-TROPICAL CYCLONE DEBBIE

“A mother with four young children had spent the night trying to stop debris and howling winds from coming in through her smashed windows. When she came to the recovery centre and we handed her $250 worth of Woolworths vouchers, she just burst into tears. It’s so nice to be able to give something.”

Woolworths Group CEO BradBanducci, Salvation Army Chief Secretary in Charge Colonel Mark Campbell and S.T.A.N.D. ambassador Adam Goodes launch S.T.A.N.D., 8 November 2016.
As the fresh food people, we are passionate about using our resources and skills to partner with the communities that we are part of to improve the health and wellbeing of our customers.

Foodbank

“Foodbank is Australia’s largest food relief organisation, providing 63 million meals a year. By our side for 15 years, Woolworths is the single biggest retailer donor of food and groceries, donating more than 15 million kilograms to date. With food waste in Australia being at dire straits, Woolworths has also been partnering with us to seek solutions to reduce this problem. From fighting hunger, to fundraising and sustainability – we couldn’t do what we do without the wonderful support of Woolworths.” Brianna Casey, CEO Foodbank Australia

“Our partnership with Woolworths has opened up a range of ways to source the food and groceries needed in order to change the lives of vulnerable Australians. With the help of Woolies, Foodbank is able to capture fresh and staple food items, which ensures Foodbank’s warehouses all over Australia are always packed to the brim with delicious products. Woolworths has made a big impact, and for that, we can’t thank them enough.”

Phil Riley, Warehouse Manager Foodbank NSW & ACT

Jamie’s Ministry of Food Australia

“With a vision to lead the transformation of Australia’s food habits, it is through the support of Woolworths that we have been able to teach over 37,000 participants nationally how to cook from scratch using fresh ingredients. We have increased our participants’ skills, knowledge and confidence to cook and have provided information during the course on budgeting, seasonality and the health benefits of cooking” says Felicia Mariani, CEO The Good Foundation and Jamie’s Ministry of Food.

Woolworths has been integral to the success of this program by providing fresh ingredients nationally since 2014.

“This year alone, Woolworths has enabled participants to learn how simple it is to cook with eggs by donating 29,452 eggs. We’ve cooked over 6,423 omelettes and taught people aged between 12-96 years how to cook up over 3,205 roast chickens with all the vegetable trimmings.” said Felicia.

Learning to cook used to be a skill passed on from generation to generation. The success of this program is how it is changing the way people feed themselves and their families. With programs running during 2017 in Queensland, New South Wales, Victoria, South Australia and Western Australia, we have connected with communities across the country.
Over the past year, we have been working to not only expand our range of locally-sourced products, but to also make sure our stores have ranges that are locally relevant for their customers. A good example of this is what we have achieved in our Glen Huntly store.

Customers of Woolworths Glen Huntly asked for a range more relevant to their local community – a larger Kosher range. Over the past year we have been working with new and existing Kosher suppliers to cater for our Jewish customers. With one of the largest Jewish populations in Melbourne, Glen Huntly is a test store, and will lead the way for us to move into more stores with a similar demographic. With the introduction of approximately 129 new Kosher products over the past year, feedback has been overwhelmingly positive.

We listen to our customers, so in 2014 when 52% told us that buying local food is extremely important to them, we launched our Local Sourcing Program. Our team of state-based local sourcing managers search for products that are grown or produced locally in their home state. Since launching the program, we have validated nearly 3,000 products and added over 500 to our range from 66 new suppliers. This is in addition to approximately 97% of our fresh fruit and vegetables being Australian grown.

**Creating Shared Value With Our Customers**

Voice of Customer (VOC) scores are a key indicator for our team to measure our performance. In FY17, customers have reacted positively to our initiatives in Australian Food with our store-controllable VOC score improving significantly to finish the year at record levels of 81% and we achieved record Net Promoter Scores (NPS) and VOC scores in both Dan Murphy’s and BWS. Our Countdown team also achieved new highs in its customer satisfaction scores throughout the year.

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**Catering for locals**

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We are committed to making healthy choices easier for our customers. In 2015, Woolworths and Countdown were the first national retailers to give away free fruit to any child shopping with an adult. In the last 12 months, we have given away $10 million worth of free fruit, which is equivalent to 20 million pieces!

**Food and Health Dialogue**

In 2009, we adopted the Food and Health Dialogue targets, a joint government and food industry initiative focused on reducing the sodium content of foods from nine commonly consumed categories. This year we met all targets when we completed a 20% salt reduction across seven hams and 30% salt reduction in Woolworths cheese slices.

**Best Ready Made Meal**

Judged by Accredited Practising Dietitians, Delicious Nutritious Beef and Tomato Casserole won the Healthy Food Guide’s Healthy Eating Award for the best ready meal category.

**Nutrition Renovations**

- **120+ own brand foods with**
  - 195 tonnes less salt
  - 100 tonnes less saturated fat
  - 200 tonnes less sugar
  - 8 billion less kilojoules

**Retaining the Goodness**

There are no artificial colours or flavours or MSG in any own brand foods. There are 1,000 tonnes more whole grains in 16 own brand foods.

**Increasing Fruit and Vegetables**

Thanks to lower market costs, we’ve seen lower shelf prices for fresh produce, which has resulted in increased purchases. Berries are up 27%, Solano tomatoes grew by 70% and broccoli by 28% from last year. Customers are also buying more convenient options too, with single and double serve salad bowl and tub sales growing by over 25%.

**Healthier New Zealand**

When the NZ government launched the Obesity Action Plan in 2016, the NZ team pledged to commit to health and nutrition targets. This includes nutrition renovations, at least one confectionery free checkout in 25% of stores, nutrition information on the website and health stars on front of pack. We will continue to provide free fruit for kids and healthy food inspiration through Feed Four for $15.

**Health Star Rating**

Over 80% of our own brand range has the voluntary health star rating on front of pack. That’s more than 2,000 products. Our customer research found shoppers like the simplicity of the health star ratings to make ‘at a glance’ choices. These ratings appeal to time poor shoppers and those less confident in their food health knowledge. Families see the benefit of making it easy to point out healthier choices to children.

**The Healthy Food Partnership**

Woolworths is an invited member of Healthy Food Partnership, a joint initiative between government, industry, retailers and public health advocates to improve the dietary habits of all Australians by making healthy food choices easier.
To be a responsible provider of electronic gambling services, we focus on setting limits, staff education and training, and partnerships. Our Hotel and Gaming Charter clearly demonstrates our commitment to responsible gambling.

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

RESPONSIBLE GAMBLING AMBASSADOR

For seven years, we have worked with David Schwarz, a well-known former professional AFL footballer and reformed problem gambler. David is our Responsible Gambling Ambassador.

VOLUNTARY PRE-COMMITMENT

This system is a cornerstone for our responsible gambling strategy. It allows gamblers to nominate a limit before they start using our machines.

RESPONSIBLE RANGING

Our Self-Exclusion Program helps people who have decided to limit their access to gaming machines to implement that decision.

RESPONSIBLE MARKETING

As the first retail signatory to the Alcohol Beverage Advertising Code (ABAC), our advertising campaigns never step outside community standards, will never target young people, and will not encourage people who shouldn’t be drinking to do so. All of our exclusive and own brand liquor brands follow and comply with the ABAC. Our efforts are supported and outlined in our Charter for Ranging Alcohol.
# Table of Contents by Business Unit

## Woolworths Group

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<td>Preventing pedestrian accidents</td>
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<td>The end of the plastic bag</td>
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<td>Improved recycle logo</td>
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<td>Environmentally responsible sourcing</td>
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<td>Palm oil</td>
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<td>Paper, pulp and timber</td>
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<td>Catalogues and paper</td>
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<td>Zero Deforestation Packaging</td>
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<td>Emissions Reduction Fund</td>
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<td>Greener developments</td>
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<td>Solar</td>
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<td>A focus on water to manage risk</td>
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<td>Refrigerant management</td>
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<tr>
<td>Understanding our suppliers</td>
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<tr>
<td>Improving working conditions</td>
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<td>Remedy</td>
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## Endeavour Drinks

<table>
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<th>Topic</th>
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<td>Confined spaces training</td>
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<td>Lightening the load</td>
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<td>BWS and Mardi Gras partnership</td>
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<td>Buyer &amp; Supplier principles</td>
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<td>Keeping Darwin safe</td>
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<td>Serving alcohol responsibly</td>
<td>54</td>
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<tr>
<td>Drinking responsibly</td>
<td>54</td>
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<tr>
<td>Responsible ranging</td>
<td>54</td>
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<tr>
<td>Responsible marketing</td>
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## New Zealand Food

<table>
<thead>
<tr>
<th>Topic</th>
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</thead>
<tbody>
<tr>
<td>Equal opportunities</td>
<td>13</td>
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<td>English language support</td>
<td>15</td>
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<tr>
<td>Natural disaster preparation</td>
<td>19</td>
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<tr>
<td>Countdown’s transgender policy</td>
<td>21</td>
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<tr>
<td>Reducing food waste in New Zealand</td>
<td>25</td>
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<td>Recyclable meat trays</td>
<td>27</td>
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<tr>
<td>Working with industry and influential stakeholders – Fairtrade Macro Coffee</td>
<td>29</td>
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<tr>
<td>New Zealand 100% cage free eggs by 2025</td>
<td>33</td>
</tr>
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<td>Supplier Charter</td>
<td>41</td>
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<tr>
<td>Healthier New Zealand</td>
<td>53</td>
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</table>

## Portfolio Businesses

### Big W

<table>
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</thead>
<tbody>
<tr>
<td>Embracing change</td>
<td>12</td>
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<td>‘Let’s Talk Gender’</td>
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<td>Personal Care and Cosmetic Animal welfare standards</td>
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<td>Building capacity at Spencer Fashions</td>
<td>43</td>
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### Hotels

<table>
<thead>
<tr>
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<tbody>
<tr>
<td>Responsible Gambling Ambassador</td>
<td>55</td>
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<tr>
<td>Voluntary pre-commitment</td>
<td>55</td>
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<tr>
<td>Self-Exclusion Program</td>
<td>55</td>
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<tr>
<td>Responsible gambling training</td>
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</tbody>
</table>
Our Corporate Responsibility Strategy addresses emerging issues from an understanding of the global trends that are shaping business through to 2020 and beyond. These emerging issues include the increasingly connected and diverse communities from which our customers and team members are drawn, concerns for responsible and ethical supply relationships, food and water supply security, and climate change, water and waste management. At the same time, the United Nations 2030 Sustainable Development Goals define global sustainable development priorities and aspirations for 2030 and seek to mobilise global efforts around a common set of goals and targets.

Reflecting our operation within a global community, our commitments and interaction with the United Nations 2030 Sustainable Development Goals are mapped here along our value chain. This ensures that our efforts deliver value to our stakeholders.

Our strategy is Group-wide with clear targets and commitments for the business divisions. A materiality assessment that involved comprehensive internal and external stakeholder engagement, document review and landscape analysis was conducted to develop our priorities. Acknowledging that key issues vary across our business divisions, we have identified the most important issues for each. Each business division will develop more detailed implementation plans on how they will achieve these targets.
SUSTAINABILITY METRICS

TOTAL CO2 EMISSIONS (t CO2-e) ¹

<table>
<thead>
<tr>
<th>Company</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>Total</th>
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<tbody>
<tr>
<td>ALH</td>
<td>15,987</td>
<td>226,133</td>
<td>29,285</td>
<td>271,405</td>
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<tr>
<td>BIG W</td>
<td>13,466</td>
<td>142,846</td>
<td>25,325</td>
<td>181,638</td>
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<tr>
<td>BWS</td>
<td>5,208</td>
<td>20,001</td>
<td>3,758</td>
<td>28,967</td>
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<tr>
<td>Corporate</td>
<td>414</td>
<td>36,690</td>
<td>5,789</td>
<td>42,992</td>
</tr>
<tr>
<td>Dan Murphy’s</td>
<td>9,115</td>
<td>44,590</td>
<td>6,374</td>
<td>59,079</td>
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<tr>
<td>FABCOT</td>
<td>22</td>
<td>5,245</td>
<td>730</td>
<td>5,997</td>
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<tr>
<td>Logistics</td>
<td>342</td>
<td>85,385</td>
<td>11,649</td>
<td>97,376</td>
</tr>
<tr>
<td>Masters</td>
<td>-</td>
<td>39,191</td>
<td>14,663</td>
<td>53,855</td>
</tr>
<tr>
<td>PEL</td>
<td>76,835</td>
<td>36,078</td>
<td>18,874</td>
<td>131,787</td>
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<tr>
<td>Petrol</td>
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<td>49,932</td>
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<tr>
<td>Supermarkets</td>
<td>537,529</td>
<td>1,616,722</td>
<td>311,328</td>
<td>2,465,580</td>
</tr>
<tr>
<td>Thomas Dux</td>
<td>477</td>
<td>1,873</td>
<td>350</td>
<td>2,701</td>
</tr>
<tr>
<td>Grand total</td>
<td>661,521</td>
<td>2,294,885</td>
<td>435,802</td>
<td>3,392,209</td>
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ELECTRICITY USE (MWh) ¹

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<th>2017</th>
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<td></td>
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<td></td>
<td></td>
</tr>
<tr>
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<td></td>
<td></td>
</tr>
<tr>
<td>Grand total</td>
<td>-</td>
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EMISSIONS FROM FACILITIES (t CO2-e) ¹

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<th>SCOPE 2</th>
<th>SCOPE 3</th>
<th>TOTAL</th>
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<tr>
<td>Grand total</td>
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<td>2,294,885</td>
<td>435,802</td>
<td>3,392,209</td>
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TRANSPORT EMISSIONS BY USE (t CO2-e) ¹

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<tr>
<th>Use</th>
<th>Australia</th>
<th>New Zealand</th>
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<td>Business travel</td>
<td>3,772</td>
<td>2,178</td>
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<tr>
<td>Home delivery</td>
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<td>77,644</td>
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<td>Trolley collection</td>
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MATERIALS DIVERTED FROM LANDFILL (tonnes)

Materials diverted from landfill from Australian Supermarkets, New Zealand Supermarkets and BIG W.

<table>
<thead>
<tr>
<th>Country</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
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<td></td>
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<tr>
<td>Food waste to composting or energy</td>
<td>14,655</td>
<td>17,359</td>
<td>16,791</td>
<td>17,677</td>
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<tr>
<td>Food to charity</td>
<td>1,381</td>
<td>2,956</td>
<td>3,231</td>
<td>4,015</td>
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<tr>
<td>Cardboard</td>
<td>201,165</td>
<td>192,170</td>
<td>218,535</td>
<td>222,145</td>
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<tr>
<td>Polystyrene</td>
<td>7,869</td>
<td>7,028</td>
<td>8,226</td>
<td>9,232</td>
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<tr>
<td>Total Australia</td>
<td>225,291</td>
<td>219,647</td>
<td>245,830</td>
<td>252,565</td>
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<tr>
<td>New Zealand</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cardboard</td>
<td>24,546</td>
<td>25,324</td>
<td>26,057</td>
<td>27,709</td>
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<tr>
<td>Plastic film</td>
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<td>1,253</td>
<td>1,307</td>
<td>1,296</td>
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<tr>
<td>Food waste to farmers</td>
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<td>807</td>
<td>787</td>
<td>768</td>
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<tr>
<td>Food to charity</td>
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<td>509</td>
<td>509</td>
<td>509</td>
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<tr>
<td>Total New Zealand</td>
<td>26,780</td>
<td>28,328</td>
<td>29,100</td>
<td>30,475</td>
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<tr>
<td>Total diverted</td>
<td>252,071</td>
<td>247,975</td>
<td>274,930</td>
<td>283,040</td>
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¹ Energy use and carbon emissions data was prepared in accordance with NGER Guidelines.
WORKPLACE METRICS

BOARD OF DIRECTORS

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<thead>
<tr>
<th>AGE BAND</th>
<th>FEMALE</th>
<th>MALE</th>
<th>TOTAL</th>
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</thead>
<tbody>
<tr>
<td>&lt;25</td>
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<td>35–&lt;45</td>
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<tr>
<td>45–&lt;55</td>
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<td>5</td>
</tr>
<tr>
<td>55–&lt;65</td>
<td>0</td>
<td>0</td>
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</tr>
<tr>
<td>&gt;65</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>4</strong></td>
<td><strong>4</strong></td>
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</table>

FEMALE REPRESENTATION BY EMPLOYMENT CATEGORY

<table>
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<tr>
<th>EXECUTIVES</th>
<th>SENIOR MANAGERS</th>
<th>MANAGERS</th>
<th>OFFICE/SUPPORT</th>
<th>TECHNICIANS AND TRADES</th>
<th>SALES</th>
<th>OTHER</th>
</tr>
</thead>
<tbody>
<tr>
<td>29%</td>
<td>26%</td>
<td>39%</td>
<td>56%</td>
<td>10%</td>
<td>59%</td>
<td>17%</td>
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</table>

RATIO OF BASIC SALARY AND REMUNERATION OF FEMALE TO MALE EMPLOYEES BY EMPLOYMENT CATEGORY

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>AVERAGE ANNUALISED SALARY</td>
<td>RATIO TO AVERAGE</td>
</tr>
<tr>
<td>Non-managerial female</td>
<td>$46,122</td>
<td>97.2%</td>
</tr>
<tr>
<td>Non-managerial male</td>
<td>$49,114</td>
<td>103.5%</td>
</tr>
<tr>
<td>Average salary</td>
<td>$47,467</td>
<td></td>
</tr>
<tr>
<td>Managerial female</td>
<td>$75,675</td>
<td>92.1%</td>
</tr>
<tr>
<td>Managerial male</td>
<td>$86,274</td>
<td>105.0%</td>
</tr>
<tr>
<td>Average salary</td>
<td>$82,153</td>
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</tbody>
</table>

RESPECT AND DIGNITY

We expect our employees to treat each other, our customers and our suppliers with respect and dignity. We train our employees on these expectations, but sometimes we do have issues which escalate to external jurisdictions. We are working towards a resolution on the outstanding claims.

DISCRIMINATION

Number of claims lodged in Australia during the year: 19
Number resolved in financial year: 15

FREEDOM OF ASSOCIATION

% of workforce covered by Enterprise Bargaining Agreements (EBAs): 79.6%

WORKFORCE AND TURNOVER

HEADCOUNT BY BUSINESS UNIT

<table>
<thead>
<tr>
<th>GROUP/BRAND</th>
<th>FEMALE</th>
<th>MALE</th>
<th>TOTAL</th>
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</thead>
<tbody>
<tr>
<td>ALH (Venue &amp; Support)</td>
<td>6,366</td>
<td>4,955</td>
<td>11,321</td>
</tr>
<tr>
<td>BIG W</td>
<td>12,857</td>
<td>5,881</td>
<td>18,738</td>
</tr>
<tr>
<td>Ezibuy</td>
<td>495</td>
<td>83</td>
<td>578</td>
</tr>
<tr>
<td>Endeavour Drinks</td>
<td>4,074</td>
<td>6,990</td>
<td>11,064</td>
</tr>
<tr>
<td>Food Group</td>
<td>83,208</td>
<td>67,411</td>
<td>150,619</td>
</tr>
<tr>
<td>Statewide Independent Wholesalers</td>
<td>26</td>
<td>315</td>
<td>341</td>
</tr>
<tr>
<td>Group Support</td>
<td>2,156</td>
<td>7,406</td>
<td>9,562</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>109,146</strong></td>
<td><strong>93,041</strong></td>
<td><strong>202,187</strong></td>
</tr>
</tbody>
</table>

HEADCOUNT BY EMPLOYEE TYPE

<table>
<thead>
<tr>
<th></th>
<th>FEMALE</th>
<th>MALE</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full-time</td>
<td>25,493</td>
<td>32,887</td>
<td>58,380</td>
</tr>
<tr>
<td>Part-time</td>
<td>52,800</td>
<td>31,347</td>
<td>84,147</td>
</tr>
<tr>
<td>Casual</td>
<td>30,853</td>
<td>28,807</td>
<td>59,660</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>109,146</strong></td>
<td><strong>93,041</strong></td>
<td><strong>202,187</strong></td>
</tr>
</tbody>
</table>

1 Workplace Gender Equality Agency (WGEA) data with an extraction date of 1 January 2017 (Australian business units only).
2 The employment category does not reflect like-for-like roles. WGEA data with an extraction date of 1 January 2017 (Australian business units only).
### Headcount by Region

<table>
<thead>
<tr>
<th>Region</th>
<th>Female</th>
<th>Male</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australian Capital Territory</td>
<td>1,217</td>
<td>1,418</td>
<td>2,635</td>
</tr>
<tr>
<td>New South Wales</td>
<td>31,168</td>
<td>27,990</td>
<td>59,158</td>
</tr>
<tr>
<td>Northern Territory</td>
<td>1,011</td>
<td>911</td>
<td>1,922</td>
</tr>
<tr>
<td>Queensland</td>
<td>23,122</td>
<td>17,945</td>
<td>41,067</td>
</tr>
<tr>
<td>South Australia</td>
<td>6,112</td>
<td>6,078</td>
<td>12,190</td>
</tr>
<tr>
<td>Tasmania</td>
<td>2,900</td>
<td>1,937</td>
<td>4,837</td>
</tr>
<tr>
<td>Victoria</td>
<td>22,974</td>
<td>21,570</td>
<td>44,544</td>
</tr>
<tr>
<td>Western Australia</td>
<td>9,379</td>
<td>6,686</td>
<td>16,065</td>
</tr>
<tr>
<td>New Zealand</td>
<td>10,934</td>
<td>8,294</td>
<td>19,228</td>
</tr>
<tr>
<td>China</td>
<td>324</td>
<td>191</td>
<td>515</td>
</tr>
<tr>
<td>Bangladesh</td>
<td>2</td>
<td>19</td>
<td>21</td>
</tr>
<tr>
<td>Thailand</td>
<td>3</td>
<td>2</td>
<td>5</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>109,146</td>
<td>93,041</td>
<td>202,187</td>
</tr>
</tbody>
</table>

### Workforce by Age

<table>
<thead>
<tr>
<th>Age Band</th>
<th>Female</th>
<th>Male</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;25</td>
<td>37,606</td>
<td>39,434</td>
<td>77,040</td>
</tr>
<tr>
<td>25–&lt;35</td>
<td>21,966</td>
<td>24,739</td>
<td>46,705</td>
</tr>
<tr>
<td>35–&lt;45</td>
<td>18,033</td>
<td>13,938</td>
<td>31,971</td>
</tr>
<tr>
<td>45–&lt;55</td>
<td>17,886</td>
<td>13,938</td>
<td>26,763</td>
</tr>
<tr>
<td>55–&lt;65</td>
<td>11,716</td>
<td>5,013</td>
<td>16,729</td>
</tr>
<tr>
<td>&gt;65</td>
<td>1,939</td>
<td>1,040</td>
<td>2,979</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>109,146</td>
<td>93,041</td>
<td>202,187</td>
</tr>
</tbody>
</table>

### Turnover by Age

#### Total Terminations

<table>
<thead>
<tr>
<th>Age Band</th>
<th>Female</th>
<th>Male</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;25</td>
<td>13,044</td>
<td>13,678</td>
<td>26,722</td>
</tr>
<tr>
<td>25–&lt;35</td>
<td>6,248</td>
<td>7,865</td>
<td>14,113</td>
</tr>
<tr>
<td>35–&lt;45</td>
<td>3,547</td>
<td>3,360</td>
<td>6,907</td>
</tr>
<tr>
<td>45–&lt;55</td>
<td>2,854</td>
<td>2,051</td>
<td>4,905</td>
</tr>
<tr>
<td>55–&lt;65</td>
<td>1,639</td>
<td>1,178</td>
<td>2,817</td>
</tr>
<tr>
<td>&gt;65</td>
<td>550</td>
<td>489</td>
<td>1,039</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>27,922</td>
<td>28,860</td>
<td>56,782</td>
</tr>
</tbody>
</table>

#### % Labour Turnover

<table>
<thead>
<tr>
<th>Age Band</th>
<th>Female</th>
<th>Male</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;25</td>
<td>34%</td>
<td>34%</td>
<td>34%</td>
</tr>
<tr>
<td>25–&lt;35</td>
<td>28%</td>
<td>31%</td>
<td>29%</td>
</tr>
<tr>
<td>35–&lt;45</td>
<td>19%</td>
<td>23%</td>
<td>21%</td>
</tr>
<tr>
<td>45–&lt;55</td>
<td>16%</td>
<td>22%</td>
<td>18%</td>
</tr>
<tr>
<td>55–&lt;65</td>
<td>14%</td>
<td>26%</td>
<td>18%</td>
</tr>
<tr>
<td>&gt;65</td>
<td>29%</td>
<td>46%</td>
<td>35%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>25%</td>
<td>30%</td>
<td>27%</td>
</tr>
</tbody>
</table>

### New Hires by Region

<table>
<thead>
<tr>
<th>Region</th>
<th>Female</th>
<th>Male</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australian Capital Territory</td>
<td>347</td>
<td>495</td>
<td>842</td>
</tr>
<tr>
<td>New South Wales</td>
<td>7,747</td>
<td>8,271</td>
<td>16,018</td>
</tr>
<tr>
<td>Northern Territory</td>
<td>406</td>
<td>461</td>
<td>867</td>
</tr>
<tr>
<td>Queensland</td>
<td>6,087</td>
<td>5,590</td>
<td>11,677</td>
</tr>
<tr>
<td>South Australia</td>
<td>1,290</td>
<td>1,353</td>
<td>2,643</td>
</tr>
<tr>
<td>Tasmania</td>
<td>406</td>
<td>396</td>
<td>802</td>
</tr>
<tr>
<td>Victoria</td>
<td>4,831</td>
<td>5,430</td>
<td>10,261</td>
</tr>
<tr>
<td>Western Australia</td>
<td>2,194</td>
<td>2,156</td>
<td>4,350</td>
</tr>
<tr>
<td>New Zealand</td>
<td>2,253</td>
<td>2,284</td>
<td>4,537</td>
</tr>
<tr>
<td>China</td>
<td>109</td>
<td>54</td>
<td>163</td>
</tr>
<tr>
<td>Bangladesh</td>
<td>1</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>Thailand</td>
<td>1</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>25,672</td>
<td>26,495</td>
<td>52,167</td>
</tr>
</tbody>
</table>

### Parental Leave

We continue to offer paid parental leave to eligible Australian-based employees, which includes six weeks paid parental leave, two weeks' return-to-work bonus and up to 104 weeks unpaid parental leave. All employees are eligible if they have completed six months of continuous service prior to taking the leave or if they qualify as an eligible casual employee.
SAFETY AND HEALTH PERFORMANCE

BUSINESS LTIFR RESULTS FOR 2017

<table>
<thead>
<tr>
<th>Business</th>
<th>PTIFR PER MILLION HRS</th>
<th>PTIFR PER 200,000 HRS</th>
<th>% Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supermarkets</td>
<td>6.57</td>
<td>1.31</td>
<td>61.7%</td>
</tr>
<tr>
<td>Logistics</td>
<td>11.68</td>
<td>2.34</td>
<td>20.4%</td>
</tr>
<tr>
<td>BIG W</td>
<td>4.10</td>
<td>0.82</td>
<td>89.9%</td>
</tr>
<tr>
<td>Endeavour Drinks</td>
<td>5.30</td>
<td>1.06</td>
<td>39.0%</td>
</tr>
<tr>
<td>Fuel and Metro</td>
<td>3.43</td>
<td>0.69</td>
<td>58.3%</td>
</tr>
<tr>
<td>New Zealand</td>
<td>9.38</td>
<td>1.88</td>
<td>Not available</td>
</tr>
<tr>
<td>Corporate</td>
<td>1.00</td>
<td>0.20</td>
<td>50.0%</td>
</tr>
<tr>
<td>Woolworths Limited</td>
<td>6.76</td>
<td>1.35</td>
<td>57.0%</td>
</tr>
<tr>
<td>ALH</td>
<td>10.85</td>
<td>2.17</td>
<td>Not available</td>
</tr>
</tbody>
</table>

GROUP LOST TIME INJURY FREQUENCY RATE (LTIFR), TOTAL RECORDABLE INJURY FREQUENCY RATE (TRIFR) AND OCCUPATIONAL DISEASE RATE

Woolworths Limited LTIFR for 2015-2017

<table>
<thead>
<tr>
<th>KPI</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>LTIFR (million hours worked)</td>
<td>11.50</td>
<td>9.56</td>
<td>6.76</td>
</tr>
<tr>
<td>LTIFR (200,000 hours worked)</td>
<td>2.30</td>
<td>1.91</td>
<td>1.35</td>
</tr>
<tr>
<td>% change on previous year</td>
<td>-1.6%</td>
<td>-16.9%</td>
<td>-29.3%</td>
</tr>
</tbody>
</table>

Woolworths Limited TRIFR for 2015-2017

<table>
<thead>
<tr>
<th>KPI</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>TRIFR (million hours worked)</td>
<td>22.07</td>
<td>18.16</td>
<td>12.97</td>
</tr>
<tr>
<td>TRIFR (200,000 hours worked)</td>
<td>4.41</td>
<td>3.63</td>
<td>2.59</td>
</tr>
<tr>
<td>% change on previous year</td>
<td>-6.05%</td>
<td>-17.8%</td>
<td>-28.5%</td>
</tr>
</tbody>
</table>

WORK RELATED FATALITIES

<table>
<thead>
<tr>
<th>Category</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee</td>
<td>0</td>
</tr>
<tr>
<td>Contractor</td>
<td>0</td>
</tr>
<tr>
<td>Other</td>
<td>0</td>
</tr>
</tbody>
</table>

CORPORATE GOVERNANCE

We have set targets and made commitments to be a responsible and sustainable business. This can only be achieved with the support of our people at all levels of our business.

As any business should, Woolworths gives priority to issues that are material to the business and which align with our strategic pillars. The Destination Zero safety and health strategy and the Corporate Responsibility Strategy 2020 provide the direction and focus for our practices, policies and investment.

GOVERNANCE, THE BOARD AND DIRECTORS

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, which is why the Board oversees the Company’s approach to corporate responsibility and sustainability.

The Woolworths Board Sustainability Committee, which meets quarterly, reviews performance on issues of Safety and Health, Sustainability and Community Investment. The Sustainability Committee conducts regular site visits across our businesses.


Information on our Sustainability Committee and its charter is at: https://www.woolworthsgroup.com.au/page/about-us/our-leadership-team/board-committees/


RISK MANAGEMENT FRAMEWORK

The continued growth and success of Woolworths 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 Group provides greater certainty and confidence for all its stakeholders. More information about our approach to risk management is in our risk management policy. See: http://www.woolworthsgroup.com.au/icms_docs/182376_Risk_Management_Policy.pdf

MATERIALITY

Woolworths conducted an independent assessment to identify our key material sustainability issues.

The assessment was based on the AccountAbility AA1000 Assurance Standard (2008) principle of materiality and guided by their Five Part Materiality Test, to identify and prioritise issues relevant to:

- Direct short-term financial impacts
- Policy-related performance
- Business peer-based norms
- Stakeholder behaviour and concerns
- Societal norms.

WOOLWORTHS GROUP MATERIAL SUSTAINABILITY ISSUES

- Employee conditions, wellbeing and communications
- End-to-end reduction of waste
- Energy and emissions
- Environmentally responsible sourcing
- Labour rights in the supply chain
- Low price and value for money model
- Partners in the community
- Product quality, safety, availability and range
- Supplier relationships, communication and collaboration
- Understanding and responding to customer needs
The assessment considered all of our business divisions and a broad range of external stakeholders, including consumers, customers, employees, government, investors, peers and suppliers. Inputs included customer insights, employee surveys, strategic priorities and targets, the Advantage Report, traditional and social media reviews and industry sustainability benchmark indices.

The assessment identified the Group-wide material sustainability issues set out in the table on the previous page. The assessment also identified some division-specific issues, which have been addressed in this report, e.g. local sourcing for supermarkets, responsible service of alcohol for Endeavour Drinks and responsible gaming for ALH Group.

SENIOR MANAGEMENT

The Woolworths Group Executive Committee, chaired by the Chief Executive Officer, provides management oversight of the effectiveness of the Group’s implementation of the safety and health vision, principles, policy, standards, strategy and initiatives, risk processes, resources, information, compliance and assurance.

ANTI-CORRUPTION

All our employees commit to our Code of Conduct to maintain the highest legal, moral and ethical standards in our dealings with customers, suppliers, employees and local communities. This code outlines how employees can meet the highest standards through their everyday behaviours and choices. We are committed to continuous improvement, transparency and accountability. We don’t tolerate workplace misconduct under any circumstances and we need our trade partners to work with us to stamp out any and every instance. We have clear, long-standing and accepted procedures for trade partners to report any issues. However we recognise there is always opportunity to strengthen our systems. Our Speak Up service is available for trade partners to use when normal escalation methods have been exhausted or are inappropriate.

POLITICAL DONATIONS

Woolworths participates in policy development and advocacy in a manner that is open, transparent, and compliant with all relevant laws. We do so in a non-partisan manner. Woolworths does not make political donations except through attendance at events, functions and forums organised by parliamentarians and political parties. This is overseen by the Chief Executive Officer and the Head of Government and Industry Affairs in accordance with the Woolworths Political Donations Policy and applicable electoral laws.

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 accordance with the “core” principles of the GRI Guidelines. More information can be found in the GRI Index starting on page 69.

We continue to report to the Carbon Disclosure Project (CDP), an investor-driven disclosure initiative enabling companies to report on risk identification and mitigation processes related to climate change.

We also participate in the Dow Jones Sustainability Indices (DJSI), a global index that tracks the financial performance of leading sustainability-driven companies.

We are a signatory to the United National Global Compact (UNGC). The Index on page 68 shows our approach to the UNGC core values.

<table>
<thead>
<tr>
<th>PRINCIPLES</th>
<th>ACTIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Human Rights</td>
<td>Freedom of Association and Collective Bargaining</td>
</tr>
<tr>
<td>Principle 1</td>
<td>Protection of Human Rights</td>
</tr>
<tr>
<td>Principle 2</td>
<td>No Complicity in Human Rights Abuse</td>
</tr>
<tr>
<td>Principle 3</td>
<td>Freedom of Association and Collective Bargaining</td>
</tr>
<tr>
<td>Principle 4</td>
<td>Elimination of Forced and Compulsory Labour</td>
</tr>
<tr>
<td>Principle 5</td>
<td>Abolition of Child Labour</td>
</tr>
<tr>
<td>Principle 6</td>
<td>Elimination of Discrimination</td>
</tr>
<tr>
<td>Principle 7</td>
<td>Precautionary Approach</td>
</tr>
<tr>
<td>Principle 8</td>
<td>Environmental Responsibility</td>
</tr>
<tr>
<td>Principle 9</td>
<td>Environmentally Friendly Technologies</td>
</tr>
<tr>
<td>Principle 10</td>
<td>Work against Corruption</td>
</tr>
</tbody>
</table>
Disclosure on Labour Management approach

G4-LA1 Employee turnover 62–66
G4-LA2 Benefits for full-time employees AR 108–114
G4-LA3 Retention rate after parental leave 62–66
G4-LA4 Minimum notice period(s) for significant operational changes GRI Index
G4-LA5 Workforce represented in joint management worker health and safety committees 18–21, 62–66
G4-LA6 Rates of injury, occupational disease, lost days and absenteeism 18–21, 62–66
G4-LA7 High incidence or risk of diseases related to occupation GRI Index
G4-LA8 Health and safety topics covered in formal agreements with trade unions GRI Index
G4-LA9 Average hours of training per year per employee GRI Index
G4-LA10 Career and skills management GRI Index
G4-LA11 Employee performance and career development reviews GRI Index
G4-LA12 Governance bodies and breakdown of employees relating to diversity 62–66
G4-LA13 Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation 62–66
G4-LA14 Percentage of new suppliers that were screened using labour practices criteria GRI Index
G4-LA15 Labour practices impacts in the supply chain 40–43
G4-LA16 Grievances about labour practices GRI Index

Disclosure on Human Rights Management Approach

G4-HR1 Significant investment agreements that include human rights clauses GRI Index
G4-HR2 Employee training on human rights GRI Index
G4-HR3 Number of incidents of discrimination 62–66
G4-HR4 Risks to right to exercise freedom of association and collective bargaining 40–43
G4-HR5 Risks of incidents of child labour 40–43
G4-HR6 Risks of incidents of forced or compulsory labour 40–43
G4-HR7 Human rights impacts in the supply chain GRI Index, 40–43
G4-HR8 Percentage of new suppliers that were screened using human rights criteria GRI Index, 40–43
G4-HR9 Human rights impacts in the supply chain GRI Index, 40–43
G4-HR10 Grievances about human rights in the supply chain GRI Index, 40–43

Disclosure on Product Responsibility Management approach

G4-SO1 Significant product categories for which health and safety impacts are assessed 50–53
G4-SO2 Non-compliance regarding health and safety impacts of products GRI Index
G4-SO3 Product information and labelling GRI Index
G4-SO4 Non-compliance regarding product labelling GRI Index
G4-SO5 Surveys measuring customer satisfaction GRI Index
G4-SO6 Sale of banned or disputed products GRI Index, 54, 55
G4-SO7 Non-compliance with regulations and voluntary codes concerning marketing GRI Index
G4-SO8 Grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms GRI Index
G4-SO9 Percentage of new suppliers that were screened using criteria for impacts on society GRI Index
G4-SO10 Significant actual and potential negative impacts on society in the supply chain and actions taken GRI Index
G4-SO11 Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms GRI Index

Disclosure on Product Responsibility Management approach

G4-PR1 Significant product categories for which health and safety impacts are assessed 50–53
G4-PR2 Non-compliance regarding health and safety impacts of products GRI Index
G4-PR3 Product information and labelling GRI Index
G4-PR4 Non-compliance regarding product labelling GRI Index
G4-PR5 Surveys measuring customer satisfaction GRI Index
G4-PR6 Sale of banned or disputed products GRI Index, 54, 55
G4-PR7 Non-compliance with regulations and voluntary codes concerning marketing GRI Index
G4-PR8 Complaints regarding breaches of customer privacy GRI Index
G4-PR9 Monetary value of significant fines GRI Index
G4-PR10 Significant actual and potential negative impacts on society in the supply chain and actions taken GRI Index
G4-PR11 Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms GRI Index
EXTERNAL ASSURANCE STATEMENT

INDEPENDENT LIMITED ASSURANCE STATEMENT TO THE DIRECTORS OF WOOLWORTHS LIMITED IN RELATION TO THE 2017 CORPORATE RESPONSIBILITY REPORT

We have carried out a limited assurance engagement on the subject matter detailed below (the “Subject Matter”) presented in Woolworths Ltd’s (“Woolworths”) 2017 Corporate Responsibility Report in order to state whether anything has come to our attention that would cause us to believe that the Subject Matter has not been reported and presented fairly, in all material respects, in accordance with the reporting criteria described below (“Reporting Criteria”).

SUBJECT MATTER AND REPORTING CRITERIA

The Subject Matter and Reporting Criteria for our limited assurance engagement for the year ended 30 June 2017 is as follows:

SUBJECT MATTER
GRI G4 Sustainability Reporting Guidelines

Selected Sustainability Indicators

- Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms (G4 –EN16)
- Direct greenhouse gas (GHG) emissions intensity (G4-EN15)
- Energy indirect greenhouse gas (GHG) emissions (Scope 2) (G4-EN17)
- Other indirect greenhouse gas (GHG) emissions (Scope 3) (G4-EN18)
- Greenhouse gas (GHG) emissions intensity (G4-EN19)
- Number of grievances about social impacts filed, addressed, and resolved through formal grievance mechanisms (G4-EN20)
- Communication and training on anti-corruption policies and procedures (G4-SO3)
- Total number of incidents of discrimination and corrective actions taken (G4-HR3)
- Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms (G4-HR12)
- Occupational health and safety:
  - Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region, and by gender (G4-LA6)
- Anti-corruption:
  - Communication and training on anti-corruption policies and procedures (G4-SO4)
  - Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms (G4-SO10)

The Directors of Woolworths are responsible for:

- Economic performance:
  - Direct economic value generated and distributed (G4-EC1)
- Employment:
  - Total number and rates of new employee hires and employee turnover by age group, gender and region (G4-LA1)
  - Return to work and retention rates after parental leave, by gender (G4-LA3)
- Number of grievances about labour practices filed, addressed, and resolved through formal grievance mechanisms (G4-LA16)
- Total hours of employee training on human rights policies and procedures concerning aspects of Human Rights that are relevant to operations, including the percentage of employees trained (G4-HR2)
- Total number of incidents of discrimination and corrective actions taken (G4-HR3)
- Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms (G4-HR12)

Woolworths’ definitions and approaches as described in section Corporate Responsibility Governance of Woolworths’ 2017 Corporate Responsibility Report and GRI Guidelines and related information, publicly available at GRI’s global website at www.globalreporting.com, in particular the requirements to achieve the GRI Self Declaration.

The GRI Guidelines and related information, publicly available at GRI’s global website at www.globalreporting.com, in particular the Reporting Criteria.

All relevant matters are reflected in the Subject Matter information; and

Woolworths Ltd’s Sustainability Indicators as contained in section Global Reporting Initiative within the 2017 Corporate Responsibility Report.

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DELOITTE’S RESPONSIBILITIES

Our responsibility is to express a limited assurance conclusion on the Subject Matter based on the procedures we have performed and the evidence we have obtained.

We conducted our limited assurance engagement in accordance with Australian Standards on Assurance Engagements ASAE 3000 “Assurance Engagements Other Than Audits or Reviews of Historical Financial Information” (ASAE 3000), issued by the Australian Auditing and Assurance Standards Board in order to express a conclusion whether, based on the procedures performed and the evidence obtained, anything has come to our attention that causes us to believe that the Subject Matter has not been prepared and presented in all material respects in accordance with the Reporting Criteria. That standard requires that we plan and perform this engagement to obtain limited assurance about whether the Subject Matter is free from material misstatement.

A limited assurance engagement in accordance with ASAE 3000 involves identifying areas where a material misstatement of the Subject Matter information is likely to arise, addressing the areas identified and considering the process used to prepare the Subject Matter in the 2017 Corporate Responsibility Report. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

ASSURANCE WORK PERFORMED

In order to form our conclusion we undertook the following limited assurance procedures:

- Review of Woolworths’ processes relating to stakeholder identification, engagement and responsiveness, including an assessment of stakeholder engagement outcomes and how this process and the outcomes have been presented in the 2017 Corporate Responsibility Report
- Review of Woolworths’ processes to identify and determine material issues to be included in the 2017 Corporate Responsibility Report with examination of underlying assessments and evidence on a sample basis
- Interviews with a selection of Woolworths executives and senior management, including Woolworths sustainability management team concerning the overall governance structure, corporate sustainability strategy and policies used for managing and reporting sustainability performance across the business
- In respect of the Selected Sustainability Indicators
  - interviews with a selection of Woolworths management responsible for the Selected Sustainability Indicators to understand the compilation and review processes
  - applying analytical and other review procedures including assessing relationships between the reported information and other financial and non-financial data
  - examination of evidence for a small number of transactions or events
  - analysing and inspecting on a sample basis, the key systems, processes and procedures and controls relating to the collation, validation, presentation and approval process of Selected Sustainability Indicators included in the 2017 Corporate Responsibility Report.
  - review underlying evidence on a sample basis to corroborate that the information is prepared and reported in line with the relevant reporting criteria.
- Comparison of the content of Woolworths’ 2017 Corporate Responsibility Report against the criteria for a GRI self-declaration.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express an opinion providing reasonable assurance about whether the Subject Matter in the 2017 Annual report has been properly prepared and presented, in all material respects, in accordance with Reporting Criteria.

INHERENT LIMITATIONS

Non-financial information, including the Subject Matter may be subject to more inherent limitations than financial information, given both its nature and the methods used for determining, calculating and sampling or estimating such information. Qualitative interpretations of relevance, materiality and the accuracy of data are subject to individual assumptions and judgements. The Subject Matter should be read in the context of Woolworths’ Reporting Criteria as set out in the 2017 Corporate Responsibility Report.

LIMITATIONS OF USE

This report is made solely to the directors of Woolworths in accordance with our engagement letter dated 26th July 2017, for the purpose of providing limited assurance over Woolworths 2017 Corporate Responsibility Report. We disclaim any assumption of responsibility for any reliance on this report or on the Subject Matter to which it relates, to any person other than the directors of Woolworths or for any purpose other than that for which it was prepared.

MATTERS RELATING TO ELECTRONIC PRESENTATION OF INFORMATION

Our limited assurance engagement included web-based information that was available via web links as of the date of this statement. We provide no assurance over changes to the content of the 2017 Corporate Responsibility Report after the date of this assurance statement.

CONCLUSION

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the Subject Matter has not been properly prepared and presented, in all material respects, in accordance with the Reporting Criteria for the year ended 30 June 2017.

PR Dobson
Partner
Sydney, 28 September 2017
STORE ANALYSIS

<table>
<thead>
<tr>
<th>Term</th>
<th>Meaning</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carbon dioxide equivalent (CO₂-e)</td>
<td>A standard measure used to compare the emissions from various greenhouse gases based on their global warming potential. For example, one tonne of methane emissions is equivalent to 21 tonnes of carbon dioxide emissions.</td>
</tr>
<tr>
<td>EBIT</td>
<td>Earnings before interest and tax (EBIT) reflects operating revenues less operating expenses and is reported before interest and tax expense or income.</td>
</tr>
<tr>
<td>Forest Stewardship Council (FSC)</td>
<td>FSC is an independent, not-for-profit organisation which promotes responsible management of the world’s forests. Refer to fsc.org or fsc-australia.org.au.</td>
</tr>
<tr>
<td>Lost Time Injury (LTI)</td>
<td>A Lost Time Injury (LTI) is an injury or illness that results in an employee being unable to work a full scheduled shift (other than the shift during which the injury occurred).</td>
</tr>
<tr>
<td>ML</td>
<td>Megalitres or million litres.</td>
</tr>
<tr>
<td>Mt</td>
<td>One million tonnes or megatonnes, equates to one billion kilograms.</td>
</tr>
<tr>
<td>MWh</td>
<td>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.</td>
</tr>
<tr>
<td>NPAT</td>
<td>Net profit after tax (NPAT) is the net earnings for the group after taking into account all income expenses for the financial period.</td>
</tr>
<tr>
<td>PEFC Council</td>
<td>The Programme for the Endorsement of Forest Certification (PEFC) Council is an independent, non-profit organisation that promotes sustainably managed forests through independent third-party certification. Refer to pefc.org.</td>
</tr>
<tr>
<td>Scope 1 emissions</td>
<td>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 transport (e.g. cars and trucks).</td>
</tr>
<tr>
<td>Scope 2 emissions</td>
<td>Indirect greenhouse gas emissions from the generation of purchased electricity, heat, cooling or steam. Purchased electricity is defined as electricity that is bought or otherwise brought into the organisational boundary of the entity.</td>
</tr>
<tr>
<td>Scope 3 emissions</td>
<td>Other indirect greenhouse gas emissions that are a consequence of a company’s activities, but that arise from sources that other entities own or control. 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 disposal to landfill.</td>
</tr>
<tr>
<td>Total Recordable Injury (TRI)</td>
<td>A Total Recordable Injury (TRI) is the sum of the total number of employee fatalities, lost time injuries, restricted work injuries or medical treatment injuries.</td>
</tr>
</tbody>
</table>
COMPANY DIRECTORY

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WOOLWORTHS CORPORATE RESPONSIBILITY
Alex Holt
General Manager, Quality, Health & Sustainability
Fiona Walmsley
Group Senior Manager, Corporate Responsibility
We look for ways to improve every day – better for our customers, team and communities.

We are constantly innovating to meet changing needs.

It's both the retail experiences and the experiences we make possible in customers' lives.

We work seamlessly as one team, leveraging our strength as a Group.

We create better experiences together.

Woolworths Group