

2023

Sustainability Report



Halfway to 2025

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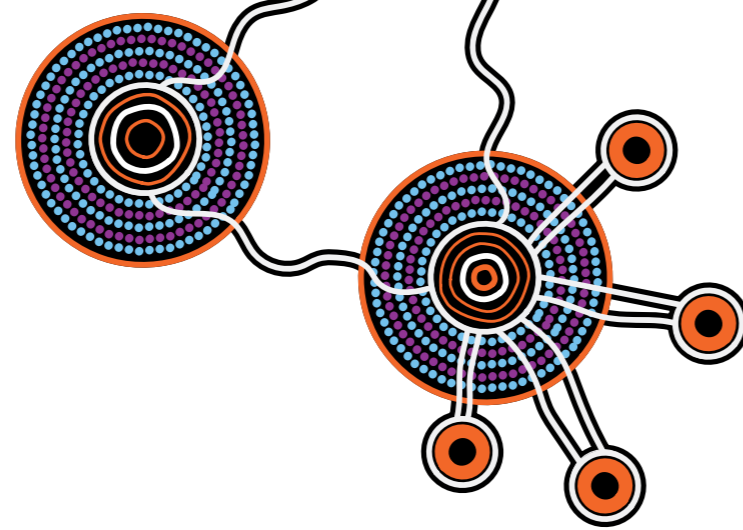
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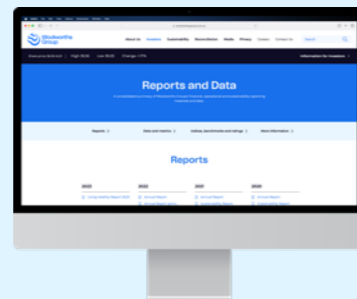
Woolworths Group acknowledges the many Traditional Owners of the lands on which we operate, and pay our respects to their Elders past and present. We recognise their strengths and enduring connection to lands, waters and skies as the Custodians of the oldest continuing cultures on the planet.

We remain committed to actively contributing to Australia's reconciliation journey through listening and learning, empowering more diverse voices and working together for a better tomorrow.

Woolworths Group reaffirms our support for the Uluru Statement from the Heart, and its calls for a First Nations Voice to Parliament enshrined in the Constitution.

See our report online

Use the links below or scan the QR code to view this report and our 2023 Sustainability Data Pack.



Visit our online report at [woolworthsgroup.com.au/au/en/investors/our-performance/reports.html](https://www.woolworthsgroup.com.au/au/en/investors/our-performance/reports.html)

Everything is connected.

We live in an interconnected world, from natural ecosystems and social networks to business partnerships, customer relationships and more. We recognise this linkage and aim to play a meaningful role in driving systemic change to make a positive long-term impact.

We believe in decisive action and have integrated our sustainability and business strategies. This enables us to play a responsible social, economic and environmental role whilst creating value through our business operations.

Our Woolworths Group 2023 Sustainability Report documents our sustainability approach and performance.

We're all in this together

We recognise that to create meaningful change, we must all work together towards collective action. We are collaborating with our supply chain partners, participating in government and industry initiatives and partnering with community organisations and innovators to find joint solutions.

We understand that we are on a journey and the path is long. We have made good progress in some areas and have further to go in others. But with our goals and activities aligned, we believe we will continue to contribute to people's wellbeing and care for the planet we call home.

Nothing is isolated.



About this report

This Sustainability Report discloses our strategic direction and performance against material sustainability topics affecting Woolworths Group. Our detailed climate and nature disclosures are in our 2023 Annual Report and our annualised performance data in our [2023 Sustainability Data Pack](#).

Unless stated, it covers our operations in Australia and New Zealand for the 2023 financial period: 1 July 2022 to 30 June 2023 (F23) or 27 June 2022 to 25 June 2023 if based on weekly sales data. Deloitte has provided independent assurance of select information included in this Report. The full assurance statement is available on the Reports and Data page of our [Woolworths Group website](#).

This report contains forward looking statements, including but not limited to statements regarding: trends in consumer preferences; commodity prices; goals, targets, plans, strategies and objectives of Woolworths Group; assumed near and long-term scenarios and transition pathways; potential global responses to climate change; regulatory and policy developments; the development and uptake of certain technologies; and the potential effect of possible future events on the value of Woolworths Group.

The forward looking statements in this report are based on management's good faith, current expectations and reflect judgements, assumptions and estimates and other information available as at the date of this report. They are, by their nature, subject to significant uncertainties, many of which are outside Woolworths Group's control. Actual results, circumstances and developments may differ materially from those expressed in this report and readers are cautioned not to place undue reliance on these forward looking statements. Forward looking statements should therefore be read in conjunction with, and are qualified by reference to the expectations, judgements, assumptions, estimates and other information and risk factors, referred to above.

Transparent reporting

We report our progress in line with applicable legislation, frameworks and certifications and aim to evolve our approach in line with global best practices. Woolworths Group Limited supports the Ten Principles of the UN Global Compact (UNGC) in the areas of Human Rights, Labour, Environment and Anti-Corruption. In this Report, we describe our actions to continually improve the integration of the UN Global Compact and its principles into our Group's strategic priorities, culture and daily operations.

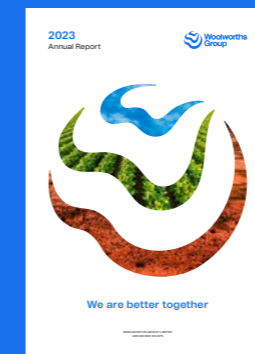


UN Sustainable Development Goals (SDGs)

The 17 global goals set by the United Nations in 2015 define sustainable development priorities and aspirations for the planet. They seek to mobilise international efforts around common goals and targets. We believe business participation is critical in achieving these goals and have aligned our priorities with the relevant SDGs.

Our reporting suite

Woolworths Group is pleased to share how we're building a better tomorrow and encourage you to explore our full reporting suite detailing our performance.



2023 Annual Report

Performance of the Group and its retail, B2B and everyday businesses.

[Click here](#) to view the report on our website



2023 Sustainability Data Pack

Provides key sustainability metrics.

[Click here](#) to view the data pack and other sustainability related disclosures on our website



2023 Modern Slavery Statement

Progress made to identify, manage and mitigate the specific risks of modern slavery in our operations and supply chain.

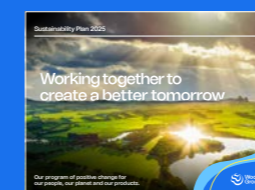
[Click here](#) to view the report on our website



2023 Corporate Governance Statement

Describes our corporate governance framework, including key policies and practices for the F23 financial year.

[Click here](#) to view the report on our website



Sustainability Plan 2025

Our program of positive change incorporating our goals and commitments across three pillars: our people, our planet and our products.

[Click here](#) to view the plan on our website

For more on our approach to sustainability visit woolworthsgroup.com.au



Overview



People



Planet



Product



Halfway to 2025

F23 marked a return to relative stability across our operating environment following the material disruption caused by COVID. It has however brought new challenges in the form of cost of living pressure and we are focussed on navigating this together with our customers, team and the communities we serve. Our purpose of creating better experiences together for a better tomorrow has never been more important and it provided alignment and focus in F23.

We're extremely grateful for the resilience and agility of our teams. We recognise that collective action is key to our success and thank our customers, suppliers and partners for their trust and support.

As we consider our Group's strategic priorities, we see sustainability as a value driver key to the long-term success of our business. In the last year, we delivered over \$500 million in net societal benefit through investments in health, food security, decarbonisation and circularity.¹

Unfortunately, our progress was overshadowed by the fact that tragically, two of our team members lost their lives at work during the year. We are deeply saddened by this loss, and our thoughts remain with the families and many friends, and colleagues affected. This has fortified our daily commitment to providing a safe workplace for every team member. Nothing matters more than the safety and wellbeing of our team, we are working to ensure learnings are gained and applied.

 [Hear from our CEO and CSO here](#)

¹ Oxford Economics Woolworths Group F23 Impact Framework.

Progress against our 2025 Plan

At the midpoint of our 2025 Sustainability Plan (2025 Plan), we took the opportunity to pause, review and refresh our approach to continue to make progress across our goals.

People

Caring deeply is part of our culture. In the last year, our efforts towards LGBTQ+ Inclusion was awarded Platinum Status by AWEI, the first for any retailer. We reached 39.8% representation of women in our leadership team in Australia and 39% in New Zealand. We also launched our latest Innovate level [Reconciliation Action Plan](#) to drive meaningful progress towards reconciliation with Indigenous Australia over the next two years.

Our care for people extends to our suppliers and communities. Last year we remediated the first identified case of modern slavery within our supply chain by verifying the return of approximately \$734,000 in recruitment fees to 230 migrant workers. We continue to invest in our communities with \$122.1 million in contributions to support natural disaster resilience, food security, education and health.

Planet

Having a healthy business requires a healthy planet. We're excited to be transitioning our home delivery fleet to electric trucks – supporting our aim to reduce emissions in our Group's transport fleet by 60% by 2030. We've started with 27 new electric vehicles (EVs) on Sydney roads and will work to replace our 1,200 home delivery trucks. With this, and a range of other initiatives, we're on track to mitigating 80% of our scope 1 and 2 emissions by 2030, which saw a 36% decrease this year from baseline.

The scale of our value chain materially contributes to our total emissions and impact on nature. This year, we focused on collaborations and pilots to improve our understanding of scope 3 and nature-related risks and complexities. Our value chain emissions program saw 90% participation from suppliers in high-emissions food categories with plans to further expand this to all suppliers.

Product

Our products are a tangible way we can make positive change. In a year where communities increasingly turned to our own brands for access to affordable food, we're pleased to be recognised as Australia's healthiest supermarket own brands for the fourth year in a row.¹

Our support for customer recycling efforts were disrupted with the collapse of soft plastic recycler, REDcycle. We share the disappointment of our customers, our supply partners and other stakeholders in what has happened. We're working as part of the Soft Plastics Taskforce, collaborating with government and other retailers, to resume access to soft plastics recycling and restore public confidence.

¹ The George Institute for Global Health's FoodSwitch: State of the Food Supply report (2019, 2020, 2021, 2022) based on mean Health Star Rating compared with Coles, Aldi and IGA.

This has reinforced to us the key role we have in collaborating with industry and government to make circularity as customer-friendly as possible.

This year, we strengthened our disclosure to transparently report our performance, risks and opportunities (e.g. our approach to climate and nature). It is also exciting to see progress we've made in improving the accuracy and accessibility of our data via our online reporting hub. This will support our transition to report against the new International Sustainability Standards Board requirements from F24.

Towards a better tomorrow

As Woolworths Group approaches our 100th year in 2024, we are focussed on delivering meaningful change across our entire supply chain. Our priority remains delivering on our [2025 Plan](#). In parallel, we are also in the process of quantifying the impact of our various initiatives as this will help us understand and inform how we strategically prioritise opportunities of greatest impact.

Thank you for your support and interest as we strive to be better together. On behalf of the Woolworths Group team, we're pleased to share with you our 2023 Sustainability Report.



Brad Banducci
CHIEF EXECUTIVE OFFICER



Alex Holt
CHIEF SUSTAINABILITY OFFICER

Community contribution 

3.61%
of EBT on a two-year rolling average

Scope 1 and 2 emissions reductions 

36%
below 2015 baseline

Winner 

2023 Banksia Gold and Large Business Sustainable Leadership Award



Our changing world

Understanding external drivers

The scale of our business enables us to make a meaningful contribution. This responsibility, as well as the rapid pace of change in sustainability, means that during the year we worked to understand the trends affecting our business, industry and supply chain across Australia and New Zealand.¹ The most significant of these, as detailed below, informs our understanding of highest impact.



Climate resilience

Australia and New Zealand continue to be impacted by natural disasters and there is a growing need for adaptation and resilience measures to strengthen our supply chain and minimise disruptions. There is increased emphasis on reducing and reporting scope 3 emissions through the introduction of nature-based solutions and low-carbon practices. Regulatory pressures are also continuing to build to demonstrate tangible progress on targets in line with new standards.



Cost of living pressures

Rising cost of living pressures driven by industry-wide supply chain driven inflation continues to impact our customers and team members. To help with this, we have continued to improve our value proposition for our customers and have increased support for our team members, as well as for our communities and those facing food insecurity; however, this will continue to be an ongoing focus in F24.



Transparency and integrity

The Australian government's establishment of a federal independent commission against corruption, alongside the ACCC's focus on greenwashing, signal a stronger emphasis on transparency and integrity within reporting. In addition, mandates on newly launched disclosure standards reflect a shift in financial reporting in recent years. Recognising the value of consistent reporting in line with emerging regulatory changes, we will begin a transition to reporting against the International Sustainability Standards Board standards from F24.

¹ 2022 Woolworths Group Materiality Assessment (detailed on page 10).



Our opportunity to create impact at scale

Woolworths Group annually reviews our [2025 Sustainability Plan](#) (see page 12) to identify opportunities to deliver impact at scale. Our annual review highlighted our growing impact potential up and down our value chain, particularly in the areas of decarbonisation, food security, circularity (packaging) and health.

We will lead by example by first working to improve outcomes in our operations and own brands to demonstrate the behaviours we espouse. We aim to then leverage this progress to influence change at scale across our value chain, encouraging sustainable practices across our products' lifecycles. We will do this by:

- + expanding engagement with suppliers upstream to help educate, partner and accelerate cross-industry solutions to common challenges
- + building better advocacy with our customers downstream through sustainable product offerings, supporting our communities and creating opportunities to engage in our sustainability plans.

Our impact opportunity

Decarbonisation and nature positive outcomes



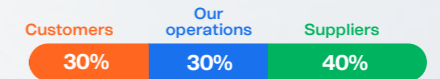
Our scope 3 is 15 times our scope 1 and 2 emissions combined. This scale has a material impact due to the resources used to produce food for our customers. Collective action will be key in the transition consistent with net zero emissions and a nature-positive future.

Hunger and food waste



Food insecurity is caused by inequity, affordability and access. By partnering with our suppliers and customers, we can drive systemic changes to food waste reductions, redistribute edible food to people in need and improve affordability of our products.

Plastics and packaging



Plastics have low current rates of recovery and recyclability. This creates an opportunity to drive circularity in our operations and via extensive supplier relationships, investing in innovation to strengthen product stewardship outcomes, and supporting customers' recycling efforts.

Healthier choices



Most Australians and New Zealanders are not consuming foods in line with Dietary Guidelines leading to increasingly poor health outcomes. Through our own brands we are working to enable and inspire healthier, more affordable product choices. By leveraging our supplier partnerships, we can extend this across our vendor brands to materially increase healthier choices in our customers' baskets.

Sources: Decarbonisation: 2022 TCFD and Sustainability reports; Food waste: Australian Department of Agriculture, Water and the Environment; Foodbank Australia; Food Innovation Australia Limited, A Roadmap for reducing Australia's food waste by half by 2030, 2020; Packaging: Australian Packaging Covenant Organisation; Healthier choices: Internal modelling based on units of healthier (>3.5 HSR) products sold.

Quantifying our societal impact

Hunger and food waste

Our actions:



34M
meals donated



33K
tonnes diverted to farmers or composted

Have resulted in:

\$450M net societal benefit

Delivered through:

\$436M improved food security and connection to social services

\$10M avoided emissions and landfill costs

\$4M other (e.g. avoided animal feed costs)

Healthier choices

Our actions:



Salt removed from our own brands

56t

Sugar removed from our own brands

136t

Have resulted in:

\$31M net societal benefit

Delivered through:

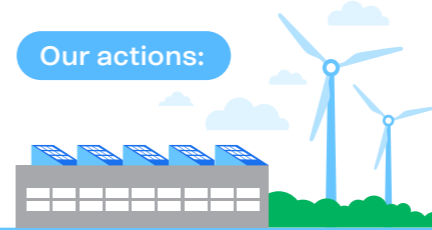
+ increase in disability adjusted life years²

+ avoided health care system costs

We aim for our efforts to address societal issues and promote positive change. This year, we partnered with Oxford Economics Australia to understand the impact of our actions, in terms of societal outcomes and their value. The purpose of this is to enable us to prioritise strategic initiatives for greatest impact, as we consider how to evolve our goals and commitments beyond 2025. The first phase focused on the decarbonisation of our operations, the reduction of nutrients of concern and plastic packaging from our own brands, and the diversion of food otherwise going to landfill. As we continue to improve this work in F24, we will cover a wider set of initiatives, as well as explore specific topics in more detail, as part of our strategy development. The integrity of this work is supported by the expertise of Oxford Economics and their use of Australian, New Zealand and international peer-reviewed literature and government guidelines.

Decarbonisation

Our actions:



500 gigawatt hours of green electricity

73 low-GWP¹ refrigeration systems and 34 leakage detection systems

Have resulted in:

\$55M net societal benefit

Delivered through:

avoided emissions

Plastic and packaging

Our actions:



800t plastic removed from our own brand packaging

1,200t recycled plastic used in our own brand packaging

Have resulted in:

\$12M net societal benefit

Delivered through:

avoided: + emissions from plastic production + landfill costs + emissions from landfill + ocean pollution + new material costs

Together these have delivered over \$500M in net benefit to society in F23.

¹ Global Warming Potential (GWP).

² Disability adjusted life years (DALYs) for a specific cause refer to the sum of years of life lost due to premature mortality and years of healthy life lost due to disability. For this work, DALYs were obtained from relevant, peer-reviewed studies, and adjusted by Oxford Economics to reflect the quantum of change (reduction in salt and sugar) achieved by Woolworths' reformulation program in F23.



Overview



People



Planet



Product



Focusing on what matters

Woolworths Group regularly reviews the most material environmental, social and governance issues affecting our business. In partnership with credible third-party agencies, we conduct these reviews with our customers, team and other stakeholders.

Our 2022 materiality assessment highlighted the evolution and complexity associated with sustainability. While we are working to better understand this, we acknowledge it is built up of interconnected challenges that cannot be tackled in silos. By listening and learning, we focus on topics most important to our business and stakeholders and identify impact hot spots and opportunities. This process is also crucial in evolving our sustainability priorities and informs the annual review of our [2025 Plan](#).

[Read more page 12](#)

2023 Material topics

Strategic priorities

Strategic issues of greatest significance to internal and external stakeholders that continue to be key to our priorities:

- + climate change
- + healthy, sustainable and affordable products
- + waste and circular economy
- + human rights
- + customer privacy and data security.

SDGs:



Emerging external priorities

Increasing in importance and may be considered signals of future market expectations to proactively manage:

- + nature and biodiversity
- + sustainable and regenerative agriculture.

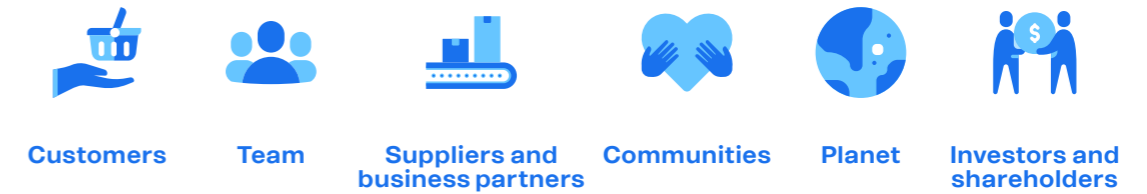
SDGs:



Including our stakeholders

Woolworths Group's long-term success depends on including key stakeholders in our decisions, a process of continuous engagement for us. This helps us to understand how priorities evolve in a fast-paced and dynamic environment and is critical to our [2025 Plan](#), initiatives and business practices.

Our actions are directed to one or more of these groups or entities. We also engage with other stakeholders such as government and regulators, civil society and non-government organisations (NGOs).



[For more information see our 2023 Annual Report](#)

Internal priorities

Remain important to Woolworths Group and are used to drive engagement and activate performance:

- + community impact
- + inclusion and diversity
- + corporate conduct
- + reconciliation
- + holistic wellbeing
- + engagement with customers on sustainability.

SDGs:



Monitoring developments

Important considerations to continually monitor with sector evolution, technology and regulation:

- + future of work and emerging technologies e.g. artificial intelligence (AI)
- + responsible retailing.

SDGs:



Our purpose-led strategy: Towards a better tomorrow

Woolworths Group is united and driven by our Group purpose: *we create better experiences together for a better tomorrow*. We strive to have a positive impact on our team, our planet, our customers and the communities we serve – and in doing so, create long-term stakeholder value and sustainable growth for our business.

Our approach and governance

Woolworths Group’s strategic priorities have a customer-first, team-first approach and are focused on three key areas: living our purpose, delivering compelling customer propositions, and strengthening our foundations.

The [Sustainability Plan 2025 \(2025 Plan\)](#) is the Group’s sustainability strategy and is critical to living our purpose. It is integrated with our Group strategic priorities and details our actions to become a more sustainable business today and tomorrow. Where relevant, targeted strategies named in this report, such as climate and nature, inclusion, etc. support the delivery of our [2025 Plan](#).

Our governance framework is critical for objective oversight of strategy, risk and performance. It relies on our purpose and values as the foundation, and holds us to account in how we deliver our [2025 Plan](#). The Woolworths Group Board Sustainability Committee (SUSCO) assists the Board in overseeing our sustainability risks, opportunities and performance, and monitors the effectiveness of the [2025 Plan](#) and its sustainability-related strategies.

[Click here](#) for more information about our corporate governance framework and policies

Maintaining relevance

The case and appetite for sustainable change is accelerating. By focusing on what matters (see [page 10](#)), we review our [2025 Plan’s](#) goals and commitments as part of our annual planning cycle to maintain relevance in a changing world.

This year’s review considered the evolution of our operating context. From a wholly owned business-to-customer organisation when our [2025 Plan](#) launched (in 2020), to now a Group of complementary adjacencies supported by platforms. The review identified that all our goals remained applicable and in some cases, extend beyond 2025. The goals have been updated to reflect this longer-term and aspirational nature with the commitments under each of our goals represented with time bound, measurable targets. Most of our commitments remain relevant, with the following updated to better reflect our current operating environment:

Updating our current food waste goal to improve explicit mention of its impact on food security and align to SDGs 2 – Zero hunger and 12 – Responsible consumption	→ See page 38
Introducing a new commitment to decarbonise our last-mile delivery fleet by 2030	→ See page 35
Aligning our packaging commitments and timeline to the National Packaging Targets	→ See page 48
Combining sustainable sourcing and deforestation commitments to align with our approach to net zero deforestation by 2025	→ See page 52
Continuing to validate our animal welfare performance via best practice animal welfare standards (e.g. RSPCA) versus the previously stated Business Benchmark for Farm and Animal Welfare (BBFAW).	→ See page 54

2025 Plan strategic framework

Woolworths Group purpose: We create better experiences together for a better tomorrow

Woolworths Group strategic priorities:

Our commitment to sustainability is intrinsic to our business and the way we operate

Living our purpose Delivering compelling customer propositions Strengthening our foundations

Our sustainability guiding principles:

Set a long-term direction for our actions, guiding our journey towards our Group purpose

We act like a leader and speak up on issues that matter We care for, and unlock the potential of, our people We have a positive impact on the planet We apply circular thinking in everything we do We embrace the power of partnerships to create change

Our sustainability pillars and goals

Together we work to create positive change for people and the planet through our products.

Our **14 goals** represent our long-term aspirations for positive change.

<p>People</p> <p>Our People pillar focuses on creating a diverse and inclusive place for our teams to work. It means supporting our communities, building partnerships and working with our suppliers to make sure that workers' rights in our supply chain are protected.</p> <p>Goal 1: Truly inclusive workplace</p> <p>Goal 2: Holistic wellbeing of our team</p> <p>Goal 3: Meaningful retail careers for today and tomorrow</p> <p>Goal 4: Ethical and mutually beneficial partnerships through the whole value chain</p> <p>Goal 5: Positive impact on our customers and communities</p> <p>→ See page 18</p>	<p>Planet</p> <p>Our Planet pillar focuses on protecting the world we live in for current and future generations. It means going further than just limiting negative impacts; it means actively finding ways to create positive benefits.</p> <p>Goal 1: Powered by green electricity</p> <p>Goal 2: Reducing hunger and food waste</p> <p>Goal 3: Net positive carbon emissions</p> <p>Goal 4: Responsible stewardship of natural resources</p> <p>→ See page 28</p>	<p>Product</p> <p>Our Product pillar focuses on evolving the way we do business to embrace circular thinking – which means all waste is a resource. It means making it easy for our customers to choose products that are healthier, sustainably sourced and responsibly packaged.</p> <p>Goal 1: Make health easier for Australians and New Zealanders</p> <p>Goal 2: Our packaging is sustainable</p> <p>Goal 3: Own brand sourcing is sustainable</p> <p>Goal 4: Lead the future of protein</p> <p>Goal 5: Lead the responsible retailing of alcohol and tobacco</p> <p>→ See page 42</p>
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Our sustainability commitments

Our commitments, namely targets which we are committed to working towards, support us in achieving our goals by 2025. See more detail on our commitments in our [Sustainability Plan 2025](#).

Supporting sustainability-related strategies

Inclusion strategy Reconciliation strategy Climate and nature strategy Transport decarbonisation strategy

Integrated approach to delivery

In F22 we established and operationalised our 2025 Sustainability Program – a significant transformational program across Woolworths Group – bringing together teams to collectively drive short and long-term action on our goals across People, Planet and Product. We do this by:

Activating our 2025 Plan

We organise ourselves in line with the agile operating model, uplifting capabilities and expertise to have the right people partnering across the Group to achieve our goals. We do this through:

- + a bi-monthly delivery forum that brings commitment owners together to connect, align, provide progress updates and collectively solve problems
- + an executive steering committee that meets three times a year to help orchestrate delivery by providing recommendations and course corrections, and removing roadblocks
- + reporting our progress to the Board SUSCO who review, appraise and approve our strategic direction, targets and material investments to manage actual or potential impacts on the Group.

We support our 40 commitments with pathways providing delivery transparency. With two and a half years to go, we are focused on delivering our 2025 Sustainability Program while working to understand our next horizon beyond 2025.

Mobilising delivery and engagement

As one of our guiding principles, we believe in the power of partnerships to create change. Our approach takes different forms as outlined below and are discussed throughout this report.

Benchmarking ourselves with externally validated standards: This allows us to measure our progress, access expertise and align with industry best practices. Our external alignments include, but are not limited to, the Australian Packaging Covenant Organisation, Healthy Food Partnership, Reconciliation Australia, SDGs, UNGC, WGEA Employer of Choice, and in New Zealand the Accessibility Tick and Rainbow Tick.

Collective problem solving and advocacy: We continue to advocate for government policies to encourage systemic approaches to critical issues, for example, national harmonisation of single-use plastic regulation. We also work to influence change via industry collaborations such as the Soft Plastics Taskforce and the Climate Leaders Coalition.

Supporting organisations to drive positive change: We partner with NGOs and charity organisations to deliver better outcomes for the planet and community. These include, but are not limited to, Good360, KiwiHarvest, Landcare Australia, OzHarvest, Rainbow Youth, Share the Dignity and The Salvation Army.

Partnering with our value chain: Our suppliers are critical to our success, and we actively engage with them as part of our Trade Partner Sustainability Councils. We collectively share knowledge on how we are progressing our packaging and health sustainability goals, and work to identify new sustainability opportunity areas for potential focus.

We are also working to build advocacy of team, customers, communities and partners through engagement in our sustainability plans. We do this through internal communities, transparent communications and education.



Accelerating technology and innovation

Our business accelerators help drive positive change towards our 2025 Plan through strategic partnerships and innovations that deliver mutually beneficial outcomes.

W360

W360 aims to deliver market-leading solutions and innovations focused on energy, waste, water and packaging.

Case study: saveBOARD a start-up, in New Zealand and Australia, is producing a low carbon building material made from previously unrecyclable waste liquid paperboard packaging (long life milk and juice cartons) and soft plastics. Woolworths Supermarkets has been trialling various iterations of saveBOARD's products in stores.



W23

W23 is Woolworths Group's venture capital and innovation fund that uses our assets, scale and expertise to drive strategic partnerships. It invests in innovative startups in retail and climate technology.

Case study: Samsara has developed groundbreaking enzyme-based technology to break down plastics into its core molecules, which can subsequently be used to infinitely produce new plastic products. Our partnership enables us to invest in a circular solution with the goal of reducing plastic waste and the resulting greenhouse gas emissions.



Healthylife

Healthylife provides health and wellness advice, products, telehealth services and digital tools, backed by an advisory board of independent health professionals to shape how we help everyone live their healthy life.

Case study: The Healthylife Food Tracker is a free tool that helps inspire customers to make healthier food choices and achieve a balanced diet. It provides insight into their shopping baskets' health, salt, sugar and fat content, as well as a series of health programs to support small, achievable changes for a healthier life.



Our progress aligned to our 2025 Plan

People

Goal:

- 1 Truly inclusive workplace**
Progress: ●●●○
 + 39.8% senior leadership in Australia are women (+0.8% on F22)
 + Australian Workplace Equality Index (AWEI) Platinum Employer Status following delivery of our AWEI Platinum Project
 + Innovate RAP launched
- 2 Holistic wellbeing of our team**
Progress: ●●●○
 + Total recordable injury frequency rate of 12.24 in F23 (+1.11 on F22)
 + >47,000 team members and families signed up to Sonder, with professional support accessed >18,000 times
- 3 Meaningful retail careers for today and tomorrow**
Progress: ●●●○
 + 45% (\$22.8M) of Future of Work Fund invested to up-skill and capability plan to deliver change to team career opportunities
 + 600 senior leaders completed data analytics capability training

- 4 Ethical and mutually beneficial partnerships through the whole value chain**
Progress: ●●●○
 + Remediated first identified case of modern slavery in our supply chain, returning approximately \$734,000 in recruitment fees to 230 migrant workers
 + Voice of Supplier overall score of 55 (+3 on F22)
 + #1 company globally in 2023 KnowTheChain Food and Beverage Benchmark
- 5 Positive impact on our customers and communities**
Progress: ●●●○
 + \$75.8M value of food donations
 + \$122.1m in total direct community contributions
 + Woolworths NZ donated more than \$450,000 (NZD) in food and funds for flood and cyclone relief

Planet

Goal:

- 1 Powered by green electricity**
Progress: ●●●○
 + Total renewable electricity is 22.6% (+6% on F22)
 + Installed 231 solar systems across Australia and New Zealand totalling 48MW, with a further >16MW under construction
- 2 Reducing hunger and food waste**
Progress: ●●●○
 + 69% food waste diverted from landfill across the Group
 + >34m meals donated to our food rescue partners 13% on F22
 + 887 AU stores with access to organic waste (+9% on F22)
- 3 Net positive carbon emissions**
Progress: ●●●○
 + Scope 1 and 2 emissions reductions 36% below 2015 baseline (-8% on F22)¹
 + Committed to 100% electric vehicle (EV) home delivery vehicles by 2030

- 4 Responsible stewardship of natural resources**
Progress: ●●●○
 + Completed TNFD pilot assessing capacity of beef and salmon value chains and continued participation in Climate Leaders Coalition (nature working group) to progress our approach to measurement and mitigation of nature-based risk
 + Continued the Regenerative Management Systems for New Zealand Vegetable Production project with LeaderBrand to validate regenerative practices in horticulture

Key

- Planning:** ●○○○
Delivery plan built for commitments under this goal with collaboration across teams
- Commencing:** ●●○○
Early stages of work commenced, likely to involve test-and-learn approaches
- Progressing:** ●●●○
Progress being made toward commitments under the goal
- Achieving:** ●●●●
Commitments under the goal achieved and being sustained year on year

Product

Goal:

- 1 Make health easier for Australians and New Zealanders**
Progress: ●●●○
 + #1 Australia's healthiest supermarket own brands, fourth year in a row²
 + 61.07% across Woolworths Food Group³ total sales from ≥3.5 HSR, 26 bps decline from F22
 + >30M pieces of free fruit for kids in F23
- 2 Our packaging is sustainable**
Progress: ●●●○
 + >14,000 tonnes of virgin plastic packaging removed from circulation since 2018
 + Soft Plastics Taskforce released Roadmap to Restart in response to REDcycle collapse
- 3 Own brand sourcing is sustainable**
Progress: ●●●○
 + 61% non-food palm oil from sustainable sources (+47% on F22)
 + Maintained 100% sustainably sourced single product cocoa, coffee, tea
 + 9.6% BIG W cotton sustainable in F23

- 4 Lead the future of protein**
Progress: ●●○○
 + 66% vendor branded whole shell eggs cage free (+8% on F22)
 + Updated our Sustainable Seafood Policy to improve traceability and human rights
 + Completed transitioning all Macro Fresh Free Range Chicken to RSPCA Approved Free Range in Australia
- 5 Lead the responsible retailing of alcohol and tobacco**
Progress: ●●●○
 + Countdown range includes 88 zero and low alcohol options, with overall category sales up 10.6% on F22
 + 6,569 Countdown team members trained in responsible service of alcohol, up from 4,238 in F22
 + over 10% year on year decrease in volume of tobacco sold

¹ Using the market-based method for calculating electricity emissions.
² The George Institute for Global Health's FoodSwitch: State of the Food Supply report (2019, 2020, 2021, 2022) based on mean Health Star Rating compared with Coles, Aldi and IGA.

³ Includes Australian Woolworths Supermarkets, Metro and Countdown eligible sales.





People

3.61%

of EBT on a two-year rolling average as community contribution

Launched

Innovate Reconciliation Action Plan

39.8%

senior leadership in Australia are women

Our collective challenge

With the backdrop of cost-of-living challenges and technological advancements, we recognise the potential of wider socio-economic inequalities escalating. A fairer, more equitable society benefits from culture that is diverse and rights-respecting of all. This means creating opportunities that are as inclusive and accessible as possible; that is considerate of wellbeing and works collectively to make a difference to people in our teams and communities.

Our opportunity to deliver impact

Woolworths Group is the largest employer in Australia and the second-largest in New Zealand. Our workforce of over 200,000 team members, including more than 4,700 First Nations team members, reflects the diverse communities we serve. As one of Australia and New Zealand's largest retailers, we have the privilege of serving almost every community through our retail and wholesale network supported by over 17,000 suppliers. We have a meaningful opportunity to positively impact our communities by improving their resilience and investing in diverse experiences.

Our approach

People are the primary drivers of change and are at the heart of everything we do. We care for, and unlock the full potential of people by creating a place for them to be their best selves, supporting their wellbeing, and paving their way to a brighter future. Care is also at the heart of supporting our communities and building mutually beneficial partnerships with workers in our supply chain. In line with our **2025 Plan**, we are fostering better inclusion and investing in our team's wellbeing and development. We are also supporting our communities and working with suppliers to build a rights-respecting culture that mitigates modern slavery risks. Our people-related sustainability goals are critical to our long-term success and are woven into our strategic and operational fabric.

Sustainable Development Goals



External benchmarks



Team at Woolworths Chatswood East, 2023.

[Read more about our people here](#)

[Watch our People initiatives in action](#)

Truly inclusive workplace

Belonging is fast becoming one of the most important social and business issues impacting organisations, customers and society.¹ People identify in diverse ways and consider workplace inclusion as a vital factor when looking for employment.² Diversity, equity and inclusion are key to fostering a culture that embraces belonging and we recognise that many people turn to their workplace to find a sense of meaning and purpose.

At Woolworths Group, we believe in creating safe and inclusive workplaces where diversity is valued, and everyone can be their 'best self'. Our inclusion strategy focuses on five pillars across: gender; LGBTQ+; First Nations; disability; and cultural inclusion. We aspire to do more to enable a broader culture of inclusion in our society and want our team, stakeholders, suppliers and customers to feel that they are welcomed, respected and heard. This mindset is central to the culture across our organisation.

Together starts with you

This year we took the next step in our belonging journey with 'Together starts with you', a call-to-action encouraging our team to be actively conscious of, and individually accountable for, their behaviour and actions. As a result, we have made progress towards being a truly inclusive workplace, with a +4 increase in our organisation-wide Voice of Team (VOT) score for 'Sense of Belonging' to 63 in F23. While we celebrate our progress, we recognise the need to do more to lean into challenging priorities. In F24 we will make our inaugural submission to the Australian Network on Disability's Access and Inclusion Index and continue working towards closing the aggregated average gender pay difference.



Employer of Choice for Gender Equality

Woolworths Group was awarded the Workplace Gender Equality Agency (WGEA) Employer of Choice citation in Australia for the second time, recognising our active commitment to achieving workplace gender equity.

We continue to monitor pay parity for like-for-like roles, and in F23 maintained <1% pay gap in Australia and New Zealand. Women in senior leadership has trended towards our 40% gender ambition, achieving 39.8% representation in Australia and 38.7% in New Zealand.

Our total Gender Pay Gap (GPG) in Australia calculated according to WGEA standards was 11% compared to the WGEA Australian GPG of 22.8%. In New Zealand, calculated according to the Stats NZ methodology, our GPG is 1.41% compared to the NZ National GPG of 9.2%.³ With an increased gender equity focus in New Zealand, including disclosure of our gender pay gap through MindTheGap and partnership with Work180 in F23, we will continue to drive further improvements. In Australia in F24 we will prioritise reforms from the Respect at Work Bill 2022 and the Workplace Gender Equality Amendment (Closing the Gender Pay Gap) Bill 2023, helping us to build a psychologically safe and inclusive environment.

Pay parity like-for-like roles

<1%

in Australia

Women in senior leadership

39.8%

in Australia

1 Deloitte Insights, The social enterprise at work: Paradox as a path forward. 2020 Deloitte Global Human Capital Trends, 2020. 2 Glassdoor, What Job Seekers Really Think, 2021. Transparency Report, 2022. 3 Statistics New Zealand calculates the gender pay gap as median hourly rate, so this number is not strictly comparable to the Australian gender pay gap averages.

Embracing our cultural diversity

More than a quarter of Australia's population was born overseas and more than a fifth speak a language other than English at home.¹ Woolworths Group reflects our communities, and we celebrate our diversity, recognising more than 25 cultural days of significance in F23. We provide resources to create a culture of belonging and foster psychological safety. We have established our Cultural Inclusion Team Member Network (starting in Australia) with executive sponsorship to elevate our team's diverse experiences and voices.

Our Refugee Employment Program, in partnership with Community Corporate, has provided 245 refugees with employment in Woolworths Supermarkets, Metros and customer fulfilment centres (CFCs) across NSW, Vic, Qld, WA and SA since 2018.

Our rainbow community

Woolworths Group supports LGBTQ+ communities and we have reached two milestones: achieving Platinum Employer AWEI status and maintaining Rainbow Tick Accreditation in New Zealand for five years. This AWEI recognition follows the delivery of our AWEI Platinum Project in Greater Western Sydney. We partnered with the City of Parramatta, ACON, the Bobby Goldsmith Foundation and Out for Australia to achieve 23 milestones. These included initiatives such as the national Welcome Here Project across Woolworths Supermarkets to create inclusive local spaces and support for the Parramatta Pride Picnic.

The project had a positive impact on our team in the region. We saw:

- +4% in team members openly identifying as LGBTQ+²
- +9% in team members feeling more comfortable offering their ideas to improve their work, indicating increased feelings of psychological safety²
- +4% in team members agreeing their store actively celebrates LGBTQ+ initiatives²

In F23 we launched our regional Pride approach focused on engaging our team, customers and communities by investing in more than 10 new regional events across Australia and participation in New Zealand events, such as Auckland Pride. Our long-term partnership supporting RainbowYOUTH in New Zealand celebrated five years. We raised a total of \$108,000 (NZD) with generous support from our customers and our own \$20,000 (NZD) contribution, to bolster the five-year strategic plan supporting queer, gender-diverse, takatāpui and intersex youth.

1 Australian Bureau of Statistics, 2016 Census, 2017. 2 Woolworths Group AWEI Platinum Project, pre survey (Jun-Jul 2022) and post survey (Oct-Nov 2022) with eligible stores. Note survey conducted on small sample size.



Driving disability inclusion

Following discussion with the Disability Royal Commission in 2021, we renewed our focus on removing physical and societal barriers to our team and customers living with disability, to make Woolworths Group a more inclusive place to work and shop.

Establishing our Disability Team Network, incorporating disability voices and lived experience in business decisions, has contributed to the development of our workplace adjustments policy. Since its May 2023 launch, we have enabled over 30 workplace adjustments for team members; provided adjustments to 100% of candidates requesting support during recruitment; and delivered disability confidence training to our Talent Acquisition team, hiring managers and leaders of disabled team members.

In F23 we delivered our first submission to the Accessibility Tick in New Zealand, alongside our submission to the Australian Human Rights Commission IncludeAbility Health Check. These submissions will enable our inaugural submission to the Australian Network on Disability's Access and Inclusion Index in F24, leading to the development of our first Group-wide disability inclusion action plan.

Reconciliation

As Australia continues its reconciliation journey, we remain focused on playing our part in Closing the Gap, continuing to demonstrate our support for the Uluru Statement from the Heart and its call for a First Nations Voice to Parliament enshrined in the Constitution.

In June 2023, we launched our Reconciliation Action Plan (RAP), demonstrating our commitment to meaningful progress with First Nations team members, communities and businesses. Our reconciliation strategy aims to drive meaningful action through its three pillars, as detailed below together with examples of progress in F23.

Listen and learn from voices and experiences of those impacted

- + A delegation of 10 senior leaders attended the Garma festival to hear Indigenous voices on key topics, including the Voice to Parliament.
- + Through our Australian Grocery Wholesaler partnership, we visited remote communities in the NT and Torres Strait to understand food accessibility and affordability needs.

Four focus areas: employment, health, education, sourcing

- + 2.6% of our Australian workforce were First Nations peoples. Our target is ≥3.2% by 2025.
- + \$4.47 million spent on 31 Supply Nation-registered and certified suppliers.
- + >\$355,000 raised for the Yothu Yindi Foundation through reusable Art Bags sold at Woolworths, supporting the education of Yolngu students.

Governance and ways of working

- + Established our RAP Working Group, with a cross section of senior leaders and team members, both Indigenous and non Indigenous. The Working Group contributed to and coordinated the RAP development and championed within their own area.

Case study

A Brave Heart for a Better Tomorrow

Our latest Innovate level Reconciliation Action Plan, endorsed by Reconciliation Australia, details 97 deliverables to achieve over the next two years. Our RAP is a call to action for our team, our partners and all Australians to consider moving from 'safe' to 'brave' when it comes to reconciliation. Our RAP is a part of our reconciliation strategy informing key actions across employment, health, education and sourcing. It also incorporates various key initiatives, including:

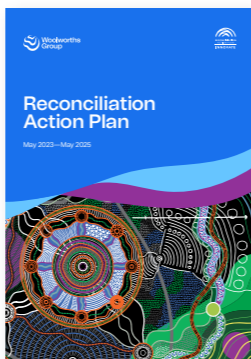
- + \$10 million investment in a national First Nations residential college at the University of Technology
- + continuing our remote retailer partnerships to ensure the supply of food and essential goods to remote Indigenous communities.

Following the completion of the Innovate level RAP, we aim to pursue the Stretch level.

Our Māori and Pasifika leadership pipeline

Building on the F22 establishment of our Māori and Pasifika Talanoa (Committee), in F23 we delivered our first Māori and Pasifika mentorship program, supporting 20 mentees with individual Māori and Pasifika mentors, to build confidence in navigating career progression.

Since the program's conclusion, our Talanoa has developed a proposed Māori and Pasifika inclusion action plan. The plan will be endorsed in F24 with the aim of supporting a leadership pipeline with 20% Māori and Pasifika representation by 2025. As we conclude F23, our leadership pipeline in New Zealand sits at 8% Māori and Pasifika representation. We are committed to analysing the drivers of this result and implementing further action to reach our target, including plans to scale the mentorship program in F24 and implementing the endorsed inclusion action plan.



[View our RAP here.](#)



Overview



People



Planet



Product



Goal 4

Ethical value chain

Modern slavery is around us, often hidden in plain sight. It is systemic, global and growing, with around 50 million people held in modern slavery.¹ In Australia, up to 41,000 people are estimated to be living in conditions of modern slavery.²

Woolworths Group has one of the largest and complex retail supply chains in Australia and New Zealand. We aim to build a rights respecting approach where modern slavery risks are identified, managed and mitigated. We work directly with our global trade and non-trade suppliers to embed respect for human rights into our everyday decisions and throughout our value chain.

Our Human Rights Program underpins our work with suppliers and defines our approach to managing human rights risks across the Group's supply chain. The United Nations Guiding Principles on Business and Human Rights inform the Program, our Group Risk Management Framework and the Board-approved Group Risk Appetite Statement. This identifies human rights as a 'level one' risk, meaning we take all practicable steps to work towards zero harm. We aspire to eliminate these risks.

We were recognised by the 2023 KnowTheChain Food and Beverage Benchmark, with Woolworths Group ranked as the first company globally. We were also the first retailer globally and third company overall in the 2023 Corporate Human Rights Benchmark.



Case study

Modern Slavery Statement

The Woolworths Group 2023 Modern Slavery Statement (MSS) delivers a detailed report on the progress of our Human Rights Program.

Progress in F23 includes:

- + remediating the first identified case of modern slavery in our supply chain; ~ \$734,000 in recruitment fees to 230 migrant workers
- + reviewing audits for 885 supply sites, with seven graded zero tolerance and 238 critical non-compliances. We have worked with moderate and priority risk suppliers to co-develop corrective action plans and conducted 48 site visits across Asia (onsite and virtual)
- + completing our second forced labour risk assessment to identify critical risks associated with producing and procuring goods and services
- + building supplier capability to implement the Priority Industry Principles with all own brand suppliers in Malaysia, extending to Thailand suppliers
- + updating the Woolworths Group Sustainable Seafood Policy, including strengthening requirements for traceability data in Australia.



[View our MSS here.](#)

1 Global Estimates of Modern Slavery: Forced Labour and Forced Marriage (September 2022 & 2017), International Labour Organization.
2 Walk Free Australia, 2023 Global Slavery Index.

Holistic wellbeing of our team

There has been increased acknowledgement of the role mental health plays in achieving global development goals.¹ Locally, an estimated one in five Australians aged 16 to 85 experienced mental illness in the last 12 months.² The impact of COVID has also elevated the need for physical and psychological safety and health of our customers, team and business partners.

Our team deserves a safe place to work, with team members more likely to stay, and feel a sense of belonging, with a company that values their safety and wellbeing. Woolworths Group invests in caring for our team, safeguarding them and supporting their holistic wellbeing. We recognise how interconnected these are and their potential to have a positive ripple effect within our communities.

Promoting mental wellbeing

One in five Australians experiencing mental ill health² means around 40,000 of our team could be impacted. This year, we continued to invest in awareness, with Mental Health Month and always-on campaigns, while promoting our 24/7 team support tools – Sonder and 13YARN. Over 47,000 team members and their families have signed up to Sonder, and in F23 team members accessed its professional support more than 18,000 times for help with issues related to medical, stress, acute mental health, anxiety, financial and safety concerns. We have extended Sonder to our team in New Zealand, with more than one-quarter of the team signing up in the first six weeks. We recognise the importance of corporations, academia, government and agencies working together to create better mental health outcomes. Woolworths Group is a founding and board member of the Corporate Mental Health Alliance, and in 2023 hosted the Alliance's annual gathering to bring businesses together to support healthy workplace experiences for team members.

Improving physical wellbeing

Keeping our teams (including contractors) safe when they come to work is one of our foundational objectives. Tragically, two of our team members lost their lives at work during the year. We are deeply affected by this loss, and our thoughts remain with the families and many friends, and colleagues affected. Investigations into these events are ongoing and, while the outcomes may not be known for some time, we are working to ensure learnings are gained and applied.

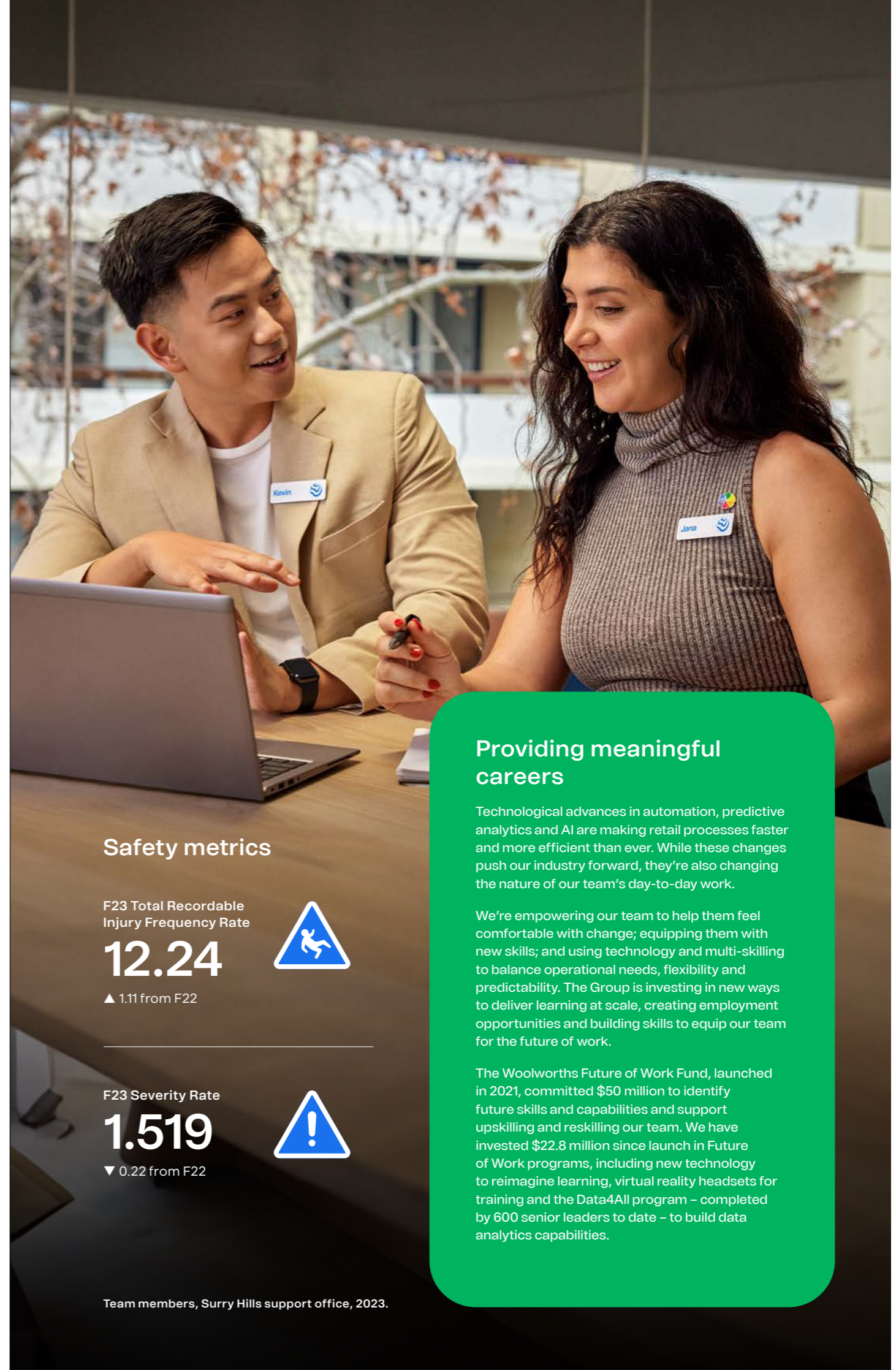
Our total recordable injury frequency rate increased from 11.13 in F22 to 12.24. This is a combination of increased total recordable injuries and decreased exposure hours. We are actively working to reduce injuries and illness, and eliminate fatality risks. We continue to focus on identification and management of material safety risks, supported by critical controls and standards. All high potential material safety risk events have been investigated with learnings shared.

We are concerned by increasing levels of Acts of Violence & Aggression (AOVA) against our team members in stores, customer hubs and delivery drivers. In F23, we established an AOVA Steering Committee to further strengthen risk controls, including de-escalation training, physical separations, communication systems and safe havens; and we continue to collaborate with peers and industry leaders.

We also focused on our highest frequency injury, musculoskeletal disorders, with the majority of our teams manually handling products. We have evolved our ergonomic program focused on reducing manual task risks and continue to evolve our store and site design, equipment and processes.



¹ As illustrated by its inclusion in the SDGs.
² Australian Bureau of Statistics, National Study of Mental Health and Wellbeing, 2022.



Providing meaningful careers

Technological advances in automation, predictive analytics and AI are making retail processes faster and more efficient than ever. While these changes push our industry forward, they're also changing the nature of our team's day-to-day work.

We're empowering our team to help them feel comfortable with change; equipping them with new skills; and using technology and multi-skilling to balance operational needs, flexibility and predictability. The Group is investing in new ways to deliver learning at scale, creating employment opportunities and building skills to equip our team for the future of work.

The Woolworths Future of Work Fund, launched in 2021, committed \$50 million to identify future skills and capabilities and support upskilling and reskilling our team. We have invested \$22.8 million since launch in Future of Work programs, including new technology to reimagine learning, virtual reality headsets for training and the Data4All program – completed by 600 senior leaders to date – to build data analytics capabilities.

Safety metrics

F23 Total Recordable Injury Frequency Rate

12.24

▲ 1.11 from F22



F23 Severity Rate

1.519

▼ 0.22 from F22



Team members, Surry Hills support office, 2023.

Positive impact on communities we serve

Across Australia and New Zealand, we've emerged from a global pandemic straight into a cost of living challenge, while all around us the impacts of climate change are becoming more real and severe. Our vulnerable communities are often impacted by forces beyond their control in the areas of natural disasters, food security and healthcare.

We are committed to positively impacting our communities by investing the equivalent of >1% of our total Group Earnings Before Tax (EBT) in community partnerships and programs. Together with our charity partners we also invest in local programs and community groups to provide natural disaster relief and support better health and education outcomes.

Cash donations¹

\$28.1M 

In kind^{1,2}

\$90.2M 


Management costs¹

\$3.7M 

Total direct community contribution¹

\$122.1M 

3.61%

of EBT on a rolling two-year average 

Leveraged fundraising

\$15.4M 

¹ Cash, management and in-kind donations have been verified in line with the B4SI framework www.b4si.net

² Food rescue valuation is based on Cost of Goods Sold.

Supporting people in need

According to the 2022 Foodbank Hunger Report, over two million households in Australia (21%) have experienced severe food insecurity in the last 12 months.¹ To meet the growing demand for food relief, in F23, Woolworths Group contributed a record of more than 34 million meals to our food rescue partners, including OzHarvest, Foodbank and Fareshare in Australia, and KiwiHarvest and The Salvation Army in New Zealand. We helped donate \$75.8 million of surplus food and groceries from our stores and Distribution Centres (DCs) to thousands of local charitable organisations across Australia and New Zealand.

One example is Woolworths Supermarkets' partnership with Fareshare's Meals for the Mob, which, in consultation with Elders, provides food relief through free, nutritious and tasty ready-to-eat meals for remote Indigenous communities. The program will deliver 65,000 meals in F24 to remote areas in Queensland. In New Zealand, we donated more than \$300,000 (NZD) to the food rescue sector's ongoing development, including funding to Kaibosh for a new supermarket liaison officer role to optimise Wellington food rescue services.

Providing natural disaster relief

Since early 2023, New Zealand has faced devastating weather events, including catastrophic floods and Cyclone Gabrielle – described as the worst storm to hit the country this century. Given Countdown's national footprint, we play a crucial role in helping with community recovery.

In the first half of 2023, we donated more than \$450,000 (NZD) in food and funds to our partners on the ground and government organisations to support those affected. With our customers' generous support, Countdown raised over \$252,000 (NZD) for the Mayoral Relief Funds, New Zealand Red Cross, and local community partners. We also donated more than 80 tonnes of water, meat, fruit, vegetables and other essentials to evacuation centres in Auckland, Tairāwhiti (Gisborne), and Hawkes Bay. In addition, Countdown announced support to help growers recover from the impact, including \$700,000 (NZD) in cash grants, a \$50,000 (NZD) donation to Rural Support and other in-kind assistance. In Australia, Woolworths Group's Support Through Australian Natural Disasters (S.T.A.N.D.) program helps our communities, particularly in times of natural disasters such as the devastating floods that hit WA, Vic and NSW in F23. Funds raised through our S.T.A.N.D. program this past year, including our annual donation of \$500,000, enabled The Salvation Army ability to provide immediate relief to affected communities.

¹ Foodbank, Foodbank Hunger Report 2022.

Fostering community resilience

Across Woolworths Group, we're contributing to building community resilience through a range of partnerships fostering education, skill development and positive health outcomes:



Delivering positive social impact for children

Together with the support of our customers and team, we have a long-standing history helping fund health and wellbeing programs for Variety the Children's Charity in NSW, ACT, SA and NT; The Royal Children's Hospital Good Friday Appeal in Vic; St Giles in Tas; Telethon in WA; and the Children's Hospital Foundation in Qld. In F23 Woolworths Supermarkets raised more than \$4.3 million for these partners.



Mini Woolies

This collaborative program between Woolworths Supermarkets and Fujitsu provides hands-on learning experiences for students and job candidates living with disabilities. Since its inception in 2018, it has grown to more than 41 locations and offered experiences to more than 3,000 young Australians.



Woolworths Junior Landcare Grants

In 2023, we partnered with Landcare Australia for the fifth Woolworths Junior Landcare Grants Program round to help our future environmental champions. Over 1,100 projects were awarded grants of up to \$1,000 each, engaging close to 105,000 children in primary schools and early learning centres countrywide. This year the program included First Nations Perspectives projects, with 323 grants awarded to schools focusing on First Nations education and perspectives.



Breakfast Library Program

BIG W partners with the Australian Literacy and Numeracy Foundation to deliver the innovative Breakfast Library program to kids nationwide. The program is currently supporting approximately 2,800 children in marginalised communities with a healthy breakfast, access to quality children's books, and reading sessions to improve literacy outcomes. The program is now offered across 30 schools each week.



Countdown's Growing for Good

F23 marks the fifth year of Countdown's Growing for Good grants. The \$50,000 (NZD) annual grant pool aims to help foster New Zealand's next generation of environmentalists.



Support for suppliers

We dedicate funds to supporting farming projects across Australia. In F23 the Woolworths Organic Growth Fund delivered \$1.5 million in grants to Australian organic growers. At the same time, the Woolworths Dairy Innovation Fund awarded \$1.5 million in grants to support Australian on-farm projects to deliver innovation, efficiency and seasonal resilience.

Planet

Scope 1 & 2

emissions reductions 36% below 2015 baseline

Launched

transport decarbonisation strategy

>34M

equivalent meals donated



Read more about our planet [here](#).



Watch our [Planet](#) initiatives in action

Electric home delivery vehicle, Heathwood DC, 2023.



Overview



People



Planet



Product



Our collective challenge

Climate change is apparent in Australia and New Zealand with extreme weather events impacting community resilience. Science tells us that we need to limit global warming to 1.5°C, yet based on current global policies, we could see warming of 2.7°C by 2100.¹ Strong action is required this decade to support climate mitigation and adaptation efforts, with a third of those reliant on nature-based solutions.² Population growth is also projected to reach 10 billion by 2050, requiring a 70% increase in food production.³ This creates opportunities to encourage regenerative farming practices whilst making sure that food goes to people in need and is not wasted.

Our opportunity to deliver impact

Woolworths Group feeds a significant proportion of Australia and New Zealand through our network of over 1,400 stores. We are also a significant consumer of electricity, consuming 0.7% of electricity generated across both countries, and have an extensive logistics footprint. The scale of our supply chain has a material impact on climate and nature due to the resources used to produce the food our customers require. With more than 17,000 suppliers, our scope 3 emissions are 15 times our scope 1 and 2 combined. This presents an opportunity to drive decarbonisation whilst protecting nature and the availability and quality of the products we sell.

Our approach

We recognise that Woolworths Group and our suppliers rely on the health of our climate and nature to meet our customers' needs. Guided by our principle of positively impacting the planet, we are actively partnering across our value chain to support the transition to a low-carbon future whilst working to protect and regenerate nature. In line with our [2025 Plan](#), we aim to reduce our emissions; improve our operations and communities' resilience; work to improve food security and reduce waste; and encourage sustainable and regenerative practices for future generations. We know we can do more and aspire to become a net positive business.

Sustainable Development Goals



External benchmarks



CDP
Leadership level A-

1 Climate Action Thermometer warming projections, Nov 2022.
2 World Economic Forum, McKinsey & Company, Nature and Net Zero, 2021.
3 Food and Agriculture Organisation, Global agriculture towards 2050, 2009.

Towards net positive

Australia and New Zealand are not immune to climate change, and as we experience extreme weather events and natural disasters, our business is feeling the impacts of this first-hand. We support the Paris Agreement and its efforts to mitigate the impacts of climate change by limiting global temperature rise to 1.5°C if possible.

We aspire to reduce our emissions in line with the Science Based Target Initiative (SBTi) and be a net positive business by 2050 – partnering to remove more carbon than we emit. We are actively considering nature-based solutions as part of this aspiration to help support and enhance our supply chain and communities’ long-term viability.

Our scope 1 and 2 emissions make up 6% of the total emissions across our end-to-end value chain. Over the last 12 months, this has reduced by 8% – a cumulative reduction of 36% over our 2015 baseline. Our scope 3 emissions are approximately 15 times greater than our scope 1 and 2 emissions, making up 94% of the emissions in our end-to-end value chain. This is complex, representing emissions from a variety of sources – the largest being agriculture, energy and transport. Our performance against these are detailed on [pages 34 and 36](#).

Our climate and nature strategy

Woolworths Group’s climate and nature strategy focuses on managing climate change impacts across our business and communities. It also details our approach to the responsible stewardship of natural resources and sustainable protein in our supply chain. The strategy is approved by the Woolworths Group Board.

The three pillars of our strategy aim to drive tangible action and effectively manage risk. We will continue to integrate our climate and nature approach as our understanding of their interrelationship matures.

Managing climate impacts across our business

By reducing and greening our electricity, embedding low-carbon technologies and increasing resilience in our value chain



Supporting industry and community action

By partnering with industry to support the transition to net zero and supporting community resilience to climate change



Nurturing nature across our supply chain

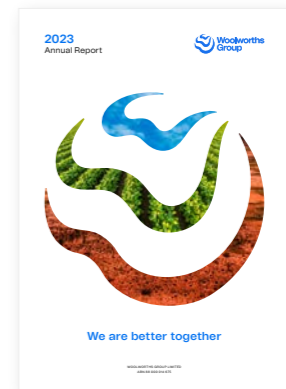
By leading the future of protein, partnering with suppliers on improved farming practices and working to have a positive impact on nature.



Our approach to reporting in F23

Our 2023 Annual Report focuses on areas most material to our business and therefore, details our main climate and nature related disclosures for F23. Our disclosure aligns with the Task Force on Climate-Related Financial Disclosures (TCFD) and broadly with the recently released International Sustainability Standards Board (ISSB) standards and the upcoming Taskforce on Nature-related Financial Disclosures (TNFD).

We recognise that the audiences that interact with our Annual and Sustainability Reports are potentially different. With that in mind, we have meaningfully duplicated the narrative where relevant across both reports so they each stand alone. This report is focused on progress against our [2025 Plan](#) and our [2023 Annual Report](#) provides our full TCFD disclosure.



See our [2023 Annual Report](#) for more details



Overview



People



Planet



Product



Our pathway to net positive

What we've achieved so far:

▼ **36%**
scope 1 and 2 emissions reduction since 2015

SCOPE 1 & 2 OPERATIONAL EMISSIONS TRAJECTORY

- ✓ >60MW of solar operating or under construction
- ✓ 100% renewable electricity in SA
- ✓ Commenced a value chain emissions measurement program
- ✓ 80% food waste in Woolworths supermarkets diverted from landfill
- ✓ 100% of own brand tea and coffee now sustainably sourced
- ✓ Piloted the Taskforce on Nature-related Financial Disclosure framework on beef and salmon supply

▲ We are here

Short term

Accelerating action across our operations

42% scope 1 and 2 emissions reduction by 2025

100% renewable electricity by 2025

- Value chain emissions reduction aligned to a 1.5°C pathway
- All new property developments will achieve a minimum 4 star Green Star rating
- Understand the impact of priority fresh supply chains on nature and increase supplier adoption of sustainable and regenerative practices in these categories
- All high-impact own brand commodities sourced from net zero-deforestation supply chains
- Source our animal, and alternative protein sources in a sustainable manner through minimising our impact on the environment
- Aim for zero food waste to landfill from our supermarkets
- Woolworths own brand packaging widely recyclable, reusable or compostable

Medium term

Leading the change across our value chain

63% scope 1 and 2 emissions reduction by 2030¹

- Zero emissions home delivery fleet
- Scope 1 operational transport emissions reduced by 60% by 2030
- 19% scope 3 emissions reduction by 2030^{1,2}
- Set nature related targets and approaches that support resilient food and fibre production and help mitigate impacts of climate change

Long term

Delivering on our net positive aspiration

We know we have more to do and will invest in new technologies, sustainable and regenerative practices and make meaningful changes to our products and operations. We will work towards complete value chain decarbonisation.

By 2050, we aim to reach **net positive emissions**^{3,4}

This is Woolworths Group's approach to drive decarbonisation across scope 1, 2 and 3 across our value chain. As of today, our pathway has quantified how we will reach net positive scope 1 and 2 emissions. Next year we will integrate our scope 3 pathway which considers nature-based solutions.



¹ Our 2030 SBTi emissions reduction goals will be achieved without the use of carbon offsets.
² In F24, we intend to update our scope 3 SBTi target to align with 1.5°C in line with SBTi's FLAG Guidance.

³ Covers emissions from our own operations (scope 1 and 2 emissions).
⁴ We note that maintaining our science-based ambition may require obtaining and surrendering carbon offsets to cover any residual emissions once we reach our net positive target in 2050.



Overview



People



Planet

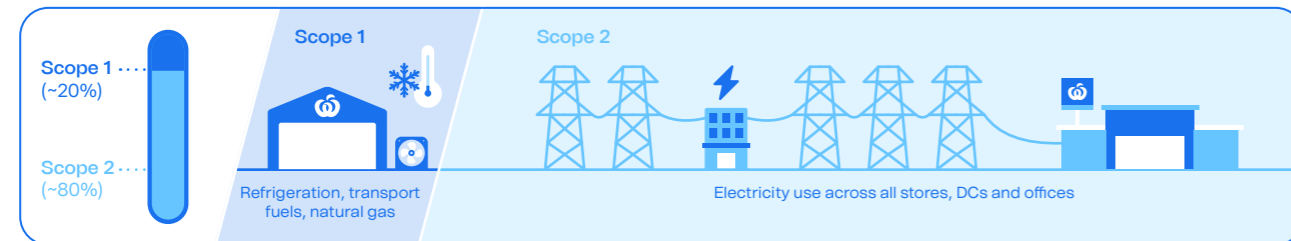


Product



Reducing our scope 1 and 2 emissions

Scope 1 and 2 emissions are those directly within our operational control. Our material scope 1 emissions sources include fugitive synthetic refrigerants, transport fuel for fleet cars and home delivery trucks, and natural gas. Our scope 2 emissions are those associated with electricity use across all stores, DCs and offices; they comprise the largest part of our operational footprint.



Woolworths Group is committed to working towards achieving a 63% reduction in emissions from our operations (scope 1 and 2) by 2030. The SBTi¹ ratified this commitment in 2020. F23 marks a transition to include market-based scope 2 electricity reporting². This methodology enables us to account for the investment we are making in renewable electricity, and helps us track progress against the reduction trajectory shown on pages 32 and 33.

Over the past 12 months, our scope 1 and 2 emissions have reduced 8% due to ongoing grid decarbonisation, energy efficiency work and ongoing transcritical refrigeration upgrades. Our cumulative emissions reductions since 2015 are now up to 36%. Details of our emissions footprint are available in our [2023 Sustainability Data Pack](#).

In November 2022, the Clean Energy Regulator (CER) provided new guidance on the treatment of Australian Carbon Credit Units issued for projects registered with the Emissions Reduction Fund (ERF). We have adjusted our F22 and F23 emissions to reflect the new guidance from the CER. These adjustments can be found in the [2023 Sustainability Data Pack](#).

Actions completed to date contributing to our emissions reductions:

- ✓ installed 231 solar systems across Australia and New Zealand, totalling 48MW. Also signed renewable energy contracts in SA (100%), WA (50%), and a pathway secured in NSW for 100%
- ✓ spent over \$30 million on energy initiatives in F23 covering refrigeration and lighting upgrades and improving our ability to monitor and control energy use
- ✓ delivered 15 Green Star ratings with another 22 underway across the Group
- ✓ formalised our transport decarbonisation strategy aimed at achieving a 100% EV last-mile delivery fleet in Australia and New Zealand, helping reduce our transport emissions by 60% in 2030 vs F22.

¹ The SBTi assesses and approves companies' targets through a scientific lens, ensuring alignment with the Paris Agreement goal of limiting climate change to an increase of 1.5 degrees above pre-industrial levels.

² Market-based reporting reflects emissions based upon the amount of renewable electricity a company procures. Location-based reporting reflects the average emissions intensity of grids in which energy consumption occurs. It is best practice to report on both methods.

Case study

Decarbonising our transport – a material shift in our scope 1 and 3 emissions

Global transport activity is expected to more than double by 2050¹, yet emissions in this sector need to decrease at least 3% annually to align with net zero by 2050 scenarios. Transport is Australia's third largest emissions source, and government projections forecast an emissions increase in this sector by 2030².

Understanding our large, complex transport fleet

Our transport network is one of the largest business supply chains in Australia and New Zealand, with approximately 1.6 billion cartons moved annually through Primary Connect, and 19% growth in online delivery volumes in the past year.

Delivering fresh food to our customers everyday, we manage international freight movements via air and sea, interstate connections via rail and road, and movements between DCs and stores. Depending on the operational structures and ownership, these emissions vary between direct scope 1 and indirect scope 3 emissions. Our directly managed fleet – scope 1 transport emissions – comprises some 3,500 assets, from light vehicles to semi-trailers. As with the rest of our value chain, scope 3 transport emissions represent the larger part of our footprint, and are outside of our direct control.

Today transport makes up less than 5% of the Group's scope 1 and 2 emissions – about 100,000 tonnes of carbon dioxide equivalent. Growth in transport activity, combined with our transition to 100% renewable electricity, amplifies our focus on solving transport emissions. Tackling transport decarbonisation will therefore require significant effort due to the size and complexity of our own fleets and those of our logistics partners.

Our first transport decarbonisation strategy

Our emissions trajectory has been strengthened with the launch of our transport decarbonisation strategy, with plans now in place to address all material scope 1 and 2 emissions. The strategy, launched in 2023, outlines our approach and priorities for decarbonising our fleet. It has three pillars:

1. transitioning to a zero-emissions fleet and delivering cleaner, quieter neighbourhoods
2. leading low-carbon practices through efficient operations, such as offering customers the choice of Green Delivery windows that minimise grocery delivery emissions
3. developing zero emissions transport infrastructure (e.g. EV chargers) across our network.

This strategy is anchored in our commitment that by 2030, we aim to convert our Australian and New Zealand home delivery fleet to zero-emissions vehicles. This goal, alongside changes to zero emissions technology in our heavy vehicle fleet, will reduce our scope 1 transport emissions by approximately 60% compared to today.

With the limited current availability of zero-emissions vehicles for a fleet of our size and operational complexity, we have gained valuable insights through trialling and testing a small number of low-carbon vehicles. We are already underway transitioning our home delivery fleet. We recently launched 27 additional electric home delivery vehicles in June 2023 with a further 20 on order that will start to replace 1,200 diesel home delivery trucks. We anticipate the last combustion engine vehicle will join our fleet in 2027.

¹ OECD International Transport Forum.

² Commonwealth of Australia (Climate Change Authority) 2022. First Annual Progress Report, November 2022.



Partnering to reduce scope 3 emissions

We are at the beginning of our journey on scope 3 emissions. Achieving reductions across the value chain presents a new set of challenges that we cannot solve on our own, requiring a total systems-based approach. In addition to leveraging existing emissions reduction solutions, we continue to seek out different and innovative solutions to define a path forward.

Our scope 3 represents the majority of our emissions – at 29.7 million tonnes, these are approximately 15 times greater than our scope 1 and 2 emissions combined, with purchased goods and services representing 80–85% of this. Our current aim under the SBTi, ratified in 2020, is to reduce scope 3 emissions by 19% by 2030, which we acknowledge is not aligned with a 1.5°C pathway. As emissions reduction opportunities continue to evolve and our own maturity increases, we recognise that neither our footprint nor our reduction targets are static. In F24, we will seek to update our SBTi target to reflect emissions related to Forestry, Land and Agriculture (FLAG) Guidance. (See our [2023 Annual Report](#) and [2023 Sustainability Data Pack](#) for more information).

Given the proportion of our footprint related to land use and agriculture, adoption of sustainable and regenerative agriculture practices – as part of implementing broader nature-based solutions – will be crucial to our scope 3 decarbonisation journey. In F23, we prioritised a test-and-learn approach focused on partnerships and pilots to enable us and our suppliers to identify and implement targeted interventions that both reduce emissions and improve our natural resources stewardship.

Actions completed in F23:

- ✓ commenced measurement of sustainable and regenerative practices in our fresh supply chain to inform targeted initiatives
- ✓ continued regenerative agriculture pilot with LeaderBrand Produce, Plant and Food Research, and supported by the New Zealand Ministry for Primary Industries Sustainable Food and Fibre Futures Fund
- ✓ partnered with the Climate Leaders Coalition to support the development of the scope 3 roadmap, and the Sustainable Agriculture Initiative Platform to build capability and understand climate and nature risks in our value chain
- ✓ piloted the TNFD framework on our beef and salmon value chains.

Update on our scope 3 value chain emissions program

In 2022 we commenced a pilot engagement program in partnership with The Sustainability Consortium. We invited 55 suppliers across Australia and New Zealand from six categories significantly contributing to emissions across our value chain to participate. We piloted a science-based decision tool, THESIS on SupplyShift, to capture emissions intensity data and, over time, its trajectory through the value chain. The program aims to meet suppliers on their journey, providing both the opportunity to share progress and understand best practice.

The pilot provided an encouraging start with:

- + 79% of participants working towards their own scope 1 and 2 goals
- + 87% of participants were able to provide information on climate-specific KPIs
- + 56% of participants have scope 3 emissions goals in place.

Our value chain emissions program will continue expanding, with all suppliers now welcome to participate.

Improving the stewardship of our natural resources

Responsible stewardship of natural resources supports the resilience of food and fibre production systems, helps to mitigate the impact of natural disasters and contributes to the reduction of our scope 3 emissions.

Agriculture is the backbone of our business and we aim to collaborate on, and encourage supplier adoption of, sustainable and regenerative practices. In F23, we surveyed over 120 suppliers in our fruit and vegetables, poultry, dairy, eggs and seafood categories, identifying those suppliers adopting one or more of our principles of sustainable and regenerative practices, as evidenced by independent certification. We will increase this engagement in F24 to capture the efforts of our suppliers and identify improvement opportunities.

Case study

Collaborating on sustainable and regenerative agriculture

Our active involvement in industry forums and pilots enables us to understand drivers for change and test the value propositions for applying new frameworks and practices.

We have joined the Australian Sustainable Agriculture Initiative Platform (SAI Platform) to improve our understanding of Australian and global sustainable agriculture best practices and identify opportunities to increase their adoption in our supply chains. We will work with SAI to build our teams' and suppliers' capabilities in the coming year.

In New Zealand, we progressed the Regenerative Management Systems for New Zealand Vegetable Production project co-funded by the Ministry of Primary Industries' Sustainable Food and Fibres Futures Fund. The project is conducted in partnership with produce supplier LeaderBrand Produce and Crown Research Institute, Plant and Food Research. It aims to understand and validate the feasibility of incorporating regenerative practices into intensive vegetable production through on-farm trials. The project's findings will inform our approach to regenerative agriculture across Australia and New Zealand.

Way forward

In F24, we will continue to work towards the delivery of our [2025 Plan](#) goals, by:

- developing a scope 3 strategy to enable the implementation of emissions reduction solutions, including those that have co-benefits in nature
- incorporating insights from our pilots to understand the impact of our business and our supply chain on nature loss to report on our approach and management of nature-related risks and opportunities
- implementing shadow carbon pricing across critical business areas to accelerate our decarbonisation journey beyond the goods we sell
- resetting our baseline and targets in line with SBTi's guidance for Forestry, Land and Agriculture (FLAG), aligning to a 1.5°C reduction pathway.



Overview



People



Planet



Product



Towards reducing hunger and food waste

By 2050, there will be an estimated additional 3 million people to feed across Australia and New Zealand. Food waste costs both economies \$39.7 billion annually with ~7.7 million tonnes of food wasted.¹ Yet, one in five Australians and New Zealanders are living in food insecurity. This means ~5 million households have run out of food in the last year due to costs, impacting ~1.3 million children living in households during that time.²

Hunger is caused by inequity, affordability and access, however it is solvable. With more than enough food being produced to feed everyone, Australia is committed to halving all food waste by 2030, and the food and agriculture sector can play an important role. Woolworths Group is a part of that ecosystem of players that is critical in driving systemic change through its core operations, value chain networks, customer-facing platforms, strategic partnerships and level of influence.

Strengthening our case for change

We aim to contribute to a more resilient and equitable food system, free of hunger and waste, that advances sustainability, food access and affordability. With a pathway to achieve ~95% diversion of food waste from our operations, we are expanding our focus to consider food waste across our value chain, and improving on our efforts towards reducing hunger. We have therefore updated our 2025 goal to 'reducing hunger and food waste' from our earlier 'zero food waste to landfill' This aligns with SDGs 2: zero hunger and 12: responsible consumption and production.

Our end-to-end approach

We are embracing the power of partnerships to apply an end-to-end approach to redistribute edible food and prevent food waste. In the last year, we have worked to understand areas where food waste is most concentrated, to identify opportunities of highest impact. This will be key in how we prioritise our initiatives.

We will build on our existing work to amplify implementation of both innovative and practical solutions towards curbing food waste across our value chain whilst increasing access and affordability; and investing in natural resource conservation.



1 Food Innovation Australia Limited, A Roadmap for reducing Australia's food waste by half by 2030, 2020; Rabobank & KiwiHarvest Food Waste Research, 2022.
 2 Foodbank, Foodbank Hunger Report 2022.
 3 Australian Department of Agriculture, Water and the Environment, Foodbank Australia, Food Innovation Australia Limited, A Roadmap for reducing Australia's food waste by half by 2030, 2020.

Supporting thriving communities

We are at the heart of our communities and are determined to positively impact food security across Australia and New Zealand, an issue of increasing importance in the face of cost of living pressures. We aim to redistribute 100% of edible unsold food so it can be consumed through food rescue partnerships and charitable organisations. For more information on how we work with our food rescue partners, (see page 26). In F23, Woolworths Supermarkets also continued to offer customers a solution to give back to their communities. We thank our customers for donating those extra cents which added up to over \$8 million, making a real difference to our food charity partners such as OzHarvest.

Our remote First Nations communities face food insecurity and affordability challenges. Recognising our role, our wholesale business, Australian Grocery Wholesalers (AGW), entered into a partnership with Community Enterprise Queensland (CEQ), a not-for-profit organisation committed to providing essential goods and services to remote communities in the Torres Strait and Northern Peninsula Area and remote Indigenous communities. For more information on this partnership see our RAP.

Collective action to reduce food waste

Our Food Waste Diversion Pyramid applies a hierarchy to our approach based on positive impact, first supporting people in need through food rescue, then our farmer and wildlife partnerships, and finally, food waste recycling.

Making progress across our operations

We aim to have all food waste diverted from landfill by 2025, starting with our supermarkets. This year we implemented a Food Waste Diversion Data Enhancement program across our Australian and New Zealand supermarkets, Metros and CFCs. The program has significantly improved our data capture and reporting capability, helping the team select diversion pathways for food waste and reaffirming our pyramid approach. We can now report more accurately on our performance and monitor progress against our goal.

In F23, we have 887 Australian supermarkets (including Metro stores) with access to organic waste recycling services – a 9% increase on FY22. There is more to do to improve access to recycling for our regional and rural supermarkets. This year we expanded solutions outside metropolitan areas through existing partners and trialling new services, including Wodonga Vic Backhaul transport solution, ACT GoTerra (black soldier fly larvae technology) and the Roxby Downs SA remote store partnership with BHP. This has provided food waste recycling services enabling nine stores to divert food waste that were otherwise unable to.

Highlights in F23:

>34M

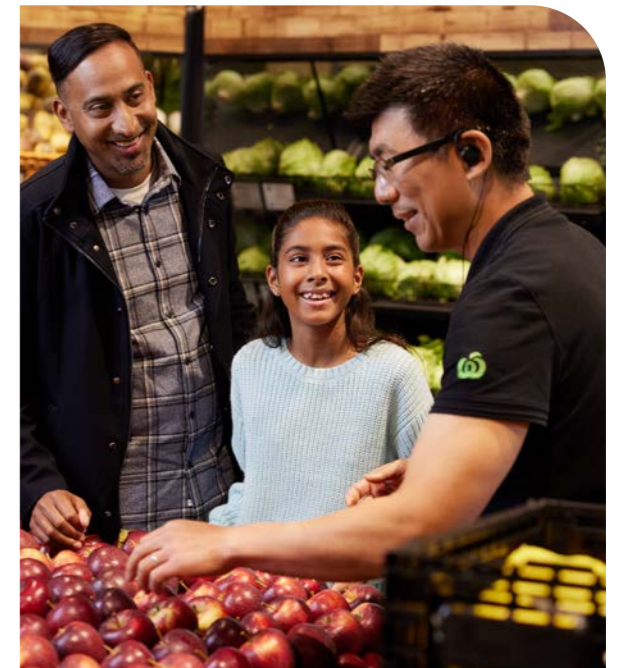


meals donated to people in need. A 13% increase in our food rescue donations

\$9.25M



in funding to food relief partners to enable food security outcomes



Supporting our suppliers and customers

We aim to influence beyond our operations to encompass upstream and downstream initiatives and collaborate to reduce industry and community food waste.

We support our farmers upstream to reduce food waste to landfill through initiatives such as the Odd Bunch. The Odd Bunch has saved over 300,000 tonnes of fruit and vegetables from being wasted since 2015, helping farmers sell more crops and our customers enjoy great value fresh produce. We're also working to help educate and inspire our customers on methods and benefits of food waste reduction. For example, 'Reduced in Price, Just as Nice', launched in 2023, helps our Metro customers save money and reduce food waste with allocated space for reduced and short shelf-life items.

In F24 we will continue to work with our partners to reduce food waste across our value chain. This includes extracting more inedible food from our waste through a range of collaborations and operational programs, implementing depackaging and backhaul solutions, and further embedding in-store initiatives such as incentivising team behaviour and bin audits.

Highlights in F23:

80%

of food waste diverted from landfill from Woolworths supermarkets and 69% across the Group



>300,000t

of food waste saved by our Odd Bunch program since 2015



\$442,000

in Woolworths Supermarkets' WIRES funds raised to support wildlife



+1,200

farmer partners nationally to support animal feed



Connected food systems

To feed a growing population and reduce landfill emissions, we recognise the need to apply an integrated approach to improving the resilience of our food systems. As part of our goal on the responsible stewardship of natural resources, we will encourage supplier adoption of sustainable and regenerative agriculture practices (read more in our 2023 Annual Report page 33). The Woolworths Organic Growth Fund offers interest free options, as well as contracted purchase volumes, providing Australian farmers with the certainty of longer-term demand for their organic fruit and vegetables. In F23, we delivered \$1.5 million loans and grants.

We recognise that to continue our progress towards zero food waste requires innovation, investment and ongoing collaboration with partners, industry and government. Countdown was one of the founding signatories of the Kai Commitment, New Zealand's first voluntary agreement bringing leading food businesses together on a shared mission to reduce food waste. In Australia, we are a member of the Fight Food Waste Cooperative Research Centre which is looking at the potential to remove best before labels for some product lines. We're also a member of Stop Food Waste Australia, and a founding signatory of their Australian Food Pact.



Overview



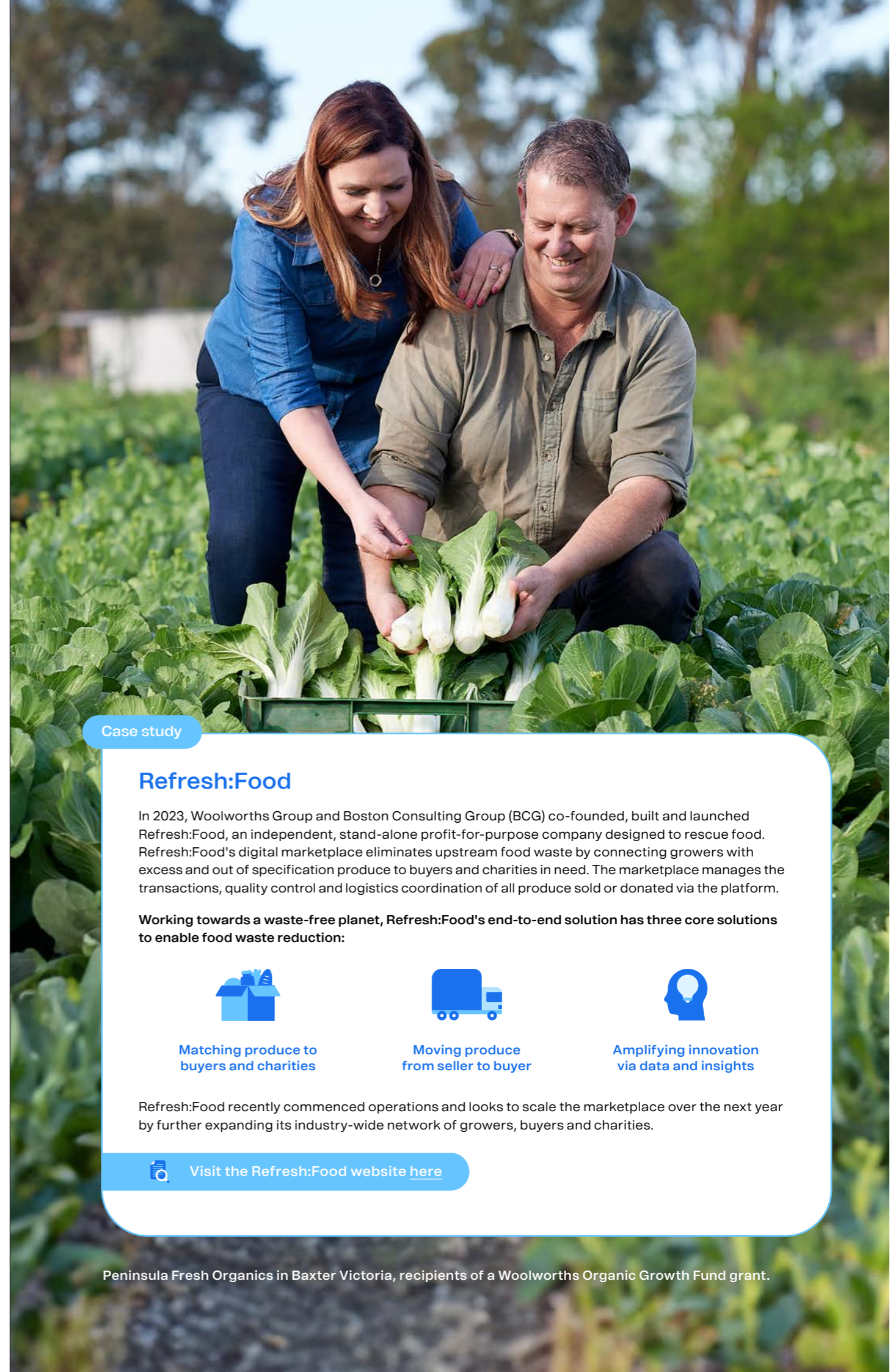
People



Planet



Product



Case study

Refresh:Food

In 2023, Woolworths Group and Boston Consulting Group (BCG) co-founded, built and launched Refresh:Food, an independent, stand-alone profit-for-purpose company designed to rescue food. Refresh:Food's digital marketplace eliminates upstream food waste by connecting growers with excess and out of specification produce to buyers and charities in need. The marketplace manages the transactions, quality control and logistics coordination of all produce sold or donated via the platform.

Working towards a waste-free planet, Refresh:Food's end-to-end solution has three core solutions to enable food waste reduction:



Matching produce to buyers and charities



Moving produce from seller to buyer



Amplifying innovation via data and insights

Refresh:Food recently commenced operations and looks to scale the marketplace over the next year by further expanding its industry-wide network of growers, buyers and charities.



Visit the Refresh:Food website [here](#)

Peninsula Fresh Organics in Baxter Victoria, recipients of a Woolworths Organic Growth Fund grant.

Product

2,105_t

of virgin plastic packaging removed from circulation in F23 through targeted initiatives

>30_M

pieces of free fruit for kids in F23

100%

sustainably sourced single product tea, coffee, cocoa, sugar



Read more about our products [here](#).



Watch our [Product](#) initiatives in action

Woolworths app, 2023.



The collective challenge

Eating a healthy, sustainable diet is key to looking after the health of people and the planet. Natural resources needed to sustain current consumption and absorb waste are depleting at a rate equivalent to 1.7 planets.¹ Australia also has the third-highest material consumption rate in the world, an expected 3.4 billion tonnes waste generation per year.² While the preference is to shop more sustainably, 47% of Australian customers are prioritising financial health versus environmental conscience.³

Our opportunity to deliver impact

We serve on average 24.5 million customers weekly across Australia and New Zealand with our own brand products providing customers with choice without compromising on quality. As one of the most trusted brands⁴, we have a responsibility to help our customers with choices that are affordable, healthier and sustainably produced. With a supply chain of over 17,000 suppliers, we are also uniquely positioned to work in partnership with them to innovate and find new and better ways to reduce waste, source more responsibly and improve animal welfare.

Our approach

We know our customers want to do the right thing by choosing products that are good for them, the planet and the people who make them. We aim to enable customer choice and access to sustainable products whilst working to limit cost as a barrier. Guided by our principle to apply circular thinking to everything we do, we are also working to treat all waste as a resource. In line with our [2025 Plan](#), we aim to increase healthier, more sustainable choices in our customers' baskets; improve the sustainability of our packaging by reducing plastic; and work to meet the highest standards of animal welfare.

Sustainable Development Goals



External benchmarks

#1

Australia's healthiest supermarket own brands
Four years in a row⁵



2023 Australian Packaging Covenant Annual Report
'Leading' rating of 77%



Compassion in World Farming 6th EggTrack
Achieved 'Good progress'

1 WWF and Global Footprint Network Report, 2019.
2 DCCEEW, National Waste Report, 2022.

3 Finder, Green Report, 2023.
4 Roy Morgan, 2022.

Making healthier easier

Health is a growing concern across Australia and New Zealand as we continue to see an increase in obesity and non communicable diseases (NCDs).^{1,2} Some modifiable behavioural risk factors for NCDs include unhealthy diets, physical inactivity, tobacco use and harmful use of alcohol.³ This creates a need to promote healthy lifestyles and diets which are well-balanced, aligned to dietary guidelines, and are economically accessible.

Our customers tell us health is a priority⁴ and as a Group, we aspire to make healthier easier for all. Our ambition is to grow the proportion of sales from healthier products in our supermarkets by 50 basis points (bps) annually. As we work towards this, we are committed to:

- + making healthier easier for our customers by supporting, educating and inspiring them to live healthier lives
- + leading the way for affordable and healthier products that customers love through our own brands
- + inspiring and empowering the next generation through fun and engaging activities, healthier products kids love and ideas for families.

We have a Group-wide approach to health, working together to support our customers' health and wellbeing needs. As Woolworths Group, we work actively with government, partners and industry to improve health outcomes for our communities. Our supermarkets work to deliver healthier choices whilst making them more accessible, affordable and inspiring, and Healthylife provides holistic health and advisory services.

In 2022, Woolworths Supermarkets' own brand range was ranked the healthiest of the four major Australian retailers for the fourth year in a row, by The George Institute for Global Health based on mean Health Star Rating (HSR).⁵

Healthylife

This year Healthylife, backed by its Health Advisory Board's expertise, launched the second Living Healthy Report, focusing on the need for greater investment in preventive health to improve Australian's health and wellbeing. Healthylife provides access to health advice, including 35 expert-backed programs. Online health services are new to Healthylife this year, including telehealth with a doctor; speak with a naturopath discovery calls; and launching Healthylife pharmacy.



[View the Living Healthy Report here](#)

1 Commonwealth of Australia, The National Obesity Strategy 2022-2033, Health Ministers Meeting, 2022.
 2 Ministry of Health NZ, Annual Data Explorer 2020/21: New Zealand Health Survey, 2021.
 3 World Health Organisation, World health statistics 2023: monitoring health for the SDGs, sustainable development goals, 2023.
 4 Woolworths Consumer Pulse, May 2023.
 5 The George Institute for Global Health's FoodSwitch: State of the Food Supply report (2019, 2020, 2021, 2022) based on mean Health Star Rating compared with Coles, Aldi and IGA.

Making healthier more affordable

Household budgets and the rising cost of living is front-of-mind for our customers.¹ To make healthier choices more affordable, we include them in our Woolworths Supermarket's Prices Dropped seasonal campaigns and surface these across customer channels to inspire more healthier choices in shoppers' baskets. We understand how important value is to our customers and our own brand products provide another affordable option for customers without compromising on quality. We also feature a number of our own brand and exclusive products in our Prices Dropped and Low Price programs.

The Odd Bunch allows customers to save at least 20% when they purchase fruit and vegetables from the range. Not only does it provide access to great value produce, but it also supports growers to sell more of their crop and helps reduce food waste by selling perfectly good Fruit & Vegetables that may look a little odd but still taste great.

In Australia, we have continued to provide Everyday Rewards members with offers on fruit and vegetables despite the challenging inflationary environment, making up approximately 38% of redemptions for category offers in F23.² To inspire our members, this year we regularly prioritised featuring healthier recipes in weekly category offers for fruit, vegetables, seafood and poultry.

Healthier own brands

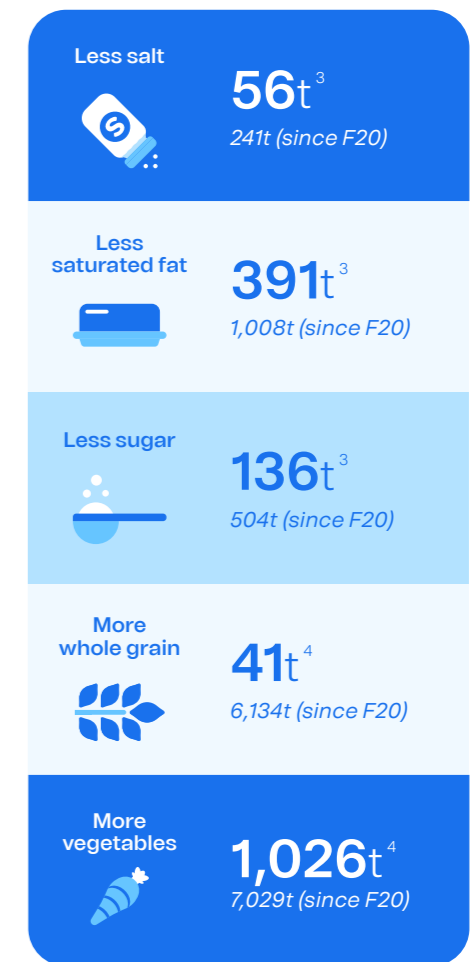
We want to provide healthier choices our customers will love, so our work starts with our own brands.

Our ongoing reformulation program continues to make our own brand products healthier by reducing nutrients of concern (including salt, saturated fat and sugar) and increasing positive ingredients such as vegetables and whole grains. In F23, Countdown's focus was on new product development of fresh products and packaging updates, rather than reformulating to remove nutrients of concern, this focus resulted in more positive nutrients added to the food supply.

We are working to meet the Australian Government's Healthy Food Partnership reformulation targets for nutrients of concern and the New Zealand Heart Foundation's HeartSAFE nutrition targets:

- + 79% of eligible Woolworths Supermarkets' own brand products meet the Healthy Food Partnership targets for salt, saturated fat and sugar, an increase from 76% in F22
- + 66% of Countdown's own brand products meet the HeartSAFE targets, an increase from 65% in F22.

Own brand reformulation in 2023



i We identified an over-reporting error during the year for nutrients removed and added. We have restated F21 and F22 values to correct this.

1 Woolworths Consumer Pulse, May 2023.
 2 Includes offers from 28/06/22-02/07/23, available at Woolworths Supermarkets and Woolworths Metro only.
 3 Figures based on previous 12-month sales quantities prior to reformulation.
 4 Figures based on sales quantities for products launched in F23.

Enabling healthier choices

We use the government's HSR system¹ to measure our progress, and define 'healthier products' as those with a HSR of 3.5 stars and above. We also understand movements across the full spectrum of HSRs to evaluate the impact of our initiatives. We have continued to improve our monitoring and reporting which has enabled tracking of dollar sales and tonnage sales of healthier products across Woolworths Food Group.² In F23, 61.07% of our total sales was from healthier products, a decline compared to last year mainly driven by a lower share of fresh food in customers' baskets. However, we are seeing progress in the centre of store³ with 48.22% of total sales from healthier products which is a 34 bps increase compared to last year.² When we look at sales tonnage⁴, 70.57% was from healthier products, which is a 13 bps increase from last year.²

Partnering on positive health outcomes

We continue collaborating with governments, NGOs, public health bodies, researchers and industry such as the Australian Government's Healthy Food Partnership, New Zealand Heart Foundation and New Zealand Nutrition Foundation to support the development of practical, balanced health strategies and initiatives. Last year we launched our Woolworths Supermarkets Trade Partner Sustainability Council for Healthier Choices. The council meets quarterly to drive engagement with our supplier network and encourage HSR uptake on-pack, consistent serving sizes, and healthier product development and reformulation.

Making healthier more accessible

Accessibility is vital in helping customers find healthier choices throughout their shopping journey. Our in-store health initiatives focus on product placement, as we recognise how strongly this influences shopping behaviour. Woolworths Supermarkets has now dedicated 80% of the space at our checkouts to healthier choices (≥3.5 HSR) for snacking and drinks. We also trialled integrating healthier choices in areas with high traffic and visibility, such as aisle ends.

In F23 we enhanced the Woolworths Supermarkets website, making our dietary and HSR product filters more accessible, and our Making Healthier Easier hub simpler to discover. We also integrated the Healthylife Food Tracker into the Woolworths and Everyday Rewards apps, making it more accessible to customers. Food Tracker provides personalised basket insights to help customers make healthier choices.

We used HSRs more broadly in our communications this year to highlight healthier choices, including in-catalogue and product advertising. We display HSR for close to 30% of intended products⁵ on the Woolworths Supermarket and Countdown websites, and we are working to increase these numbers.

We also have almost 600 healthier recipes on the Woolworths Supermarkets website and app, which received 1.44 million visits in F23. Countdown provides customers with recipes to meet their dietary needs, with over 500 recipes tagged, including healthier, vegan and low sugar.

Goal 5

Responsible retailing

Woolworths Group aims to lead the industry with the highest standards of responsible alcohol and tobacco retailing.

Cigarette sales across Australia and New Zealand are declining due to healthier customer choices, excise taxes and government regulation. We will continue to work with the Australian and New Zealand governments to implement tobacco and nicotine control and preventative health policies. As part of the New Zealand Government's Smokefree Aotearoa 2025 Action Plan, our Countdown supermarkets will not apply for licences to sell cigarettes and as a result are readying to cease retailing these products from 1 July 2024.

In F23, we sold alcohol in our New Zealand operations through Countdown, and in Australia through our partnership with BWS, Everyday Market and MyDeal. To encourage responsible drinking, we strive to be a market leader in stocking low and zero alcohol beverages. Countdown prominently promotes its 88 zero alcohol options with overall category sales of low and zero alcohol beverages up by 10.6% on F22. We will continue to implement proactive measures to enable the responsible sale of alcohol through controls such as training of Age Restricted Goods team, and mystery shopper testing.

1 HSR is informed by scientific evidence and developed by the Australian Government, with research demonstrating the HSR system as one of the most effective front-of-pack labelling systems globally. We continue to closely monitor any new research in this space to support how we define health in the future.
 2 Includes Australian Woolworths Supermarkets, Metro and Countdown eligible sales.
 3 Woolworths Supermarkets food excluding meat and produce.
 4 The addition of tonnage sales is a more accurate indication of purchasing behaviour as tracking sales alone can be impacted by factors such as inflation.
 5 Products intended to show HSR, where HSR data has been provided, 25th June 2023.



Overview



People



Planet



Product



Inspiring and empowering the next generation

Encouraging kids to eat healthier

In F23, through our Free Fruit for Kids program, we gave away more than 30 million pieces of free fruit across Australia and New Zealand. Since the program's inception we have provided more than 160 million pieces of free fruit. This year we evaluated the program in Australia, demonstrating that every dollar we invest in the program creates \$3.93 of social value. The program provides positive health impacts which persist following the consumption of the piece of fruit.¹

Woolworths' Fresh Food Kids e-Discovery Tours program helps kids understand where their fresh food comes from. In F23, 71,000 primary school and early learning centre students experienced the program. For the second year, Woolworths Supermarkets continued to support Life Education with the Thrive Children's Fund, which enables remote schools to access nutrition education with Life Ed.

Countdown has collaborated with MyMahi to develop a healthy eating lesson series for rangatahi (young people) in New Zealand. The Hauora Kai/Healthy Eating lesson series is tailored for secondary learners. It helps teachers and mentors cover the fundamentals of nutrition in the classroom and supports learners in applying healthy eating principles in their own lives. Since the release of the healthy eating lessons over 600 teachers and mentors have accessed them, reaching more than 10,000 students.

Encouraging Australian kids to stay active

Woolworths Supermarkets is a partner of Woolworths Cricket Blast, Woolworths NetSetGo and Woolworths Surf Groms and therefore one of the largest supporters of grassroots sports in Australia. These partnerships connect us to local communities and support kids to be more active.

Woolworths Supermarkets continued its Pick Fresh Play Fresh Netball Grants, contributing over \$100,000 in F23, bringing the total to over \$1.3 million and more than 311 local Australian netball communities over the last six years. Over 60,000 Aussie kids play Woolworths NetSetGO, and our partnership with Netball Australia enables us to support Australia's number-one women's sport.

In F23 Woolworths Community Cricket Fund, in partnership with Cricket Australia, provided 14,000 underprivileged Australian kids with the opportunity to play Woolworths Cricket Blast.



1 Free Fruit for Kids Social Return on Investment, report by HTANALYSTS, June 2023.

Team giving away free fruit for kids at Woolworths NetSetGO clinic, Binar Netball Club, 2023.

Supporting the sustainability of our packaging

In Australia, we use 3.4 million tonnes of plastic every year. Of this, 84% of plastic is sent to landfill and only 13% is recycled.¹ While packaging is essential for protecting and preserving the integrity of food products, it takes considerable natural resources to produce and dispose.

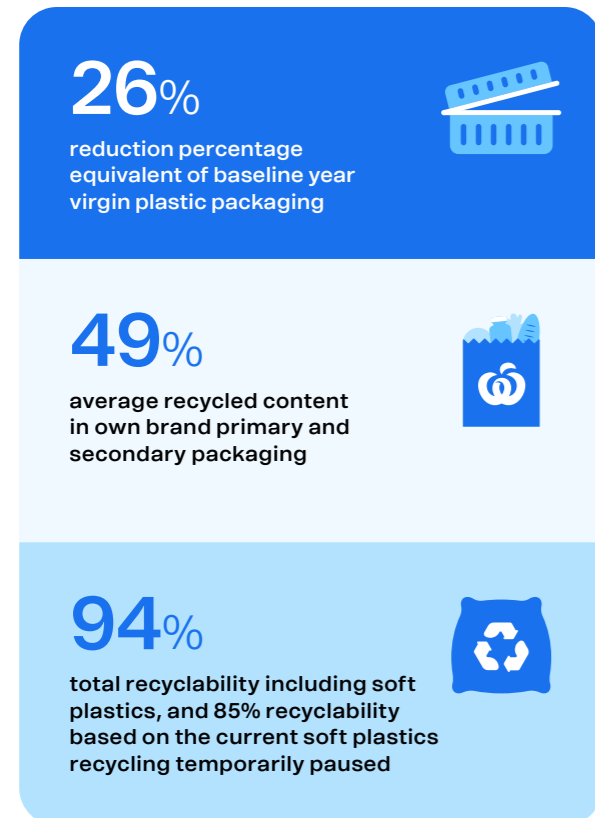
Packaging is one of our top customer concerns. We are embracing circular solutions and the power of partnerships, such as with PACT and Licella NZ, to increase access to recyclability and recycled content to address the impact of packaging in Australia and New Zealand. By 2025, we aim to make our own brand product packaging more sustainable by:

- + halving the use of virgin plastic packaging
- + achieving 60% recycled content
- + making 100% of our own brand packaging widely recyclable, reusable or compostable.

Reviewing our operations

In the F23 review of our 2025 Plan (see page 12), we considered the evolving packaging landscape, from emerging legislation (single-use plastics) to soft plastics recycling challenges (the collapse of REDcycle). This review has informed a shift in our delivery timeline from 2023 to 2025, aligned with the National Packaging Targets, to enable us to solve problems and build industry capability collaboratively.

This year we formed a Group-wide sustainable packaging delivery community to drive momentum towards delivering our packaging goals. Since our baseline year of 2018, we have achieved:



>14,000t
in virgin plastic reduction against baseline, through targeted initiatives, equivalent of baseline year virgin plastic packaging

Initiatives to reduce virgin plastic in F23 included:

- + >80% recycled PET plastic in Woolworths Supermarkets bakery trays and clamshells, a 1,222 tonnes reduction in virgin plastic
- + Woolworths Supermarkets phasing out the in-store use of PVC film in our fresh-cut fruit and vegetables, reducing virgin plastic usage by 113 tonnes
- + 30% rHDPE in 3L milk bottles in Countdown, reducing virgin plastic by 114 tonnes
- + 69 tonnes of PVC bags removed in BIG W bedding range, reducing virgin plastic usage by 24 tonnes
- + World first technology trialling kerbside recyclable paper-based sealable bags for the Macro Wholefoods Market nuts range.

¹ Australian Government Department of Agriculture, Water and the Environment, National Plastics Plan Summary, 2021.



Enabling our customers' recycling efforts

Woolworths Group continues to help our customers recycle as we work towards having the Australasian Recycling Label (ARL) on all own brand products. To support customers' soft plastic recycling efforts, we are replacing the current ARL 'return to store' logo with the new soft plastics recycling ARL 'check locally' by 1st July 2025. In F23 BIG W achieved 55% of products with ARL (an increase from 0%), Australia supermarket own brand products 92%, and Countdown 80%.

Woolworths Supermarkets and BIG W delivered on our commitment to stop selling 15-cent plastic bags in Australian stores by the end of June 2023, becoming the first national retailer to do so. Online plastic bag sales will cease for Woolworths Supermarkets by the end of 2023. Once the phase out is completed, this will see approximately 350 million plastic bags removed from circulation annually. It follows our move in New Zealand, where Countdown stopped providing plastic bags in 2018. This year, Countdown removed single-use plastic produce bags in line with government regulation, accounting for 50 million bags (85 tonnes) used in stores annually.



Recycled PET bakery tray, Woolworths Chatswood East, 2023.

Partnering with suppliers, industry and government

Collaboration with suppliers, industry and government is critical to delivering on our goals. Last year, we formed our Woolworths Supermarkets Trade Partner Sustainability Council for Packaging and Recycling which, in F23, met quarterly, providing helpful insights and sharing good practices to inspire change.

Our Woolworths Group Packaging Preferred Materials List and Format Guidelines support all suppliers with their packaging plans and help drive reductions in problematic packaging. Further to this, we have:

- + prohibited microbeads in own brand products since 2016. From November 2022, we extended this prohibition to any vendor brand rinse-off products we range and sell across Australia and New Zealand. BIG W has expanded this expectation with their Glitter, Microbeads and Microplastics Policy, launched in 2022
- + supported Australian Packaging Covenant's action plan to voluntarily phase out per- and poly-fluoroalkyl substances (PFAS) in food contact, fibre-based own brand product and packaging. We are undertaking testing requirements across our food contact fibre-based packaging to commence phase out.

We support the recent announcement by Australia's environment ministers agreeing to harmonise single use plastics and packaging regulation. This is critical to achieving the stated environmental objectives of plastics and packaging regulation in Australia and would provide the certainty and confidence that industry needs to invest in these solutions. We continue to support phasing out single-use plastic items by taking a national rather than a state-based approach for relevant items.

Case study

BIG W goes Seamless

The Australian clothing industry manufactures and imports over 1.4 billion units of new clothing annually, more than half of which ends up in landfill.¹ The industry recognises that to achieve the Australian Government's vision to transition Australia to a circular economy by 2030 and net zero by 2050, it needs to fundamentally transform the way clothing is designed, produced, consumed and disposed of, both locally and on a global scale. In June 2023, BIG W became a founding member of the National Clothing Product Stewardship Scheme (Seamless), partnering with the Australian Fashion Council. Launched by the Hon. Tanya Plibersek, Minister for the Environment and Water, and supported by the Federal Government, Seamless aims to transform how clothing is made, used, recirculated and recycled in Australia to create clothing circularity by 2030.



¹ Australian Fashion Council Limited, Roadmap to clothing circularity, 2023.



Case study

Soft Plastics in Australia

Soft plastics are key for maintaining product integrity. In Australia, soft plastics recycling solutions are constrained by limited access to facilities that can handle the mixed polymer plastics collected via post-consumer avenues. Our efforts to make it easier for our customers to recycle soft plastics, were significantly disrupted in Australia in F23 with the collapse of REDcycle. We listened to and recognised the disappointment this caused for our customers, governments and other stakeholders and are working to re-establish a collection scheme.

Understanding the challenge

In Australia, REDcycle collected and recycled customer-returned soft plastics for several years. Woolworths Supermarkets suspended the REDcycle program in November 2022 after it was revealed that REDcycle had been stockpiling collected soft plastics potentially due to insufficient downstream processing capacity. Continuing soft plastics in-store collections would have been neither viable nor reasonable under these conditions. In light of this stockpiling, we recognise that previously reported tonnes of post-consumer soft plastics collected by REDcycle in F22, and possibly in earlier years, are unlikely to have been recycled.

Working towards a new solution

The Soft Plastics Taskforce (Taskforce), authorised by the ACCC, was formed to allow Australia's major supermarket retailers to restore public access to post-consumer soft plastics recycling. Chaired by the Federal Department of Climate Change, Energy, the Environment and Water, the Taskforce comprises the three major supermarket chains (ALDI, Coles and Woolworths). The Taskforce has been meeting since December 2022, with the core objectives to:

- + resume access to soft plastics recycling through Australian supermarkets
- + restore public confidence in soft plastics recycling
- + maximise soft plastics recovery.

In March 2023, the Taskforce released a Roadmap to Restart, outlining the current state of play in the Australian recycling industry and the steps needed to launch a new supermarket soft plastics collection scheme. Coles and Woolworths extended an offer to REDcycle to assume

control of the existing soft plastics stockpiles and store them safely while the retailers explore recycling options. Together, we have progressed the safe storage of the stockpiled material, and are continuing to work with the Taskforce to assess the material for recovery. We are providing support to save as much of this material from landfill as possible. Using the limited capacity at present, around 120 tonnes of the existing REDcycle stockpiles has already been processed by domestic processors, including saveBOARD and Polyrok.

Increasing our impact

The Australian Packaging Covenant Organisation estimates that less than 5% of consumer soft plastic was collected through the REDcycle program. Therefore, the Taskforce recognises the need for a national, long-term, broader industry-based soft plastic recycling strategy beyond the Taskforce's interim program, with the potential to significantly increase the proportion of household soft plastic collected and recycled.



Sourcing our products sustainably

Forests cover 31% of global land area¹, benefiting ecosystems, economies and biodiversity. Deforestation, exacerbated by illegal logging and land clearing, contributes to greenhouse gas emissions, causes habitat loss and species extinction, and disrupts ecosystems' resilience. Deforestation also harms cultural and Indigenous communities' connections to their lands.

Woolworths Group is addressing the risk deforestation poses to both climate change and nature loss. We are committed to sustainably sourcing high-risk commodities, including pulp, paper, timber, palm (kernel) oil, cocoa, coffee, tea, soy, and fresh beef for our own brand products. By the end of 2025, we aim to achieve net zero deforestation and will have assessed the feasibility of transitioning to a deforestation and conversion free commitment for our highest volume and highest risk of deforestation commodities.

Reviewing our progress

In F23, we continued to focus on making it easier for our customers to choose sustainable products through the use of third party certification or verification. We have achieved 100% sustainable sourcing for tea and coffee in our own brand products and progressed the volume of sustainable cocoa used in collaboration with our bakery team and suppliers. For further detail refer to our commodity-specific policies on the Woolworths Group website.

We acknowledge that significant work is required to transition from our current commitment to deforestation and conversion free supply chains (no clearing of forests or other ecosystems such as grasslands is allowed). In many cases, given the need for traceable segregation of certified products, this will involve changing the way in which high risk commodities are sourced or processed for use in our own brand products.

In the next year, together with industry and suppliers, we will work to understand the practical implications of this transition through improved product traceability and logistics to segregate deforestation and conversion free certified commodities. By way of example, we will utilise the insights from our first assessment of deforestation in our fresh beef supply chains, and analysis identifying the origins of soy in livestock feed and the associated volume used across our animal protein categories, identifying opportunities to work with our suppliers and industry on pathways to reduce the environmental impact of animal protein.

 [Find more information on our sustainable sourcing here.](#)

¹ Food and Agriculture Organization of the United Nations, The State of the World's Forests, 2020.

COMMODITY	SOURCE	F22 (%)	F23 (%)
Pulp, Paper and Timber products	For our pulp, paper and timber products, 100% are either FSC® or PEFC® certified or comprise at least 95% recycled content.	100	100
Palm oil (food)	100% of the palm oil in our own brand food products supports sustainable palm oil production through Roundtable on Sustainable Palm Oil certification and, where certification has been deemed infeasible, book and claim credits.	100	100
Palm oil (non-Food)	Palm oil in our formulated non-food products, such as cleaners and laundry products, supports sustainable palm oil production through certification.	14	61
Cocoa (total)	100% of single-product cocoa, tea and coffee sourced from independently certified sources such as The Rainforest Alliance®, and have transitioned all our coffee and tea ingredients to 100% responsible sources. We are working towards sourcing all ingredient cocoa in our own brand products to independently certified sources.	35	47
Tea (total)		99	100
Coffee (total)		99	100
Soy (products)	To support responsible soy production, we purchase Roundtable on Responsible Soy credits to offset non-certified soy in our own brand food supply chain. These credits fund the sustainable production of an equivalent volume of soy for future procurement.	100	100

Case study

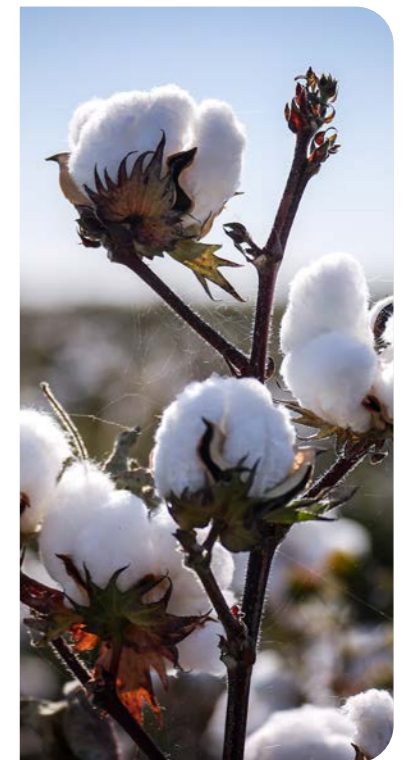
Sourcing cotton

The cotton sector supports the livelihood of up to one billion people worldwide¹, yet child and forced labour (private and state-enforced) are inherent risks in its production. Cotton is common across our BIG W own brand products, and its sourcing remains our top non-food risk of modern slavery. Aligned with our [2025 Plan](#), we are working towards sourcing more sustainably and responsibly produced cotton and are encouraging the use of recycled and reclaimed cotton where appropriate.

In F23, BIG W sourced 9.6% of its cotton from a certified standard or program aligned to the [Woolworths Group Sustainable Cotton Policy](#).

Other highlights include:

- + finalising our in-scope suppliers and cotton consumption baselines and segmenting our [Sustainable Cotton Policy](#) roll-out plan
- + achieving certification for Organic Content Standard (OCS), which required auditing of the BIG W policy and procedures by Control Union to ensure compliance to the Chain of Custody Standards for OCS
- + partnering with Cotton Australia to explore end-to-end opportunities to procure high quality, sustainable Australian grown cotton at a competitive price.



¹ International Institute for Sustainable Development (IISD), Global Market Report: Cotton, 2019.

Leading the future of protein

Farmed livestock in Australia generates more than \$30 billion of agricultural production annually.¹ While this represents an opportunity for farmers, livestock production represents the largest source of emissions in the agriculture sector 10% of Australia's total annual emissions. It is also an area of increased scrutiny, by customers and industry, for its environmental and animal welfare impacts.

Woolworths Group is working with our farmers and suppliers to promote high animal welfare practices. With animal protein forming ~13% of our sales mix annually, we can play a significant role in improving the environmental sustainability of animal proteins while exploring and expanding the diversity of protein options available on our shelves, including plant-based, food-technology solutions and fermentation.

Taking a strategic approach

Leading the future of protein is a key focus as part of our approach to nurturing nature. This will also help in our work to reduce our scope 3 emissions and identify opportunities for increased farming efficiencies. For more information see our [2023 Annual Report](#).

Delivering the highest standards of animal welfare

Woolworths Group's animal welfare and ecologically responsible seafood policies are embedded in our business processes and supply chain. We collaborate with suppliers and industry to focus on best practice animal welfare and seafood standards.

Animal welfare is continually assessed across the different proteins we source, including working closely with Greenstock, our stand-alone business focused on the red meat supply chain. As part of our continued investment in capability and processes we deliver bespoke annual animal welfare training to our Greenstock and sourcing teams, training over 20 people per year. All our processing sites are regularly assessed against our Group requirements and the Australian Livestock Processing Industry Animal Welfare Certification System (AAWCS) standards, with over 50 visits last year. Our range of RSPCA Approved products continues to increase. Recently we transitioned all our Macro Free Range chicken to have RSPCA Approved certification for both indoor and outdoor requirements within the RSPCA Standard.



[Find more information on our future of protein initiatives and policies here](#)

¹ CSIRO, What does the future hold for livestock production in Australia?, 2019.



Overview



People



Planet



Product



Making seafood sustainable

In F23 we updated our [Seafood Sourcing Policy](#) to improve traceability and human rights, strengthening social and environmental sustainability interconnection. We actively participated in the Tasmanian Government's regulatory review of the local salmon industry, supporting measures to enhance regulatory oversight of salmon farming through the Environmental Protection Authority Tasmania. We welcome the development of science-based aquaculture standards to better manage biodiversity and environmental and animal welfare impacts.

Customer choice for sustainable protein

Global demand for alternative proteins is growing. We have seen a 31% increase in plant protein volumes since F19. W23 has invested in alternative protein innovators to deliver sustainable, locally produced proteins. In late 2022, Harvest B opened Australia's first plant-based protein facility, providing clean-label certified products that cost less than comparable animal proteins. All G Foods is developing cultured dairy products that look, feel and taste like dairy food.

Meeting challenges head-on

When the pork industry's stunning practices were scrutinised in 2023, we worked closely with suppliers and industry to undertake a review checking adherence to animal welfare requirements. We are collaborating, via our Woolworths Animal Welfare Horizon fund, with our strategic pork supplier, a research institute and an animal welfare group to assess and verify best practices for CO₂ stunning.

In F23 New Zealand experienced an industry-wide egg shortage, with the legislated battery-cage egg ban coinciding with factors making it challenging for farmers to transition to alternative farming systems. In response Countdown implemented a number of measures, including long-term contracts with key suppliers securing our supply and allowing our partners to invest with confidence; and steps to simplify our supply chain trialling distribution from our DCs.

Looking forward to F24

Animal welfare remains an area of importance to us and we continue to build on our animal welfare credentials and further strengthen our policies and procedures. Our work with industry includes research and development projects supported by our Woolworths Ocean Pool and Animal Horizon Funds. With \$650,000 invested in the past three years, our research in F24 will focus on improved humane processing techniques for pigs and farmed barramundi. We will review our animal welfare policy in line with global best practice and explore options to increase our end-to-end seafood traceability across our supply chain.

¹ Excluding pet food, gravy and stocks. Our small number of imported canned and boxed chicken products are certified by independent foreign accreditations.

Our Achievements



Seafood

100% own brand behind the counter, fresh packaged, frozen and canned seafood is from ecologically responsible sources



Chicken

100% Woolworths Supermarkets own brand fresh chicken and ingredient chicken from RSPCA Approved farms¹

Macro Fresh Free Range Chicken is RSPCA Approved Free Range



Eggs

100% own brand whole shell eggs cage free

66% vendor brand whole shell eggs cage free

21% of egg ingredients in our own brand products are cage free



Pork

100% Macro free range fresh pork is certified APIQ Free Range standards in Australia

Next steps and future priorities

We remain united by our purpose and as we move into our hundredth year we know we can do more to drive the transformative change needed to positively impact our customers, team, communities and planet.

The nature of the sustainability challenges we face requires collective action and we are determined to play a twofold role. First, lead by example by working to make sure our products, operations and other business activities are sustainable and ethical. Second, support and partner with our suppliers and stakeholders to do the same.

We will continue collaborating across our value chain and industry to influence positive impact. We will also continue challenging ourselves on our progress, and our action to drive the change we want to see.

Our high-level priorities for F24

Delivery of our 2025 Plan

Continue to drive momentum across the Group to deliver on People, Planet and Product goals and commitments.

Accelerate impact across the value chain

Actively partner upstream and downstream to drive collaborative approaches to solutions in areas of highest impact. Our strategic approach to reducing food waste and hunger will be a key impact area, in addition to decarbonisation, health and plastics. We will also work to quantify the impact of our initiatives to inform decision-making and prioritisation.

Setting ourselves up for success

Scope our next strategic horizon, considering areas where we can leverage our unique position to deliver impact at scale. We will do this by evaluating our strategic priorities beyond 2025 and organising the capabilities we have across the Group to mobilise against sustainability aspirations to 2025 and beyond.

Thank you for your continued support and input. We welcome you to join us as we create better experiences together for a better tomorrow.

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