

28 August 2024

ASX Market Announcements Office
Australian Securities Exchange
20 Bridge Street
Sydney NSW 2000

2024 Sustainability Report

Attached for release is a copy of the Woolworths Group 2024 Sustainability Report.

The Sustainability Report, Woolworths Group's 2024 Modern Slavery Statement and further details about our sustainability plans and achievements will be available on the Woolworths Group website.

Authorised by: Dom Millgate, Group Company Secretary

For further information contact

Investors and analysts

Paul van Meurs
Head of Investor Relations
+61 407 521 651

Media

Woolworths Press Office
media@woolworths.com.au
+61 2 8885 1033

2024

Sustainability Report



Better together for 100 years

Contents

Overview

About this report	2
2024 reporting suite	3
CEO message	4
Who we are	6
Our evolving environment	8
Understanding opportunities for impact	9
Why what we do matters	10
Our purpose-led strategy	12
Our progress in F24 aligned to our 2025 plan	14

People

Truly inclusive workplace	18
Investing in team wellbeing and development	22
Activating ethical and mutually beneficial partnerships	26
Have a positive impact on communities we serve	28

Planet

Addressing climate and nature together	34
Scope 1 and 2: Our pathway towards net positive	40
Scope 3: Our pathway towards net zero	44
Reducing hunger and food waste	50

Product

Helping make health easier	56
Supporting the sustainability of our packaging	62
Working to source our products sustainably	68
Lead the future of protein	72

Directory

Delivering on impact – next steps and future priorities	76
---	----



"A Brave Heart for a Better Tomorrow." artwork by David Williams of Gilimbaa.

Acknowledgement of Country



Woolworths Group acknowledges the many Traditional Owners of the lands on which we operate, and pay our respects to their Elders past and present.

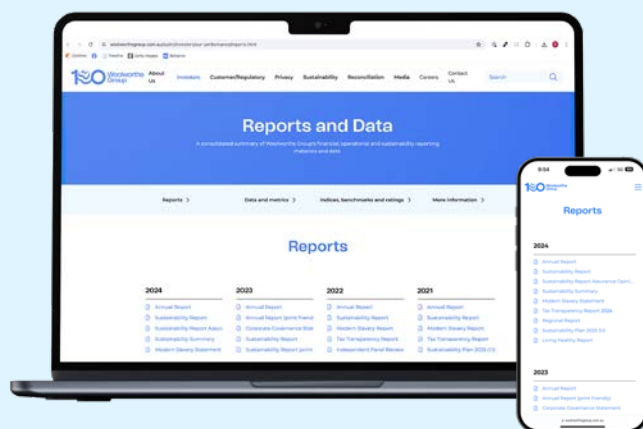


We recognise their strengths and enduring connection to lands, waters and skies as the Custodians of the oldest continuing cultures on the planet.

Woolworths Group supports the invitation set out in the Uluru Statement from the Heart to walk together with Aboriginal and Torres Strait Islander peoples. We are committed to actively contributing to Australia's reconciliation journey through listening and learning, empowering more diverse voices, caring deeply for our communities and working together for a better tomorrow.

View our report online

Use the link below to view this report and our **2024 Sustainability Data Pack**.



➔ The 2024 reporting suite can be found [here](#).

Better together is who we are

As we enter our centenary, we pause and reflect on the many moments that have shaped our journey, which at its heart is one of service.

From humble beginnings in 1924, Woolworths Group has proudly served Australian and New Zealand communities for 99 years through its everyday retail businesses, employing over 200,000 hard working team members united by a shared purpose of a better tomorrow.

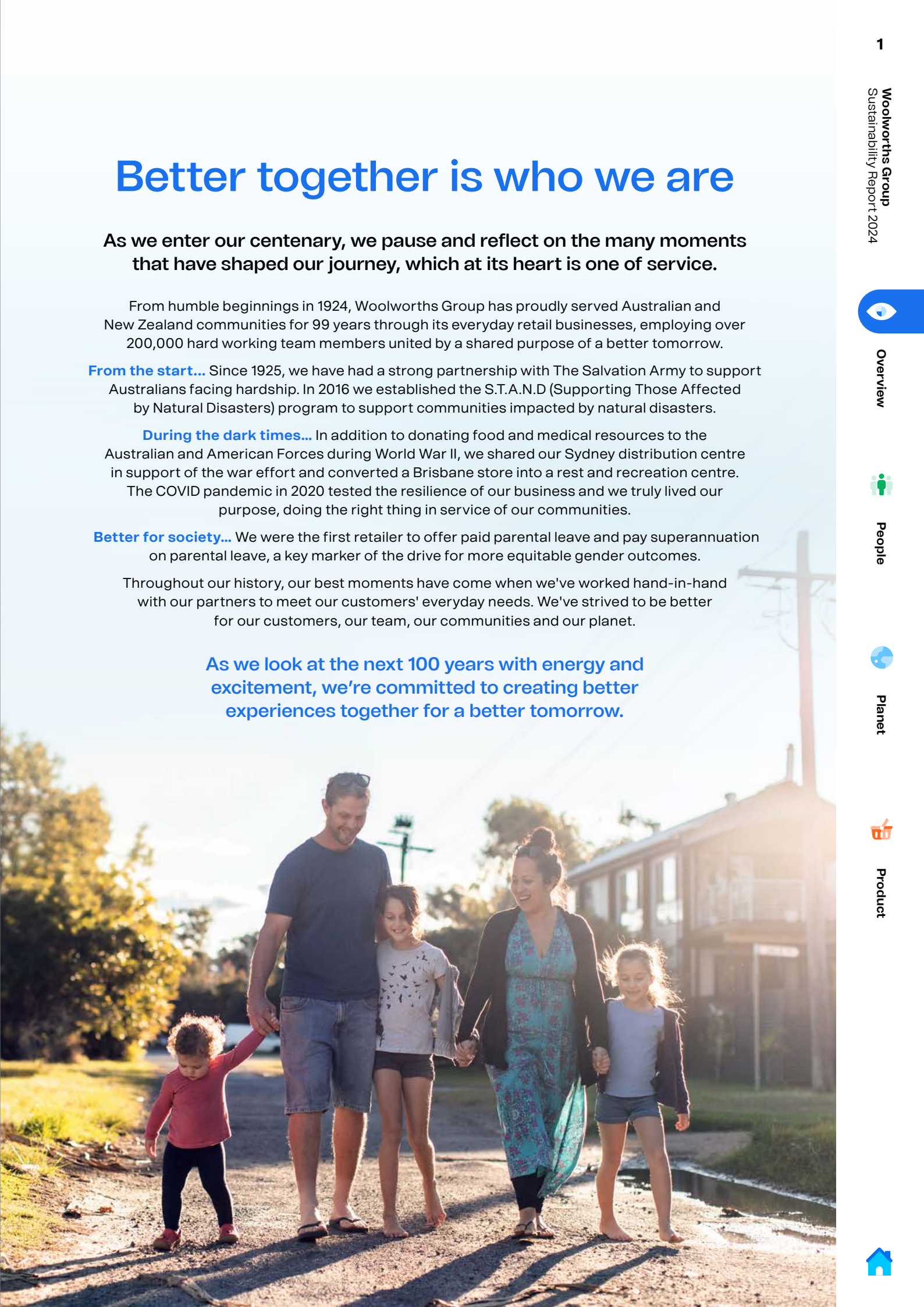
From the start... Since 1925, we have had a strong partnership with The Salvation Army to support Australians facing hardship. In 2016 we established the S.T.A.N.D (Supporting Those Affected by Natural Disasters) program to support communities impacted by natural disasters.

During the dark times... In addition to donating food and medical resources to the Australian and American Forces during World War II, we shared our Sydney distribution centre in support of the war effort and converted a Brisbane store into a rest and recreation centre. The COVID pandemic in 2020 tested the resilience of our business and we truly lived our purpose, doing the right thing in service of our communities.

Better for society... We were the first retailer to offer paid parental leave and pay superannuation on parental leave, a key marker of the drive for more equitable gender outcomes.

Throughout our history, our best moments have come when we've worked hand-in-hand with our partners to meet our customers' everyday needs. We've strived to be better for our customers, our team, our communities and our planet.

As we look at the next 100 years with energy and excitement, we're committed to creating better experiences together for a better tomorrow.



Overview



People



Planet



Product



About this report

This Sustainability Report discloses our performance against material sustainability topics affecting Woolworths Group. Our detailed climate and nature disclosures are in our [2024 Annual Report](#) and our annualised performance data is in our [2024 Sustainability Data Pack](#).

Unless otherwise stated, this Report covers our operations in Australia and New Zealand for the 2024 financial period: 1 July 2023 to 30 June 2024 (F24) or 26 June 2023 to 30 June 2024 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 customer 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 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

Woolworths Group reports its progress in line with applicable legislation, frameworks and certifications and aims to evolve our approach in line with relevant global best practices. Woolworths Group 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.





Overview



People



Planet



Product



2024 Reporting Suite

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



2024 Annual Report

For a consolidated summary of Woolworths Group's financial and operational performance in F24.



2024 Sustainability Data Pack

For detailed data on our key sustainability metrics.



2024 Modern Slavery Statement

For detailed information on our progress made to identify, manage and mitigate the specific risks of modern slavery in our operations and supply chain.



2024 Corporate Governance Statement

Describes our corporate governance framework, policies and practices as at 28 August 2024.

Where to find

	ANNUAL REPORT	SUSTAINABILITY REPORT	SUSTAINABILITY DATA PACK	MODERN SLAVERY STATEMENT	CORPORATE GOVERNANCE STATEMENT
Strategic priorities	●				
Operational performance	●				
Financial performance	●				
Risk management	●			○	○
Governance, policies and practices	○				●
Board composition	●				●
Climate disclosures	●	○	○		
Sustainability strategy and governance	○	●		●	
Sustainability performance	○	●	●	●	○

Key: ○ Key messages ● Comprehensive

➔ The 2024 reporting suite can be found [here](#).

Committed to being better

As we enter into 100 years of Woolworths Group, and the final year of our Sustainability Plan 2025, I've been reflecting on our sustainability journey. I believe that better together is who we are, and that our sustainability ambition is one that is anchored in our purpose of working collaboratively to create a better tomorrow.

As I look back to how far we've come, I am proud of our team and their unwavering commitment to delivering our Sustainability Plan 2025 (2025 Plan). When we agreed this Plan in 2020, it represented a significant uplift in our ambition. For me, the highlight is not any one achievement but consistent progress across our overall sustainability agenda.

F24 has been a very challenging year with cost-of-living leading to a significant change both in customer expectations and the broader societal landscape. Despite our best intentions, we know we didn't always get it right, but what we did get right was our commitment to listening and learning. I am confident we will come out of this period a stronger, more effective and caring Group.

\$143.4M

in total direct
community
contributions

42%

scope 1 and 2 emissions
reduction relative to
2015 base year

#1

Australia's healthiest
supermarket own brands
fifth year in a row¹

¹ The George Institute for Global Health's FoodSwitch: State of the Food Supply report (2019, 2020, 2021, 2022, 2023) based on mean Health Star Rating compared with Coles, ALDI and IGA.

I would like to thank our Team who have responded to these challenges with agility, thoughtfulness and care. My thanks also go to our Customers, Suppliers and other Stakeholders for their collaboration and continued support. We're focused on helping our customers find value, feel valued and connect value. Our sustainability agenda is a key value driver and in the last year our actions delivered over \$580 million in estimated net societal benefit through investments in health, hunger relief, decarbonisation and circularity.

Delivering progress today, as well as tomorrow

The word that sums up our 2025 Plan is 'better' – better for our Customers, our Teams, our Suppliers and our Planet. Our Plan has brought together teams to drive progress across our strategic pillars of People, Planet and Product. As we enter the last year of delivery against this Plan, we've learnt that progress is not always linear, with collective action key to solving increasingly interconnected challenges. While we've achieved a lot, we know there is much more to do.

PEOPLE People are the heart of our business and their holistic wellbeing is fundamental. Following the tragic loss of two team members last year, we updated our Short Term Incentive plan to incorporate Total Recordable Injury Frequency Rate to bolster our efforts towards team and customer safety. We also worked to build an increased sense of belonging, and have in recent years been recognised by the Australian Workplace Equality Index with Platinum Employer Status, the Australian Workplace Gender Equality Agency's Employer of Choice citation, and the Rainbow Tick Accreditation in New Zealand. We delivered \$143 million in direct community contributions, including over 36 million meals provided to those in need, and \$15 million in financial support to our food relief charity partners. In addition, our customers donated over \$3 million via our Christmas appeals and other giving programs.

PLANET We continue our long-standing commitment to contribute to a 1.5°C pathway. We have updated our climate and nature scope 3 strategy including reviewing and obtaining validation of our scope 1, 2 and 3 emissions reduction targets from the Science Based Targets Initiative (SBTi). Our scope 1 and 2 emissions have reduced 42% below our 2015 base year. This is supported by the installation of 53 solar systems reaching a total of 278 sites across Australia and New Zealand and a new energy partnership with CleanCo in Queensland to support the transition to 100% renewable electricity.

PRODUCT We seek to support our customers to make health easier, with affordable food that is good for them. For the fifth year in a row our own brand range was ranked the healthiest of the four major Australian retailers. Packaging remains one of our top customer concerns. As part of our ambition to improve circularity, we achieved an average of 51% recycled content in our own brand packaging, meeting the Australian national industry target. Whilst slower than anticipated, we've made progress towards reinstating an in-store soft plastics collection and recycling program. The trial is helping the Soft Plastics Taskforce understand the viability of a new collection system and its ability to cope with demand. It is important to us to get this right and that any future scheme is feasible at scale.

Towards a better tomorrow

As I look ahead, I am energised by the potential of Woolworths Group to build on our current momentum and deliver even more positive impact over the next strategic horizon. In the increasingly dynamic world of sustainability, we need to continually evolve and learn, navigate challenges and opportunities that come our way, work in partnership and invest in innovation, to create sustainable value for all our stakeholders.

I want to acknowledge Alex Holt, our first Chief Sustainability Officer (CSO), whose vision and tenacity has driven much of the progress we've made towards our sustainability ambitions. I welcome our new incoming CEO, Amanda Bardwell, and our new CSO, Simon Lowden. I am confident that they will lead with purpose to ensure Woolworths Group creates better experiences together for a better tomorrow – for a long time to come.

On behalf of our team, I'm pleased to share with you our 2024 Sustainability Report.



Brad Banducci
Chief Executive Officer



Who we are

Woolworths Group is one of the largest employers across the Tasman and a committed business partner of many thousand local farmers, producers and manufacturers. We manage some of Australia and New Zealand's most recognised and trusted brands including Woolworths and BIG W.

We opened our very first store, Woolworths Stupendous Bargain Basement, in December 1924. This milestone, as we enter 100 years, represents our resilience and growth and is focused on celebrating our people, our partners and suppliers for their contribution, loyalty and support over the last century. As one of Australia and New Zealand's largest food retailers, we recognise the impact we have on the communities in which we serve and the value we can create for our stakeholders. We have aligned our priorities with the relevant United Nations Sustainable Development Goals (SDGs) and believe business participation is critical in mobilising international efforts on key sustainable development priorities. All of our decisions and actions are focused on reinforcing our Woolworths Group purpose of creating better experiences together for a better tomorrow, for the next 100 years and beyond.

Focusing on long-term value for our stakeholders

As a purpose-led business, our ambition is to create sustainable value for all of our stakeholders. Our engagement with stakeholders is continuous to understand how their priorities evolve in a fast-paced and dynamic environment. Balancing the needs of our stakeholders is vital to our long-term success; we understand that our stakeholders have different interests, expectations, and interactions with us. In F24 this was evident in the decline in customer and reputation scores owing to the increased public and political scrutiny on the grocery sector, cost-of-living concerns, but also increased polarisation in community expectations on the role of businesses on social issues. While we haven't always gotten it right, we are committed to listening and learning to align our initiatives and business with a focus on creating long-term value.

Our customers

Customers are at the heart of our business. Our customers prioritise better value and better shopping experiences. We know value can mean different things, and across our connected Group we work to provide our customers with greater value, a better range of quality products, and access to sustainable and healthier shopping options.



25.1M

customers
served in store on
average per week

Our team

Our team members are critical to unlock value throughout our Group's value chain. We aspire to be the employer of choice with a Team 1st culture, with a non-negotiable approach to safety, that is focused on the workplace of the future. We also celebrate inclusion and belonging to reflect the diversity of our communities.



>200K

team members



Our suppliers and partners

We are supported by suppliers and business partners who are essential to providing the quality goods and services our customers expect. We work in partnership to build a rights-respecting culture and support small suppliers and Indigenous businesses with their growth and readiness. Strong relationships with these stakeholders enable a greater impact across our shared value chain.



>13,000

suppliers across Australia, New Zealand and beyond

Communities we serve

We have the privilege of serving almost every community across Australia and New Zealand. Supporting communities is essential to our long-term sustainability. We work to have a positive impact on the communities we serve by engaging, sharing and giving back. Together with our charity partners we also provide natural disaster relief and support better health and education outcomes.



\$143.4M

direct community contributions in F24

Our planet

Our reach enables us to influence change across our value chain, working towards sustainable practices across our products' lifecycles. We are partnering across our value chain to drive the transformational change required to transition to a lower carbon future, reduce our own emissions, work to improve food security and reduce waste, and encourage sustainable and regenerative practices.



42%

scope 1 and 2 emissions reduction relative to 2015 base year

Our investors

The vast majority of our investors are Australian retail investors. Woolworths Group also has a large number of team members participating in a share plan. We are focused on investing for the future to deliver sustainable growth whilst maintaining a strong balance sheet and financial flexibility, setting the foundation for long-term value creation for our investors.



>374K

shareholders

Our evolving environment

Our external environment is dynamic and ever-evolving. This drives change in community expectations, shapes policies and can impact how businesses operate.

This year, we continued to review trends with the potential to affect our customers, value chain and wider communities. These factors create both challenges and opportunities, and highlight the complex outlook to navigate and the importance of working in partnership with others to create impact.

Factors influencing our sustainability agenda:

Climate, nature and food systems resilience



Food systems contribute to a third of global emissions and over three quarters of biodiversity loss.¹ The rising frequency and severity of natural disasters impacts the viability and resilience of food and supply systems. Mitigating these impacts necessitates collaborative decarbonisation, sustainable production and supply practices, and leveraging nature-based solutions.

Optimising resource use and minimising waste



Growing concerns about pollution have intensified the need for circular solutions that maximise a product's lifecycle value. While achieving circularity requires multi-stakeholder collaboration, businesses face mounting pressure to take a leading role. This includes supporting recycling infrastructure and helping suppliers and customers adopt circular practices. To effectively address these complex challenges, a systems-based approach to circularity is essential.

Our choices are impacting our health



The rise in diet-related illnesses underscores the impact of dietary choices on public health and wellbeing. Our environments are also impacting our children's health.² These insights highlight opportunities to enhance overall national wellbeing by making healthy, nutritious food more accessible to customers.

Navigating growing polarisation



Globally, societal and government pressure has grown on business to help solve social and environmental challenges; however, this view is becoming contested with societal polarisation on these matters growing.³ With this comes reputational risks for companies perceived as getting involved in issues not directly related to their business or alternatively not doing enough. There's a need to be deliberate on engaging on issues and why, ensuring positions align with purpose and stakeholder expectations.

➔ For more information on trends affecting our broader operating context see our [2024 Annual Report](#).

¹ United Nations Food Systems Summit.

² World Health Organisation, Children's environmental health, www.who.int/health-topics/children-environmental-health#tab=tab_1.

³ Edelman, 2023 Edelman Trust Barometer, Navigating a Polarized World, 2023.

Understanding opportunities for impact

With the changing external environment and evolving business operations, we acknowledge that progress is not always going to be linear and there will be headwinds. With challenge comes opportunity, and we are focused on opportunities to deliver impact at scale.

This year, we conducted a double materiality assessment in partnership with credible third-party agencies. This focused on both inward and outward impacts that Woolworths Group creates, or has the potential to create, on people, society and the environment.

Impact opportunities

Shaping our net zero future

Our reach and footprint enables us to play a contributory role in shaping a net zero transition in line with government policies. We aim to work across our value chain to support industry, our suppliers and partners in Australia and New Zealand's transition to a lower-carbon future.



Being a circularity market maker

Our extensive value chain places us in a unique position to build a market for circularity, keeping materials in circulation without compromising on affordability and convenience. We aim to support products through to their end of life by partnering to innovate and finding ways to reduce waste and source more responsibly.



Investing in healthier baskets

As a food and every day needs retailer, we recognise the opportunity to contribute to more positive health outcomes by making it easier for customers to access affordable, healthier and nutritious food.



Supporting nature-positive outcomes

Our supply chain has a material impact on climate and nature due to the resources used to produce the food we sell. We can play a meaningful role in partnering with our suppliers and farmers to adopt sustainable and regenerative agriculture practices whilst working to prevent nature and biodiversity loss.



Strengthening value chain resilience

Our value chain is exposed to disruption caused by external factors. We continue to increase our capacity to respond, investing in operational infrastructure and technology, building long-term partnerships with suppliers, diversifying our commodity base, whilst maintaining our leadership in human rights.



Helping our communities thrive

Serving our communities outside our stores is as important as serving them inside. We have a unique understanding of our communities' challenges and together with our partners, we aim towards giving back, supporting social equity and community resilience.



Overview



People



Planet



Product



Why what we do matters

Hunger and food waste

>36M

meals donated to charities from our stores¹

>500t

produce diverted to charities through the Refresh:Food platform

35K

tonnes diverted for compost and animal feed

OUR ACTIONS:

Have resulted in:

\$494M net societal benefit

Delivered through:

- ✓ improved food security and connection to social services
- ✓ avoided emissions and landfill costs
- ✓ other (e.g. avoided animal feed costs)



POTENTIAL VALUE CHAIN OPPORTUNITY:

x1.2 from reducing food loss in our supply chain and customer homes, and directing more food surplus to charity partners

Healthier choices

43t

salt removed from our own brands

79t

sugar removed from our own brands

OUR ACTIONS:

Have resulted in:

\$20M net societal benefit

Delivered through:

- ✓ decreased in disability adjusted life years²
- ✓ avoided health care system costs



POTENTIAL VALUE CHAIN OPPORTUNITY:

x20 from meeting the Healthy Food Partnership targets across all own and vendor brand products

¹ Figures based on 53 weeks in F24, noting that F23 included 52 weeks.

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 F24.



Overview



People



Planet



Product



We aim to create long-term value and promote positive change. This year, we've continued our partnership with Oxford Economics Australia to better understand the impact of our actions, in terms of societal outcomes and their value.³ It will also give us an understanding of the potential opportunity across the broader industry and value chain. In F24 we have expanded the scope of this analysis beyond our direct operations, including the diversion of food to charities through our Refresh:Food platform. We have also begun quantifying the potential industry opportunity.⁴ This initial exploratory step will help us understand the difference in impact between our current actions and the potential for collective, value chain-wide efforts.

Decarbonisation

536
gigawatt hours of green electricity

58
low-GWP⁵ refrigeration systems and 25 leakage detection systems

OUR ACTIONS:

Have resulted in:
\$38M net societal benefit

Delivered through:

- ✓ avoided emissions

POTENTIAL VALUE CHAIN OPPORTUNITY:

x14 from target reduction in scope 1, 2 and 3 emissions

Plastics and packaging

1,117t
plastic removed from own brand packaging

1,474t
virgin plastic replaced with recycled content in own brand packaging

>55M
produce reusable plastic crates cycles

OUR ACTIONS:

Have resulted in:
\$31M net societal benefit

Delivered through:

- ✓ avoided new material costs
- ✓ avoided marine pollution
- ✓ avoided emissions and landfill costs
- ✓ avoided health costs from plastic use

POTENTIAL VALUE CHAIN OPPORTUNITY:

x3 from achieving 30% average recycled content in plastic packaging across all own and vendor brand products

Together these have delivered over \$580m in net benefit to society in F24

³ This is an estimate, in dollars, of the expected benefits to society resulting from our actions described under each topic. These figures are based on published research and focus on the specific areas outlined in this report. 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.
⁴ Expressed as an approximate multiplier across our value chain relative to the net societal value calculated for our actions in F24.
⁵ Global Warming Potential (GWP).

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

The Woolworths Group Sustainability Plan 2025 (2025 Plan) is the Group's sustainability strategy and is integrated with our Group strategic priorities. Our governance framework is critical for oversight of strategy, risk and performance and holds us to account in how we deliver our 2025 Plan. The Woolworths Group Sustainability Committee (SUSCO) assists the Board in overseeing our sustainability risks, opportunities and performance, monitoring the Plan's effectiveness. We reviewed our 2025 Plan's goals and commitments as part of our annual planning cycle for relevance and impact potential. This year's review sees an update to our emissions reductions targets under our net positive goal as detailed in our new climate and nature scope 3 strategy (see [pages 37–39](#) and [68–69](#)). All our goals remain applicable.

➔ More information about our corporate governance framework and policies can be found [here](#).

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:

Our 14 goals represent our long-term aspirations for positive change. These are supported by commitments (namely ambitions and targets), that help drive progress towards these goals.

PEOPLE

Our People pillar focuses on creating a diverse and inclusive place for our teams to work. We support our communities, building partnerships and working with our suppliers to make sure that workers' rights in our value chain are protected.

Goal 1: Truly inclusive workplace

Goal 2: Holistic wellbeing of our team

Goal 3: Meaningful retail careers for today and tomorrow

Goal 4: Ethical and mutually beneficial partnerships through the whole value chain

Goal 5: Positive impact on our customers and communities

➔ See [page 16](#)

PLANET

Our Planet pillar focuses on protecting the world we live in for current and future generations. We go further than just limiting negative impacts; it means actively finding ways to create positive benefits.

Goal 1: Powered by green electricity

Goal 2: Reducing hunger and food waste

Goal 3: Net positive carbon emissions

Goal 4: Responsible stewardship of natural resources

➔ See [page 32](#)

PRODUCT

Our Product pillar focuses on evolving the way we do business to embrace circular thinking – which means all waste is a resource. We work to make it easy for our customers to choose products that are healthier, sustainably sourced and responsibly packaged.

Goal 1: Make health easier for Australians and New Zealanders

Goal 2: Our packaging is sustainable

Goal 3: Own brand sourcing is sustainable

Goal 4: Lead the future of protein

Goal 5: Lead the responsible retailing of alcohol and tobacco

➔ See [page 54](#)



Partnering and investing to deliver positive impact

The SDGs provide a shared blueprint for sustainable development and at its heart is a recognition of the need for collective action based on partnership. To create meaningful change, we will work better together, partnering with our stakeholders to find joint solutions.

We seek to contribute to solving shared challenges and improving sustainability outcomes. We partner closely with our suppliers across a range of initiatives across our sustainability agenda. We engage with industry bodies, governments and specialist forums to understand and assess the impact of our actions and drive collective action.

Sustainability today is very different to five years ago, and will be different again in another five years. Awareness of the role of innovation is critical in driving progress at scale. This is why we're investing in, and partnering with, start-ups and research organisations to identify tangible solutions and new approaches to play our part in delivering meaningful impact.

CASE STUDY

Investing in innovation

Woolworths Group, along with four other global grocery leaders Ahold Delhaize (US, Europe, Indonesia), Tesco (UK, Republic of Ireland, Europe), Empire Company Limited/Sobeys Inc. (Canada) and Shoprite Group (Africa), have come together to launch a pioneering collaborative retail venture capital fund, W23 Global. W23 Global, in which each of the five leading global retailers is an equal partner, will seek to invest in innovative start-ups and scale-ups that deploy technology to enhance customer experiences, transform the grocery value chain and address the industry's sustainability challenges. The establishment of W23 Global is a key strategy in helping us to minimise our environmental footprint.

CASE STUDY

Connecting to relocate surplus food

Woolworths Group together with Boston Consulting Group (BCG) co-founded, built and in November 2023 launched, Refresh:Food, an independent stand-alone profit-for-purpose organisation to reduce upstream food waste from farms. The Refresh:Food digital marketplace connects growers with diverse buyers including retailers, processors and food-rescue organisations to reallocate surplus produce thereby reducing food waste upstream and enabling farmers to sell more of their crop that would otherwise be wasted (see [page 52](#)).

CASE STUDY

Partnering for community impact

We partner with non-government organisations 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.

OZHARVEST**KIWIHARVEST****Good360**
BRINGING GOOD TOGETHER

Our progress in F24 aligned to our 2025 Plan

Goal

Status



People

- | | | |
|---|--|--|
| 1 | Truly inclusive workplace | |
| 2 | Holistic wellbeing of our team | |
| 3 | Meaningful retail careers for today and tomorrow | |
| 4 | Ethical and mutually beneficial partnerships | |
| 5 | Positive impact on our customers and communities | |



Planet

- | | | |
|---|--|--|
| 1 | Powered by green electricity | |
| 2 | Reducing hunger and food waste | |
| 3 | Net positive carbon emissions | |
| 4 | Responsible stewardship of natural resources | |



Product

- | | | |
|---|---|--|
| 1 | Make health easier for Australians and New Zealanders | |
| 2 | Our packaging is sustainable | |
| 3 | Own brand sourcing is sustainable | |
| 4 | Lead the future of protein | |
| 5 | Lead the responsible retailing of alcohol and tobacco | |

Key:



On track – good progress made towards delivery



Making progress – ahead or in line with industry and requires ongoing focused effort



Our 2025 Plan, established in 2020, outlines ambitious goals to drive positive change for people and the planet through our products (page 12). Over the past four years, we've collaborated across the Group and with our suppliers to advance these ambitions. We're aware that the final push to achieving our goals will require navigating the evolving operating landscape and industry headwinds discussed throughout this report. Our purpose, towards a better tomorrow, drives us to continuously evaluate our progress and maintain our focus on delivering our People, Planet, and Product goals.

Progress overview

F24 Highlights

Over the past year, we've made significant strides in promoting gender equity, LGBTQ+ inclusion and disability support. However, we recognise the need to enhance support for our First Nations, Māori and Pasifika team members. Safety is another area for improvement, and we're committed to proactively addressing this. We've revised our safety strategy and strengthened our Safety, Health and Wellbeing teams to focus on reducing frequent injuries and mitigating critical risks.

\$143.4M

direct community contributions

▲ \$21.3M on F23

41.1%

senior leadership in Australia are women in F24

▲ 1.3% on F23

13.86

total recordable injury frequency rate

▲ 11.5% on F23¹

Woolworths Group is committed to minimising our environmental impact. We're on track to achieve 100% renewable electricity by 2025, and our scope 1 and 2 emissions are already 42% below our 2015 base year. We've updated our climate and nature scope 3 strategy including reviewing and obtaining validation of our scope 1, 2 and 3 emissions reduction targets from the SBTi. While we've made progress in responsible resource stewardship, challenges remain, particularly in achieving our water reduction target due to operational requirements.

42%

scope 1 and 2 emissions reduction relative to 2015 base year

▲ from 36% in F23

23.5%

total renewable electricity

▲ 0.9% on F23

>36M

equivalent meals donated²

▲ 2M on F23

We continue to work towards making health easier and more affordable for customers with our own brands recognised again as the healthiest in Australia. We've made progress in improving the sustainability of our packaging, with our own brands achieving 85% recyclability and incorporating 51% recycled content. We're also collaborating with industry partners towards reinstating soft plastics recycling. While we've advanced sustainable animal welfare practices and the sustainability of animal proteins, we recognise the need for further work to explore a wider range of protein options.

#1

Australia's healthiest supermarket own brands³

5th year in a row

>16k

tonnes of virgin plastic removed from own brand packaging since 2018

▲ 2,500 on F23

100%

sustainably sourced single product tea, coffee, cocoa maintained from F23



More work to do – progress slower than anticipated and may be affected by external / industry factors

¹ Compared to restated F23 TRIFR.

² Figures based on 53 weeks in F24, noting that F23 included 52 weeks.

³ The George Institute for Global Health's FoodSwitch: State of the Food Supply report (2019, 2020, 2021, 2022, 2023) based on mean Health Star Rating compared with Coles, ALDI and IGA.

People

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.

\$143.4M

direct community contributions

41.1%

senior leadership in
Australia are women

68

mini woolies across
Australia and New Zealand



Watch our sustainability stories [here](#).



Overview



People



Planet



Product



Image: Our team at Woolworths North Paramatta, NSW.

Sustainable Development Goals:



Goal 1

Truly inclusive workplace

Why it matters: Diverse and inclusive workplaces are linked to business performance, innovation, creativity and engagement.¹ As a large employer across Australia and New Zealand, we believe in fostering an inclusive culture reflecting the diversity of our many team members to better serve our communities.

Our ambition: We aim to **create a truly inclusive workplace** by valuing diversity and bringing an inclusive mindset to decision making. This is central to the culture we want to see across our business.

PERFORMANCE & IMPACT

41.1%

senior leadership in Australia are women

▲ 1.3% on F23

\$14.4M

non-trade influenceable spend with First Nations suppliers

▲ from \$4.7M in F23

Awarded

New Zealand Accessibility Tick for first time

Our approach

Our team is the heart of our business. We foster a culture of inclusion where everyone feels a sense of belonging and is empowered to bring their best self to work. Our inclusion strategy prioritises gender, LGBTQ+, disability, First Nations, and cultural inclusion. We continuously measure our progress against recognised standards like Workplace for Gender Equality Agency Employer of Choice, Australian Workplace Equality Index (AWEI), and the Australian Network on Disability Access and Inclusion Index. We're also committed to working towards reconciliation in Australia by implementing our Innovate Reconciliation Action Plan.

What we've been doing

Over the past year, we have made good progress in fostering gender equity, LGBTQ+ inclusion and disability support. While we remain committed to creating an inclusive workplace for all, we recognise the need to improve our support for First Nations team members in Australia, as well as Māori and Pasifika team members in New Zealand.

Gender equity

In early 2024, Australia's WGEA published gender pay gaps (GPG) for all employers.² This publication indicated Woolworths Group's median GPG is 5.7% (both base salary and median total remuneration), compared to the Australian median total remuneration GPG of 19% (14.5% median base salary). In New Zealand, the GPG is calculated according to Statistics New Zealand methodology, with the most recently reported New Zealand national GPG at 8.6% in 2022. In 2024, we achieved 0.08%, down from 1.41% in 2023 and 3.56% in 2022.

We continue to monitor pay parity for like-for-like roles, retaining <1% difference in pay-parity in Australia and New Zealand. We sustained our 40% senior leadership gender ambition achieving 41.1% representation in Australia and 41.2% in New Zealand. Our gender equity approach continues to focus on pay equity audits, policy reviews, and fostering flexibility and inclusivity. Our Respect@Work programs raise awareness and educate on gender equity, combating issues like bias, discrimination and harassment.

¹ Diversity Council Australia, Inclusion@Work Index 2023-2024, 2024.

² In 2024 WGEA calculated median gender pay gap, rather than average gender pay gap as used in 2023 and reported in our 2023 Sustainability Report. WGEA notes 'Unlike the average, the median is not skewed by extreme values (CEO remuneration, for example), giving us a picture of typical earnings that exist within an organisation.' www.wgea.gov.au/pay-and-gender/gender-pay-gap-data.



LGBTQ+ inclusion

This year we received Platinum Employer AWEI status for the second time and the Rainbow Tick Accreditation in New Zealand for the sixth year.

In New Zealand we made key policy changes, ensuring they recognised the diversity of our LGBTQ+ team. These included our uniform policy, and family and domestic violence leave policy, measures previously introduced in Australia.

Our regional pride strategy saw Woolworths Group support 11 different LGBTQ+ community events across Australia in F24. Recognising the importance of amplifying regional First Nations voices, our regional strategy in 2024 extended to support the Kimberley Blak Pride Festival, which aims to bring visibility to, and empower, the First Nations LGBTQ+ Sistersgirls and Brotherboys community in the Kimberley. In New Zealand, our support included Transgender Awareness Week, Auckland Pride 2024 and 2024 Wellington Pride Festival.

➔ To read more on our LGBTQ+ community support see [page 30](#).



“We are committed to building a culture of psychological safety and allyship that extends to every community we serve. One way we've demonstrated this commitment is through our support for regional Pride events, from Top End Pride to the Parramatta Pride picnic and TasPride in Tasmania. We also recognise the importance of intersectionality, with our first sponsorship of Kimberley Blak Pride, celebrating First Nations LGBTQ+ Sistersgirl and Brotherboy communities and culture.”

Catherine Hunter – General Manager, Diversity, Equity and Inclusion, Woolworths Group



Image: Our team participating in Darwin Pride.

Disability inclusion

We understand we play an important role to help remove barriers that impact our team, customers and members of the community who are disabled, or neurodiverse. In F24 Woolworths Group submitted to the Australian Network on Disability Access and Inclusion Index and the New Zealand Accessibility Tick Program for the first time. New Zealand Supermarkets was awarded the Accessibility Tick, recognising our ongoing commitment to becoming an accessible and inclusive organisation for disabled employees and customers. It is our intent to demonstrate year-on-year improvement in our future submissions to both organisations.

The feedback received on both our submissions has provided valuable insight to address in our Group Disability Action Plan currently under development. As part of our Action Plan development we are partnering with the Australian Federation of Disability Organisations to align our actions to community expectations. This year our Group Disability Team Network was expanded to incorporate New Zealand. The Network has been integral to the rollout of our disability confidence training, completed by 6,259 team members across the Group.

CASE STUDY

Accessible checkouts

Australian Supermarkets has piloted an accessible checkout, specifically for team members living with a physical disability, including people who use wheelchairs and other mobility aids. In consultation with the Centre for Inclusive Design and Mills Group, Woolworths 360 utilised inclusive design principles to create a wheelchair accessible checkout from scratch. The accessible checkouts at Kellyville Grove and North Parramatta stores form a pilot from which we will gather feedback, and consider opportunities to introduce in additional stores, to create more employment opportunities for people with disability.



Image: Johnson, a member of the Woolworths Kellyville Grove team.

Reconciliation

We aim to support all our team members to achieve their full potential, working to provide our First Nations team and communities with equitable access to essential products, services, and opportunities. We are on a journey of reconciliation, guided by our reconciliation strategy and Reconciliation Action Plan (RAP). While we have made progress, we have also faced challenges and made mistakes. We are committed to continuous learning and improvement, actively seeking solutions through ongoing dialogue with Indigenous voices.

Our reconciliation strategy aims to drive meaningful action for First Nations peoples across three pillars:

- listen and learn from voices and experiences of those impacted
- four focus areas: employment, health, education and sourcing
- governance and ways of working, supported by our First Nations Advisory Board.

Our RAP outlines our commitments across key areas including employment, health, education and sourcing. We are working to increase First Nations team representation and retention, improve health outcomes in remote communities, and invest in Indigenous businesses. The actions are detailed in our latest Innovate RAP launched in 2023, with 97 deliverables. As we remain focused on the delivery of our Innovate RAP, integrating learnings as we go, we will simultaneously begin building out our plans for a Stretch RAP.

We have set the goal to increase Woolworths Group's Aboriginal and Torres Strait Islander team member representation to at least 3.2% by June 2025. At the end of F24 representation was 2.46%, below our F23 figure of 2.6%. While our recruitment of First Nations peoples is progressing, we understand our retention, particularly at a store level, is below target. To address this, informed by our learnings, data and in consultation with our First Nations Advisory Committee, we are focusing on our retention support initiatives. These include, but are not limited to, continuing to build cultural safety through cultural learning and immersion, and strengthening and expanding our First Nations Team Network. We are also working to maintain recruitment levels above our employment target to offset high turnover.

Woolworths Group is partnering to deliver better health outcomes by focusing on food availability, affordability and nutrition for Australia's most remote communities, as one way we can seek to have a meaningful impact. Our wholesale business Australian Grocery Wholesalers supplies essential goods into remote First Nations communities. We recognise the value and potential of Australia's Indigenous business sector. Whilst we aspire to do more, we are on a journey and in F24 we invested 3.2% of our non-trade influenceable spend, with 35 First Nations suppliers engaged. This is up from 1.2% in F23, as we work towards our goal of 3% by 2025.

CASE STUDY

At work with Kulbardi and Yaru Water

Woolworths at Work, our B2B platform, has worked with Kulbardi Pty Ltd and Yaru Water Pty Ltd to range over 60 new products. The range includes key business essentials such as water bottles, copy paper, notebooks, pens and tissues. Products appeared on shelves from July 2024. Working with these two First Nations companies and Supply Nations Certified brands, contributes to driving the sales of Indigenous consumable products to business customers and expanding supplier diversity on the Woolworths at Work platform. Ranging Indigenous products also helps many of our business customers contribute towards their own RAP procurement targets, thereby contributing to the impact that Indigenous suppliers can have on their communities. Supply Nation identified that for every dollar of revenue that a Supply Nation Certified business generates they create an average of \$3.41 social value back into the Indigenous community.¹ Kulbardi and Yaru Water are businesses majority owned by Aboriginal peoples that contribute funds to Aboriginal communities via the Bibbulmun and Yaru funds.

Māori and Pasifika

We understand that building the cultural capability of our business is the foundation of creating a workplace where our team can thrive. Building on the F22 establishment of our Māori and Pasifika Talanoa (Committee), in F23 our Talanoa developed a Māori and Pasifika inclusion action plan, which was endorsed this year. This action plan aims to support a leadership pipeline with 20% Māori and Pasifika representation by 2025. At the end of F24, our Māori and Pasifika New Zealand leadership was 8.7%. We have recently engaged Tira, a Māori owned consultancy, to help us shape our strategy, beginning with a cultural immersion for our New Zealand Executive Leadership team. Other key developments have been people data systems now providing the option to share cultural identity and the appointment of our first diversity and inclusion lead for New Zealand.

¹ Supply Nation, The Sleeping Giant report, 2018.



Equality recognition



awarded twice



awarded twice



awarded 6 years



Committed to Accessibility

awarded first time

What's next?

- + Launch our Group Disability Action Plan, detailing how we will become an accessible and inclusive organisation for disabled and neurodiverse employees and customers
- + Continue to increase First Nations team representation towards 3.2%, as part of our RAP delivery
- + Finalise our Māori strategy and roadmap – including priorities and consideration of support for Pasifika and broader belonging of all team.

CASE STUDY

Providing employment pathways

In F24 New Zealand Supermarkets partnered with the TupuToa Internship Program. The 12-week paid-internship program is part of TupuToa's vision to grow Māori and Pasifika leaders in New Zealand by reducing barriers and providing an employment pathway for tertiary students. This year, 12 interns joined Woolworths, with two becoming part of our permanent team.

Image: Aimee member of BIG W Mount Gravatt and proud Kukatj Tribe member, celebrated NAIDOC Week with Courtney and team at the Logan City event.

Goals 2 and 3

Investing in team wellbeing and development

Why it matters: Teams that operate in physically and psychologically safe workplaces perform better on a number of metrics including customer engagement, productivity, turnover and safety.¹ For Woolworths Group, our team members – their safety, wellbeing and ongoing development – are critical to our long-term success.

Our ambition: We invest in the holistic wellbeing of our team fostering a workplace where they feel energised, purposeful and supported. We aim to provide a safe environment where our team are comfortable raising concerns and asking for help. We're also dedicated to supporting meaningful retail careers for today and tomorrow.

PERFORMANCE & IMPACT

13.86

Total Recordable Injury Frequency Rate

▲ 11.5% on F23²

\$11.5M

of Future of Work Fund invested in skill development

\$34.3M since F21

>77k

team members and families signed up to Sonder since launch in F21

▲ >14k on F23

Our approach

Our primary focus is the safety and wellbeing of our team members (including contractors) and customers. This commitment is reflected in our proactive approach to promoting positive work environments, preventing harm, and providing early intervention and support to mitigate risks. Furthermore, we are dedicated to investing in skills development and equipping our team with the necessary expertise to thrive in the evolving retail landscape.

Our safety strategy

In F24, we reviewed our approach establishing a robust safety strategy focused on five strategic pillars. These pillars inform our approach and guide how we target our investments and initiatives.

- 1 **Critical risk program:** bolstering confidence in effectively managing our highest consequence safety risks via our critical risk program.
- 2 **Safety foundations:** providing our teams and partners with a safety management system that supports safe work outcomes, and uplifts capability.
- 3 **Mental health and wellbeing:** supporting our team in challenging times by creating a safe environment and promoting positive wellbeing and responding to those in need.
- 4 **Injury prevention and care:** reducing high frequency lower consequence injuries and providing the team with a seamless injury care experience.
- 5 **Technology and innovation:** enabling safety through technology and continuing to investigate innovative solutions to mitigate critical safety risks.

1 Gallup, What is Employee Wellbeing? And Why Does it Matter?, www.gallup.com/workplace/404105/importance-of-employee-wellbeing.aspx.aspx.

2 Compared to the restated F23 TRIFR.



What we've been doing

We remain saddened by the tragic loss of two team members in separate incidents last year. We are committed to learning from them and applying those lessons to prevent future incidents. In recognition of the importance we place on safety, in F24 we updated our short-term incentive (STI) plan to incorporate total recordable injury frequency rate (TRIFR) as a measure of frequency of injury, along with the existing Severity Rate which focuses on reporting and severity of injury.

While we saw a reduction in severe injuries in F24, we are disappointed that our TRIFR score increased by 11.5% to 13.86 compared to F23. We recognise that our safety performance needs improvement and are committed to proactively being better. We revised our safety strategy and enhanced our Safety, Health and Wellbeing teams to strengthen our ability to drive reductions in our most frequent injury types while continuing to mitigate our critical risks. We expect these combined efforts to improve our work practices, leading to safer and better outcomes for our team members, customers and partners.

Critical risk management

We continue to be concerned with increasing acts of violence and aggression in stores with reported incidents up 63% from last year. Across F24, we invested \$35 million in risk controls to further support our teams.

We designed and implemented virtual reality training with three realistic aggression scenarios. This supported over 45,000 team members across our Australian Supermarkets, Metros, and customer fulfilment centres (CFCs) with tools to handle high-stress situations – boosting confidence in de-escalation techniques to 89%. Additionally, body-worn cameras were introduced in over 400 stores across Australia and New Zealand. These cameras were also found to be effective in de-escalating conflicts and increasing team members' sense of safety.

We implemented safety initiatives across our retail sites to reduce the risk associated with interactions between people and vehicles in back-of-house and loading bay areas. Over 1,100 store leaders collaborated with us on these initiatives, which included physical improvements to store layouts and providing our team with easier access to critical safety information tailored to the specific needs of each store and the risks present in those areas.



Image: (top) Safety board, one example of our safety initiatives, Woolworths Norwest Circa NSW. (bottom) Woolworths New Zealand team safety cameras.

Safety foundations

To support the integration of our safety management systems into one digital Group-wide system, we partnered with an industry-leading technology vendor. This integrated system will provide greater insights into our performance and opportunities, enabling a data-driven approach to our risk programs. Over the next 18 months, we will deploy 10 different modules in a staged approach to support a consistent, digitally-enabled approach across the Group.



Image: Sonder app for Woolworths team.

Injury prevention and care

To reduce manual handling injuries, we piloted a Participatory Ergonomic Program that uses wearable sensor technology and AI powered video analytics to identify high-risk tasks. After implementing ergonomic changes, we saw an average risk reduction of 54%. We're continuing to roll out this program to further decrease these injuries. Some examples of the changes include a custom-designed manual handling trolley (over 750 have been deployed across our sites) and a lifting machine that raises totes from the ground to the back of trucks.

Technology and innovation

To reduce risks associated with people, vehicles, plant and machinery, we piloted a computer vision solution at Primary Connect New Zealand. This solution provides data insights on operational activity, which allows us to identify opportunities for design changes in our environment and processes; and enables us to provide coaching for our team members.

Mental health and wellbeing

Every year, one in five Australians will struggle with their mental wellbeing.¹ This highlights the importance of our strategy to prevent psychosocial risks within the workplace as well as the support for team members in times of need. Sonder, our Group-wide 24/7 wellbeing response and support gateway, is available for work or personal challenges to both our team members and their families. Since its launch in F21 over 77,000 team members have activated Sonder, with more than 14,000 new activations this past year alone. During F24, Sonder has supported over 19,000 cases for a variety of mental health, safety, medical, wellbeing or financial reasons – an increase of 6% on F23.

This year we continued to drive awareness of our support options to our team across Australia and New Zealand with 71% agreeing mental health support is readily available at Woolworths Group. In addition, we have continued to build the capability of our leaders by extending the content in our Supporting Team in Need guide for work and non-work related concerns.



Image: Team member at Heathwood DC, Queensland.

¹ Australian Bureau of Statistics, National Study of Mental Health and Wellbeing, 2022.



Meaningful retail careers for today and tomorrow

From being part of a great team in their current role to building a long-term career across Woolworths Group, supporting our team to develop the skills for today and the future is a priority.

Since launching the Woolworths Future of Work Fund, we have invested \$34.3 million in building future skills such as data and digital; broadening skills for our frontline teams; and implementing technology solutions that support our team to access diverse career paths. We have been actively creating opportunities to multi-skill in our stores (the ability to work across roles and departments) as well as providing team with access to flexible work options and more predictable rosters. In Australian Supermarkets 63% of the team are now multi-skilled, with at least 44% working in a second department each month. Increasing opportunities for our team through multi-skilling, cross-department rostering and a better understanding of their ideal hours has improved our team experience and retention.

Image: BIG W team, Stanhope Gardens, NSW.

What's next?

- + Continue to embed new ways of working to drive improvement across wellbeing and physical safety
- + Focus on continuous deployment of fit-for-purpose and digitally enabled processes to improve safety, including virtual reality technology to provide immersive learning experiences
- + Build capabilities to improve wellbeing, including customising approaches and identifying, prioritising and responding to high risk sites and hazards.

Goal 4

Activating ethical and mutually beneficial partnerships

Why it matters: It is estimated that around 50 million people are living in situations of modern slavery globally with an estimated 41,000 individuals living in modern slavery in Australia.¹ With one of the largest and most complex retail supply chains in Australia and New Zealand, addressing human rights risks is an integral part of Woolworths Group living our purpose.

Our ambition: We aim to enable **ethical and mutually beneficial partnerships through the whole value chain**, building a rights-respecting approach where modern slavery risks are identified, managed, remediated and mitigated. By working with our suppliers we continue to integrate human rights considerations into our decisions.

PERFORMANCE & IMPACT

~\$306K

returned to >310
workers in our
supply chain

73

human rights related
grievances raised
▲ 59% on F23

18

worker voice
surveys deployed
to strengthen real
time insights

Our approach

Our commitment to people extends beyond our own team to every worker in our global supply chain, particularly in respect of their human rights. Our Human Rights Program reflects this commitment. It guides our efforts to manage risks to people, including modern slavery and broader worker rights. This Program aligns with the United Nations Guiding Principles on Business and Human Rights and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work.

In alignment with the Woolworths Group Board, we consider modern slavery as a material risk event. We proactively manage this risk within our Group Risk Management Framework, taking all reasonable steps to work 'towards zero' risk elimination. We work to strengthen human rights governance through several actions including conducting human rights impact assessments, implementing responsible purchasing practices, and mitigating modern slavery risks through due diligence and remediation protocols. We adopt a continuous learning and program improvement approach, enabling us to proactively mitigate and address modern slavery risks within our value chain. We embrace partnerships as a powerful tool for change, embedding a strategic approach to collaboration and advocacy. We also foster mutually beneficial partnerships based on shared values and aim to achieve continuous improvement in our Voice of Supplier results.



#1
ranked

Woolworths Supermarkets Australia was ranked the number one retailer in the **Advantage Annual Grocery Voice of Supplier Survey**, for a second year. The independent survey had 1,991 respondents, representing 479 companies.²

¹ Walk Free Australia, 2023 Global Slavery Index, 2023.
² 2024 saw declining industry sentiment across the board.



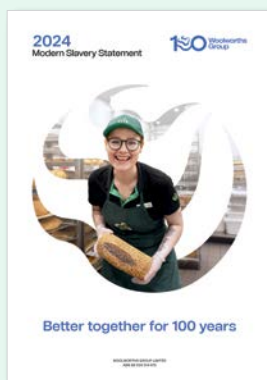
What we've been doing

This year we progressed a number of key activities towards our 2025 Plan commitments. This includes conducting our Group-wide Salient Human Rights Issues Assessment; facilitating workshops with senior leaders to establish a shared language and understanding of Responsible Purchasing Practices; and developing a guidance framework to engage potentially affected groups in our Human Rights Program design and evaluation.

Partnerships remain a key pillar of our approach. In F24, we worked with a number of third parties to pilot worker voice initiatives in different contexts. We extended our memorandum of understanding with the Retail Supply Chain Alliance to strengthen worker engagement and improve real-time supply chain intelligence. One of our team members also joined the amfori¹ board to help influence sector-wide improvements at the social compliance scheme level based on our experiences.

Modern Slavery Statement

The Woolworths Group 2024 Modern Slavery Statement reports on the progress of our Human Rights Program. It provides a detailed disclosure of the identified risks in our supply chain and the due diligence undertaken to seek to mitigate these risks.



F24 highlights include:

- developing an Extreme Risk Due Diligence (ERDD) Framework and guidance for engaging potentially impacted stakeholders to support the implementation of our Human Rights Program
- designing and delivering a supplier risk segmentation approach for non-trade suppliers that will help increase our visibility of human rights risks among non-trade suppliers
- 321 representatives from 260 suppliers have completed one or more Group e-learning courses on key aspects of our Human Rights Program
- deploying 18 worker voice surveys in Australia, Malaysia and Vietnam as part of our approach to strengthen worker engagement to improve real-time supply chain intelligence.



[See our 2024 Modern Slavery Statement for more details.](#)

What's next?

- + Use the results of our Salient Human Rights Issues Assessment to inform our 2030 Human Rights Program strategy
- + Continue to prioritise human rights due diligence in areas of high and extreme risk, including implementation of our new ERDD framework and designing an approach to engage key commodity traders
- + Conduct an end-to-end governance review so that our program, policies, procedures and systems remain fit-for-purpose
- + Develop and commence implementation of a due diligence approach based on our non-trade supplier risk segmentation.

¹ As a global business association, amfori supports its members at every step of their due diligence journey, offering a comprehensive range of ESG products and services. From supply chain mapping and assessment to reporting, from capacity building to facilitating stakeholder engagement, amfori provides a holistic approach to responsible business practices.

Goal 5

Having a positive impact on communities we serve

Why it matters: Continued impact of natural disasters¹ and rising rates of food insecurity² are just some of the pressures placed on our communities. Woolworths Group touches nearly every community in Australia and New Zealand, and we recognise the role we can play to better serve our communities.

Our ambition: We aim to make a **positive impact on customers and communities** across Australia and New Zealand by investing in local programs and expanding our work with S.T.A.N.D to provide relief in times of natural disaster.

PERFORMANCE & IMPACT

\$143.4M

total direct community contribution

▲ \$21.3M on F23

\$81.3M

value of food donations

▲ \$5.4M on F23

Launched

Woolworths Group Foundation

Our approach

We're at the heart of all our communities and having a positive impact is central to our identity as a purpose-led business. We collaborate with our partners, team and customers to support local initiatives focused on food access, children's wellbeing, belonging, and disaster relief. We work to empower our store teams to build positive relationships and support causes in their local communities. The newly launched Woolworths Group Foundation will manage our disaster relief efforts going forward. In addition, we continue to invest over 1% of Group Earnings Before Tax in these community partnerships and programs, aiming to create meaningful, long-term positive change. We also provide opportunities for our team members to contribute to their communities and actively listen to feedback on social equity issues.

What we've been doing

Access to food for people in need

In F24 Woolworths Group continued to support our food rescue partners, to address increased food insecurity experienced by households across Australia and New Zealand. In addition to the surplus food we donate, financial support is critical to support our food rescue partners' ongoing running costs. This year saw a record investment from Woolworths Group with over \$18 million in financial support donated to our food rescue partners across Australia and New Zealand, including \$3 million thanks to our customer donations.

As part of our Christmas Appeal campaigns, we provided customers with the opportunity to round up their shop to the nearest dollar or make a contribution towards our charity partner. This together with our donations resulted in:

- more than \$5 million to OzHarvest, consisting of more than \$3 million in customer donations and \$2 million from Australian Supermarkets
- more than \$400,000 (NZD) to The Salvation Army from New Zealand Supermarkets, including \$211,000 (NZD) in customer donations.

¹ KPMG, 70 percent of Australians impacted by natural disasters, media release, 15 September 2023.

² Foodbank, Foodbank Hunger Report 2023.



CASE STUDY



Image: mini woolies Henbury School, NT.



"We have a strong connection with the community and are extremely grateful to have Woolworths Group support our goals through the mini woolies program. The potential to change lives is real as we engage in the program and build long-lasting relationships with our local Woolworths stores."

Sarah Corry – Principal at Henbury School

mini woolies

This year we realised our ambition to have one or more mini woolies in every Australian state and territory. We also brought the program to New Zealand for the first time, launching mini woolies Sommerville in Auckland. The mini woolies program is designed to support young people with disabilities, simulating a supermarket setting to help build confidence and independence as they prepare for future experiences. In partnership with Fujitsu, the mini woolies program has now grown to over 68 locations and has reached more than 5,800 young people with disabilities.

→ To read more on our disability inclusive initiatives see [page 19](#).

Children's health and wellbeing

BIG W's hospital partnerships

BIG W aspires to bring support and moments of joy to families with children undergoing treatment in hospital. For 30 years, together with our customers, we've supported our hospital network across Australia to help fund life saving and life changing programs and research for children facing serious illness. In F24 alone, BIG W customers raised over \$900,000 across our Easter, Toy Sale and Christmas campaigns. In addition, BIG W donated over \$157,000 towards Perth Children's Hospital's new and world class interactive nature space to benefit children and families undergoing treatment.



Image: BIG W team visit Perth Children's Hospital new nature space.

Growing for Good in New Zealand

Woolworth's Growing for Good grants, now in its fifth year, aims to inspire kids to learn about protecting the environment. The annual grant pool of \$50,000 provides the opportunity for students from early childhood to secondary schools to get hands-on with projects that provide food, areas of beauty and habitats for wildlife. In F24 grants were awarded to 10 schools, across projects including creating forest walks in schools, providing homegrown healthy food to their school and local communities, rebuilding gardens devastated by Cyclone Gabrielle and making better use of organic waste and rainwater.

CASE STUDY

New Zealand Supermarkets steps in as major food provider collapses

Just days before Christmas 2023, Canterbury's largest food rescue charity, Foodbank Canterbury, closed citing rising costs, leaving dozens of local foodbanks impacted. New Zealand Supermarkets made a direct donation of \$85,000 (NZD) to Satisfy Food Rescue and facilitated a donation of \$100,000 (NZD) of customer donations to Kairos Food Rescue. This allowed them to expand their food rescue coverage and close some of the gap left by Foodbank Canterbury, providing continued access to food support for several thousand people over the festive season.

→ To read more on our initiatives to reduce hunger see [page 50](#).

CASE STUDY

RainbowYOUTH in New Zealand

New Zealand Supermarkets partnered with RainbowYOUTH for the third year. RainbowYOUTH provides support, information, resources and advocacy for queer, gender diverse, takatāpui (Māori term for LGBTQ+), and intersex youth across Aotearoa. As part of our annual Pride celebrations we contributed \$20,000 (NZD) to RainbowYOUTH, and provided our customers with the opportunity to contribute by rounding-up their total to the nearest dollar. Thanks to the generosity of customers in F24 approximately \$116,000 (NZD) was raised.

➔ To read more on our LGBTQ+ inclusive initiatives see [page 19](#).



Image: RainbowYOUTH at Auckland Pride Parade, 2024.

Providing natural disaster relief

During F24 local communities across Australia suffered from the impact of natural disasters, from Cyclone Jasper in Queensland, to the fires in Western Australia. Woolworths Group's Supporting Those Affected by Natural Disasters (S.T.A.N.D) program was there to help. Funds raised through our S.T.A.N.D program in F24 totalled over \$3.3 million, including our annual donation of \$500,000, which enabled The Salvation Army to provide immediate relief to affected communities. Disaster relief was provided to far north Queensland residents impacted by Cyclone Jasper in December 2023. Food and essential items donated from local Woolworths supermarkets to The Salvation Army were distribute whilst conducting welfare checks. Cooktown also required support with an expected five days of isolation, and housing 360 First Nations people evacuated from Wujal Wujal. The Australian Supermarket team corralled stock from across the state and together with The Salvation Army, Australian Army, Queensland Police and wider community delivered 14 pallets of stock to Cooktown.

CASE STUDY



Image: Woolworths NetSetGO and District Netball Association clubhouse reopening event, Lismore, NSW.



"The Woolworths grant was a game changer, it bought us equipment when we had nothing, and made our kids feel special."

Shirley Donovan – Secretary, Lismore and District Netball Association

Supporting communities to rebuild

In early 2024, the Lismore and District Netball Association reopened its clubhouse following its devastation by the 2022 floods. This was made possible, in part, thanks to a \$30,000 Woolworths Pick Fresh Play Fresh grant, awarded in 2022. The grant funding also contributed to new equipment, the fees for Woolworths NetSetGO players in 2023 and supported families with subsidised memberships. In F24 Woolworths awarded a further \$10,000 to help give players access to healthier food.

New Zealand Supermarkets has provided ongoing support to communities as they continue to recover from Cyclone Gabrielle, building on the \$450,000 (NZD) in food and funds provided in F23. This continued support included a donation of \$100,000 to the Hawke's Bay Rugby Community Support Trust, in support of the Hawke's Bay community, reaching 18 organisation hubs and over 2,000 people.

➔ To read more on our initiatives to help kids be healthier and active see [page 60](#).



CASE STUDY

Woolworths Group Foundation

As we approached our 100th year of operation, we launched the Woolworths Group Foundation, with the aspiration to create long-term and meaningful impact in the communities we serve. The Foundation is a registered charity set up by Woolworths Group to help local communities impacted by natural disasters.

When a natural disaster hits, we want the ability to swiftly distribute funds to multiple charities on the ground, amplifying our response to various crises and provide timely support where it's needed most. Complementing the work we already do through our S.T.A.N.D program, the Foundation aims to increase the financial and logistical agility of our future responses in moments of crisis.

In New Zealand our Woolworths Food for Good Foundation provides long-lasting support to communities, giving all New Zealanders the opportunity to thrive, and helping to build a stronger, healthier New Zealand for future generations. In F24 we donated more than \$16 million (NZD) in food, funding and local sponsorship to communities across the country.

What's next?

- + Building on our long relationship with OzHarvest we will work to further develop our partnership, unlocking efficiencies in how we work together to address the growing food insecurity in Australia
- + Continue to embed Woolworths Group Foundation; supporting growth of the disaster relief pillar, driving awareness and engagement with team and customers.

Image: Partnering with The Salvation Army to support communities in the face of natural disaster.

Planet

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 partnering across our value chain to support the transition to a low-carbon future whilst working to protect and regenerate nature and reduce food waste.

42%

scope 1 and 2 emissions
reduction relative to
2015 base year

23.5%

total renewable electricity

>36M

equivalent meals
donated¹



Watch our sustainability stories [here](#).

¹ Figures based on 53 weeks in F24, noting that F23 included 52 weeks.



Overview



People



Planet



Product



Sustainable Development Goals:

Image: Healthwood distribution centre, Queensland.

Addressing climate and nature together

Why it matters: Climate change and nature loss are projected to place continued and increasing pressure on future food production and supply – presenting risks to the Australian and New Zealand farmers we work with, the customers and communities we support, and Woolworths Group as a business. As a food retailer, we are working to promote sustainable food production in the years ahead by reducing the impact of our business on climate change and nature loss.

Our ambition: We aspire to be **net positive emissions for our operations** by 2050 (scope 1 and 2) – partnering to remove more carbon than we emit. Acknowledging the scale of our value chain, we also aim to achieve net zero scope 3 emissions by 2050 in line with independently validated science-based targets¹ and partner to **practise the responsible stewardship of natural resources**.

PERFORMANCE & IMPACT

42%

scope 1 and
2 emissions
reduction relative
to 2015 base year
▲ from 36% in F23

23.5%

total renewable
electricity
▲ 0.9% on F23

71

home delivery
EVs on the road
▲ from 22 in F23

Our approach

The Australian agricultural sector faces significant challenges from climate change and nature loss. These issues pose risks to our business, such as supply chain disruptions and impacts on long-term food production and affordability. In F24 alone, our network experienced 133 days of unplanned disruption to our operations and supply chains due to weather related natural disasters. We have resilience plans that helped us minimise these impacts and we continued partnering with the government on response planning and disruption management.

We support the Paris Agreement and its efforts to mitigate the impacts of climate change by limiting global temperature rise to 1.5°C above pre-industrial levels. Our approach is focused on reducing the negative environmental impact associated with our value chain and operational footprint together with improving our adaptability and resilience to a changing climate.

We are focused on supporting viable and resilient food systems to help manage the availability of food for our customers now and into the future. This requires a collaborative, systems-based approach across industries, government, and our supply chain. While our ambition is not without challenge, we continue to work on emissions reductions opportunities as well as invest in innovative solutions.

¹ As validated by the Science Based Target Initiative (SBTi).



Overview



People



Planet



Product



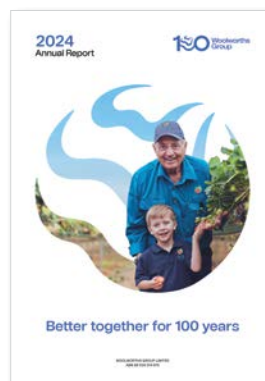
Our approach to climate and nature reporting

Woolworths Group Annual Report details our material climate and nature related disclosures for F24. Our Sustainability Report is complementary and provides an update of progress in F24 against our 2025 Plan. We recognise that the audiences that interact with both reports are potentially different and therefore have meaningfully duplicated the narrative where relevant across both reports so they each stand alone.

The Group's climate and nature disclosures continue to be guided by the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD), including insight into our strategy, governance, performance and risk management, as well as general alignment to the International Sustainability Standards Board (ISSB). We continue to work towards alignment with the Taskforce on Nature-related Financial Disclosures (TNFD) and to evolve our climate and nature disclosures towards alignment with new Australian Sustainability Reporting Standards (ASRS) in F26.

To further support our enhanced transparency and reporting on climate and nature, we actively participate in CDP's disclosure platform, which includes reporting aligned with our RE100 commitment to 100% renewable electricity. We also report in accordance with the National Greenhouse and Energy Reporting Scheme (NGERS), fulfilling our regulatory obligations towards greenhouse gas (GHG) emissions and energy consumption reporting.

[See our 2024 Annual Report for more details.](#)



What we've been doing

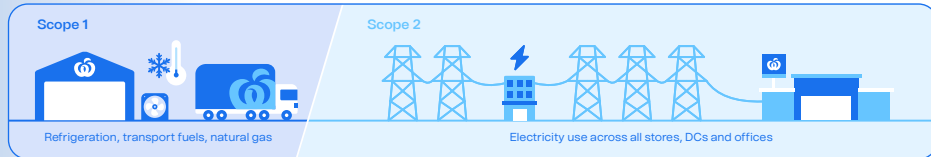
Understanding our emissions and opportunity for impact

Our scope 1 and 2 emissions make up 5% of the total emissions across our end-to-end value chain. Our scope 3 emissions are approximately 19 times greater than our scope 1 and 2 emissions, making up 95% 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 42 and 46](#).

5%

SCOPE 1 AND 2: OUR OPERATIONS

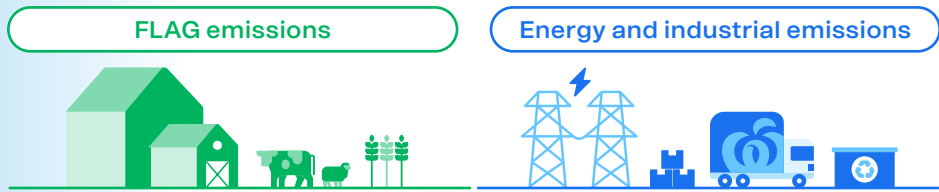
Scope 1 and 2 emissions are those directly within Woolworths Group's operational control. Our material scope 1 emissions sources include fugitive synthetic refrigerants, transport fuel for fleet cars and home delivery trucks, and natural gas. Our scope 2 emissions comprise the largest part of our operational footprint which is the electricity we use across our store network, distribution centres and offices.



95%

SCOPE 3: OUR VALUE CHAIN

Scope 3 emissions are indirect emissions from our value chain – both upstream and downstream of our operations. Based on an assessment of our supply chain, approximately 50% are from FLAG sources (pre-farmgate emissions) and approximately 50% from energy and industrial sources (i.e. post-farmgate electricity and gas, services, packaging, transport, downstream waste etc.). This helps us to strategically prioritise areas of highest impact.



Base year scope 3 inventory (50%)

By category	%
Beef and lamb	9.7
Dairy	6.0
Poultry and eggs	3.8
Grains	3.1
Pork	3.0
Fruit and vegetables	1.3
Rice	0.8
Cotton	0.1
Other ¹	22.3

Base year scope 3 inventory (50%)

By category	%
Electricity	12.8
Gas/other	7.5
Services/operations	6.1
Packaging	4.9
Transport	3.7
Waste (downstream)	7.3
Other ²	7.7



Key: ○ Excluded from near 2033 term boundary.

1 Consumer packaged goods, general merchandise.
2 Mixed (e.g. downstream consumption, end of life use).

➔ To understand more about our value chain, please see our [2024 Annual Report](#).



Our climate and nature strategy

Woolworths Group’s climate and nature strategy guides our actions to limit the potential impacts and leverage opportunities presented by climate change and nature for our business and value chain. This strategy is approved by the Woolworths Group Board. As we continue to mature in how we address increasing climate and nature-based risks, this year we developed our pathway to reduce our scope 3 emissions with the aim of supporting viable and resilient food systems ([page 44](#)).

Our strategic framework

Managing climate impacts across our business



Reducing our electricity and making it greener:

energy efficiency and transitioning to 100% renewable electricity by 2025



Embedding low-carbon technology and practices:

converting to low-carbon refrigeration and transport decarbonisation



Food systems viability and resilience:

reducing climate and nature impacts on food systems across our value chain

Supporting industry and community action



Partnering with industry to support the transition to net zero:

driving industry action and engaging our partners and suppliers on ways they can reduce carbon emissions



Supporting community resilience:

supporting communities affected by natural disasters using our scale to get fresh food and supplies where they are most needed

Nurturing nature across our value chain



Leading the future of protein:

providing affordable and sustainable proteins across traditional, plant and alternative sources whilst aiming for the best practice standards of animal welfare



Partnering on sustainable and regenerative agriculture:

supporting our growers and farmers to improve farming practices, collaborating throughout our supply chain to identify barriers to adoption and opportunities for mutually beneficial outcomes



Having a positive impact on nature:

working to protect, restore and improve soil health, water stewardship and biodiversity

Evolving our targets

Woolworths Group is continuing our long-standing commitment to contribute to a 1.5°C pathway. We were required to reset our previous 2015 base year to a F23 base year due to organisation changes, such as the demerger of Endeavour Group and the acquisitions of PFD Foods and Quantum. This also considered updates to our calculation methodologies and emissions factors in line with the Greenhouse Gas Protocol Corporate Standard to support more accurate tracking of our emissions over time.

We have subsequently updated our scope 1, 2 and 3 emission reductions targets from a new F23 base year, increasing our targets, and obtaining validation from the Science Based Targets Initiative (SBTi). In doing so, we also adopted the new SBTi guidance for FLAG. We recognise the practical and dynamic context in which Woolworths Group operates, and the importance of working collaboratively with our suppliers and other supply chain participants towards our scope 3 and deforestation ambitions.

Our new targets are based on planning, modelling and assumptions and current understanding of the public information available to us, including supplier commitments and government policies. We acknowledge that this is an evolving landscape and that new information or developments may impact our ability to reach our targets. We'll continue to adapt and improve our approach as we learn more, and we'll make decisions based on the best available evidence. If the information relevant to these issues change, we may review and adjust our targets.

Scope 1 and 2 emissions

Our previous scope 1 and 2 targets, validated by the SBTi in 2020, aligned with a 1.5°C pathway. This year, we have increased our near-term target from 63% to 80% and added a new long-term target of 90% (see table). These new targets have been validated by the SBTi. We prioritise absolute emissions reductions for our near-term and long-term scope 1 and 2 emissions reduction targets without the use of carbon offsets. From 2050, we may obtain and surrender high-quality carbon removals to remove more carbon from the atmosphere than we emit in support of our net positive ambition.

Scope 3 emissions

Our previous scope 3 target, validated by the SBTi in 2020, aligned with a 2°C pathway. In support of our aim to reach net zero emissions across our value chain by 2050, this year we have increased our near-term targets and added new long-term targets (see table) to align with a 1.5°C pathway. Our scope 3 targets are twofold, adopting SBTi FLAG guidance to reflect the vastly different challenges and opportunities on-farm and those associated with energy and industrial emissions¹ as relevant to our sector.

In line with SBTi FLAG guidance, we may use both emissions reductions and carbon removals within our own value chain to support our near-term and long-term scope 3 FLAG targets. From 2050, we may obtain and surrender high-quality carbon removals to neutralise residual emissions in support of our net zero ambition.

¹ Emissions from purchased goods and services, capital goods, fuel and energy related activities, upstream and downstream transportation and distribution, and upstream leased assets.





Our updated targets

SCOPE	EXISTING 2025 PLAN TARGET	NEW TARGET ¹	TIMEFRAME	VALIDATION
Scope 1 and 2 updates include a new base year and increased targets	We aim to reduce emissions from our operations by 63% by 2030 (2015 base year)	Woolworths Group aims to reduce absolute scope 1 and 2 greenhouse gas emissions (GHG) emissions by 80% by F30 from a F23 base year .	Near-term	SBTi validated
		Woolworths Group aims to reduce absolute scope 1 and 2 GHG emissions by 90% by F45 from a F23 base year .	Long-term	SBTi validated
	We aim to reach net positive emissions for our operations no later than 2050	No change	Long-term	Ambition not validated by SBTi
Scope 3 updates include a new base year and increased targets aligned to a 1.5°C pathway from 2°C	We aim to reduce our scope 3 emissions by 19% by 2030 (2015 base year)	Woolworths Group aims to reduce absolute scope 3 GHG energy and industrial emissions ² by 55% ³ by F33 from a F23 base year .	Near-term	SBTi validated
		Woolworths Group aims to reduce absolute scope 3 FLAG GHG emissions by 40% ³ by F33 from a F23 base year . ⁴	Near-term	SBTi validated
		Woolworths Group aims to reduce absolute scope 3 GHG energy and industrial emissions ² by 90% by F50 from a F23 base year .	Long-term	SBTi validated
		Woolworths Group aims to reduce absolute scope 3 FLAG GHG emissions by 72% by F50 from a F23 base year . ⁴	Long-term	SBTi validated
		Woolworths Group aims to reach net zero emissions across the value chain by 2050.	Long-term	SBTi validated

Basis of scope 3 targets:

In reviewing our ambitions and making the target statements in the table above, Woolworths Group confirms:

- our commitment, first and foremost, to comply with our legal and regulatory obligations, particularly those in relation to Woolworths Group’s dealings with suppliers and other relevant supply chain participants;
- that Woolworths Group intends to apply appropriate resources, and to engage and collaborate in good faith with suppliers to Woolworths Group and other relevant supply chain participants, in working together to meet these challenges, and in supporting a “just transition”⁵; and
- that our review and the target statements above are based on Woolworths Group’s planning, modelling and assumptions, made with the public information presently available to us, as to:
 - the commitments, behaviour and performance of many of our suppliers and other supply chain participants;
 - government policy and regulation in relation to these issues; and
 - prevailing definitions of elements relevant to the target statements.

Should the information available to us in relation to these issues change over time, Woolworths Group may review and adjust our targets.

1 Effective August 2024.

2 Emissions from purchased goods and services, capital goods, fuel and energy related activities, upstream and downstream transportation and distribution, and upstream leased assets.

3 SBTi validated targets are 54.6% and 39.4%. They have been rounded off to 55% and 40% respectively.

4 Target includes FLAG emissions and removals.

5 See SBTi FLAG Science-based Target-setting Guidance, Version 1.1, December 2023 (page 39).

Scope 1 and 2

Our pathway towards net positive

What we've achieved so far:

▼ **42%**
scope 1 and 2 emissions reduction relative to 2015 base year

- ✓ 23.5% renewable electricity
▲ 0.9% from F23
- ✓ 278 solar systems
▲ 53 from F23
- ✓ \$77 million allocated to energy initiatives
- ✓ 71 electric home delivery vehicles
▲ from 22 in F23
- ✓ Internal shadow carbon price trialled to test material business investment cases

Near-term

Accelerating action across our operations

We have mitigation plans for all material scope 1 and 2 emissions representing approximately 80% of our current footprint by F30.

Our ongoing efforts:

- mitigation pathways aligned to 1.5°C, in line with SBTi validated targets
- working towards 100% renewable electricity by 2025
- progressing towards 60% reduction in emissions from our home delivery fleet by 2023
- working to certify all new property developments with a minimum 4 Green Star Rating.

New target:

80%

reduction in scope 1 and 2 emissions by F30¹

Previous target: 63% reduction by 2030 from 2015 base year

We are here

New base year: F23
Previous base year: 2015





This is Woolworths Group's approach to drive decarbonisation across our operational (scope 1 and 2) emissions. This year we have obtained SBTi validation of our updated near-term and new long-term scope 1 and 2 target, which continue to be aligned with a 1.5°C pathway. We also developed a pathway to decarbonise our scope 3 emissions (see [page 44](#)).

Long-term

Our net positive aspiration

We aspire to be a net positive business by 2050 – partnering to remove more carbon than we emit. We aim to prioritise absolute emissions reductions and know there is more we can do. As this landscape evolves, we will invest in new technologies, continue to implement initiatives to reduce emissions and decarbonise our transport.

Focus areas:

- mitigation pathways aligned to 1.5°C, in line with SBTi validated targets
- further progress made on emissions reductions in our home delivery fleet
- continued investment in energy efficiency across our operations
- ongoing implementation of low Global Warming Potential refrigerants
- identification and investments in new technologies (e.g. lower emissions fuels).

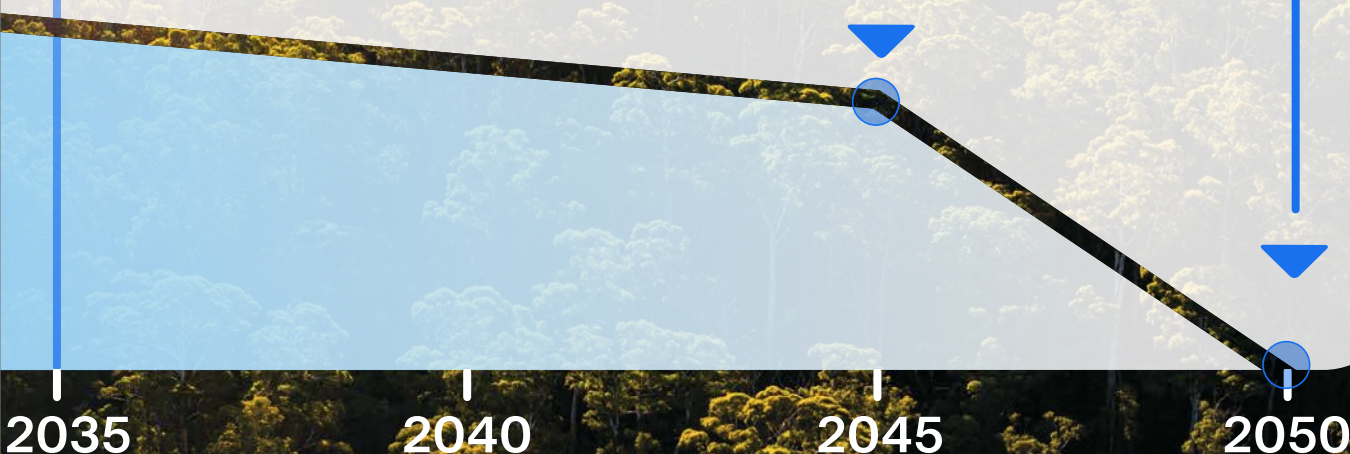
By 2050, we aim to reach
net positive
scope 1 and 2 emissions²

New target:

90%

reduction in scope 1 and 2
emissions by F45¹

No previous target



¹ Validated by the SBTi.

² We prioritise absolute emissions reductions for our near-term and long-term scope 1 and 2 emissions reduction targets without the use of carbon offsets. From 2050, we may obtain and surrender high-quality carbon removals to remove more carbon from the atmosphere than we emit in support of our net positive ambition.

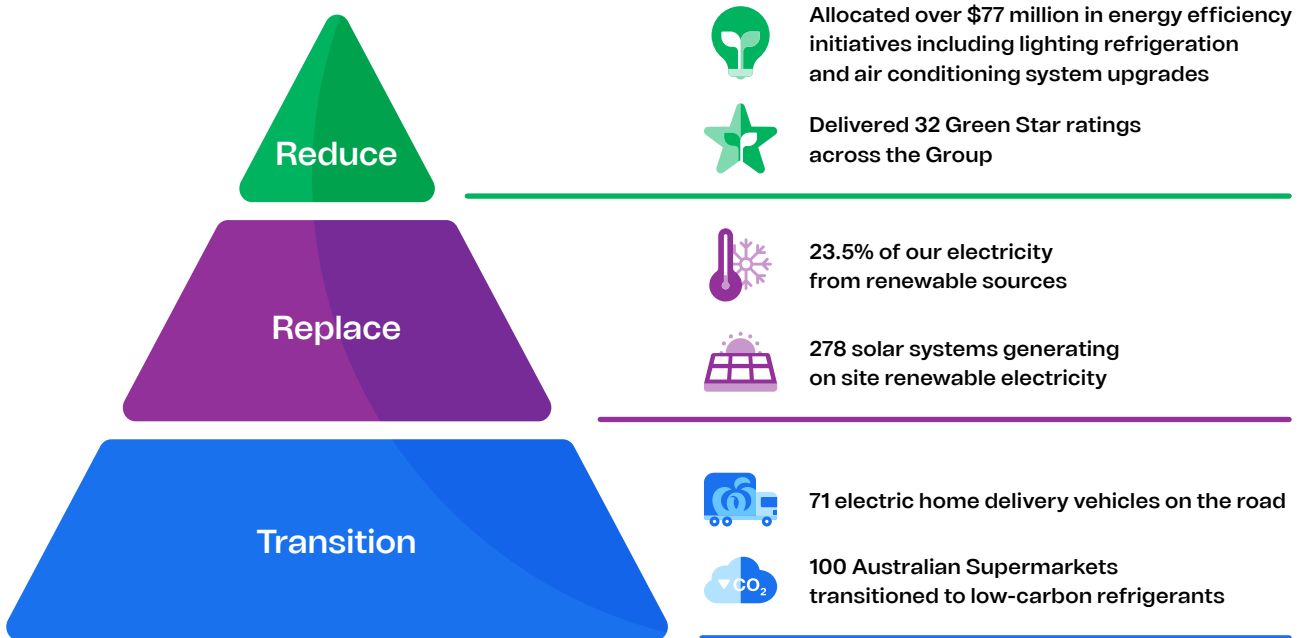
Reducing our scope 1 and 2 emissions

Over the past 12 months, our scope 1 and 2 emissions had a cumulative reduction of 42% over our 2015 base year.

F24 SCOPE 1 AND 2 EMISSIONS	VS 2015 BASE YEAR	VS F23 BASE YEAR
1,767,284 tCO ₂ e	3,051,379 tCO ₂ e (42% change)	1,941,581 tCO ₂ e (9% change)

Our primary focus is on absolute emissions reduction. Our updated scope 1 and 2 targets continue to be aligned with a 1.5°C pathway and have been validated by SBTi (see page 39). In our operations, we prioritise opportunities to design out emissions entirely, followed by increasing efficiency to reduce emissions in existing processes, and finally, substituting lower-carbon alternatives where feasible.

Our emissions reductions initiatives



CASE STUDY

Decarbonising our transport and supporting new infrastructure

Our directly managed fleet – scope 1 transport emissions – makes up 5% of our scope 1 and 2 emissions. Scope 3 emissions represent the larger part of our transport footprint, which is outside of Woolworths Group’s direct control. To reduce emissions in our own fleet we launched Woolworths Group’s transport decarbonisation strategy in F23. This is anchored in our commitment that by 2030, we aim to convert our Australian and New Zealand home delivery fleet to zero-emissions vehicles.

With this, we aim to reduce our scope 1 transport emissions by approximately 60% compared to a 2022 base year. By the end of F24 we had 71 electric home delivery vehicles on the road (66 Australia, five New Zealand), up from 22 at the end of F23.

This fleet of EV trucks is the start of our transport decarbonisation journey. We have continued to extend our network of electric vehicle chargers to support our fleet, our team and customers. By the end of F24 across Australia and New Zealand we had installed:

241 customer charge points

73 own fleet charge points

98 team charge points (support offices and DCs)



CASE STUDY

Transitioning to 100% renewable electricity

We aim to transition to 100% renewable electricity to power our operations by 2025. We established a new energy partnership with CleanCo in Queensland. This, together with contracts in other states, has enabled us to secure a pathway to 100% renewable electricity by 2025 in line with RE100. Our total renewable electricity in F24 was at 23.5%, an increase of 0.9% on F23. Our primary approach to investing in renewables prioritises investment in new renewable electricity generation to grow the availability of green electricity for businesses and the community, and provide new jobs in a sector that requires significant growth to meet growing demand for clean energy. Our renewable electricity efforts are supplemented by our own rooftop solar rollout program totalling 66MW. This year, we installed bi-facial solar panels to maximise solar production whilst providing shade and waterproof parking coverage for our customers.

Highlights from F24:

278

solar system installations

estimated to power over
12,600 homes annually

100%

renewable electricity pathway secured



Image: Bango wind farm, NSW.

CASE STUDY

Helping inform investment decisions through internal shadow carbon pricing

This year, Woolworths Group piloted and trialled an internal shadow carbon price (ISCP) on major business investment cases to understand the potential impact on investment decisions. Examples of these cases include property, renewal, mergers and acquisitions and major individual investment case projects.

The ISCP was applied to approximately 45 business cases including new stores and renewals and property developments, including our Melbourne North CFC. The ISCP will be reviewed in F25, and is already being used as a basis to partner with business teams to identify and promote opportunities to reduce emissions, including with Woolworths 360 and our Property team on store blueprints and sustainable material choices.

Scope 3

Our pathway towards net zero

What we've achieved so far:

Trajectory reflecting increased business growth

- ✓ 78 suppliers participating in our value chain emissions program representing approximately 25% of our scope 3 emissions
▲ 23 suppliers on F23
- ✓ 80% food waste diverted from landfill across the Group
▲ 8% on F23
- ✓ 100% sustainably sourced single product tea, coffee, cocoa
Maintained from F23
- ✓ Active participant in various Climate Leaders Coalition working groups

Near-term

Viable and resilient food systems

We are here

Climate and nature scope 3 strategy developed, focused on supporting viable and resilient food systems with actions to reduce value chain emissions in the near and long-term. This will be delivered through collaboration, education, innovation, investment and advocacy

Our ongoing efforts:

- working towards the diversion of food waste from landfill
- updated approach to no-deforestation in line with the SBTi (see page 68)
- initiate the establishment of a supply chain council, collaborating with key suppliers to drive collective progress
- increasingly sourcing our animal and alternative protein sources in ways which minimise impact on the environment.

New base year: F23
Previous base year: 2015

New targets:

Reduction in FLAG emissions by F33¹

40%

Reduction in absolute energy and industrial emissions by F33¹

55%

Previous target: 19% reduction by 2030 from 2015 base year



This is Woolworths Group’s approach to drive decarbonisation across our value chain (scope 3 emissions) in partnership with our suppliers. This year, we updated and aligned our scope 3 near and long-term targets with a 1.5°C pathway, towards our ambition of net zero by 2050. Our pathway applies an evidence-based approach and our scope 3 emissions are split evenly between FLAG and energy and industrial sources. We remain responsive to evolving expectations and information, and continually engage to inform our understanding and priorities.

Long-term

Our net zero aspiration

We aim to achieve net zero emissions across our value chain. We will partner on opportunities for emissions reductions whilst working on innovative solutions. As this landscape evolves, we will invest in new technologies, encourage sustainable and regenerative practices, implement nature-based solutions and source our products sustainably, to enhance the viability and resilience of food systems.

Focus areas:

- progress nature-related targets and approaches that support resilient food and fibre production and help mitigate impacts of climate change
- continue to identify and invest in scalable tech based-solutions that provide commercial, environmental and social benefits
- continue engagement and advocacy with government, industry and broader stakeholders to share knowledge, capabilities, and focus collective efforts.

New targets:

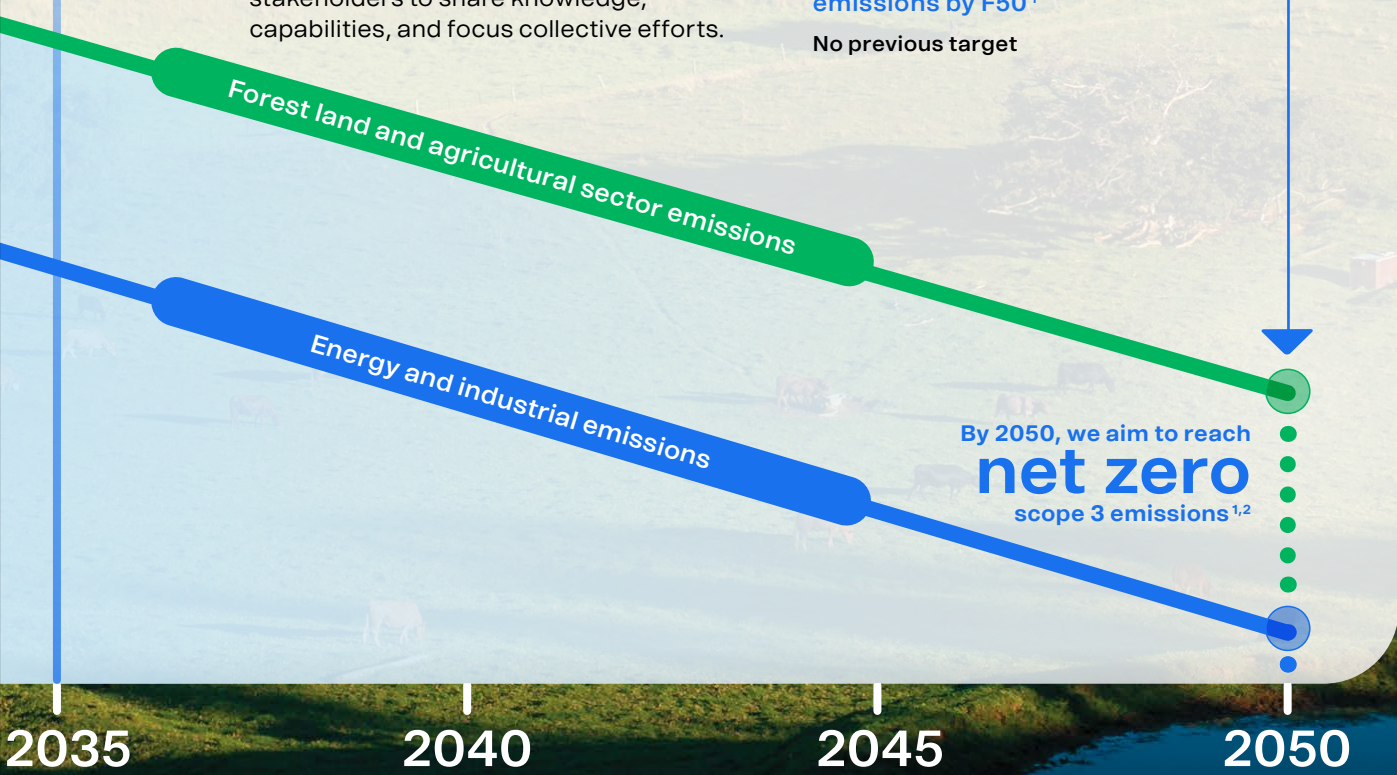
Reduction in absolute FLAG emissions by F50¹

72%

Reduction in absolute energy and industrial emissions by F50¹

90%

No previous target



By 2050, we aim to reach
net zero
scope 3 emissions^{1,2}

¹ Validated by the SBTi.

² In line with SBTi FLAG guidance, we may use both emissions reductions and carbon removals within our own value chain to support our near-term and long-term scope 3 FLAG targets. From 2050, we may obtain and surrender high-quality carbon removals to neutralise residual emissions in support of our net zero ambition.

Establishing a pathway to reduce our scope 3 emissions

Scope 3 represents the majority of our emissions – at 34 million tonnes, with purchased goods and services representing 80–85% of this. In F24, we focused on understanding the complexity of how nature and emissions interact with our supply chain and investigated opportunities to develop our climate and nature scope 3 strategy with the aim of supporting viable and resilient food systems. We recognise the practical context in which Woolworths Group operates, and the importance of working collaboratively with our suppliers and other supply chain participants towards our scope 3 ambitions.



Image: Amdena RosyIn Jersey, South Australia. Recipient of Woolworths Dairy Innovation Fund grant.

Our scope 3 strategic initiatives

We're in the early stages of activating four strategic initiatives to reduce our scope 3 emissions. We will further develop and refine these throughout F25, focusing on collaboration with farmers, suppliers, industry, government and customers. Through innovation, scalable implementation, and supportive public policy, we aim to drive progress in addressing climate change and nature loss.



Collaboration

Establish a **supply chain council**, collaborating with key suppliers to share insights, best practice progress and prioritisation



Education

Develop an **education program** to help capacity build, starting with our own teams



Innovation and investment

Enable adoption of technology based-solutions that provide commercial, environmental and social benefits with potential for industry-wide expansion



Advocacy and thought leadership

Continued **engagement and advocacy** with government, industry and broader stakeholders, and active participation on various **climate and nature leadership forums** to share knowledge, capabilities, and focus collective efforts



CASE STUDY

Value chain emissions program

We are committed to working with our suppliers to understand and reduce emissions across the value chain. Our suppliers' efforts to reduce their scope 1 and 2 emissions directly support our goal of reducing our scope 3 emissions.

In June 2022 we invited 55 suppliers to participate in our value chain emissions program in partnership with The Sustainability Consortium. The successful pilot saw suppliers complete relevant assessments using THESIS on SupplyShift, a multi retailer platform used by 11 retailers globally. In F24 we onboarded an additional 23 suppliers, bringing total participation to 78, representing approximately 25% of the Group's scope 3 emissions.

The program has continued to provide encouraging results, including:

- 83% of suppliers completing THESIS, 54% have an SBTi approved scope 1 and 2 goal, 20% have submitted to the SBTi, and 12% have committed to setting an SBTi target
- 48% of suppliers have a scope 3 goal – of these, 63% are approved by the SBTi and another 17% are progressing towards approval
- 66% disclosed the change in emissions intensity on the prior year with 56% reporting a reduction
- increased momentum on climate commitments and implementation of climate transition plans.

This program has also highlighted the benefit to be gained from an integrated data system across the value chain. Integration offers opportunities to streamline processes, reduce complexity, and incorporate essential verification steps. Realising these benefits will allow us to develop fit-for-purpose future reporting that aligns with the needs of our external stakeholders. In F25, we will conduct a thorough evaluation of future requirements, considering various technology options and approaches to address identified needs.

Improving the responsible stewardship of natural resources

Water stewardship

In our 2025 Plan, we committed to reducing Group water use by 10% against a 2020 baseline. While we've worked to implement 535 smart meters across our sites, reaching our 10% target by 2025 is proving challenging. This is due to water's essential role in critical processes such as food safety and preparation, as well as limitations in installing smart meters at some sites. We acknowledge the need to further progress in reducing our water use. This includes exploring new technologies and monitoring methods to achieve conservation while upholding our commitment to health and safety. Responsible water stewardship will remain a focus.

Sustainable and regenerative agriculture

The impact of climate on food and fibre production systems is well known, and there is a rapidly growing awareness of the dependencies, impacts and opportunities of these systems with nature. While we are still learning, our approach to climate and nature seeks to promote a food and fibre supply chain compatible with a lower carbon future. This requires drawing on increased adoption of sustainable and regenerative practices which have the potential to provide a range of co-benefits over the longer term – including supply chain resilience, increased productivity and profitability, decarbonisation, mitigation of nature loss, and improved animal welfare outcomes.

In F24, we progressed initiatives to increase our understanding and our supply chain's adoption of sustainable and regenerative practices, and barriers to adoption including:

- surveying 52 fresh animal protein suppliers to understand their adoption of independent certifications validating these practices (53% holding at least one certification)
- continuing projects with suppliers supported by our Animal Horizon, Dairy Innovation and Ocean Pool Funds
- participating in industry initiatives on collaborative solutions such as the Australian SAI Platform, Australian Beef Sustainability Framework and Retail Soy Group to understand shared challenges and opportunities in our value chains
- supporting research into productive, sustainable agricultural production systems through Nuffield Australia.

CASE STUDY

FutureFeed

Woolworths Group's investment in FutureFeed, a company established by CSIRO in 2020, which aims to mitigate climate change impacts by reducing methane emissions from livestock. FutureFeed commercialises the use of *Asparagopsis*, a red seaweed, as a livestock feed ingredient. Proven to cut methane emissions from cattle by over 80%, *Asparagopsis* also enhances feed efficiency and weight gain. The adoption of this technology in the industry is growing and we're assessing the future viability of innovations such as this for integration into our supply chain.



Overview



People



Planet



Product



Regenerative management systems for New Zealand vegetable production

In New Zealand, we're working to understand and validate the feasibility of incorporating regenerative practices into intensive vegetable production through on-farm trials.

F24 marked the second year of our Regenerative Management Systems for New Zealand Vegetable Production Research Project delivered in partnership with our produce supplier LeaderBrand Produce and Crown Research Institute, Plant and Food Research and co-funded by the Ministry of Primary Industries' Sustainable Food and Fibres Futures Fund.

Early results are mixed but are providing valuable learnings. One site (winter crop) indicates the compost has a positive effect on baby leaf salad yields, likely attributed to improvements in physical soil conditions. The other site (summer crop) saw sweet corn yield decrease, possibly resulting from compost containing chemical compounds that reduced plant growth, such as herbicide residue – a known risk with outsourced compost inputs.

Multiple crop cycles and regenerative management iterations will be necessary to enable the detection of meaningful changes in soil health and implications for yields. With the trial sites now well established, efforts over the coming year will include ongoing implementation of the soil health and agronomic measurement program, with a view to more fully assess the combined effect of compost application and cover cropping on soil health and crop production metrics. The project's findings will inform our approach to regenerative agriculture across Australia and New Zealand.

We have also commenced another project in New Zealand to engage with suppliers, industry and other key stakeholders to explore opportunities for future standards and possible certifications to help both suppliers and customers value sustainable and regenerative agricultural practices.

What's next?

- + Activate our climate and nature scope 3 strategy by developing transition plans for prioritised categories, supported by education and advocacy
- + Develop a supply chain council to partner with key suppliers on emissions reduction strategies and continue to embed our value chain emissions program
- + Continue to evolve our existing frameworks, policies and practices to align with ASRS and best practice standards and guidelines
- + Progress our understanding and assessment of nature based risk, and working towards alignment with TNFD.



Goal 2

Reducing hunger and food waste

Why it matters: Food waste costs both Australian and New Zealand economies over \$23 billion annually with approximately 7.3 million tonnes^{1,2} of food wasted in Australia alone.¹ Yet, one in five Australians are living in food insecurity.³ As a food retailer, Woolworths Group can influence systemic change through its core operations, value chain networks, customer-facing platforms and strategic partnerships.

Our ambition: We aim to contribute to a more resilient and equitable food system – one that works to **reduce hunger and food waste**, and advances sustainability, accessibility and affordability.

PERFORMANCE & IMPACT

80%

food waste diverted from landfill across the Group

▲ 8% on F23

>36M

equivalent meals donated to our food rescue partners⁴

▲ from 34m in F23

>56,000t

of produce sold via our Odd Bunch program in F24

▲ 9% on F23

Our approach

We recognise our role in driving systemic change through our operations, value chain, customer platforms and partnerships. While our operations contribute 10% of food waste across our value chain, the greater impact lies within our supply chain (50%) and customers' homes (40%). We're actively working to reduce waste across these areas, using a 'highest impact' approach. This includes partnering to prioritise getting edible surplus food to people in need and minimising waste throughout our operations and supply chain. Our ambition is to redistribute all edible unsold food and divert all operational food waste from landfills by 2025, starting with our supermarkets.

What we've been doing

We apply an end-to-end approach to how we responsibly manage food waste. We support our farmers upstream to reduce food waste to landfill through programs such as Refresh:Food, in our own operations through rescue and diversion, and downstream by educating and inspiring our customers.

Optimising our operations

We continue to equip our in-store teams across all operations to make informed decisions about food waste reduction using our Food Waste Diversion Pyramid. This prioritises getting surplus food to people in need, then to farmers and wildlife, and finally to food waste recycling. In Australia, we have provided training, simplified signage, and an enhanced data dashboard to increase visibility of each store's impact. In New Zealand, we have added resource recovery specialists, incorporated food waste reduction targets into scorecards, and relaunched daily waste huddles to build capability and efficiency.

1 Food Innovation Australia Limited, A Roadmap for reducing Australia's food waste by half by 2030, 2020.

2 Rabobank and KiwiHarvest, 2023 Rabobank-KiwiHarvest Food Waste Survey, 2023.

3 Foodbank, Foodbank Hunger Report, 2022.

4 Figures based on 53 weeks in F24, noting that F23 included 52 weeks.



Our \$7.7 million investment has contributed to us making good progress towards securing a food waste recycling service for all stores. In F24, we expanded these services to 76 Australian Supermarkets. This progress was supported by establishing new routes to service rural stores, partnering with Veolia to create new depackaging facilities in Dandenong, and forming six food recycling partnerships in collaboration with the industry. These initiatives have been particularly beneficial for our regional Australian stores.

These initiatives have increased our food waste diversion rate to 80%, a 8% increase on F23², with a growing proportion going to food relief partners, providing more than 36 million meals for those in need.³

While we are making progress in reducing food waste to landfill and have worked hard to build capacity, we acknowledge that unforeseen events such as power outages, refrigeration breakdowns and natural disasters continue to impact our ability to divert food waste from landfill. Challenges also remain due to limited infrastructure and capacity for recycling of food waste, particularly in regional areas. We will continue to work towards mitigating this impact through proactive mitigation strategies.

Food Waste Diversion Pyramid



CASE STUDY

Roast chicken to the rescue

Australian Supermarkets roast chicken products are a popular and convenient meal solution for our customers. However, with a short four hour shelf life in store, our store teams are regularly left with surplus chicken, historically diverted into food waste recycling or landfill.

Our operations and quality teams partnered to create a safe and efficient process for stores to donate their surplus roast chickens to OzHarvest. Following a successful pilot the process was rolled out nationally. In F24, this delivered over 211,000 additional meal equivalent donations to OzHarvest.

CASE STUDY

Meals for the Mob delivered by Primary Connect

In F24 Primary Connect partnered with FareShare for the first time, delivering 4,000 meals to Mornington Island Primary School, in the Gulf of Carpentaria. Beyond addressing the community's food insecurity, the meals were provided to improve school attendance and children's development.



Image: FareShare chef cooking free, nutritious meals that feed dignity and wellbeing.

1 For example commercial composting, Goterra, etc.

2 Our food waste reporting is based on the known food waste across our stores and distribution centres – the tonnage of unsold food recorded as 'dumps' by our teams. We recognise that there is a level of food waste that is not currently being recorded as such, and will continue to work with our teams to maximise visibility.

3 Figures based on 53 weeks in F24, noting that F23 included 52 weeks.

Prioritising food for people in need

Woolworths Group together with our food rescue partners continue to address the growing demand for food relief across Australia and New Zealand. Working with our partners including OzHarvest, Foodbank and FareShare in Australia, and KiwiHarvest and The Salvation Army in New Zealand, in F24 we donated over 36 million meals¹ of surplus food and groceries from our stores and DCs to thousands of local charitable organisations.

→ Read more on how we're investing in our communities, including our food rescue partners on [page 28](#).

Reducing food surplus and recovering food upstream

We recognise that addressing food waste requires innovation, investment and ongoing collaboration with partners, industry and government. As part of our commitment to this approach Woolworths Group is a member of End Food Waste Australia and New Zealand's Kai Commitment. By coming together through these organisations we're working with industry to share best practice, fund research and take collective action.

Refresh:Food exists to enable farmers to sell more of their crop regardless of its specifications. This includes working to reallocate surplus produce helping to reduce upstream food waste. The B2B digital marketplace connects growers with diverse buyers, including retailers, processors and food-rescue organisations.

Food rescue partner OzHarvest has used Refresh:Food to support expanded operations in the Northern Territory including weekly deliveries of fresh fruit and vegetables to 70 families across 12 remote Indigenous communities in Kakadu, four ranger stations and around 20 houses in Jabiru town, as well as the school and childcare centre.



Image: Surplus fresh food donated by Woolworths being delivered free of charge to PCYC, Marrickville.



"In our so-called 'lucky' country, it's devastating to think that 3.7 million households are struggling to put food on the table. We see the need in communities every day and are doing our best to make sure good food gets to those who need it most, but it's not enough. We're so grateful for our wonderful national partnership with Woolworths, from whom we rescue good food every day across the country, and whose funding keeps our wheels turning, enabling us to get more food to those in need."

Ronni Kahn AO – OzHarvest Founder and Visionary in Residence

In F24 Refresh:Food

69

active users
on the platform



>500t

produce diverted to charities
through the Refresh:Food platform



+46

types of
produce listed



¹ Figures based on 53 weeks in F24, noting that F23 included 52 weeks.



Image: The Odd Bunch, Woolworths Supermarkets.

The Odd Bunch

The Odd Bunch allows customers to save at least 20% when they purchase fruit and vegetables from the range, and supports our farmers across Australia and New Zealand to sell more of their crops.

>56,000t

of produce sold via our
Odd Bunch program in F24



Amplifying for customers

Woolworths Group understands the role we can play in helping customers reduce food waste at home. We are increasing our focus on customer education programs across our stores, products and customer communications.

Helping customers reduce food waste

Airing in April 2024, the Food Rescue Kitchen television series showed chefs creating three course meals from surplus food collected from our stores. New Zealand Supermarket's sponsorship of the series raises awareness of our food rescue partners such as Rescued Kitchen and KiwiHarvest and aimed to get customers to rethink their own food waste. In conjunction with the series New Zealand Supermarkets partnered with Love Food Hate Waste, to provide free 'Eat Me First' reusable stickers in store. The stickers provide a behaviour nudge tool customers can use on items in the fridge so they aren't forgotten. The impact research on OzHarvest's similar 'Use It Up Tape' showed it can have a 40% reduction in the average total amount of household food wasted.¹ This year, Cartology, our retail media business, partnered with OzHarvest to provide free advertising at 24 shopping centres across Australia. The campaign, which promoted OzHarvest's Use It Up Tape, reached an audience of approximately 1.9 million and was valued at over \$473,000.



Image: Food Rescue Kitchen television series filming, 2024.

What's next?

- + Woolworths 360 will work towards closing the gap on the remaining Australian Supermarkets without food waste recycling infrastructure by building and expanding relationships with waste partners and commence them servicing our stores
- + Refresh:Food will continue growing the platform by providing consistency of supply and a frictionless transaction experience aimed at increasing its active users so growers can sell more of their crop regardless of its specifications.

¹ OzHarvest, Use It Up Tape Impact Study. Reducing Household Food Waste by 40%, 2022.

Product

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 are working 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. 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.

>16k

tonnes of virgin plastic packaging removed from circulation since 2018

#1

Australia's healthiest supermarket own brands, 5th year in a row ¹

100%

sustainably sourced single product tea, coffee, cocoa



Watch our sustainability stories [here](#).

¹ The George Institute for Global Health's FoodSwitch: State of the Food Supply report (2019, 2020, 2021, 2022, 2023) based on mean Health Star Rating compared with Coles, ALDI and IGA.



Overview



People



Planet



Product



Sustainable Development Goals:



Image: Nathan and John Baronio, Eastern Colour Farm, Queensland.



Goal 1

Helping make health easier

Why it matters: Food and beverage choices impact our health and wellbeing. Unhealthy diets, along with factors like inactivity, tobacco and alcohol, are key contributors to non-communicable diseases.¹ As one of Australia and New Zealand's largest food retailers Woolworths Group's actions, including product innovation, reformulation and price promotions on healthier products, have the potential to contribute positively to the health outcomes of our communities.

Our ambition: We aim to **make health easier for Australians and New Zealanders** through meaningful initiatives including leading the way with affordable and healthier own brand products and encouraging kids to eat healthier and be active.

PERFORMANCE & IMPACT

#1

Healthiest Australian supermarket own brands, fifth year in a row³

71.2%

total sales tonnage from healthier products⁴

▲ 63bps on F23

>32M

pieces of free fruit for kids in F24

▲ 2M on F23

Our approach

Our customers tell us health is a priority.² 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 positively contribute to 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 advice, services and products.

Our approach is underpinned by efforts to:

- grow the proportion of sales from healthier products in our supermarkets by 50 basis points (bps) annually and work to support, educate and inspire our customers to make healthier choices
- lead the way for affordable and healthier products through our own brands by reducing 'nutrients of concern' such as salt, sugar and saturated fat, adding more vegetables and whole grains and maintaining our status of being free from artificial colours and flavours
- inspire and empower the next generation through fun and engaging activities, healthier products kids love and ideas for families.

What we've been doing

We use the government's Health Star Rating (HSR) system to measure our progress, and define 'healthier products' as those with a HSR of 3.5 stars and above. We've continued to improve our reporting and have transitioned our primary metric to *the proportion of sales tonnage from healthier products in our Australian and New Zealand Supermarkets and Metros* (previously based on sales dollars). Using sales tonnage provides a better indication of what customers actually consume and is less impacted by inflation. It is also aligned with the methodology used by other global retailers. In F24, 71.2% of our total sales tonnage was from healthier products in our Australian and New Zealand Supermarkets and Metros.⁴ This is an improvement of 63 bps versus F23 and 13 bps above our annual target of 50 bps. This was driven by a higher share of fresh food products in our customers' baskets, as well as progress across our grocery and chilled departments.

1 World Health Organisation, World health statistics 2023: monitoring health for the SDGs, sustainable development goals, 2023.

2 Woolworths Consumer Pulse, May 2024.

3 The George Institute for Global Health's FoodSwitch: State of the Food Supply report (2019, 2020, 2021, 2022, 2023) based on mean Health Star Rating compared with Coles, ALDI and IGA.

4 Includes products eligible to display HSR across Australian and New Zealand Supermarkets and Metros.



Making healthier more affordable

Cost-of-living continues to be the top concern for consumers.¹ Whilst there is a perception that eating healthy food is expensive², our data shows that it is 7% cheaper to purchase a healthy food shop that meets the Australian Dietary Guidelines, compared to an average Australian household shop.³ To provide value and make healthier more affordable for our customers, we include healthier choices, with a HSR of 3.5 and above, in our Australian Supermarkets' seasonal Prices Dropped, Low Price and standard yellow (discounted) promotional programs. Healthier sales made up 60% of our four food seasonal Prices Dropped campaigns in Australia this year, growing faster than the rest of the campaign. In Australian Supermarkets, healthier choices are now included and highlighted to customers as part of promotional displays on relevant food aisle-ends. In Australia and New Zealand we provide Everyday Rewards members with offers on fruit and vegetables.

Leading with own brand products

We understand that many customers want healthier choices, and also make purchasing decisions based on quality, taste and value. As we reformulate our own brand products to be healthier, we focus on balancing these customer expectations to enable us to achieve healthier baskets in our supermarkets.

The reformulation of our own brand products is guided by the Australian Government's Healthy Food Partnership (HFP) reformulation targets⁴ and the New Zealand Heart Foundation's HeartSAFE targets for nutrients of concern (salt, sugar and saturated fat). We continue to identify opportunities to increase whole grains and vegetables in new products and recognise there is more to do.

In Australia, Wave 1 of the HFP reformulation program has concluded, running from July 2020 to June 2024. During this time, we were able to meet the targets in eight out of 12 food categories.⁴ Whilst we have made efforts to meet the Australian HFP targets in Wave 1, some have proven challenging from a technical perspective. For example, we have not been able to meet the saturated fat target of 7g/100g for all products in the savoury pastry category due to the functional role fat plays in the dough. We also found that using too little fat in some pastries significantly compromises quality for our customers and results in dry and brittle products. We have shared our challenges with the government for consideration as they determine the next steps for the program.

87% of eligible own brand products in Australia meet the HFP reformulation targets (Wave 1 and 2)
▲ from 79% in F23

71% of eligible own brand products in New Zealand meet the HeartSAFE targets
▲ from 66% in F23

Healthylife Living Healthy Report 2024

This year Healthylife released its third annual Living Healthy Report – Protecting the Health of our Future Generations. It takes a deep dive into the state of Australian kids' health.



[View and download the report here.](#)

Own brand reformulation

	Less salt 285t since F20	43t⁵
	Less saturated fat 1,087t since F20	78t⁵
	Less sugar 583t since F20	79t⁵

1 The IPSOS Issues Monitor AU, March 2024 and The IPSOS Issues Monitor NZ, March 2024.
 2 IPSOS, Woolworths Food & Health Survey Australia, June 2023.
 3 Healthylife, Living Healthy Report 2024.
 4 The HFP is a collaborative effort between the government, industry and the public health sector to improve the healthiness of foods and drinks. The reformulation program involves two waves of targets (salt, sugar, saturated fat) for specific food and drink categories/subcategories.
 5 Figures based on previous 12-month sales quantities prior to reformulation.

Making healthier more accessible: Our customer journey

Pre-shop



Inspiration to make healthier choices

OUR INITIATIVES

Product advertising:

highlighting healthier choices in our Australian catalogue and promotions using HSR

Healthier inspiration:

making healthier eating easier with recipes, tips and inspiration featured in Woolworths Fresh Ideas magazine and on the Australian Supermarkets website

In season inspiration:

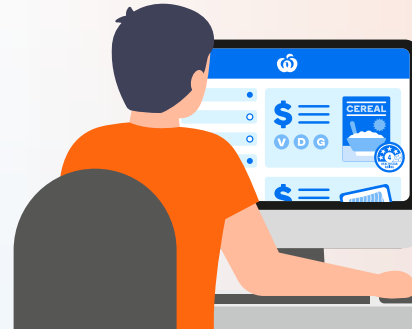
highlighting in season fruit and vegetables and providing tips and recipes on the Australian and New Zealand Supermarkets websites

F24 HIGHLIGHTS

681 healthier recipes on the Australian Supermarkets website and app
▲ 14.4% on F23

2nd most visited inspiration landing page¹ on the Australian Supermarkets website was the 'Healthier recipes & ideas' page

Online



Features to help find healthier products

Healthier options:

suggesting healthier product alternatives (based on HSR) on the Australian Supermarkets website and app

Dietary and HSR product filters:

helping customers find products to meet their individual needs and identify healthier choices in a category (HSR filter Australia only) on the Australian and New Zealand Supermarkets websites and apps

HSR online:

HSR displayed for an increasing number of intended products² on the Australian and New Zealand Supermarkets websites

~35% of intended products² display HSR on the Australian Supermarkets website
▲ 5% on F23

~32% of intended products² display HSR on the New Zealand Supermarkets website
▲ 2% on F23

1 Inspiration landing pages are content pages curated to enable customers to discover inspiration, tips and recipes within a specific topic or theme.

2 Packaged foods required to carry a nutrition information panel, that can vary in nutritional composition, where HSR data has been provided (30 June 2024).

Woolworths Group is committed to making health easier for our customers across Australia and New Zealand. We provide information and initiatives that help customers make informed decisions to meet their individual needs. We're focused on making healthier more accessible through the whole customer journey – before their shop, during their shopping experience and once their shop is complete.

In-store	Post-shop
<h3>Location and labelling to support healthier choices</h3>	<h3>Services and tools to make healthier easier</h3>
<p>Healthier checkouts: ≥80% of food products at checkouts in Australian and New Zealand Supermarkets are healthier (≥3.5 HSR)³</p> <p>Free Fruit for Kids: available in all Australian and New Zealand Supermarkets and Metros</p> <p>Clear and transparent labelling: HSR on pack for all intended own brand products</p>	<p>Food Tracker by Healthylife: helping Australian customers compare their food shop against the Australian Dietary Guidelines</p> <p>Telehealth appointments: customers have fast, convenient and reliable access to registered doctors through Healthylife in Australia</p> <p>Information and articles: by expert health professionals from Woolworths and Healthylife, providing credible health information</p>
<p>>32M pieces of free fruit for kids</p> <p>Added nutrition information and HSR to own brand in-store bakery product labels in New Zealand</p>	<p>>18,000 customers signed up to Food Tracker by Healthylife's Fruit & Veg Challenge in Australia</p> <p>>5,000 telehealth appointment bookings in Australia</p>

3 For food products eligible to display HSR.



Image: Woolworths Free Fruit for Kids program.

Encouraging kids to eat healthier

Our Free Fruit for Kids program continues to grow with F24 seeing us give away more than 32 million pieces of free fruit across Australia and New Zealand. Our Woolworths Fresh Food Kids e-Discovery Tours program in Australia continues to help kids understand where their fresh food comes from, with more than 34,000 kids participating in the program throughout the year.

We continue to work with our partners Life Education and MyMahi to encourage Australian and New Zealand kids to eat healthier. In Australia, we again supported Life Education's Thrive Children's Fund to provide access to preventative health education from Healthy Harold for schools in regional and remote areas, or areas of disadvantage. We also collaborated with Life Education on the Australia's Healthiest Lunchbox competition, encouraging families to consider healthier lunchbox options. In F24, we partnered with MyMahi in New Zealand, to engage 1,200 teachers/mentors in healthy eating lessons, reaching 12,500 young learners. There were over 4,000 views of the healthy eating lessons, an increase of 300% on F23.

Encouraging kids to be active

Australian Supermarkets is one of the largest supporters of grassroots sports in Australia, partnering with Cricket Australia, Netball Australia and Surfing Australia. Our Woolworths NetSetGO, Cricket Blast and SurfGroms programs connect us to local communities and help set the foundations for kids to lead an active life. In F24, over 8,000 kids participated in SurfGroms, over 55,000 in Woolworths NetSetGO and over 83,000 played in our Woolworths Cricket Blast. In addition, we provided the opportunity for more than 16,000 under privileged kids to participate in Woolworths Cricket Blast through the Woolworths Community Fund. New Zealand Supermarkets continues to sponsor the Future Ferns, netball New Zealand's official junior netball program.



Image: Woolworths NetSetGO, Cricket Blast and SurfGroms programs.



**RANKED
HIGHEST**

in Deakin University's
2024 'Inside Our
Supermarkets' report

which rates Australia's major
supermarkets on their policies
and practices around nutrition.

**Woolworths scored
64 out of 100¹**

1 Sacks G, Chan J, Gaucher-Holm A, Sievert K, Cameron A, Vanderlee L. Inside our Supermarkets: assessing company policies and practices for supporting healthier food environments and improving population nutrition, Australia 2024. Melbourne: Deakin University, 2024.



GOAL 5

Responsible retailing

Woolworths Group aims to lead in the responsible retailing of alcohol and tobacco. Whilst we want to provide customers choice, we are committed to adopting retailing strategies, processes and controls to minimise potential harm.

Cigarette sales across Australia and New Zealand are declining due to healthier customer choices, excise taxes and government regulation. We continue to work with the Australian and New Zealand governments to implement tobacco and nicotine control and preventative health policies. In early 2024, changes to the New Zealand Smokefree legislation reversed the anticipated Smokefree Aotearoa 2025 Action Plan regulation of the sale of smoked tobacco products. As a result of this industry-wide change New Zealand Supermarkets will continue to retail these products in our stores at this time. With further regulation of vaping products taking effect, we have

reviewed our retailing of vaping products and decided to cease retailing these products in New Zealand from 1 July 2024. This is consistent with our approach in Australia where we do not retail these products.

To encourage our customers to drink responsibly, we strive to stock a range of low and zero alcohol beverages. We prominently co-locate and promote these options within the beer and wine sections across our New Zealand Supermarkets to drive accessibility and choice for our customers. In Australia, our supermarkets offer a range of zero alcohol beverages in store. Alcohol is sold online via our Australian Supermarkets, BIG W, Everyday Market, Milkrun and MyDeal in partnership with BWS and other suppliers. In F24 we continued to drive proactive measures to enable the responsible sale of alcohol such as training of Age Restricted Goods team and delivery drivers, and mystery shopping testing.

Health advocacy and partnerships for greater impact

In F24 we continued our collaboration with government and industry on health initiatives and programs to support healthier choices across Australia and New Zealand.

Woolworths Group is a member of the Australian Government's Healthy Food Partnership Executive Committee which has been working to expand the reformulation program through the development of draft Wave 3 category targets. We are also part of the Foods for Early Childhood Reference Group, providing insights and technical expertise to support recommendations to improve commercial foods for infants and young children.

In Australia, our Woolworths Supermarkets Trade Partner Sustainability Council for Healthier Choices drives engagement with our supplier network to help improve availability and access to healthier choices. Through the Council we encourage our suppliers to adopt Health Star Rating on-pack, and increase healthier choices through product innovation and reformulation. To support this, we have recently introduced healthier choices metrics into our supplier connect scorecard to help our suppliers understand how they are contributing to our ambition to grow both HSR coverage and the proportion of sales from healthier products.

We also successfully advocated for the government to allow the display of HSR to customers for products where it is not shown on pack. This will help us to display more HSRs (where provided by suppliers), including online and in advertising, and make it easier for customers to make informed healthier choices.

What's next?

- + Enhance our offering of healthier products (HSR 3.5+) at front of stores, with a focus on affordable snacking across our Australian supermarkets to drive visibility of healthier products for our customers
- + Develop a beyond-2025 own brand health strategy and product roadmap in Australia to address our customers' health needs, including innovating new health propositions and ranges
- + Continue the reformulation of our own brands in Australia to work towards outstanding HFP Wave 2 category targets (muesli and snack bars)
- + In New Zealand, continue our participation in the Heart Foundation's HeartSAFE reformulation program, including the development of new targets and resetting of current targets.

Goal 2

Supporting the sustainability of our packaging

Why it matters: Packaging helps reduce food waste, protects products during transportation and ensures their security and safety; however it is often made using finite resources and non-recyclable sources.¹ By partnering with our suppliers, industry and government, Woolworths Group can help identify and implement more sustainable packaging solutions.

Our ambition: Guided by our principle to apply circular thinking to everything we do, our aim is that **our packaging is sustainable** across our own brand products by reducing the use of virgin plastic and increasing the recyclability of our packaging.

PERFORMANCE & IMPACT

>16,000t

virgin plastic packaging removed from circulation since 2018

▲ >2,500t on F23

85%

own brand packaging recyclability

>55M

produce reusable plastic crate cycles

Our approach

With packaging, especially plastic, being a top concern for our customers, we're committed to making our own brand packaging as sustainable as possible. We're collaborating with suppliers to promote recycling through innovative design, technology, and clear communication. In our own operations, we follow the 'remove, reduce, reuse, recycle' principles for our packaging, while maintaining food safety, quality, and our commitment to reducing food waste.

Our approach supports the Australian Government's 2025 National Packaging Targets and focuses on:

- halving the use of virgin plastic packaging
- achieving an average of 60% recycled content
- making all our packaging widely recyclable, reusable or compostable.

What we've been doing

Working towards sustainable own brand packaging

Over the past year we have implemented a number of initiatives to reduce virgin plastic and increase the average recycled content across a range of categories in our own brand products.

These initiatives have enabled us to achieve:

- 31% reduction of virgin plastic packaging versus 2018 base year
- 51% recycled content ahead of Australia's 2025 National Package Targets
- 85% recyclability in our own brand packaging.

Additionally, we have several initiatives underway, such as using rPET for carbonated beverages and poultry trays, which will be implemented early in F25 and are expected to drive our progress towards our targets.

¹ Australian Government, Department of Climate Change, Energy, the Environment and Water, A circular economy for packaging in Australia, www.dcceew.gov.au/environment/protection/waste/packaging.



Key Initiatives to reduce virgin plastic in F24

706t

reduced from 1.5L water bottles through inclusion of recycled plastic

498t

reduced from 500ml sparkling water bottles through inclusion of recycled plastic



187t

reduced from hot roast bags (including chicken) through inclusion of recycled content

20t

removed from 2023 Christmas range for BIG W

610t

reduced from meat trays through both removal of virgin plastic and inclusion of recycled content

Typical products shown but not limited to.

CUMULATIVE FROM BASE YEAR (2018):

>16,000t

virgin plastic reduction against base year through targeted initiatives

F24:

>2,500t

virgin plastic reduction

CASE STUDY

Removing problematic plastics

The Woolworths Group Packaging Preferred Materials List and Format Guidelines assist all suppliers in developing packaging plans that reduce problematic materials. We have worked to remove more than 1,000 tonnes of problematic plastic in different packaging projects, in addition to nearly 17,000 tonnes when we phased out lightweight plastic shopping bags in 2018. As an example, BIG W has successfully eliminated 65 tonnes of rigid expanded polystyrene (EPS) from our own brand packaging. EPS is a problematic plastic commonly used in packaging for appliances, furniture and homewares, and it is not kerbside recyclable. This removal supports Australia's 2025 National Packaging Targets, which aim to eliminate problematic materials like EPS by 2025 – a goal BIG W has achieved ahead of schedule.

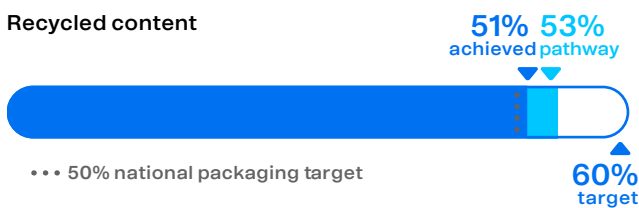
Navigating current industry headwinds

Our ambition, set in 2020, aimed to contribute to a more sustainable packaging sector working to drive innovation and collaborative problem solving. In some cases we set our ambition above industry, for example with our target for recycled content (60%) exceeding that of Australia's 2025 National Packaging Targets (50%). In others we are the only retailer in Australia and New Zealand to set a target to reduce virgin plastic.

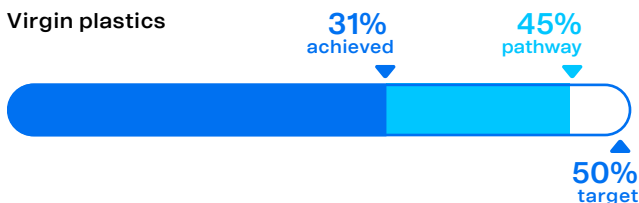
Our efforts towards this have not been linear due to headwinds, including limitations in the availability of recycled content, and constraints in recyclability solutions for small format packaging (e.g. triggers/pumps). Additionally, unlike rigid plastic, soft plastics have narrower recycling processes, restricting the availability of non-virgin plastic material.

Whilst we have made strong progress, these constraints have put pressure on our ability to meet our targets for recycled content and virgin packaging with our modelling indicating a pathway to 53% versus 60% and 45% versus 50% by 2025.

Recycled content

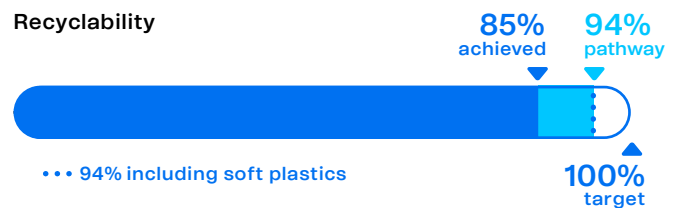


Virgin plastics



Towards our aim to make 100% of our own brand packaging widely recyclable, reusable or compostable by 2025 (in line with the National Packaging Targets), we have achieved 85% recyclability. This percentage takes into account the pause in soft plastics in-store collections introduced in late 2022. Our pathway to 94% is dependent on industry-wide solutions to soft plastics recycling by December 2025 (see page 65). In addition, changes made this year to New Zealand's recycling criteria have resulted in some packaging being re-classified as non-recyclable, for example caps and lids, foil and aerosol cans.

Recyclability



We remain focused on working in partnership and with agility to address challenges associated with changing market conditions and industry capability. Solutions have been identified and implemented for the majority of problematic materials with work underway to phase out the remaining. We continue to make progress on the sustainability of our own brand packaging, investigating solutions and opportunities with industry partners, while we advocate with government to increase the recyclability of packaging.

CASE STUDY

Partnering with suppliers, industry and government

Our aim is to work with all suppliers to phase out the hardest to recycle materials from their packaging by 2025. Whilst meeting Australia's 2025 National Packaging Targets is voluntary for our suppliers, we continue to provide awareness, education and encouragement to meet these targets including:

- engagement through our Trade Partner Sustainability Council for Packaging and Recycling, including hosting showcase events to encourage the adoption of sustainable packaging and the use of the Australasian Recycling Label (ARL)
- issuing updated guidance on preferred packaging materials¹ reflective of latest regulations and recycling thresholds to encourage the phase out of problematic plastics
- providing representation on the Australian Packaging Covenant Organisation Board to facilitate collective efforts towards sustainable packaging solutions.



CASE STUDY

Little changes that can have wider reaching impacts

Uncoloured bottle caps can be recycled into a greater variety of products than coloured caps. This year our Australian Supermarkets made the transition to uncoloured caps, improving the recyclability of 370 tonnes of water and 290 tonnes of milk bottle caps per year.

This change has also had an unintended benefit for the Satin Bowerbird, common along Australia's east coast, and known for its fascination with all things blue. When the birds picked up the blue ring from the bottle cap, they could flip it backwards over their heads with it becoming stuck between their beak and their necks. Removing blue bottle caps reduces this risk.



Image: Uncoloured milk caps, Woolworths Australia.



"WIRES welcomes this excellent initiative by Woolworths. The simple change of cap ring colour is a win for the environment and also for native wildlife by helping protect our unique and beautiful Bowerbirds."

Leanne Taylor – WIRES CEO

CASE STUDY

Soft Plastics in Australia

In 2022, the Soft Plastics Taskforce (Taskforce) was formed, following the collapse of REDcycle, to allow Australia's major supermarket retailers to restore public access to post-consumer soft plastics recycling.¹ Chaired by the Federal Department of Climate Change, Energy, the Environment and Water, the Taskforce has been working with current and new recycling providers to uplift capability and increase capacity to process the existing stockpile and future collections.

In 2023, Coles and Woolworths took control of the existing soft plastics stockpiles to store safely while identifying recycling solutions. To date we have consolidated the stockpile from 46 facilities to eight locations which are approved by state based Environmental Protection Authorities and local councils.

Timing of a national rollout is dependent on the success of state trials, recycling infrastructure and scalability to meet demand. Two recyclers, CRDC and Close the Loop, commenced recycling soft plastics in early 2024. This enabled the launch of the Soft Plastics Recycling Trial in 12 stores in Melbourne, including two ALDI, five Coles and five Woolworths

stores. In May 2024, a sorting facility for collected plastics was established at Taree NSW. This facility will process the highest grades of sorted soft plastics making it into food grade packaging, a first for Australia. Once the Taree facility is running at full capacity it will allow the Taskforce to commence a collection trial on NSW's mid north coast.

The Taskforce recognises the need for a national soft plastics recycling solution, and is working to build on the learnings from numerous trials and errors to support a long-term, industry-based solution. The journey, so far, has not been linear with recyclers challenged to receive necessary government approvals, capital investment and securing offtake partners to establish sustainable business models.

The Taskforce and the Australian Food and Grocery Council will join forces to spearhead the formation of a national soft plastics product stewardship scheme for all Australians. This scheme will be crucial to reducing the environmental impacts of soft plastic waste and drive sustainably focused economic opportunities, by creating a circular solution via product design, material recovery, recycling and end markets.

1 Authorised by the ACCC.

Applying circularity in our approach

ReUse Co, launched in F24 as a team within the Woolworths Group, focuses on building a portfolio of reusable equipment to proactively unlock end-to-end benefits for us and our suppliers. ReUse Co aims to create value in several areas:

- **Commercial:** driving economic and business growth by reducing costs for suppliers
- **Productivity:** improving efficiency and quality by supporting supply chain automation, with benefits in labour reduction
- **Safety:** enhancing safety by reducing manual labour and the associated risks, such as lifting-related injuries
- **Sustainability:** contributing to our 2025 Plan by reducing emissions, water usage and promoting circular solutions with recycled materials.

ReUse Co's primary focus is transitioning the movement of Woolworths products from single-use cardboard packaging to reusable equipment; in turn supporting the Australian manufacturing industry. A key achievement in this area is the WooliesX online tote, which was previously produced overseas using virgin materials. It is now manufactured in Australia from recycled materials.

CASE STUDY

Circular solutions with our partners

Reusable plastic crates (RPCs) are one example of how Woolworths Group is applying circular thinking to our supply chain. RPCs are used to transport the majority of meat and approximately 40% of our fruit and vegetable volume in Australia. Unlike single-use cardboard or polystyrene boxes, RPCs are designed to be used up to 140 times before being recycled. In F24, our use of RPCs for fruit and veg meant we avoided the use of more than 55 million single use cardboard boxes and resulted in a reduction of 23,300 tonnes of CO₂ and saving 234,000GL of water, compared to the same volume packed in single use cardboard. We're also planning to expand the use of RPCs in other categories, including poultry. Our partnership with Pact Group is part of our long term commitment to building Australia's circularity capabilities.

Since 2021, we have also progressively replaced our metal shopping trolleys with plastic trolleys, using recycled HDPE, the majority from milk bottles. These trolleys are now available in over 25% of our Australian Supermarkets, extending to 30% by the end of 2024. In addition, in Australia we've extended the use of this 98% recycled plastic to our handheld baskets with plans to expand to more stores.



Image: Peninsula Fresh Organics, Victoria.



"This is another example of Pact's and Woolworths' long-term commitment to the circular economy, with Pact's partnership with Woolworths to provide reusable packaging."

Sanjay Dayal – Pact Managing Director and Group Chief Executive Officer



Overview



People



Planet



Product



Woolworths

boot

Supporting customers recycling efforts

We want to support and encourage our customers to reduce and recycle waste to minimise our collective impact on the environment. This year, we achieved our target to display the Australasian Recycling Label (ARL) on 100% of our supermarket own brand product packaging. In addition, by the end of F24 we had added the ARL to 91% of BIG W own brand packaging, up from 55% in F23.¹ To support customers' soft plastic recycling efforts, we are working to replace the ARL 'return to store' logo on our own brand products with the new soft plastics recycling ARL 'check locally' by 1 July 2025.

In Australia we delivered on our commitment to cease online plastic bag sales, removing them from circulation at our Supermarkets and Metros in December 2023. This together with our earlier phase out of 15-cent plastic bags in Australian stores equates to approximately 221 million plastic bags removed from circulation annually.

What's next?

- + Deliver key initiatives towards our packaging commitments, including reducing plastic for existing and new products, and increasing recycled plastic use in beverage and poultry packaging
- + Ongoing collaboration with industry and government to address industry-wide packaging and plastic recycling challenges, including contributing to efforts to establish a national soft plastics stewardship scheme
- + Continuing to evolve our approach to circularity focused on impact across our value chain, and closing the loop through design, technology and activation with our suppliers and customers.

¹ This updated packaging will continue to flow onto our shelves and to avoid waste, some items without the ARL may still appear in stores until sold through.

Goal 3

Working to source our products sustainably

Why it matters: Sourcing certain resource intensive ingredients poses a higher risk of negative social and environmental consequences, including deforestation, climate change, and exploitative working conditions. With one of the largest retail supply chains in Australia and New Zealand, we recognise the role we can play in partnership with our suppliers towards sustainable sourcing of these commodities.

Our ambition: Our aim is that our **sourcing is sustainable** by working to sustainably and responsibly manage the way we source products and the ingredients. We believe in the power of partnerships to support the scale of transition necessary and enhance the potential for positive impact across our value chain.

PERFORMANCE & IMPACT

100%

sustainably sourced
single product
cocoa, coffee, tea
maintained from F23

100%

sustainably sourced
palm oil (food)
maintained from F23

Updated

approach to
no-deforestation
in line with SBTi

Our approach

By sustainably sourcing our products and ingredients, we aim to make it easier for customers to make sustainable choices. We're committed to working collaboratively with our suppliers and other supply chain partners to minimise negative environmental and social impacts. We focus on primary deforestation-linked commodities – paper, pulp, timber, palm oil, cocoa, soy (in stock feed) and fresh beef. Additionally, we consider other high-risk commodities such as tea and coffee, and the ethical sourcing of cotton.

What we've been doing

We undertook a risk and maturity assessment of our primary deforestation-linked commodities to better understand the current maturity of our supply chain and understand the implications in shifting our ambition from net to no-deforestation. We recognise the practical and dynamic context in which Woolworths Group operates, and the importance of working collaboratively with our suppliers and other supply chain participants towards our deforestation ambition.

Evolving our target

To date, our efforts have centred on achieving net zero deforestation in our own brand products by 2025. This has involved setting clear expectations and driving progress towards this target. This year, we further strengthened our approach by updating our deforestation target to align with SBTi FLAG Guidance for no-deforestation, including our vendor brands. This update supports our scope 3 emissions reductions and removals, while also promoting positive nature outcomes.

We recognise that for many of our primary deforestation-linked commodities (e.g. paper, pulp and timber, palm oil, cocoa, soy in stockfeed), there are existing certifications that support our efforts to source deforestation free. We note that in other areas (e.g. fresh beef) more work is required. We are sensitive to the issue around evolving definitions of deforestation and the need to apply these definitions in the appropriate context for our supply chain, industry and geography.

Our targets are based on our internal modelling and current understanding of the public information available to us, including supplier commitments and government policies. We acknowledge that this is an evolving landscape and that new information or developments may impact our ability to reach our targets. We will continue to adapt and improve our approach as we learn more, and we'll make decisions based on the best available evidence.



We don't underestimate the scale of the transition required to achieve our 2025 no-deforestation ambition, and understand success will depend on many small actions beyond our direct business operations. In recognising SBTi's guidance to support a just transition, we will take care not to exacerbate underlying inequities, particularly for our smaller suppliers. We will actively engage with farmers, suppliers, industry and other key stakeholders to support progress together. We will continue to take a collaborative approach towards our targets, working together with suppliers. This will include partnering with suppliers, industry and governments to address barriers and opportunities to protect and restore nature. We recognise that greater progress can be made together where knowledge, insights and resources are shared.

EXISTING 2025 PLAN TARGET	NEW TARGET ¹	TIMEFRAME	VALIDATION
By 2025, we will source high risk commodities (e.g. pulp, paper, timber, palm oil, cocoa, tea, coffee, soy, fresh beef) in our own brand products sustainably from net zero deforestation supply chains. As these commodities are considered to have material impact on deforestation and conversion of natural ecosystems, we will assess the transition to deforestation and conversion free supply chains.	Woolworths Group aims to achieve no-deforestation across our primary deforestation-linked commodities, with a target date of 31 December 2025. In doing so, Woolworths Group: <ul style="list-style-type: none"> references the current SBTi definitions of "deforestation" and "natural forest"² and will interpret and apply these definitions in the appropriate context for our supply chain, industry and geography; and confirms that our primary deforestation-linked commodities are paper pulp and timber, palm oil, cocoa, soy (in stockfeed) and fresh beef. 	Near term	SBTi validated

Basis of deforestation targets:

In reviewing our ambitions and making the target statements in the table above, Woolworths Group confirms:

- our commitment, first and foremost, to comply with our legal and regulatory obligations, particularly those in relation to Woolworths Group's dealings with suppliers and other relevant supply chain participants;
- that Woolworths Group intends to apply appropriate resources, and to engage and collaborate in good faith with suppliers to Woolworths Group and other relevant supply chain participants, in working together to meet these challenges, and in supporting a "just transition"³; and
- that our review and the target statements above are based on Woolworths Group's planning, modelling and assumptions, made with the public information presently available to us, as to:
 - the commitments, behaviour and performance of many of our suppliers and other supply chain participants;
 - government policy and regulation in relation to these issues; and
 - prevailing definitions of elements relevant to the target statements.

Should the information available to us in relation to these issues change over time, Woolworths Group may review and adjust our targets.

¹ Effective from August 2024.

² See SBTi FLAG Science-based Target-setting Guidance, Version 1.1, December 2023 (page 61).

³ See SBTi FLAG Science-based Target-setting Guidance, Version 1.1, December 2023 (page 39).



Progressing towards our 2025 Plan targets

In F24, we made continued progress toward our 2025 Plan to source commodities for our own brand products from net zero deforestation supply chains. Where possible, we aim to source commodities sustainably from certified sources which are independently verified by a third party. For the remaining volumes, in line with industry practice we purchase a small amount of credits in order to fund the sustainable production of soy and palm oil.

SOURCE	F23 (%)	F24 (%) ¹
Pulp, paper and timber products: For our pulp, paper and timber products, 100% are either FSC® or PEFC® certified or comprise at least 100% recycled content. These numbers are not static and represent ongoing effort in order to sustainably source commodities.	100	93
Palm oil (food): The palm oil in our own brand food products supports sustainable palm oil production through the Roundtable on Sustainable Palm Oil (RSPO). This year, we sustainability sourced 98% of the palm oil volume in our own brand food products through RSPO certification. We purchased RSPO independent smallholder credits for the remaining 2% of non-certified palm oil in our own brand food products. These credits fund the sustainable production of an equivalent volume of palm for future procurement.	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.	61	67
Cocoa (total): 100% of single-product cocoa sourced from independently certified sources such as The Rainforest Alliance®. We are working towards sourcing all ingredient cocoa in our own brand products to independently certified sources.	47	82
Tea and coffee (total): 100% of single-product 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.	100	100
Soy (products): To support responsible soy production, this year we sustainability sourced 97% of the soy volume in our own brand food products to Round Table on Responsible Soy Association (RTRS) certification. To support sustainable soy production we purchased RTRS credits for the remaining 3% of non-certified palm oil 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 soy

Soy is a globally traded commodity which serves as an important source of protein in food. Its nutritional benefits mean it's also widely used in animal feed. With rising global demand for soy products, so too has the focus on its environmental impact increased, including deforestation and conversion of natural habitat.

Within the Woolworths Group supply chain, 99% of our soy footprint comes from soy used in animal feed. Recognising the impact opportunity, animal feed is our focus. Whilst alternatives to soy in feed supply chains exist, they are currently not widely available to meet the required scale or the nutrition our animal welfare approach requires. Prioritising poultry feed as a significant contributor, in F24, we engaged our poultry suppliers to understand the feasibility, impact and timeline of moving to net zero deforestation soy in poultry feed. We collaborate with our suppliers on sustainable soy alternatives, including sourcing soy from low deforestation risk areas, adoption of certified deforestation-free soy and investigation of feed ingredient alternatives. As we continue to develop our pathway to more sustainable animal feed soy sources, we're working with suppliers to balance the challenges (e.g. nutrition and biosecurity) with emerging solutions.

Sourcing of beef

We continue to engage across the Australian beef industry in pursuit of a geographically appropriate definition of deforestation that meets global regulatory requirements and corporate deforestation targets. We welcome the efforts of the Australian beef industry that are working to align to global frameworks. We will continue to engage with the industry, our peers, non-government organisations and external service providers to assess the risk of deforestation in our beef supply chain and inform our approach to monitoring and reporting progress against our no-deforestation target. As with all commodities within the scope of our no-deforestation commitment, our approach is grounded in principles of a just transition.

¹ All percentages based on tonnage sold through the year except for pulp, paper and timber products (based on number of products due to available information).



Sourcing of cotton

Cotton is one of the most common fibres used in Woolworths Group own brand products, including apparel, home and beauty products. BIG W accounts for the majority of cotton we source and therefore initiatives implemented in BIG W have the potential for the largest positive impact.

We continue to make progress towards greater traceability and transparency of the cotton used in our supply chain. However, the development of cotton from a raw material to final product involves a number of stages (such as ginning, spinning and weaving) and different supply chain actors that are often geographically dispersed.

Through the introduction of detailed cotton questionnaires and verification with our direct suppliers, we are working towards greater transparency at lower supply chain tiers, which is where we know there is less visibility and greater inherent risk in the cotton supply chain.

We are working to use cotton that has been produced sustainably and responsibly and make it easier for customers to choose sustainable products through our communication and awareness. Working towards this, in F24 BIG W:

- partnered to strengthen the verification of our Australian cotton program, through our work with Oritain, a global leader in the application of forensic and data science to verify product origins and product claims
- received independent certification to the Organic Content Standard, for the second year
- reviewed and updated sustainable product claims to support consistency across the clothing range and home textiles, and improve customer understanding.

In addition, in recognition of the progress made by The Better Cotton Initiative (BCI)¹, notably the launch of Better Cotton Traceability, we updated the Woolworths Group Sustainable Cotton Policy, reflecting the sustainable cotton pathways now available.

Image: BIG W, Blacktown.

¹ The Better Cotton Initiative is the largest cotton sustainability program in the world.

What's next?

- + No-deforestation is integrated within our climate and nature scope 3 strategy – and will form part of our efforts in activating our strategic pillars under that strategy
- + Increased engagement with suppliers on no-deforestation for in-scope commodities in line with our updated target
- + Continued engagement with industry to develop an appropriate definition for beef in the Australian context, to support our SBTi FLAG target, and consideration of industry-wide solutions to verification, traceability and certifications
- + Continue to operationalise and embed the new BCI sustainable cotton pathways.

Goal 4

Lead the future of protein

Why it matters: Farmed livestock generates over \$30 billion collectively to the Australian¹ and New Zealand² economies, making it a significant part of the agricultural landscape. However, livestock production's environmental footprint is a growing area of focus, prompting industry-wide efforts towards continuous animal welfare improvements. By partnering with the industry and our suppliers, we can work towards sourcing our animal and alternative protein sources in ways which minimise impact on the environment.

Our ambition: We aim to **lead the future of protein** by continuously improving animal welfare practices in our supply chain, sustainably sourcing both animal and alternative proteins, and minimising our environmental impact.

PERFORMANCE & IMPACT

77%

vendor branded
whole shell eggs
cage free

▲ 11% on F23

Launched

Antimicrobial
Stewardship policy,
for Australia

Winner

Marine Stewardship
Council's Sustainable
Seafood Community
Champion 2024

Our approach

With animal protein forming approximately 13% of our sales mix annually, we recognise the role we can play in promoting high animal welfare practices, improving the environmental sustainability of animal proteins and creating the market for alternative protein. We work collaboratively with our suppliers, industry and certification bodies to drive best practice in animal welfare within our supply chain with the aim of sourcing 100% of our own brand seafood through ecologically responsible sources and transitioning all vendor brand shell eggs towards cage-free. This work plays a fundamental role in supporting our work to reduce our scope 3 emissions and creating opportunities for increased farming efficiencies such as trialling feed additives in beef production to reduce methane.

What we've been doing

Animal welfare practices

We understand the importance of good quality food, and this starts with good animal welfare. Our animal welfare policies and procedures are embedded in our business and we regularly review and strengthen them to continue to improve animal welfare standards across our supply chain in Australia and New Zealand. For example, in F24 as part of our commitment to continual improvement and informed by current global best practice, we reviewed and updated Greenstock's (our business focused on the red meat supply chain) abattoir standards.

We acknowledge that environmental and policy settings continue to influence supply-demand dynamics. Biosecurity threats to our food supply chain continue to occur, and these can cause disruption to supply. For example, the recent Avian Influenza outbreak is causing short-term impacts to the ongoing availability of shell and ingredient eggs. While our own brand shell eggs are already cage free and vendor brands are aiming to follow suit by 2025, our ambition to apply this to egg as an ingredient in our own brand products is challenged. We remain responsive to changes and will continue to navigate this in partnership with suppliers and industry.

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

² NZ Meat Industry Association Economic Contribution of the Red Meat Industry Report, June 2020.



CASE STUDY

Responsible antimicrobial stewardship

Woolworths Group understands that in conjunction with clearly defined and informed veterinary health strategy, responsible antimicrobial usage plays a vital role in maintaining good animal health and welfare. To this end, in F24 we launched our Woolworths Australia Antimicrobial Stewardship Policy. This policy outlines the responsibility of our own brand suppliers in Australia to use antimicrobials appropriately, and our expectation that they follow industry best practice, guidelines and initiatives around antimicrobial stewardship. In F25 we plan to further embed this policy with our suppliers. Through our Woolworths Animal Welfare Horizon Fund, we have supported our supplier SunPork Group with its project to develop and validate an easy to use, understandable digital platform to track medication use on farm. The platform can be used to monitor and report antimicrobial stewardship progress over time. Key outcomes from the project showed a 76% reduction in antibiotic use from 2016 to 2021 across 1,009,000 pigs produced annually.



Chicken

100% Australian Supermarkets own brand fresh chicken and ingredient chicken from RSPCA Approved farms¹ in Australia

100% Macro Fresh Free Range Chicken (AU) is RSPCA Approved Free Range

Pork

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

Eggs

100% own brand whole shell eggs cage free

77% vendor brand whole shell eggs cage free

34% of egg ingredients in our own brand products are cage free²

CASE STUDY

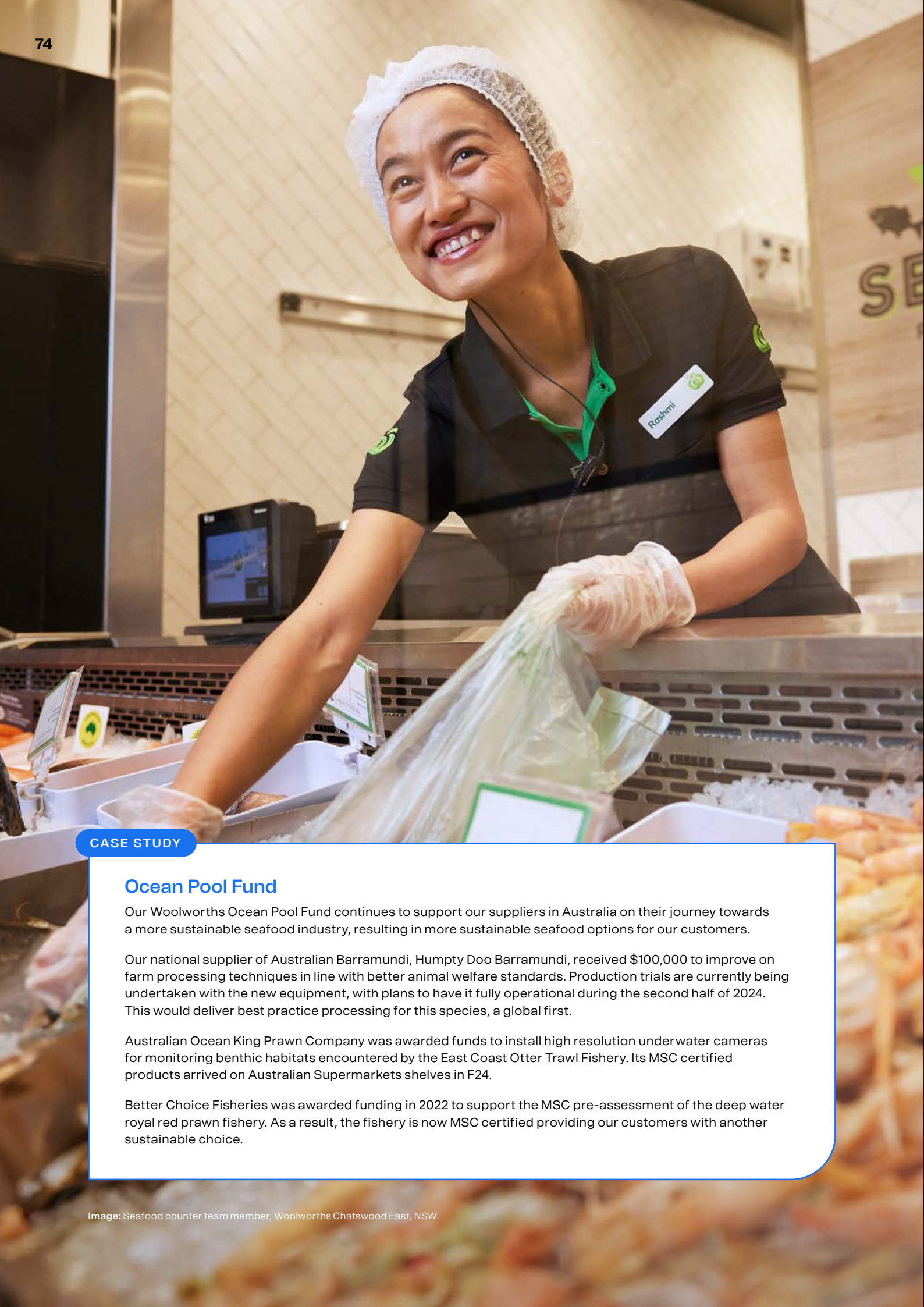
Investing in biosecurity management through W23

Biothreats such as viruses, bacteria and pathogens increasingly pose a risk to Australia's biodiversity and food and agricultural systems. In response, the Australian Government launched the first National Biosecurity Strategy which called, in part, for a connected digital system to trace potential biothreats and develop action plans. The Strategy also recognised that grocery retailers have a unique role to play to rapidly communicate, co-ordinate and activate an effective biosecurity response to foster public confidence and food security.

In April 2024, in support of the development of a connected system to effectively protect Australia's biodiversity, Woolworths Group's innovation fund, W23, invested in ExoFlare, a biosecurity platform to automate, unify and manage biosecurity data. ExoFlare's Unified Biosecurity Threat Management Platform™ provides accelerated detection, response and recovery from biothreats across the agriculture and food supply chain, while ensuring data privacy and confidentiality is maintained. ExoFlare is running on more than 600 sites in Australia across pork, sheep, cattle, goats, poultry and eggs.

1 Chicken in pet food, derivatives in cooking products as ingredients or products (e.g. gravy, stock, fat, gelatine and extracts) are not currently included in the scope.
2 Egg ingredient processing aids or where egg is less than 1% of total formulation, unless where used as a characterising ingredient, are not currently included in the scope.





CASE STUDY

Ocean Pool Fund

Our Woolworths Ocean Pool Fund continues to support our suppliers in Australia on their journey towards a more sustainable seafood industry, resulting in more sustainable seafood options for our customers.

Our national supplier of Australian Barramundi, Humpty Doo Barramundi, received \$100,000 to improve on farm processing techniques in line with better animal welfare standards. Production trials are currently being undertaken with the new equipment, with plans to have it fully operational during the second half of 2024. This would deliver best practice processing for this species, a global first.

Australian Ocean King Prawn Company was awarded funds to install high resolution underwater cameras for monitoring benthic habitats encountered by the East Coast Otter Trawl Fishery. Its MSC certified products arrived on Australian Supermarkets shelves in F24.

Better Choice Fisheries was awarded funding in 2022 to support the MSC pre-assessment of the deep water royal red prawn fishery. As a result, the fishery is now MSC certified providing our customers with another sustainable choice.



Ecologically Responsible Seafood

Our seafood is sourced in accordance with our Woolworths Group Seafood Sourcing Policy. We continue to work with independent third party seafood specialists to support us on this important work, including to provide advice on areas such as industry standards and best practice, certification programs, product claims and strategic sourcing improvement. We recognise the need to continually assess, respond and evolve in a process of continuous improvement.

Recognising the value of being able to trace the source of seafood in real time and to assist in validating that it is ecologically and ethically sourced, we invested in a pilot to test a traceability technology solution in the seafood category. The pilot identified key learnings and opportunities, including the need for closer collaboration across the supply chain to implement the required data standards, in order to implement end-to-end traceability solutions. We will continue to explore the necessary building blocks to unlock traceability for seafood and other potential commodities.

We continue to engage with a wide range of stakeholders including industry bodies, suppliers, government, environmental groups, non-government organisations and the community to listen, learn and inform our ongoing approach. We will continue to evolve our policies and practices, giving full consideration to a broad range of environmental, social and economic factors.

CASE STUDY

Woolworths and RSPCA

Woolworths has been sourcing RSPCA Approved products in Australia since 2014, collectively working with our dedicated suppliers to offer higher welfare food to our consumers and supporting producers committed to farming to a higher animal welfare standard.

We first transitioned all our Woolworths branded fresh chicken to be RSPCA Approved in 2014. In 2020, we expanded our efforts by featuring RSPCA Approved chicken as an ingredient in our Woolworths branded products, and added whole fresh RSPCA Approved turkeys to our Christmas offering. We continued our joint efforts to support better animal welfare by working closely with our suppliers to transition our Macro Free Range chicken products to now come from farms with RSPCA Approved certification for both indoor and outdoor requirements. Producers that are certified by RSPCA Approved must meet detailed animal welfare requirements as set out in their Standards, and are regularly independently assessed.

Our commitment to offering RSPCA Approved products demonstrates our collective commitment to providing customers with higher-welfare products and supporting higher-welfare farming.



Marine Stewardship Council's Sustainable Seafood

Community Champion 2024

What's next?

- + Continued work to develop the building blocks for a scalable end-to-end traceability solution within our supply chain for seafood and other product commodities
- + Continuous review and improvement of policies and processes, as we continue to evolve in line with changing standards and expectations
- + Ongoing engagement with Australian own brand suppliers to further embed our Antimicrobial Stewardship Policy.

Delivering on impact – next steps and future priorities

In every action we take, we strive to be better and create positive change. We're committed to building on our 100 year history of serving Australians and New Zealanders, and working better with them and our partners to create a better tomorrow.

Looking ahead, there is a powerful need for collective action to address shared challenges and improve sustainable practices across the value chain. As we enter our centenary, our commitment to people – our customers, our team, and the communities we serve remains strong.

Our high level priorities for F25

Delivery of our 2025 Plan

In our final year of our Sustainability Plan 2025, we are focused on its delivery, partnering across Woolworths Group to drive momentum towards achieving our People, Planet and Product goals.

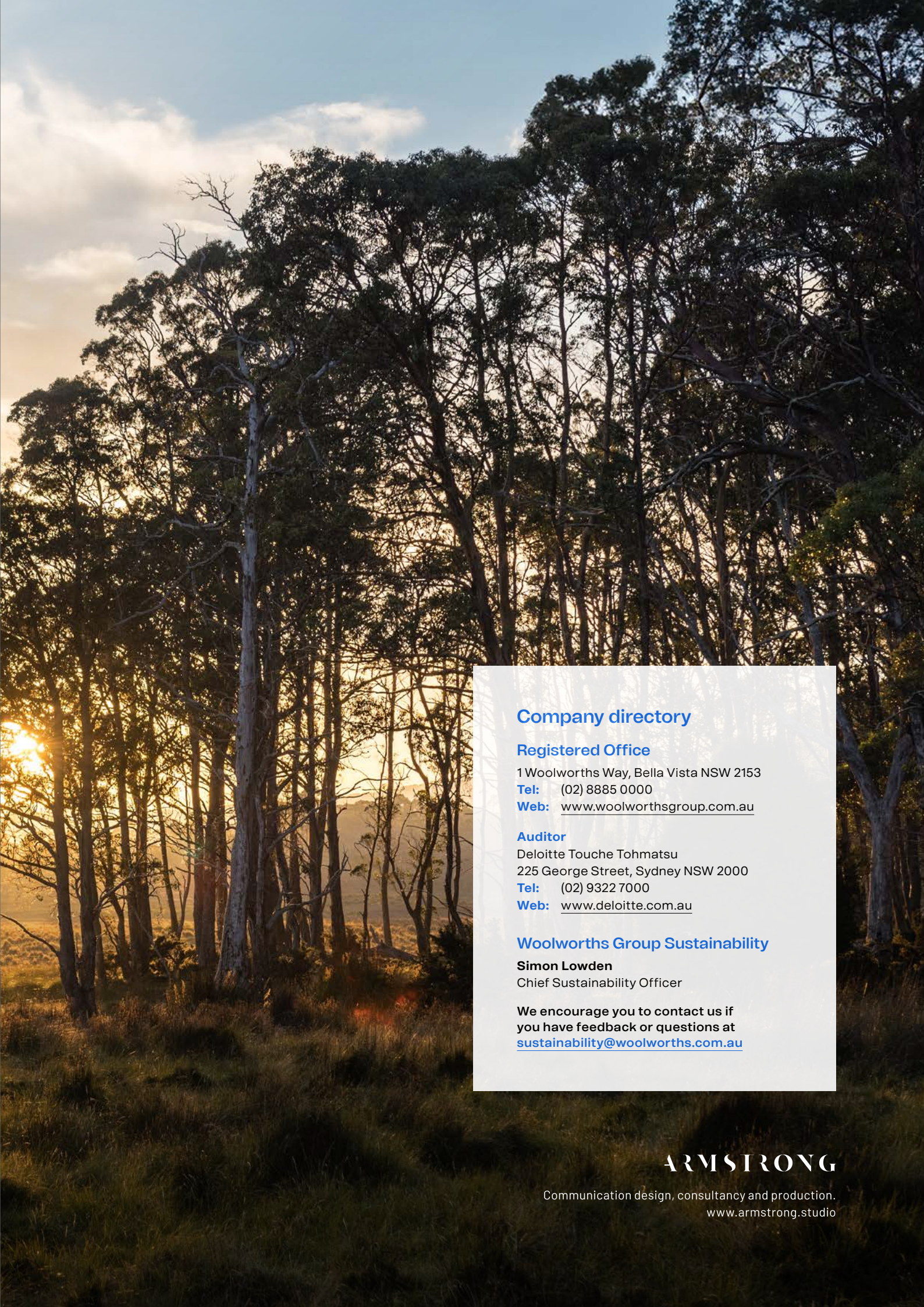
Activating key strategic areas

We will focus on the implementation of our climate and nature scope 3 strategy to support viable and resilient food systems. We will do this through collaboration, education, innovation, investment and advocacy. We will also continue work to extend our products' lifecycle, maximising its value through an integrated approach to circularity.

The next strategic horizon

Building on our strong foundation, our next strategic horizon will focus on refining and scaling initiatives that create meaningful impact. Through our materiality assessment, we will identify and prioritise issues, ensuring our efforts remain aligned with the areas of greatest importance to our stakeholders and to our business.

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



Company directory

Registered Office

1 Woolworths Way, Bella Vista NSW 2153

Tel: (02) 8885 0000

Web: www.woolworthsgroup.com.au

Auditor

Deloitte Touche Tohmatsu

225 George Street, Sydney NSW 2000

Tel: (02) 9322 7000

Web: www.deloitte.com.au

Woolworths Group Sustainability

Simon Lowden

Chief Sustainability Officer

We encourage you to contact us if
you have feedback or questions at
sustainability@woolworths.com.au

ARMSTRONG

Communication design, consultancy and production.
www.armstrong.studio

