

Woolworths Group

No-Deforestation Policy

and Supplier Guidance

We create better experiences together
for a better tomorrow

Table of Contents

Background	2
Our No-Deforestation target	2
Basis of our No-Deforestation target	3
What No-Deforestation means for our Suppliers and Trade Partners	3
Commodities remaining under our existing Net-Deforestation target	3
Definitions	4
Annexure - Supplier Guidance	6
Own Brand Suppliers	6
Vendor Brand Trade Partners	9

Background

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

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

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

This Policy details our ambition to support No-Deforestation in our supply chain by 31 December 2025, and provides additional guidance for our Suppliers and Trade Partners.

Our No-Deforestation target

Our No-Deforestation target is focused on commodities presenting the most material risk of deforestation within our supply chain.

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

Our Primary Deforestation-Linked Commodities are:

- **Paper, pulp & timber (packaging and products)**
- **Palm oil (food and non-food)**
- **Cocoa**
- **Soy (in Stockfeed)¹**
- **Fresh beef¹**

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

¹ While fresh beef is in scope of our No-Deforestation target as a Primary Deforestation-Linked Commodity, this Policy will be updated and/or supported by separate guidance for soy in beef stockfeed and fresh beef once we have progressed our work with industry to finalise a definition and approach that meets international requirements, while reflecting the unique landscapes and practices of Australian agriculture.

Basis of our No-Deforestation target

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

We intend to engage and collaborate in good faith with Suppliers, Trade Partners and other relevant supply chain participants, in working together to meet these challenges. We support our Suppliers and Trade Partners making this transition in a fair and orderly manner, having regard to their size, scale and available resources. We will prioritise our efforts and engagement on the supply of products that have the most material deforestation-linked commodity impacts and areas of our supply chain that present the greatest deforestation risk to Woolworths Group.

What No-Deforestation means for our Suppliers and Trade Partners

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

This Policy will be updated for fresh beef sourced from Australia once we have further progressed our work with industry to finalise a definition and approach that meets international requirements while reflecting the unique landscapes and practices of Australian agriculture. Supplier Guidance for fresh beef will be issued separately at this later date. For our New Zealand business, fresh beef produced in New Zealand is not considered in scope of this policy.

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

Commodities remaining under our existing Net-Deforestation target

Some additional commodities are not part of our updated No-Deforestation target, but remain within scope of our existing Net-Deforestation target for Own Brand products. We will continue to source products containing the following commodities to a Net-Deforestation standard in our Own Brand products:

- **Soy (food)**
- **Tea (product and ingredient)**
- **Coffee (product and ingredient)**

Contact

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

Definitions

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

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

Deforestation: Loss of natural forest as a result of: (i) conversion to agriculture or other non-forest land use; (ii) conversion to a tree plantation; or (iii) severe and sustained degradation.²

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

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

Natural forest: A forest that is a natural ecosystem. Natural forests possess many or most of the characteristics of a forest native to the given site, including species composition, structure and ecological function.³

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

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

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

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

Own Brand: For the purposes of this Policy, own brand is defined as products where Woolworths Group is substantively involved in the design and/or development of the product and/or has given material direction as to the product's composition. This typically includes products and or/packaging with Woolworths Group business name and/or address on pack.

PPT: Paper, Pulp and Timber

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

² Briefly put, these definitions focus on the loss of "natural ecosystems", which "possess many or most of the characteristics of a forest native to the given site, including species composition, structure and ecological function". See SBTi Forest, Land and Agriculture Science-based Target-setting Guidance, Version 1.1, December 2023.

³ Woolworths Group references the current SBTi definition of "natural forest" SBTi Forest, Land and Agriculture Science-based Target-setting Guidance, Version 1.1, December 2023

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

Stockfeed: Food for farmed animals.

Suppliers: Woolworths' suppliers of Own Brand products.

Trade Partners: Woolworths' suppliers of Vendor Brand products.

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

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

Annexure - Supplier Guidance

Own Brand Suppliers

1. What commodities are in scope of our No-Deforestation target?

Primary Deforestation Linked Commodities	Paper Pulp Timber		Cocoa	Palm Oil		Soy	Beef
Form of commodity	Product	Packaging	Food	Food	Non-food	Stockfeed	Food
In scope	Products and Goods Not For Resale containing solid wood, reconstituted wood (e.g. MDF), wood fibre, timber-sourced cellulose / viscose, pulp and paper products	Primary and secondary packaging, paper labels	Products containing cocoa powder, cocoa butter, cocoa mass and cocoa derivatives. Additives and processing aids are excluded from scope.	Products containing crude palm oil, palm kernel oil, including derivatives and fractions. Additives and processing aids are excluded from scope.		Products containing animal proteins where the animal has been fed Stockfeed containing soy - for beef this will be detailed at a later date as we progress our engagement with industry (see below)	<i>To be detailed at a later date as we progress our engagement with industry</i>
Unless specified above, commodities are considered in scope if they are noted on the ingredient or packaging material list							

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

While fresh beef sourced from Australia is in scope of our No-Deforestation target as a Primary Deforestation-Linked Commodity, separate guidance will be provided for fresh beef once we have progressed our work with industry to finalise a definition and approach that meets international requirements, while reflecting the unique landscapes and practices of Australian agriculture. In our New Zealand business, fresh beef produced in New Zealand is not considered in scope of this policy.

2. How can Own Brand Suppliers support the target?

Suppliers can validate their No-Deforestation supply chain via independent certifications or independent supply chain validation evidencing a No-Deforestation supply chain.

Independent Certifications

The below certifications are currently accepted by Woolworths Group. Suppliers seeking to use alternative independent certifications should confirm acceptance by Woolworths Group.

Commodity	Paper Pulp Timber		Cocoa	Palm Oil		Soy	Beef
Form of commodity	Product	Packaging	Food	Food	Non-food	Stockfeed	Food
Example Certifications	<p>Suppliers of Own Brand PPT products and packaging to Woolworths and BIG W must follow the current version of the Woolworths Group POL.050 - Paper, Pulp and Timber Policy and related procedures with respect to appropriate certifications.</p> <p>Acceptable certifications/options are:</p> <ul style="list-style-type: none"> • Option 1: Forest Stewardship Council (FSC) certification (FSC 100%, FSC Recycled or FSC Mix) throughout the entire supply chain up until the finished product or packaging manufacturer⁴ • Option 2: Programme for the Endorsement of Forest Certification (PEFC) certification (Certified or Recycled), throughout the entire supply chain up until the finished product or packaging manufacturer⁵ • Option 3: For PPT Product: Be made of 100% post-consumer recycled content For PPT Packaging: Be made of 100% recycled content^{5,6} • Option 4: Be made of a minimum 70% recycled content with the remaining virgin material from No-Deforestation sources⁶ <p>Periodic compliance checks may be conducted on Own Brand Products or Packaging that meet this Policy using these options.</p>		<p>Rainforest Alliance (RFA) Segregated or Identity Preserved</p> <p>Cocoa Life Segregated</p> <p>Fairtrade Segregated</p> <p>Cocoa Horizon Segregated</p>	<p>Roundtable on Responsible Palm Oil (RSPO) Segregated or Identity Preserved</p> <p>International Sustainability and Carbon Certification (ISCC) Segregated</p>		<p>Roundtable on Responsible Soy (RTRS) Segregated</p> <p>International Sustainability and Carbon Certification (ISCC PLUS) Segregated</p>	<p><i>To be detailed at a later date as we progress our engagement with industry</i></p>

⁴ Documentation must be validated in line with the relevant Woolworths Group Procedure (PRO.063 for product or PRO.092 for packaging)

⁵ PEFC certified material is accepted only where the timber was harvested and milled in countries identified as having a 'Preferred by Nature' score >80

⁶ Recycled content is to be validated in-line with Woolworths Group Recycled content claims and labelling Policy POL.075

Commodity	Paper Pulp Timber		Cocoa	Palm Oil		Soy	Beef
Form of commodity	Product	Packaging	Food	Food	Non-food	Stockfeed	Food
	Suppliers of Own Brand products should also refer to their product brief for specific requirements of Woolworths Group businesses.						

Independent supply chain validation

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

Where Suppliers elect to use an independent supply chain validation system, the system should validate that the product is sourced from a supply chain that has been free from deforestation since December 2020. This may include in-house systems of suppliers or participants in their supply chains.

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

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

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

Own Brand examples:

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

We acknowledge that production systems are complex and that this may result in a variable transition to No-Deforestation commodities by our Suppliers.

As a result, we may still have some primary deforestation-linked products in our supply chains following our 31 December 2025 target date, as products move through the supply chain and are sold. We will not dispose of such products, as to do so would generate negative economic and environmental outcomes such as food and packaging waste.

4. How will Woolworths monitor progress against the target?

For Own Brand products, we will capture evidence of independent certification or validation in our product specifications systems.

Vendor Brand Trade Partners

1. What commodities are in Scope?

Primary Deforestation Linked Commodities	Paper Pulp Timber		Cocoa	Palm Oil		Soy	Beef
Form of commodity	Product	Packaging	Food	Food	Non-food	Stockfeed	Food
In scope	Products and Goods Not For Resale containing solid wood, reconstituted wood (e.g. MDF), wood fibre, timber-sourced cellulose / viscose, pulp and paper products	Primary and secondary packaging, and paper labels	Products containing cocoa powder, cocoa butter, cocoa mass and cocoa derivatives. Additives and processing aids are excluded from scope.	Products containing crude palm oil, palm kernel oil, including derivatives and fractions. Additives and processing aids are excluded from scope.		Products containing animal proteins where the animal has been fed Stockfeed containing soy - for beef this will be detailed at a later date as we progress our engagement with industry (see below)	<i>To be detailed at a later date as we progress our engagement with industry</i>
As a guide, if the above commodities are noted as an ingredient or packaging material list this Policy should apply to the product							

While Australian fresh beef is in scope for our No-Deforestation target as a Primary Deforestation-Linked Commodity, separate guidance will be provided for fresh beef once we have progressed our work with industry to finalise a definition and approach that meets international requirements while reflecting the unique landscapes and practices of Australian agriculture.

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

Vendor Brand Trade Partners can validate their No-Deforestation supply chain via independent certifications or independent supply chain validation evidencing a No-Deforestation supply chain.

Independent Certifications

Examples of acceptable certifications include, but are not limited to:

Commodity	Paper Pulp Timber		Cocoa	Palm Oil		Soy	Beef
Form of commodity	Product	Packaging	Food	Food	Non-food	Stockfeed	Food
Example Certifications	Acceptable certifications/options are: <ul style="list-style-type: none"> Option 1: Hold Forest Stewardship Council (FSC) certification (FSC 100%, 		Rainforest Alliance (RFA) Segregated or Identity Preserved	Roundtable on Responsible Palm Oil (RSPO) Segregated or Identity Preserved		Roundtable on Responsible Soy (RTRS) Segregated	<i>To be detailed at a later date as we progress our engagement</i>

Commodity	Paper Pulp Timber		Cocoa	Palm Oil		Soy	Beef
Form of commodity	Product	Packaging	Food	Food	Non-food	Stockfeed	Food
	FSC Recycled or FSC Mix) throughout the entire supply chain up until the finished product or packaging manufacturer <ul style="list-style-type: none"> • Option 2: Hold Programme for the Endorsement of Forest Certification (PEFC) certification (Certified or Recycled), throughout the entire supply chain up until the finished product or packaging manufacturer⁷ • Option 3: Be made of 100% recycled content • Option 4: Be made of a minimum 70% recycled content with the remaining virgin material from confirmed No-Deforestation sources. Vendor branded products and packaging that are imported by Woolworths Group into Australia are also in scope of our Paper, Pulp and Timber Policy (POL.050) detailing our due diligence requirements for compliance with illegal logging prohibition legislation.		Cocoa Life Segregated Fairtrade Segregated Cocoa Horizon Segregated	International Sustainability and Carbon Certification (ISCC) Segregated		International Sustainability and Carbon Certification (ISCC PLUS) Segregated	<i>with industry</i>

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

Independent supply chain validation

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

⁷ PEFC certified material is accepted only where the timber was harvested and milled in countries identified as having a ‘Preferred by Nature’ score >80

3. What timelines apply to Vendor Brand Trade Partners?

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

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

It also means that new products, line replacements and extensions ranged from 31 December 2025 should be sourced in line with this Policy.

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

We may still have some Primary Deforestation-linked products in our supply chains following our 31 December 2025 target date, as Trade Partners transition and as products move through the supply chain and are sold.

4. How will Woolworths monitor progress towards our target?

Woolworths Group may seek information from Trade Partners to understand No Deforestation transition progress, including anticipated status ahead of the target date.

Woolworths may implement system or process changes to allow Trade Partners to share information about the deforestation status of products. From time to time Woolworths may request further information to support No-Deforestation products or supply chain status.

References

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