



Kia pai ake | A better te āpōpō tomorrow

Since launching our 2020 Corporate Social Responsibility strategy back in 2017, we've come a long way. But we want to – and we have to – do even more.



“New Zealanders have a deep connection to the land and sea. As a business with stores in communities throughout the country and a team of over 20,000 Kiwis, we recognise the important role we play in helping support each other - and helping protect this place we call home.”

We need to continue to build a business that is low carbon and embracing the principles of a circular economy. We need to drive positive changes that can have an impact not just in our own operations, but in our supply chains and communities too. There are big challenges ahead of us that we can't tackle alone. We will need to rely on partnerships and collaboration to drive the sort of transformation required.

We need to keep working closely with our local growers and farmers to ensure there is not only an abundance of fresh New Zealand food available for our customers, but that we're also playing our part in building resilience and regenerating the land.

Importantly, we need to keep our team and communities healthy, safe and flourishing in a world that sometimes feels unpredictable. We need to do everything we can to keep building

an inclusive team culture where all people are respected and thrive, where they feel supported and where they are given the opportunities to upskill and adapt to changing working environments. We need to keep working with our community partners to tackle food insecurity.

With all of that in mind, we are proud to share our Sustainability Plan 2025. It is the backbone of our commitment to continue to do and be better. Better for our team, better for our customers, communities, team and suppliers, and better for the environment.

We will regularly and transparently report on our progress on the commitments we have made, because we know that actions speak louder than words. It will also be ever-evolving - responding to an ever-changing world.

This plan is ambitious, but it has to be for the long-term benefit of our communities, our environment, and the very way of life we enjoy here in Aotearoa.

Ngā mihi nui,

A handwritten signature in black ink, appearing to be 'Spencer'.

Spencer Sonn

Managing Director, Woolworths New Zealand

This plan was launched in 2020 by our then General Manager Corporate Affairs, Safety and Sustainability. Effective March 2021, Spencer Sonn was appointed Managing Director of Woolworths New Zealand.

Guiding Principles

Our guiding principles underpin our Sustainability Plan 2025 and guide our journey towards a better tomorrow for our team, our planet and the customers and communities we serve.

01

We act like a leader and speak up on issues that matter

02

We care for, and unlock the potential of, our people

03

We have a positive impact on the planet

04

We apply circular thinking in everything we do

05

We embrace the power of partnerships to create change

Turning guiding principles into goals and commitments

To turn our guiding principles into action, we've broken them down into three distinct focus areas: People, Planet and Product.

Each comes with its own set of goals and commitments.

UN 2030 Sustainable Development Goals (SDGs)

The 17 global goals set by the United Nations in 2015 define sustainable development priorities and aspirations for the planet. They seek to mobilise global efforts around a common set of goals and targets. We believe that the business community has a role to play in progressing these important issues and we have aligned our goals with the relevant SDGs.



People

Building a better tomorrow for our people means demonstrating our care, creating a great place for our teams to work and paving their way to a brighter future. It means letting people be their best self by embracing their gender, age, ethnicity, faith, ability or sexual orientation.

It means supporting our communities, building partnerships and working hand in hand with our suppliers to make sure that workers in our supply chain are treated with respect.



Planet

Building a better tomorrow for our planet means repairing and protecting the world we live in for future generations.

It means going further than just limiting negative impacts; it means actively finding ways to create positive benefits.



Product

Building a better tomorrow through our products means evolving the way we do business to embrace circular thinking – which means all waste is a resource.

It means making it easy for our customers to choose products that are healthier, sustainably sourced and responsibly packaged.

From the ground up

To deliver on our plan to help protect Aotearoa for future generations, we're taking a ground up approach. Much like the roots of a tree, our goals and commitments will work to provide the foundation and support needed to help our plan flourish.

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 People

 Planet

 Product

Goal 1
Be a truly inclusive workplace

Goal 2
Invest in the holistic wellbeing of our team

Goal 3
Create meaningful retail careers for today and tomorrow

Goal 4
Activate ethical and mutually beneficial partnerships through the whole value chain

Goal 5
Have a positive impact on our customers and communities

Goal 1
Powered by green electricity

Goal 2
Reducing hunger and food waste

Goal 4
Practise responsible stewardship of natural resources

Goal 3
Net positive carbon emissions

Goal 1
Make health easier for all New Zealanders

Goal 2
Our packaging is sustainable

Goal 5
Lead the responsible retailing of alcohol and tobacco

Goal 4
Lead the future of protein

Goal 3
Own Brand sourcing is sustainable

Our goals are underpinned by over 40 commitments

People



People Overview

Unlocking our full potential through a philosophy of care.



An important part of building a better tomorrow is to invest in the wellbeing and progress of our team so that every individual has an equal opportunity to succeed.

We know that people are happier and more fulfilled at work if they can be themselves. We want our team to feel safe and welcome whatever their gender, age, ethnicity, faith, ability or sexual orientation.

We will achieve a **truly inclusive workplace** if everybody embraces our vision, from the newest arrival to our most senior leaders. We value diversity and bringing an inclusive mindset to decision making. This is central to the culture we want to see across our business.

The care doesn't stop at what we can do for our team today. As our retail business moves at speed into a **new era of technology and progress**, we are determined not to leave anybody behind. We will make sure our teams feel comfortable with change and equip them with new skills so they can excel.

Customer and team safety has always been a primary focus, and this includes **mental health**. It's just as important as physical health, but often more difficult to spot. We want to create a culture where it's OK for our team to ask for help, and where the workplace is a safe and supportive environment. With the help of our

partners we are putting programs in place to help our team to take care of themselves and each other.

Modern slavery is a growing global and systemic issue with the International Labour Organization estimating 50 million people in situations of modern slavery, up from 40 million in 2016. Our commitment for people extends beyond our own teams to include every worker in our global supply chain, particularly in respect of their human rights. We will work together with our suppliers to build a rights-respecting culture where modern slavery risks can be identified, managed and mitigated.

Closer to home, we're at the **heart of all our communities**. We are determined to make a positive impact across New Zealand by investing in local programmes and providing relief in times of natural disaster.

We want our actions to speak louder than our words, which is why, through our Food For Good Foundation, we're focusing our efforts on a single goal: to help Kiwis to thrive by building a stronger, healthier New Zealand for the future. Together with our charity partners, we can ensure we're getting support to Kiwis who need it most.

Sustainability is important to us and it is key that our partners and suppliers share similar values. It's only by working together through **mutually beneficial partnerships** that we can achieve our ambitions for a better tomorrow.

People Goals and commitments

Delivers on
Sustainable
Development
Goals:



Goal 1. Be a truly inclusive workplace.

- We value inclusion and build diverse teams where everyone can belong.
 - Achieve 40-40-20 gender balance at senior leadership level (L4+)
 - Achieve 20% Maori and Pasifika at leadership level (L3+).
- We will ensure that we are progressing against our commitments by benchmarking ourselves against externally validated standards. We aim to:
 - We will maintain gender pay parity for like-for-like roles and measure and report on gender pay inequality and our actions to decrease our gender pay gap.
 - Maintain Rainbow Tick accreditation for five years with a ranking of 'fully achieved with continuous improvement'
 - Achieve year-on-year improvement against the nine competency areas of the Accessibility Tick Program.

Goal 2. Invest in the holistic wellbeing of our team.

- We are committed to caring for our team, safeguarding them and investing in their holistic wellbeing (mental, physical, financial, social and community). We will do this by:
 - Increasing wellbeing awareness and providing 24/7 wellbeing support for our team.
 - Building a psychologically-safe workplace where people believe it's OK not to feel OK and it's absolutely OK to ask for help.
- We are committed to keeping our teams safe by:
 - Eliminating serious incidents
 - Eliminating the possibility of someone being injured, or suffering an illness, whilst working with us
 - Continuing to provide care and response support.

Goal 3. Create meaningful retail careers for today and tomorrow.

- We will invest in developing the skills of our team for their current and future roles.
- We will provide meaningful career pathways for our team.
- Through the Woolworths Future of Work Fund, we will deploy funds towards identifying skills and capabilities for the future, and putting in place programs of work that will support the upskilling and reskilling of our teams.

For more detail see our latest Woolworths New Zealand Sustainability Wrap.

People Goals and commitments

Delivers on
Sustainable
Development
Goals:



Goal 4. Activate ethical and mutually beneficial partnerships through the whole value chain.

- We will strengthen our human rights governance and promote a rights-respecting culture by:
 - Contributing to the Woolworths Group Human Rights Impact Assessment
 - Taking action on Responsible Purchasing Practices.
- We will mitigate, remedy and report on human rights and modern slavery risks by:
 - Conducting due diligence on high-risk commodities at multiple supplier tiers based on a forced labour risk assessment.
 - Developing remediation protocols for key modern slavery indicators
 - Contributing to a Group-wide supply chain map with key human rights indicators for strategic supplier sites.

- We will build sustainable human rights outcomes through multi-stakeholder and cross-industry partnerships by:
 - Engaging potentially affected groups in program design and evaluation.
 - Strengthening worker engagement to improve real-time supply chain intelligence.
 - Educating our customers on product provenance and promoting responsible sourcing.
- We will build long-term, trusted relationships with our partners based on mutual respect. Sustainability is important to us, and it is important that our partners share similar values. We will aim to achieve continuous improvement in our Voice of Supplier results.

Goal 5. Have a positive impact on our customers and communities.

- We are committed to keeping our customers, partners and the community safe by:
 - Eliminating serious incidents
 - Eliminating the possibility of someone being injured or suffering an illness, whilst engaging with us.
- We will invest the equivalent of >1% of a two year rolling average of total Group Earnings Before Tax (EBT) in community partnerships and programs.
- We will provide opportunities for our team to give back to their local communities.
- We will listen to and learn from our customers and team members on social equity issues affecting our community, taking a stand where appropriate and in accordance with our guiding principles.



Planet



Planet Overview

We have a responsibility, and an opportunity, to do our part to have a positive impact on the planet for current and future generations.



While Aotearoa produces some of the best food in the world, climate change has the potential to significantly alter our landscape and our ability to grow the products Kiwis know and love. It is a very real and present threat. Growers and farmers throughout Aotearoa and the rest of the world are already having to adapt to rapidly changing growing conditions and change the way they have typically done things.

Helping to protect the planet isn't just important to us. Our customers and communities are demanding change and looking to us to lead the way.

Woolworths New Zealand is one of the largest electricity users in the country. We have made significant progress in becoming more energy efficient, but we want all the electricity that we use to be green. By 2025 we will power our business with **100% renewable electricity**.

Our electricity use is the biggest contributor to our operational greenhouse gas emissions. Climate change impacts are already apparent in shifting weather patterns and extreme weather events. Global science tells us that we need to limit global warming to 1.5°C to avoid the worst of these effects, and we have aligned our goal to decarbonise our business to this aim. But we want to go further than that and by 2050, and earlier if possible, we want to become a **net positive business**, supporting

future generations by giving back more than we use.

The earth's population is projected to reach over 10 billion by 2050, which could require a 70% increase in food production. However, land suitable for farming is shrinking by 5 million hectares every year due to environmental change, and water is increasingly scarce. We will work with our farmers, suppliers and the broader agricultural industry to encourage **regenerative farming practices** to help preserve soils and improve water efficiency.

With this growth in population, it is becoming increasingly important to make sure that food goes to people in need and is not wasted. With the help of partners like KiwiHarvest, The Salvation Army and Fair Food, we donate the equivalent of over 30 million meals every year to feed Australians and New Zealanders in need. We also contribute to animal feeding programs. However, we want to do more. We are making changes throughout all parts of the value chain to prevent food being wasted, with the goal of **reducing food waste and hunger**.

Guided by our principle of having a **positive impact on the planet**, we are focusing on the future and understanding the effect of our actions today, so we can not only start to reverse detrimental impacts but work towards a better tomorrow.

Planet

Goals and commitments

Delivers on
Sustainable
Development
Goals:



Goal 1. Powered by green electricity

- By 2025, we will source 100% renewable electricity to power our business.

Goal 2. Reducing hunger and food waste

- We aim to have all food waste from our operations diverted from landfill by 2025, starting with our supermarkets
- We aim to broaden our impact by partnering to reduce food waste in our value chain
- With the help of our partners, we aim to redistribute 100% of edible unsold food so it can be consumed.

Goal 3. Net positive carbon emissions

- By 2030, in line with climate science, we aim to reduce emissions from our operations by 63% compared to a 2015 baseline.¹
- By 2030, in line with climate science, we aim to reduce our scope 3 emissions by 19% compared to a 2015 baseline.¹
- In line with climate science, we aim to reach net positive emissions for our operations no later than 2050, and much earlier if possible.
- All new property developments will achieve a 4 Green Star design and as-built rating, and by 2025 we aim to have a 5 Green Star minimum standard.
- By 2030, we aim to achieve 100% Electric Vehicle (EV) last mile delivery fleet, helping reduce our absolute Group transport emissions by ~60% compared to F22.

Goal 4. Practice responsible stewardship of natural resources

- By 2025, understand the impact and dependencies of our priority fresh supply chains² on nature and increase supplier adoption of sustainable and regenerative practice in these categories.
- We will reduce our Group water use by 10% by 2025 (2020 baseline).

1. This target is ratified or currently being ratified by the Science Based Target Initiative (SBTI)

2. Includes red meat, poultry & seafood, and fruit & vegetables

Product



Product Overview

Our customers are increasingly looking for healthier and more sustainable options when they shop.



We know that our customers want to make more informed decisions about their food and drink choices and they are looking to us to make this easier for them.

We're **making it easier for our customers to make healthier choices** by ensuring clear and transparent labelling on all our Own Brand products and increasing our range of healthy eating options. We're also teaming up with experts to inspire and educate our customers about better eating habits. We aspire to grow healthier products in our customers' baskets at a faster rate than healthier choices.

We're **making the sustainable choice the easy choice** by responsibly managing the way we source the ingredients that we use. Our sustainable sourcing work is focused on high-impact commodities such as pulp, paper, timber, palm oil, cocoa, tea, coffee, soy and addresses issues such as deforestation and animal welfare.

In New Zealand half of our emissions come from agriculture, and we share our customers' concerns about the **environmental impacts of protein**.

Through our partnerships, we will work to improve this, and expand our range of plant proteins so that our customers have a choice.

We know that our customers are concerned about packaging waste, and plastic waste in particular. Packaging is necessary for food safety and quality, protecting products in transportation, extending shelf life and reducing food waste. We are working hard to make our **packaging as sustainable as possible** by reducing the use of virgin plastic and increasing the amount of recycled content in our Own Brand packaging. We will label all our Own Brand products with the Australasian Recycling Label so customers can clearly see which elements they can recycle.

We cannot achieve our ambitious goals alone. We will **invest in innovating, educating and advocating** in a way that brings our partners, farmers, suppliers, customers and team with us on the journey.

Product Goals and commitments

Delivers on Sustainable Development Goals:



Goal 1. Make health easier for all New Zealanders

- We will make healthier easier for our customers by creating meaningful initiatives to support, educate and inspire them to live healthier lives by:
 - Working to grow the proportion of sales from healthier products (≥ 3.5 Health Star Rating₄) in our supermarkets by 50 basis points (bps) annually (2022 baseline).
 - Offering holistic health and wellness advice and services through healthyLife, and utilising the healthyLife Food Tracker to better understand the balance of our customers' baskets.
 - Partnering with suppliers, leading health experts and Woolworths Group's team of qualified nutritionists to support our ambition and validate our performance.
- Our Own Brands will lead the way for affordable and healthier products that customers love:
 - We will continue to make our Own Brand products healthier 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.

- We will support customers to make healthier choices through clear and transparent labelling by continuing to ensure nutrition claims are used in a responsible way and displaying the Health Star Rating on all relevant Own Brand products.
- Our Macro Wholefoods Market brand will lead the way on nourishing product innovation to offer customers better choices of nutritious, delicious and sustainably sourced and produced foods.
- Maintaining our ambition to have the healthiest supermarket Own Brand portfolio.
- We will inspire and empower the next generation to make healthier easier through fun and engaging activities, healthier products that kids love and ideas for families:
 - By 2025, characters, graphics and activities that could be perceived as primarily appealing to children will only be used on healthier Own Brand packaging.

Goal 2. Our Own Brand packaging is sustainable

- We will collaborate with our suppliers, government and industry to reduce waste across our value chain and transition our business to a circular economy by:
 - Working towards the removal of non-recyclable and hard to recycle packaging materials.
 - Publishing a preferred materials list which categorises packaging materials based on how easily recycled they are, and working with all suppliers to phase out the hardest to recycle materials from their packaging by 2025.
- We align to the principles of remove, reduce, reuse, recycle for our Own Brand product packaging:
 - Halve the use of virgin plastic packaging by weight against our 2018 baseline by 2025.
 - Achieve an average of 60% recycled content in our Own Brand packaging by the end of 2025.
 - Trial more refillable and reusable packaging options for products in our operations.
 - Phase out problematic and unnecessary materials, starting with our Own Brand by 2023.
- We will lead in making it easier for our customers to recycle plastic and difficult to recycle materials by:
 - Promoting recycling, including displaying the Australasian Recycling Label (ARL) on 100% of Own Brand product packaging by the end of 2023.
 - Making 100% of our Own Brand packaging widely recyclable or reusable by 2025.

Product Goals and commitments

Delivers on Sustainable Development Goals:



Goal 3. Own Brand sourcing is sustainable

- By 2025, we will source high risk commodities (e.g. pulp, paper, timber, palm oil, cocoa, tea, coffee, soy) in Own Brand products sustainably from net zero deforestation supply chains (traced back to land that has not been deforested since 2020). 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.
- Commit to using cotton in our Own Brand products that has been produced sustainably and responsibly and encourage the use of recycled and reclaimed cotton where possible.
- We will make it easier for customers to choose sustainable products. By 2025, 100% of Own Brand products will have at least one health (where relevant) or sustainability attribute.

Goal 4. Lead the future of protein

- By 2025, source our animal, and alternative protein sources in a sustainable manner through minimising our impact on the environment.
- By 2025, grow our share of protein products in our customers' baskets that are both healthier and better for the environment.
- We will lead in animal welfare and show continuous improvement within our supply chain, through increased data capture and reporting in line with best practice animal welfare standards.
- By 2025, 100% of our Own Brand seafood will be ecologically responsible or sourced sustainably.
- By 2025, all vendor brand shell eggs and egg used as an ingredient in our Own Brand products will be cage-free.

Goal 5. Lead the responsible retailing of alcohol and tobacco

- We aim to lead the industry with the highest standards of responsible retailing of alcohol and tobacco in our retail outlets.
- We aim to lead in providing customer choice in the areas of low and no alcohol beverages along with other initiatives supporting moderate consumption of alcohol.

Appendix

Annual refinement of our 2025 plan

Our Sustainability Plan 2025's guiding principles, goals and commitments are reviewed and adjusted as part of our annual planning cycle to maintain its relevance in a changing world.

This document is version 2.0 of our Sustainability Plan 2025, effective November 2023.

The majority of our commitments remain relevant for 2025 and in some cases, extend beyond this date. Absolute metrics and timings have been removed from goals and repositioned into commitments to reflect their long-term nature. The following updates have been made to better reflect our operating environment:

- Extending our approach to inclusion (People Goal 1) and creating meaningful careers (People Goal 3) to be more holistic.
- Aligning our community investment to be the equivalent of >1% of a two year rolling average of total WWNZ Earnings Before Tax (EBT) (People Goal 5).
- Updating our current food waste goal to improve explicit mention of its impact on food security and align to SDGs 2 - Zero hunger and 12 - Responsible consumption (Planet Goal 2).
- Introducing a new commitment to decarbonise our transport for last mile delivery fleet (Planet Goal 3).

- Formalising our approach to responsible stewardship of natural resources (Planet Goal 4) and the future of protein (Product Goal 4).
- Detailing our water use reduction commitment (Planet Goal 4)
- Strengthening our focus on making healthier easier for our customers, including the next generation (Product Goal 1).
- Aligning our virgin plastic packaging commitment and timeline, consistent with Woolworths Group's alignment to the Australian Government's National Packaging Targets (Product Goal 2).
- Combining sustainable sourcing and deforestation commitments to align with the Accountability Framework Initiative directives on deforestation (Product Goal 3).
- Adjusting the scope of our responsible retailing commitment to include tobacco (Product Goal 5).

Consolidated within existing commitments or superseded:

- Supporting the financial wellbeing of our team (People Goal 2).
- Easy for consumers to balance animal, plant, novel proteins in their diets (Product Goal 4).
- Removing this commitment as not relevant within the New Zealand operating context: "Maintaining our ambition to have the healthiest supermarket Own Brand portfolio is not able to be third party verified due to the lack of a NZ-specific supermarket index."

For recent updates on our sustainability progress see our [website](#).

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Kia pai ake | A better te āpōpō tomorrow



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