

A man with a beard and short brown hair, wearing a dark blue button-down shirt and jeans, is crouching in a garden. He is holding a small brown chicken with a red comb in his arms. In the foreground, there are three other chickens: a black one on the left, a brown one in the center, and a light brown one on the right. The background features large trees with green and yellowing leaves, suggesting an autumn setting. The ground is covered with dark mulch and some green plants.

**Countdown
Sustainability
Report 2019**

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ABOUT THIS REPORT:

This is Countdown's fifth New Zealand Sustainability Report. Statistics are for the year ended 30 June 2019, unless otherwise specified.

Countdown has had a strong sustainability plan in place since 2007,

and in 2017 we launched our new Corporate Responsibility Strategy 2020.

The purpose of this report is to set out our achievements and challenges for our New Zealand customers and stakeholders. Data included in the Woolworths Group Sustainability

Report has been independently reviewed; other data and statements have been internally reviewed.

For the full 2019 Woolworths Sustainability Report please visit www.woolworthsgroup.com.au





Welcome to Countdown's 2019 Sustainability Report.

We're serious about sustainability because with almost three million New Zealanders visiting our 180 stores each week, doing the right thing for the environment, our people and the communities we operate in, is a huge part of our commitment to making Kiwis' lives a little better every day.

I am privileged to lead a team of 18,400 Kiwis who care deeply for each other and their communities.

This year, we have continued to increase our focus on safety in the business, including our first business-wide 'Stop for Safety' huddles, where our teams discussed how they could contribute to building a safer workplace. We also provided our team with simple tools they could use, to reach out to those who may be suffering from mental health issues through our 'I am here' programme.

Hundreds of our team have already taken the opportunity to not only recognise when they

or others might need a bit of help, but also to understand how to support their teammates when they need it most.

We're continuing to make sure we're providing working environments where our team can bring their whole selves to work - regardless of their age, gender, religion, ethnicity or sexual orientation - and were immensely proud to gain our Rainbow Tick certification in late 2018.

We are delivering programmes and policies that make Countdown a great place to work and to develop skills and careers. Our Store Manager in Training programme creates great leaders within our business, like our new Countdown Huntly Store Manager, Jaqueline Jones. Our graduate programme attracts fantastic young talent like Annabelle Cole, and our Workplace Flexibility Policy encourages our team to work around their busy lives.

In early 2019, the Colmar Brunton Corporate Reputation Index showed that our Countdown business had moved to 11th place out of 50 of New Zealand's top corporates - up from 43rd in 2015. I'm immensely proud that our customers are seeing our changes for the better, and at the forefront of this are our greatest ambassadors - our team.

There is much more to do, and we look forward to continuing to partner with our customers, our suppliers, and community organisations across NZ, to contribute to building a more sustainable future for Aotearoa. Please enjoy Countdown's 2019 Sustainability Report.

N. Davis

Natalie Davis
Managing Director



We're here to make a difference to Kiwis' lives

Tēnā koutou, tēnā koutou, tēnā koutou katoa.

It's my great pleasure to share with you Countdown's work over the last year towards creating a more sustainable future for Aotearoa.

I am particularly proud of what we have done to raise the profile of health and safety in our business. Keeping our team, our visitors and our customers safe is an absolute priority and we are working hard to embed a strong safety culture. This work is underpinned by care and a commitment to promote the wellbeing of everyone who works for, or interacts with our business.

Removing single use plastic bags from our checkouts and online service, two and a half months ahead of schedule and nine months ahead of legislation, was an outstanding achievement. Kiwis embraced the change wholeheartedly, but have been clear that there's still much more to be done to tackle the unnecessary proliferation of plastic.

We've listened, and are strongly committed to doing what we can, wherever we can, to remove it.

I'd like to thank our entire team of 18,400 Kiwis for their commitment to our communities and to our environment. With friends and family across Aotearoa, it matters to all of us that we work for a business that's committed to playing an active role in keeping our country beautiful for future generations.

We remain focused on our response to the climate crisis. We're making our stores more energy efficient and cutting refrigeration gas emissions by introducing new CO2 based systems. We are seeing progress in making our logistics operations more efficient, and are of course continuing with our work to divert food waste to landfill through food rescue and diversion programmes in 100 per cent of our stores.

But there is still so much more to do. We are a small country. Many, if not all,

of the solutions for issues like the climate emergency are shared. We need to move quickly and make changes at scale and we recognise that to do that, we need to play our part by working with other businesses to make a collective change. There is so much at stake and the impacts if we don't take action are undeniable.

We are proud of our achievements to date, but we know this work is ongoing and will require the focus and efforts of many to protect this place we call home.

Nāu te rourou, nāku te rourou,
ka ora ai te iwi.

Kiri Hannifin

Kiri Hannifin
General Manager Corporate Affairs, Safety
and Sustainability



Countdown's 2020 Commitments

In 2017 we launched our Corporate Responsibility Strategy 2020, which brings focus, resources and energy to Countdown's sustainability agenda. We have assigned targets under the pillars of People, Planet and Prosperity. These provide a framework for our engagement with customers, communities, suppliers and our team. They also set out our commitment to minimise the environmental impact of our operations.

PEOPLE: Encouraging diversity

Ensuring gender equity

- 1** At least 40 per cent of executive and senior manager positions to be held by women.
- 2** No salary wage gap between male and female employees of equivalent positions on a per-hour rate at all levels of the company, with a step-change improvement in closing any gaps by the end of FY17.

Embracing our diversity

- 3** 100 per cent of those responsible for hiring new team members to have completed unconscious bias training.
- 4** Continue the focus on driving cultural diversity, with a commitment that by 2020 the Countdown team will truly reflect the communities we serve.

A focus on growing our team

- 5** We will develop the careers of the Countdown team with a focus on youth.
- 6** We will continue to develop employment policies appropriate to our New Zealand team to provide a supportive work environment.

Creating opportunities for all

- 7** We are committed to maintaining a workplace that safeguards the health and wellbeing of our people, customers and visitors.
- 8** Achieve Rainbow Tick certification in New Zealand, demonstrating our commitment to LGBTI inclusion.

PLANET: For a healthy Aotearoa New Zealand

Moving to a circular economy

- 9** Towards zero food waste going to landfill.
- 10** Improve the recyclability of our own brand packaging and contribute to the circular economy.

Source environmentally sustainable commodities

- 11** Source key raw materials and commodities to an independent standard by 2020. We will raise awareness of sustainably sourced products.
- 12** Achieve net zero supply chain deforestation for 'high impact' commodities in our own brand products, such as palm oil, timber, pulp and paper, and packaging.

Action on emissions

- 13** Reduce Countdown's carbon emissions to 10 per cent below 2015 levels.
- 14** Innovate with natural refrigerants and reduce refrigerant leakage in our stores by 15 per cent of CO2 equivalent below 2015 levels.

PROSPERITY: Founded on trusted relationships

Working with our business partners

- 15** We will engage fairly and equitably with our suppliers, making fact-based decisions and seeking regular feedback directly and through independent supplier surveys.
- 16** We will focus on a best practice compliance system according to the Global Compliance Programme. We will collaborate with peak organisations to improve workers lives.

Giving back to the communities in which we operate

- 17** We will invest the equivalent of one per cent of a three year rolling average of total Countdown Earnings Before Interest and Tax (EBIT) into community partnerships and programmes.
- 18** We will publicly report social impact to quantify the positive change we are creating with a focus on health, economic development and emergency relief.

Creating shared value with our customers

- 19** We will achieve leading customer satisfaction scores.
- 20** We will support and inform our customers to help them to make healthier choices.



Sustainability Report Snapshot 2019



- + 18,400 team members
- + Reduced carbon emissions by 13.9%
- + 338 million single-use plastic carrier bags gone from Aotearoa's waste stream
- + Increased the number of women in senior leadership roles to 35%
- + Donated \$6.9 million of food through Countdown Food Rescue
- + Provided \$2.2 million in community donations
- + Achieved Rainbow Tick accreditation
- + Reduced refrigerant leakage by 28%
- + Launched New Zealand's first Be Accessible accredited supermarket
- + Bought 21 million kilos of meat and 54 million free-range eggs from Kiwi farmers
- + Removed a further 8.8 tonnes of sugar and 7.4 tonnes of salt from our own brand products



People – encouraging diversity

We employ an incredibly diverse team of more than 18,400 Kiwis across our stores, distribution centres, meat and seafood plants and support offices. Our people are a reflection of Aotearoa and we believe that our diversity - whether that's age, gender, religion, race or sexual orientation - should be nurtured, grown and celebrated.

Team members



18,400

Rainbow Tick Accredited



Women in leadership roles

35%

Team under 25



5,979



Working towards gender equality

Achieving gender equality across our team and embracing our diversity is not only the right thing to do, it's also hugely beneficial to our business and the decisions we make each day.



"Growing someone's confidence and helping them to become who they aspire to be is not only very rewarding, but is also what I think should be a key part of any leader's role."

Jacqueline Jones, Countdown Huntly Store Manager

GENDER
EQUALITY



COMMITMENT 1

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

Women in leadership

Women make up 56 per cent of Countdown's total team and hold roles right across the spectrum of our company. We are committed to attracting and retaining female talent at all levels whether that's as part of our graduate programme, working in our stores, or in our senior leadership team.

Over the last year, the number of women at General Manager level and above has increased from 50 per cent in FY18 to 63 per cent. The overall number of senior roles held by women in our business has increased from 32.7 per cent in FY18 to 35 per cent in FY19.

Over the last year, we've also been working to understand the barriers women are facing in our leadership pipeline.

After canvassing our team, self-confidence was raised as a significant hurdle as well as perceptions of potential gender bias for certain roles, feelings of imbalance between work and home commitments, and concerns around support and development opportunities.

In response, we developed a Women in Leadership programme, which is designed to help women in our business feel empowered and supported in their development and career goals. More than 300 women across our stores and supply chain are already benefiting from the series of programme workshops, designed to develop leadership capability and confidence, and also provide a great opportunity to network.

Store training programme delivers female leaders

Our most recently appointed Store Manager, Jacqueline Jones, comes from a family of strong women and her journey to her management is largely due to her grandmother.

"She had to fight hard to get where she got to. Listening to what she had to give up because she was a woman made me realise how much fairness was not a part of her life. It made me want to strive to be seen and treated as an equal."

Jacqueline is proud to be leading the way for other women with leadership aspirations throughout our business. After completing the Women in Leadership and Store Manager in Training programmes, she is now a few months into a new role managing Countdown Huntly with a team of 91 people.

As a senior female leader, Jacqueline says she's keen to show women who may be holding themselves back out of fear or uncertainty that taking on a leadership role is entirely possible. "I can use the tools that I am lucky enough to be given in my role and use them to guide and develop my team," she says.

Supporting other women into leadership roles is also a passion of Countdown Cambridge Store Manager Tanya Lawrence, who was awarded Countdown's Store Manager of the Year title for the second time in 2018. "I really enjoy mentoring other female store managers and I always encourage women to take the next step and take risks - assuring them that they don't need to know everything to do the next role. It's so rewarding seeing how these women have progressed in their careers over the years, knowing that I have been involved in helping them to achieve their dreams," says Tanya.

Closing the gap

At Countdown, we're committed to providing an inclusive and diverse workplace, where our team is treated fairly, and that extends to being paid fairly for the work they do. We believe that team members who have the same skills and role shouldn't be paid any differently because of their gender.



"I really enjoy mentoring other female store managers and I always encourage women to take the next step and take risks."

Tanya Lawrence, Countdown Cambridge Store Manager

Challenging biases in succession planning

We have also started to challenge perceptions and biases in our talent and succession planning processes and decisions. The Inclusive Leadership and Whole Brained Thinking workshops that were delivered across Store Operations and Supply Chain late last year, have

helped us lay foundations for a more diverse way of thinking and leading. By challenging our own biases in supply chain, 50 per cent of the typically male-dominated senior distribution centre operational leadership roles are now held by women.

Our salary wage gap is currently 1.46 per cent. This continues to be considerably lower than New Zealand's national gender pay gap, which in June 2019 was 9.3 per cent according to Statistics New Zealand.

We are committed to reducing this gap to zero. Not only is this the right thing to do, but this continuous commitment to pay parity has a positive impact on motivating and retaining our current team, and makes Countdown an attractive place to work for people who may be looking to join our team.

GENDER
EQUALITY



COMMITMENT 2

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



Celebrating our diversity

We're one of the largest employers in the country and we're fortunate that our team reflects the broad range of ethnicities, cultures and backgrounds that make up New Zealand's population. By working to celebrate our differences and seeing them as one of our greatest assets, we can create better experiences for our team, our customers and our communities every day.



REDUCED INEQUALITIES



COMMITMENT 3

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

Our store teams are a reflection of the communities we serve. We are incredibly proud of our diversity and take opportunities to celebrate the richness it brings. Diversity not only helps us make better business decisions but it also brings new ideas and opportunities, and fosters respectful and inclusive workplaces. For our customers, it also makes our stores a great place to shop.

Over the last year, we've supported events that celebrate the wide range of cultures and ethnicities that call New Zealand home. Importantly, this has also given our teams an opportunity to share more about themselves, their traditions and their culture. These events have included Samoan Language Week, Maori Language Week, the end of Ramadan, Diwali and Chinese New Year.



Inclusive workplaces

This year we rolled out our inclusive leadership programme, aimed at addressing any unconscious biases our hiring teams may have - something that can have a big impact on the diversity of our teams. To date, 377 team members have taken part in the programme. While we continue to roll out this training to new leaders, we'll also be looking at how well it has been embedded across our business and what difference it is making to hiring decisions.

Wāhine Kākano 2019

With issues such as gender inequality, sexual harassment and discrimination still prevalent in a number of workplaces, it's

inevitable that young women may face these issues as they start their careers. The New Zealand Young Women's Festival Wāhine Kākano was established to give women aged 16-22 the tools they need to navigate their first jobs, tackle issues they may face and empower women to stand up for their rights.

As an employer that supports women in the workplace, Countdown was proud to once again sponsor Wāhine Kākano for 2019. Countdown's General Manager Corporate Affairs, Safety and Sustainability, Kiri Hannifin, was invited to speak on a panel that focused on sustainability and the future of work. Throughout the festival, topics like bias in the workplace, closing New Zealand's gender and ethnic pay gaps, and navigating life after finishing school and university were also covered.

REDUCED INEQUALITIES



COMMITMENT 4

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



Promoting the use of te reo Māori in our business

The Māori language is a taonga that Countdown is proud to help protect by supporting its use across our business.

Earlier this year, the Government pledged to ensure one million people in Aotearoa can speak basic te reo Māori by 2040. While the majority of our stores already feature bilingual signage; we wanted to

further embed Māori language, culture and values across our business – starting with our support office.

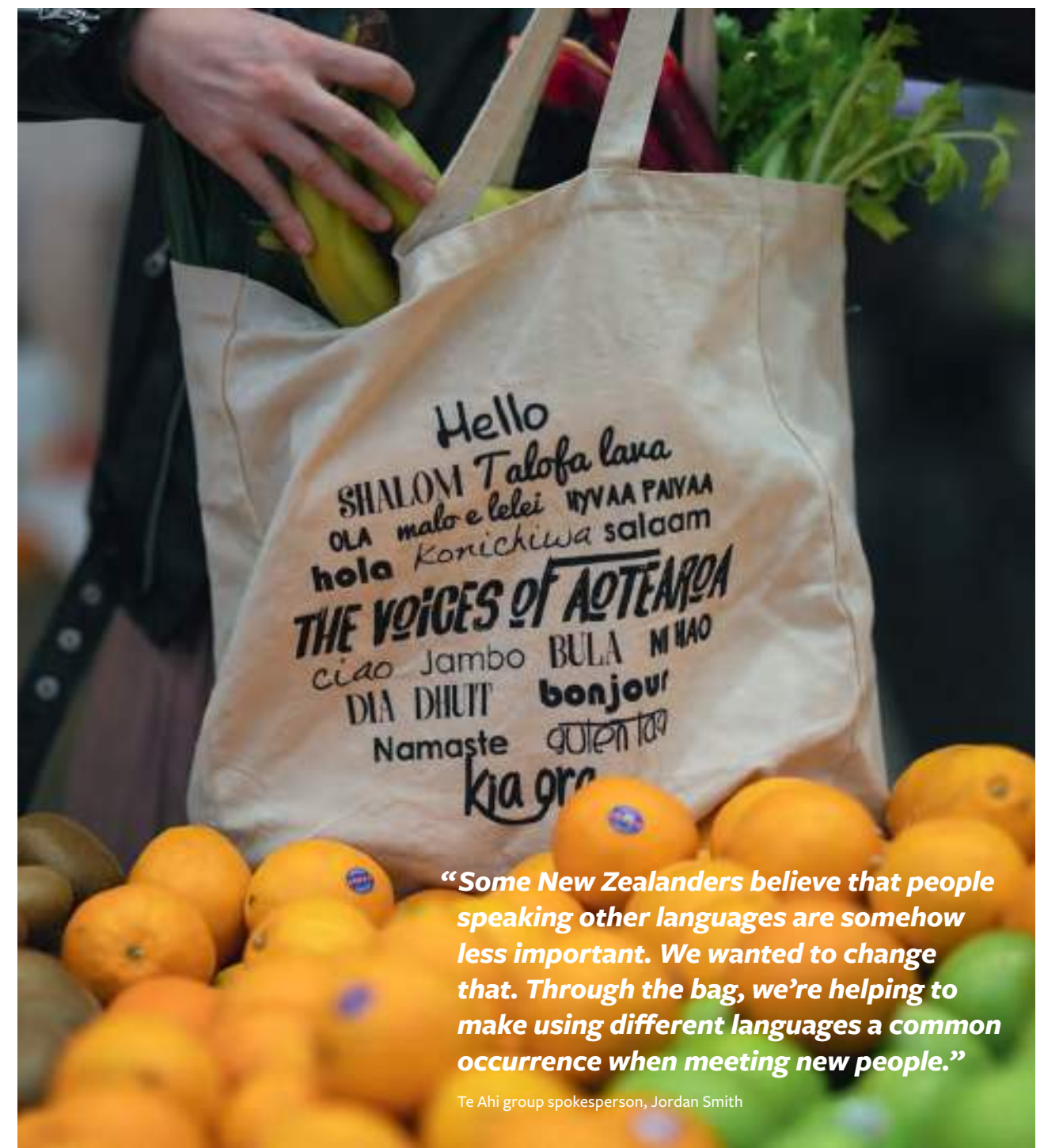
We have been increasingly weaving te reo Māori into store and workplace communications. We also introduced Te Reo classes for a number of our support office team. Led by experienced tutor Apimaera Thomas, attendees also learn about tikanga Māori. The weekly classes have been a hit with those taking part, allowing team to further hone their skills and nail the basics like pronunciation and greetings. Ka rawe!

“It’s great to be helping to encourage more use of te reo in Aotearoa - it’s such a beautiful language that deserves our respect and protection. In my role I interact with a wide range of stakeholders throughout New Zealand and regularly use Māori greetings and words. Taking part in these sessions has further ensured that I’m not just using them correctly, but also have a deeper understanding of their meaning.” says sustainability team member, Charlotte Haycock.



“Te reo Māori is more than just a language, it is understanding a way of life. When learning te reo, you are not only learning syntax and vocab, you are learning tikanga particular to Māori and in doing so, you learn of the richness of a people. This in turn can impact and further enrich one’s own wellbeing and life. Kia kaha tātou ki te kōrero Māori.”

Apimaera Thomas



“Some New Zealanders believe that people speaking other languages are somehow less important. We wanted to change that. Through the bag, we’re helping to make using different languages a common occurrence when meeting new people.”

Te Ahi group spokesperson, Jordan Smith

Student-designed World Shopper bag a hit with Countdown customers

Year 12 students from Auckland’s St Mary’s College took cultural awareness to a stylish new level, with their self-designed, reusable bag rapidly selling out at a select range of Countdown stores.

The World Shopper bag, designed and developed by the college’s Young Enterprise Scheme group Te Ahi (The Fire), not only celebrated New Zealand’s diverse population and cultures but also taught Kiwi shoppers how to say hello in 18 different languages. The students wanted the bags to help New Zealanders with new ways to greet people and as such grow our acceptance of other cultures.

Countdown helped Te Ahi throughout the manufacturing and merchandising process to bring their reusable bag business idea to life and stocked the bag in five central Auckland stores in late 2018.



Developing our team

We know that if we want to continue to attract young, talented people to work at Countdown, we need to provide great career pathways and the support our team needs to succeed.



REDUCED
INEQUALITIES



COMMITMENT 5

We will develop the careers of the Countdown team with a focus on youth.

Countdown careers

Whether it's working in our stores around school or university studies, completing an apprenticeship or being a part of our SEEDs or graduate programmes, Countdown continues to provide hundreds of young Kiwis with their first job and a great start to their careers.

We're proud to employ 5,979 New Zealanders who are 25 years old or younger across our stores, distribution

centres, meat and seafood plants and support office.

An important part of attracting young people to work with Countdown is giving them an insight into how diverse careers within our business can be. Our SEEDS (Students Entering Employment Developing Skills) programme, which brings secondary school students into stores one day a week over 10 weeks, is designed to do just that.

SEEDS has been running since early 2018 in partnership with ServiceIQ. The number of students participating in the programme has increased from 273 in 2018, to 333 in 2019. Students taking part in the programme not only gain practical skills and knowledge, but are also able to make informed decisions about future career opportunities at Countdown. Our stores also benefit, with store managers able to identify great, local talent.

Butchery apprentice a cut above the rest

Countdown Mair Street Butchery Manager, Tristan Fraser, didn't start his career in butchery, but is certainly well on the way to establishing one with help from Countdown.

Tristan is in his third year of Countdown's apprenticeship programme, which offers team members the opportunity to earn while they learn through a butchery or bakery apprenticeship in our stores. The apprenticeships are run with support from Competenz and allow participants to gain internationally recognised qualifications.

Over the last year, 11 of our team have completed apprenticeships and 99 are currently working towards completing their butchery or bakery apprenticeship.

Tristan, who came to work for Countdown after eight years working in and then managing a hunting and fishing store, has easily transitioned into his new role managing a team of four across the Mair Street meat and seafood team.

"Butchery is something I'm really passionate about and it's been really great learning the tools of the trade by working alongside the experts. It's humbling the amount of time they are willing to spend in teaching me the finer cuts."

The support for apprentices goes beyond being taught by the experts. For Tristan, the store management team have also been great to work with.

"I've been impressed by the amount of support the store management team gives to apprentices. Despite being really busy, they are always there to offer encouragement and advice - that's very helpful when you're starting out in a new career. With their support, I'm looking forward to completing my apprenticeship this year."

Tristan Fraser, Butchery apprentice





“I am proud to work for an organisation that is aware of the impact it has and that does its best to utilise its resources and makes Kiwis lives a little better every day. Countdown really cares about its team and communities and is passionate about doing the right thing.”

Annabelle Cole, Countdown graduate



From fashion to food

Our graduate programme continues to attract hundreds of applicants each year. In early 2019, we were excited to welcome 13 new graduates who are now working across a range of departments and projects as well as developing their skills in areas related to their own career interests.

For a fashion design graduate, the supermarket industry wouldn't seem like a likely first choice when starting a career. However for 2019 Countdown Graduate Annabelle Cole, who has a passion for supply chain management and logistics, it was exactly that.

“After finishing university, I wanted to work for an organisation that would see the strengths I could bring to a role, and also be prepared to invest in me and offer new opportunities. As someone who is also passionate about social responsibility, I wanted to find an organisation that aligned with my own beliefs and that constantly strives to do better every day. Countdown's graduate programme aligned with what I wanted out of an organisation and a role.”

Annabelle's studies led her to look at both the potential future of the New Zealand apparel industry as well as how it has adapted to globalisation. Doing this work has driven her interest in the

competitive advantages that can come from developing adaptable supply chains - something that is paying dividends in her graduate role in logistics.

“Our business is constantly adapting and changing to give our customers our best every day. Working with our team and suppliers to get the right products, in the right place, at the right time, with good prices, can be a challenge. It has been really pārekareka seeing how dedicated our team is and how hard they work to get the most out of every day.”

Policies for our people

We know that all our team members make a choice every day to give their time to us. Because of that, we have a responsibility to ensure we create a workplace that allows our team to be who they are and bring their whole selves to work. We want each of our team members to feel supported and valued and also to be proud to work for Countdown.

Making flexibility work

Changes in technology and lifestyle have meant that the ways people work are changing significantly. Many people are now able to do their jobs from almost anywhere, giving them more freedom to work around things like traffic, school and

childcare pickups, and at times that work for them and their employer.

For our office-based team, we know having flexibility at work is really important. Not only does it help increase their work satisfaction and make Countdown a great place to work, many of our team also say it makes them more productive.

In early 2019 our new group-wide Flexibility Policy was launched, giving our office-based team the freedom and tools to work in a way that works for them and the business. As part of the launch for this policy, our team have been encouraged to consider a range of flexible working options and look at what might work best for them and their team.

General Manager Merchandise, Scott Davidson, says the policy has been

fantastic for a number of his team, who have worked with flexibility for some time but now in a more supported way.

“In the buying team we're conscious that many of our people at times either need, or would like, to drop off or pick up their children from school. Others like to be involved in their children's sporting endeavours which means managing their time flexibly and not necessarily the standard 9-5. To help, we recently changed all of our team meetings to be within school hours,” says Scott Davidson, General Manager Merchandise.

Because of their process and service driven nature, the Flexibility Policy will look a little different in our stores. We're looking at how this might work to make sure workplace flexibility can be an option for teams right across our business.

“This policy allows our team to maintain their contribution to important business matters, but also provides flexibility for personal and family choices.”

Scott Davidson, GM Merchandise



REDUCED INEQUALITIES



COMMITMENT 6

We will continue to develop employment policies appropriate to our New Zealand team to provide a supportive work environment.



DECENT WORK AND ECONOMIC GROWTH



COMMITMENT 7

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

Keeping our team and customers safe

We have an absolute responsibility to our team and our customers to make sure they all get home safely. This is a priority for our business and something we focus on each and every day.

Like most companies, we're not immune to workplace accidents. The hugely varied environments our team work in means that there is no one-size-fits-all solution when it comes to health and safety. For example, keeping our team safe in our distribution centres is a different challenge to keeping team and customers safe in our stores.

We know that one of the best ways we can prevent accidents at work is by putting safety at the centre of everything we do and by ensuring our team know that if something can't be done safely, then it can't be done at all.

Stop for Safety

In March 2019, we held our first company-wide 'Stop for Safety' team huddle. Across Aotearoa, all 18,400 of our team, as well as our contractors and service providers, stopped work to focus on what each of us could do to build the safest workplace in the country. It's a big deal to stop a company of our size in its tracks – but it's an indication of how seriously we are taking safety in our business. The giant team huddle gave everyone an opportunity to reflect on our current health and safety practices and what we can all do to keep safe.

Charting a better path for road safety

While the overall number of crashes involving trucks has decreased significantly over the last decade, according to the Ministry of Transport deaths from crashes involving trucks still makes up around 20 per cent of the total road toll.

Our supply chain team works closely with freight suppliers to ensure we're keeping truck drivers, customers and other road users safe as they travel the country delivering goods into our stores and distribution centres.

Underpinning this is our Transport Safety Charter, which plots Countdown's safety ambitions over the next 10 years and is already seeing some positive changes in the freight industry. The Charter gives our freight and supply chain partners a clear overview of our expectations when it comes to safety, and it allows us to work alongside them to make fleet changes that will help keep our team, their team and other Kiwis safe on our roads.

Our secondary freight contracts specify mandatory safety features including eyelid monitoring fatigue alerting system, 24/7 speed monitoring, park-brake alarms, fleet age, electronic braking systems and under-run protection. Over the next year, we'll be working with our primary freight carriers to make similar changes, as well as improving safety at our store delivery points.

I Am Here

New Zealand is experiencing a mental health crisis. Last year, the number of people who took their own lives was the highest since records began, which was the fourth year in a row that number has increased. Our youth suicide rates are among the highest in the OECD with young men most at risk.

Given mental illness affects one in five New Zealanders, we know that many of our team are experiencing or will experience mental distress. It's an issue we are taking seriously as a business. Improving the mental health of our nation is something that all of us, including business, can play a role in.

"I Am Here is a really simple method anyone can adopt to support someone who may need help. There are no wrong questions. It's empowering and safe and focused on fostering a culture of care."

Kiri Hannifin, GM Corporate Affairs, Safety and Sustainability



Over the last year we have been working to continue to remove the stigma surrounding mental health issues and create a working environment where our team feel comfortable speaking up when they are struggling, and know they will get the support they need.

In February 2019, we launched I Am Here - an online training course to help team become confident in recognising when someone may be in need and providing them with support. Since launching the programme, more than 600 members of our team have taken part in the training.

General Manager Corporate Affairs, Safety and Sustainability, Kiri Hannifin, says most people in their lives will experience some form of mental distress.

"Some of us can navigate these times on our own, but most of us need some help and that's something Kiwis aren't that great at admitting. Sadly, there is still completely unjustified stigma attached to mental health and that puts us off letting people know we are finding life tough. Knowing what to do for the people we care about is hard. None of us want to say the wrong thing or make it worse. I Am Here is a really simple method anyone can adopt to support someone who may need help." says Kiri.

Creating more accessible supermarkets

With three million customers each week, the needs of our customers go beyond what they want to see on our shelves. It's also about creating store environments that make shopping easy, regardless of their abilities.

Over the last year, we have continued working with a range of community stakeholder groups to not only change how we develop our new stores, but also to look at how we can create better experiences for customers and team who have disabilities or need a bit of extra help.

Countdown first introduced **Quiet Hours** in April 2018 in Countdown Marton, and now eight stores hold regular shopping times where lights are dimmed, sounds are reduced and there is minimal movement on the shop floor for an hour. This creates an optimal shopping environment for customers with autism spectrum disorders, as well as others who can struggle with the traditionally busy supermarket environment. Plans are underway for several more stores throughout the country to start their own Quiet Hours over the next six months.

In early 2019, a number of our Dunedin stores became the first to test a new mobility car park monitoring app - **Access Aware**. Developed by CCS Disability Action, the app is designed to report the misuse of mobility car parks in real time and help keep mobility parks free for when people need them most.

The app is being trialed in our four Dunedin stores. We'll look at customer and team feedback as well as the number of reports received so we can consider rolling out the technology across other stores.

New Countdown Hāwera accessible for all

When Countdown's Hāwera store reopened in May 2019, it came with a few extra features beyond a more expansive fresh produce department and energy efficient fixtures and fittings.

Thanks to mobility and accessibility being at the heart of the store's redesign, Countdown Hāwera proudly became New Zealand's first 'Be. Accessible' accredited supermarket, helping all New Zealanders feel welcome when they shop with us.

During the store's significant refurbishment, our team worked alongside Be. Accessible to ensure the store was more user-friendly, accessible and inclusive for customers and team members with disabilities.



Changes across the store include:

- A visual alarm system for emergencies and an EVAC chair for wheelchairs at the emergency exit
- Contrasting colours for doors and reduced natural light in the entry area to avoid glare for visually impaired customers
- Wider aisles have been designed to provide space for wheelchairs, mobility scooters and prams
- Team areas have been designed to cater for a range of mobility needs
- Wider mobility car parks which are clearly marked in blue, dedicated mobility scooter parking, and a safe and easy path to the store entrance from mobility car parks
- Two mobility scooters owned by the store, which can be loaned to customers to use while shopping designated drop-off zone for taxis and vans.

“Supermarket shopping is a basic task that everyone should be able to do with ease. The Hāwera store is a great example of creating a supermarket and a workplace that can cater to everyone regardless of ability.”

Neville Pulman, Be. Accessible



Love is Love

Countdown was proud to achieve Rainbow Tick certification in November 2018 - a milestone that was celebrated by our teams throughout New Zealand.

To mark the occasion, our team was asked to share why having the Rainbow Tick matters. We were flooded with responses about how the Rainbow Tick was an important part of creating a safe, non-judgmental, inclusive and empowering workplace for our team - regardless of who they are and who they love.

Team were also encouraged to enter a cake decorating competition. We received entries from right across the business - from our distribution centres and stores to our support office - with Countdown pride clearly on display.

Countdown was also proud to be a key sponsor of RainbowYOUTH's 30th birthday, a charitable organisation working with queer and gender diverse youth to provide peer support, drop-in centres, resources, professional development courses and counselling.

Now that the Rainbow Tick has been achieved, the focus is on maintaining the accreditation. Over the next year, we will be looking to encourage greater visibility of our LGBTI team across our business as well as continuing to hold focus groups to ensure we're meeting the needs of our team and supporting efforts to be even more inclusive and diverse.

DECENT WORK AND ECONOMIC GROWTH



COMMITMENT 8

Achieve Rainbow Tick certification in New Zealand, demonstrating our commitment to LGBTI inclusion.



Planet – for a healthy Aotearoa New Zealand

We want to find new and innovative ways to protect our precious environment for generations to come. We're committed to reducing our emissions and using more sustainable products and materials. We're also looking at any opportunities to use, waste and pollute less.

Reduction in
carbon emissions

13.9%

Certified paper, pulp
and timber

91%

Reduction in
refrigerant leakage

28%

Food rescue donations

\$6.9_M





Zeroing in on food waste

Globally, one third of all food produced is wasted, and according to Love Food Hate Waste, collectively New Zealanders throw out more than 157,000 tonnes of food each year in their homes. Not only is this hugely detrimental to the environment, creating greenhouse gases as food rots in landfills, but it's also unacceptable given the number of children and families in our country going hungry each day.



In 2017, we publicly stated our goal to work towards zero food waste going to landfill. As a food business, it will always be a challenge but it's one that we're up for and working hard on.

Our food rescue and food waste diversion programmes continue to play a key role in reducing surplus food going to landfill. 100 per cent of our Countdown stores have food diversion in place, where surplus food is donated to charity partners like The Salvation Army for people in need, or to farmers as scraps to feed their livestock.

To ensure we're also financially contributing to building a sustainable food rescue sector, our Countdown Food Rescue Partners Contestable Fund has seen more than \$435,000 donated to our charity partners over the last three years.

This year, the majority of the \$165,000 awarded went towards helping our partners expand their operations, whether that's buying a new vehicle to transport products, building a kitchen or hiring more team.

In addition to Food Rescue, we are working on a project towards zero food waste through better waste management in our stores and reducing our stock loss. While just 0.42 per cent of our total sales is wasted, work is currently underway to help understand what opportunities we have to reduce this even further, and move towards zero food waste to landfill. This work is being funded in part by the Ministry for the Environment's Waste Minimisation Fund.



"The relationships we have with the local store teams and the wider Countdown business have been hugely beneficial to our local communities in need."

John Paine, Food Impact Director, Good Neighbour, Tauranga

Supporting Good Neighbour to get cooking

Good Neighbour in Tauranga has been working with Countdown to rescue food that would have otherwise gone to waste since 2015. Good Neighbour currently rescues 450 tonnes of surplus food each year from our stores and distributes it to 55 community organisations across Tauranga who are working to alleviate food insecurity and hunger in the region.

Countdown has also helped support Good Neighbour through its Food Rescue Partners Contestable Fund. The \$45,000 in funding to date has been used to help set up a new commercial kitchen, which opened in June 2019. The Kitchen is a

social enterprise providing training and mentoring to help transform lives. It also means rescued food can now be turned into snacks and sold for catering purposes by people who are unemployed or are seeking new skills.

"Unfortunately demand for food assistance isn't slowing down and as a charitable organisation our resources are often stretched thin. Countdown's support of Good Neighbour Kitchen is helping us move to a more sustainable social enterprise model, where ultimately we will be able to rescue more food and feed more people in need. We look forward to seeing how the food rescue sector evolves in the future," says John Paine, Food Impact Director, Good Neighbour.

RESPONSIBLE CONSUMPTION AND PRODUCTION



COMMITMENT 9

Towards zero food waste going to landfill.



Plastic removed
since early 2018



117T

Single-use plastic
carrier bags
diverted from
New Zealand's
waste stream



338M

RESPONSIBLE
CONSUMPTION
AND PRODUCTION



COMMITMENT 10

Improve the
recyclability of our
Own Brand packaging
and contribute to the
circular economy

The war on plastic

Colmar Brunton's 2018 Better Futures research report showed that the build up of plastic in the environment was the number one concern for New Zealanders – jumping up nine places from the previous year's report.

As global consumer demand for less plastic has increased, so too has the pressure on our business here in Aotearoa to make changes for the better. Over the last year, we've delivered some positive results:

- Continued to remove plastic and packaging from our produce section, with more than 117 tonnes of plastic and over 70 tonnes of cardboard taken out since early 2018.
- Rolled out misting units for fresh produce in five of our stores, allowing it to be displayed without unnecessary plastic and

packaging. They are expected to be rolled out in 30 of our stores by the end of 2019.

- We've started using recycled PET instead of virgin plastic for some of our own brand products like bottled water and bakery items. This helps reduce the need for virgin plastic and provides a market for these types of recycled products in New Zealand.

Trialing traps for litter

Our store car parks, back-of-store areas and distribution centres see a lot of foot and product traffic with customers visiting our stores and deliveries being made to ensure our shelves are always stocked. Because of this, pieces of rubbish and litter often end up outside and blown into nearby stormwater drains before it can be picked up and properly disposed of.

We have recently begun a trial of Stormwater360's LittaTraps at our Auckland distribution centre and Countdown Takapuna store to help prevent litter ending up in our waterways. The trial, which will be completed in 2019, will allow us to see how effective the traps are and whether they are something we can introduce at more of our stores.

Haere rā to the plastic bag

After announcing in late 2017 that we would be phasing out single-use plastic carrier bags at the checkout and online by the end of 2018, our team worked incredibly hard to ensure we met our deadline.

During the phase out, our store teams were proud advocates and their passion clearly had an impact on our customers who started using their reusable bags well ahead of our full phase-out. On 15 October 2018, more than two months ahead of schedule and nine months ahead of legislation, we were proud to announce Countdown was the first supermarket brand in New Zealand to be single-use plastic carrier bag free at our checkouts and online shopping service. This has meant 338 million single use plastic bags have been prevented from entering the waste stream this year.

Almost 90 per cent of our customers are already bringing their own bags when they shop with us, so thanks Aotearoa for getting behind us!



“This is something Countdown needs to do to meet the ongoing demands of its customers when it comes to packaging. It’s great to have been able to play a role in Countdown’s work to reduce its impact on the environment. Knowing that my work is contributing to a better planet for future generations is really exciting!”

Jefferson Damayo, Packaging Specialist

Ministry funds help reduce waste

In late 2018, Countdown was delighted to be awarded Waste Minimisation funding from the Ministry for the Environment towards a project focused on further reducing food waste, identifying positive changes to make to our own brand packaging, and investigating circular economy opportunities within our operations. The project is expected to be completed by early 2020.

Taking a hard look at our own brand packaging

For many products, packaging can serve a vital purpose like keeping food safe

and preventing waste. We want to find better alternatives to plastic in particular, but before that, we need to know what we're using and why, particularly as we're committed to using 100 per cent reusable, recyclable or compostable packaging in our own brands by 2025 or earlier.

In early 2019, we worked with a packaging specialist to audit our entire own brand packaging. This looked at the recyclability of the packaging currently being used and identified areas where environmentally-beneficial changes could be made in the short, medium and long-term.

“These types of audits help establish a baseline that can then be used to identify and pinpoint important and underlying issues to tackle,” says Packaging Specialist Jefferson Damayo. “It’s captured data such as various packaging types, packaging

materials, recyclability of packaging, and specific logos and artwork relating to recyclability which gives us a really good understanding of what we need to do.”

Councils throughout New Zealand have a range of different recycling capabilities, which means that packaging that can be recycled in one part of the country cannot be recycled somewhere else. Looking at which packaging options have the best ability to be processed within our current domestic infrastructure was also an important focus of the audit.

Jefferson says that while 2025 seems far away for a lot of people, it's actually an incredibly short timeframe if Countdown is going to meet its commitment to make packaging changes.

Sourcing sustainably



RESPONSIBLE CONSUMPTION AND PRODUCTION



COMMITMENT 11

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

We know how important it is for Kiwi shoppers to buy fresh, locally-grown produce. We work with more than 1,200 Kiwi farmers to stock our supermarkets, as well as hundreds of Kiwi growers for a wide range of delicious fresh fruit and vegetables.

Over the past year, we have had a strong focus on local producers, and sharing their stories with our customers. Whether it's lettuce from Sutherlands Produce in Ramarama, Auckland, our sweetcorn from the McPhail family in Gisborne, or

our organic Braeburn apples grown by Bostock in the Hawkes Bay, we're really proud to work directly with a wide range of local growers.

For products that come from further afield, we're continuing to ensure we're sourcing from sustainable sources that have been independently verified. 100 per cent of all our own brand tea, sugar and chocolate is sustainably sourced from vendors that have been independently certified by groups including Fairtrade, Rainforest Alliance and UTZ.



Over the last year, we've worked with Kiwi farmers to supply our stores with:

21 million kilos of fresh New Zealand beef, lamb, pork and chicken

82 million litres of fresh milk.

54 million free-range eggs

2 million kilos of fresh New Zealand fish

Free farmed fresh pork

Our customers regularly tell us that they want to buy products from local farms that meet high animal welfare standards.

For a number of years, we have been working with Steve Stern and his team at Patoa Farms to offer free farmed fresh pork in a number of our stores. Patoa Farms, based in Hawarden, North Canterbury, has been free farming pork since 1988 and is independently certified by the SPCA.

In October 2018, we were pleased to announce that 100 per cent of all Countdown's fresh pork nationwide would be Patoa Farms free farmed pork, making animal welfare considerations a more widely available choice for consumers.

"We know that animal welfare and knowing animals are well cared for is really important for Kiwi customers, and we've always taken this approach to our farming business. We're delighted to be able to supply more free farmed fresh pork to Kiwi's, and importantly make it accessible right across the country." Steve Sterne, Patoa Farms.

Canterbury wheat for the win

Having great working relationships with our local growers and farmers is not only great for our customers, but it also gives our business a better understanding of the challenges they face.

Where possible, we're working to find opportunities to give our suppliers the ability to plan for the long-term, knowing

that what they grow or produce, we will buy. A great example of this is our recent work with Canterbury wheat growers, who had been struggling for a number of years with low wheat prices.

In July 2018, we announced that all our in-store baked bread and rolls are now being made from Canterbury-grown wheat, giving New Zealand's local wheat industry a significant economic boost. The multi-year commitment sures up the whole supply chain, and allows growers to reinvest in their businesses and look at other opportunities to make the most of their land.



Cage-free eggs

The demand for free-range and barn eggs shows no sign of slowing down, increasing by 50 per cent in the last couple of years. More and more customers want to know how the eggs they are cracking into a pan, pot or bowl have been produced and how hens have been cared for.

To help our customers make informed decisions about the eggs they buy, we introduced traceability stamps on all our own brand eggs in early 2019. The new stamp uses food grade ink, which is safe to eat and doesn't affect the egg, and

prints a Countdown logo and code on each egg at the farm, right after being laid and before packaging, ensuring full traceability from farm to plate.

We were the first national retailer to announce we will move to barn-laid or free range eggs on-shelf by the end of 2024 in the North Island and 2025 in the South Island. Additionally, we have committed to selling only free range and barn eggs in our own brand labels by the end of 2022. This commitment is supported by our Egg Producers Programme, which began in 2016 and aims to help farmers reach the extra 150 million free range and barn eggs needed each year by our target dates.

"The quality, safety and integrity of the products we sell on our shelves is paramount to us, and by stamping our eggs we want to provide that next level of traceability for our customers too. We have always audited our own brand egg suppliers and over the last two years we have also audited all free range eggs that we stock on our shelves, and independently verified traceability from the farm right through the supply chain. We are proud to be giving customers that extra assurance that our eggs are verified as free range and that their journey is traceable." Nikhil Sawant, Countdown's Head of Perishables



"Our customers want to know where their food comes from, particularly if their purchasing decision is based on animal welfare."

Nikhil Sawant, Head of Perishables

"We're delighted to be partnering with Countdown to offer more Kiwis the chance to try our organic Braeburn apples."

John Bostock, owner of BOSTOCK New Zealand.



Apples go organic

In April 2019, Countdown became the first national New Zealand supermarket retailer to offer only 100 per cent organic Braeburn apples at supermarkets nationwide, rather than the conventionally-grown variety.

According to the 2018 New Zealand Organic Sector Market Report, commissioned by Organics Aotearoa NZ, eight out of ten New Zealanders buy organic products at least fortnightly. In fact at Countdown, the demand for organics is growing at more than twice the speed of the conventional market.

With more than five million apples sold each year and Braeburn being one of the most popular varieties, the decision to

move to certified organic Braeburn is a major play to help make organic produce more affordable and accessible for Kiwis.

"Growing healthy premium produce in partnership with nature is our priority. We want to leave the rivers and land in a good condition for future generations. We started our grower journey as conventional farmers and after having young children and seeing the liberal use of pesticides and artificial substances, like many of our customers, we had concerns and this encouraged us to start looking for healthier alternatives. In 1996 we converted our farm to organic and now we export to more than 20 countries around the world." John Bostock, owner of BOSTOCK New Zealand.

Palm Oil

The impact of palm oil production on the environment is an ongoing concern for our business as it is for many of our customers. We are continuing to work on ensuring both our food and non-food products use palm oil that is certified by the Roundtable on Sustainable Palm Oil (RSPO), of which we're a member.

We want our customers to be able to make informed choices when they shop with us, which is why where palm oil is used as an ingredient in any of our own brand products, we clearly label it as 'palm oil' on the packaging. 100 per cent of the palm oil in our own brand food products is RSPO certified.

Sustainable suppliers

Wherever we can, our buying team is working to find not only sustainable suppliers, but suppliers that help our customers to lead more sustainable lives and reduce their impact on the environment too.

Some success stories we've loved in the last year include the introduction of recycled cardboard packaging instead of plastic packaging for Turners and Growers' Beekist tomato products, Sistema's collection of reusable containers and bottles, the reusable Oi menstrual cup, and the recycled plastic being used by Lewis Road Creamery.

Buzzing about food wrap

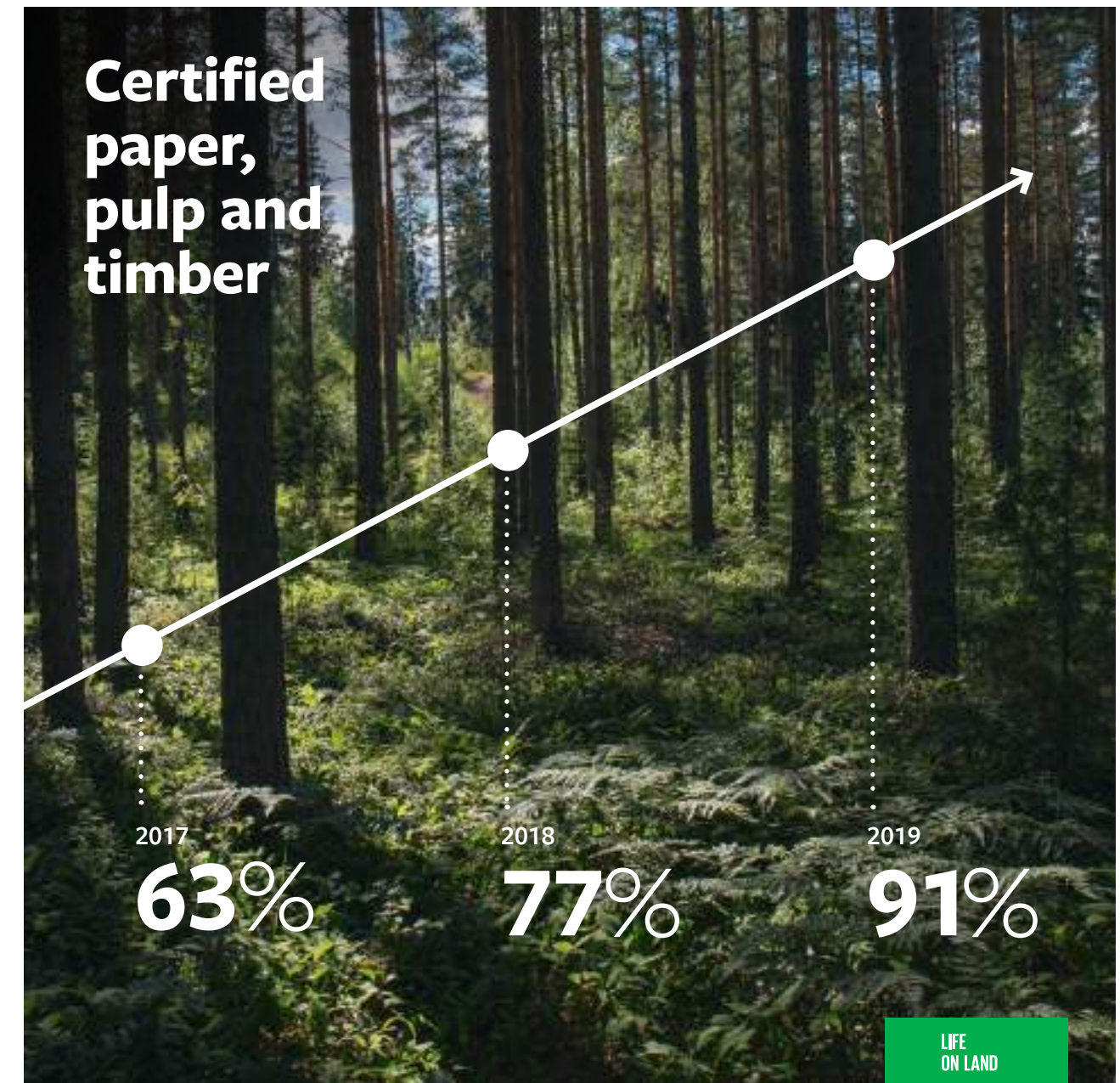
In October 2018, we began stocking LilyBee wraps in 23 of our stores. The wraps, made in the Hawkes Bay, are an easy and eco-friendly food wrap option, eliminating the need for plastic wrap.

For the growing number of eco-conscious customers, the wraps have been a welcome, and popular, addition to our shelves.

Stacia Jensen, founder and CEO of LilyBee Wrap says "Countdown has been an incredible business partner over the past eight months – the team continue to inspire us with their belief and passion for our brand, and we know that our customers love seeing us in Countdown."



Certified paper, pulp and timber



Paper, pulp and timber

We work with the Programme for the Endorsement of Forest Certification and the Forestry Stewardship Council (FSC) systems to ensure that our own brand products and raw materials are independently certified and sustainable.

The number of Countdown own brand products containing certified timber, pulp or paper has been steadily increasing over the last few years and over the last year, this has increased to 91 per cent in FY19. Our own brand tissues, toilet paper and kitchen towel products are all certified.

LIFE ON LAND

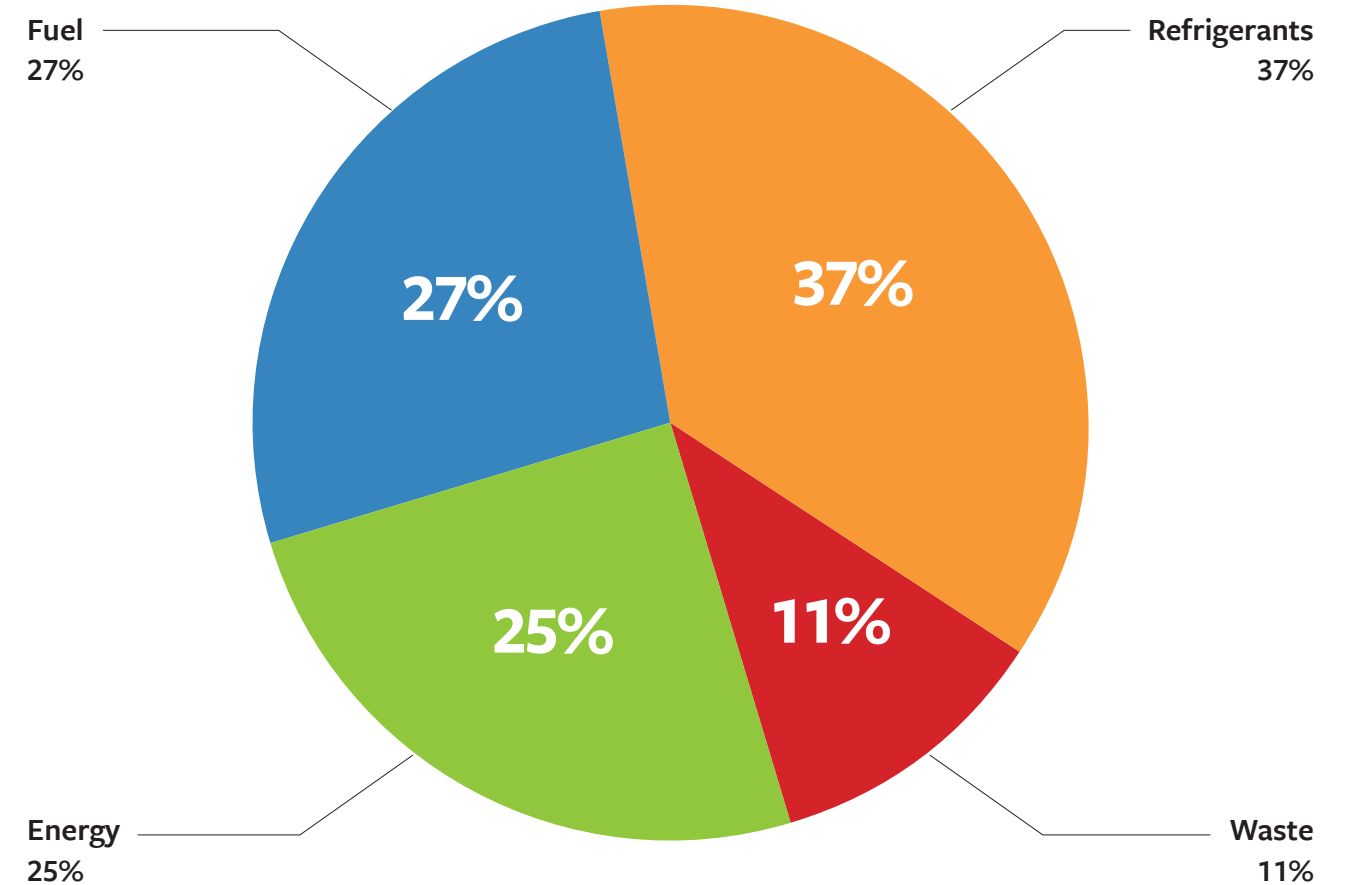
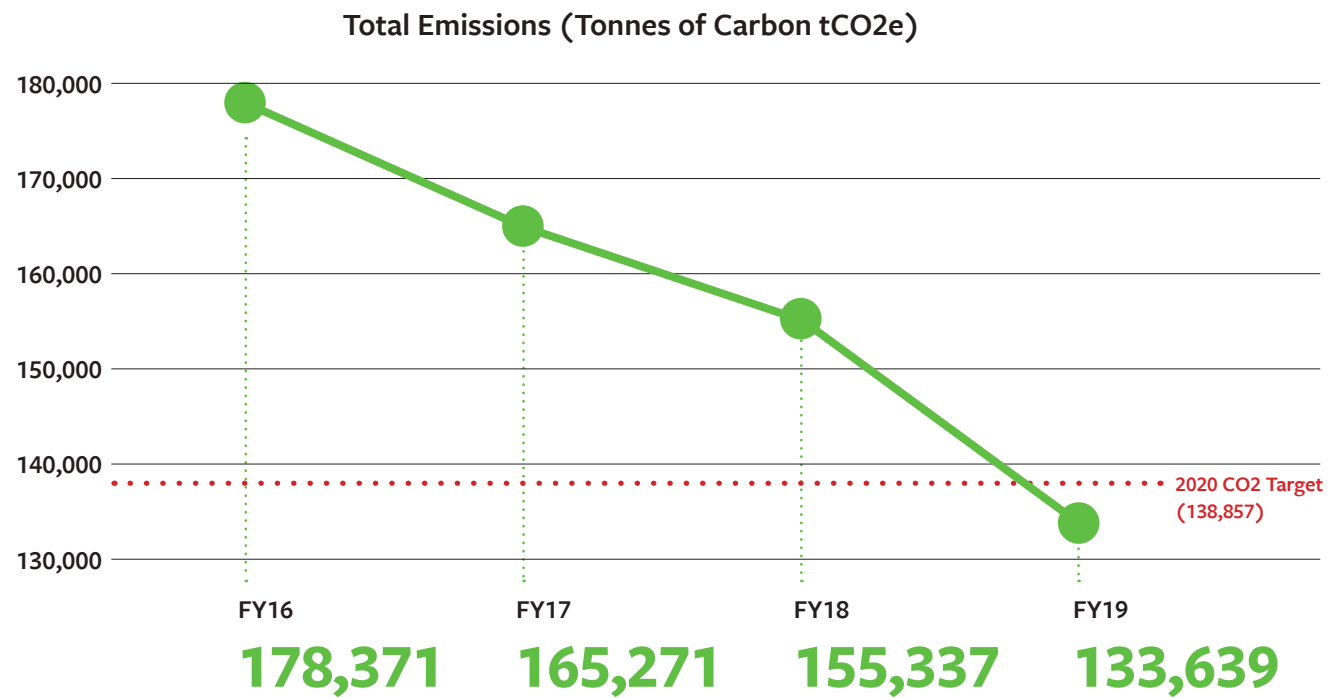


COMMITMENT 12

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

Action on emissions

The ongoing and unabated impact of carbon emissions poses a significant threat to our environment and our economy. We've made great progress and are on track to meet our emissions and refrigerant related commitments in 2020, but our work won't stop there.



CLIMATE ACTION



COMMITMENT 13

Reduce Countdown's carbon emissions to 10 per cent below 2015 levels.

As part of the Woolworths group, we have targeted emissions reductions in line with the levels required to limit global warming to 1.5°C above pre-industrial levels. This equates to reducing emissions by 60 per cent by 2030 compared with 2015 levels.

The Intergovernmental Panel on Climate Change's 2018 Special Report outlined that global warming is likely to reach 1.5°C between 2030 and 2050. The report also highlighted that there are significant climate-related risks for natural and human systems even at 1.5°C.

Reducing our carbon emissions is critical not only for the environment, but also for the future of our food-focused business. The more frequent incidence of extreme weather events has the potential to impact our business and supply chain – from both an infrastructure, and a security of supply perspective.

We know that tackling climate change isn't just a matter of off-setting our emissions or reducing them - we also have to adapt to the changes we are already experiencing and keep finding better and smarter ways of doing things.

A target that is in line with a global warming limit of 1.5°C is ambitious, but necessary if we are going to be able to address the changes in climate we face.

Using the Sectoral Decarbonisation Method, the Group investigated the 2°C and 1.5°C warming trajectories and modelled what it would take to achieve these. **The analysis found that our emissions need to be 60% less than 2015 emissions levels by 2030, which becomes our new target.**

13.9%
reduction in
emissions since
FY18

We are a signatory to the 2017 Climate Change Statement, as part of our ongoing commitment to reducing greenhouse gas emissions. As part of this agreement, we report on our progress to the NZ Climate Leaders Coalition group. Being a member of this coalition ensures that we are working alongside other like-minded member businesses to collectively reduce New Zealand's emissions, and encourage non-member businesses to take action as well.

CLIMATE ACTION



COMMITMENT 14

Innovate with natural refrigerants and reduce refrigerant leakage in our stores by 15% of CO₂ equivalent below 2015 levels.



“I take satisfaction in knowing I can reduce the impact of fridge breakdowns on our stores, our customers and ultimately the environment”

Greg Kendall, Refrigeration Technician

Refrigerants

Refrigerants are our most significant emissions contributor - making up 37 per cent of our total emissions in FY19. We have a specific target focused on its reduction and are currently on track to meet our 2020 commitment.

Our refrigeration systems vary across our network of 180 stores, and use a range of refrigerants. Where new construction or retrofitting opportunities allow, we’re working to introduce refrigerants with a lower Global Warming Potential (GWP) factor or replace the system entirely.

Currently only 39.5 per cent of our stores are still using the refrigerant gas 404a, which has an operating charge of 100 tonnes and a leak rate of 14 tonnes per year. We’re retrofitting our stores where possible with R449, which has a much lower GWP factor, and using leftover stock by recycling it and

placing it in older systems that haven’t yet been upgraded so we don’t have to purchase new, higher GWP factor refrigerants.

We’re also making smart investments in better, longer term solutions as we work towards carbon neutrality. For our new stores, we’re installing transcritical refrigeration systems which use natural refrigerants. Currently, we have five transcritical systems in place and we expect this figure to double in FY20. We also have 58 hybrid systems in place.

Refrigeration technician keeps things cool

Keeping our store refrigerators in great condition is critical to stop refrigerant leaks before they happen. Greg Kendall, Countdown’s refrigeration technician, has been with the business for a year and

carries out preventative and corrective maintenance work throughout the Auckland region to make sure our fridges are working as they should be.

Greg plays an important role in reducing our emissions. By carrying out leak checks, unblocking condensate drains, checking circulation fans and talking to store teams about stock load levels, Greg is able to catch any problems before they become big issues for not only our business, but the environment too.

“Being across the Auckland stores on a regular basis, I have the opportunity to prevent major breakdowns before they occur. Every day is different – I can be in one store, or across four different stores in a single day doing repair work.” Greg Kendall, Refrigeration Technician.



Energy

Energy is our second largest carbon emitter, producing 25 per cent of our emissions in FY19. In an effort to reduce this, we are continuing to roll out LED lighting in all new stores and as we refurbish our existing network.

We know that as we reduce emissions through better refrigerants and introduce more transcritical systems, electricity is likely to then be our greatest contributor to carbon emissions. Technology will play a significant role in helping all businesses, not just ours, generate further energy savings and cut emissions.

Fuel

In FY19, fuel accounted for 27 per cent of our emissions. We move food and other products around New Zealand as efficiently as possible.

Over the last year, we’ve been working to improve transport efficiency by increasing the size of pallets per load, introducing slightly larger truck trailers that can transport more pallets, and optimising the routes our trucks are travelling.

This means fewer trucks, travelling fewer kilometers, generating fewer emissions.

We have continued to see reductions achieved through our new transport contracts that stipulate Euro 5 or 6 engine specifications, which produce lower emissions, and by reducing the number of direct to store deliveries.

We’re also working to convert all our distribution centre forklift fleet to electric and we expect to complete this by the end of 2020.

Going electric

Last year, we were awarded \$300,000 of funding by EECA to convert five of our chilled online delivery vehicles to electric, helping to cut down noise around the online delivery depots and eliminate approximately 135,000kg of CO2 emissions annually. We will be launching these vehicles very soon, as they’re nearly ready to hit the road!

In November 2018, we installed our first electric vehicle charging stations in partnership with WEL Networks. The charging sites, which are available at five of our Waikato stores, are free for customers to use and are compatible with any electric vehicle. We also have an electric vehicle charging station available at our support office for our electric pool car and the growing number of electric vehicles our team is driving to work.

Much like electricity, fuel will increasingly become one of our top emission concerns without significant investment and technological advancement. We are looking at growing the number of electric fleet cars in our business and the number of electric vehicle chargers we have available for our customers.



Prosperity – building strong and trusting relationships

Relationships are the foundation of our business. We know that by giving back to the communities we operate in, and supporting and engaging with our suppliers, we are not only doing right by our peoples and the environment, we're also honouring the trust our customers have in us to make their lives a little easier every day.

Community donations

\$2.2_M

Own brand products with health star rating

99%

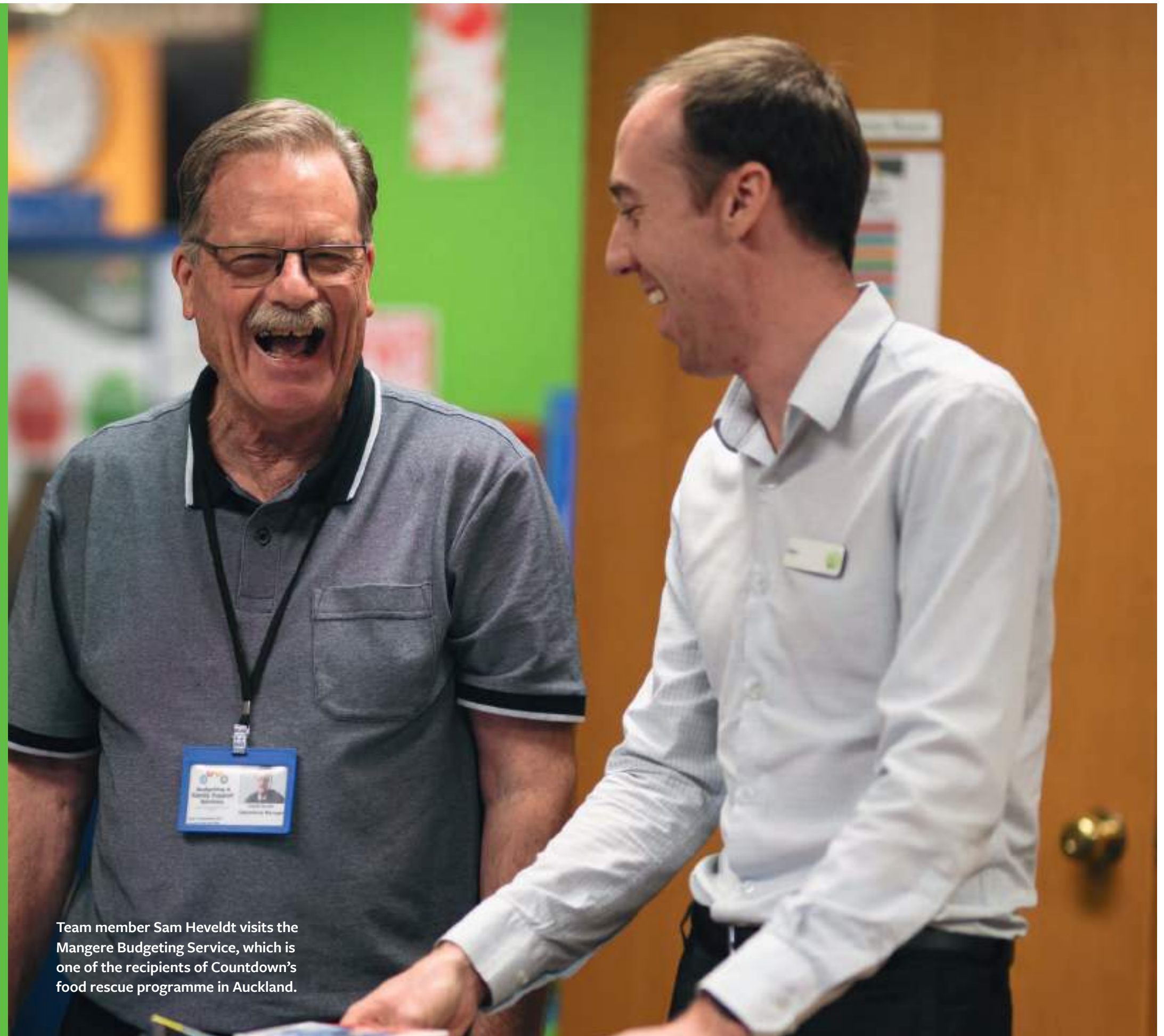
Tonnes of sugar removed from own brand products

82_T

Tonnes of salt removed from own brand products

25_T

Team member Sam Heveldt visits the Mangere Budgeting Service, which is one of the recipients of Countdown's food rescue programme in Auckland.



Working with our Business partners

Our suppliers are a critical part of our business and we need to have positive, fair and open relationships with them, whether that's a large multi-national supplier or a local start-up. We nurture these relationships throughout the year through regular updates, events and joint business planning.

We also want honest feedback so we can continually improve. In addition to the annual Advantage Survey which is a comprehensive review of all supermarket retailers across the country, we have recently added our own pulse surveys which we carry out three times a year.

These Voice of the Supplier surveys, introduced in October 2018, give our suppliers the opportunity to tell us what's working, how they find doing business with us and what our areas for improvement are.

Each member of our buying team has Voice of Supplier feedback in their individual KPIs each year.

Already the survey has been instrumental to further improve our supplier relationships. Measures where we have seen significant improvements include 'Customer led joint planning' and 'Countdown as a fair, equitable and trustworthy business partner'. The results have also helped encourage our category managers to collaborate more with their supplier partners.

The verbatim feedback has also given our team a good indication of where we need to do further work and over the coming months, improving our in-store execution consistency and communication from category managers will be a focus for our business.

“Suppliers play a pivotal role supporting us to deliver our customer first strategy. Both myself and my team are incredibly committed to ensuring our relationships with each of them are positive and mutually beneficial. To do this, we need to take the time to listen and learn from our suppliers, because once we know what's important, we can work out how to make positive changes. We're taking every piece of feedback we get from our suppliers really seriously and have set up a team to work on an action plan that's directly derived from the results of our surveys. The plan is developed and owned by the entire team and shared with suppliers to demonstrate how serious we take their feedback. In some cases, we've implemented them across the entire business.”

Scott Davidson, General Manager Merchandise

Responsible sourcing

According to the Global Slavery Index, an estimated 3000 people in New Zealand work in conditions of modern slavery. The issue is particularly prevalent among our migrant worker population.

Modern slavery covers situations where workers might have their passports withheld so they can't travel home, are being forced to work to pay-off a “debt” related to their employment, or are simply not being paid for the hours they have worked.

Kiwi consumers, like others around the world, are increasingly interested in knowing where their food and groceries come from and the conditions in which those items were produced.

Ensuring the human rights of workers throughout our supply chain are upheld is the primary focus of our Responsible Sourcing Policy and Responsible Sourcing Standards, which replaced our Ethical Sourcing Policy in July 2018.

We enlisted the help of global social compliance firm Elevate to guide us through the process and conduct a comprehensive risk assessment. This has allowed us to build a comprehensive picture of the risks that exist in our supply chain and also the areas that we need to understand better, such as horticulture.

We also looked at what other leading companies around the world, and retailers in our local market, are doing in this space. This benchmarking has ensured that our efforts are aligned with industry and make things easier for our suppliers by reducing audit fatigue and double ups, ensuring best practice and delivering consistent messaging.

Since launch, we have been working with our suppliers to help them understand the new policy and standards, and start the first part of the process by carrying out baseline auditing. This allows us to see how the auditing process is working and ensure it is fit for purpose for both our business and our suppliers.

Our team also regularly meet with the Ministry for Business, Innovation and Employment, which is carrying out work to encourage more businesses to adopt responsible sourcing policies and practices.

Focus on horticulture

A big part of our business is the fresh, seasonal produce we deliver into our stores for customers each day. It's important to us that each person that has had a hand in the growth, harvest, packing and transportation of those products has been treated and paid fairly.

New Zealand's horticulture industry employs a large number of seasonal migrant workers. Because of the potential risks involved with this type of labour, our team is working closely with produce suppliers to ensure they are meeting our Responsible Sourcing Policy. Where issues are identified, we will help to address them.

Currently we require all New Zealand and Australian growers supplying produce to our stores, both directly and through wholesalers, to demonstrate compliance with one of the three mutual recognition programmes we have selected.

To further support this work, Horticulture New Zealand (through New Zealand Good Agricultural Practice - NZGAP) is developing a social practice add on that meets our standards and incorporates New Zealand legislation. This programme is being developed together with the industry and regulators.



DECENT WORK AND ECONOMIC GROWTH



COMMITMENT 15

We will engage fairly and equitably with our suppliers, making fact-based decisions and seeking regular feedback directly and through independent supplier surveys.

DECENT WORK AND ECONOMIC GROWTH



COMMITMENT 16

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



Countdown Communities

With our stores operating in 180 communities throughout Aotearoa, and serving more than three million Kiwis each week, we have our finger firmly on the pulse of what matters to our customers and their families. When the call comes for help, we answer – whether that's through long-standing partnerships and programmes, or addressing an immediate need on an ad hoc basis.

10.4
million meals
donated through
food rescue to feed
hungry Kiwis



**PARTNERSHIPS
FOR THE GOALS**



COMMITMENT 17

We will invest the equivalent of 1 per cent of a three year rolling average of total Countdown Earnings Before Interest and Tax (EBIT) into community partnerships and programmes.

Helping address hunger through our food rescue programme

Our largest charity partner, The Salvation Army, works with a growing number of families who are struggling to cover their costs including power, rent and transport. More often than not, paying these bills is at the expense of keeping their families fed, with one in four Kiwi kids experiencing food poverty. The Salvation Army continues to see significant demand for food parcels and other wrap-around support services.

As a food business, we have a deep appreciation for our role in feeding and supporting our communities. Along with our work to keep food affordable, we also ensure that wherever we can, food that we can no longer sell, but can still be eaten, is donated to Kiwis who need it most through our Countdown Food Rescue programme.

Food rescue, and our wider work to support the food rescue network in New Zealand, continues to be our main community investment activity.

Over the last year, we have also supported The Salvation Army through our annual Winter and Christmas food rescue appeals and their new initiative, The Good Shop, which is an ethical alternative to predatory mobile lenders. The Good Shop allows customers in low-socioeconomic areas, who may not be able to easily access the supermarket, to purchase groceries and other items without incurring crippling debt. It also provides financial advice and assistance. Countdown is also involved in the second Good Shop in Porirua which launched in July 2019.



Foodbank Project hits \$1m in donations

Countdown also partners with The Salvation Army on The Foodbank Project - New Zealand's only online foodbank. In May 2019, we were proud to reach a massive milestone - \$1 million of food and grocery donations online since it launched in late 2015, providing more than 33,000 food parcels and other essentials for Kiwis in need.

The Foodbank Project sees donors choose from a range of products that are critically needed for food parcels, either in a one-off or recurring donation. Countdown provides the food and groceries at cost, then packs and delivers the donated items free of charge to the nearest participating Salvation Army foodbank hub.

The Foodbank Project has been particularly successful in responding to short-term, urgent needs such as larger size nappies and women's sanitary products. More than \$120,000 worth of sanitary products have been donated alone since the website launched.

TOP 10 ITEMS PEOPLE DONATE THROUGH THE FOODBANK PROJECT:

1. Penne pasta
2. Long-life milk
3. Baked beans
4. Long-grain rice
5. Mixed vegetables
6. Canned spaghetti
7. Margarine
8. Women's sanitary products
9. Canned tomatoes
10. Toilet paper

Taking action on period poverty

Our work with The Salvation Army extends beyond helping feed Kiwis who are struggling – we've also worked with them to address an issue faced by many women and girls in families that are finding it hard to make ends meet - period poverty.

We became increasingly aware of young girls and women going to extreme and unsafe lengths to manage their periods each month, and the need for every woman and girl to have access to sanitary pads and tampons.

Our research with The Salvation Army, KidsCan and schools showed that stigma associated with not being able to buy products and the general taboo around periods meant people were shying away from talking about it.

In response, we made the decision to permanently drop the price of our own brand sanitary products to make them more affordable for all women. It also started an ongoing public conversation about period poverty and the need to address it in New Zealand.



Waitoki Primary School pupils,
Damian Traille and Cameron Reardon
with Principal Chris Neison

Growing for Good

In late 2018, we announced Countdown's Growing for Good Grants, created to help fund New Zealand primary and intermediate schools for environmental and sustainability focused projects.

After receiving hundreds of applications from the top of the North Island to the bottom of the South, we were pleased to allocate \$25,000 to 30 successful applicants. The funding is being used for a range of projects including a sensory garden, planting vegetable gardens with traditional Māori plants for medicinal purposes, and installing a rainwater tank for an existing vege patch.

Macandrew Bay School in Dunedin has been clearing rubbish and removing weeds from the area surrounding a stream by their school for more than seven years. Thanks to a restoration project that students, staff, and the community have been working on,

the area is now covered with native plants helping to keep the local bird, fish and insect communities thriving.

To keep improving the health of the stream, the school used their Growing for Good Grant to purchase a stream health monitoring and assessment kit that will allow pupils to learn about how different types of planting can improve the well-being of the water and encourage more native fish to live there. The school hopes the project will not only be beneficial for the local wildlife, but will also encourage the children connect to and respect their environment keeping it safe for future generations.

Waitoki Primary School, near Silverdale, are building a chicken coop to keep hens at school to lay eggs. Pupils Damian Traille and Cameron Reardon spent a month researching, costing and planning the coop ensuring it would be safe for the chickens and easy to access and clean for their fellow students.

The school is a member of the Garden to Table programme, which teaches children how to grow, harvest, cook and enjoy their own food. The eggs will be a welcome addition to the programme as well as the community shelf at school where excess produce is given away for school families to enjoy.

"We're so thankful to Countdown for their generous donation to Waitoki School, which has meant we're able to design and build a chicken coop. I work with children with learning difficulties and for these kids, the experience of being involved in this project is so valuable. The boys have put a lot of effort into designing the area so it is kid and animal-friendly. We have decided to add to our plan and make it a chicken/ lamb coop, as we have Agricultural Day lambs that come to school for 6 weeks of the year while they are bottle fed." says Linda Westbrooke, Waitoki School teacher.

Turtle-ly awesome

Countdown is proud to partner with New Zealand's only turtle rescue and recovery programme - the Kelly Tarlton's Turtle Rehabilitation Programme. With sick and injured marine turtles often washing up on New Zealand's shore due to the proliferation of plastic in our oceans, the programme is a vital part of their recovery with the dedicated Kelly Tarlton's team nursing them back to health so they can be released into the wild.

In early 2019, five of our team members from across the business were invited to release three rehabilitated turtles back into the wild near the Poor Knights Islands. The turtles, Connie, Jaxon and Toby, had been part of the programme for more than

two years after suffering from a range of ailments - including ingesting plastic.

Our sponsorship helps provide funds to upgrade the turtle rehabilitation area. This will include new holding tanks for the recovering turtles, a food prep area with a new freezer and workbench, and a new lab area where the team can carry out water quality testing and animal health checks. Works on the new space are underway and are expected to be completed by mid-2020.

Acting locally

While all our stores are regularly supporting their local communities, our Auckland support office team was also keen to get involved with our Favona and Mangere community as well. Together

with a Countdown and FreshChoice supermarket in Mangere, we also have a large support office and a very busy distribution centre here.

This support has ranged from donating food to schools in the area to help feed families at school events, surprising our neighbours on Favona Road with Christmas gifts, providing Easter treats for local rest homes and kindergartens, donating bikes to Favona School and working with Waterlea Primary School to develop a quiet playground area.

We're also continuing to support our neighbour, the Mangere Budgeting Service by making donations to their foodbank and providing food vouchers to help their clients through particularly tough financial times.





“We’d like to thank all the Countdown customers who chose to support KidsCan. We’re facing unprecedented demand, so this help is crucial. It will make a huge difference to children living in hardship, fuelling them with food and providing raincoats, shoes and health items so they have the same chance to learn as anyone else.”

Julie Chapman, KidsCan CEO

PARTNERSHIPS FOR THE GOALS



COMMITMENT 18

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

Nourishing our tiniest Kiwis with KidsCan

Currently, 14 per cent of all Kiwi children are living in material hardship and more than half are experiencing severe poverty and deprivation. In October 2018, Countdown partnered with KidsCan to pilot a food support programme for 950 of the country’s most vulnerable New Zealanders – babies, toddlers and preschoolers – in response to increasing requests for help from early childhood centres as parents struggle to provide enough food or warm clothing for their children.

The programme is the first of its kind to nourish our tiniest Kiwis, and also provide the warm clothing and shoes they are missing out on. The pilot is running in

25 early childhood centres in Northland, Auckland and Hawke’s Bay. Children are provided with fresh meals through Countdown’s online shopping service, raincoats, shoes, and head lice treatment. The pilot aims to roll out nationwide over time.

Researchers from Waikato University are evaluating the impact of KidsCan’s programme on a child’s participation, wellbeing, health, education and school readiness, in a study lasting until September 2020.

All for One

New Zealand has a vast array of charities that all provide important services, but they are operating in an increasingly competitive market. To provide three of our partner charities with much-needed funds and help raise their profile we launched our All for One campaign in early 2019.

We enlisted the help of our customers to use their Onecards and donate a share of \$100,000 to either The Salvation Army, KidsCan or Forest & Bird. After the three week campaign, KidsCan received \$37,635, The Salvation Army \$34,845, and Forest & Bird \$32,550.

Countdown Kids Hospital Appeal

The 2018 Countdown Kids Hospital Appeal successfully raised \$1.2 million for 21 children’s hospitals and wards throughout New Zealand, for much-needed items such as new equipment or upgraded facilities.

In its 12th year, the appeal continues to be well-supported by not only our customers, but our business too. Along with donation boxes at the checkout, stores also held a host of other charity events including a group charity walk in Auckland, a head shave in Morrinsville, a quiz night in Napier and a competitive car rally in Christchurch.

The funds raised will make a critical difference to the lives of children and their families, purchasing equipment such as an EEG monitor for Kidz First Children’s Hospital. Other facilities, like the upgraded outdoor play and recuperation area for Whakatane Hospital, will be hugely beneficial for young people in the area who are accessing mental health services.

Kia Kaha Christchurch

When the Christchurch mosque attacks took place on Friday 15 March 2019, the impact was widely felt by all New Zealanders, but most keenly by Cantabrians – many of whom knew people who were injured or lost their lives that day.

With 18 stores in the region, many of which were in lockdown during the attacks, our team and customers were deeply shaken. In the days that followed the whole of our business got behind our Christchurch stores and community.

This included team from around New Zealand volunteering to work in our Christchurch stores to give our local teams the help, rest and care they needed, and working directly with our Christchurch food rescue partner City Harvest and kids charity KidsCan to provide food support to Muslim families and schools impacted.

Stores gave food, treats and flowers to customers and mosques, and supported our teams to attend janazah. Our whole business stopped for the national two minutes silence a week after these tragic events.

Countdown, SuperValue and FreshChoice supermarkets also donated \$150,000 to The Christchurch Foundation’s Our People, Our City Fund, set up to help support the families and Muslim communities impacted now and into the future.



“Throughout the tragic events of Christchurch, I was deeply humbled by our team – the support they showed each other, and the people of Christchurch.”

Natalie Davis, Managing Director

Food for firefighters

When devastating fires ravaged the Tasman countryside in early 2019, our stores leapt into action to support crews fighting the blaze. There was a personal connection to the emergency as well, with Conner Watts-Smith from our Motueka store and Nicki Brown from our Trafalgar Park both directly assisting the fire department - Conner as a volunteer firefighter and Nicki as ground crew support.

As a food business, our team knew the best way to help was by keeping fire crews fed and hydrated. Our Motueka, Trafalgar Park, Nelson and Stoke store teams immediately set about making up lunch packs and continued doing this in the days it took to get the blaze under control.

“We wanted to support our community in the best way we could. We had team living in the affected areas and some of their families were also working to put out the fires. To the Motueka team it was but a small gesture of appreciation, but to hear our Prime Minister personally thank Countdown in her speech on site for bringing the lunch packs and handing them out was truly an honour – we really were living our Countdown purpose,” says Nicole Duncan-Leigh, Long-life Manager, Countdown Motueka

Creating shared value with our customers



DECENT WORK AND ECONOMIC GROWTH



COMMITMENT 19

we will achieve leading customer satisfaction scores.

Each and every day, our team works hard across our stores, distribution centres and support offices to help make Kiwis lives a little better every day. Making our customers feel good about shopping in our stores is hugely influenced by the team they interact with.

We use our Voice of Customer surveys to better understand what our customers want and the types of experiences they are having in our stores. It also lets us know how our team are performing. Over the last year, our business has achieved an overall score of 81.

One of our values is that we always do the right thing. We're striving to create a culture where giving our customers a great experience when they shop with us is second nature for all of us.

While we have always had a range of ways to recognise our team, there wasn't a way for these stories to be shared far and wide across the business. In 2018, we introduced the WoW Awards to change that. The awards give our business the ability to recognise great customer service and share the stories of our team who are truly going above and beyond for customers.

Since the awards began, our teams have been proudly sharing the amazing feedback they are getting from our customers, sometimes even in hand-written cards.

Kenneth, Vinay and Anu



"I would just like to express my deepest thanks to these people who came to my aid in my darkest few minutes. My ten month old got locked in my car while I was waiting for my online pickup and their support while I was very anxious is something I will never forget. Vinay calmly called the locksmith and relayed crucial information to ensure they prioritised the case. He then followed up their whereabouts and kept me in the loop in a calm manner. He helped my load my groceries in to my car and even gave me new paper bags for the ones that had gotten soggy in the rain. He held the umbrella over me during this ordeal and stayed with me till I left. He helped to guide the locksmith to unlock the door and was my rock during what

was a very stressful time. Anu never left my side - she was the calm voice I needed and the smile that made my ten-month-old feel loved when he got out of the car. She gave us water and offered to call my husband and then stayed with us till the end. Kenneth was totally professional and remained completely calm he relayed information from the locksmith to me and helped him guide his tools eventually resulting in the unlocking of the car. Kenneth loaded the groceries into my car after the ordeal and constantly checked how I was doing. I would like to, from the bottom of my heart, thank these people for remaining calm and supporting me without judgement during this time. My deepest thanks."

Countdown Greenlane customer

A focus on health

We Kiwis love our food, but we are also increasingly health conscious. We want to make good decisions for ourselves and our families.

Countdown is continuing to drive changes in our stores and online offer to provide customers with more ways to make healthier and informed choices. The Health Star Rating, which is a quick and easy way to check the nutritional value of products, has been instrumental in guiding our customers to make better choices. Currently, 99% of our own brand products have a Health Star Rating. We are continuing to review our

own products to make sure that as we make changes, the rating reflects these. Of our rated products, almost half have a 3.5 or above rating.

Countdown's nutritionist, Deb Sue, and the wider own brand team are also continuing to reformulate our products as we work to meet the Heart Foundation's HeartSAFE targets for sodium and sugar. Already this has seen significant reductions in the amount of salt, saturated fat and sugar in a wider range of our products. We are continuing to promote healthier snacking on confectionery-free checkouts, which

In the last two years, we've removed 82 tonnes of sugar and 25 tonnes of salt from our own brand products.

are now available in 98 per cent of our stores. These checkouts feature a range of our Macro range, bliss balls, nuts and raw bars, and replace the biscuits, chips and meat snacks they used to house. Healthier alternatives will be available on all checkouts from August 2019.

Our team is also working with the University of Auckland on a project to test commercially sustainable supermarket interventions that promote healthy eating. A trial is currently underway in three Auckland stores, looking at the impact of putting healthier breakfast cereals in the best shelf positions as a way to encourage customers to make healthier choices. The first results of this work are expected in late 2019.

Healthier choices, better for the planet

Over the last year, we've introduced a significant number of new product lines that have a clear health focus - including in our own brand offering. These have included products that will improve gut health such as kombucha, kefir, kimchi and switchel, as well as products for customers want to adopt different types of diets.

We've continued to see a growing number of customers making a move towards more planet friendly options, with many choosing to adopt flexitarian, vegetarian and vegan diets. In the last year, we've also seen growth in the alternative meat range, with demand for vegan and vegetarian chilled foods increasing by 30%.

Our Macro brand now includes 90 plant-based products and nuts and we have more than 100 core health food products at low prices every day. We're really proud of our own brand range of tofu, halloumi, veggie burgers and veggie sausages that is helping our customers make healthier and affordable choices.



Selling alcohol responsibly

Countdown recognises that selling alcohol is a privilege and not a right. We also know that excessive alcohol consumption can cause harm. We take our responsibilities around the sale of alcohol very seriously and have a range of policies in place to ensure we do the right thing.

We are continuing to work to improve our systems, team training and policies in our effort to become New Zealand's most responsible retailer of alcohol.

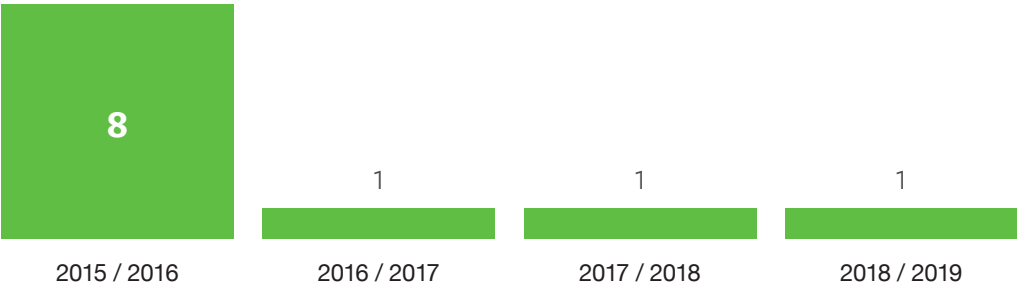
Our Alcohol Responsibility Manager continues to provide regulators and local communities a single point of contact to help address any issues or concerns around the sale of alcohol. This also means operational questions from our stores can be resolved in a timely manner, and that our teams are aware of their responsibilities under the Act.

Low alcohol options

Since appointing our Alcohol Responsibility Manager in October 2016, we have continued to refine our processes and team training to ensure the chances of a breach occurring are minimised as much as possible across our 180 stores. In the past year, we had one breach of the Act recorded against us for a failed Controlled Purchase Operation, which led to a four-day licence suspension. Following this suspension, we undertook a review of our point of sale systems in order to help mitigate future breaches.

Countdown's team training is focused on responsible service of alcohol, the regulations around selling alcohol, and training in conflict resolution. As well as undergoing the initial training, our team must also complete an annual refresher course. Last year more than 4,300 of our team attend these training and refresher courses.

Recorded breaches across our 180 stores:



OWN BRAND PRODUCT HEALTH

94%
are NAFNAC (No artificial colours or flavours)

99%
do not contain Partially Hydrogenated Oils

98%
do not contain MSG

99%
carry the Health Star Rating

GOOD HEALTH AND WELL-BEING

COMMITMENT 20

We will support and inform our customers to help them make healthier choices.



