



We bring
a little *good* to
everyone, every day.



CONTENTS

SECTION 1

PERFORMANCE HIGHLIGHTS

2016 at a glance 2

SECTION 2

GROUP REVIEW

Managing Director's Report 4

People: encouraging diversity 5

Planet: for a healthy Australia 10

Prosperity: founded on trusted relationships 15

SECTION 3

BUSINESS REVIEW

Australian Food and Petrol 19

Endeavour Drinks Group 27

New Zealand Food 29

Portfolio Business - BIG W 33

Portfolio Business - Hotels 35

Discontinued Operations 37

SECTION 4

OTHER INFORMATION

Sustainability Metrics 38

Workplace Metrics 40

Our approach to corporate responsibility and sustainability 44

United Nations Global Compact 46

Global Reporting Initiative 47

External Assurance Statement 50

Store Analysis 54

Glossary 55

Company Directory 56

2

2016 AT A GLANCE

4

MANAGING DIRECTOR'S REPORT



5

PEOPLE: ENCOURAGING DIVERSITY



10

PLANET: FOR A HEALTHY AUSTRALIA

15

PROSPERITY: FOUNDED ON TRUSTED RELATIONSHIPS



SCOPE OF REPORT

Unless otherwise stated, this report covers all our operations in Australia and New Zealand for the 2016 financial year - 1 July 2015 to 30 June 2016 (FY16). Only workforce data (excluding Safety) is included for our global sourcing offices in China, Bangladesh and Thailand. With only 25% ownership and no operational control of Gage Road Brewery, there is no information reported for this business.



**Woolworths is part of the community
across Australia and New Zealand;
in cities, regions and remote areas.
We employ over 205,000 people who
serve over 29 million customers a week.**

We are transforming Woolworths to address significant market challenges. We will shortly launch our new Corporate Responsibility strategy, which sets out ambitious 2020 commitments.

This 2016 Corporate Responsibility report sets out how we have started to tackle these commitments - building trusted relationships, encouraging diversity and supporting a healthy society. This year has been about building internal consensus in order to develop clear and focused plans of action.



2016

at a glance

PEOPLE:

encouraging diversity

TEAM MEMBERS

205,000+

TOTAL RECORDABLE INJURY FREQUENCY RATE¹

16.29 TRIFR

YOUNG TEAM MEMBERS²

79,000+

INDIGENOUS TEAM MEMBERS³

2,200+

¹ At the time of this Report. TRIFR continues to update after the reporting period as Workers' Compensation claims are resolved and employees return to work. Excludes ALH Group, Masters and HTH.

² Young employees are aged under 25 years.

³ Employees self-declare if they are Indigenous in our Woolworths 2016 Voice of the Team Engagement Survey. Excludes Endeavour Drinks Group, ALH Group and BIG W.

⁴ Based on 2009 ABS multiplier.

PLANET:

for a healthy Australia

SOLAR POWER GENERATION

1,560MWh

FOOD SAVED FOR MEALS

6.4M meals

TONNES OF MATERIAL RECYCLED
OR DIVERTED FROM LANDFILL

274,930t

NUMBER OF OWN BRAND PRODUCTS
WITH HEALTHSTAR RATING

1,300 products

PROSPERITY:

founded on trusted relationships

JOBS IN INDIRECT CONTRIBUTION
TO THE AUSTRALIAN ECONOMY⁴

805,000 jobs

a value of **\$19** billion

PAID IN WAGES

\$7.7B

TOTAL SHAREHOLDER DIVIDEND PAYOUT

\$1.0B

DIRECT COMMUNITY INVESTMENT

\$31M

CUSTOMER FUNDRAISING

\$19.49M

Managing Director's Report

As Australia's second largest private sector employer and New Zealand's largest private sector employer, Woolworths has a significant role to play in the lives of our team members and the customers and communities we serve.



While we are in a period of unprecedented change at Woolworths, we are firmly focused on rebuilding a sustainable business for our team, our customers and our suppliers.

Since becoming Woolworths Food Group Managing Director in 2015 and Woolworths Group CEO in February 2016, I have been determined to be clear with our team, whether they are in a support function or serving our customers in one of our more than 970 Woolworths Supermarkets, on what it is we collectively need to do to deliver on our customers' expectations. We are united under the banner of 'Good Food, Good Prices, Good Acts' and focused on the things that really matter. In short, 'We bring a little good to everyone, everyday' is the core of what we are here to do.

Woolworths Supermarkets are 80% of our Company revenue and getting this right will have significant benefits for the entire Woolworths Group and for communities across Australia. I am pleased that Countdown, Endeavour Drinks Group and BIG W are also doing good work and their progress is included in this report.

HIGHLIGHTS

- Safety rates at work improved with a Lost Time Injury Frequency Rate (LTIFR) of 8.43, a reduction on 2015. Our Total Recordable Injury Frequency Rate (TRIFR) was 16.29, which was also a reduction on 2015.
- Woolworths is undertaking extensive work and analysis to understand any gender wage gaps and our Diversity and Inclusion strategy and remuneration principles will drive improvement in this area. Major initiatives within this strategy will be launched in November 2016, including a gender equity pay review effective 1st November which will deliver a step change towards closing the gap.
- During 2015, our Dan Murphy's business mapped community demographics across 250 stores so managers could make better-informed decisions about product ranging and recruitment.
- This year, Woolworths and The Salvation Army decided to formalise our partnership by establishing an advisory board and an ongoing formal partnership called STAND (Support Through Australian Natural Disasters). STAND will fund natural disaster response, recovery and resilience works in the community.

Woolworths was the first Australian retailer to commit to implementing the Australian Federal Government's voluntary Health Star Rating (HSR) front of pack labelling program. At year end FY16, over 50% of products in the Woolworths Own Brand portfolio had applied the star rating. We are on track to have stars across all eligible products within four years, well ahead of the Federal Government's five-year timeframe for completion.

2020 CORPORATE RESPONSIBILITY STRATEGY

Woolworths will soon release our goals and commitments under the Corporate Responsibility Strategy 2020. We have identified 20 targets under a framework of three priority areas of People, Planet and Prosperity.

I am passionate about ensuring the Woolworths team reflects the communities we serve and we will take further steps to encourage gender, cultural and LGBTI diversity in our team and to support inclusion and participation.

We want to play our part in contributing to a healthier Australia under our Planet commitments. This includes a move towards zero food waste and recyclable Woolworths Own Brand packaging. We are also committed to sustainable sourcing and reducing our carbon emissions.

Woolworths is a significant contributor to the prosperity of the communities we serve and believe these need to be founded on trusted relationships. We are committed to improving our relationships with our business partners and re-establishing a virtuous loop that also benefits our customers and community partners.

We will be transparent on our progress and provide regular updates going forward.

Thank you for your interest in Woolworths and I look forward to updating you on our progress soon.

Brad Banducci
MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER

Woolworths is a signatory to the United Nations Global Compact (UNGC). UNGC signatories embrace a set of core values in the areas of human rights, labour standards, the environment and anti-corruption. In this report, we share our performance against the UNGC core values.

PEOPLE: *encouraging diversity*

Australia is undergoing significant demographic change, and our customers are increasingly saying that an essential part of a great shopping experience is receiving fantastic customer service from people who reflect their communities. We are working to attract and retain a diverse workforce with a positive customer focus by providing a safe, equitable and engaging working environment.

AN INCLUSIVE WORKPLACE

INDIGENOUS EMPLOYEES⁵

2,200+

Woolworths wants all our employees to feel valued and respected at work, regardless of their gender, age, ethnicity, beliefs, disability, sexual orientation or gender identity. In 2015/16 we continued reviewing our strategies and goals to ensure they support a culture of diversity and inclusion.

REPRESENTATION OF WOMEN

PEOPLE WITH A DISABILITY⁶

6,700+

More than half of our total workforce is female and the Woolworths Board is split 50:50 between men and women. We are committed to improving the representation of women even further by increasing their numbers in executive and management roles.

In FY16, women held 39% of management positions in Woolworths, with the majority in Operations. Increasing female representation at all levels of management and across all functions is important as it will improve Woolworths' overall gender equality performance, provide aspirational role models and increase attraction and retention of high-performing women.

FEMALE MANAGERS

39%

Woolworths is also focused on addressing gender pay gap issues. Woolworths is undertaking extensive work and analysis to understand any salary wage gaps. We have developed a diversity and inclusion strategy and remuneration principles to drive improvement in this area. Major initiatives within this strategy will be launched in November 2016, including a gender equity pay review effective 1st November which will deliver a significant step change towards closing the gap.



IMAGE: Woolworths International Women's Day Pledge For Parity campaign.

INDIGENOUS EMPLOYEES

Woolworths is committed to creating opportunities and increasing Indigenous employment. This commitment is outlined in our Reconciliation Action Plan.

5 Employees self-declare if they are Indigenous in our employee engagement survey. This result excludes Endeavour Drinks Group, ALH Group and BIG W.
6 Employees self-declare whether they have a disability in our Woolworths 2016 Voice of the Team Engagement Survey. A rewording of the relevant question to include an example of visual impairment may have skewed the result if employees who wear glasses answered this incorrectly. This result excludes Endeavour Drinks Group, ALH Group and BIG W.

We continue to work towards closing the gap between Indigenous and non-Indigenous Australians through our people strategy, which includes:

- Employment Parity Initiative:** In December 2015, Woolworths entered into a contract with the Australian Federal Government under the Employment Parity Initiative. This will result in Woolworths adding 1,600 new Indigenous team members to our business over the next three years. Currently, 1.1% of our staff identify as Indigenous. Our goal is to increase this to 2% of our Store Operations team and Graduate intake. To help us get there, we are carrying out targeted recruitment and cultural awareness training in partnership with a national provider, Diversity Dimensions, and have built a state-by-state workforce plan for our Supermarkets.
- Supply Nation:** Supply Nation is dedicated to growing diversity within the supply chain and we are working with them to engage Indigenous suppliers. For example, over the past year, we have increased our business with Message Stick Communications by 25% and with Young Guns Container Crew by 3%. We are also in our sixth year of working with tomato supplier Kalano.
- Jawun Indigenous Community Secondment Program:** During the year, Endeavour Drinks continued to partner with Jawun, a not-for-profit organisation that supports innovative programs of change in Indigenous communities. Their Secondment Program provides Indigenous communities with skilled Woolworths corporate employees to help in areas such as marketing and business planning.



IMAGE: CEO Brad Banducci attending the launch of the Woolworths' Employment Parity Initiative

BUILDING A WORKFORCE THAT MIRRORS OUR CUSTOMER BASE

Understanding our customers is critical to providing the best shopping experience. During 2015, we undertook significant work around this in our Dan Murphy's business, with positive customer feedback. We mapped community demographics across 250 stores so managers could make better-informed decisions about product ranging and recruitment. Woolworths is rolling out a similar program across our other businesses between now and 2020.

ENABLING EVERYONE TO ACHIEVE THEIR FULL POTENTIAL

Woolworths has a long and proud tradition of providing employment opportunities for people at all stages of their lives by championing inclusive work practices that we continually develop.

By 2020, we want all our Talent Acquisition teams to have completed unconscious bias training. This will also contribute to our goal of halving our reported bullying and discrimination statistics – an important step on our journey towards zero workplace bullying.

Our core focus areas are people with a disability, age diversity and LGBTI inclusion.

Disability

Woolworths belongs to the Australian Network on Disability (AND), which represents corporate organisations in supporting disability employment. We are a Gold Member and sit on the AND Board.

Woolworths will continue to work with AND to build our disability action plan, with a view to significantly increasing work opportunities for people with a disability.

Age diversity

Woolworths provides many young people in Australia and New Zealand with a great start to their careers. More than 79,000 of our team members are under the age of 25. We also value the experience of older workers, with almost 20,000 team members aged over 55 years. Our 25 Year Club, which acknowledges long service and dedication, now has more than 10,000 members.

LGBTI

Woolworths recently became a member of Pride in Diversity, Australia's national not-for-profit employer support program for all aspects of Lesbian, Gay, Bisexual, Transgender and Intersex (LGBTI) workplace inclusion.

We will work closely with Pride Diversity to achieve our goal of being a Gold Tier employer in the Australian Workplace Equality Index (AWEI).

We also have a number of initiatives underway to build understanding and inclusion of the LGBTI community within Woolworths and our broader customer base. For example, taking part in Wear it Purple Day, internal forums and events, a 1,000+ member Google+ community and a Woolworths Ally support program.

ENGAGING AND VALUING PEOPLE

ENGAGEMENT

Woolworths understands the importance of having an engaged workforce and that this is a lead indicator of customer satisfaction.

We run a detailed team engagement survey each year. During 2015/16, overall engagement increased by 3% year on year, which was in line with the percentage improvement in our customer feedback scores.

Our engagement survey results highlighted strengths such as our communications approach, encouraging people to speak up, empowering them to make decisions and providing career development options.

We are working on achieving further positive increases so we can match national and international industry engagement standards. Over the next 12 months, we will be measuring team member engagement more frequently and communicating the results regularly.

PARENTAL LEAVE

We continue to offer paid maternity leave to eligible Australian-based employees. This includes six weeks of paid maternity leave, two weeks return-to-work bonus and up to 104 weeks of unpaid parental leave.

	2015		2016	
	ACCESSED PARENTAL LEAVE	RETURNED FROM PARENTAL LEAVE	ACCESSED PARENTAL LEAVE	RETURNED FROM PARENTAL LEAVE
Female	2023	1775	2091	1883
Male	14	15	20	17
Total	2037	1790	2111	1900

SAFETY AND HEALTH

At the time of this Report, Woolworths reported a Lost Time Injury Frequency Rate (LTIFR) of 8.43⁷, a year on year reduction of 26.24% compared to the restated LTIFR for 2015⁸.

In 2016, our Total Recordable Injury Frequency Rate (TRIFR) was 16.29⁹, which was also a reduction of 23.54% compared to the restated TRIFR for 2014/15.

Woolworths Limited LTIFR for 2014-2016

KPI	2014 ¹	2015 ¹	2016
LTIFR (million hours worked)	11.78	11.43	8.43
LTIFR (200,000 hours worked)	2.36	2.29	1.69
% change on previous year	-4.45%	-2.99%	-26.24%

Excludes ALH Group and Home Improvement.

1 Previous year numbers have been updated to reflect any delayed reporting.

LOST TIME INJURY
FREQUENCY RATE⁷

8.43 LTIFR

TOTAL RECORDABLE INJURY
FREQUENCY RATE⁹

16.29 TRIFR

A YEAR ON YEAR TRIFR
REDUCTION OF¹⁰

↓ **23.54%**

DESTINATION ZERO - GUIDING PRINCIPLES

Actively caring for each other

Striving to prevent incidents, injuries and illnesses

No service or task is so urgent and important that we cannot do it safely

We are responsible for our own decisions and actions; the standard we walk past is the standard we accept

We will promote and celebrate our successes.

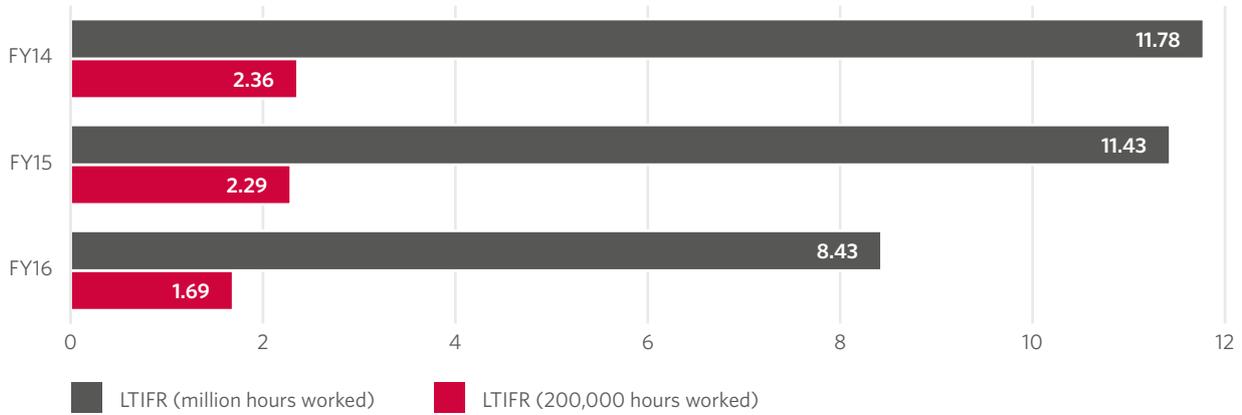
7 Excludes ALH Group, Masters and HTH.

8 LTIFR continues to update after the reporting period for delayed reporting.

9 Excludes ALH Group, Masters and HTH.

10 TRIFR continues to update after the reporting period for delayed reporting.

Woolworths Limited LTIFR for 2014-2016



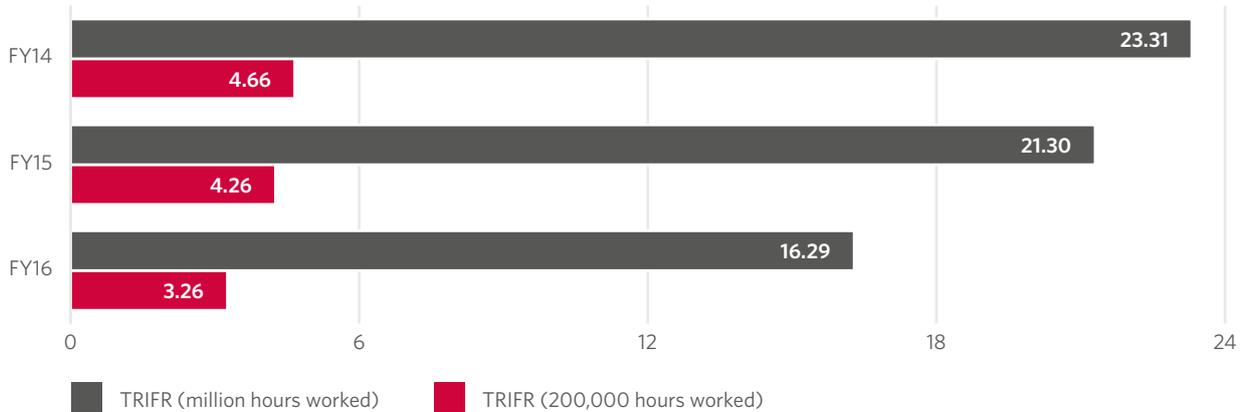
Woolworths Limited TRIFR for 2014-2016

KPI	2014 ¹	2015 ¹	2016
TRIFR (million hours worked)	23.31	21.30	16.29
TRIFR (200,000 hours worked)	4.66	4.26	3.26
% change on previous year	-26.97%	-8.62%	-23.54%

Excludes ALH Group and Home Improvement.

¹ Previous year numbers have been updated to reflect any delayed reporting.

Woolworths Limited TRIFR for 2014-2016



Our vision is to become one of the safest places to work and shop. Our aspiration is 'Destination ZERO', a place where every day people go home free from injuries or illness.

During 2015/16, we refreshed Destination ZERO and reinforced our guiding principles as part of revisions to our Safety & Health policy.

NATIONAL SAFETY COUNCIL OF AUSTRALIA - HIGHLY COMMENDED AWARD

During 2015, Woolworths was selected as a Finalist in the National Safety Council of Australia (NSCA) Awards. We won the Highly Commended award for the implementation of the Univer Brake Interlock System (UBIS), a joint venture between Woolworths and Univer that makes our loading docks safer.

REDUCING THE RISK OF MANUAL HANDLING INJURIES

To address the risk of manual handling in our business, we engaged a leading ergonomist to conduct an independent review of our retail operations. The recommendations were on how to improve work design for our team members to prevent these types of injuries.

In addition, the Logistics team has adapted a vacuum picker for heavy and high frequency products. This technology is presently being trialled across three distribution centres. The feedback from both front line and operations teams has been very positive.

MAKING SERIOUS INJURIES FROM BANDSAWS A THING OF THE PAST

The solution to eliminate serious injuries from bandsaws was developed by the Woolworths Meat Company team. The bandsaw comes to an immediate and complete stop when contact is made with a special glove worn by the operator. All bandsaws in our meat plants will be transitioned to the new model during FY17.

FOCUSING ON CRITICAL RISK

During 2015/16 we completed a review of risks across the organisation, with a particular focus on critical risks. Woolworths engaged an external expert to facilitate workshops that helped us to better understand our control environment. This work will continue throughout FY17.

CELEBRATING SAFETY

Over 100 safety and operational team members from across the country came together to further learn and be inspired about safety. Internal and external speakers presented on various topics including critical risk, mental health, manual handling, workers' compensation and the organisation's overall safety strategy and vision. Additionally, several of our team members were recognised for demonstrating ongoing excellence in safety leadership.

HEALTH AND WELLBEING

Employee nutrition education

To help Woolworths achieve our vision to become a world class retailer and a leader in nutrition and health, we have made nutrition understanding a key competency for all employees. Our ambition is to engage all our employees as healthy lifestyle advocates so that together, we can inspire a healthier Australia.

To this end, in 2014 we launched the Woolworths Nutrition Academy; an easily-accessible training hub and nutrition information source for all employees. This year we ran a series of staff Lunch and Learn sessions about health and nutrition at the Woolworths Support Office. The sessions were recorded and uploaded onto our *All Good* employee wellbeing website.

Employee Assistance Program

Stress at work and home can impact our employees' wellbeing. Through our partnership with Converge Australia, all staff have access to an Employee Assistance Program that offers a confidential counselling service.

FINALIST IN THE NATIONAL SAFETY COUNCIL OF AUSTRALIA (NSCA) AWARDS



WOOLWORTHS MEAT COMPANY TEAM BANDSAW INNOVATION



PLANET:

for a healthy Australia

Woolworths operates in a world where consumer demand and competitive pressures are increasing. At the same time, we want to play our part in alleviating environmental pressures and mitigating climate change. Our challenge is to use natural resources even more efficiently and still meet our business goals. We will do this through innovation, collaboration and engagement.

CARBON EMISSIONS - FACILITIES

SOLAR PANELS ON STORES

4,000

Over the last eight years, Woolworths has invested in energy efficiency improvements to meet our challenging 2015 target to reduce carbon emissions from stores, distribution centres and offices by 40%. Our goal was to bring facilities emissions back to the baseline year of 2006/07, despite growing our business. We tackled this by focusing on energy efficiency, particularly in new and refurbished stores, which are 30% more energy efficient than those we opened in 2008. We met our goal in 2015 and maintained this achievement in 2016.

WASTE DIVERTED FROM LANDFILL

11%

diversion increase

A key focus area will be refrigeration in more than 1,000 stores with refrigeration systems. We will increase our use of natural refrigerants as we move towards replacing HFC refrigerants with HFC-free or hybrid systems; and reduce refrigerant leakage to our target level of a 15% reduction of CO₂-e below 2015 levels.

Innovative projects

From our continued investment into energy efficiency, we have developed a good understanding of the approaches needed to reduce energy use. We integrate energy efficiency into the way we build and refurbish stores and we roll-out efficiency improvements to existing stores. We are implementing new innovative projects to improve reporting and planning to further reduce energy use.

ENERGY USE BY NEW STORES

30%

less than in 2008¹¹

Project Enlighten, a technology-based energy efficiency project that we rolled out over 18 months from early 2015, has so far saved 157,000MWh and \$24 million from a capital investment of \$81 million. The project invested in improving lighting, refrigeration and air conditioning.

We have now begun the next phase of our energy efficiency drive, focusing on end-to-end energy management. Project Navitas will bring together performance data from the lighting, refrigeration and air-conditioning initiatives we undertook during Project Enlighten into a single dashboard visual display system to improve our reporting and planning. We are also establishing an Energy Management Centre of Excellence.

ENERGY SAVINGS FROM PROJECT ENLIGHTEN

157,000MWh

Renewable energy

Under Project Enlighten, we invested \$2.3 million in installing more than 4,000 rooftop solar panel systems at our Supermarkets, BIG W, liquor stores and petrol sites across all mainland states and territories. During FY16, these sites generated 1,560MWh.

¹¹ For stores in FY16 compared to those opened in 2008.

CARBON EMISSIONS - TRANSPORT

Emissions from company cars (tonnes of CO₂-e)

COUNTRY	2013	2014	2015	2016
Australia	14,992	9,939	8,654	8,860
New Zealand	1,936	1,898	1,926	1,987
Total	16,928	11,837	10,580	10,847

During 2015/16 we continued our commitment to reduce the carbon footprint of our company car fleet, with emissions more than 40% below our 2007 baseline. Fuel efficiency will continue to be an important consideration when selecting vehicles for our fleet.

WATER

As part of our focus on sustainable water consumption, we collected 22ML of rainwater at nine distribution centres and used it to replace potable water in truck washing, cooling towers, toilets and gardens.

Our largest impact on water usage is through the Woolworths supply chain. We will continue to help our largest water-using suppliers to assess their risks and opportunities and build their capacity for managing water security, environmental impacts and drought resilience.

WASTE AND RECYCLING

Managing waste is a key corporate responsibility focus for Woolworths. We remain committed to targets of moving towards zero food waste to landfill and reducing the volume of recyclable materials that are not recycled. As well as addressing these challenges in our business, we see it as our responsibility to support the role our customers can play.

In 2016, we invested in improving our waste data management, leading to higher accuracy in waste data that is helping us to better measure our performance and make more informed decisions.

WASTE DISPOSAL

In FY16, the amount of waste we sent to landfill increased slightly by 5%. However, the volume of materials that we recycled or diverted from landfill increased by 11%. These results reflect both accounting changes and our increased diversion of waste from landfill.

WASTE DISPOSED TO OR DIVERTED FROM LANDFILL

	2013	2014	2015	2016
Materials diverted from landfill	227,314	251,244	246,659	274,930
Waste to landfill	131,069	107,011	107,429	112,265

Note: Waste to landfill data is only from Australian Supermarkets, New Zealand Supermarkets and BIG W.

WASTE AUDITS

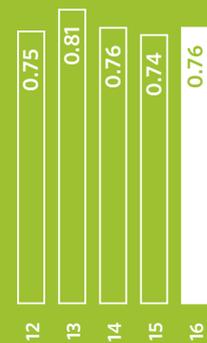
During our annual audit of the waste streams for 26 Australian Woolworths Supermarkets during FY16, we found:

- Plastic film increased from 0.9% to 1.37% (target is below 1%)
- Volume of recyclable cardboard increased from 1.08% to 1.64% (target is below 1%)

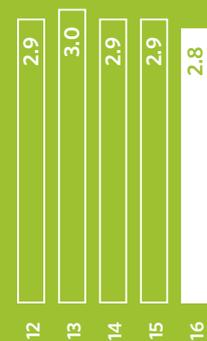
We are working on improving our results with a Resource Recovery Roadshow for stores and new training and education materials.

OUR RESOURCE EFFICIENCY TRENDS

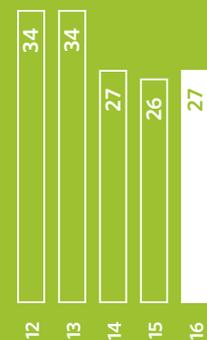
CARBON INTENSITY (t CO₂-e/SQUARE METERS)



ENERGY INTENSITY (GJ/SQUARE METERS)



WASTE INTENSITY (T/SQUARE METERS)



**SUPERMARKETS WITH
COMMERCIAL FOOD
RECYCLING PROGRAM**
584

**SUPERMARKETS WITH
FARMERS' DONATION
PROGRAM**
752

**SUPERMARKETS WITH
FOOD RESCUE CHARITIES
PROGRAM**
913

FOOD WASTE

More than half of Woolworths' waste stream is waste food. We will continue to move towards zero food waste to landfill by increasing our stores' access to diversion options and encouraging them to separate food waste into organics bins. We want to reduce the amount of food waste that we send to landfill every year.

We have introduced commercial food recycling services to 200 more stores over the past 12 months. We have also launched a new end-to-end stock-loss initiative – Faster, Fresher Food – and are continuing our ongoing program of donating food to farmers and food rescue charities such as OzHarvest, Foodbank, FareShare and SecondBite.

By the end of FY16, more than 95% of Woolworths Supermarkets – which account for 85% of Woolworths' food waste generation – had access to at least one food waste diversion option. We will continue to expand this program to cover more stores across the Group.

Supermarkets – diverting food from landfill

AUSTRALIA AND NEW ZEALAND	2016 NUMBER	2016 %
Supermarkets with commercial food recycling program	584	50%
Supermarkets with farmers' donation program	752	65%
Supermarkets with food rescue charities program	913	79%
Supermarkets with at least one food recovery program	1,131	97%
Total all Supermarkets	1,161	

ENCOURAGING SEPARATION OF ORGANIC WASTE

We have designed our Hearts and Minds program to educate employees about the why, what and how of separating organic and non-organic waste. All our stores now have colour-coded bins and display materials.

The training program includes a training guide for managers, interactive activities and e-learning. We are encouraging continuous learning through a customised app that is gamified and by communicating improvement overall and by store.

Stores are incentivised to compete against each other in a league table.



PACKAGING STEWARDSHIP

Packaging plays a key role in the retail supply chain. It protects the significant investment that we and our suppliers have made in growing, processing and transporting the products on our shelves and ensures they are delivered safely to customers’ kitchens. It also plays a role in brand marketing.

Own Brand packaging

When we design the packaging for Woolworths’ Own Brand products, the key elements are protection, accessibility, recyclability, recycled content and brand messaging.

We try to use our packaging as efficiently as possible. In August 2016, we eliminated polystyrene trays from our Macro Organics supply network, using compostable or recyclable plastic trays instead.

Another packaging reduction initiative is for semi-loose organic produce, where we have replaced trays and plastic wrap with a band around the product for identification purposes.

We will continue to work with all our suppliers to actively pursue alternatives that reduce the amount of packaging or increase its recyclability.

Soft plastics

The soft plastic that packages many frozen products and bakery items cannot be recycled through Australia’s kerbside recycling program.

Woolworths partners with the REDcycle recycling program to keep it out of landfill and dispose of it responsibly.

REDcycle collects the plastic from dedicated bins at the front of 100 Woolworths’ Supermarkets in Sydney and Melbourne and sends it to an Australian processor to make plastic park furniture. Since we began the partnership in 2015, we have disposed of 190 tonnes of plastic this way, equivalent to 47.6 million pieces of packaging.

**NEW MACRO
 ORGANICS PACKAGING**



**RSPO-CERTIFIED OWN BRAND
FOOD PRODUCTS**
100%

FSC-CERTIFIED OFFICE PAPER
**229,000
reams**

RESPONSIBLE SOURCING

Sourcing products that have been produced sustainably is a challenge for every retailer, especially for raw materials and goods in high risk categories and from high risk countries, where we have no direct oversight of the supply chain. However, more and more of our customers expect to be offered sustainably sourced product choices and supplying them is a key element in our ambition to be an industry leader in responsible sourcing.

We have set ourselves the target of sourcing key raw materials and commodities that are produced sustainably and independently certified. We have also committed to promoting behaviour change in our customers by raising their awareness of sustainably sourced products.

DEFORESTATION

As a member of the Consumer Goods Forum (CGF), Woolworths is a signatory to the CGF Deforestation Resolution of 2010 for achieving net zero deforestation by 2020. We have pledged to achieve this by ethically sourcing the relevant high-impact commodities, including palm oil, timber, pulp and paper, and packaging.

We are working towards a 2020 target of sourcing these products from independently-certified sustainable supply chains. If this is not feasible, we will consider credible offsetting schemes.

Palm oil

The Roundtable on Sustainable Palm Oil (RSPO) is a multi-stakeholder organisation comprising retailers, manufacturers, palm oil producers, traders and non-government organisations. It sets global standards for palm oil production and manages a certification scheme. In FY16, 100% of the palm oil in our Own Brand food products was RSPO-certified.

Paper and timber

We source all our Own Brand tissue, toilet paper and kitchen towel products from independently-certified, sustainable sources and use sustainably-produced paper for our catalogues and offices.

Catalogues are a key marketing tool for Woolworths. During 2015/16, we produced almost 950 million of them across our brands in Australia and New Zealand, using 52,201 tonnes of paper. All of it came from certified sustainable sources, either through the Forest Stewardship Council (FSC) or the Programme for the Endorsement of Forest Certifications (PEFC).

Within our business, we procure more than 229,000 reams of paper for office use every year, all of it FSC-certified.

Across the Group, we saw a year on year decrease in paper usage in 2015/16, continuing an overall downward trend. This is due to a number of waste reduction initiatives such as using swipe cards to encourage staff to collect their printing rather than printing and forgetting.

Microbeads

Microbeads are micro-plastic particles (0.1-0.5 millimetres in size) added as exfoliates to personal care products such as body wash.

The particles are too small to be filtered out by many municipal wastewater treatment plants and can damage the local environment when they end up in rivers.

We have been working with our suppliers to phase out microbeads in Woolworths Own Brand skin care and body wash products. In 2015, we completed the phase-out for those products that are in production. Phasing out the products that are already produced and in stock will be completed by the end of 2016.

PROSPERITY:

founded on trusted relationships

With more than 3,000 stores spread across Australia and New Zealand, Woolworths' prosperity affects multiple stakeholders. The success of our business is directly linked to that of our employees, suppliers, shareholders and the communities we serve. It is our responsibility to manage our relationships with these stakeholders in a way that maximises prosperity without compromising our corporate responsibilities.

JOBS AND EMPLOYMENT

JOBS CREATED - INDIRECT

805,000

CONTRIBUTION TO THE ECONOMY - INDIRECT¹²

\$118B

WAGES PAID

\$7.7B

CREATING JOBS FOR AUSTRALIANS AND KIWIS

- More than 188,000 employees - Australia
- Close to 18,000 employees - New Zealand
- 805,000 indirect jobs
- 79,096 young employees¹³

Woolworths is committed to growing our business, and with growth comes new opportunities for employment. Over the past year, 44,991 people joined Woolworths in Australia, New Zealand and our international sourcing offices.

Having a part time job at our Supermarkets is a rite of passage for young Australians and Kiwis, so it is not surprising that many of our new hires during FY16 were young people, many of them starting out in the workforce.

INVESTORS

Our economic contribution in FY16

- \$58.1B total sales¹⁴
- \$1.0B dividends to shareholders
- \$2.56B EBIT¹⁴
- \$1.6B net profit after tax¹⁴
- \$118B indirect contribution to economy¹⁵

The financial results for the year were disappointing, with sales from continuing operations down marginally to \$58.1 billion and net profit after tax¹⁶ down 39.2% to \$1.6 billion. Our Board announced a reduced final dividend of 33 cents per share, down 54.2% on the previous year.

FY16 was a year of significant progress, with a new operating model, some hard decisions around underperforming businesses and a new focus on providing a great all-round shopping experience for customers.

However, there is still much to do. Across the business, we will be working in FY17 to build a culture where we listen to and collaborate more with our customers, team members and suppliers. Our ultimate goal is to increase the prosperity of all our stakeholders by leveraging these trusted relationships to improve our market performance, cost base and profitability.

¹² Flow-on from value of sales. Based on 2009 multiplier.

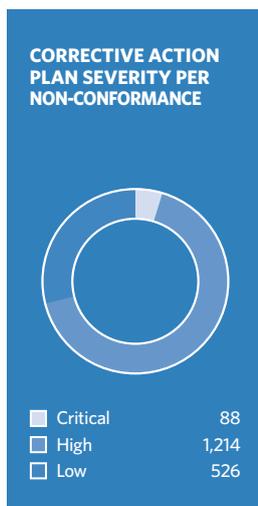
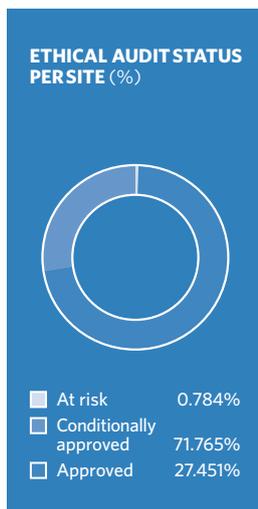
¹³ Aged under 25 years.

¹⁴ Before significant items.

¹⁵ Flow-on from value of sales.

¹⁶ Based on continuing operations.

FACTORY AUDITS BEFORE THEY START PRODUCTION FOR US



SUPPLIERS

Suppliers are a critical stakeholder group for Woolworths, whether we stock their brands in our stores or they produce our Own Brand products. Having their cooperation and collaboration is essential for the success of our 2020 Corporate Responsibility Strategy. Building positive, productive relationships with local, national and international suppliers is a key plank in the Strategy.

Advantage Report

During 2015/16 we continued to work closely with the Advantage Group to better understand our suppliers. We received more regular feedback and obtained additional feedback that was specific to the Woolworths Own Brand business.

We are moving from annual surveys to twice-yearly surveys and developing a bi-monthly Voice of Supplier Pulse survey. These actions will support earlier intervention with issues and help us to build closer supplier relationships.

Improving supply chain working conditions

Woolworths upholds human rights for both our employees and for people working in our supply chain.

Our long-established ethical sourcing policy enshrines the International Labour Organisation (ILO) Conventions and the UN Global Compact's core values of human rights, labour standards, the environment and anti-corruption.

We expect all suppliers to comply with our ethical sourcing policy, which has a compliance audit program for factories making our Own Brand products. We prioritise the audits according to the human rights risks of the country where the factory is located and the product category.

We engage experienced third-party certification bodies to conduct the audits and to rate factories as approved, conditionally approved or at risk. Factories at risk or that need critical corrective actions cannot start production for Woolworths until these issues are resolved.

Woolworths is committed to increasing supply chain transparency. In 2016, BIG W disclosed details about sourcing from high risk countries.

The factories we deal with are listed on the Woolworths Limited website and we keep the list updated. We also provide information about audit outcomes in our annual Corporate Responsibility report (see diagrams).

Ethical sourcing - overseas workers

Woolworths expects all local suppliers to comply with Australian and New Zealand workplace laws and ethical standards. To remain part of the Woolworths supply chain, these laws and standards must guide suppliers' treatment of all workers, including the seasonal migrant workers who are so essential for our produce suppliers during peak harvesting periods. We also expect our suppliers to be responsible for ensuring their suppliers and labour hire companies are legally compliant.

Australia has a strong rule of law around this issue and well-established independent agencies that monitor and enforce the laws more effectively than private sector companies can. However, we acknowledge there are issues with some unscrupulous labour hire companies and accept our responsibility to work with key industry bodies and other stakeholders to help improve labour practices in our supply chain.

As part of our commitment to being part of the solution, Woolworths belongs to a working group convened and led by the National Farmers' Federation (NFF) and the Produce Marketing Association (PMA). The working group is developing a best practice scheme for agricultural employment.

Our new Supplier Excellence Audit program, which we announced in April 2016, incorporates our policy for engaging and employing overseas workers. The program focuses on improving quality and product safety standards across Woolworths' extensive global sourcing network.

We conduct regular internal training sessions with staff who interact with suppliers to make sure they stay up to date with the latest workplace laws and Woolworths' expectations.

COMMUNITY

Woolworths is proud to be an important contributor to communities across Australia and New Zealand. Our goal is to contribute the equivalent to at least 1% of our pre-tax profits on a three-year rolling average every year to the communities in which we operate.

Being part of the community fabric has mutual benefits. It helps to strengthen our relationships with local customers, employees and suppliers so we understand each other better and build trust. We build on these relationships to encourage people to support a range of charitable organisations and community programs and to drive real change in the areas of nutrition and health, employment and food waste reduction.

Our community contribution 2015/16

Contribution to the community¹⁷ as a % of pre-tax profit¹⁸

= 0.92% on a rolling average basis

Disaster relief

Woolworths has a long history of helping communities to recover from droughts, floods, cyclones, bushfires and other natural disasters.

Since 2010, we have partnered with The Salvation Army to do this work, contributing more than \$29 million in cash donations from the business, in-kind materials and staff and customer donations. In 2015/16, we contributed a total of \$1.1 million.

TAKING A STAND: BUILDING OUR PARTNERSHIP WITH THE SALVOS

Woolworths has supported The Salvation Army (The Salvos) since 1954. Over the past five years we have averaged more than \$2 million a year in contributions, with a further \$3 million a year donated by our customers.

This year, Woolworths and The Salvos decided to formalise our partnership by establishing an advisory board and an ongoing formal partnership called STAND (Support Through Australian Natural Disasters). STAND will fund natural disaster response, recovery and resilience works in the community.

It will operate at two levels: year-round contributions and support to The Salvos, and a higher level of engagement if disaster strikes, in the form of collecting customer donations, providing the opportunity for staff to volunteer and deploying on the ground resources to support Salvos Emergency Services.

STAND will deliver shared value through adherence to clear metrics. We will reinforce our commitment through staff engagement and initiatives such as volunteering at times of disaster and seconding senior staff to act as strategic advisors to The Salvos' operations.



DIRECT COMMUNITY INVESTMENTS

1. CASH DONATIONS

\$6.95M

2. IN KIND

\$16.53M

3. STAFF TIME

\$7.8M

DIRECT COMMUNITY INVESTMENT TOTALLING

\$31.3M

CUSTOMER FUNDRAISING

\$19.49M

17 Excludes leveraged funds.

18 Before significant items.

IN FY16 WOOLWORTHS
EMPLOYED

20 asylum seekers

IN FY16 WOOLWORTHS PROVIDED
WORK EXPERIENCE TO

60 asylum seekers

Young Australian of the Year

As the principal sponsor of the Young Australian of the Year Award, Woolworths is working with the National Australia Day Council (NADC) to raise awareness of the Award and highlight the exceptional contribution young people make to our country every day.

As a major employer of young Australians, we are proud to be associated with an Award that recognises their leadership achievements.

The 2015 Young Australian of the Year, Drisana Levitzke-Gray, was working for Woolworths in Western Australia as a nightfill worker when she won the Award for her advocacy work on behalf of Australia's deaf community. Drisana continues to work with Woolworths as our Young Australian of the Year Ambassador and, as Workplace Advocate, she is helping us to improve accessibility and inclusion for deaf people and raising our employees' awareness of Auslan.



IMAGE: 2015 Young Australian of the Year, Drisana Levitzke-Gray.

Given the Chance

During FY15, Woolworths began partnering with the Brotherhood of St Laurence and its *Given the Chance for Asylum Seekers* program to help transition asylum seekers with work rights into full- and part-employment so they can gain confidence and experience. Nearly one third of program participants are tertiary qualified and others are undertaking education and traineeships while they work.

So far, 20 new asylum seekers have found new jobs with Woolworths and more than 60 have gained valuable work experience.

Australian Food and Petrol

Woolworths operates 992 supermarkets and 530 petrol sites across Australia. We are Australia's largest supermarket chain. The People, Planet and Prosperity pillars support our stakeholder engagement strategies and help us to deliver the superior service, choice, value and convenience that are essential for business growth.

CUSTOMERS PER WEEK

29M

PEOPLE EMPLOYED

79,000+

AMOUNT OF SALT REMOVED FROM FOOD SUPPLY

224 tonnes

through Own Brand product reformulation

ODD BUNCH PRODUCE SOLD

30M kg

MEALS DONATED TO PEOPLE IN NEED

6.4M

through our food relief partners

VALUE

At Woolworths Supermarkets, we believe good prices help to ensure everyone can eat and live well.

Our 'Low Price Always' and 'Price Dropped' programs provide customers with low prices on hundreds of products. In FY16, we added over 100 products to these programs, contributing to our overall price investment of over \$500 million in FY16.

During 2015/16, we invested approximately \$45 million into the meat category. This meant we could provide roast leg of lamb and other family favourites at an affordable price so more people could enjoy them more often.

CHOICE

We are committed to improving labelling and increasing transparency in Woolworths Supermarkets so customers have the information they need to choose food that matches their personal expectations around health, ethics and sustainability.

HEALTH AND NUTRITION

NUTRITIONAL EXPERTS

We are committed to making healthy choices easier for our customers by providing clear and transparent labelling, removing additives and improving the nutritional profile of our products.

A dedicated team of accredited nutritionists makes sure we offer a wide variety of affordable healthy foods and helps our customers to make informed purchasing decisions by providing accurate and detailed nutritional information.

HEALTH STAR RATING

Woolworths was the first Australian retailer to commit to implementing the Australian Federal Government's voluntary Health Star Rating (HSR) front of pack labelling program. The system allows customers to make quick and easy comparisons between packaged foods within a category, based on their nutritional profile. The more stars, the healthier the choice.

At year end FY16, over 50% of products in the Woolworths Own Brand portfolio had applied the star rating. In May 2016, the Health Star Rating secretariat reported that more than 3,950 products carried an HSR. Almost one third (1,300) were Woolworths Own Brand products.

We are on track to have stars across all eligible products within four years, well ahead of the Federal Government's five-year timeframe for completion.

THE TOP FOUR PRODUCT CATEGORIES THAT CONTRIBUTED LESS SALT TO THE FOOD SUPPLY

PROCESSED MEAT



88,010 KG
less salt

BREADS



70,421 KG
less salt

SAVOURY PIES



10,763 KG
less salt

BREAKFAST CEREALS



9,317 KG
less salt

THE HEALTH FOOD PARTNERSHIP

As part of our broader health commitment, Woolworths has adopted the targets set by the Food and Health Dialogue (now The Healthy Food Partnership), a joint government and food industry initiative that aims to improve Australian dietary habits.

Our program has focused on reducing the sodium content of foods from nine commonly-consumed categories and the saturated fat in our processed meats.

To date, Woolworths has met the Australian government salt reduction targets by slowly lowering the salt content of 75 products since 2012. This has resulted in a 15% reduction in salt, which means Woolworths has contributed over 200 tonnes less salt and 11 tonnes less saturated fat to the food supply. Our remaining range of Woolworths salt reduced hams are launching in October this year.

ELIMINATING ADDITIVES

Over the past year we have continued our work in eliminating artificial colours, flavours and preservatives from Woolworths Own Brand products (including sodium benzoate) wherever possible.

Our focus is on removing the additives our customers have asked us to remove, such as MSG, which we no longer use. We have reformulated more than 650 Own Brand products in accordance with our brand guidelines to deliver 'cleaner' products to our customers.

REDUCING SUGAR

Since 2012, Woolworths has contributed 83 tonnes less sugar to the food supply.

During FY16 we continued to improve the overall nutritional value of our core breakfast cereal range, reducing sugar in some of our most popular lines by 23%-43%. We also launched a range of healthier cereals. Woolworths Reduced Sugar Cereal contains 50% less sugar than comparable leading cereal blends and provides 25% of the recommended wholegrain daily intake. This cereal won 2016 Product of the Year in Australia's biggest independent consumer survey on innovation.

HEALTHIER SNACKING

We relaunched the Woolworths Select Muesli bars in FY16 with an improved Health Star Rating. Every year, the reformulation will remove 500 million kilojoules, 10 tonnes of sugar, 14 tonnes of saturated fat and 578 kg of salt from Australia's pantry shelves.

INCREASED FRUIT AND VEGETABLE GROWTH

Due to a combination of lower shelf prices and lower market costs, our fresh produce has become more affordable, leading to a rise in produce purchasing. In FY16, our fresh produce tonnage was 8% higher than FY15 - 70,000 tonnes more produce sold.

ANIMAL WELFARE

Animal welfare is important to Woolworths and to our customers. During the year we continued to work responsibly in this area, progressing and positively influencing approaches to animal welfare for farmed and other live animals. For example, we have CCTV coverage throughout the Australian poultry supply chain. Our Animal Welfare Policy will be published on our website in the coming months.

Our Quarterly Technical Reviews include reviewing welfare outcomes to help us identify any issues concerning animals' physical, mental and behavioural wellbeing.

EGGS

	% INCREASE OF VOLUMES IN 2015	% INCREASE OF VOLUMES IN 2016	% OF TOTAL CATEGORY VOLUMES IN 2016
Macro free range chicken	-2.64%	+7.83	
Free range eggs	8.52%	-0.09	71.35%
Barn laid eggs	8.15%	+1.08	19%
Organic eggs	6.92%	-0.09	6.58%

Woolworths has committed to phasing out cage produced eggs and to stop using them as an ingredient in our Own Brand products where egg is a defined ingredient.

CHICKEN MEAT

All Woolworths Free Range chicken meat and eggs are Free Range Egg and Poultry Australia (FREPA) Approved. We source all Own Brand fresh chicken from farms that are RSPCA Approved (or equivalent). Compared to standard meat chickens, these chickens have more space and a more comfortable environment.

Our welfare commitment for chicken extends to the chicken used as a defined visible ingredient (e.g. chicken pieces) in our Own Brand food products. We have committed to only using RSPCA Approved (or equivalent) chicken in our Own Brand products - where chicken is a defined ingredient.

PORK

Woolworths worked collaboratively with our fresh pork suppliers throughout 2015/16 to develop and launch the Pig Welfare Blueprint. Now fully rolled out, this end-to-end review of animal husbandry and animal welfare will provide clear direction to our fresh pork suppliers.

GENETICALLY MODIFIED (GM) FOOD

Woolworths does not allow the use of genetically modified (GM) ingredients in Woolworths branded products. We do not prohibit suppliers from using GM feed in the production of our non-organic meat, eggs and milk but we do offer customers an organic range.

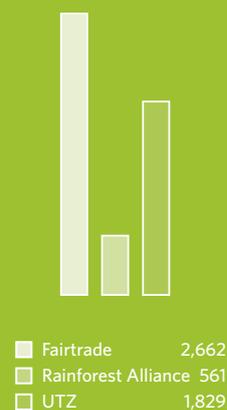
Animals used to produce all our Own Brand organic range of meat, eggs and milk are reared on non-GM feed. Our GM requirements are outlined in our Brand Guidelines and Woolworths Quality Assurance (WQA) Standard.

FARMERS AND WORKERS IN DEVELOPING COUNTRIES

We are aware that the production of agricultural commodities such as tea, coffee and cocoa can include child labour or forced labour deep within the supply chain, beyond our direct suppliers. We therefore seek out products that are independently certified by organisations that support better prices and working conditions for farmers and workers in the developing world, such as Fairtrade™, Rainforest Alliance and UTZ Certified.

We offer customers a wide range of certified Own Brand and other brands in the tea, coffee and chocolate categories and are continually looking to move other Own Brand products to these independently certified sources.

CERTIFIED TEA, COFFEE AND CHOCOLATE IN 2016 (TONNES)



Fairtrade	2,662
Rainforest Alliance	561
UTZ	1,829

TOTAL FOOD RELIEF DIVERTED TO THOSE IN NEED

6.4M meals

WORTH

\$3.2M

PLANET

RESPONSIBLE SOURCING

Sustainable fish and seafood

In March 2011, we announced our long term goal of only sourcing sustainable seafood. This means wild caught seafood sourced from abundant stocks using methods that do not damage ocean habitats or non-target species; and farmed seafood from aquaculture systems that do not destroy coastal habitats or depend on overfished wild caught fisheries as feed.

In FY16, an estimated 8,522 tonnes of seafood sold behind the counter in our Australian Supermarkets was certified sustainable by credible third party certified fisheries and farms. We recognised independent certifications as global best practice, such as the Marine Stewardship Council and others¹⁹.

All Woolworths Own Brand tuna is sourced from fisheries that do not use harmful methods such as fish aggregating devices (FADs), which threaten turtles, dolphins, sharks and juvenile tuna. Our Select canned tuna range is all 'pole and line' caught.



FOOD WASTE

In 2007, Woolworths committed to achieving zero food waste to landfill by increasing access to landfill diversion options for stores and encouraging stores to separate food waste into organics bins. At least one of these options is available to 97% of our Supermarkets.

Third party partnerships

Most of our food waste reduction solutions are supported by successful partnerships with external parties such as national food charities and local groups that turn the food into meals for those in need.

Our major food waste reduction partners

TOTAL FOOD RELIEF DIVERTED TO THOSE IN NEED: 6.4 MILLION MEALS, WORTH \$3.2 MILLION¹

FOODBANK AUSTRALIA	FARESHARE FOODBARN H2	SECONDBITE	OZHARVEST
1,300 tonnes of food	436 tonnes of food	811 tonnes of food	684 tonnes of food
2.6 million meals	872,400 meals	1.6 million meals	1.4 million meals

¹ The ratio of rescued food to number of meals is based on a 500g meal size and a value of \$0.5 per meal, as agreed at the SVA Food Forum.

¹⁹ Global Gap Aquaculture, Global Aquaculture Alliance Best Aquaculture Practices and Aquaculture Stewardship Council.

THE ODD BUNCH

More than one third of shoppers purchase whatever produce is cheaper, regardless of marks or appearance. We take advantage of this to reduce our food waste by offering misshapen fruit and vegetables through our 'The Odd Bunch' initiative.

In FY16, we sold more than 30 million kilograms of these fruit and vegetables, which would otherwise have been food waste. This was a 174% increase on the previous year.

PROSPERITY

SUPPLIERS

Our customers want value for money and the best possible price. Delivering that requires our business to run as efficiently as possible and at low cost, and by negotiating the best price for products from our suppliers. It is our responsibility to balance providing value to our customers and a fair return on investment to our suppliers.

Supplier relationships

During 2015/16 we worked on building closer supplier relationships. We offered them training courses on topics such as quality and supported them as they prepared for the Country of Origin labelling changes.

We are working with the Advantage Group to better understand our suppliers by receiving more regular feedback and obtaining additional feedback specific to our Own Brand business.

During FY16 Woolworths continued to work closely with suppliers over compliance with the new Grocery Code of Conduct. In FY15 Woolworths was the first national retailer to commit to this Code, which we helped to develop along with industry partners and the Australian Food and Grocery Council. It gives Australian supermarkets and suppliers clear working guidelines while ensuring fair competition continues to deliver the best possible prices for our customers.

LOCAL SUPPLIER RELATIONSHIP CASE STUDY: MARGARET RIVER BEVERAGES

MARGARET River Beverages is poised to launch a range of multipacks featuring their popular, locally made soft drinks and founder and manager Bernard Ryan has this, and many other reasons to smile. Established by Mr Ryan in 1999, the family-focused business is experiencing an extraordinary boost in sales and there have never been more opportunities to purchase the range of sodas across the state. 'We are stocked by Dôme cafes up in Perth, which is a great way for people to be introduced to our products,' Mr Ryan said.



IMAGE: photography Nicky Lefebvre.

FOUR OF 25 PRODUCTS IN THE ODD BUNCH

CARROTS



8M KG

POTATOES



6M KG

TOMATOES



2.5M KG

APPLES



2.5M KG



Local sourcing²⁰

More than half our customers say that buying local food is extremely or very important to them²¹.

In 2014 we launched our Local Sourcing initiative nationally to increase our customers' choices and raise their awareness of locally-sourced products. Our team of state-based Local Sourcing Managers source products that are made or grown locally in their home state and help to raise awareness of the benefits of buying local.

More than 3,400 products are now part of our state Local Sourcing Program. Since its launch, we have added over 500 new products to our range and 60 new suppliers. This is in addition to having 96% Australian fresh fruit and vegetables. Our new suppliers include:

Stroud Valley Harvest Free Range Eggs, which supplies 16 of our Newcastle and Northern NSW stores with free range eggs. We have sold over 27,000 cartons of their eggs since November 2015²².

Boosey Creek Cheese makes artisanal cheese and is located approximately 250 kilometres north of Melbourne. Since March 2016, they have delivered directly to 10²² of our stores in their local region and sold over 5,000 units.



IMAGE: Photo courtesy of Legendairy.

Farmers' Own milk

Woolworths buys this permeate-free range of milk and cream from local farmers rather than through a processor. We negotiate directly with farmers to ensure they receive an agreed, sustainable price.

We launched Farmers' Own in 2013 with milk from Manning Valley (NSW) farmers. We now stock Farmers' Own milk from the Margaret River region (WA), Otways region (VIC), Sunshine Coast hinterland (QLD) and the Barossa Valley (SA). We source millions of litres of milk directly from 22 local farmers and supply it to hundreds of Woolworths stores.

On average, we sold 18 million litres of Farmers' Own milk per week across Australia in FY16, providing regular income that enabled some of the farmers to invest in farm improvements and upgrades.

RANGE

On top of considering price and quality, many customers are brand loyal. As well as Woolworths Own Brands, we offer a wide range of nationally recognised brands that still comprise most of our total product range.

20 'Fish and Seafood' in the Australian Sourced Table, includes seafood sourced from Australian waters but processed overseas.

21 Trolley Trends Report 2016, McCrindle Research.

22 Aztec ShopperView Data.

COMMUNITY

How our Supermarkets invest in communities

Total Investment	\$43 million
Cash	\$5.3 million
Customer fundraising	\$15.5 million
In kind	\$16.0 million
Staff time	\$6.2 million

Woolworths Supermarkets continues to support a broad range of charity partners, from national campaigns to local community groups.

Local charities

Each year, our staff in every state nominate the charity they want to support.

Local charities our Supermarkets chose to support in 2015/16

STATE	CHARITY	CONTRIBUTION
NSW/ACT	Variety, the children's charity	\$1,270,761
QLD	Children's Hospital Foundation	\$3,973,672
SA/NT	CanTeen	\$257,385
VIC/TAS	Royal Children's Hospital Foundation, Good Friday appeal, Give Me Five For Kids	\$825,833
WA	Telethon	\$533,920

Free Fruit for Kids

Nearly six out of ten Australians think children need to eat more fruit so we developed Free Fruit for Kids. Every week, we make 250,000 pieces (50,000 kg) of fruit available for children to eat in local stores across Australia.

Jamie's Ministry of Food

Woolworths supports Jamie's Ministry of Food Australia by providing food provisions to four fixed kitchens and two mobile kitchens around Australia. Over 32,000 participants have taken part in the Jamie's Ministry of Food seven week course, learning how to cook healthy delicious meals using fresh produce.



IMAGE: Photo ©JustinField2014.

GROCERY - BRANDED AND OWN BRAND SHELF KEEPING UNITS (SKUs)

GROCERY - BRANDED AND OWN BRAND SHELF KEEPING UNITS (SKUs) (%)



Branded	91.25%
Gold	0.33%
Macro	0.99%
Select	5.76%
Homebrand	1.67%

GROCERY - BRANDED AND OWN BRAND SALES (%)



Branded	88.88%
Gold	0.11%
Macro	1.17%
Select	6.51%
Homebrand	3.41%

**FAMILIES OF OUR
ARMED SERVICES**

\$2.6M raised

AGRICULTURAL SHOWS

\$2.2M raised

Families of our Armed Services

Woolworths has partnered with Legacy, the Returned and Services League (RSL) and Camp Gallipoli to fundraise through stores and sponsor programs that support serving and ex-service Australian Defence Force personnel. During FY16 we raised more than \$2.6 million.

Agricultural Shows

During 2015/16 we invested more than \$2.2 million in helping state Agricultural Societies across Australia to deliver Agricultural Shows in cities and towns. These shows connect our customers with the farmers who grow the food they buy in our supermarkets.

Foodbank Food Fight campaign

In August 2015, we supported our national food rescue partner Foodbank to run the Food Fight campaign, raising more than seven million serves of food. The campaign raises awareness of hunger in Australia and generates food for people in need through direct food donations.

FOODBANK HELPING TO FEED PEOPLE IN NEED

Woolworths' partnership with FoodBank provides vital food relief to people like Trina, a single mum with five young children. She currently lives on benefits and finds it extremely challenging to keep her kids fed as well as meeting other day-to-day costs.

After being introduced to a Foodbank Community Foodshare, Trina and her family now have a regular supply of fresh and packaged food.

'I can make more nutritious meals for my children so they are eating better than they have in a while,' she says. 'Being able to access this food helps me to support the kids in getting their education. I really just want to give them the best future I can.'



Endeavour Drinks Group

Endeavour Drinks Group comprises the Dan Murphy's, BWS, Cellarmasters and Langtons brands. Our corporate responsibility challenges are the same as those for the whole Woolworths Group, including supplier relationships, employment conditions and safety. However, as a retailer of alcoholic beverages, we must also address the issues of responsible drinking and the responsible service, ranging, sale and marketing of alcohol.

1

PERFORMANCE
HIGHLIGHTS

2

GROUP
REVIEW

3

BUSINESS
REVIEW

4

OTHER
INFORMATION

NEW STORES IN FY16

56

TOTAL COMMUNITY INVESTMENT

\$616,000

CONTRIBUTION TO DRINKWISE

\$376,070

CUSTOMERS

RESPONSIBLE SERVICE OF ALCOHOL (RSA)

To help keep our young people safe, we don't believe alcohol should be consumed by people under the legal drinking age. That's why we are strict on our legal obligation to not sell alcohol to anyone under 18, we ask for ID from people that appear under 25 and won't sell alcohol if there's a good chance it could be purchased for someone under age.

Regulatory requirements prohibit us from supplying alcohol to minors or people who are already intoxicated. We train our staff on the responsible service of alcohol and they receive regular refresher training.

In line with the Woolworths Group's overall commitment to doing business responsibly, our RSA training exceeds regulatory requirements. We develop many of our main RSA programs with our partners and some have gone on to be adopted industry-wide.

RESPONSIBLE MARKETING

DrinkWise Australia

We support programs run by DrinkWise Australia, an independent, not-for-profit organisation for healthier and safer drinking. Founded on industry leadership and community partnerships, DrinkWise develops and runs national information campaigns. We provide ongoing financial support and promote their social marketing campaigns in our stores.

We contributed \$376,070 towards DrinkWise Australia during the year, and through our BWS brand.

ALCOHOL BEVERAGES ADVERTISING CODE

We follow the Alcohol Beverages Advertising Code (ABAC) to abide by the ABAC adjudication process and ensure our Exclusive Brand products are compliant (brands we own or develop and distribute exclusively with the supplier). Our efforts to comply are underpinned by our Charter for Ranging Alcohol.

RESPONSIBLE RANGING

The process of selling alcoholic beverages begins when we first consider a product that we might want to put on our shelves.

Our Charter for Ranging Alcohol has 10 principles that we use to screen a product, helping us to ensure it is suitable, non-offensive and does not appeal to minors.

WHITE RIBBON
MERCHANDISE RAISED

\$133,000

RANGING ALCOHOL PRINCIPLES

<p>PRINCIPLE 1 The product should not have the potential to appeal to minors.</p>	<p>PRINCIPLE 2 The product should not have an appearance that could potentially lead to confusion with confectionery or soft drinks.</p>	<p>PRINCIPLE 3 The product should not have an appearance that may lead to confusion about its alcoholic nature or strength.</p>	<p>PRINCIPLE 4 The product should not draw any association with drug culture, narcotics or other illicit drugs or drug paraphernalia.</p>	<p>PRINCIPLE 5 The product should not encourage illegal or immoderate consumption such as binge drinking, drunkenness or drink-driving.</p>
<p>PRINCIPLE 6 The product should not suggest any association with dangerous, violent, aggressive or antisocial behaviour.</p>	<p>PRINCIPLE 7 The product should not suggest that consumption can lead to social, sporting or sexual success.</p>	<p>PRINCIPLE 8 The product should not feature imagery or language that could be deemed offensive on cultural, religious, ethnic or gender grounds.</p>	<p>PRINCIPLE 9 The product should not suggest that any physical or mental health benefit can be obtained by consumption.</p>	<p>PRINCIPLE 10 Ready to drink products containing more than two standard drinks per single serve container will not be ranged by Endeavour Drinks Group.</p>

PROSPERITY

SUPPLIERS

Endeavour Drinks Group’s Good Buyer and Supplier Principles set standards for our buyers to follow when dealing with suppliers. We require that all parties act with fairness and transparency when they deal with each other. These principles support our landmark 2014 agreement with the Winemakers’ Federation of Australia, which represents all Australian winemakers.

GOOD BUYER AND SUPPLIER PRINCIPLES

<p>PRINCIPLE 1 Fair and clear relationships</p>	<p>PRINCIPLE 2 Clarity in marketing and promotional activity</p>	<p>PRINCIPLE 3 Open, honest and early communication</p>	<p>PRINCIPLE 4 Protection of intellectual property</p>	<p>PRINCIPLE 5 Dispute resolution</p>
------------------------------------------------------------	-----------------------------------------------------------------------------	--------------------------------------------------------------------	-------------------------------------------------------------------	--------------------------------------------------

Supplier Portal

To support Woolworths’ commitment to providing customer choice and supporting local suppliers, our Supplier Portal is accessible to any supplier looking to sell their products nationally. It is also flexible enough for a small boutique producer to be able to range their products in a local store.

COMMUNITY

Endeavour Drinks Group invests in the community in which it operates through supporting a range of community partners.

WHITE RIBBON

In FY16 we raised more than \$133,000 towards White Ribbon through merchandise sales in BWS and Dan Murphy’s stores. Woolworths has White Ribbon Ambassadors in our liquor team.

White Ribbon is a global male-led movement to end men’s violence against women by raising awareness and attempting to change the contributing attitudes and behaviours. Under White Ribbon Australia’s Ambassadors program, thousands of men play a leadership role as the local faces and leaders of the campaign.

New Zealand Food

Countdown is the main brand for Progressive Enterprises Ltd's owned and operated stores. We have 184 Supermarkets throughout New Zealand, serving an average of 2.8 million customers every week. We are one of New Zealand's largest employers, partner with thousands of suppliers and farmers, and are active in local communities.

FREE FRUIT FOR KIDS

50,000

pieces per week

STAFF AGED 55+

15%

LAMB, PORK, CHICKEN
 SOURCED IN NEW ZEALAND

100%

PEOPLE

CUSTOMERS

Value

PRICE LOCKDOWN

Over the last year, Countdown has seen price deflation of 0.2% across our stores, driven by our focus on helping customers save money through our successful Price Lockdown program. Countdown tracks the prices of a basket of 100 of the most commonly purchased items, including those with substantial seasonal and commodity price variations. In FY16 this basket reduced in price by 1.2%.

Choice

HEARTSAFE

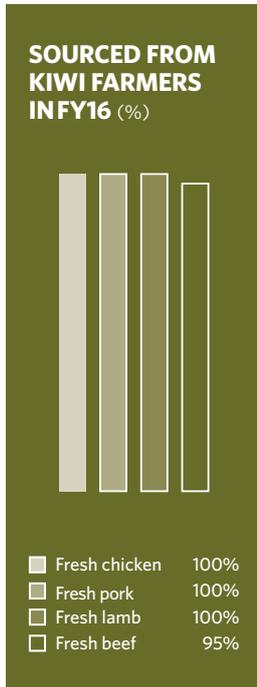
Countdown is an active participant in the New Zealand HeartSAFE reformulation program. Led by the New Zealand Heart Foundation, the program sets targets for sodium reduction in high-volume, lower-cost foods.

To date, we are 90% complete in six categories and are working to meet targets for four more. As well as looking at sodium, our reformulation work also aims to reduce saturated fat and, in some categories, sugar. As a result of this work, we are removing 1.3 tonnes of salt from our private label breakfast cereals every year.

FREE FRUIT FOR KIDS

In October 2015, Countdown launched Woolworths' Free Fruit for Kids program in all stores to encourage Kiwi kids to eat more fresh fruit. This has been a huge success; on average, Countdown supermarkets are now giving away an estimated 50,000 pieces of free fruit every week.





A FOCUS ON NUTRITION

We are systematically reformulating our Own Brand products in line with good health guidelines. Countdown was one of the first large brand owners in New Zealand to commit to the Health Star Rating system and we are working to roll out Health Star Ratings on more than 2,000 Own Brand products. So far, we have reviewed 394 products, and each now has a clearly-displayed Health Star Rating.

EMPLOYEES

We are proud of our role helping young Kiwis into the workforce. At the end of FY16 we had 6,061 team members aged under 25.

This year we had an increased focus on reviewing the number of team members on casual contracts. Through better management, we were able to offer some people more permanent hours and wound up contracts where there had been no contact for over six months.

We celebrate diversity of ethnicity, gender and age – 543 of our team have been with us for over 25 years and 2,769 team members are aged over 55 (over 15% of our total workforce).

PLANET

Reducing the environmental impact as our business grows means making a concerted effort across all areas of the business. During FY16, we maintained our focus on contributing to the Group's targets and commitments to reduce carbon emissions, improve recycling and reduce waste.

CARBON EMISSIONS

Facilities

To offset the impact of new stores, we have made sizeable energy efficiency gains quickly in existing stores. These resulted in a reduction in energy intensity of our stores by 3% from 2015.

Countdown's FY16 energy performance

	FY15	FY16
Energy intensity (GJ/square m)	2.82	2.75
Carbon intensity (tCO ₂ -e/square m)	0.26	0.33

TRANSPORT

Countdown uses third party providers to transport goods from our Distribution Centres to stores. By working with them to improve our logistics network and planning, we reduced fuel usage per carton in FY16 by 2% compared to the previous year.

SOFT PLASTICS RECYCLING

In July 2015, Countdown became a foundation member of the Soft Plastics Recycling Program to encourage our customers to recycle soft plastics such as bread bags and shopping bags in specially marked bins in our stores. We plan to introduce soft plastics recycling to 70% of New Zealand supermarkets over the next two years. Since an initial trial in Auckland, Countdown customers have recycled 2,434.5kg of soft plastics through our stores.

Countdown Waiheke became New Zealand's first plastic shopping bag free supermarket on 23 May 2016. Waiheke is a unique environment where rubbish has to be transported off the island. Customers are encouraged to bring their own reusable bags and we have reusable bags and new compostable bags available for purchase in-store.

PROSPERITY

JOBS AND EMPLOYMENT

Countdown is one of New Zealand’s largest employers. At the end of FY16, Countdown employed 17,872 New Zealanders in our stores, distribution centres, and support offices. During the year we invested \$214 million in new and replacement stores and refurbishments, which resulted in an additional 789 jobs.

SUPPLIERS

Supporting local farmers

Countdown has a proud history of helping grow Kiwi businesses as part of our commitment to providing our customers with quality products at competitive prices and supporting local suppliers. In particular, having locally sourced fresh fruit and vegetables is important to our customers.

A choice of eggs

During FY16 we continued to increase free range and barn eggs in our stores as we gained access to more supply. At the end of the year, 42% of our egg sales were free range or barn eggs²³.

An example of our approach to working with egg producers is our work with Otaika Valley Eggs. In October 2015 we began stocking some of their free range eggs in 20 Auckland stores. Now, we stock them in 70 stores across the North Island and have sold about 85,000 dozen of their eggs in total.

SPCA Blue Tick

SPCA Blue Tick is an accreditation scheme focused on high animal welfare. At the end of FY16 we had 45 chicken, pork, and egg products with Blue Tick accreditation, including all our Own Brand Macro free range chicken and all our free farmed pork.



PEOPLE EMPLOYED

17,872

INVESTMENT IN NEW AND REPLACEMENT STORES AND REFINISHMENTS

\$214M

1
 PERFORMANCE
 HIGHLIGHTS

2
 GROUP
 REVIEW

3
 BUSINESS
 REVIEW

4
 OTHER
 INFORMATION

23 52 weeks of data to 10 July 2016.

**TOTAL COMMUNITY
INVESTMENT IN NEW ZEALAND**
\$3.6M

COMMUNITY
Countdown in the Community

In FY16 our stores donated NZ\$347,349 to local and national charities and causes under our Countdown in the Community program, from helping to paint a play centre in Northland to donating food to The Salvation Army for a national Christmas campaign.

Connecting customers with causes

Throughout 2015/16, Countdown customers gave generously. They donated a total of more than NZ\$1.3 million to causes such as Oxfam's Cyclone Winston Appeal and The Salvation Army's Red Shield Appeal.

They also donated to the national Alzheimer's Appeal. Countdown has supported this Appeal for more than 13 years and raised \$1.5 million. Our annual Suppliers' Charity Golf Day also raised NZ\$141,000 for Alzheimer's Auckland.

Countdown Food Rescue

Just like Woolworths Supermarkets in Australia, Countdown supports local people in need by donating food to food charity partners and partnering with farmers. During the year we continued to extend Countdown Food Rescue to more local food charities. This year we welcomed Food Rescue charities KiwiHarvest, Good Neighbour and Kaivolution to the program.

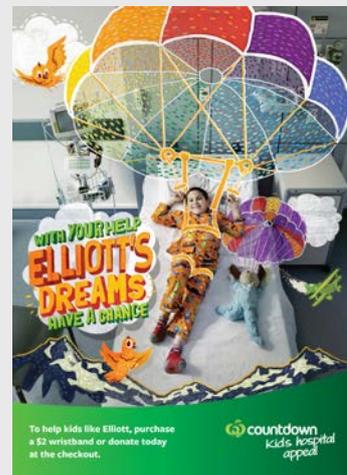
The Foodbank Project: a New Zealand first

In December 2015, Countdown and The Salvation Army launched New Zealand's first online food donation initiative, The Foodbank Project. This enables donors to see which items are most needed by The Salvation Army's foodbanks.

The Foodbank Project was initially trialled in September 2015 and has since rolled out to Auckland, Hamilton, Wellington, Christchurch and Dunedin. It is New Zealand's only not-for-profit, self-sustaining online foodbank. So far, this initiative has provided around 1,186 food parcel items for New Zealanders in need, worth NZ\$77,781.


Countdown Kids' Hospital Appeal

Held from August to October 2015, this year the Countdown Kids' Hospital Appeal raised nearly NZ\$1.14 million thanks to the generosity of our customers, team and suppliers. The funds contributed to the purchase of much-needed medical equipment for 11 children's hospital wards throughout New Zealand. Since it first began in 2007, the Countdown Kids' Hospital Appeal has raised NZ\$9.3 million.



Portfolio Business – BIG W

In 2015/16 BIG W continued to provide Australians with great value in-store and online choices for general merchandise. As well as addressing our corporate responsibilities in employment, environment and the community, the international nature of our operations and product lines means the most material issues for BIG W are labour conditions and human rights protection in our supply chain.

TOTAL PEOPLE EMPLOYED

21,000

FEMALE EXECUTIVES

55%

SOFT PLASTIC RECYCLED

1M tonnes

PEOPLE

EMPLOYEES

BIG W has approximately 21,000 team members across 186 national stores, three logistics distribution centres that were reintegrated into BIG W operations during the year, the Sydney-based support office and dedicated BIG W sourcing offices in Hong Kong and Bangladesh. During FY16 BIG W opened two new stores in Pacific Fair (QLD) and Hurstville (NSW), creating approximately 200 new jobs in these communities.

GENDER & DIVERSITY

BIG W leads the way in department store retailing in Australia with 55% female representation at an executive leadership level, 43% at retail store management level and 68% female representation across all employees.

In addition to these achievements in gender representation, BIG W proudly supports a diverse workplace across racial, sexual orientation, age and cultural background and has programs in place to foster a supportive environment for all team members. BIG W is a proud supporter of the Lesbian, Gay, Bisexual, Transgender and Intersex (LGBTI) employee community within Woolworths Group. Many of our store and support office employees were involved in Wear it Purple Day 2016.

HEALTH & SAFETY

BIG W is committed to maintaining its safety lead within the retail industry. We believe the well-being, health and safety of our team members, customers and visitors at all times is our most important priority.

PLANET

ANIMAL WELFARE

BIG W's Own Brand products are produced to high standards of animal welfare. BIG W does not use animal testing on its Own Brand products, including personal care and cosmetics. BIG W has also committed to not sell any products made from angora wool due to the animal welfare concerns of the process of fibre removal from rabbits.

ENERGY EFFICIENCY

BIG W store design uses energy efficient LED light fittings in the majority of the store fleet and is also committed to using LED lights in all new and refurbished stores. To further minimise energy use BIG W has air conditioning and light control timers.

WATER TREATMENT

BIG W ensures that all production factories have environmental treatment plants (ETP) to treat the water waste from production, particularly the by-products from denim manufacture. ETP is a natural cleaning process that oxygenates water and reduces the acidity before being released into waterways. There is also work underway to reduce the amount of water used in production.

CARDBOARD RECYCLED**18M tonnes**

RECYCLING

BIG W is committed to recycling packaging materials, particularly in store operations. In FY16 BIG W recycled ~18 million tonnes of cardboard (+1.5% on FY15) and ~1 million tonnes of LDPE (+3.6% on FY15).

MICROBEADS

BIG W supports the NSW and Australian Government initiatives to phase out the use of microbeads in certain consumer products. BIG W is committed to ensuring this takes place and is seeking confirmation from its suppliers that they do not use microbeads in their products or are otherwise committed to phasing out the use of microbeads urgently.

PROSPERITY**ETHICAL SOURCING**

The most material ethical sourcing issues for BIG W are the labour conditions and protection of human rights in our supply chain. BIG W seeks to ensure that the people who are making the products we sell are being treated fairly. BIG W follows the Woolworths Group Ethical Sourcing Policy and has an extensive Factory Audit program. Before BIG W partners with any factory, the factory is subject to a site inspection and must pass an audit which examines employment conditions, labour force, product safety, the structural integrity of the factory buildings and a geographic risk assessment. Any identified issues must be addressed before BIG W will deal with the factory. There are regular production checks to ensure factories are not subcontracting to non-audited suppliers.

BANGLADESH

BIG W is a signatory and financial supporter of the Accord on Bangladesh in Fire and Building Safety, an independent agreement designed to make all garment factories in Bangladesh safe workplaces. The program involves independent safety inspections of factories, with retailers assigned to take the lead on following up on corrective actions. Our factory supplier list in Bangladesh is published on the Woolworths Group website and we are building on the information provided here to provide even greater transparency of our supply chain in the future.

UZBEK COTTON

BIG W has committed to not using cotton from Uzbekistan due to the systemic use of child and forced labour in harvesting cotton. Our Uzbek cotton policy is included in the specifications for our clothing and home products and BIG W suppliers have been notified.

COMMUNITY

BIG W has supported the BIG Heart Appeal for over 10 years. The Appeal supports the Sydney Children's Hospital in Randwick (NSW), The Royal Children's Hospital Foundation (QLD), The Bone Health Foundation Inc (SA), The Royal Children's Hospital (VIC) and the Princess Margaret Hospital Foundation.

In addition, BIG W is an active community member and also supports several regional charities in the domestic violence and mental health space. BIG W is currently reviewing its philanthropic commitments in 2016 as part of an overall business review to ensure mutual brand alignment, outcomes are measurable and that team engagement remains high.

Portfolio Business - Hotels

ALH Group is a market leader, operating 330 licensed venues and 569 retail liquor outlets across Australia. We offer a diverse array of hospitality experiences, including sports bars, bistros, restaurants, cafes, retail liquor, accommodation, nightclubs, electronic gaming and wagering. Our material business issues are the responsible service of two of our core offerings - gambling and alcohol.

MACHINES WITH PRE-COMMITMENT FUNCTION

98%

COMMUNITY CONTRIBUTION

\$2.12M

PEOPLE

RESPONSIBLE GAMBLING

At ALH Group, we aim to be a responsible provider of electronic gambling services. Our focus areas are setting limits, staff education and training and partnerships.

Our Hotel and Gaming Charter clearly demonstrates our commitment to responsible gambling and we have developed and implemented several related initiatives.

Voluntary pre-commitment

This system is a cornerstone for our responsible gambling strategy. It allows gamblers to nominate a limit before they start using our machines.

At year end, pre-commitment functionality was installed on all machines in 281 of 286 of ALH hotels that offer electronic gaming machines. This functionality cannot be enabled at our five Tasmanian hotels due to Federal Hotel ownership of machines.

Responsible Gambling Ambassador

For seven years, we have worked with David Schwarz, a well-known former professional AFL footballer and reformed problem gambler. David is our Responsible Gambling Ambassador.

He provides employee education and customer awareness about the importance of asking for help if gambling becomes a problem. He is also available to discuss any gambling problems our staff or their families and friends may have.

Self-Exclusion Program

Our Self-Exclusion Program helps people who have decided to limit their access to gaming machines to implement that decision. We offer it to individuals who wish to voluntarily exclude themselves from one or more gaming venues. Under the program, that person agrees to certain obligations and forgoes some access rights.

EMPLOYEES

Responsible gambling training

We have devised a mandatory online responsible gambling training module for all relevant staff. The module focuses on how to approach and interact with customers who may be showing signs of problem gambling and explains how our Self-Exclusion Program operates.

Responsible Service of Alcohol

ALH Group believes that individuals have the right to choose to consume alcohol in licensed venues as a social activity. Our responsibilities are to deliver best practice alcohol service and to set a positive example to customers and other licensees.

We do not promote any practice that may encourage the rapid or excessive consumption of alcohol, and we require our employees to encourage and promote the responsible consumption of alcohol.

To prevent under-age drinking in our venues, we require young adults to present a valid proof of age.



COMMUNITY

We are proud of our community involvement and that our hotels are often a community hub. ALH Group works closely with many charitable organisations and financially supports a diverse range of causes, from seriously ill children and the families of Armed Services personnel to responsible gambling support services.

During 2015/16, we contributed \$2.12 million to worthwhile organisations, including Very Special Kids, the Leukaemia Foundation, Bravehearts and The Salvation Army.

Discontinued Operations

HOME IMPROVEMENT

As announced on 24 August 2016, Woolworths has agreed arrangements to exit from the Home Improvement business Masters and the Home Timber and Hardware Group.

People

Masters will cease trading at all stores on or before 11 December 2016 and Woolworths will work hard to find Masters employees jobs within the Group, or will pay redundancy where suitable roles are not available. Woolworths will honour all customer gift cards, product warranties and contracted home improvement projects and will work constructively with all suppliers.

EZIBUY

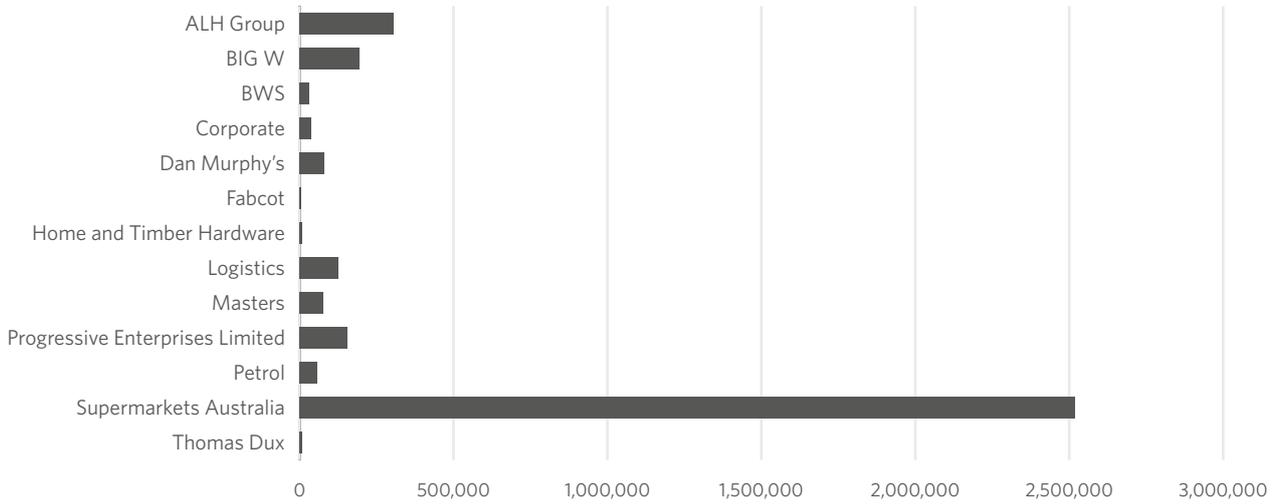
Woolworths has made the strategic decision to separate BIG W and EziBuy.

Prosperity

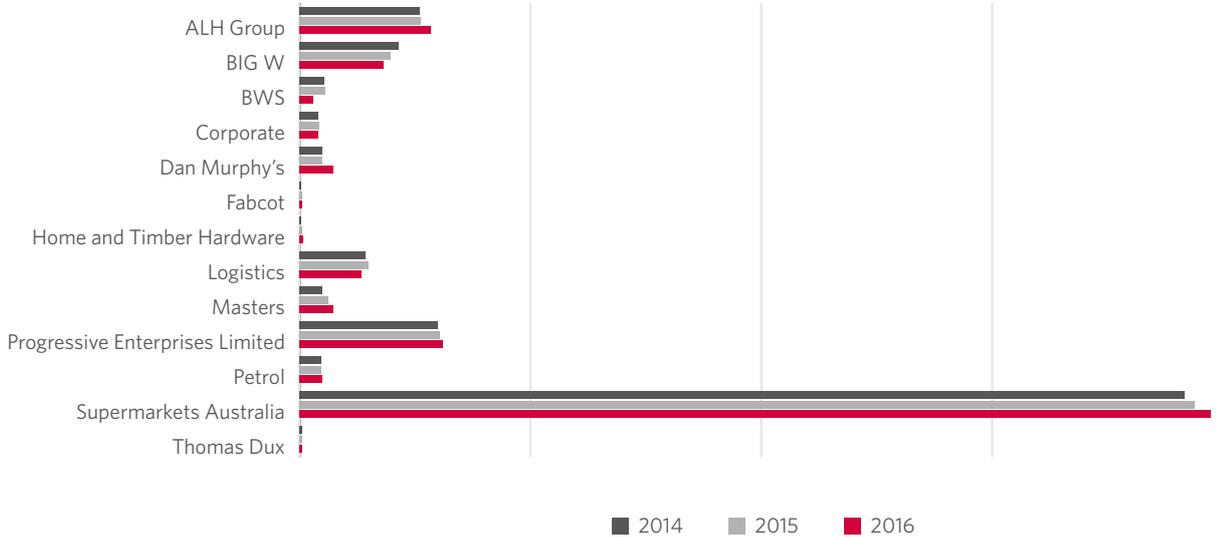
The most material issues for EziBuy are the labour conditions and protection of human rights in our supply chain. EziBuy seeks to ensure that the people who are making the products we sell are being treated fairly. EziBuy follows the Woolworths Group Ethical Sourcing Policy and Factory Audit program.

Sustainability Metrics

TOTAL CO₂ EMISSIONS (T CO₂-E)²⁴



ELECTRICITY USE (MWh)



²⁴ Scope 1, 2 and 3 emissions from stationary sources.

EMISSIONS FROM FACILITIES (T CO₂-E)

	SCOPE 1	SCOPE 2	SCOPE 3	TOTAL
ALH Group	24,287	248,123	34,092	306,502
BIG W	20,241	151,045	26,904	198,190
BWS	5,399	21,574	3,956	30,929
Corporate	8,232	32,781	5,375	46,388
Dan Murphy's	7,896	63,480	8,665	80,040
Fabcot	56	4,090	565	4,712
Home and Timber Hardware	129	4,734	2,702	7,565
Logistics	570,355	111,038	15,619	697,012
Masters	3	65,140	10,621	75,763
Progressive Enterprises Limited	115,233	42,841	20,297	178,371
Petrol	3,850	41,953	10,071	55,873
Supermarkets Australia	543,714	1,668,290	321,346	2,533,350
Thomas Dux	2,112	4,444	740	7,295
Grand Total	1,301,505	2,459,532	460,952	4,221,989

TRANSPORT EMISSIONS BY USE (T CO₂-E)

	AUSTRALIA	NEW ZEALAND
Business travel	8,860	1,987
Home delivery	4,727	
Logistics third party rail	-	
Logistics third party road	569,898	21,077
Trolley collection	13,868	

MATERIALS DIVERTED FROM LANDFILL (T)²⁵

AUSTRALIA	2013	2014	2015	2016
Food waste to composting or energy	7,390	14,655	17,359	15,791
Food to charity	1,198	1,381	2,956	3,231
Cardboard	186,152	201,165	192,170	218,535
Plastic film	7,564	7,869	7,028	8,226
Polystyrene	70	16	3	
Other	302	205	131	47
Total Australia	202,676	225,291	219,647	245,830
NEW ZEALAND	2013	2014	2015	2016
Cardboard	23,243	24,546	25,324	26,057
Plastic film	972	977	1,253	1,307
Food waste to farmers	752	827	807	787
Food to charity			509	509
Other	422	430	435	440
Total NZ	25,389	26,780	28,328	29,100
Total diverted	228,065	252,071	247,975	274,930

25 Waste to landfill from Australian Supermarkets, New Zealand Supermarkets and BIG W.

Workplace Metrics

BOARD OF DIRECTORS

AGE BAND	FEMALE	MALE	TOTAL
<25	0	0	0
25-<35	0	0	0
35-<45	1	0	1
45-<55	2	2	4
55-<65	0	0	0
>65	1	2	3
TOTAL	4	4	8

FEMALE REPRESENTATION BY EMPLOYMENT CATEGORY ²⁶

EXECUTIVES	SENIOR MANAGERS	MANAGERS	OFFICE/SUPPORT	TECHNICIANS AND TRADES	SALES	OTHER
30%	28%	39%	87%	15%	58%	40%

RATIO OF BASIC SALARY AND REMUNERATION OF FEMALE TO MALE EMPLOYEES BY EMPLOYMENT CATEGORY ²⁷

	2016		2015	
	AVERAGE ANNUALISED SALARY	RATIO TO AVERAGE	AVERAGE ANNUALISED SALARY	RATIO TO AVERAGE
Non-managerial Female	\$44,627	97.3%	\$40,170	98.2%
Non-managerial Male	\$47,438	103.4%	\$41,786	102.2%
Average Salary	\$45,888		\$40,894	
Managerial Female	\$73,380	92.8%	\$70,342	93.9%
Managerial Male	\$82,582	104.5%	\$77,848	103.9%
Average Salary	\$79,033		\$74,938	

RESPECT AND DIGNITY

DISCRIMINATION

Number of claims lodged in Australia during the year	11
Number resolved in financial year	9

²⁶ Excludes employees not located in Australia. Figures are current as at 31 March 2016, sourced from FY16 WGEA Report.

²⁷ CEO Salary Excluded. CEO Salary is published in the FY16 Annual Report.

FREEDOM OF ASSOCIATION

% of workforce covered by EBAs 81.18%

WORKFORCE REPRESENTED BY EBAS			
GROUP	EBA EMPLOYEES	TOTAL EMPLOYEES	81.18%
	EBA	TOTAL HEADCOUNT	%
ALH (Venue & Support)	0	11,443	0.00%
BIG W	19,662	21,497	91.46%
EziBuy	359	571	62.87%
Endeavour Drinks Group	9,395	12,627	74.37%
Food Group	124,941	142,696	87.56%
Home Improvement	6,455	7,956	81.13%
Statewide Independent Wholesalers	329	329	100.00%
Group Support	5,930	8,678	68.33%
Total Employees	167,071	205,797	81.18%

WORKFORCE AND TURNOVER

HEADCOUNT BY BUSINESS UNIT

GROUP/BRAND	FEMALE	MALE	TOTAL
ALH (Venue & Support)	6,471	4,972	11,443
BIG W	14,769	6,728	21,497
EziBuy	478	93	571
Endeavour Drinks Group	4,450	8,177	12,627
BWS	2,326	4,638	6,964
Dan Murphy's	1,706	2,753	4,459
Pinnacle and Direct	142	331	473
Wine Market	4	5	9
Langtons	246	404	650
Drinks Support	26	46	72
Food Group	79,587	63,109	142,696
Supermarkets - Australia	65,281	50,505	115,786
Supermarkets - New Zealand	10,118	7,754	17,872
Convenience (Fuel, Metro, Thomas Dux)	2,670	2,900	5,570
Meat Production	335	654	989
Food Group Other	1,183	1,296	2,479
Home Improvement	3,592	4,364	7,956
Home Timber & Hardware	460	1,140	1,600
Masters	3,132	3,224	6,356
Statewide Independent Wholesalers	25	304	329
Group Support	2,098	6,580	8,678
Global Sourcing	134	74	208
Retail FM	21	207	228
Logistics	976	5,348	6,324
Support Functions	967	951	1,918
TOTAL	111,470	94,327	205,797

HEADCOUNT BY EMPLOYEE TYPE

	FEMALE	MALE	TOTAL
Full-time	26,474	33,916	60,390
Part-time	53,682	31,479	85,161
Casual	31,314	28,932	60,246
Total	111,470	94,327	205,797

HEADCOUNT BY REGION

REGION	FEMALE	MALE	TOTAL
Australian Capital Territory	1,288	1,540	2,828
New South Wales	31,222	27,539	58,761
Northern Territory	1,073	958	2,031
Queensland	23,874	18,775	42,649
South Australia	6,385	6,108	12,493
Tasmania	3,077	2,501	5,578
Victoria	23,777	21,800	45,577
Western Australia	10,044	7,186	17,230
New Zealand	10,596	7,846	18,442
India	0	0	0
China	130	56	186
Bangladesh	1	16	17
Thailand	3	2	5
TOTAL	111,470	94,327	205,797

WORKFORCE BY AGE

AGE BAND	FEMALE	MALE	TOTAL
x<25	38,708	40,388	79,096
25-<35	22,332	24,802	47,134
35-<45	18,760	13,755	32,515
45-<55	18,445	8,960	27,405
55-<65	11,391	5,305	16,696
x>65	1,833	1,112	2,945
TOTAL	111,469	94,322	205,791

Age details were not available for six employees.

TURNOVER BY REGION

	TOTAL TERMINATIONS			% LABOUR TURNOVER		
	FEMALE	MALE	TOTAL	FEMALE	MALE	TOTAL
Australian Capital Territory	327	442	769	25.0%	27.9%	26.6%
New South Wales	5,914	6,687	12,601	19.0%	23.9%	21.4%
Northern Territory	408	379	787	41.7%	43.5%	42.5%
Queensland	5,631	5,230	10,861	24.1%	28.2%	25.9%
South Australia	1,219	1,289	2,508	19.3%	21.2%	20.3%
Tasmania	446	470	916	14.9%	19.2%	16.9%
Victoria	4,183	4,901	9,084	17.7%	22.3%	19.9%
Western Australia	2,587	2,383	4,970	25.9%	33.2%	28.9%
New Zealand	2,914	2,643	5,557	27.5%	34.2%	30.3%
India	0	0	0			
China	51	38	89	40.4%	54.2%	45.3%
Bangladesh	3	6	9	128.6%	35.6%	47.0%
Thailand	0	0	0	0.0%	0.0%	0.0%
TOTAL	23,683	24,468	48,151	21.4%	25.9%	23.5%

TURNOVER BY AGE

GE BAND	TOTAL TERMINATIONS			% LABOUR TURNOVER		
	FEMALE	MALE	TOTAL	FEMALE	MALE	TOTAL
x<25	11,428	12,279	23,707	30.0%	30.7%	30%
25-<35	5,373	6,599	11,972	24.2%	26.7%	26%
35-<45	2,978	2,742	5,720	15.8%	19.6%	17%
45-<55	2,242	1,590	3,832	12.1%	17.2%	14%
55-<65	1,243	911	2,154	11.1%	16.9%	13%
x>65	419	347	766	23.8%	31.2%	27%
TOTAL	23,683	24,468	48,151	21.4%	25.9%	24%

SAFETY PERFORMANCE**DIVISIONAL LOST TIME INJURY FREQUENCY RATE (LTIFR)**

BUSINESS LTIFR RESULTS FOR 2016	PER MILLION HRS	PER 200,000 HRS	% FEMALE
Supermarkets	9	1.8	60%
Logistics	13.16	2.63	13%
BIG W	3.95	0.79	78%
Endeavour Drinks	3.17	0.63	35%
Fuel and Metro	4.25	0.85	72%
Progressive Enterprise Limited (NZ)	10.57	2.11	Not available
Corporate	1.44	0.29	83%
Woolworths Group	8.43	1.69	55%
ALH	7.52	1.5	Not available
Masters	16.08	3.22	45%
Home Timber Hardware	7.74	1.55	Not available

GROUP LTIFR, TOTAL RECORDABLE INJURY FREQUENCY RATE (TRIFR) AND OCCUPATIONAL DISEASE RATE

	2016
LTIFR (million hours)	8.43
Change in LTIFR compared to previous year	-26.24%
LTIFR (200,000 hours)	1.69
TRIFR (million hours)	16.29
Change in TRIFR compared to previous year	-23.54%
TRIFR (200,000 hours)	3.26
Occupational Disease Rate (200,000 hours)	1.51

WORK RELATED FATALITIES

Employee	0
Contractor	0
Other	0

Our approach to corporate responsibility and sustainability

We have set targets and made commitments to be a responsible and sustainable business. This can only be achieved with the support of our people at all levels of our business.

As any business should, Woolworths gives priority to issues that are material to the business and which align with our strategic pillars. The Destination Zero safety strategy and the Corporate Responsibility Strategy 2016-2020 provide the direction and focus for practices, policies and investment.

GOVERNANCE, THE BOARD AND DIRECTORS

Corporate governance is at the core of Woolworths' and the Board's approach to the enhancement of shareholder value and the protection of shareholder funds. Integral to shareholder value is protecting and enhancing our reputation, which is why the Board oversees the Company's approach to corporate responsibility and sustainability.

The Woolworths Board Sustainability Committee, which meets at least quarterly, reviews performance on issues of Safety and Health, Sustainability and Community Investment.

Information on our Board of Directors and the Board Charter is at:

http://www.woolworthsgroup.com.au/page/Who_We_Are/Directors_and_Management/Board_of_Directors/

The relevant Committees are covered in:

http://www.woolworthsgroup.com.au/page/Who_We_Are/Committees_of_the_Board/

More information is in the corporate governance statement:

http://www.woolworthsgroup.com.au/page/Who_We_Are/Corporate_Governance/

RISK MANAGEMENT FRAMEWORK

The continued growth and success of Woolworths depends on the ability of our Company to understand and respond to the challenges of an uncertain and changing world. As a large, dispersed and complex organisation, this uncertainty generates risk, with the potential to be a source of both opportunities and threats. By understanding and managing risk, the Company provides greater certainty and confidence for all its stakeholders. Our risk management policy is in the same location as our governance framework, referred to previously. See: http://www.woolworthslimited.com.au/icms_docs/182376_Risk_Management_Policy.pdf

MATERIALITY

Woolworths will soon launch the 2016-2020 Corporate Responsibility Strategy. To prepare this, we had an independent assessment conducted to identify our key material sustainability issues.

The assessment was based on the AccountAbility AA1000 Assurance Standard (2008) principle of materiality and guided by their Five Part Materiality Test, to identify and prioritise issues relevant to:

- Direct short-term financial impacts
- Policy-related performance
- Business peer-based norms
- Stakeholder behaviour and concerns
- Societal norms.

RANK	WOOLWORTHS LIMITED MATERIAL SUSTAINABILITY ISSUES
1	Supplier relationships, communication and collaboration
2	Employee conditions, wellbeing and communications
3	End-to-end reduction of waste
4	Labour rights in the supply chain
5	Low price and value for money model
6	Environmentally responsible sourcing
7	Energy and emissions
8	Understanding and responding to customer needs
9	Product quality, safety, availability and range
10	Partners in the community

During the assessment, we considered all of our business divisions and a broad range of external stakeholders, including consumers, customers, employees, government, investors, peers and suppliers. Essential information was obtained through media that included customer insights, employee surveys, strategic priorities and targets, the Advantage Report, traditional and social media reviews and industry sustainability benchmark indices.

The issues were classified as either 'Material', of 'High Stakeholder Interest', of 'High Woolworths Interest' or none of these.

The Materiality Assessment identified the following Group-wide Material Sustainability Issues in the adjacent table.

The assessment also identified some divisional specific issues, which have been addressed in the report, e.g. local sourcing for supermarkets, responsible service of alcohol for Endeavour Drinks Group and responsible gaming for ALH Group.

SENIOR MANAGEMENT

The Woolworths Group Executive Committee, chaired by the Chief Executive Officer, provides management oversight of the effectiveness of the Divisions' implementation of the Safety and Health vision, principles, policy, standards, strategy and initiatives, risk processes, resources, information, compliance and assurance.

TRANSPARENCY AND REPORTING

Woolworths uses the globally recognised reporting framework developed by the Global Reporting Initiative (GRI). The GRI reporting framework sets out the principles and indicators that organisations can use to measure and report their economic, environmental, and social performance. This report was prepared in accordance with the 'core' principles of the GRI Guidelines.

We continue to report to the Carbon Disclosure Project (CDP), an investor-driven disclosure initiative enabling companies to report on risk identification and mitigation processes related to climate change.

We also participate in the Dow Jones Sustainability Indices (DJSI), a global index that tracks the financial performance of leading sustainability-driven companies. We continue to benchmark strongly against our peers in the food and staples retailing industry.

DJSI	2012	2013	2014	2015	2016
Overall score	76	77	76	77	73
Economic dimension	79	79	82	77	74
Environmental dimension	78	80	76	76	73
Social dimension	70	73	69	77	72

ANTI-CORRUPTION

All our employees commit to our Code of Conduct to maintain the highest legal, moral and ethical standards in our dealings with customers, suppliers, employees and local communities. This code outlines how employees can meet the highest standards through their everyday behaviours and choices.

We're committed to continuous improvement, transparency and accountability. We don't tolerate workplace misconduct under any circumstances and we need our trade partners to work with us to stamp out any and every instance. We have clear, long-standing and accepted procedures for trade partners to report any issues. However we recognise there is always opportunity to strengthen our systems. Our Speak Up service is available for trade partners to use when normal escalation methods have been exhausted or are inappropriate.

POLITICAL DONATIONS

Woolworths prepares for legislative and regulatory reforms through direct engagement with political parties in Australia and New Zealand. Our policy is that any political contributions require Board approval. Woolworths adheres to all relevant political disclosure laws and regulations and strives to make contributions in a bipartisan manner.

This year, no political contributions were made in Australia. In New Zealand, we did not make political donations or attend any political functions.

PRIVACY POLICY

We're committed to meeting the Australian Privacy Principles for the fair handling of Personal Information, which sets standards for the collection, use and disclosure, access, storage and destruction of personal information that we collect as part of our business operations.

Our respect for our customers' right to privacy of their personal information is paramount. We have policies and procedures to ensure that all personal information, no matter how or where it's obtained, is handled sensitively, securely, and in accordance with the Australian Privacy Principles. See woolworthsgroup.com.au/page/Privacy_Policy/ for our privacy policy.

United Nations Global Compact

Woolworths Group addresses the 10 accepted Principles of the United Nations Global Compact (UNGC) in the following manner.

PRINCIPLES	ACTIONS	PAGE
Human Rights		
Principle 1 Protection of Human Rights	Ethical Sourcing Policy and audit program	19
Principle 2 No Complicity in Human Rights Abuse	Ethical Sourcing Policy and audit program Freedom of Association and Union Engagement	19 44
Labour		
Principle 3 Freedom of Association and Collective Bargaining	Ethical Sourcing Policy and audit program Freedom of Association and Union Engagement	19 44
Principle 4 Elimination of Forced and Compulsory Labour	Ethical Sourcing Policy and audit program	19
Principle 5 Abolition of Child Labour	Ethical Sourcing Policy and audit program	19
Principle 6 Elimination of Discrimination	Diversity and Equal Opportunity	19
Environment		
Principle 7 Precautionary Approach	No explicit reference to precautionary approach Approach to Risk Management	47-48
Principle 8 Environmental Responsibility	Environment,	13
Principle 9 Environmentally Friendly Technologies	Technology addressing climate change, water conservation, transport and packaging	13-17
Anti-Corruption		
Principle 10 Work against Corruption	Anti-Corruption	47-48

Global Reporting Initiative

GRI	DESCRIPTION	PAGE
G4-1	Statement from the Chairman and CEO	8
G4-3	Name of the Organisation	Front Cover
G4-4	Primary brands, products, and/or services	AR 16-21
G4-5	Location of organisation's headquarters	AR 128
G4-6	Number of countries where the organisation operates	2
G4-7	Nature of ownership and legal form	AR 125-126
G4-8	Markets served	54, AR 30
G4-9	Scale of the reporting organisation	8, 19
G4-10	Total workforce	44-47
G4-11	Collective bargaining agreements	44-47
G4-12	Describe the organisation's supply chain	19-38
G4-13	Significant changes during the reporting period	AR 22-25
G4-14	Addressing precautionary principle	14-18
G4-15	External corporate responsibility charters	9-18, 21-38, 48-50
G4-16	Memberships in associations	9-13, 31-32, 37-38, GRI Index
G4-17	Entities included in the organisation's consolidated financial statements	AR 118, 122
G4-18	Process for defining report content	48-49, Corporate Responsibility Strategy 4-5
G4-19	Material aspects identified when defining the report content	48-49, Corporate Responsibility Strategy 4-5
G4-20	Material aspect boundary inside the organisation scope	2
G4-21	Material aspect boundary outside the organisation	9-22
G4-22	Explanation of restatements	9-13, 44-47
G4-23	Significant changes from previous reporting periods	AR 22-25, 99
G4-24	List of engaged stakeholders	9-13, 19-30, 33-35, 48-49
G4-25	Basis for identification and selection of stakeholders	48-49
G4-26	Approaches to stakeholders	9-13, 19-22
G4-27	Key topics and concerns for stakeholders	9-13, 19-30, 33-35, 48-49
G4-28	Reporting period scope	Introduction
G4-29	Date of most recent previous report	November 2015
G4-30	Reporting cycle	Annual
G4-31	Contact point for the report	AR 128
G4-32	GRI index for comprehensive disclosure	GRI Index
G4-33	Policy on seeking external assurance for the report	48-49, 54
G4-34	Governance structure	48-49
G4-56	Values, principles, standards and norms of behaviour	50
	Disclosure on Economic Management approach	14-18, 23-30
G4-EC1	Direct economic value generated and distributed	19-35
G4-EC2	Financial implications of climate change	14-18
G4-EC3	Defined benefit plan obligations	AR 68
G4-EC4	Significant financial assistance received from Government	GRI Index
G4-EC5	Ratios of standard entry level wage compared to local minimum wage	GRI Index
G4-EC6	Proportion of senior management hired from the local community	GRI Index
G4-EC7	Infrastructure investments and services for public benefit	19-22
G4-EC8	Indirect economic impacts	19-22
G4-EC9	Proportion of spending on local suppliers	23-30
	Disclosure on Environmental Management approach	14-18, 23-30, 42-43, Corporate Responsibility Strategy 2, GRI Index

GRI	DESCRIPTION	PAGE
G4-EN1	Materials used by weight or volume	GRI Index
G4-EN2	Percentage of materials used that are recycled input materials	GRI Index
G4-EN3	Energy consumption	14-18, 42-43
G4-EN4	Indirect energy consumption	42-43
G4-EN5	Energy intensity	14-18
G4-EN6	Reduction of energy consumption	14-18
G4-EN7	Reduction in energy requirements of products and services	14-18
G4-EN8	Total water withdrawal by source	GRI Index
G4-EN9	Water sources significantly affected by withdrawal of water	GRI Index
G4-EN10	Percentage and total volume of water recycled and reused	14-18
G4-EN11	Operations in or near areas of high biodiversity value	GRI Index
G4-EN12	Description of significant impacts on biodiversity in protected areas	GRI Index
G4-EN13	Habitats protected or restored	GRI Index
G4-EN14	iUcn red list species	GRI Index
G4-EN15	Direct greenhouse gas emissions (scope 1)	14-18, 42-43
G4-EN16	Energy indirect greenhouse gas emissions (scope 2)	42-43
G4-EN17	Other indirect greenhouse gas emissions (scope 3)	42-43
G4-EN18	Greenhouse gas emissions intensity	42-43
G4-EN19	Reduction of greenhouse gas emissions	GRI Index
G4-EN20	Emissions of ozone-depleting substances	GRI Index
G4-EN21	NOx, SOx and other significant air emissions	GRI Index
G4-EN22	Total water discharge by quality and destination	GRI Index
G4-EN23	Total weight of waste by type and disposal method	14-18, 42-43
G4-EN24	Total number and volume of significant spills	GRI Index
G4-EN25	Hazardous wastes	14-18, 42-43, GRI Index
G4-EN26	Mitigating impacts of products and services	GRI Index
G4-EN27	Fines for non-compliance with environmental laws	14-18
G4-EN28	Impacts of transporting products and other goods	GRI Index
G4-EN29	Total environmental protection expenditure	GRI Index
G4-EN30	Percentage of new suppliers screened using environmental criteria	14-18, 42-43
G4-EN31	Environmental impacts in the supply chain	14-18
G4-EN32	Suppliers screened for environmental impacts	GRI Index
G4-EN33	Supply chain impacts	14-18, 19-22
G4-EN34	Grievances about environmental impacts	GRI Index
	Disclosure on Labour Management approach	9-13, 19-22, 33-35, 44-47, GRI Index
G4-LA1	Employee turnover	9-13, 44-47
G4-LA2	Benefits for full-time employees	AR 107-112
G4-LA3	Retention rate after parental leave	9-13
G4-LA4	Minimum notice periods for significant operational changes	GRI Index
G4-LA5	Workforce represented in joint management worker health and safety committees	44-47
G4-LA6	Rates of injury, occupational disease, lost days and absenteeism	9-13, 44-47
G4-LA7	High incidence or risk of disease related to occupation	GRI Index
G4-LA8	Health and safety topics covered in formal agreements with trade unions Gri index	GRI Index
G4-LA9	Average hours of training per employee	GRI Index
G4-LA10	Career and skills management	GRI Index
G4-LA11	Employee performance and career development reviews	GRI Index
G4-LA12	Governance bodies and breakdown of employees relating to diversity	44-47
G4-LA13	Ratio of basic salary of men to women by employee category	44-47
G4-LA14	Percentage of new suppliers screened using labour practices criteria	GRI Index

GRI	DESCRIPTION	PAGE
G4-LA15	Labour practices impacts in the supply chain	19-22
G4-LA16	Grievances about labour practices	GRI Index
	Disclosure on Human rights Management approach	9-13, 19-22, 44-47, 58
G4-HR1	Significant investment agreements that include human rights clauses	GRI Index
G4-HR2	Employee training on human rights	GRI Index
G4-HR3	Number of incidents of discrimination	44-47
G4-HR4	Risks to right to exercise freedom of association and collective bargaining	19-22, 37-38, 41
G4-HR5	Risks of incidents of child labour	19-22, 37-38, 41
G4-HR6	Risks of incidents of forced or compulsory labour	19-22, 37-38, 41
G4-HR7	Security personnel training	GRI Index
G4-HR8	Incidents involving rights of indigenous people	GRI Index
G4-HR9	Operations subject to human rights reviews	GRI Index
G4-HR10	Percentage of new suppliers screened using human rights criteria	9-13
G4-HR11	Human rights impacts in the supply chain	19-22
G4-HR12	Grievances about human rights impacts	19-22, GRI Index
	Disclosure on Society Management approach	19-22, 23-35 48-49, GRI Index
G4-SO1	Operations with local community engagement and development programs	GRI Index
G4-SO2	Operations with significant negative impacts on local communities	31-32, 39-40
G4-SO3	Assessments of operations for risks related to corruption	48-49, GRI Index
G4-SO4	Communication and training on anti-corruption polices	GRI Index
G4-SO5	Actions taken in response to incidents of corruption	GRI Index
G4-SO6	Value of political contributions	48-49
G4-SO7	Legal actions for anti-competitive behaviour	GRI Index
G4-SO8	Significant fines or sanctions for non-compliance with laws	GRI Index
G4-SO9	Percentage of new suppliers screened using society criteria	GRI Index
G4-SO10	Society impacts in the supply chain	GRI Index
G4-SO11	Grievances about impacts on society	GRI Index
	Disclosure on Product Responsibility Management approach	23-32, GRI Index
G4-PR1	Significant product categories which health and safety is assessed	23-30
G4-PR2	Non-compliance regarding health and safety impacts of products	GRI Index
G4-PR3	Product information and labelling	23-30, GRI Index
G4-PR4	Non-compliance regarding product labelling	GRI Index
G4-PR5	Surveys measuring customer satisfaction	GRI Index
G4-PR6	Sale of banned or disputed products	GRI Index
G4-PR7	Non-compliance with regulations and voluntary codes concerning marketing	GRI Index
G4-PR8	Complaints regarding breaches of customer privacy	48-49, GRI Index
G4-PR9	Monetary value of significant fines	GRI Index

External Assurance Statement

Deloitte.

Deloitte Touche Tohmatsu
A.C.N. 74 490 121 060
Grosvenor Place
225 George Street
Sydney NSW 2000
PO Box N250 Grosvenor Place
Sydney NSW 1220 Australia
DX 10307SSE
Tel: +61 (0) 2 9322 7000
Fax: +61 (0) 2 9322 7001
www.deloitte.com.au

Independent limited assurance statement to the Directors of Woolworths Limited in relation to the 2016 Corporate Responsibility Report

We have carried out a limited assurance engagement on the subject matter detailed below (the 'Subject Matter') presented in Woolworths Ltd.'s ('Woolworths') 2016 Corporate Responsibility Report in order to state whether anything has come to our attention that would cause us to believe that the Subject Matter has not been reported and presented fairly, in all material respects, in accordance with the reporting criteria described below ('Reporting Criteria').

SUBJECT MATTER AND REPORTING CRITERIA

The Subject Matter and Reporting Criteria for our limited assurance engagement for the year ended 30 June 2016 is as follows:

SUBJECT MATTER	REPORTING CRITERIA
<p>Selected Sustainability Indicators</p> <p>The FY2016 performance data in respect of Woolworths' Sustainability Indicators as contained in section Global Reporting Initiative within the 2016 Corporate Responsibility Report.</p> <ul style="list-style-type: none"> • Economic performance: <ul style="list-style-type: none"> - Direct economic value generated and distributed [G4-EC1] • Energy: <ul style="list-style-type: none"> - Energy consumption within the organisation [G4-EN3] - Energy consumption outside the organisation [G4-EN4] - Energy intensity [G4-EN5] - Reduction in energy consumption [G4-EN6] • Emissions: <ul style="list-style-type: none"> - Direct greenhouse gas (GHG) emissions (Scope 1) [G4-EN15] - Energy indirect greenhouse gas (GHG) emissions (Scope 2) [G4-EN16] - Other indirect greenhouse gas (GHG) emissions (Scope 3) [G4-EN17] - Greenhouse gas (GHG) emissions intensity [G4-EN18] - Reduction of greenhouse gas (GHG) emissions [G4-EN19] • Waste: <ul style="list-style-type: none"> - Total Weight of waste by type and disposal method [GE-EN23] 	<p>Woolworths' definitions and approaches as described in section Corporate Responsibility Governance of Woolworths' 2016 Corporate Responsibility Report.</p>

SUBJECT MATTER	REPORTING CRITERIA
<ul style="list-style-type: none"> • Grievance mechanisms: <ul style="list-style-type: none"> - Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms [G4-EN34] - Number of grievances about labour practices filed, addressed, and resolved through formal grievance mechanisms [G4-LA16] - Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms [G4-HR12] - Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms [G4-SO11] • Employment: <ul style="list-style-type: none"> - Total number and rates of new employee hires and employee turnover by age group, gender and region [G4-LA1] - Return to work and retention rates after parental leave, by gender [G4-LA3] • Occupational health and safety: <ul style="list-style-type: none"> - Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region, and by gender [G4-LA6] - Workers with high incidence or high risk of diseases related to their occupation [G4-LA7] • Non discrimination: <ul style="list-style-type: none"> - Total number of incidents of discrimination and corrective actions taken [G4 -HR3] • Anti-corruption: <ul style="list-style-type: none"> - Communication and training on anti-corruption policies and procedures [G4 -S04] • Public policy: <ul style="list-style-type: none"> - Total value of political contributions by country and recipient/beneficiary [G4 -S06] 	

GRI G4 Sustainability Reporting Guidelines	
<p>Woolworths 2016 Corporate Responsibility Report in accordance with the core criteria option (the 'GRI self-declaration') prepared in accordance with the requirements of the G4 Sustainability Reporting Guidelines ('GRI Guidelines').</p>	<p>The GRI Guidelines and related information, publicly available at GRI's global website at www.globalreporting.com, in particular the requirements to achieve the GRI Self Declaration</p>

WOOLWORTHS'S RESPONSIBILITIES

The Directors of Woolworths are responsible for:

- ensuring that the Subject Matter in the 2016 Corporate Responsibility Report is properly prepared and presented in accordance with GRI G4 Guidelines Reporting Criteria;
- confirming the measurement or evaluation of the underlying Subject Matter against the applicable criteria, including that all relevant matters are reflected in the Subject Matter information;
- designing, establishing and maintaining internal controls to ensure that the Subject Matter information is properly prepared and presented in accordance with the Reporting Criteria

DELOITTE'S INDEPENDENCE AND QUALITY CONTROL

We have complied with the independence and other relevant ethical requirements relating to assurance engagements, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies Auditing Standard ASQC 1 Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, Other Assurance Engagements and Related Services Engagements, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

DELOITTE'S RESPONSIBILITIES

Our responsibility is to express a limited assurance conclusion on the Subject Matter based on the procedures we have performed and the evidence we have obtained.

We conducted our limited assurance engagement in accordance with Australian Standards on Assurance Engagements ASAE 3000 '*Assurance Engagements Other than Audits or Reviews of Historical Financial Information*' (ASAE 3000), issued by the Australian Auditing and Assurance Standards Board in order to express a conclusion whether, based on the procedures performed and the evidence obtained, anything has come to our attention that causes us to believe that the Subject Matter has not been prepared and presented in all material respects in accordance with the Reporting Criteria. That standard requires that we plan and perform this engagement to obtain limited assurance about whether the Subject Matter is free from material misstatement.

A limited assurance engagement in accordance with ASAE 3000 involves identifying areas where a material misstatement of the Subject Matter information is likely to arise, addressing the areas identified and considering the process used to prepare the Subject Matter in the 2016 Corporate Responsibility Report. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

ASSURANCE WORK PERFORMED

In order to form our conclusion we undertook the following limited assurance procedures:

- Review of Woolworths' processes relating to stakeholder identification, engagement and responsiveness, including an assessment of stakeholder engagement outcomes and how this process and the outcomes have been presented in the 2016 Corporate Responsibility Report
- Review of Woolworths' process to identify and determine material issues to be included in the 2016 Corporate Responsibility Report with examination of underlying assessments and evidence on a sample basis
- Interviews with a selection of Woolworths executives and senior management, including Woolworths sustainability management team concerning the overall governance structure, corporate sustainability strategy and policies used for managing and reporting sustainability performance across the business
- In respect of the Selected Sustainability Indicators
 - interviews with a selection of Woolworths management responsible for the Selected Sustainability Indicators to understand the compilation and review processes
 - applying analytical and other review procedures including assessing relationships between the reported information and other financial and non-financial data
 - examination of evidence for a small number of transactions or events
 - analysing and inspecting on a sample basis, the key systems, processes and procedures and controls relating to the collation, validation, presentation and approval process of Selected Sustainability Indicators included in the 2016 Corporate Responsibility Report.
 - review underlying evidence on a sample basis to corroborate that the information is prepared and reported in line with the relevant reporting criteria.
- Comparison of the content of Woolworths' 2016 Corporate Responsibility Report against the criteria for a GRI self-declaration

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express an opinion providing reasonable assurance about whether the Subject Matter in the 2016 Annual report has been properly prepared and presented, in all material respects, in accordance with Reporting Criteria.

INHERENT LIMITATIONS

Non-financial information, including the Subject Matter may be subject to more inherent limitations than financial information, given both its nature and the methods used for determining, calculating and sampling or estimating such information. Qualitative interpretations of relevance, materiality and the accuracy of data are subject to individual assumptions and judgements. The Subject Matter should be read in the context of Woolworths' Reporting Criteria as set out in the 2016 Corporate Responsibility Report.

LIMITATIONS OF USE

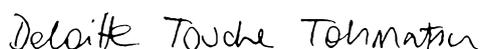
This report is made solely to the directors of Woolworths in accordance with our engagement letter dated 26th July 2016r, for the purpose of providing limited assurance over Woolworths 2016 Corporate Responsibility Report. We disclaim any assumption of responsibility for any reliance on this report or on the Subject Matter to which it relates, to any person other than the directors of Woolworths or for any purpose other than that for which it was prepared.

MATTERS RELATING TO ELECTRONIC PRESENTATION OF INFORMATION

Our limited assurance engagement included web-based information that was available via web links as of the date of this statement. We provide no assurance over changes to the content of the 2016 Corporate Responsibility Report after the date of this assurance statement.

CONCLUSION

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the Subject Matter has not been properly prepared and presented, in all material respects, in accordance with the Reporting Criteria for the year ended 30 June 2016.



DELOITTE TOUCHE TOHMATSU



PR Dobson
Partner
Sydney, 28 October 2016

Store Analysis

STORES	2016 ¹ NUMBER	2015 ¹ NUMBER	2014 NUMBER	2013 NUMBER	2012 ² NUMBER
Continuing operations					
Supermarkets					
New South Wales and Australian Capital Territory	303	292	282	271	262
Queensland	237	230	225	209	203
Victoria	242	234	224	221	214
South Australia and Northern Territory	84	82	80	78	78
Western Australia	94	92	89	88	85
Tasmania	32	31	31	30	30
Supermarkets - Australia	992	961	931	897	872
Supermarkets - New Zealand	184	177	171	166	161
Total Supermarkets	1,176	1,138	1,102	1,063	1,033
Thomas Dux	5	9	11	11	11
Freestanding Liquor	373	359	349	339	329
Attached Liquor	544	527	509	490	477
ALH Group Retail Outlets	569	557	544	526	507
Summergate	2	2	-	-	-
Caltex/Woolworths Petrol	-	-	131	131	132
Woolworths Petrol - Australia	530	516	502	482	467
Total Food, Petrol and Endeavour Drinks Group	3,199	3,108	3,148	3,042	2,956
BIG W	186	184	182	178	172
EziBuy	5	5	4	-	-
Hotels including clubs (ALH Group)	331	330	329	326	294
Home Timber and Hardware	-	-	28	26	21
Masters	-	-	49	31	15
Total continuing operations	3,721	3,627	3,740	3,603	3,458
Discontinued operations ^{29,30}					
Home Timber and Hardware	43	44	-	-	-
Masters	63	58	-	-	-
Dick Smith Electronics	-	-	-	-	347
Tandy	-	-	-	-	1
	106	102	-	-	348
Total Group	3,827	3,729	3,740	3,603	3,806

1 On 18 January 2016, Woolworths announced that it intends to pursue an orderly prospective exit of the Home Improvement business. For statutory reporting, Home Improvement operations are reported as a discontinued operation from financial year 2015. For comparative purposes, with the exception of the balance sheet, financial year 2015 has been adjusted to show Home Improvement as a discontinued operation. Financial years 2014, 2013, and 2012 continue to be shown within continuing operations.

2 On 27 September 2012, Woolworths announced its exit from the Consumer Electronics market segment with the sale of its wholesale operations in India and the Dick Smith Electronics business in Australia and New Zealand. For statutory reporting, Dick Smith Electronics operations were reported as a discontinued operation from financial year 2012. India Wholesale operations were reported as a discontinued operation from financial year 2013. For comparative purposes within this summary, with the exception of the balance sheet, financial year 2012 was adjusted to include India Wholesale as a discontinued operation.

Glossary

TERM	MEANING
Carbon dioxide equivalent (CO₂-e)	A standard measure used to compare the emissions from various greenhouse gases based on their global warming potential. For example, one tonne of methane emissions is equivalent to 21 tonnes of carbon dioxide emissions.
EBIT	Earnings Before Interest and Tax - total earnings before provisions are deducted. This measures a company's performance and is often used in preference to net profit as it excludes the effects of borrowings and tax benefits and adjustments.
Forest Stewardship Council (FSC)	FSC is an independent, not-for-profit organisation which promotes responsible management of the world's forests. Refer to fsc.org or fscaustralia.org.au
Lost Time Injury	A Lost Time Injury (LTI) is an injury or illness that results in an employee being unable to work a full scheduled shift (other than the shift during which the injury occurred).
ML	Megalitres or million litres.
Mt	One million tonnes or megatonnes, equates to one billion kilograms.
MWh	Megawatt hours is a unit of measurement for electricity use, referring to the amount of electricity needed to supply power to 1,000 homes for one hour.
National Greenhouse and Energy Reporting Act 2007 (NGER)	NGER establishes a national framework for Australian corporations to report greenhouse gas emissions, reductions, removals and offsets, and energy consumption and production. climatechange.gov.au/reporting/publications
NPAT	Net Profit After Tax indicates what the company earned after all expenses have been accounted for.
(PEFC) Council	The PEFC Council is an independent, non-profit organisation that promotes sustainably managed forests through independent third-party certification. Refer to pefc.org
Scope 1 emissions	Direct greenhouse gas emissions from sources owned or controlled by the company, such as combustion facilities (e.g. generators) and combustion of fuels in company-owned or company-controlled transport (e.g. cars and trucks).
Scope 2 emissions	Indirect greenhouse gas emissions from the generation of purchased electricity, heat, cooling or steam. Purchased electricity is defined as electricity that is bought or otherwise brought into the organisational boundary of the entity.
Scope 3 emissions	Other indirect greenhouse gas emissions that are a consequence of a company's activities, but that arise from sources that other entities own or control. Scope 3, like Scope 2, is a category of indirect emissions and covers all other indirect emissions from sources that are not owned or controlled by a company, but that occur as a result of its activities. Examples include emissions from waste disposed to landfill.
Total Recordable Injury	A Total Recordable Injury (TRI) is the sum of the total number of employee fatalities, lost time injuries, restricted work injuries or medical treatment injuries.

Company Directory

REGISTERED OFFICE

1 Woolworths Way
Bella Vista NSW 2153
Tel: (02) 8885 0000
Web: www.woolworthslimited.com.au

COMPANY SECRETARY

Richard Dammery

SHARE REGISTRAR

Computershare Investor Services Pty Ltd
GPO Box 2975
Melbourne VIC 3001
Tel: 1300 368 664
Web: www.computershare.com.au

AUDITOR

Deloitte Touche Tohmatsu
225 George Street
Sydney NSW 2000
Tel: (02) 9322 7000
Web: www.deloitte.com.au

WOOLWORTHS CORPORATE RESPONSIBILITY

Fiona Walmsley
Group Sustainability Manager

*Our people.
It's our team
that make the
difference.*

*It's an active thing -
actions speak louder
than words.*

*Good Food,
Good Prices,
Good Acts.
This is what
customers expect
from us.*

*The little
things we can
all do that help
customers and
each other.*

**We bring
a little good
to everyone,
every day.**

*Every day we have the
opportunity to make a
difference to our customers -
to help them live better lives.*

*We're for every
Australian, no matter
what their budget, age
or where they live.*

Woolworths 
The fresh food people