



Woolworths

Sustainable Strategy 2020

Background

40%

reduction in carbon emissions on projected growth levels by 2015, bringing emissions back to 2006 levels

25%

reduction in carbon emissions per carton delivered by Woolworth renewed trucks by 2012

Up to **30%**

reduction in carbon emissions from our company fleet by 2010
(from 2006 fleet emissions)

200m litres

Reduce water usage by at least 200m litres a year by 2010

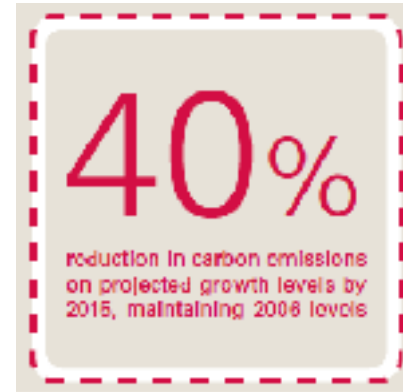
zero food waste

to landfill by 2015

Ethical & Sustainable Sourcing

Develop and implement policies for Ethical sourcing (Fair labour and Remedy), Animal welfare, Palm oil, Timber, pulp and paper, Fish and seafood

In 2007 Woolworths set out to take a carbon conscious approach, being more energy efficient wasn't just good for the planet - but makes good business sense.



One of our most significant targets was reducing carbon emissions from our stores by 40% by 2015 (based on projected growth), which meant our emissions will be the same in 2015 as they were in 2006/07.

Roadmap - 2007 /2015

Green Stores

Food retailing relies upon refrigeration with almost 50% of greenhouse gas emissions from our stores are associated with refrigeration. Air conditioning and lighting also contribute to our greenhouse emissions.

Woolworths is continuously looking for innovative and commercially realistic solutions to reduce our environmental footprint. We have invested in a range of new technologies that reduce energy usage (and associated greenhouse gas emissions), water usage and waste.

We have set a target for new stores, where all new stores are built with sustainable designs and will have at least a 25% reduction in carbon emissions per square metre of the store.

Refrigeration

- Less global warming systems i.e R134a/R744 (200+ Systems Installed)
- ESD's (Energy Saving Devices) Fans, LED Lighting, glass lids & night blinds.

Air Conditioning

- Reuse of waste heat from refrigeration systems.
- Free cooling

Lighting

- Most energy efficient fluorescent lighting technology.
- Introduced external LED lighting

Natural Gas

- Cookers & Ovens. Natural Gas

Water

- 4 star rating fittings
- Rain harvesting at our DC centres (reuse 11 million litres)

Waste and Recycling

- Reduce landfill, working with charities and food bank to distribute edible food.
- Recycle cardboard boxes, introduced reusable crates.
- Recycle plastics, customer programme.

Woolworths Today - 2020 Target

WOOLWORTHS

2020 commitments

Our Corporate Responsibility Strategy 2020 brings new focus, resources and energy to sustainability.

The targets assigned under our People, Planet and Prosperity pillars cover Woolworths' engagement with customers, communities, supply chain and team members, as well as our responsibility to minimise the environmental impact of our operations.

PEOPLE: *enriching diversity*

We value diversity across Woolworths. Our commitment is to build a diverse and inclusive workforce. We will ensure that all our employees, suppliers, customers, community and investors feel safe, respected and supported.

LEADING IN OUR INDUSTRY

- 1 Increase employee engagement and reduce turnover to industry levels by 2020
- 2 75% of our major suppliers will have and track measurable diversity goals by 2020

EMBRACING OUR DIVERSITY

- 3 100% of our employees will have access to flexible work arrangements by 2020
- 4 100% of our employees will have access to flexible work arrangements by 2020

SUPPORTING INDIGENOUS AND TOPIAN COMMUNITIES

- 5 100% of our employees will have access to flexible work arrangements by 2020
- 6 100% of our employees will have access to flexible work arrangements by 2020

LEADING IN OUR INDUSTRY

- 7 100% of our employees will have access to flexible work arrangements by 2020
- 8 100% of our employees will have access to flexible work arrangements by 2020

People Planet Prosperity

CORPORATE RESPONSIBILITY
STRATEGY 2020

2020
2020

PLANET:

for a healthy Australia

WE REDUCE OUR ENVIRONMENTAL IMPACT ACROSS OUR VALUE CHAIN AND WE WILL WORK IN PARTNERSHIP WITH OUR SUPPLIERS AND COMMUNITIES TO REDUCE OUR CARBON FOOTPRINT. WE WILL SUPPORT THE MOVE TO A CIRCULAR ECONOMY AND RESPOND TO CLIMATE CHANGE.

MOVING TO A CIRCULAR ECONOMY

- 9 Reduce our post-waste plastic weight
- 10 Increase recyclability of our own-brand packaging and promote better circular economy

SOLE TRADING ENVIRONMENTALLY SUSTAINABLE COMPANIES

- 11 100% of our suppliers and communities will have access to flexible work arrangements by 2020. We will reduce emissions of our supply chain by 2020
- 12 Adhere to our own ethical standards for high-impact commodities in our own-brand supply chain, including palm oil, beef, seafood, sugar and packaging

RESPONDING TO CLIMATE CHANGE

- 13 Reduce Woolworths carbon emissions to 10% of our 2015 levels
- 14 Invest in low-carbon refrigerators and reduce refrigerant leakage across stores to meet global climate goals by 2020

PROSPERITY:

focused on trusted relationships

We will focus on positive relationships with suppliers, partners and the community, in which we operate, and rebuild trust with our customers.

WORKING WITH OUR BUSINESS PARTNERS

- 15 100% of our suppliers will have access to flexible work arrangements by 2020
- 16 100% of our suppliers will have access to flexible work arrangements by 2020

LEADING BACK TO THE COMMUNITIES IN WHICH WE OPERATE

- 17 100% of our employees will have access to flexible work arrangements by 2020
- 18 100% of our employees will have access to flexible work arrangements by 2020

CREATING SHARED VALUE WITH OUR CUSTOMERS

- 19 100% of our employees will have access to flexible work arrangements by 2020
- 20 100% of our employees will have access to flexible work arrangements by 2020

Our Initiatives

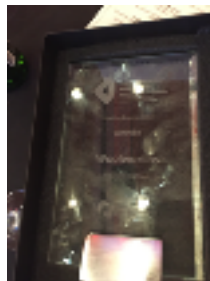
RESPONDING TO CLIMATE CHANGE: ENERGY AND CARBON INITIATIVES

The world is moving to respond to the challenge of climate change with the signing of the Paris Agreement and nations committing to align targets to constrain global warming to within two degrees. Iconic, global businesses came out in support of this goal. We will use science-based targets to assess the impacts of a two degree world and examine their applicability to the Group. We will also investigate further cost-effective investment in renewable energy as technology and commercial opportunities evolve.

Our immediate target is to 'Reduce Woolworths' carbon emissions to 10 per cent below 2015 levels.'

We are continually identifying, evaluating, testing and implementing energy-efficient and low carbon technology. \$188 million has been invested in projects since 2009 and has delivered an estimated \$189 million in operational cost savings to date. Energy used per store by Australian supermarkets opened in 2015 is a very significant 30 per cent less than those opened in 2008.

A suite of engineering initiatives were rolled out, including replacement of synthetic refrigerants by carbon dioxide, the introduction of a range of refrigerant plant energy efficiency improvements, the introduction of LED lighting across all refrigerated showcases, and improvements in refrigeration and air-conditioning plants. Project Enlighten was established in 2015 in order to generate energy efficiency savings through a strong focus on the installation of LED lighting, along with investments in refrigeration and air-conditioning improvements. Further investments have included the installation of 25 solar power systems across a range of trading stores. These solar sites have a total capacity of more than 1.2MW and generated 1560MWh of renewable energy in 2016.



Our Innovations Towards our 2020 Target

PLANET:

Innovating for a healthy planet

We have a target to Innovate with natural refrigerants and reduce refrigerant leakage from stores by 15 percent of CO₂e below 2015 levels. This target will be achieved by leakage reduction initiatives and replacing existing refrigeration systems.

By 2020 we will install 10 natural systems including technologies such as ammonia (NH₃) and water loop based systems. All installations are being piloted at 1500m² scale. All systems are able to be scaled up to 50,000m² and we will continue to develop our capabilities capacity and plan to pilot and install 100,000m² and natural refrigeration systems by providing supermarkets in 2017.

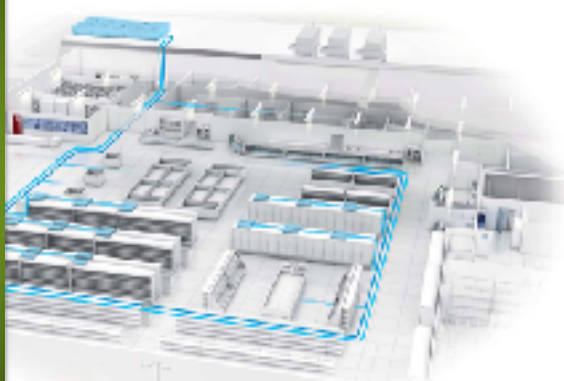
COMMITMENT FOR 2020



Research will enable us to reduce our refrigerant leakage by 15% from 2015 levels.

15% reduction in carbon emissions from refrigeration

By 2020 will install 10 natural systems



Transcritical Systems

*ww supermarket: Colebee,
ww supermarkets: 2 x further in design for 2017*

New Zealand

*ww countdown supermarkets: 4 x stores
ww countdown supermarkets: Refurbishment underway*

*Fresh choice supermarkets: under construction
Fresh choice supermarkets: in design*

Water loop Systems

*ww supermarket: Mt hutton
ww metro supermarkets: Collins Square
ww metro supermarkets: Under construction*



countdown

Woolworths
The fresh food people

Our Renewal Programme

Woolworths has opened its first next generation store at Warringah Mall on Sydney's northern beaches last November 2016.

Speaking to Inside Retail, Woolworths format development director, Rob McCartney said the Warringah store is a fair representation of what to expect from the conglomerate's nationwide renewal program, building on work done to stores throughout the past year.

Woolies have earmarked 100 stores across the country for renewal over the coming year.



<https://www.insideretail.com.au/blog/2016/11/14/woolworths-next-generation-stores-unveiled/>

<https://www.afr.com>

Natural Solutions/ TCO₂

**CHILLED REFRIG PACK
(Large Compact)**



**FROZEN REFRIG PACK
(Medium)**



**FROZEN/CHILL REFRIG PACK
(Small)**



Thank You

Questions ?