

Kia pai ake
te āpōpō

A better
tomorrow

2022 Sustainability Wrap



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Kia ora koutou

In a year of continued COVID-19-related disruption, and a number of other significant challenges facing supermarkets in Aotearoa, our sustainability achievements are a testament to the resilience and determination of our team who have continued to deliver on our purpose of making Kiwis' lives a little better every day for a better tomorrow.

Our collective efforts have seen us continue to donate food and funds to those in need; make positive changes to our products and packaging; support innovative, new suppliers to bring their ideas to market, and uphold human rights across our supply chain by ensuring all workers are treated with dignity and respect.

"Pleasingly, while we have a way to go, we have also been able to increase the number of Māori and Pasifika team in leadership roles across our business."

We have been re-accredited with the Rainbow Tick and guided by a steadfast commitment to keep our team safe, and became one of the only businesses in Aotearoa to have a fully vaccinated team.

As we continue on the journey of delivering to the

2025 sustainability goals and commitments we've set for our business, we are acutely aware of the challenges ahead of us. Challenges that will require continued strong leadership and a focussed, collective effort across our business to tackle. A priority for us is supporting our team to recover and reenergise after what has been a challenging couple of years - our Voice of Team scores clearly reflects the mental and physical toll the pandemic has taken on our team. Addressing this is a critical focus and we have strong plans in place to achieve this.

By retrofitting and upgrading refrigeration systems across our store network, we've maintained our course to achieve a 63 per cent reduction in emissions by FY30 since FY15. This will continue with our re-energised store renewal programme, and the exploration of further emissions reduction

opportunities in electricity efficiency.

Regardless of the challenges ahead of us, our commitment to delivering on our 2025 Sustainability Plan remains unwavering. We will take confidence from this past year, where our team have shown that even in the face of unprecedented disruption, our business can achieve incredible things when we work together to drive change.

The work continues and along with our team, supply partners and communities, we're looking forward to the collective role we'll be playing in delivering a better tomorrow.

Ngā mihi nui,



Spencer Sonn

Managing Director
Woolworths New Zealand



P12



P37



P52

About this wrap

The Countdown Sustainability Wrap shares highlights and progress for the year ended 30 June 2022, unless otherwise specified. Assurance has not been obtained for this report, however data included in the Woolworths Group Sustainability Report has been subject to limited assurance from an independent third party; other data and statements have been internally reviewed. For the full 2022 Woolworths Group Sustainability Report please visit: www.woolworthsgroup.com.au

At Countdown everyone belongs.



10%

of leadership roles held by Māori and Pasifika team



533

Suppliers through our Responsible Sourcing programme



21,000

Team vaccinated

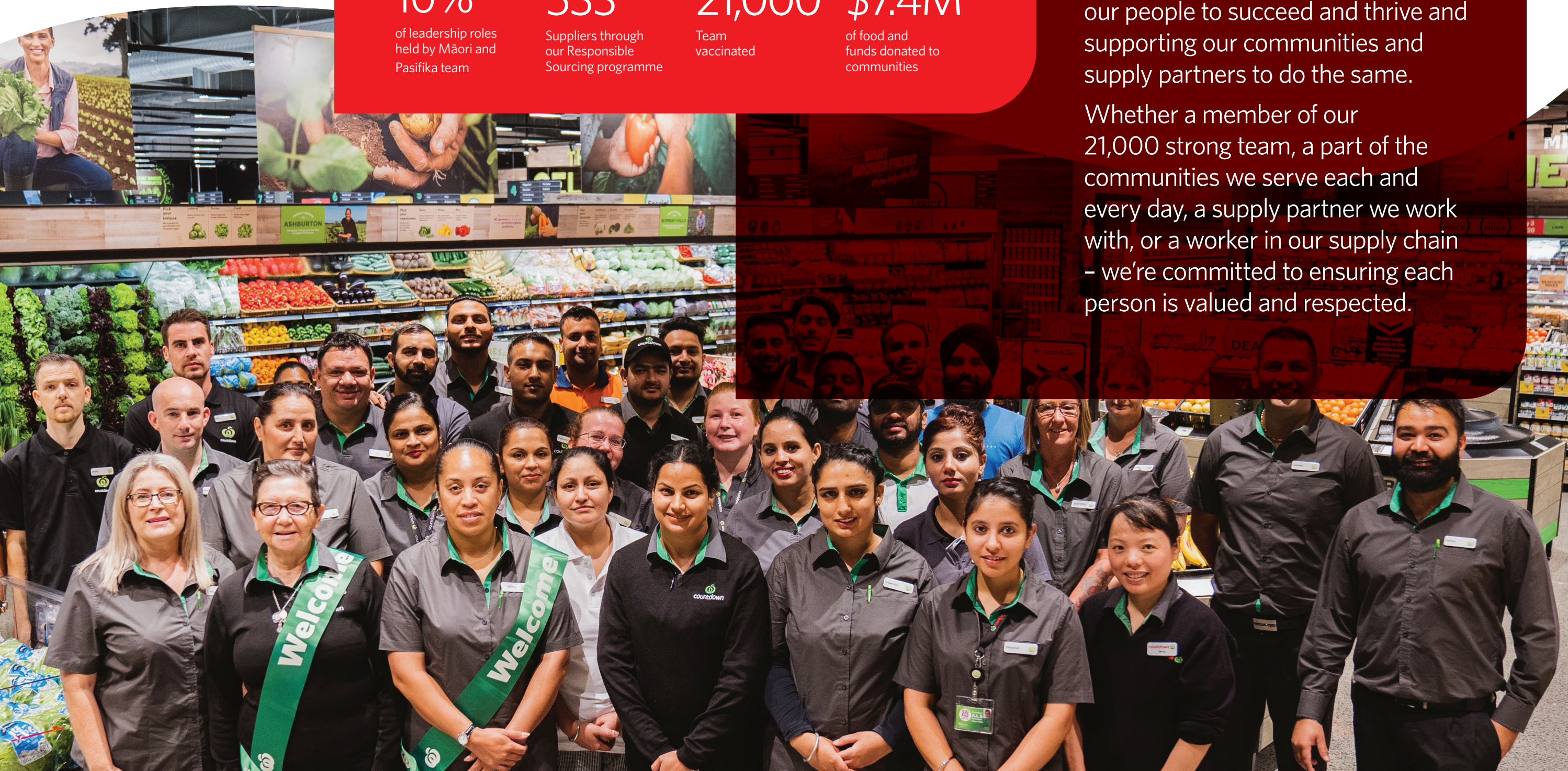


\$7.4M

of food and funds donated to communities

We recognise that the power of our business comes from empowering our people to succeed and thrive and supporting our communities and supply partners to do the same.

Whether a member of our 21,000 strong team, a part of the communities we serve each and every day, a supply partner we work with, or a worker in our supply chain – we're committed to ensuring each person is valued and respected.





Be a truly inclusive workplace

Our purpose is to make Kiwis' lives a little better every day and an important part of that is doing everything we can to make Countdown a place where our team can thrive – regardless of gender, ethnicity, age, disability or sexual orientation. To do this, we are committed to delivering policies and driving practices that make Countdown an inclusive, safe, and welcoming place to work.

Achieving progress in this space has not been without its challenges. For large parts of FY22, our People team was focused on supporting our business through COVID-19.

"Despite the COVID-19 related impacts, we have been able to progress our work to create a truly inclusive workplace"

This has included implementing blind shortlisting and gender balance interview panels. We have also exceeded our FY23 target for 8% of our leaders (store manager and above) to be Māori and Pasifika.

Unfortunately, we have also seen some backwards steps. The number of women on our Executive team has decreased from 44 per

cent in FY21 to 25 per cent in FY22 and overall for senior leadership roles (Level 4 and above), we are not at our target of minimum 40% women. Additionally, further roll out of our Women in Leadership course was delayed with COVID-19. We are hopeful that as our operations adapt to a new normal, we can refocus on areas where progress has slowed to drive stronger results.

35% Women in senior leadership
10% Of leadership roles held by Māori and Pasifika team
54% Of team have completed ethnicity data

Supporting Māori and Pasifika leadership

We have established a Māori and Pasifika Talanoa (Committee).

The Talanoa gives our Māori and Pasifika team a safe and welcoming environment in which to seek career support, provides support in helping our team identify and remove any career barriers they may be facing and also ensures we are building a strong pipeline of more diverse leaders. In FY23, we are targeting 13% Maori and Pasifika in leadership roles, the next step as we target 20% by FY25.

In early FY23, we will begin a mentoring and development

programme pilot, which will be specifically targeted at our Māori and Pasifika team.

Tackling unconscious bias in recruitment

In FY22, we introduced blind shortlisting for candidates and

"By introducing these two important steps into our recruitment practices, we can ensure we are hiring the right person, for the right job, at the right time - regardless of their gender, age, ethnicity or ability."

put measures in place to ensure that 100 per cent of our interview panels are gender balanced.

Improving our Voice of Team

After a challenging two years for our business and our team, we have seen a drop in our Voice of Team measures. Staffing levels due to team being absent from work due with COVID-19, compensation and stress are the largest drivers behind this drop. Although in the last quarter there was a slight lift with our 'Place to Work' measure ("I would recommend Countdown as a good place to work and build their career"), at -7 it is still well below our internal target and we acknowledge the significant work ahead of us to bring this to an acceptable level.

Looking ahead to FY23, we will focus on how we can make life easier for our teams by recruiting and retaining more team and improving our team systems, but also on how we develop strong career pathways for our team and improve our recognition and benefits offer.





Partnering with the Bread Collective

For refugees, starting a new life in a new country is daunting enough, without trying to find meaningful employment too. Not-for-profit enterprise, Bread Collective, is helping to ease that stress by supporting Aotearoa's refugee community to retrain in baking, with support from our very own bakers.

In addition to our bakery team teaching participants their craft, we have provided facilities to host the programme, helped source baking ingredients, and are part of the Bread Collective's Advisory Board.

Through our partnership, we helped to deliver the first pilot course in FY22 with 10 participants and have been able to employ four of those participants in roles in our business. In FY23 we are looking to host 40 refugees through the program.

Rainbow Tick re-certification and education

We were pleased to be re-certified by RainbowTick, for the fourth year in a row.

As part of the recertification, Rainbow Tick has given us three key areas for development - education, visibility and leadership - and has outlined the ways we can do this. This includes making LGBTQI+ inclusion education sessions mandatory for all leaders and providing more visibility of rainbow symbols in the workplace. Delivering on these development areas will be a key focus for us in FY23.

We were able to carry out LGBTQI+ education sessions facilitated by Rainbow Tick Programme Manager, Jose Taiapa, these helped participants gain a better understanding of what is included under the term 'Rainbow' and why understanding this matters in the workplace.

Pride at Countdown

Unfortunately, COVID-19 rained on a few parades this year, with a number of key Pride events canceled due to the Omicron outbreak. Despite the cancellations we were still able to show up for our rainbow communities by fundraising for RainbowYOUTH in our stores throughout Aotearoa.

With our initial \$25,000 donation, together with our customers, we were able to donate an incredible \$121,000 for RainbowYOUTH so that they can continue the incredible work they do to support queer, gender diverse, takatāpui and intersex youth throughout Aotearoa.

Making work accessible

Although COVID-19 pressures have made it difficult to allocate resource to our Accessibility Tick aspirations, we have continued to form meaningful partnerships with a range of organisations seeking to identify work and job opportunities for neurodiverse people, or those with accessibility support needs.

Through our partnerships with Be.Lab, Geneva Health, Workwise and Autism NZ, we have welcomed 15 new team members into our business providing them with meaningful employment and in many cases, their very first job.

We will be undertaking our baseline establishment work with Accessibility Tick in early FY23.

In addition to our fundraising for RainbowYOUTH, we were able to give:

\$5,000 in vouchers to Auckland Pride to support their artists who were badly impacted by COVID-19 lockdowns

\$5,000 to support Winter Pride in Queenstown

\$8,000 in scholarships through the Rainbow NZ Charitable Trust to support high school students heading to university.

\$1,200 in grocery vouchers to support InsideOUT in Wellington

Closing the gap on pay

Although we have continued to see decreases in pay parity across our business (now at 0.83 per cent for like-for-like roles), we haven't previously looked at our gender and ethnic pay gaps - the gaps between median pay for men compared to women, or Māori or Pasifika compared to the rest of team. In FY22, we have analysed these pay gaps for the first time and have calculated the results, which are being externally reviewed by Strategic Pay. We expect to share the confirmed results and recommendations on how to address any pay gaps from Strategic Pay in early FY23.



Goal 2



Invest in the holistic wellbeing of our team

4%

Team accessing wellbeing support

5,502

Team members trained in 'I Am Here' to support mental health

1.85

Severity Rate
Reduced 10% lower than target and 12% lower than year prior

We know that safety at work goes far beyond the visible hazards that come with working in busy store and distribution centre environments - mental health, psychosocial risk and wellbeing are also key parts of our comprehensive response to workplace safety.



Stronger crisis support for team

In recent years, our team have been impacted by two traumatic events - the stabbing in our Dunedin Central store in FY21 and the terrorist attack in our LynnMall store in September 2021. Both these events required a significant trauma response as we worked to provide support in both the immediate aftermath and in the weeks and months following.

To ensure we are as best prepared to support our team following these sorts of events as possible, we undertook work in FY22 to strengthen our mental health trauma support

and escalation process. This has included increasing our psychological expertise network for trauma support and support for team when responding to a crisis.

Making wellbeing more inclusive

Our team of 21,000 is very diverse and in FY22, we undertook a project to understand how we can serve the wellbeing needs of our team in a more inclusive and culturally appropriate way.

Carried out in four key stages, we started the project by listening to our teams to understand how they felt about the wellbeing

services being offered already and what more we could do to make them fit for purpose for all of our team. We learned that we need to focus on celebrating our diversity more, ensuring our leaders are culturally confident, and evolving our workplace culture to be more inclusive and wellbeing focused. We also enlisted the services of a number of external wellbeing providers to understand what best-practice, culturally inclusive wellbeing support looked like.

We will start rolling out our recommendations in early FY23.

Making mental health a priority

In early FY22, we held a Mental Health Awareness week to further drive team engagement right across our business on the topic of Mental Health.

In addition to our leaders talking about their own mental health, we brought in psychologist Nigel Latta to run Q&A sessions for our team, giving them the opportunity to talk through their own mental health concerns

Whether they are working in our stores, support offices of distribution centers, the wellbeing of our team has never been more critical. Our team are still feeling the impact of being on the frontline of the Covid response and our focus remains on how to support our team to rest, stay well, and manage ongoing changes to how we all work.

Already, we are undertaking positive work in this space with feedback sessions being held with our team to seek their help in developing a culturally appropriate well-being programme to be further rolled out in FY23.

Beyond looking after our team, we also need to ensure the safety of our customers, visitors and contractors too, and we are proud of how we have continued to do this over the last year.

We have continued to see rising levels of aggression and abuse of our team and were significantly impacted by a terrorist attack, which took place in our LynnMall store in September 2021.

Responding to rising levels of aggression remains an important focus for us.

Lowering our severity rate

Woolworths Group measures safety performance with a metric called Severity Rate. This aims to provide a more balanced safety measure as it takes into consideration an incident rating per type of event based on the event severity, up to and including high potential (life threatening) events.

During FY22 WWNZ achieved a Severity Rate of 1.85 which was 10 per cent below the target of 2.05 and a 12 per cent improvement on last year. During FY22 there was one high potential event, an improvement on the three high potential events from the previous year.

Auckland Airport rolls up their sleeves

Our response to COVID-19 remained an important focus for our business throughout FY22. With the arrival of the Delta variant in Aotearoa in mid-FY22, it quickly became apparent that the country would need to move towards living with the virus in the community, rather than trying to stamp it out. Because of this, Vaccination, rapid antigen tests and other controls became important measures we could put in place to help keep our team safe.

For new Store Manager, Nicole Butler, getting her Auckland Airport team and customers through the Omicron outbreak was a challenge quite unlike any other. Her team was hit badly by the outbreak, with as many as 65% absent on some days.

With limited people available to work, it was all hands on deck with her team pitching in across the whole store to try and keep the shelves stocked as best as possible and their customers safe and happy. Nicole herself even took on cooking the rotisserie chickens in the store - a skill she'd recently refreshed as part of her Store Manager in Training course.

"Supporting my team and our community were the key things throughout the outbreak.

It was important to me that I was there in the trenches with the team at work but also that I was able to keep contact with my team at home

in isolation. It was comforting to know that with the whole team vaccinated we were playing our part in slowing transmission and continuing to put team safety first.

"It was a difficult time for sure, but every experience I have, especially as a new store manager, helps build resilience and leadership capability. The operational leadership team were so supportive and my team are fantastic. I am so proud of how they showed up to keep the store open, ensuring our local customers could still access the food and essentials they needed."

and questions. With the support of our employee assistance provider, Benestar, we also ran daily webinars on a variety of topics including burnout, fatigue and selfcare. These resources and the recordings of each of these sessions are now available for team to access anytime they need in our Workplace Knowledge Library.

We continued to provide training in Mental Health First Aid for our team, 167 (87 per cent) of our store managers now trained. In addition, more than a quarter of all team have now taken online 'I Am Here' training and gained tools to help recognise when someone might be in need and how to support them.

Our focus on creating a psychosocially safe workplace will continue to be developed further in FY23 as we implement our holistic wellbeing strategy.

Financial wellbeing

We continue to offer a Financial Wellbeing Programme for team via interest free loans and debt coaching, provided through our partnership with Good Shepherd. While uptake is low, for those who participate, we are seeing positive results. We will continue to encourage any team members who may need support to take it up.

In late-FY22, we also went to market to appoint a KiwiSaver 'Preferred Provider'. Currently, our team are automatically enrolled into a government default KiwiSaver if they don't already have one when they join us, but we have a number of team members who have historically not enrolled in any KiwiSaver scheme, which is undermining their future financial wellbeing.

We reviewed our KiwiSaver Preferred Providers, we ensured that they could provide wrap-around support to increase financial inclusion for team members. We will be selecting our provider and working in partnership with them to roll out a financial wellbeing programme in FY23.



Responding to rising aggression

Like many retailers, we have continued to see rising levels of aggression and abuse events in our stores, with retail crime rates climbing across Aotearoa.



The safety of our team is our priority, and we are continuously monitoring risk and reviewing the controls we have in place.

We have worked throughout FY22 to remind our team of our four conflict principles - stay calm, stay at a safe distance, stay clear of the offender & avoid physical contact, and stay inside the store. We also undertook a review of our approach to dealing with shoplifters, including carrying out further work on our risk assessment, and exploring new retail safety controls to protect our team and customers. We expect to complete our review in early-FY23.

We have also created a way for any team member to easily report verbal abuse. We are using this data to target and influence the measures to address conflict in our stores.

Safety by design

Our distribution centres (DCs) are busy places with plenty of potential hazards, so it's important that we continue to look for opportunities to make sure our team are as safe as possible when they are at work. Pallet push-through - where pallets or product get pushed through the rack and into the adjacent aisle - is a known major

cause of incidents in warehouses worldwide and we have seen a number of these incidents in our own DCs. In FY20, we engaged two companies to assist in providing an engineered solution for our DC shelving that would prevent this.



In FY22, following the design, trial and testing of potential solutions, we installed safety nets in our DCs that would prevent pallets being pushed through racking and cartons or pallets falling from height. The nets have now been successfully retrofitted in all of our existing DCs and is also included as part of the design specifications for all new DCs.

In addition to the pallet push-through controls, our Palmerston North DC and Auckland Produce DC, which both opened during FY22, also have the best, appropriate engineering controls incorporated in the design of the sites, buildings, pedestrian walkways, racking, and equipment to maximise safety and prevent harm.

Create meaningful retail careers in the workplace of the future

Countdown provides the starting point for many young people's careers. Whether it's in our stores, our support offices or our distribution centres, we are a business that offers an incredible range of opportunities regardless of a person's age or experience.

For some, we're a great place to work while they study or finish school. For others, we're a place to build a long-term career. It's vitally important that we provide an environment that helps all of our team thrive, regardless of their objectives. This has been harder to do in the past year, as getting through the challenge and disruptions of COVID-19 has meant a focus on business critical issues. This has impacted Voice of Team scores across the board, including for our youngest cohort of team members.

With the retail environment evolving rapidly, we're having to adapt to those changes just as quickly. That means ensuring

we're not only delivering a cutting edge experience for our customers through technological advancements, but also ensuring our team and our workplaces are prepared for those advancements too.

Sowing the career SEEDS

Our SEEDS (Students Entering Employment Developing Skills) programme has now been in place for four years and continues to help young people get meaningful work experience and understand the employment opportunities available to them with our business.

In the 2021 calendar year, we welcomed 861 students into our stores to take part in the 10-week programme, which is delivered in partnership with ServiceIQ.

"Our SEEDs programme has continued to provide invaluable work experience for secondary school students and, through our work with digital school platform, MyMahi, we're also able to connect young people with work that will fit around their studies."

80%

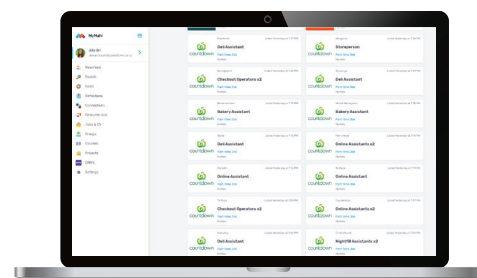
Of Store Manager in Training participants appointed to Store Manager

861

SEEDS students

MyMahi

In FY22 we began working with digital school platform MyMahi. Through our work with MyMahi, we have been able to provide more flexible work options to accommodate school students so they can benefit from a meaningful part time job whilst also completing their studies.



As they look to complete their studies and consider their career opportunities we're proud to offer career paths through direct ongoing employment, trade and apprenticeships, and tertiary qualified based roles.

Food and Grocery careers

We have begun working with the Food and Grocery Council (FGC) as part of their talent advisory group to promote the range of roles and careers that can be found within the food and grocery sector.

Through this partnership, we are supporting tertiary based events to raise awareness of the opportunities available across FMCG and food retail, as well as offering FGC summer internship opportunities across our business.

Graduate programme

After pausing our graduate programme in mid-FY21, we were pleased to kick this back off in mid-FY22 and welcomed 13 recent graduates into our business.

The 2022 group of graduates have come from a range of universities and backgrounds and are working in different parts of the business including CountdownX, Merchandise, Finance, Format and Renewal, Strategy and Transformation, Operations and Supply Chain.

As part of the Graduate Onboarding process, the FY22 intake have participated in a number of development workshops to help set them up for success and support their transition into the workplace. These workshops included a Leading with Care series and a HBDI (Hermann, Brain, Dominance Instrument)



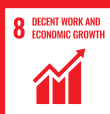
workshop to better understand their thinking preferences.

Supporting our up-and-coming talent

Our store managers are vitally important to the success of our business and it's important that we are nurturing talent within our business to take on these roles in the future. Our Store Manager In Training (SMIT) programme remains an important part of this, by allowing team to undertake a dedicated period of time (ranging from three to 12 months) to focus on their development before they get appointed to a Store Manager role.

In FY22, 31 of our team have taken part in the programme with 25 of them being appointed to their first Store Manager role on successful completion of the programme.

Goal 4



Activate ethical and mutually beneficial partnerships through the whole value chain

Our suppliers are critical to our business and we're committed to supporting them to be able to continue working with us well into the future. Helping them to reduce their emissions or grow more sustainably is one part of that, but it's also about giving them confidence that they have a long-term, rain-hail-or-shine partner in us.

Over the last year, communication with our supply partners has never been more important as we supported each other through the significant disruption caused by the Delta and Omicron COVID-19 outbreaks.

In addition to supporting our supply partners, we also want to make sure people throughout our supply chain are being treated well, and are valued and respected for their work. Our

Responsible Sourcing Programme is a keystone of this work.

"Despite the disruption of COVID-19, we have continued to support smaller and diverse suppliers through our Kete Programme and give our customers access to plenty of new, innovative and outstanding products."

We have also continued to engage with industry bodies, certification schemes, Government and other key stakeholders on human rights and responsible sourcing, and contributed to the annual [Woolworths Group Modern Slavery Statement](#).

533

Own brand suppliers assessed through Responsible Sourcing programme

5

Businesses selected to take part in Kete programme

Partnering with our suppliers

Throughout FY22, we've continued to focus on our supplier communications, particularly through the disruption of COVID-19 related supply chain disruptions and lockdowns.

During this time, it was more critical than ever that our supply partners knew what was happening in our business and how we could all work together to keep groceries on the shelves for Kiwis. This often included sending twice-weekly updates to keep our supply partners in the loop on what was an ever-changing situation.

"This year we've prioritised additional due diligence in the horticulture and seafood categories, as well as continuing engagement with the over 500 direct suppliers that are part of the Programme."

In FY23, we are hopeful for more in-person events with our supply partners as well as delivering more regular and ongoing online engagement opportunities.

Our Voice of Supplier survey has been an important guide in our supplier relations and in FY22,

we were pleased to receive our highest Voice of Supplier and Trust scores. Insights gained from these surveys have seen us take actions that we believe have helped us achieve positive movement in our trust measure. They have also improved our internal alignment in FY22 to ensure that no matter who in our business our suppliers were working with, they would have consistent information and messages. These insights have also highlighted joint business planning and forecasting as areas for us to work on in FY23.

The relationship between supermarkets and suppliers was an important focus of the Commerce Commission's Market Study into the Grocery Sector, which recommended the adoption of a Grocery Code of Conduct.

In early-FY23, the government released a draft code for consultation. We are supportive of a Code and will continue to engage positively with the government, the Commerce Commission and MBIE as this is established to ensure it has Kiwi consumers' interests at its heart, is effective, fit-for-purpose, and holds all retailers to the same standards.



Kete kicks off

In FY22, we launched Kete - our accelerator programme for small and diverse businesses. The programme focuses on helping us to develop a more diverse supplier base including businesses owned by Māori, Pasifika, youth, women, LGBTQI+ people and people with disabilities.



Pōtiki Poi

Georgia Latu (Ngāi Tahu) is a 16 year old who began making Aotearoa original poi two years ago. She now employs 5-10 people who make and distribute poi throughout Aotearoa.

We received over 150 applications for the programme, which was narrowed down to ten businesses who then pitched a presentation outlining their business plans, why they wanted to be a part of the programme, and what was unique about their product that would set them apart from the others already on our shelves.

A final five businesses were selected for the programme, each offering unique and innovative products.



Mylk Made

Plant milk concentrates that come in a small glass jar which customers then take home and mix with water to make delicious milks. Saving on packaging and transporting water around the world!



Ikuna Taste

A cookie dough mix that can be used to make 6 different products with plant based and keto options.



Rescued

A range of dips, chutneys, crostini and more made from upcycled food that can't be sold or donated.



Sobhna's

Sobhna's is an authentic curry paste made by a mum and daughter duo. One jar can be used to make multiple dishes.

Supporting responsible sourcing in horticulture

Ensuring our fruit and vegetable suppliers in New Zealand meet our Responsible Sourcing Standards remains a high priority. Despite Covid-19 restrictions delaying some supplier audits and site visits, we were able to mitigate the impacts of this through detailed self-assessments and by finding other ways of engaging with our partners.

In FY22, our sector engagement included presenting at the annual Horticulture New Zealand conference, on topics including our Responsible Sourcing programme.

a result, all suppliers reported being able to trace the seafood to where it was caught or farmed, and that workers had ways of raising issues confidentially.

For international seafood sources and suppliers, we require the supplier's site to complete responsible sourcing due diligence, as well as the seafood to be from sources audited to MSC, ASC, BAP, Global G.A.P or ISSF standards. These schemes each monitor core labour rights indicators as defined by the International Labour Organisation. We will continue to actively monitor this sector.

Ensuring fair outcomes for cleaners and trolley collectors

In F22, we have continued work in this area and all of our cleaners and trolley collector service providers, including subcontractors, are working towards becoming certified BSCNZ members. To be a member, suppliers must follow the BSCNZ Code of Practice and undertake social audits.

Cleaning supplier cleans up its sub-contractors

We initiated an investigation with one of our cleaning suppliers in FY22 after a historical subcontractor was found to have breached the Minimum Wage Act and Holidays Act. Unfortunately, our cleaning supplier hadn't undertaken due diligence to ensure that the subcontractor was following the law.

We've worked closely with the supplier to remedy the issues and ensure this does not happen again. The supplier has:

- Undergone a BSCNZ audit and is implementing corrective actions identified, including remediating \$3,548 in underpayments to 31 current and former employees due to pay miscalculation; and
- Established process for subcontractor due diligence, and requires authorisation from us to use subcontractors, all of which must be BSCNZ certified.

Lifting the lid on our waste management providers

After a Woolworths Group forced labour risk assessment identified waste management as a non-trade category with a higher risk of workplace breaches in their operations and supply chain, in FY22, we undertook work to assess the actual risk in our own waste management supplier base. To do this, we developed a tailored self-assessment questionnaire (SAQ), which was completed by each of our suppliers.

The SAQ responses identified indirect labour, outsourced logistics suppliers, and uniform and PPE sourcing as the key risks. We have since followed up to discuss each supplier's responses in more depth, and we're now confident that our suppliers are well aware of these risks and are working to mitigate these.

Last year, the government signalled its intention to scope the potential for a Modern Slavery Act in Aotearoa. This type of legislation is something that we have taken a leadership role in advocating for a number of years. In FY22, we were invited to participate in the Modern Slavery Leadership Advisory Group, set up to advise the Government on establishing legislation.

DC labour hire review

Temporary labour makes up less than 10% of our distribution centre workforce but this can present higher compliance risks due to the use of both short-term, casual labour and sub-contractors. So, in FY22, we engaged legal firm Bell Gully to complete an external review of our distribution centre labour hire providers' employment contracts to ensure they complied with the Employment Relations Act 2000.

We shared the findings with each provider and follow-up actions are underway to address issues identified through this review. We expect that all providers will have updated their employment contract templates to ensure compliance in early FY23.

Holiday Act remediation

Over the last few years, a number of New Zealand employers have discovered that they have been incorrectly calculating statutory leave entitlements for some of their team members. Together with KPMG/Sentio and with the involvement of the Ministry of Business, Innovation and Employment (MBIE), we completed a review of our statutory leave calculations between 1 December 2012 and 1 December 2021.

This review identified issues with how some of our team members' statutory leave entitlements have been calculated and paid in the past, particularly for waged team members who have worked different hours and days on a week-by-week basis. Issues identified with the payroll system have been corrected and the process of calculating the amount of back payments for affected current and former team members is underway, with remediation payments to follow.

Policy changes and updates in FY22

Sustainable Cotton Sourcing Policy

New policy to establish our commitment to sourcing cotton sustainably and responsibly, thereby reducing risks of modern slavery and environmental degradation. Implementation will commence with our team and suppliers in FY23.

Sustainable Seafood Sourcing Policy

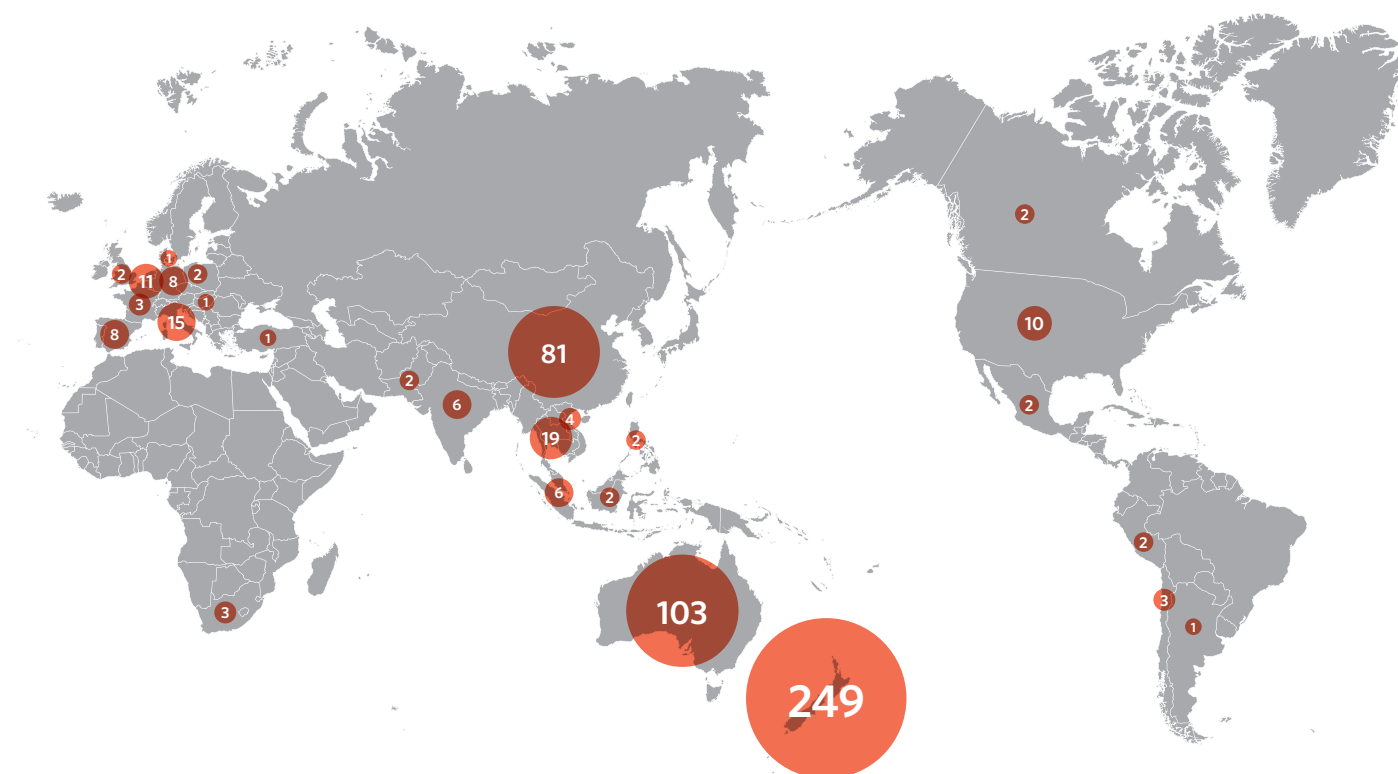
Human rights considerations are now embedded in this policy.

Responsible Recruitment Addendum to our Responsible Sourcing Standards

Sets our supplier requirements, guidance and remediation protocols as they relate to the recruitment of migrant workers in our supply chain. Rollout has been prioritised in Malaysia.

Responsible Sourcing due diligence of own brand product suppliers and sites

This map shows the global breadth of suppliers and sites providing own brand products to Countdown. We are proud that 47 per cent of our suppliers and sites are Aotearoa based, increasing to 66 per cent based in either Aotearoa or Australia.



The table below shows the risk level assigned to each supplier site and the due diligence that we have conducted, including the audit outcomes. The different outcomes require different levels of monitoring to ensure the issues identified are addressed in a timely fashion. The zero tolerance case relates to a Malaysian supplier discussed in the [Woolworths Group Modern Slavery Report](#) and validates the critical need for a robust Responsible Sourcing programme to be in place.

Risk segment	Due diligence status		Audit outcomes				
	Self-assessment complete	Sites audited	Minor	Moderate	Critical	Zero Tolerance	Not graded - awaiting documents
Minimum	275/275 100%	n/a	273	1	1	0	0
Moderate	n/a	63/63 100%	22	26	14	1	0
Priority	n/a	81/81 100%	11	49	21	0	0
Specialised - NZ Produce	114/114 100%	64/114 56%	44	16	1	0	3

Goal 5



Have a positive impact

on our customers and communities

We're proud to be a part of 189 communities throughout Aotearoa and it's a privilege to serve the three million Kiwis who shop with us every week.

\$7.4m

worth of food and funds donated to communities

\$949K

Donated by customers and Countdown to the Salvation Army

\$291K

Donated by customers and Countdown to mental health charities

9

Kiwi schools given Growing for Good grants.



Our role within these communities goes beyond just selling food and other essentials. By serving our customers each and every day, we have a deep understanding of challenges Kiwis are facing and the role we can help play in addressing them.

In FY22, we were able to respond directly to two key issues facing our communities - food poverty and mental health. Together with our customers, we were able to support organisations including the Mental Health Foundation to help improve mental health outcomes and The Salvation Army to feed Kiwis in need.

With record-high inflation and the cost of living making things incredibly tough for Kiwis, in FY23 we will continue to target our support toward those who need it most. Working with our charity and food rescue partners will be a critically important part of this.

Supporting the Sallies

We've proudly supported The Salvation Army for ten years now and FY22 was no different, with the Winter Appeal and Christmas Appeal both generating significant food and funds to help Kiwis in need, in addition to the food we regularly donate through our food rescue programme.

Our FY22 Winter Appeal, which focused on inviting customers to make donations through the FoodBank Project, saw our customers donate more than \$188,000 worth of groceries online and thousands of dollars worth of food and other essentials donated through our stores. We also donated a further \$200,000 to support the cause with a total of almost \$400,000 donated to help Kiwis through the winter months.

Our annual Christmas Appeal was also very successful, with a total of \$560,807 in food and funds raised for The Salvation Army. All of our stores throughout Aotearoa donated a trolley of food as part of the effort, making up \$90,000 worth of the food donated.

Growing for Good

Now into its fourth year, our Countdown Growing for Good grants continue to garner plenty of attention from schools throughout Aotearoa looking to get financial support for sustainability projects. In previous years, we have enabled schools to buy and house chickens to produce eggs for their school community, helped schools purchase beehives and plant bee friendly gardens, and helped students undertake planting projects to rejuvenate communal areas of their schools.

This year, we took a slightly different approach by seeking projects that focused on encouraging younger generations to tackle climate change. We also increased the value of each available grant to up to \$10,000. We received more than 150 applications and after a careful selection process, overseen by our Climate Change and Environment Manager and Head of Sustainability, we have selected nine amazing and inspiring projects that will receive a total of just over \$63,000 in funding. We will be announcing the successful applicants in early FY23.



Food for Good for Mental Health Appeal

COVID-19 has had a significant impact on people's mental health in Aotearoa and, as one of the only businesses able to remain open during lockdowns, our team experienced first-hand the effect it was having on their communities. In response, we launched our Food for Good Appeal for mental health.

Our teams were able to choose to fundraise for a local mental health cause or The Mental Health Foundation of New Zealand, which supports more than one million Kiwis annually. We donated \$100,000 to kick start the appeal and, together with our customers, we donated \$291,000 in total to mental health charities.

Supporting Kiwis to get vaccinated

As Aotearoa began rolling out vaccinations, the Delta outbreak ramped up significantly making it increasingly important to get as many Kiwis vaccinated as possible - particularly in areas where communities were more at risk of becoming sick with COVID-19 and where vaccination rates had slowed.

To encourage people to roll up their sleeves, we donated \$30,000 of Countdown grocery vouchers to the Well Foundation, the official charity for North Shore Hospital, Waitākere Hospital and community health services across West Auckland, North Shore and Rodney.

Supporting the Cancer Society

For many charities, shaking donation buckets outside shops and on busy street corners is an important part of their annual fundraising efforts. Unfortunately for the New Zealand Cancer Society, a nationwide lockdown in early FY22 meant they had to cancel their annual Cancer Society Daffodil Day street collection.

When 'campaign creators', Countdown Rototuna Store Manager Serena Singh and Customer Service Manager Robbie Smith, heard about this they sprung into action, setting up a small, local fundraiser to help. The idea was so good that we decided to adopt it nationwide. We kicked off the fundraising effort with a donation of \$100,000 and after a weekend of fundraising we're able to donate a further \$59,000 to the Cancer Society with support from our customers.

Dunedin Central, donation central

When it comes to fundraising, nobody does it quite like our team at Dunedin Central who have fundraised for an incredible variety of local people, organisations and causes. These have included supporting the local Hammerheads Children's Grappling Club, Heart Kids Otago, Otago Foster Hope, Dunedin Hospice and the local Cancer Society as well as many more worthy causes.

Their most significant local fundraising effort to date, however, was in the wake of the horrific stabbing in the store in late FY21.

To thank the incredible first responders at St Johns Ambulance who took care of their teammates and customers that were injured Duty Manager, and chief fundraiser, Debe McGarva and the team set out to raise an incredible \$21,000 in early FY22. We were proud to match these fundraising efforts with our own donation of \$21,000.

"It has always given my support team at Central and I a great sense of pride and purpose to raise funds. Someone once said that every drop adds to fill a bucket. It's my team behind me, with encouragement and acknowledgement, that gives me energy to keep going - the more I do, the happier I feel. From what we earn we make a living, but what we give helps make a life"

Debe McGarva
Countdown Dunedin Central Duty Manager.

Red Cross Disaster Alliance

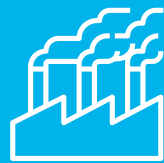
In early-FY22, Countdown became a founding partner of the New Zealand Red Cross Disaster Response Alliance. The alliance was established in response to increasing frequency and intensity of disasters in Aotearoa and around the globe and enables the Red Cross to provide welfare and practical support to help impacted communities and individuals when they need it most.

In mid-FY22 the alliance was put into action following a devastating tsunami in Tonga and the surrounding islands. We immediately were able to set up the ability for customers to round up their shopping total, with the difference going to the New Zealand Red Cross to help provide safe drinking water, food, shelter, and disaster relief for communities impacted by the eruption and tsunami. We were proud to kick-off the appeal with a donation of \$20,000.





Building a better tomorrow



46%

Reduction in
Scope 1 and 2
emissions v FY15



\$1M

Shared investment
in regenerative
agriculture project



3

Green Star
sites opened



\$434K

Funding awarded to
food rescue partners

Our actions today build a better tomorrow for our planet - actions that are more critical than ever before.

We are ambitious in our goals to repair and protect our world, because our customers and communities are demanding change and because our future generations depend on our success in meeting them.

We're going further than just limiting negative impacts; we're actively finding ways to create positive benefits.

Goal 1



100% Green electricity by 2025

Non-renewable energy is a significant contributor to global greenhouse gas emissions. Around 80 per cent of Aotearoa's electricity is generated by renewable energy sources, including geothermal, wind and hydro power. So, while we are incredibly fortunate in our country to be so well serviced by renewable sources, we also know that large electricity users like ourselves, have a responsibility to drive towards a 100 per cent renewable electricity future - starting with our own operations.

We're keenly aware that no one, single solution will help us reach our goal. Aotearoa's dry winter last year demonstrated the need for further renewable energy options, with lake levels dropping and record levels of coal being imported into the country to compensate for the lower levels of hydro-electricity being generated.

The country's progress on renewable energy is, in part, being affected by the uncertainty around the potential closure of the Tiwai Point smelter, which is responsible for using around 13 per cent of the country's electricity. If the smelter was to close it would impact a number of things, including the level of investment into further renewable electricity infrastructure.

There are innovative solutions being investigated, like the pumped hydro storage option at Lake Onslow in Otago, which is part of the government's NZ Battery Project. However, while these options get up and running, meeting the accelerated government target of 100 percent renewable electricity by 2030 (from 2035) will remain challenging.

2

New solar arrays - on Waiata Shores and Auckland Fresh Distribution Centre

22%

The share of site electricity demand our AFDC solar system can generate

20

Store system controller upgrades to improve energy management

0.6%

Total electricity consumption increase/decrease versus F21

Developing our Renewable Electricity Strategy

In FY22 we brought together a cross-section of our business to develop our renewable electricity strategy approach. To help us do this, we worked with a number of third party stakeholders on the potential available pathways to reach our 100 per cent renewable electricity commitment by 2025.

Understanding and accelerating store electricity efficiency

The fourth opportunity is electricity efficiency, and reducing the need for electricity generation in the first place. We are pleased that in FY22, despite five new store openings, we only increased electricity consumption by 0.6%, however we know there is much more we can do. In FY22, we revisited an existing project to better monitor and manage how we consume electricity at a store level.

The initial stage will see us embark on a controller upgrade programme for our lighting, refrigeration and heating, ventilation and air conditioning systems. This will enable remote connectivity and

better management of temperature and intensity 'set-points' to drive increased energy savings and efficiencies.

In the second stage of this project, we are looking to develop a system that will allow us to analyse and compare energy consumption between our sites.

Solar powering up

In FY22, we added two more sites with solar power capabilities to our network. Countdown store Waiata Shores and the Auckland Fresh Distribution Centre (AFDC), which are both Green Star builds, have solar panel arrays installed to help generate a share of electricity - up to 15% for Waiata Shores and up to 22% for the AFDC.

The AFDC array also allowed us to explore a different solar financing approach. With a roof size of more than 17,000sqm, the AFDC solar array and has a generating capacity of 1000kWp, compared to Waiata Shores' 150kWp. This scale of energy generation meant it was viable for the development of a Power Purchase Agreement, where a third party has installed the solar array at their own cost, and

we pay a fixed rate for a fixed term to consume the electricity. This is a really useful step as we develop our understanding of renewable electricity financing in preparation for meeting our 100% renewable electricity target.

Goal 2



Zero food waste

to landfill by 2025

73%

Total diversion of waste from landfill.

63%

Of our waste to landfill is food

100%

Number of stores with food rescue partners

\$434K

In funding to our food rescue partners

From farm to fork, we're working to eliminate food waste. We're committed to only producing what we need, diverting food that's safe and edible from landfill with the support of our food rescue partners, and ensuring the end of life solution for what can't be eaten causes less environmental harm.

Throughout FY22 COVID-19 has continued to impact the progress we have made on this goal, with in-store projects put on hold while we worked to keep our supply chain moving and our customers and team safe in our stores. As a result, we didn't make as much progress with food waste diversion as we had hoped.

Despite these challenges, we have continued to invest in and support our food rescue partners and worked to get robust data and insights into not only how much food we are successfully diverting, but also how much food is still ending up in landfill.

Although our current position on food waste diversion from landfill is not where we want it to be, we now have a clear view of the significant challenge ahead of us as we work to meet our zero food waste to landfill target. The results of the audits also emphasise how critically important our team and food rescue partners are to us achieving our goal.

Changes we made to our general waste contract in FY22 mean there is a financial benefit to reducing our food waste too, with the charge being by actual weight, rather than number of pickups.

We have continued to support system-level change on waste, and engage beyond our business. We submitted to the National Waste Strategy and the Transforming Recycling government consultation processes, and we are a supporter of New Zealand Food Waste Champions 12.3 - a coalition of representatives from across the food supply chain, championing Aotearoa's progress towards halving food waste by 2030.

Auditing our waste

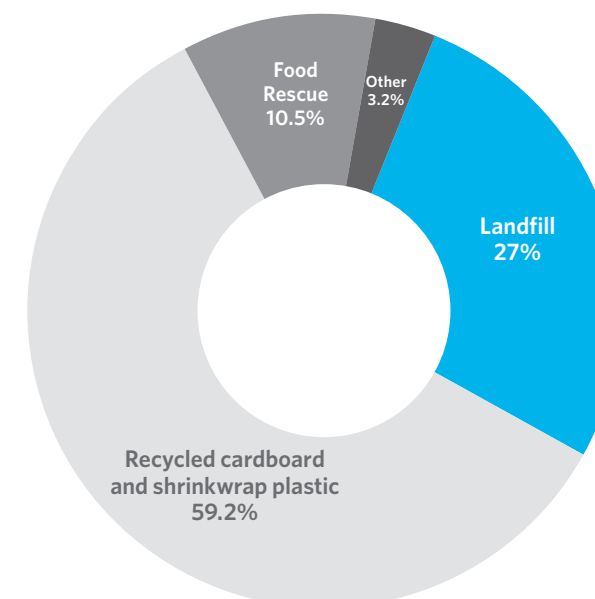
In FY22, we undertook waste audits in 18 of our stores and two support offices. These were the most comprehensive waste audits ever conducted by our business, with eight tonnes of waste categorised item-by-item over 21 full days, and showed that food makes up 63 per cent of the waste being sent to landfill from our stores. Plastic was the second

highest contributor, making up 17 per cent of the waste.

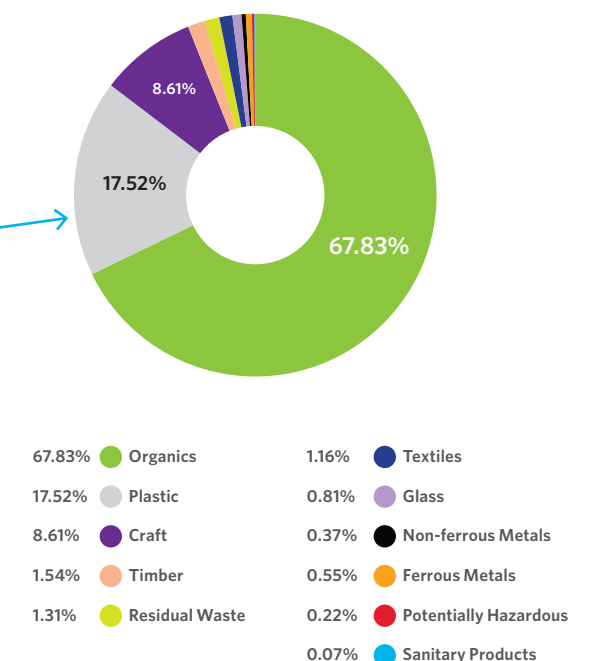
The audits identified the potential to reach up to 80 per cent diversion from landfill in some stores by using the existing infrastructure available to us more effectively. This includes having a better understanding of what can be donated to food rescue and de-packaging food before donation to pig farmers

and recycling the packaging. Some of our best performing stores in the audit are recovering twice as much waste as some of the poorer performing stores, so the opportunities for improvements are plentiful. By replicating what the high performing stores are already doing, we will make significant progress.

Total Waste Composition



Landfill by Waste Type





Using Food For Good

Throughout FY22, we have continued to progress our Using Food For Good project. Running in our Countdown Manukau Mall and Countdown St Johns stores, the project is setting out to test different food waste reduction initiatives with the potential to be rolled out across all stores.

Although some work was delayed on this project as we responded to COVID-19, with the support of consultants Circularity and Sunshine Yates, we were still able to map out where food waste is occurring in our business and provide an estimate of the cost of food waste to our business each year. By developing this map, the project team have been able to identify a range of further enablers and initiatives.

The enablers are enhancements that can be made to existing programmes and systems in-store to drive greater food waste diversion. These are:

- Improved food waste measurement tools
- Creating food waste champions

The initiatives are the innovative, new ideas we are looking to test and trial in the stores. These are:

- Transforming and upcycling recovered food
- Making markdowns desirable
- Working with our suppliers to better manage stock close to best before or use-by dates

Testing these initiatives will take place in the first half of FY23, the second half of the year.

Starting the Zero Waste Movement

A Waikato River clean-up event was the beginning of Countdown's Zero Waste Movement pilot, with Group Manager Andrea Tarrant and a team member coming across more own brand products than they would have liked.

"There is no avoiding that this food waste number is significant, but so too are the recovery opportunities."

"We were picking up a lot of Countdown branded products and one of my team member was embarrassed and mentioned we weren't really trying to help address the problem at our stores. So I decided to try," says Andrea.

Since then, Andrea has been working with three stores in her Group - Countdown's Bridge Street, Newton and Rototuna - to build a team of people who wanted to help take on the zero waste challenge. Now, she is adding an additional store to the group every fortnight. Through their efforts, they're already seeing a noticeable difference in the amount of the waste they are sending to landfill.

Food Rescue Partners Fund

Throughout Aotearoa we work with our food rescue partners to ensure any food that can't be sold - but is still safe for consumption - is diverted from landfill to Kiwis in need. To ensure they can do this well into the future, it's critically important that we continue to support them through our Food Rescue Partners Fund.

In FY22, we provided \$434,225 in funding to a number of our partners. FY22 funding is in addition to the \$1.9 million in funding support has been given to our food rescue partners since the fund began in 2017.

Northland Food Rescue

One of the FY22 successful Food Rescue Partners Fund applicants was Food Rescue Northland Whakaora Kai, who we have partnered with since 2020.

Food Rescue Northland Whakaora Kai collect food from our stores in the Far North and in the last year alone, have rescued and distributed 186 tonnes of food to hungry communities throughout Northland. To help grow their operations and ensure they can rescue as much food as possible, we awarded them with \$50,000 from our Countdown Food Rescue Partners fund.

"Food Rescue Northland Whakaora Kai is grateful to Countdown for its ongoing collaboration in feeding hungry people and reducing food waste. Not only has Countdown provided surplus food from their stores but also has contributed financially to our mid-north operations and the building of a new food warehouse in Kaikohe. When the warehouse is completed it will help expand our ability to save and distribute food to those who need it. We look forward to continuing our productive relationship between Food Rescue Northland and Countdown with the collective aim of "zero waste, and no hunger".

Community Development
Coordinator, Carol Peters.

Rescued

Supporting our efforts to transform and upcycle recovered food as part of the Using Food For Good programme is Rescued, who also happen to be one of our Kete accelerator programme businesses.



"Our ongoing work with Countdown is a testament to their genuine effort to reduce food waste and also support businesses like ours to develop and grow in a meaningful way. Being able to work with the project team to rescue and then develop new products that can be sold in Countdown stores is really exciting!"

Rescued's Head of Getting Things Done, Diane Stanbra

Rescued first caught our eye for their dedication to not only helping businesses like ours divert food from landfill, but to also creating delicious new products in the process. When we began looking at upcycling options, they were a natural fit.

Rescued's Head of Getting Things Done, Diane Stanbra, says the ongoing work with Countdown has been an exciting challenge for her team, who are now rescuing bread from the two Using Food For Good test stores and turning it back into flour, combining that with powdered lemon using lemons rescued from our Fresh Distribution Centre and making delicious treats like lemon muffins and shelf stable cake mixes.

What Rescued has upcycled, without producing waste:

273kgs of lemons now lemon powder with 2-year shelf life

696kgs of peacharines now preserved peacharines with 2-year shelf life

350kgs of peaches now preserved peaches with 12 month shelf life

250kgs of feijoas now feijoa powder with 12 month shelf life

60kgs of bread now flour with 2-year shelf life

Goal 3



Net positive carbon emissions by 2050

The Intergovernmental Panel on Climate Change's third report, released in April 2022, has made it clear that the world either takes action now or never, if we want to keep global warming within 1.5C above pre-industrial levels.

The call for urgent action is deafening, but it is the response that needs to be loudest. Currently, it is clear that not enough is being done globally to shift to a low carbon economy, but it is critical to do this if we are to avoid the catastrophic consequences of further climate change.

Many of the impacts of our changing climate are already being felt across our operations, with extreme weather events becoming more frequent - threatening the livelihoods of our growers and farmers and our ability to source the food needed to sustain our communities.

In FY22 our Scope 1 and 2 emissions are 63,781T CO₂e, resulting in a 46% reduction in our Scope 1 and Scope 2 emissions in FY22 against our FY15 baseline. These

emissions are an increase on our FY21 result, driven by methodological adjustments for maximum transparency and climate accountability (Leading

"We recognise that our own operations contribute to this changing climate, which is why our focus on driving emissions reductions has remained steady - even in the face of a global pandemic."

46%

Scope 1 and 2 emissions
reduction vFY15

13

Major suppliers
engaged with our
Scope 3 programme

1

Green Star
store opened

2

Green Star
distribution
centres opened

Our FY22 emissions:

Scope 1	31,784 T CO ₂ e
Scope 2	31,997 T CO ₂ e
TOTAL: Scope 1 & 2 emissions	63,781 T CO₂e
Scope 3	3,078,852 T CO ₂ e
TOTAL: Overall emissions	3,142,633 T CO₂e

the industry in NZ by updating emission factors to IPCC AR6 - in line with AU NGER reporting and matching the 2022 higher carbon-intensity electricity grid factors)* rather than significant consumption activity increases. Without these methodological adjustments, we would have achieved a Scope 1 & 2 reduction of 52% against our FY15 baseline.

Despite these updated emissions results, we remain on track to achieve our target well ahead of the target year of FY30.

Tackling Scope 3 emissions with our suppliers

Tackling the emissions associated with the production and transportation of the products we sell is imperative, given it represents the vast majority of our overall carbon footprint. As part of our work to reduce our Scope 3 emissions by 19 per cent by 2030, we launched a pilot programme in late FY22 to engage our suppliers and support them to measure and reduce their own emissions.

To support the pilot, we are using a sustainability self-disclosure tool - THESIS by Supply Shift, developed by The Sustainability Consortium. This tool helps us to understand the impacts and achievements of our suppliers and where we can best support them to improve. In the initial stages of this pilot, we are focused on 18 major suppliers across a range of categories including long life, meat and dairy, where the emissions impacts are greatest.

* Methodological changes were updating from IPCC AR5 to IPCC AR6 for refrigerant Global Warming Potential emission factors, updating to 2022 Ministry for the Environment emission factors for New Zealand grid electricity, and shifting our Online Delivery Truck contractor kilometres into our Scope 1 (from Scope 3), in line with Woolworths Group adjusted organisational boundaries.

Retrofitting for the future

Retrofitting or replacing our refrigeration systems - ensuring we are using less energy to keep things cool - continues to be the most important driver of our emissions reductions to date. The key aspects of our strategy are installing state of the art, ultra-low emissions transcritical systems in all new stores, while systematically replacing the higher impact gases in our older refrigerant systems with lower impact gases. We are also continuing to chase down refrigerant leaks.

Our refrigeration retrofit and transcritical installation ambitions in FY22 were constrained by a tight skilled labour pool, manufacturing and shipping delays on key pieces of infrastructure, and the cost and time required per installation or retrofit. Despite this, we have still undertaken five transcritical refrigeration installations and eight refrigeration retrofits of legacy systems.

We are also continuing to install doors on chillers in all of our new stores. Eleven stores now feature these energy saving measures, with 10 doors saving enough electricity to power a NZ home for a year.

Refrigerant leakage events:

With the support of specialist technicians, cutting-edge detection technology and industry-leading maintenance practices, our refrigeration systems are closely monitored for leaks, with our store teams trained on what needs to be done when a leak is identified or

signalled by an alarm system.

Despite these measures, accidents can still happen. In mid-FY22, one of our older stores, with a system due to be retrofitted, experienced a noticeable leakage event (261.6kg) resulting in a spike in equivalent CO2 emissions (1,237T CO2e) - which is 4.7% of our total footprint from

refrigerant gases in FY22. Such events demonstrate the absolute criticality of our refrigerants programme and monitoring for leaks. Thankfully, these events are rare and our continued efforts utilising low global-warming potential refrigerant gases will see their emission impact reduced year on year, if they happen.

Submissions

FY22 has been a big year for climate change related legislation and policy development in Aotearoa and we have submitted in support of a number of these, including Aotearoa's first Emissions Reduction Plan - "Te hau mārohi ki anamata I Transitioning to a low-emissions and climate-resilient future". We are especially proud of this submission and hope that the learnings we shared from our work to decarbonise our refrigerant systems will provide helpful insights for future policy development.

The ERP includes a focus on F-gases, and proposed specific targets and timelines for a phase-out of refrigerant gases with larger climate impacts which we were able to comment on in-depth, and share a detailed summary of our own progress and challenges faced to date.

We also submitted in support of:

- The Draft National Adaptation Plan - "Adapt and thrive: Building a climate-resilient New Zealand."
- Auckland Council's "Climate Action Targeted Rate" through the Auckland Council Annual Budget 2022/23 Consultation



Green Star builds keep things fresh

In addition to opening Auckland's very first Green Star supermarket, Countdown Waiata Shores, built to 5 Green Star standard in mid-FY22, we also delivered our first Green Star Distribution Centres and announced plans for a third, which is expected to be delivered in FY24.

Our ambient Palmerston North Regional Distribution Centre (PNRDC). The new PNRDC has been built to a 4 Green Star standard and is three times the size of the distribution centre it replaced.

PNRDC has a number of features that have been designed to reduce the facility's impact on the planet including LED lighting that is 35% more efficient than traditional lighting and integrated daylight

sensors that automatically switch lights off when natural light levels are high enough. PNRDC also has rainwater storage tanks to cut down on mains water consumption, water-saving taps to reduce water use, plenty of EV chargers and parks, and 100 per cent of the site's manual handling equipment is electric too.

In late FY22, we also opened our first Green Star Fresh DC in Wiri, Auckland. The 20,000sqm facility has been designed and built to a four Green Star standard and will service all of Countdown's North Island stores with fresh fruit and vegetables.

Auckland Fresh Distribution Centre (AFDC) is the first fresh produce distribution centre that Countdown has built and operated, and we've invested heavily in making sure this is a facility that will have a lighter environmental footprint with features like rainwater harvesting, electric forklifts, solar panels and low energy and water-use condensers. The solar generation at AFDC alone will offset approximately 183 tonnes of CO2 per year and is expected to generate 22% of the facility's electricity needs.



Goal 4



Practice responsible stewardship of natural resources

As a food retailer that works closely with hundreds of farmers and growers across Aotearoa, we know that we need to grow and farm like our future depends on it - because it does. We want to ensure that Aotearoa's food supply is not only resilient to the impacts of current and future climate change challenges, but is also produced in a way that halts and indeed reverses environmental degradation.

Over the last two years, we have explored regenerative agriculture through conversations with our farmers, growers, supply partners, industry bodies and scientific experts and worked to understand how this could deliver positive change in Aotearoa's fresh food sector.

Working with our growers on sustainability

In FY22, in partnership with our Produce team, we went out to our growers with a survey to learn where they are at on their sustainability journey, how we can best support their work and where there may be opportunities for collaboration.

We've begun analysing the responses we received and in FY23 we'll be looking at how we can build further momentum in our sustainability work with our growers.

Using our water more efficiently

Over FY22, we've continued to build our water baseline and build the picture of how much water we are using across our business. Due to the complexities of our relationships with different landlords and Councils across the country, we have run into challenges with easily accessing meaningful data on our water usage in some stores. We have raw data for 38 per cent of our store estate and will look to validate this information while also sourcing available water consumption details for the remainder of our store network over FY23. This information will then help us develop a water efficiency action plan and targets - but at this point we are behind schedule on achieving this commitment.

Regenerating the land with LeaderBrand

At the end of FY22, we launched a \$1million, three-year project to investigate regenerative farming practices in vegetable production.

The project, which is being part-funded by the Ministry for Primary Industries' Sustainable Food and Fibre Futures Fund, is being run in collaboration with one of Aotearoa's largest growers - and one of our key suppliers - LeaderBrand Produce, and Plant & Food Research, a Crown Research Institute.

The project will push the boundaries of conventional vegetable growing and trial regenerative principles and practices designed to mirror nature. The focus will be the use of compost and cover crops as tools to improve soil health in vegetable production systems, the role of

"We see regenerative agriculture as a set of principles and practices that move beyond a 'do no harm' approach and go further by encouraging growers and farmers to innovate and take a whole-systems approach to regenerating land and communities"

perennial plantings in facilitating ecosystem restoration, and community and iwi engagement.

We'll progress further with our regenerative vegetable growing project throughout FY23,

delivering on key milestones including a report detailing opportunities for ecosystem restoration, in-depth engagement with on-farm workers, community and iwi on regenerative agriculture, and collecting data on the regenerative benefits of compost and cover crop use.

We'll also be facilitating a number of opportunities for our supply partner community to learn more about regenerative agriculture through the project, share their own learnings and support a wider understanding of how to incorporate regenerative principles and practices into farming, producing and manufacturing.

\$1M

Shared investment in regenerative agriculture project

38%

Of store estate has water data

80%

Avoidable waste sent to landfill from our support office

Our partner – LeaderBrand

LeaderBrand was established in 1975 by Murray McPhail, and is now one of Aotearoa's largest and most progressive horticultural businesses, with four farms across the country providing Kiwis with fresh broccoli, lettuce, sweetcorn, asparagus, salad leaf, baby spinach leaf and squash.

LeaderBrand has had a direct relationship with Countdown for more than 30 years, and the team is excited to be taking things to the next level with the regenerative vegetable growing project.

LeaderBrand's General Manager of Farming, Gordon McPhail says that LeaderBrand has a strong commitment to sustainability and when Countdown approached them about exploring regenerative agriculture on farm, the project felt like a natural fit.

"At LeaderBrand, we aspire to leave the land better than we found it, so we're always looking for new ways to farm more sustainably, efficiently and responsibly. Through this project we'll be trialling even more innovative, regenerative practices and really pushing ourselves to do even better for the next generation. We're really excited about what this means both for us and for the future of growing in Aotearoa"

Embracing a circular economy



58.3T

58.3 tonnes of saturated fat, sugar and salt removed from Own Brand products



3.4M

servings of vegetables added to Own Brand products



106

Stores collecting soft plastics for recycling



55%

Australasian Recycling Logo on own brand packaging

We are evolving the way we work to reduce single use plastic and packaging. To us, all waste is a resource and that's why, as a business we're embracing a circular economy.

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



Goal 1



Materially increase healthier choices in our customers' baskets

Kiwi diets are regularly changing and adapting, whether that's for health, cultural or environmental reasons.

We pride ourselves on the wide range of products we have on offer in our stores, from the fresh produce and organic products through to our free-from gluten range and meat-free alternatives. We also recognise that helping Kiwis lead healthier lives isn't only about encouraging them to eat more fruit and vegetables - it's about making sure the everyday essentials like baked beans, peanut butter, wheat biscuits and bread are healthier too.

Updating the rating

The Health Star Rating (HSR) remains an important way for us to make healthier choices easier for our customers. We are proud that 100 per cent of our eligible own brand products display this rating and more than half of our own brand products have a health star rating of 3.5, which public health experts view as a healthier choice.

Following a five-year system review which was completed in

FY21, there have been a number of changes to the HSR.

The system update has impacted around 20 percent of our own brand products, which require their rating to be changed. We have completed the labelling change on 38 per cent of the affected products, with the remaining products being progressed to meet the November 2022 deadline.

Supporting Kiwis to Just Cook

We continue to work closely with the NZ Nutrition Foundation and are proud to support their Just Cook programmes - Just Cook Healthy Ageing and Just Cook Tika Tunu. Despite the challenges of COVID-19 and a number of lockdowns these programmes reached an estimated 300 participants in FY22.

After attending the programmes participants have reported that they are cooking more,

reading food labels, eating more vegetables, and considering the healthy plate model. We'll continue to support these programmes in FY23.

Re-setting our Health and Nutrition targets

In late FY22, we launched our new 2025 Health and Nutrition targets. The new targets are an evolution of those we set in 2016 and provide a clear pathway forward as we set out to help make Kiwi shopping baskets and trolleys healthier.

Reducing sugar, sodium and saturated fat, making nutritional information easier to find in-store and online, removing cartoons and other child-friendly images from less healthy products, and reformulating products to add more whole grains and vegetables are just four of the 23 targets we have set out to meet across our own brand products and stores. We will report our progress against the full 23 targets in FY23.

58.3T 3.4M 53% 76%

Saturated Fat, Sugar and Salt removed

Servings of vegetables in new product development

Own brand products are a healthier choice

Macro products with a 4 Health Star rating or more

INFORMAS study shows more work to be done

In mid-FY22, INFORMAS released the results of its New Zealand Food Environment Survey, which looked at how healthy Aotearoa's food environments are. As part of the survey, researchers reviewed 98 supermarkets across the country.

Although not specific to our stores, the results show areas where further work is required across the sector. For every four advertisements for junk food or sugary drinks, there was one advertisement for fruit or vegetables, more than 50 per cent of island bins and end caps were used to display junk food, and 80 per cent of single-serve drinks were sugar sweetened or had naturally occurring sugar. Additionally, although 92.4 per cent of own brand products in supermarkets displayed the HSR, only 17.2 per cent of branded products did.

The new Health and Nutrition targets we have set will be instrumental in helping us tackle these statistics across our own brands. The survey has also demonstrated an opportunity to work with our supply partners to help them make changes for the better too.

Study shows own brand success

In early FY22, the University of Auckland released its study - Comparison of Healthiness, Labelling, and Price between Private and Branded Label Packaged Foods in New

Nutrients of concern removed from our own brands

- Saturated Fat: 15.1 tonnes
- Sugar: 39.1 tonnes
- Salt: 4.1 tonnes

Nutrients added to our own brands:

- Whole grains: 24.6 tonnes
- Vegetables: 252.7 tonnes

These additions have been achieved through new product development of ready meals, salad kits and frozen vegetables and have seen us provide **3,369,333** servings of vegetables.

Zealand (2015-2019). The study compared New Zealand's private label and branded packaged food products in relation to their healthiness, display of the Health Star Rating on pack, and price.

Supermarket private label products were similar in nutritional composition, more likely to be labelled with the HSR, and lower in cost than their branded counterparts.

Key reformulation wins for FY22:

- **Reformulated 95% of our North Island produced own brand sausage lines to meet the HeartSAFE sodium target of <650mg/100g. Removed 0.5 tonnes of salt and 12.6 tonnes of saturated fat.**
- **Reformulated our own brand shaved ham to meet the HeartSAFE sodium target of <650mg/100g. Removed 3.5 tonnes of salt in total (0.13 tonnes from our ham alone).**
- **Reformulated our own brand canned spaghetti to meet the HeartSAFE sugar target (less than 4.5g/100gm). Removed 14 tonnes of sugar.**
- **Reformulated our own brand Sunshine Mix (fruit and nut mix). Removed 24.9 tonnes of sugar.**

Goal 2



100% of Own Brand packaging will be sustainable

With some sense of normality returning for Kiwis as the immediate concerns around COVID-19 dissipate, plastic has significantly rebounded as an issue of concern - a concern that they expect retailers like us to address.

The 2022 Kantar Better Futures report clearly laid this out. After topping the top 10 list of concerns Kiwis have in 2018, and dropping back over the last two years thanks to COVID-19, 'the build up of plastic in the environment' rose from its 2020 position of sixth up to fourth overall, 'too much waste and rubbish being generated' was new to the top ten in sixth position, and 'overpackaging, non-recyclable packaging and landfill' moved up from tenth position in 2020 to eighth.

Our work towards making sure 100 per cent of our own brand packaging is reusable or recyclable by 2025 has continued over the last year, with products like newly recyclable ice cream containers and ready-meal containers launched in our stores. We've also continued to engage with our suppliers around our preferred packaging list to help them drive changes within their own brands.

Building our baseline

In FY22, we were pleased to develop our own brand packaging baseline, which means we can now track our performance against our quantitative commitments for the very first time.

The greatest challenge to achieving our commitment to 100% recyclable own brand packaging is the incomplete collection network for soft plastics across Aotearoa. Since the scheme collapsed in late 2018 and then relaunched with a firm focus on onshore processing, it has grown steadily and sustainably, but not yet to all communities. We are continuing to work hard to expand access to soft plastics recycling for all communities.

In terms of increasing recycled content, we are building a roadmap and working through the greatest opportunities to incorporate recycled content product by product. Looking ahead, we foresee securing sufficient supply of recycled plastic content as an emerging issue, particularly as some countries like the UK have introduced a tax on virgin plastic. This re-emphasises the importance of developing and strengthening our local processing infrastructure.

"Packaging can be incredibly useful and indeed necessary - but it's a very tangible example of planetary impact and we need to do everything we can to ensure Kiwis can shop sustainably when they shop with us."

Ready-to-eat and ready-to-recycle

When we launched our 10,000 strong online community of Countdown customers - bunch - we knew their feedback would be helpful, but we had no idea it would help us make positive packaging changes too.

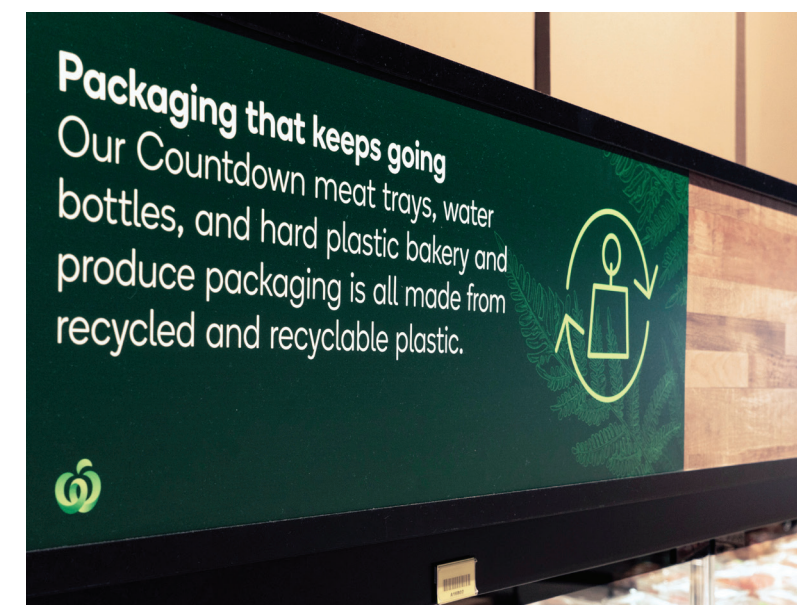
Our ready-to-eat meals were a hit with our 'bunchees', but many of them provided us with feedback that they didn't like having to throw the non-recyclable packaging in the bin when they were done. To address these concerns, we began a project with our supplier, Dad's Pies, who were more than willing to help us find a more sustainable solution.

55%

of own brand product packaging featuring the Australasian Recycling Logo (ALR)

106

Stores now collecting Soft Plastics



Plenty of planning and trials took place to ensure that the packaging option selected could not only run through the factory processes and withstand the heat of the factory and customer ovens, but also still meet our strict food safety standards and not compromise the quality of the product.

After finding the right solution, we were proud to launch Aotearoa's very first ready meals in recyclable plastic, preventing 7.5 tonnes of plastic from ending up in landfill.

Preferred Packaging progress

In early-FY22 we published a problematic and preferred packaging materials list for our suppliers, which categorises packaging materials based on how recyclable they are.

To support this work, we have also engaged with GS1 to improve the data provided by suppliers on product packaging, through the National Product Catalogue. A key part of this work has been removing the ability for suppliers to identify packaging materials as 'other' and requiring suppliers to specify which materials are used.

Changes we've made for the better in FY22

- Rolled out meat trays without soaker pads in the North Island, removing 90 tonnes of plastic. Soaker pads were removed in the South Island in FY21, removing 30 tonnes of plastic.
- Introduced 1.5 litre recycled plastic soft drink bottles, removing 80 tonnes of virgin plastic.
- Improved the recyclability of our Own Brand packaging by removing PVC, polystyrene and difficult to recycle colours - including repackaging our 2 litre ice cream tubs in a light coloured polypropylene that diverts 121 tonnes of plastic from landfill back into recycling.
- Launched a first-to-market recyclable-ready meal tray, meaning 7.5 tonnes of plastic that would otherwise have gone to landfill can now be recycled.

Government action on plastics and packaging

The Government has taken a very active role on plastics and packaging in the past year. This included the first tranche of 'hard-to-recycle and single-use plastic' phase out programme being signed into law, which will take effect in mid-FY23. This will see items including oxo-degradable plastics and expanded polystyrene retail food packaging banned.

This same programme of work will also see single-use plastic produce bags banned in early-FY24. In anticipation of this, in June 2022 we opened our first store - Herne Bay metro - without single-use plastic produce bags from day one. In early-FY23, we will begin a 20-store pilot (including Herne Bay metro),

where we will remove these bags and use the feedback we receive to optimise the further roll out of a plastic produce bag removal.



Soft plastics hits 100 store milestone

Our progress to roll soft plastics recycling out to more of our stores hit an exciting milestone in FY22, with our 100th store, Countdown Masterton, added to the scheme. We now have 106 stores with Soft Plastics Recycling bins available for our customers, giving them the opportunity to recycle plastic that would have otherwise gone to landfill.

In line with our commitment to make 100% of our own brand packaging recyclable, we are committed to providing this service, however we also recognise that it is less convenient than kerbside recycling for customers. This is reflected in the low proportion of soft plastics in circulation that are estimated to be recovered by the Soft Plastics Recycling Scheme (SPRS). For 2021, SPRS estimated the volume of eligible soft plastic at 7,877 Tonnes per year, but in the



same year the scheme recovered 264 Tonnes - just over 3%. It is for this reason that alongside the SPRS, Countdown encouraged the government to consider kerbside recycling for soft plastics, as is being trialled overseas, as part of our submission on the government's 'Transforming Recycling submission' in November 2021.

Scion partnership delivers a Load of Rubbish

Inspiring younger generations to develop a passion for our planet and the circular economy is vitally important if we are going to change behaviours around waste. In 2020, we funded the development of a kit for schools about rubbish, recycling and the circular bioeconomy being led by Crown Research Institute, Scion.

Despite a few COVID-19 related delays, the kit, A Load of Rubbish,

was launched in late FY22. Scion scientists provided the necessary skills and knowledge needed to help develop the kit alongside House of Science, a charitable trust that offers a subscription-based library system of science kits for New Zealand schools.

By applying scientific principles, students using the kit will learn how to identify and solve environmental problems, sparking an interest in making informed choices on sustainable packaging materials and their end-of-use.

Compostables - where we stand

Compostable packaging has been a hot topic for some time now, with many businesses and consumers considering them to be a good solution to our plastic challenges. Here at Countdown however, we don't support compostable packaging. This is for a few reasons:

- It is not often able to be composted properly (i.e. via industrial composters)
- It often contaminates plastic recycling as people incorrectly think it can be recycled
- Industrial composters prefer not to accept it as it offers little nutritive value to the compost

Our position is aligned with the Ministry for the Environment, who published a position statement this year outlining the reason why compostable packaging generally creates more problems than it solves. It states that compostable packaging should really only be used in very limited applications, either in a 'closed loop system'.

Goal 3



100% of own brand sourcing is sustainable

Giving our customers confidence in the products we sell goes beyond ensuring they are safe and tasty to eat, but also showing that we've done everything we can to ensure they are being grown, produced, and transported in a sustainable way, too.

Globally, sourcing sustainably is particularly challenging at the moment with supply chain disruptions, COVID-19, the war in Ukraine, and the effects of climate change all impacting the availability of key commodities.

Despite this, all of our own-brand single or core ingredient tea, coffee, sugar and cocoa products (e.g. tea bags or chocolate blocks) are 100% sustainably sourced and we are now working to ensure the same 100% sustainably sourced commitment where high-risk commodities (tea, coffee, sugar, palm oil, soy, paper, pulp and timber) are used as ingredients in all other own brand products (e.g. an iced tea drink or a chocolate chip cookie) by 2025.

Our focus this year has been on creating an automated dashboard to easily track progress against this commitment. We will use this data to create transition pathways with our suppliers for existing products that do not meet our commitments with the goal to be 100% sustainably sourced by 2025.

We continue to work with a range of recognised, independent organisations to give our customers confidence that the products available on our shelves are certified as sustainable. These organisations include FairTrade, Rainforest Alliance, Bonsucro, and Forest Stewardship Council.

Cotton

In addition to concerns related to worker welfare, the cotton sector is known for causing environmental degradation as a result of water use, agrochemical application, soil depletion and land use.

To address this, this year we developed a Group-wide Sustainable Cotton Policy, which requires that all new Countdown own brand products only contain sustainable cotton certified by Fair Trade International, Australian Cotton Best Management Practices (myBMP), or Cotton Made in Africa (CmiA). These certification schemes have requirements and standards that farmers need to meet to ensure

535

Own brand products covered by these sustainable sourcing commitments

1

new Sustainable Cotton Policy published

100%

of bagged sugar (by volume) in own brand products is sustainably sourced

99%

of coffee and tea (by volume) in own brand products is sustainably sourced

the cotton that we source is being produced in socially and environmentally friendly ways.

In FY23, we will be building transition pathways for any existing products, such as socks and tea towels that contain cotton to also meet this commitment.

Palm Oil

Throughout FY22, we have continued our efforts to transition our products to sustainably certified palm oil in an effort to achieve our 2025 palm oil commitment. Our work has led us to achieve a score of 14.06/24 in the WWF Palm Oil Buyers Scorecard, which assesses manufacturers, retailers, food service and hospitality companies on their commitments and actions in favour of sustainable palm oil.

This rating is the middle of the pack worldwide and an improvement on our last score. The Woolworths Group, including Countdown, is the highest scoring retailer in the Oceanic region. We will use this scorecard to inform how we can further improve our work to sustainably source palm oil.

Currently, 94 per cent of palm oil (by volume) in own brand food products is sustainably sourced, with 259 products included in this commitment. For non-food products, 11 per cent of palm oil (by volume) is sustainably sourced, with 39 products included in this commitment. Working to increase the amount of sustainably sourced palm oil in our products remains an important focus for us in FY23.

Sugar

The global sugar supply has been constrained this year by flooding and the war in the Ukraine, making it more challenging to source. Despite this, Countdown has maintained our commitment of having all single-ingredient sugar products (such as bagged sugar used for baking) certified by Bonsucro.

Due to the current low volumes of sustainably certified sugar, we are considering accepting other certification assurance schemes such as the Australian Best Management Practice (Smartcane BMP). Through continuous improvement in Smartcane BMP, Australian sugar farmers will gain access to the Bonsucro assurance scheme.

Sourcing Sustainably

How our policies and certifications are helping us to source sustainably and mitigate environmental and social risks.

The commodities:



The mitigations:



The risks:



Goal 4

Lead the future of
protein

100%

own brand seafood is
sourced responsibly

100%

own brand shell eggs
cage free

14

14 cage-free
shell egg stores

With a growing number of our customers making their buying decisions based on not just price, but animal welfare and environmental considerations too, it's important that we're sourcing and selling the products that meet those needs.

We work hard to build sourcing models and supplier relationships that provide sustainable protein options to Kiwis, and our team sources from farmers we know and trust.

Our customers want assurances that the animal products in our stores are being sourced from suppliers that are committed to meeting the physical and mental needs of those animals. Over the last year, we have continued to focus on driving strong animal welfare practices across our supplier network through surveying and reporting on our progress.

**Planet-friendly eating**

We're seeing more of our customers adopt planet-friendly diets and our plant-based categories, like milks, yoghurts and meat alternatives, growing significantly in popularity.

Demand for fresh meat alternatives like patties and sausages grew by 20% in FY22, and demand for traditional vegan and vegetarian chilled foods, like falafel and tofu, have continued to see significant growth over the last couple of years.

We're continuing to increase the range of good quality options available on our shelves and we've also done quite a bit of work to make it easier for customers to find products that suit their dietary needs with initiatives like adding search filters e.g. vegan, vegetarian, dairy-free to our online shopping website.

Soy Sourcing Policy

In FY21, we launched our new Soy Sourcing Policy, which set out requirements around the soy used in our own brand products. In FY22, we identified 54 own brand products affected by these new requirements and we are working with our team and suppliers to develop transition pathways to use certified sustainable soy in these products. Work is continuing on this, with a goal to meet this commitment by 2025.

Business Benchmark for Farm Animal Welfare

FY22 saw our third annual animal welfare survey completed by suppliers. This is used to track supply chain performance and progress, as well as support us

with our goal of achieving Tier 1 in the Business Benchmark on Farm Animal Welfare (BBFAW) benchmark by 2025. BBFAW is an international benchmark of corporate disclosure and commitment to farm animal welfare.

The 2021 BBFAW's methodology and scoring changes saw 36 companies, including Woolworths Group and Countdown, drop from Tier 2 to Tier 3. This is despite improving our overall scoring for the year - a reflection of the continuous improvements we are making with our suppliers. We will continue to collaborate with suppliers to improve and influence animal welfare best practice within our supply chain.

We are tracking key animal welfare metrics to provide evidence of the progress we have made, or still need to make, towards improved transparency and continuous improvement of our supply chain. We will publish an FY22 animal welfare report in early-FY23 to detail our progress. This welfare metrics table provides a snapshot of what to expect.

Egg-selent progress on cage-free

In late-FY22, we were pleased to go 100% cage-free for our own brand shell eggs. This is six months ahead of our commitment to achieve this by the end of the calendar year. We are also continuing to transition stores to 100% cage-free and now have 14 stores that do not sell any caged shell eggs (own brand or vendor brand), with another 10 to launch in July 2022. Throughout all stores, 52% (by volume) of all vendor brand shell eggs are now cage free, with a goal to be 100% by 2025.

Throughout FY22, we have also focussed on improving our data collection and analysis to help us develop a roadmap for transitioning egg as an ingredient in our own brand products to cage-free sources. Developing this roadmap will be a key focus in FY23, in particular working closely with our bakery team who use a large proportion of these eggs.



Seafood Sourcing Policy

In FY22, we published our [Seafood Sourcing Policy](#). The policy, which was developed after extensive external consultation a new requirement for New Zealand aquaculture suppliers to be participating in the New Zealand Sustainable Aquaculture A+ programme.

By requiring our aquaculture suppliers to participate in the New Zealand Sustainable Aquaculture A+ Programme, we can ensure the farms we source from are continuously improving

We also had an informal policy to not source whitebait, which we have now formalised in the new Seafood Sourcing Policy.

Project sees fish name added to Māori dictionary

In FY22, we introduced joint te reo Māori and English language labelling on all of our packaged New Zealand fresh seafood products.

In the process of translating the names, our project partner, Māori language advocate and co-founder of te reo Māori advocacy group Ōkupu, Paraone Glyone, discovered there wasn't a te reo name for Deep Sea Cod.

Through a recently signed partnership with the Te Aka Māori Dictionary, Ōkupu has special authorisation to add words to the official te reo dictionary, and Paraone had the honour of giving the Deep Sea Cod its new official te reo Māori name Moramora, which is adapted from its original scientific name Mora moro.

Moramora is now proudly displayed on our shelves throughout Aotearoa.

Own Brand Fresh Meat Welfare Metrics (beef, lamb, pork, salmon, eggs, chicken, milk)	2020/21	2021/22
Free from close confinement (e.g. cage free)	99%	100%
Environmental enrichment provided (e.g. pecking objects, litter and foraging material)	99%	100%
Pre-slaughter stunning	100%	100%
Ineffective stun	0.1%	0.01%
Journey time less than 8 hours	99.6%	100%

Goal 5



Responsible service and consumption of alcohol

100%

Success rate on police-led tests

91

Zero alcohol products in store

4,238

Team trained in Responsible Service of Alcohol

0

License(s) revoked/suspended (1 cumulative since FY20)

We aim to be an industry leader in the responsible retailing of alcohol products in our stores and take our responsibilities around the sale of alcohol very seriously. We also know that excessive alcohol consumption can cause harm and recognise that selling alcohol is a privilege and not a right.

So that we do the right thing by our team, regulators and communities, we have a range of policies in place, which our Alcohol Responsibility Manager works to enforce across our stores and wider business. This includes ensuring we are verifying age when making a purchase in-store, and online by way of ID checks. We're also committed to providing clear information to customers through on-pack labels, detailing calorie content, portion guidelines, and health warnings.

In addition to ensuring we are compliant with all the necessary legislation, our Alcohol Responsibility Manager also works to support stores and help address any question or concerns they may have around the sale of alcohol and with local government bodies as they process liquor licenses for new stores.

In FY22, there were no breaches of the Sale and Supply of Alcohol Act recorded against us, meaning since FY20 we have experienced one breach (in FY21), which was served without incident - our target is no more than five over five years.

Training our team

In FY22, we rolled out Responsible Service of Alcohol training to 4,238 of our Countdown team, who perform roles where they are required to approve alcohol sales. This included retraining for 3,200 team, newly certifying 1,600 team and 638 team gaining licensed controller qualifications.

We aim that 100% of our Age Restricted Goods trained team receive training on an annual basis - and in FY22 despite COVID-19 disruptions, we achieved 85 per cent.

Low-alcohol alternatives

To encourage responsible drinking, we stock low and zero alcohol beverages, which are seeing strong market growth in New Zealand.

We are recognised as a market leader by regulatory agencies and District Licensing Committees in this space, and now provide customers over 91 zero alcohol options, with our range increasing 7 per cent year on year.