

Kia pai ake | A better
te āpōpō tomorrow

countdown 

2021 Countdown Sustainability Report

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About this report

This is Countdown's 2021 Sustainability Report. Data is for the year ended 30 June 2021, unless otherwise specified.

Countdown has had a strong sustainability plan in place since 2007, and in 2020 we launched our new Sustainability Plan 2025. The purpose of this report is to set out our achievements and challenges for our New Zealand customers and stakeholders.

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 2021 Woolworths Sustainability Report please visit: www.woolworthsgroup.com.au



Kia ora koutou

During the events of the last year and a half, the world's focus shifted. Understandably, issues of public health, border closures and the economy took precedence. Now, as the world slowly gets used to the new normal, the focus is returning to the environment and how we can live more sustainably.

For our 19,000 team, who have been at the frontline of Aotearoa's COVID-19 response, the importance of continuing our focus on making things better for our people and our planet has remained clear.

In early FY21, we launched our 2025 Sustainability Plan, Kia pai ake te āpōpō - A better tomorrow. It sets out our clear and ambitious sustainability commitments and will ensure we can deliver on our purpose to make Kiwis' lives a little better every day.

As you will read in this report, FY21 has been a foundational year for this new plan. In some areas, particularly where we have seen a

continuation of work from our previous 2020 Commitments, we have already made some progress. We have continued to reduce our emissions, maintained our Rainbow Tick accreditation, raised and donated more funds than ever before to support our local communities and Kiwi families in need, delivered our first Green Star store and increased the amount of recycled and recyclable materials we use in our own brand packaging.

In other areas, achieving progress will be harder fought. Encouraging more Māori and Pasifika New Zealanders into leadership positions will require a step-change in how we approach

our hiring and training processes. Getting to our zero food waste goal will require us to not only change how we produce food, but also the introduction of innovations that will help us divert what can't be rescued. Making 100 per cent of our packaging sustainable will be difficult to achieve without government and industry working alongside us to improve Aotearoa's waste management infrastructure.

However, one thing is clear, taking action on these goals and commitments is a responsibility shared by every single person in our business. Over the last year, we've looked at how we can help our team working in our stores, our

distribution centres, and support offices to understand the role they have to play in helping us meet these goals. Whether the action is big or small, when it comes to creating a better tomorrow, every little bit helps.

Ngā mihi nui,

Spencer Sonn
Managing Director
Woolworths New Zealand

Tēnā koutou, tēnā koutou, tēnā koutou katoa

When it comes to sustainability, the inclination is to talk about our success in reducing our impact on the planet, and we're making great progress. However, fundamental to sustainability success is our people.



As the Government announced its plans to phase out problematic and single-use plastic in late FY21, it was pleasing to see which products we'd either already phased out, or had made significant inroads towards phasing out. We've continued to make considerable progress towards not only understanding our full emissions picture including scopes one, two and three, but also towards our 2030 target to reduce our emissions by 63 per cent compared to our 2015 baseline. We've also re-set how we talk about, take action on and reduce the waste our business generates - whether that's food or packaging.

While it is incredibly important to make progress on these issues, the safety, wellbeing and success of our people is critical to our ability to deliver the ambitious sustainability plan we set in FY21.

Whether it's our 19,000 team, the three million customers we serve each week or the communities we operate in, people remain an important pillar of our sustainability work. Over the last year, this has come more into focus as we continued to respond to the global COVID-19 pandemic. Our stores and store teams are a fundamental part of this success

and I am immensely proud of how they have continued to respond time and time again to such a quickly changing environment. However I'm mindful that this does come at a personal cost.

Over the coming weeks and months, looking after the mental health of our team will remain incredibly important - particularly as we continue to see increasing levels of verbal and physical abuse in our stores. This is an absolute priority of mine, as we look to build on the strong health and safety foundations we have laid over the last year.

Being a sustainable business comes from first having a sustainable, healthy and thriving team.

He aha te mea nui o te ao? He tangata he tangata he tangata.

Mauri ora,

Kiri Hannifin

Director of Reputation and Sustainability

Our guiding principles:

01

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

02

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

03

We have a positive impact on the planet

04

We apply circular thinking in everything we do

05

We embrace the power of partnerships to create change

Our goals:



People

- Goal 1** Be a truly inclusive workplace
- Goal 2** Invest in the holistic wellbeing of our team
- Goal 3** Create meaningful retail careers in the workplace of the future
- Goal 4** Activate ethical and mutually beneficial partnerships through the whole value chain
- Goal 5** Have a positive impact on our customers and communities



Planet

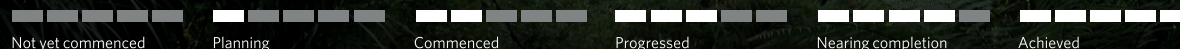
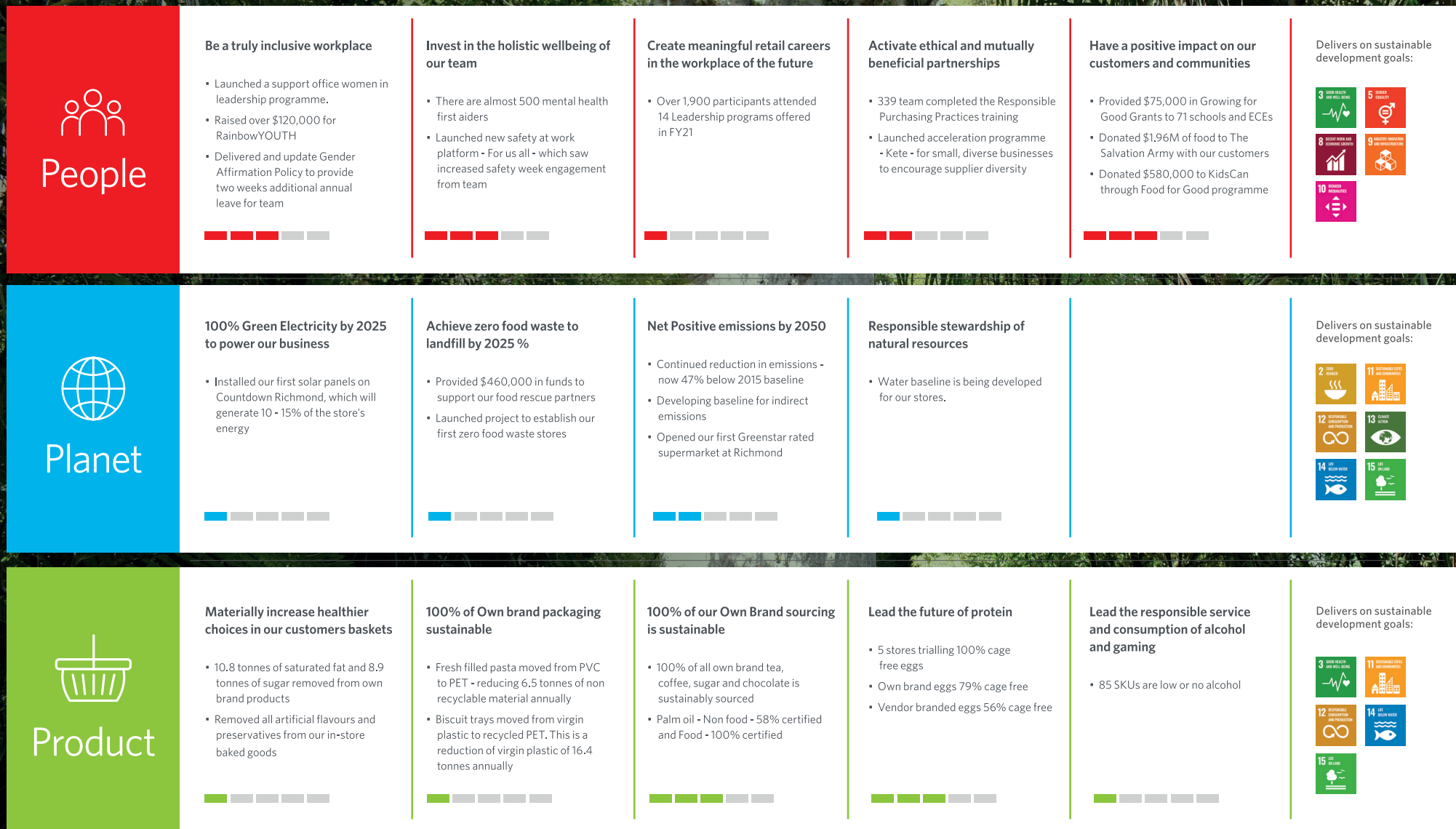
- Goal 1** 100% Green electricity by 2025
- Goal 2** Zero food waste to landfill by 2025
- Goal 3** Net positive carbon emissions by 2050
- Goal 4** Practise responsible stewardship of natural resources



Product

- Goal 1** Materially increase healthier choices in our customers' baskets
- Goal 2** 100% of Own Brand packaging is sustainable
- Goal 3** 100% of Own Brand sourcing is sustainable
- Goal 4** Lead the future of protein
- Goal 5** Lead the responsible service and consumption of alcohol

Our goals are underpinned by over 40 commitments



People

Building a better tomorrow for our people means demonstrating our care, creating a great place for our teams to work and paving their way to a brighter future. It means letting people shine, regardless of their gender, age, ethnicity, physical ability or sexual orientation. It means supporting our communities and working hand in hand with our suppliers to make sure every worker in our supply chain is treated with respect.



Sustainable Development Goals:



6%

Māori and pasifika representation



33

VOT engagement score. Decrease from FY20



100%

NZ produce suppliers engaged in our Responsible Sourcing Programme



\$8.8M

Community investment

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

Be a truly inclusive workplace



It's our responsibility, as one of the largest employers in Aotearoa, to make sure we're doing everything we can to make Countdown a place where our team and communities thrive. We remain focused on being an industry and business leader when it comes to delivering policies and practices that make Countdown an inclusive, safe, and welcoming place to work.

Aotearoa's population is incredibly diverse, but the lack of diversity in senior leadership positions across a broad range of industries and professions remain unchanged. Our role, as a business with a large and diverse team, is to lead the way in creating inclusive workplaces and providing clear pathways to leadership regardless of ethnicity, gender, age or ability.

Since launching our 2025 Sustainability Plan in early FY21, we have been working to develop a number of key baselines that will allow us to evaluate our annual progress more effectively. This includes collecting data to help us understand the ethnic make-up of our team as we look to meet our goal of 20

per cent Māori and Pasifika representation at Store Manager Level and above (which currently sits at 6 per cent) and working with the Accessibility Tick to develop our plan of action to make our business more accessible to both team and customers.

In addition to developing baseline data and action plans, we have continued to make inroads on our wider inclusion commitments to closing our gender pay gap, maintaining our Rainbow Tick Accreditation and supporting our rainbow communities, and ensuring our decision making is diverse through a gender balance in our leadership team. While we have not seen any lift in our women leader numbers, which remain at 33 per cent, we

will be tackling this target with renewed focus over the next year as we refresh and relaunch our Women in Leadership programme at our support office and in our stores.

The next 12 months will see us start to build on the baselines we establish and develop clear plans and strategies around the action we need to take as we work to meet our 2025 commitments. While some areas of this work will be straightforward, meeting some of these commitments will require long-term systemic change and investment.



Encouraging diversity in leadership

In late FY21, we announced that we would be offering a refreshed Women in Leadership programme for our support office team. This is in addition to the Women in Leadership programme that we have run for women working in our stores over the last four years.

The support office programme, which has been developed and delivered by our People and Culture team, explores issues that our team have told us are the most important when it comes to their development including: confidence building, developing a senior presence, how to influence people and decisions, and managing work and life. The programme is currently being tried and tested by a smaller group of women from across the support office, with plans to then open it up more broadly in FY22.



Keeping up the kōrero

As one of the largest employers in the country and with three million Kiwi customers each week, we're keenly aware of the role we can play in helping to revitalise te reo. Supporting events like Te Wiki o Te Reo Māori and Matariki (Māori New Year) and continuing to use te reo in our communications and in our stores are just some of the ways we can play our part to protect the Māori language and culture.



Following the success of a number of initiatives introduced during Te Wiki o Te Reo Māori (Māori Language Week), we have kept several in place for the long term, including in-store radio messages in te reo, Māori greetings and sign-offs in our customer communications and translated digital mailer headlines. These initiatives are in addition to the bilingual signage already in place in our stores throughout Aotearoa.

Supporting our rainbow communities

Over the last year, we have continued to support our rainbow team and communities and been recognised with Rainbow Tick accreditation for three years running. The certification process allows us to demonstrate to team and local communities that we are a progressive and inclusive organisation that reflects the communities we serve.

This year, we successfully raised more than \$123,000 for RainbowYOUTH to help support queer, gender-diverse, takatāpui and intersex young people throughout Aotearoa. This included a \$25,000 donation from Countdown to kick off the fundraising campaign. The funds raised will be used to hire a number of new team members to help deliver support to young rainbow people throughout the country.

We have also continued to support grass-roots pride events and organisations in Aotearoa including the Ponsonby Pride Parade, Auckland Pride and InsideOUT as well as providing \$8,000 in scholarships through the Rainbow Charitable Trust, to young Rainbow people starting their university studies.

Paid leave for Gender Affirmation

In late FY21, we announced an addition to our Gender Diverse and Gender Affirmation Policy to give team members up to two weeks paid and two weeks unpaid leave as they take the necessary steps to affirm their gender. Gender affirmation can be difficult and complex, often involving medical appointments, surgical

procedures and mental health impacts. By providing two weeks paid leave, we can give our team the ability to look after themselves without having to worry about missing work and the pressures that may come with that.



"We can't thank Countdown and its customers enough for the support they've given us since the start of our partnership - every single dollar raised means so much to us. Most importantly, it has shown just how many people across Aotearoa share our vision of making sure our rainbow young people have the awahi they need to not just survive, but thrive"

Pooja Subrananian, Executive Director
RainbowYOUTH



People

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

Goal 2

Invest in the holistic wellbeing of our team

SDGs



As a business that operates stores, distribution centres, meat plants and support offices, our health and safety challenges are incredibly varied. With the added complication of a global pandemic response, keeping our team, customers, visitors and contractors healthy and safe at all of our sites requires a comprehensive response that doesn't just prevent physical injuries, but supports positive mental wellbeing too.

Throughout FY21, as we have continued to respond to COVID-19 and related lockdowns, our health and safety response has shifted from being one focused on public health, to now focusing on the long-term impacts on the mental health of our team and addressing the increased levels of aggression they are experiencing while working in our stores.

Making sure our people get home safely at the end of their working day is critically important to us, and a responsibility that we take very seriously, because we know that having a team that feels safe at work is key to the success of our business. We have made

some inroads in changing our culture around workplace safety. However, the tragic and shocking stabbing of two customers and two of our team in our Dunedin Central store in late FY2 have been a clear catalyst for further change and has already seen a reset around how we deal with conflict in our stores.

Over the next year, we will be embedding further initiatives that will not only help to keep our team safe at work, but also encourage them to look after their mental health when they go home at the end of the day too.

Responding to rising aggression

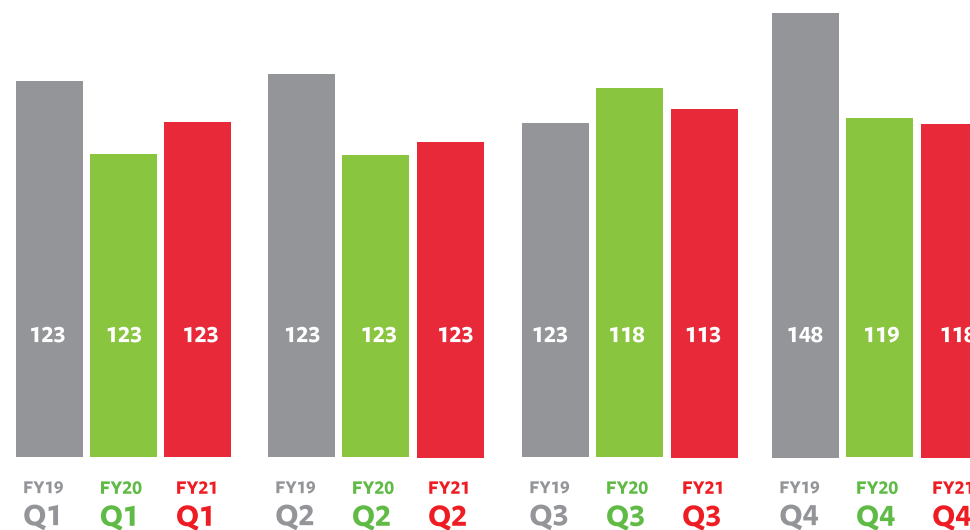
Verbal and physical aggression towards our team has become the biggest health and safety risk our business is facing, with increased levels of aggression being seen in stores throughout our network over the last 18 months. The consequences of this were seen following the tragic events at our Dunedin Central store in May.

In response, our business is taking a multi-pronged approach to keep our team and customers safe. We continue to work with industry bodies, emergency services, and government departments to reduce the impact of violent and aggressive behaviour in our stores.

In late FY21, we launched our very first Staying Safe Around Conflict Week, which involved changing how we talk about and deal with conflict in our stores. We are also actively exploring and trialling technology and initiatives already used by other organisations internationally to combat this issue, including body cameras, which we will trial in ten stores in early FY22.

Total Recordable Injuries (TRIs)

*reporting metrics changed in FY18 are not comparable





Investing in team safety

We have continued to invest heavily across our business, to ensure that our team have the right equipment for the job. This has included; additional electric pallet jacks to reduce the musculoskeletal force required to move pallets of stock, new and additional forklifts to safely and effectively unload trucks at our stores and blade stop technology on the bandsaws used in our South Island butchery departments to significantly reduce the risk of injury.

We've also been working to upgrade our fleet of more than 250 online delivery trucks to make them safer. These upgrades include remote communication systems and devices, in-cab camera technology and pendant alarm technology to raise an alarm in the event of an emergency.

Over FY22, we will continue to make improvements right across our business including the installation of fences and gates at all of our stores that currently don't have them to separate trucks and forklifts from our people moving about the back of the store and pallet push through protection in our distribution centres to drastically reduce the likelihood of a pallet falling from height.

Safety - For us all

To create positive engagement around safety at work, we launched the For us all platform in mid-FY21. For us all encapsulates the 'why' behind staying safe and was developed in consultation with our team from right across Countdown and has seen us shift from a compliance approach to health and safety, to one driven by care.

Since its launch, we have continued to build on and embed For us all into all of our health, safety and wellbeing activity and communications, particularly through our quarterly Safety Weeks. Our last Safety Week for FY21 had nearly 14,000 more team members engage in the week's activities on our internal Workplace platform than previous Safety Weeks, with feedback highlighting that messaging was more consistent and clear which helped our team understand key safety messages.

The campaign will continue to build over the next 12-24 months as we continue to evolve and engage our team in driving a positive safety culture together.

Changing our response to COVID-19

Our team has continued to work on the front line of Aotearoa's COVID-19 response. With more than a year of experience when it comes to dealing with COVID-19 and lockdowns, we are able to respond quickly and efficiently to changes in alert levels, implementing a range of physical distancing measures right across our business including signage, limits on customer numbers in stores, floor markings, store greeters and security, and protective equipment for our team.

While there is much more certainty in our response to COVID-19, the repeated efforts and commitment of our teams over the past 18 months has brought considerable fatigue, both physically and mentally. To tackle this new challenge, we are working with an independent fatigue specialist to review higher risk tasks and help us better understand our fatigue associated risks.

Mental health and wellbeing

Good mental health and well-being is the key to not only a happy team, but a safe one too.

Upskilling our team is an important step we've taken to ensure that our leaders are equipped with the tools to support other team members with their mental health, and helps strengthen our mental health capability across the business. To date, almost 500 of our team have attended Mental Health First Aid training and more than 4,000 team have attended suicide prevention training.

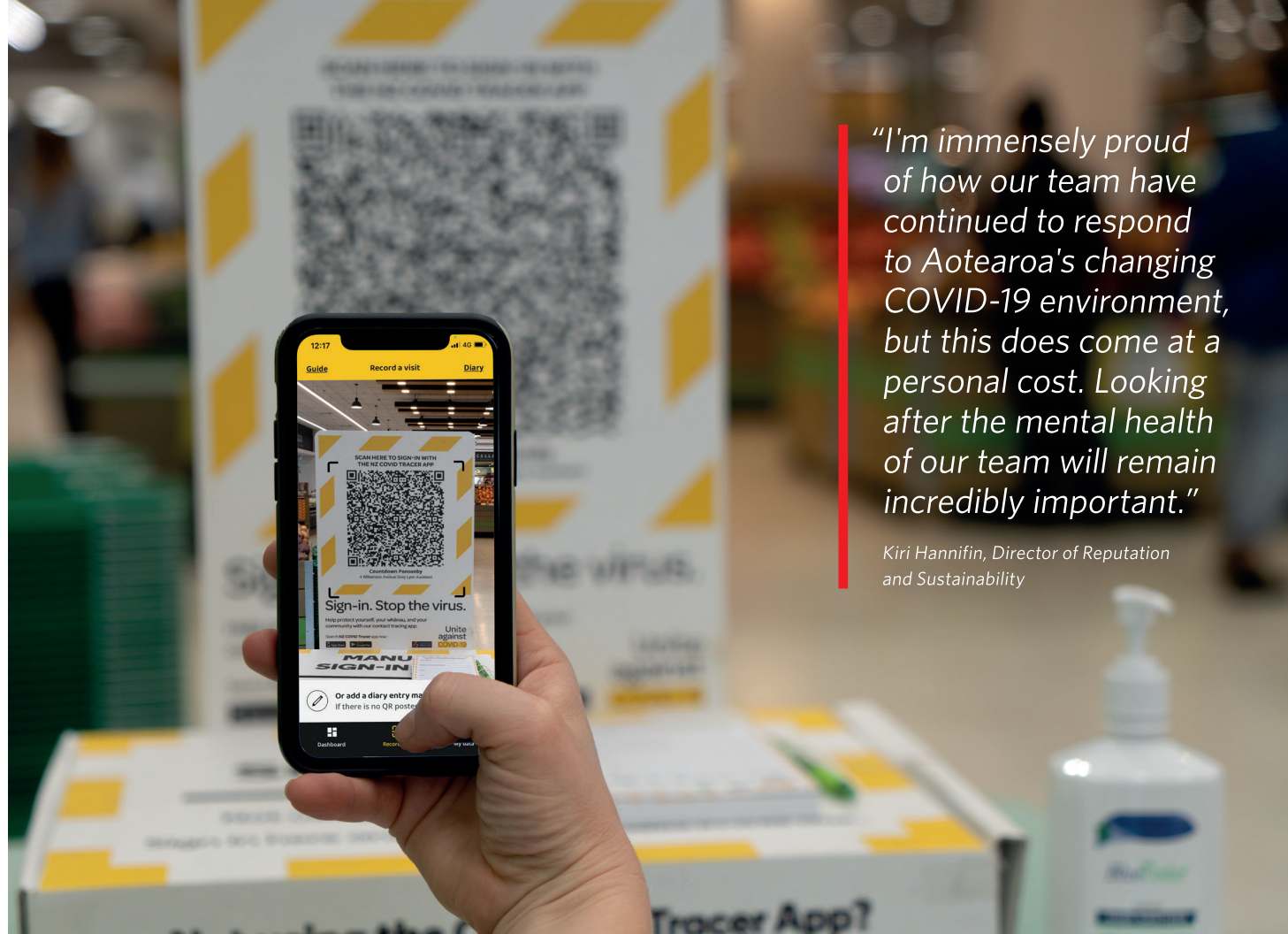
Over the next year we will continue to build our capability in the mental health space and will continue to embed a framework that provides the appropriate support for team as and when they need it. This includes making appropriate specialist resources available to provide support for our team when required.

Take a break incentive

Following the continued impact of COVID-19 on the health and wellbeing of our team, we put in place a 'Take a Break' incentive in early FY21 for all our team to encourage them to take much needed time off work.

"I'm immensely proud of how our team have continued to respond to Aotearoa's changing COVID-19 environment, but this does come at a personal cost. Looking after the mental health of our team will remain incredibly important."

Kiri Hannifin, Director of Reputation and Sustainability





We are having to adapt rapidly to a changing retail environment and that doesn't just mean developing and implementing new technology, it also means making sure we are building the workplace and the workforce of the future, today.



The days of only serving customers from bricks and mortar stores are long gone and we are seeing continued growth in our e-commerce business. Our role as a responsible employer is to make sure all our team can grow and upskill as our business does.

As New Zealand feels the flow-on economic impacts of COVID-19, we have a responsibility to not only provide meaningful, ongoing employment, but also to ensure our team and their families can continue to thrive. We want to create a working environment, supported by strong policies, that encourages young people and our wider

team to continue in our business pursuing fulfilling, challenging and exciting careers.

Throughout FY21, we have taken the opportunity to update and refresh our team learning offer for both our store and support office teams focused on leadership development, tackling unconscious bias and supporting diversity. We're also continuing to deliver programmes in our stores that help young people understand the incredible and varied career pathways they can take within our business.

Offering greater learning opportunities

A big part of preparing our workforce for the future is providing them with the tools and skills they need to become great leaders. In addition to our Women in Leadership programme, we have also taken the opportunity to update our learning offer to help us do this.

Over the last year, almost 2,000 of our team have self-registered and taken part in one or more of our learning offer programmes to help build leadership capability right across our business. Our most popular sessions to

date have covered topics such as challenging conversations, developing an adaptable mindset with buoyancy and resilience and development planning for team members.

As we look to hire team right across our store, distribution centre and support office network, there has also been a strong focus on building our talent acquisition and hiring processes. By doing this, we can be sure we're looking for and hiring the right talent to take on roles with our business.



Store Managers in Training

Our Store Manager in Training (SMIT) programme has continued to be a great success for both our business and our team looking to take on the challenge of managing one of our stores. Over the 12 month programme, potential Store Managers work as relief managers in other stores, giving them the opportunity to upskill in areas where they have less experience and prepare them to take on a store of their own. In FY21, eight attendees were promoted into store manager roles after completing the programme.

“The SMIT programme was really helpful in preparing me to manage my own store. In the short time since taking the role running Countdown Pakuranga, I've already been able to put in place a lot of what I learnt!”

*Ashlee Rutherford, Store Manager
Countdown Pakuranga*

Supporting our emerging talent

In FY21, 130 of our store team took part in our Emerging Leaders programme, which aims to help team who have been identified as having the potential to progress in our business to upskill and take on leadership roles. The programme, which is linked to an NZQA qualification in business, has seen a number of our team successfully transition into department manager roles.

Gearing up for graduates

Over the last five years, we have run our Countdown Graduate Programme, which has seen groups of recently graduated university students work across a range of departments and projects as well as developing their skills in areas related to their own career interests.

In early-FY21, we made the decision to put recruiting new graduates for this programme on hold for the 2021 calendar year to allow us to assess how the programme is working. We want to ensure it has a clear purpose, supports our work to develop talent within our business and also attracts a diverse and passionate group of graduates to start their careers with Countdown.

As part of this work, we have also been looking at how we can provide strong leadership and career pathways for Pasifika and Māori team working in our stores and are investigating potential partnerships to help us do this. We are in the process of finalising these plans and hope to welcome new graduates into our business, and deliver an internal campaign for our existing team, in mid-FY22.



Developing customer first champions

Over the last year, we have been working to build the capacity of our supply chain team and ensure they are well-prepared for any changes to the industry in the future. Our Customer First Champion foundational programme is delivered to all team members and provides the initial steps on our teams' journey to becoming recognised as internal experts in the retail and supply chain industry. So far this programme has been rolled out to our Christchurch Distribution Centre team and will be rolled out to our Auckland and Palmerston North Distribution Centre teams in the first half of FY22.

We embrace the power of partnerships to create change

Activate ethical and mutually beneficial partnerships through the whole value chain



Kiwi suppliers are a fundamental part of our business and we're proud of the positive working relationships we have with them. We are a nation that produces some of the best food in the world and we want to see that continue well into the future.

A big part of that is helping to give our suppliers the confidence to grow their business, knowing that they have a long-term partner. We want to help them adapt to changes in consumer behaviour and changes to our planet. Over the last year we've stepped up our supplier engagement strategy to develop even more meaningful and mutually beneficial relationships with our 1,400 supply partners. We remain focused on continuing to work together to grow our businesses and deliver our customers outstanding and innovative products. Whether a supplier is big or small, is selling their products in only one or all of our stores, we want to make them feel valued.

We also want workers right throughout our supply chain to feel valued and respected, and that means doing everything we can to uphold and promote human rights and fair work conditions in our supply chain. We know Kiwis want everyone to be treated fairly for their work and our Responsible Sourcing Programme continues to help us to make sure we're doing that. We already have 622 direct suppliers engaged in this Programme, including all of our New Zealand produce suppliers.

We have continued to solidify our position as a national industry leader when it comes to responsible sourcing and human rights compliance through our own supply chain and our ongoing engagement with government and other key stakeholders.

Supporting our suppliers

To help us build even stronger relationships with our suppliers, we have taken the opportunity to increase our communications with each of them throughout FY21. This has included face to face events, utilising social media more effectively, sending regular email updates and relaunching our supplier newsletter - The Lowdown. The different channels all work together to make sure our suppliers have a clear understanding of what Countdown is focused on, where there are opportunities for collaboration and generally understand what is happening in our business.

We also take the opportunity to hear from our suppliers too, through our two-monthly Voice of Supplier surveys. These surveys allow our suppliers to tell us how well we're supporting them and where there are opportunities to do better. Over the last year, these surveys have indicated our suppliers trust us and have given us a good understanding of where we can improve further. This has included big things like bringing our suppliers closer to our category strategies and developing more joint business plans, as well as smaller changes like having more frequent, online catch ups rather than trying to find time in person.

In June, Countdown was rated as the top supermarket operator in the Advantage Insights annual supplier sentiment survey for the second year running. Over 400 suppliers participate in the survey with representation from all supplier segments. Countdown achieved the top ratings in all performance areas - partnership, execution, reputation and vision.



Case study:
Seeing suppliers
through the storm



We depend on our growers and farmers to keep our stores full of the healthy and delicious produce that our customers love and we know that our growers depend on us to support their business growth and give a helping hand when needed.

For Peter Hansen, who has been growing apples and pears since 1993 and supplying fruit to Countdown for the last 13 years, a hailstorm on Boxing Day 2020 saw him reach out to our team to see how we could help.

Peter's crop was badly damaged, making a significant number of his apples and pears unsellable locally and overseas. Working in collaboration with Peter, we were able to put together

"Our outlook was pretty grim after the Boxing day storm. By working with Countdown, we were able to temporarily change the fruit specs and increase the Odd Bunch Pear programme, recovering a significant proportion of these crops and still delivering a good eating and visually acceptable piece of fruit for customers. Thank you to Glenn and the Countdown team for their assistance and support given through some difficult times."

Peter Hansen, Midland Packers

a plan to help him get through this incredibly difficult time. We maximised our Odd Bunch Pears programme and updated our loose fruit specifications, so that we could take as much of Peter's crop as possible. We also put signs in store to help customers understand

why their pears may look a little different this year.

It's been a hard few months for Peter, but by working together we've reduced the financial strain and food waste impact as much as possible.

Kete: feeding Kiwi innovation

To help small, diverse businesses to find a place for their products on our shelves, we have been working to develop a brand new accelerator programme - Kete, which will launch in early FY22. The Kete accelerator is focused on helping encourage a more diverse supplier base in Aotearoa, including businesses owned by Māori, Pasifika, youth, women, LGBTQIA+ people and people with disabilities.

Kete will empower up to five small and diverse businesses to achieve their own version of success through a 12 month programme of support from our business, which will include customer marketing support, access to our customer insights, product development and manufacturing support, and mentorship from experts across our business.



A focus on: Modern Slavery

We have continued to establish our position as a national industry leader on human rights and modern slavery related issues and have also worked to support the wider Woolworths Group as it published its first Modern Slavery Statement under the Australian Modern Slavery Act in early FY21.

We have actively engaged with government around our own Responsible Sourcing Programme. In March, we presented at the Ministry for Business, Innovation and Employment's (MBIE) Tango i Te Kaupae Muri Conference, alongside other businesses and organisations working together to prevent worker exploitation in Aotearoa. We have also been invited by the Workplace Relations Minister, Hon. Michael Wood to contribute to a government inquiry into whether New Zealand needs Modern Slavery legislation. Countdown signed a petition, alongside almost a hundred other New Zealand businesses in support of this move. We have again contributed to the Woolworth Group's Modern Slavery Statement, which will be reported in early FY22.

Investigations, breaches and corrective actions

Our Responsible Sourcing Programme uses risk assessments to determine the level of supplier due diligence and compliance monitoring against our Responsible Sourcing Standards. For some suppliers, we require social audits. We use the outcomes of these to assess the supplier's performance and as the basis for agreeing any follow-up or corrective actions that might be required. We also have various grievance channels that can be used to raise concerns or issues and these are then investigated.

Over FY21, seven investigations were completed in response to alleged breaches of our Responsible Sourcing Standards. To support us in responding to these breaches, we introduced Management Action Plans.

Key metrics for FY21

339 Team have completed Responsible Purchasing Practices training

1 Case of cease trade with a supplier due to non-compliance with Responsible Sourcing requirements

217 Audits reviewed

7 Investigations

These are where we directly engage with the supplier to assess the root-cause of the breach and identify corrective and preventive actions to resolve this.

These actions can include correcting any underpayments to workers, strengthening the effectiveness of worker grievance mechanisms, and working with suppliers to develop their own grievance policies and procedures and communicating these to their workers.

Each of the seven investigations carried out in FY21 resulted in Countdown's Responsible Sourcing team working closely with the supplier to develop agreed corrective actions to resolve the issues identified. Two cases involved repayments to workers with the repayments totalling \$21,699.17. For one manufacturing site unable to complete the corrective actions this resulted in ceasing trade with them.

Strengthening our facilities management controls

An updated risk assessment of non-trade and operational services identified a number of human rights risks for our cleaners and trolley collectors. These risks primarily relate to the higher portion of immigrants, unskilled workers, and other vulnerable groups, who may be less aware of their rights, working in these roles. There are also often high rates of subcontracting, where there is often less visibility of how workers are being engaged. These factors make workers in these categories more susceptible to exploitation.

To minimise these identified risks, we increased our controls by partnering with the Building Service Contractors New Zealand Ltd (BSCNZ) to require all cleaning and trolley collection suppliers to be certified BSCNZ members, which includes complying with BSCNZ's Code of Practice, undertaking social

audits and applying collective employment agreement conditions. This compliance gives our business confidence that our suppliers are complying with labour laws.

Supporting Responsible Sourcing

We have continued to work closely with NZGAP, the certification arm of Horticulture New Zealand. In December, we supported the launch of the NZGAP Social Practice Add-on module, a new social audit scheme available for New Zealand produce suppliers to demonstrate their compliance with our Responsible Sourcing Standards. The certification incorporates both New Zealand employment law and international best practice, and enables growers to be recognised for good social practice. NZGAP has also developed a Standard for Contractors that provide contracted labour to the horticulture sector, which works in alignment to the Social Practice Add-on module. Sixty seven per cent of direct New Zealand produce suppliers have chosen to use this scheme to demonstrate compliance with our Responsible Sourcing Standards.

In recognition of the increasing number of social audits we are requiring in Aotearoa, we also offered an eight week Verité Social Auditor course to help increase local social auditing capacity. Verité has over 25 years of experience in conducting comprehensive and worker-centric social audits. The course provided the competencies necessary to successfully perform social audits. Twenty two participants passed and received certificates for completing the course.

Case study:

Produce suppliers' practices perfected



“While we were very disappointed to find breaches on our site, we’re pleased we were able to facilitate the workers being paid correctly. We had simply trusted the labour hire provider to do the right thing. We now realise this wasn’t enough to protect these workers.” Perfect Produce

Through an Employment New Zealand Labour Inspectorate investigation, a labour hire provider company operating at one of our direct suppliers’ sites was found to be in breach of employment and immigration law, with workers on visitor visas and some not being paid minimum wage or correct holiday pay entitlements.

Unfortunately, our supplier, Perfect Produce, hadn’t exercised sufficient due diligence to make sure the labour hire provider was following the law. To help, we investigated the root causes of the breaches and worked with our direct supplier to develop a Management Action Plan to resolve the issues.

Through the Management Action Plan the supplier:

- Restituted underpayments to workers
- Established a protocol to ensure we are notified of investigations and prosecutions that identify actual or alleged breaches of employment or immigration law
- Assessed the effectiveness of their grievance mechanisms
- Developed and published their own formal grievance policies and procedures, utilising Woolworth’s Supplier Guidance on Developing Grievance Mechanisms and engaging an employment lawyer for advice
- Communicated their new grievance policy to their direct and indirect workers
- Put up SpeakUp posters around the site
- Enhanced their labour hire provider contract to require:
 - Notification if they come under investigation by the Labour Inspectorate or Immigration New Zealand, or have a case taken against it in the Employment Relations Authority or Employment Court
 - Written employment contracts be provided to all workers
 - All workers hold entitlements to work in New Zealand
 - Remuneration of workers meets statutory pay entitlements
- Completed a GRASP audit with full compliance.

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

Have a positive impact on our customers and communities



Being in the business of food in Aotearoa is a privilege. We're proud to be an employer of 19,000 hard-working Kiwis, a part of 184 communities, and an organisation that works closely with local farmers, growers and businesses big and small to feed the three million customers who shop with us every week.



\$75,000

in Growing for Good grants donated to Kiwi schools and ECEs in FY21

Our role in our communities is much more than providing a place for people to buy their groceries - it's about playing an active role in supporting that community to thrive. Throughout FY21, we have continued to invest in and support causes that we know will have a positive impact on generations to come. Whether that's supporting our long-standing community partners like The Salvation Army and KidsCan, investing in our food rescue partners or providing grants for schools and Early Childhood Education centres to support the next generation of

budding environmentalists, we're living up to our purpose to make Kiwis' lives a little better every day.

It's also about keeping our customers, partners and the community safe too. We actively monitor safety right across our business each and every day. As a business that has continued to be on the frontline of COVID-19, we are proud of the steps we have taken to keep our team and customers safe - often at a moment's notice. Because of this, we have built a reputation as a business that makes safety a priority.

Growing for Good Grants

Countdown has continued to encourage young Kiwis to take on sustainability focused projects and initiatives and inspire the next generation of environmentalists through our Growing for Good Grants. More than 500 applications were received for grants this year, with a record \$75,000 awarded to 71 schools and Early Childhood Education centres throughout the country.

Successful projects included building weka-safe chicken coops for rescue chickens in Nelson, restoring a vegetable garden following extensive flooding in Napier, and turning an old swimming pool into a community maara kai in Wairoa.

Food for good.

and its customers an opportunity to help feed those facing food insecurity. More than \$280,000 worth of food was donated by customers through The Foodbank Project and in store. We matched this donation, bringing it to a record breaking total of \$560,000, enabling The Salvation Army to feed thousands of Kiwi families.

Our annual Christmas Appeal for The Salvation Army, was also the most successful to date, with \$516,000 of food donated through The Foodbank Project as well as in store donations. In addition to this, we donated \$120,000 to help with the increase in demand of food parcels at Christmas.

"The donations from Countdown and its customers over the last year have meant our foodbanks can continue to run and help those who have been impacted most by decreased incomes in the past year. We've distributed 113,000 food parcels in the past year, and we simply couldn't have done that without this support."

Jono Bell, The Salvation Army's Territorial Community Ministries Director

Using our Food for Good

After establishing our Food for Good Foundation in late FY20, we have continued to use it as a platform to provide meaningful and long-lasting support to our communities, give all Kiwis the opportunity to thrive, and help to build a stronger, healthier Aotearoa for future generations.

Throughout FY21, we have continued to support a number of charitable organisations and causes, whether it's fundraising for The Salvation Army, providing grants for local schools and ECEs to undertake sustainability initiatives, supporting our food rescue partners, providing store level support for community events, or just lending a helping hand to a family in need.

In late FY21 we undertook research with our team to understand what community causes and issues they feel passionate about to ensure that our Food For Good Foundation could be used in a way our team felt strongly about. This will shape our fundraising strategy moving forward.

Food for Good for The Salvation Army

In the wake of the COVID-19 pandemic many Kiwis found themselves relying on the support of foodbanks for the first time. Recognising this, the first fundraising effort under our new Foundation was the 2020 Winter Appeal for The Salvation Army, providing Countdown

\$1.96M

worth of food donated by Countdown and customers to The Salvation Army in FY21



Food for Good for KidsCan

In the wake of Aotearoa's first COVID-19 lockdown, KidsCan saw a 40% increase in demand for their support in schools and ECE's with teachers reporting more children than ever arriving at school without enough to eat for the day. With the help of our amazing customers and team, we raised more than \$580,000 to help KidsCan feed hungry kids across Aotearoa through the 2020 Food for Good Appeal for KidsCan.

The seven week campaign to raise both money and food was a game changer for KidsCan, and meant they could expand their early childhood programme to include more than 200 low decile ECEs, helping make sure our littlest Kiwis get the start they deserve with nutritious meals. Countdown has partnered with KidsCan on their early childhood programme and since 2018, together we've been able to deliver nearly

one million fresh and nutritious meals for kids under 5 in ECE's across Aotearoa.

Retailers against racism

In early FY21, we became one of a group of leading New Zealand retailers to join forces and take a stand against racism in their retail stores. The 'NZ Retailers Against Racism Pledge' signals the ongoing commitment of signatories to proactively addressing racism and other forms of abuse their teams might experience in their place of work. The pledge was released in time to support the New Zealand Human Rights Commission's Give Nothing to Racism campaign and was signed by other large retailers.

\$580,000

raised to help KidsCan feed hungry Kiwi kids in FY21



Countdown calls it what it is. Period.

In late FY19, we became the first supermarket retailer in the world to call products like pads, tampons and menstrual cups exactly what they are across our online shopping platform, re-naming the 'personal care and sanitary products' and 'incontinence products' categories to 'Period and Continence Care'. Throughout FY21, we have rolled this change out across all our stores as part of our continuing work to help normalise the language around periods and continence and remove the stigma that many Kiwis face for what are very natural parts of life.

Restricting the sale of paracetamol

Following a report from the coroner in early 2020, which recommended a limit be introduced to help reduce the risk of overdose, Countdown stores nationwide placed a limit on the sale of paracetamol and items containing paracetamol to one pack per customer,

Paracetamol is the country's most popular medicine, with about three million prescriptions written and more than 50 million tablets used a year across Aotearoa. Whether accidental or intentional, there are significant and sometimes tragic consequences of overdose. Limiting the sale of paracetamol is an important way to help reduce this risk.

Planet



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

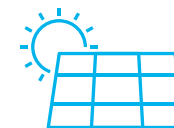
It means going further than just limiting negative impacts, but actively finding and creating positive benefit too.

Sustainable Development Goals:



9%

reduction in Scope 1 and 2 emissions



15%

of Richmond store power is solar generated



7,623T

of food waste diverted from landfill



1st

Green Star rated store

Responding to a changing climate

Aotearoa produces some of the best food in the world and we want to ensure that continues for our future generations. Climate change has the potential to significantly alter our landscape and threatens our ability to grow the products Kiwis know and love.

We recognise that our actions contribute to this changing climate and we have a responsibility to make sure we are doing our part to safeguard the future of these products alongside our suppliers.

Over the last year alone we have seen floods in the South Island, droughts in the North Island, severe thunderstorms and hail, and other extreme events which are starting to disrupt our way of life more frequently. For our business that means significant disruption to our supply chain, products out of stock due to weather damage, and suppliers facing increasing uncertainty.

In late FY21, the New Zealand Climate Change Commission released its first advice to the Government detailing the paths Aotearoa can take to meet its climate targets. Significantly, the advice recommended reducing emissions by 5.4 million tonnes annually for the next four years, compared to 2019. The Commission's advice also made clear that action sooner rather than later was the best way to tackle the impacts of climate change.

For the long-term survival of Aotearoa's environment, of food-focused businesses like ours, and the very way of life we enjoy here in New Zealand, responding to climate change is something that we absolutely have to do. And we have to act now.



New Zealand required
to reduce emissions by

5.4M

tonnes annually for the
next four years

Climate risks and opportunities

In September 2020, New Zealand became the first country in the world to introduce legislation to make disclosures around the financial impact of climate mandatory for some businesses. While we won't be covered by this legislation, we support the continued transparency around how businesses are responding to climate change. To that end, we have set out our progress and the work we have been doing on climate risk in our own business in line with the recommendations of the Task-Force for Climate Related Financial Disclosures (TCFD), which come under four key headings: Governance, Strategy, Risk Management and Metrics and Targets.

The Woolworths Group Board is responsible for overseeing the management of risks, including those related to climate change. The Risk Committee and the Sustainability Committee support the Board in this function by performing reviews of Countdown's material risks, sustainability risks and its risk management policy and framework. Both Committees meet on a quarterly basis.

At an operational level, Countdown's Executive Leadership team is responsible for assessing and monitoring climate-related risks and opportunities.

Climate risk management

We identify climate related risks and opportunities through our risk management process, in line with our Enterprise Risk Management framework. This framework sets out the requirement for consistent identification, assessment, escalation, management and monitoring of risks across the business.

Climate change has been identified as a material business risk and is included in our Risk Register and it is defined as: *'increased challenges arising out of climate change such as disrupted supply chains, physical damage to assets, changed market demand, or financial risk management laws'*

Identifying climate risks

In mid-FY21, we began working to identify our climate risks. These include:

Physical risks - rising sea levels, drought, flooding and extreme weather events.

Transition risks - food security and financial, operational, reputational.

Litigation risks - legal and policy.

Governance



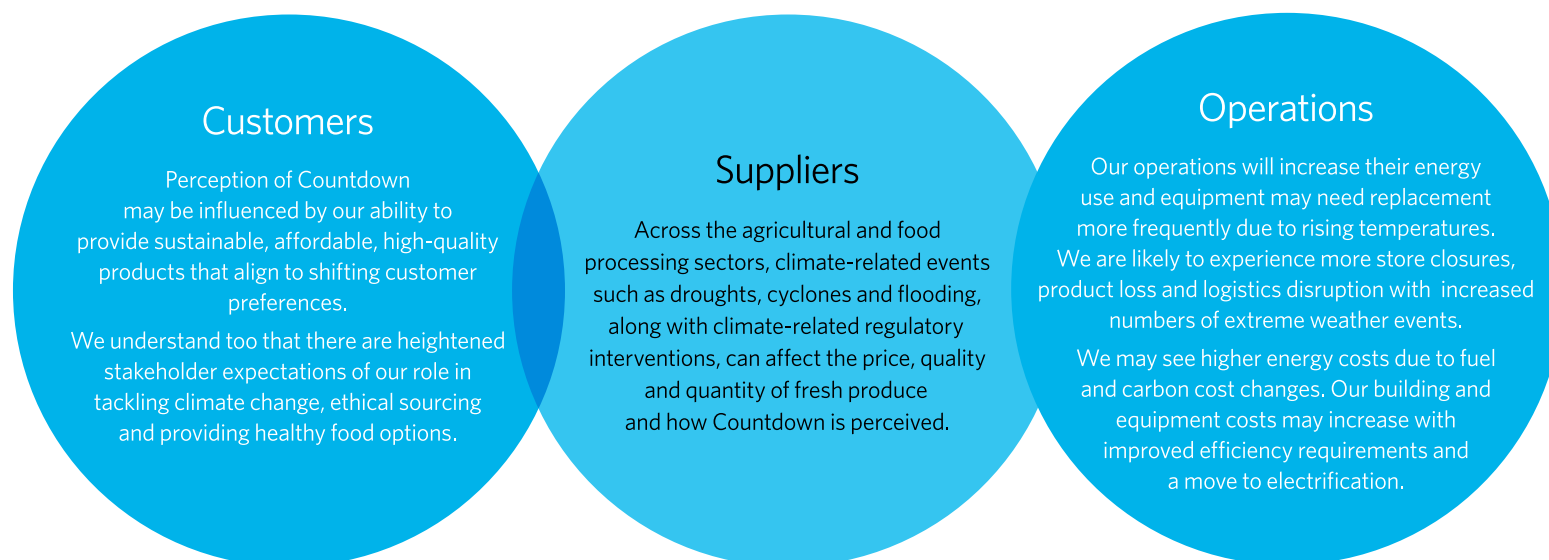
We have performed a series of workshops with different parts of the business to understand which climate risks they consider relevant to their area of work. Through our work to understand and document the current controls and processes we have in place to mitigate those risks, we have identified a number of gaps which we are in the process of addressing.

While we are in the early stages of this work, we are acutely aware of how it can provide a clear and strategic framework to our ongoing climate change response. This will be especially important as we work to meet our goal to reduce our emissions by 63 per cent by 2030 against a 2015 baseline.

Climate risk themes and business impact areas

Climate themes	Potential risk	Mitigation and opportunity
Food security	Obtaining and supplying certain products becomes challenging	We will strengthen and diversify our supply chain and identify products that could be grown locally.
Physical	Our operations are susceptible to extreme weather events such as flooding and drought. This can lead to increased product damage and stock write-offs.	We will assess the use of climate modelling and mapping to assess the risks to physical assets and help us plan for extreme events.
Market	Changes in resource prices and demand for products and uncertainty in the market.	We will closely monitor the market conditions and changing systems alongside changes in consumer behaviour.
Technological	The delayed adoption of new technologies in our facilities will reduce our competitiveness.	We will investigate new initiatives for optimising efficiencies such as innovative renewable energy installation, batteries and renewable energy procurement.
Reputational	Customer expectations for corporate behaviour are higher than ever and demand social responsibility. A poor reputation on climate can hurt sales through consumer boycotts or local community protests.	We will continue to actively engage with our stakeholders and improve our disclosure on climate-related risk management. We want our existing and future commitment for climate action to be effectively communicated.
Policy & Legal	New legislation or policies may impact the carbon price, increase our potential exposure to litigation, create new requirements that may result in fines for noncompliance.	We will actively engage in helping to shape government policy.

We understand that there are a range of climate-related risks which impact our business in different ways. Given the breadth of impacts across our business we have summarised them into three business areas as follows:





In Aotearoa, approximately 80 per cent of our electricity is produced from renewable energy sources including geothermal power and hydropower. While we are lucky to have such an incredible resource, it's important that we use it wisely, and continue to work towards 100 per cent of our electricity being renewable and reduce the greenhouse gas emissions that non-renewable energy generates.

For our business, that means not only making sure we are doing things like using more energy efficient fixtures and fittings like LED lights in our stores, but also working to find alternative and less intensive ways of generating energy in the first place.

In FY22, we will be looking into the feasibility of wind and solar energy opportunities at our sites. This work will consider the feasibility of putting in this kind of infrastructure across our sites. While these types of alternative energy

opportunities may not be cost effective at every store, we are hopeful that this study will give us a clear view of where some positive changes could be implemented to help us reach our 100 per cent renewable energy by 2025 target. To support this work, we have also established a working group to understand how we can achieve our broader green energy target, including potentially investing in renewable energy projects in New Zealand.



Richmond store first to try solar energy

In late FY21 Countdown Richmond, our very first Green Star store, also became the first site across our network to have solar panels installed. The solar panels on the roof of the building's Green Star accreditation, but will also contribute around 15 per cent of the power needed to keep the store running.

While this is our first site to have solar panels installed, we are already looking at further opportunities to introduce these on other sites in the future.

RE100 renewable energy initiative

In FY21, we joined the global RE100 renewable energy initiative as part of our public commitment to be powered by 100 per cent renewable energy by 2025. RE100 brings together the world's most influential businesses to work towards achieving 100 per cent renewable energy and is led by international not-for-profit organisations Climate Group and CDP.

As part of our membership of RE100, we are required to report on our progress towards achieving our 100 per cent renewable energy target. This data, which is collected from all members, provides the insights on corporate renewable electricity sourcing and demand which are then used to inform RE100's policy work globally.



We're working to eliminate surplus food, food waste or lost food right throughout our supply chain – from farm to fork.



Meeting our target of zero food waste to landfill by 2025 requires an holistic approach. It's about changing and challenging our own production and waste processes where we can, diverting any safe and edible food away from landfill and into the helping hands of our food rescue partners, and continuing to work with independent experts, central and local government to make sure our waste systems are fit for purpose.

Over FY21, we have continued to provide investment that ensures our food rescue partners are set up for long term success. Not only is this the right thing to do given the widespread food insecurity we face as a country, but it also means they are set up to help us with our zero food waste to landfill goal.

With improving waste infrastructure, more composting opportunities available to stores,

and our increased support of food rescue partners to collect perishable food, we've seen the amount of food being diverted from landfill increase by 21 per cent in FY21.

Delivering our first zero food waste store

In late FY21, we began a project that we hope will deliver our very first zero food waste store. The project, called Using Food for Good, is being run across two of our Auckland stores - Countdown St Johns and Countdown Manukau Mall, which each have differing store sizes, communities and levels of team engagement around waste and food rescue.

The project will see us identify food diversion opportunities in each of the stores, develop

initiatives that will help us capitalise on those opportunities, and then test the success of those initiatives. By running the project across the two different stores, we can evaluate how each of the teams respond to the initiatives and look at which of these could be rolled out right across our network of stores.

To get this project off to the right start, thorough waste audits were conducted at the two trial stores in late FY21. These audits will provide the baseline on which we can measure the success of the food waste reduction initiatives this project will trial. The most successful of these initiatives will be incorporated into a full store reset programme delivered by the end of FY22.

Food rescue partnerships

One of the ways that we aim to reduce food waste throughout the supply chain is by identifying options to optimise food rescue. That is, using surplus, fit for consumption food to feed people who are vulnerable in New Zealand, by supporting and collaborating with high quality food rescue organisations. We're committed to enhancing and expanding food rescue relationships within our stores, but also helping to establish a strong network of support for our food rescue partners.

In FY21 we provided more than \$460,000 worth of funding to food rescue organisations to enable them to help us achieve our goal of zero waste to landfill by 2025. This funding helps to provide support to our partners to enable them to collect as much food as possible from our stores.

Countdown and KiwiHarvest

To support our work towards our zero food waste goal, in early FY21 we teamed up with KiwiHarvest to expand their service and ensure that every single one of our Auckland stores has a perishable food rescue partner.

So far we've invested \$240,000 in this pilot with KiwiHarvest, which sees a dedicated Countdown truck and relationship manager work with 40 of our stores across Auckland to ensure that as much food as possible is donated. On average, a huge 20,000kg of food is now donated to Kiwi Harvest Auckland each month.

Countdown has proudly partnered with Kiwi Harvest since 2015, when it began collecting fresh produce from seven Auckland stores to distribute to people in need.



"It's been a big challenge over the last year for KiwiHarvest to meet the increasing demand we've seen for our services. Our partnership with Countdown is crucial to us being able to meet that demand - particularly across Auckland, where we're now able to collect quality surplus fruit, vegetables and meat from 40 stores. Our partnership is truly collaborative and built on a shared understanding of working towards zero food waste and helping feed hungry Kiwis - it really is a win,win."

Gavin Findlay, KiwiHarvest CEO.



Food Rescue Summit

We're committed to ensuring that New Zealand has a sustainable food rescue sector that keeps food waste out of landfill and helps feed those who need it most. As one of the biggest contributors to New Zealand's food rescue sector, we understand the importance of strong, collaborative relationships. We're proud to be leaders in this space and were pleased to again bring all of our partners together in mid-FY21 for the 2021 Countdown Food Rescue Summit.

This Summit was particularly significant as it not only marked the launch of the Aotearoa Food Rescue Alliance (AFRA), but was also the first time since 2019 that our food rescue partners were able to meet due to COVID-19. The summit provided an opportunity for our partners to discuss shared challenges and goals, and an opportunity for our business to talk through our zero food waste goal and the significant role our partners will all play in helping us achieve it.

Funds help keep things cool following fire

Our West Auckland-based food rescue partners, Fair Food, used funding they received from us to purchase a new walk-in chiller and freezer when they moved into their first permanent home in mid-FY21. The new set-up has allowed them to collect even more food from our stores, which was particularly helpful when they were called in to take all safe and fit-to-eat food from our Henderson store following a fire in late FY21.

The fire caused significant fire, smoke and water damage to the store leaving plenty of food that could no longer be sold, in need of rescue. Fair Food mobilised their food recovery crisis response plan and team, and quickly accessed the store to recover food, load up their refrigerated trucks and deliver most of the recovered items straight to their partner blast freezer facility in Ranui for immediate storage. The remaining perishable items were delivered to the Fair Food Hub in Avondale where all rescued food was hand-sorted, date checked, logged and then sent out to recipient charity groups within 24 hours.

"As with the COVID-19 lockdowns of 2020, the Henderson fire food rescue was another epic example of collaboration between Countdown, Fair Food, local businesses, volunteers and the community, who mobilised and rallied to ensure a swift win-win solution for all impacted, including the planet. It was also arguably a wake-up call for the insurance sector at large that food rescue is a robust, sustainable and viable solution and alternative to dumping good food."

Veronica Shale, Executive Director Fair Food



23%

increase in food rescued
and donated in FY21

Supporting the Aotearoa Food Rescue Alliance (AFRA)

We supported the launch of AFRA in mid-FY21. AFRA supports the food rescue sector in New Zealand by building capacity in food rescue organisations, as well as encouraging collaboration within the sector to have greater impact. Given the role we've played to help build the food rescue sector in New Zealand, we're very supportive of the role AFRA has to build a sustainable sector.

Managing our waste

To allow us to progress towards our waste related targets, particularly our zero food waste to landfill target, we established a new role - a Resource Recovery and Waste Reduction Manager who began with our business in mid-FY21. The creation of this role has already allowed us to apply much more concentrated support towards our waste management and will be integral to our waste reduction efforts.

To date, this role has primarily focused on finalising our new waste management contract, ensuring it meets the needs of our various sites and will support our broader waste minimisation efforts. Over FY22, this role will focus on the efficiency of our waste management systems and processes and working with stores to understand what support they need to help us deliver on our zero food waste to landfill and net zero waste commitments.



We want our impact on the planet to be a positive one and our ambitious goals around our carbon emissions are a clear commitment to this. They are ambitious because we know that meeting them will require us to change the way we operate. They are also ambitious because we are acutely aware of the growing climate crisis ahead of us and the step change we all need to take to slow the lasting damage being caused to our planet.



In FY21 we started to act on these opportunities and the coming year will see us double down on key areas including reducing refrigerant leakage, replacing high impact refrigerants with low impact ones, energy efficiency improvements like chiller doors and diverting more waste from landfill.

We have also continued to engage and submit on a variety of climate related consultations including MBIE's Building for Climate Change proposals and further changes to the ETS Scheme.

This work, combined with our efforts to develop our thinking around how we apply the Taskforce for Climate Related Financial Disclosures (TCDF) recommendations to our climate risk approach are a signal of our continued determination to not only reduce our carbon footprint, but leave a lasting, positive impact on our planet.



Already we have made significant changes that have helped us achieve the progress we have made on reducing our emissions since 2015. We need to continue to use less energy, put more environmentally friendly operating systems in our store fridges, use our natural resources thoughtfully and build our stores in new and sustainable ways.

In FY20, we worked closely with sustainability consultants thinkstep Australasia to map our pathway to 2030 and identify the best opportunities to achieve our 63 per cent emissions reduction target.

Scoping out our emissions

In early FY21, we announced our target to reduce our Scope 1 and 2 emissions by 63 per cent by 2030 against a 2015 baseline, a target that has been endorsed by the Science Based Target initiative (‘SBTi’) as being in line with the Paris Agreement’s goal of limiting global warming to 1.5 degrees.

For FY21, we have reduced our scope 1 and 2 emissions by 6,420 tonnes, 9 per cent against last year and 48 per cent against our 2015 baseline. Pleasingly, we are tracking ahead of our emissions reduction plan and expect to reach our target of a 63 per cent reduction in FY28.

Scope	FY20	FY21
Scope 1	39,234	31,685
Scope 2	29,002	30,133
Total	68,237	61,817

* FY20 emissions restated with updated refrigerant emissions factors and updated logistics and online delivery emissions calculation methodology.

Our Scope 3 emissions target was also endorsed by the SBTi and we know we have to reduce our emissions by 19 per cent. Over the last year, we have been working to develop a detailed understanding of our Scope 3 emissions and what meeting our target will look like for our business. This exercise has seen our emissions profile increase by [37] times. Previously, the only Scope 3 emissions that we were tracking were some of the emissions associated with moving food from our distribution centres to our stores and the waste going to landfill from our business. For FY21, we have added all the goods and services we purchase in our business, business travel, employee commuting and more.

We recognise that we need to take responsibility for the indirect emissions our business creates and work with our supply partners to help them reduce their emissions as well. This will be an ongoing focus for us over the next year.

Scope	FY20	FY21
Scope 3	42,455*	3,780,087
Total (Including Scope 1 & 2)	110,692	3,841,904

* Data prior to FY21 is not considered comparable due to the limited Scope 3 emissions included in FY20 reporting.



Voice of Planet

In mid-FY21, we launched a new tool to help engage all our team, regardless of which site they work at and what type of role they have, around our sustainability plan and commitments. The Voice of Planet is a visual management board, designed to be updated each month with key data and information that can show store teams how they are contributing to our environmental efforts and help them understand the role they can play in reducing our overall emissions.

The visual management board allows teams to look at what makes up their store’s emissions, whether their emissions are increasing or decreasing month by month, how much waste they are diverting from landfill and how much they are donating to their food rescue partners. Over the coming year, we are looking at how we can develop targets and goals for different stores that will drive friendly competition up, and carbon emissions down!



Helping customers shop sustainably

Transport accounts for nearly half of New Zealand's energy-related emissions, with petrol or diesel car use often being a Kiwi's single-biggest contributor to their carbon footprint.

To encourage more Kiwis to leave the car at home when making short trips to the supermarket, we partnered with a Government project called GenLess to launch ShopPack - a reusable bag that is worn like a backpack so that people can bike, scooter, or walk to do a small shop instead. 10,000 of the ShopPacks were given away to our customers across Auckland, Wellington and Christchurch.

GenLess, which is supported by the Energy Efficiency and Conservation Authority (EECA), developed the bags and felt that we were a natural partner for a giveaway as the first supermarket to join the movement in 2019.

Low carbon freight pathway

In the second half of FY21, we worked with the Sustainable Business Council, The Warehouse, NZ Post, Ports of Auckland, Swire Shipping, Lyttelton Port Company, TIL logistics Group and Toll to develop a 30-year pathway to progressively decarbonise New Zealand's freight system.

The Low Carbon Freight Pathway report sets out a clear plan of action and set of recommendations around how emissions could be reduced by half by 2030, and then completely by 2050, across the freight sector.

Since the launch of the report in late FY21, we have started to look at how we can implement some of the actions in the plan, including working with TIL Logistics Group to get a Hydrogen Truck onto the road for Countdown in the next financial year. We are hoping to have this up and running by mid-FY22.





Countdown Richmond goes Green Star

In late FY21, we delivered what will be our very first store to be accredited by Green Star, an internationally recognised rating system for the design, construction and operation of buildings, fitouts and communities.

Countdown Richmond is the blueprint for our stores of the future, constructed and operating with sustainability at its heart. During the store's construction, we made a conscious effort to reduce the amount of waste going to landfill, reducing construction waste to landfill by a massive 83 per cent. Demolition waste

was also recycled where possible, and more sustainable and recycled products were also used within the build including using fly ash in the store's foundations and recycled aggregate in the asphalt.



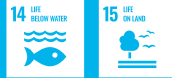
Over the next year we will have four further Green Star projects underway, further strengthening our position as a business that walks the talk when it comes to delivering on the goals we set out to achieve.



"We're really determined to make sure we're building not just a Countdown of the future, but stores that help protect that future too. Countdown Richmond is the first of many steps we're taking to meet our ambitious sustainability goals, including a goal to achieve a 4 Green Star design and as-built rating for all of our new property developments, and a 5 Green Star minimum standard by 2025."

Matt Grainger, Director of Format, Network Development and Property





As a food retailer that works with hundreds of farmers and growers, we want to be at the forefront of movements that can help future-proof our food supply, particularly as issues like food security and the impact of climate change continue to grow globally.



A big part of ensuring we can continue to grow the products that our customers need and want, is looking after the land. We need our growers and farmers to be able to maintain healthy soils and we are committed to understand the role we can play to help them to do that. As part of this, we are working alongside many of our supply partners to help them to improve their current agricultural practices and move towards more regenerative and sustainable practices.

This is an evolving area of work and one that we, and a growing number of our suppliers, are incredibly excited about.

Beyond looking at the practices we use to work the land, we're also looking at how much water we're using across our business too. As a nation, we care deeply about water. Our oceans, rivers, lakes and wetlands are a constant visual reminder of the importance of water in our natural ecosystem. Recently,

we have been reminded of how fragile this ecosystem can be with the floods in the South Island, the high levels of water contamination throughout Aotearoa and the increasing droughts we have seen in the upper North Island.

More than ever, it is important to look at how we are using this precious resource and the ways that we can reduce how much we use across our business each and every day.



Watching our water use

Over FY21, we have been working to understand how much water we use across our business to help us find efficiencies and reduce the amount we are using. While this has been possible for almost half of our stores (44 per cent), this exercise has highlighted some of the challenges and complexities around water use and measurement, with each Council across Aotearoa having different processes and equipment. For stores where we aren't able to get meter data from the local Council, we are looking to install water meters that will allow us to track water use more easily. This work will be carried out in FY22 as we work towards meeting our commitment to publish the targets and action plan for improving water efficiency in 2023.



Regenerative Agriculture

Over the last year, regenerative agriculture has been an important topic of conversation with our suppliers, other farmers, and government and industry bodies, with many sharing our interest in making sure Aotearoa's agri-food system remains resilient to challenges both now, and in the years to come.

We see regenerative agriculture as a set of principles and practices that can help create farms that function as whole ecosystems; closely mirroring nature and farming for the future while also focusing on community resilience and wellbeing. Importantly there is a strong emphasis on trusting those that work the land and their inherent knowledge of their spaces.

In mid-FY21, we participated in Manaaki Whenua - Landcare Research's development of a white paper Regenerative Agriculture in Aotearoa New Zealand - Research Pathways to Build Science-Based Evidence and National Narratives. The paper sets out 17 priority research topics and introduces 11 principles for regenerative farming in New Zealand. Being part of the white paper research meant that Countdown had the chance to listen to regenerative agriculture advocates and sceptics and begin to form our own understanding of the benefits regenerative agriculture might have for driving the transformation of our food systems.

As a next step, we're exploring the possibility of piloting regenerative agriculture principles and practices with one of our supply partners to test and learn how the system could work in a large-scale, commercial, New Zealand context. We're hoping to kick this project off in early FY22.

Product

Building a better tomorrow through our products means evolving the way we do business to embrace circular thinking - which means all waste is a resource. It means making it easy for our customers to choose products that are healthier, sustainably sourced and responsibly packaged.



Sustainable Development Goals:



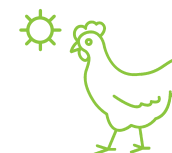
8.9T

Sugar removed from Own Brand products



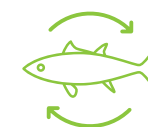
16.4T

Virgin plastic removed from Own Brand products



79%

Of Own Brand egg lines are cage-free



100%

Sustainable seafood caught locally or from verified sources



The way Kiwis shop and eat is constantly changing, with more and more customers deciding what to buy with health and the environment firmly in mind. Every day, our stores display beautiful fresh produce, organic products, gluten free lines and plenty of meat-free alternatives for customers looking to make some changes to how they eat.

We're making the healthier choice the easy choice by ensuring clear and transparent labelling on all our Own Brand products and have the Health Star Rating (HSR) clearly displayed on 100 per cent of our own brand products with 53 per cent of those products having an HSR of 3.5 or higher (a rating considered by public health academics as a healthy choice).

We're also working to make sure that our own brand products are not only affordable, great tasting and have a visible HSR, we're making them healthier too by reformulating them and taking our unnecessary sugar and salt.

We've come a long way since first launching our first health and nutrition targets in 2016, but we can and want to do more. To do that, we have reviewed our previous targets and are currently working to finalise our new Health and Nutrition targets out to 2025. These will more closely align with our 2025 Sustainability Plan and Commitments and we expect to launch these in early FY22.

Our ambition is to continue to have the healthiest supermarket own brand portfolio and the changes we are continuing to make will ensure we keep delivering on this goal.



In FY21
we have removed:

3.1T of salt

8.9T of sugar

10.8T
of saturated fat

Reformulating for the better

During FY21, we launched 83 new or reformulated New Zealand only, own brand products as part of our commitment to make our products healthier and our commitment to the Heart Foundation's HeartSAFE targets. Currently, 74 per cent of our products in those categories meet the HeartSAFE targets.

The biggest improvement was in our Countdown Double Smoked Free Farmed Bacon Hock which the team managed to reduce the sodium content by 38 per cent, without compromising on flavour or shelf life. We've also added 101 tonnes of vegetables to Aotearoa's food supply with our own brand

products (e.g. stir fry kits, fresh cut veg, frozen cut veg, ready meals).

Over the next year, we'll be working with the National Institute of Health Innovation (NIHI) to review the healthiness of non-alcoholic drinks in New Zealand - assessing the nutritional composition of Countdown's own brand drinks and other non-alcoholic drinks on the market to look at where we can generate further sugar content reductions.



No more nasties in bakery

In response to growing demand from our customers for more natural food products free from nasties, we removed artificial flavours and preservatives from all our in-store baked goods in early FY21.

In total, the project took three years to complete to make sure the changes wouldn't impact the taste, appearance and shelf life of the products. More than 60 per cent of the range was reformulated, with the rest of the range already being free of artificial ingredients, and we believe we are the only national bakery to bake without artificial flavours or colours.

Our bakery changes for the better

- Jam now coloured by the fruit in the jam plus pigment found in carrots and colourful vegetables
- Spiced apple filling (used in muffins and crumble cake) now only uses natural flavouring from cinnamon and New Zealand apples.
- Lemon curd filling (used in muffins and crumble cake) is now both coloured and flavoured with natural lemon.
- Sage and onion relish (used on a panini) now uses mustard and caramelised sugar to create a rich brown colour in the relish.
- Other natural colour replacements include a darker cocoa powder, carmine, burnt sugar, blackcurrant juice, paprika and tumeric, and natural vanilla extract has replaced the artificial vanilla flavouring.



A recipe for success

Our focus on helping our customers to make healthier choices goes beyond just the products we sell, it's also about helping customers to cook healthier too. To help ensure our online recipes are truly better for our customers, we have developed guidelines to define exactly what is considered a healthier meal.

The new guidelines are based on the Ministry of Health Eating and Activity Guidelines and are aimed at helping customers cook meals that will fit into a balanced, healthy eating plan. Along with nutrition targets for energy, sodium and sugar, the 'healthier' recipes also include minimum servings of vegetables, requirements for proteins and grains and only allow the use of healthier oils.

Responsible labelling

Since launching our new Commitments in early-FY21, we have been reviewing our own brand packaging to identify products with any characters, graphics and activities that could be perceived as primarily appealing to children and to make sure we're using nutritional content claims responsibly.

Through this review process we have identified a number of products that will require some changes to their packaging including removing any nutrition claims from products with a HSR of less than three. We have developed a roadmap to support this work and will report annually on our progress. We now display nutrition information on our instore bakery products in stores where it is not made on site.

Team Health Day expo

To mark World Health Day on 7 April, we held our first Team World Health Day expo at our Auckland support office to give team the opportunity to check-up on their health.

Team were able to talk to, and get advice from, a wide variety of health organisations and services including Asthma New Zealand who offered lung function tests, the Breast Cancer Foundation NZ who gave demonstrations on how to self-check, Diabetes New Zealand who offered testing to assess whether people's glucose levels were in the normal, pre-diabetic or diabetic range, and Blood New Zealand who offered free blood type assessments.

Although the impacts of COVID-19 have seen Kiwis shift what their priority concerns are, the impact of plastic on the environment remains a firm top-of-mind issue. We continue to see customer commentary about the plastic packaging in our stores and, where we can, we are working to make changes for the better.

We're working to find more ways to reduce our plastic packaging either by not using it at all, finding better alternatives, or by using packaging that is made from recycled materials. We're also making sure that any alternatives we consider will truly deliver better outcomes for the environment and don't just shift the problem.

Action on plastic and packaging will take the combined efforts of many including our suppliers, the packaging industry, the waste industry, the Government, ourselves and our customers. We're already having conversations about packaging with our suppliers. In early-FY22, we will be releasing a

problematic and preferred packaging materials list, which categorises packaging materials based on how easily recyclable they are. This will help guide our work with all suppliers to phase out the hardest to recycle materials from their packaging by 2025.

At the end of FY21, the Government announced its plans to take action on single-use and hard to recycle plastics. Pleasingly, we are already well down the track on many of the items included in the plan and we hope that with Government mandated change, we will see greater innovation around potential alternatives for some of the trickier products to phase out.





Action on plastic

We're determined to meet our commitment to 100 per cent of our own brands' packaging being reusable or recyclable by 2025. A big part of meeting this commitment is our willingness to test new products and ideas to reduce and remove plastic and plastic packaging from our shelves.

In FY21, we completed our work to no longer sell plastic cutlery. While there may still be the odd packet in a few stores, we are no longer buying any new stock. We're also working to transition out of plastic plates within the next year. Other key changes we have achieved over FY21, is shifting our fresh pasta into PET from PVC, all our hot smoked salmon is now in clear PET and all our biscuit trays and water bottles are now RPET. We've also removed all glitter products from our stores.

We have successfully removed soaker pads from our meat trays in the South Island, which has prevented 9.5 million soaker pads going

to landfill annually. For our North Island meat, these pads will be removed in early-FY22, preventing a further 30 million from going to waste.

In FY22, we will be transitioning our 1.5L own brand soft drink into 50% RPET, which is a reduction of 80 tonnes of virgin plastic per year. Our problematic and preferred packaging materials list will be instrumental in helping all suppliers make similar changes for the better.

Black plastic gets the boot

As far as plastics go, black and dark coloured plastics are the least valuable when it comes to recyclability with limited end of life solutions. To ensure our own brand packaging is as recyclable as possible, we have undertaken a project to remove as much black and dark coloured packaging from our own brand products.

So far, we have removed all black plastic from our meat and bakery departments. Our Macro Chicken, which was previously packaged in a green plastic tray has also transitioned to a clear and easily recyclable plastic tray.

We are also in the process of transitioning our 2L own brand ice cream from black plastic to non-coloured PP making them recyclable. Some newly packaged flavours have already hit the shelves, with the remaining lines to transition over the next year.

Doing the right thing with packaging

In order to help our customers make informed choices around what they need to do with their packaging waste, we are working to introduce the Australian Recycling Label (ARL) on a growing number of our own brand products.

The Australasian Recycling Label (ARL) is an evidence-based system that gives customers easy to understand recycling information to remove confusion around what can and can't

be recycled in kerbside bins and helps reduce waste going to landfill. The label is slowly being introduced as we update the designs of on-pack labels.

Over FY21, we have introduced the ARL on a number of key lines including our own brand milk, biscuits and canned fruit and vegetables. In early-FY22, the ARL will be added to our cereal bars, bagged salads and meat and chicken products. Thanks to the expansion of the Soft Plastics Recycling scheme and its availability to more than 60 per cent of New Zealanders, we can now apply a recyclable ARL to our soft plastic packaging. This change will be implemented across a number of lines over the next year, with fresh fruit and vegetable products a priority.

Soft Plastics Recycling Scheme

As a business that generates soft plastic through the products we buy and sell, it's important that we support initiatives that help prevent that plastic from going to landfill. To that end, we have continued to support the Packaging Forum's Soft Plastics Recycling Scheme, since 2016.

Over FY21, we have been working to reinstate the scheme in our stores post COVID-19, where collections were temporarily put on hold. We've also been working to add more stores and over the last year have added a further 35 stores to the scheme - including in Christchurch. In early FY22 we will be launching the scheme into a number of our Hawke's Bay stores.





When it comes to ensuring products are sustainable, our role doesn't begin when they arrive in our distribution centres - it begins from the moment we first engage with a supplier. To make sure we're sourcing products sustainably, we need to understand the entire supply chain and know that the products we sell are grown, produced and transported in a sustainable way.

We're continuing to work with high impact commodities and key raw materials like palm oil, paper, sugar, coffee and cocoa to ensure they are sourced from sustainable and independently verified supply chains. Over the last year, we have taken the opportunity to update and develop the policies that cover the production and sourcing of these materials to widen the scope of products they cover and strengthen our position and commitment to reducing environmental and social harm.

We also want to make it easier for our customers to make more sustainable choices when they are shopping in our stores, which is why we're committed to ensuring 100 per cent of our own brand products have at least one health or sustainability attribute.

Tea, Coffee, Sugar & Cocoa

Our Sustainable Tea, Coffee, Cocoa & Cane Sugar Sourcing policy aims to improve the way we grow these high impact commodities to build resilience, mitigate our negative social and environmental impacts and ensure continued livelihoods for our farmers and workers and the supply chain of these commodities for our customers.

This year we updated this policy to capture more products within scope. Previously we'd focused on products where tea, coffee, sugar or chocolate was the core or single ingredient. With 100 per cent of these products now sustainably sourced, we are extending our work in this area and also requiring



independent certification (such as Fairtrade and Rainforest Alliance) for other products containing tea, coffee or cocoa as an ingredient.



Tackling deforestation

Forests provide a variety of essential services to both people and the planet including carbon storage, air and water purification, and job creation. Already, half of the planet's forests have been lost with those remaining under threat from illegal or badly managed logging and land conversion for agriculture, including the cultivation of paper pulp and timber, soy, palm oil, and cattle.

Countdown, as part of the Woolworths Group, is a signatory to the Consumer Goods Forum's Deforestation Resolution of 2010 for achieving net-zero deforestation. As part of this commitment, we have pledged to ethically source high-impact commodities such as paper, pulp, timber, palm oil and soy in order to minimise the risk of deforestation and its impacts on both people and planet.

Paper, Pulp & Timber

This year we have updated our Sustainable Paper Pulp and Timber Sourcing Policy to extend the scope of products it covers including Goods Not For Resale (GNFR) and Primary and Secondary Paper Packaging. Under this policy, we require all paper, pulp and timber used in our products and packaging to be harvested in a manner that:

- Is legal
- Respects traditional and human rights of workers and indigenous peoples
- Protects workers health and safety
- Supports ecologically and socially appropriate forest management and restoration
- Protects High Conservation Value
- Avoids plantations converted from natural woodland

In order to ensure these minimum sourcing standards are met, all in-scope products and packaging must meet our requirements.

Paper, Pulp & Timber requirements:

Type	Requirement	Deadline
Own Brand Product Goods Not For Resale	Either one of the following: ▪ 100% Post-Consumer Recycled Content (or mix of Post-consumer and Certified content) ▪ FSC* certified ▪ PEFC** certified	Must already be compliant for all Paper Pulp and Timber Own Brand Products End of 2025 for Timber-sourced Cellulose All new GNFR to be compliant from release of the policy
Own Brand Packaging (Primary and Secondary)	Either one of the following: ▪ FSC certified ▪ PEFC certified ▪ At Least 70% Recycled Content	End of 2025

* Forest Stewardship Council (FSC) ** Programme for the Endorsement of Forest Certification (PEFC)

Palm Oil

For many of our customers, the impact of palm oil production on the environment is an ongoing concern and it's one that our business shares. This year we updated our Sustainable Palm Oil Sourcing Policy to strengthen our work to source sustainably and communicate this to customers. The policy reiterates our commitment to sourcing palm oil and all its derivatives in an environmentally and socially responsible way that promotes positive outcomes against the following criteria:

- No deforestation of High Carbon Stock forest
- No deforestation of High Conservation Value areas
- No use of fire for land clearance
- No new development on peatlands, regardless of depth
- Reduction of Greenhouse Gas Emissions
- Respecting the human rights of indigenous and local communities, workers and other groups affected by the activities of sourcing palm oil.

As the Woolworths Group is a member of the Roundtable on Sustainable Palm Oil (RSPO), we report on our progress with procuring certified sustainable palm oil in the RSPO Annual Communications of Progress Report, as well as here in our Sustainability Report. Where palm (kernel) oil is used as an ingredient in our own brand products, it must be labelled on-pack, as opposed to the use of the generic term 'vegetable oil'.

All of our own brand food products containing palm oil meet our sustainable sourcing requirements and are from RSPO certified sources. We have also begun work on our non-food products such as dishwashing liquids.



More than ever before, our customers are looking beyond just the price of a product before choosing what to put in their trolleys and baskets, but also considering their health, animal welfare and the environment too.



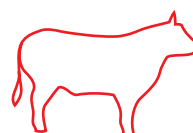
We're committed to ensuring the products we stock in our stores empower our customers to make healthy and informed decisions and support the growing number of customers making a move towards more planet-friendly diets.

Kiwis want to know that when they are purchasing animal products, they can be assured it was sourced from suppliers with robust animal welfare standards and that every animal in our supply chain has its physical and mental needs met. The commitments we set as part of our 2025 Sustainability Plan confirm our ongoing commitment to, and increased focus on, giving our customers that assurance.

We have continued to improve our animal welfare reporting and have extended our previous cage-free egg commitments to focus not only on whole shell eggs sold in our store but to also move to cage-free eggs used as an ingredient in our own brand products.

We're also working to minimise any impact on the environments we are sourcing from. Over the last year, this work has seen us deliver our first Sustainable Soy Sourcing policy and continue to support seafood producers to do the right thing by protecting oceans and fish stocks.

Fresh and locally grown



100%
beef



100%
lamb



100%
pork



100%
poultry



100%
eggs



100%
milk



88%
deli seafood



83%
fresh fruit
and veg



Animal welfare

In FY21, we updated our Animal Welfare Policy to increase our transparency around what we are doing to improve animal welfare. We have defined and now track key health and welfare indicators across the key species in our Own Brand supply chains. This information helps us work with our suppliers and farmers to drive improvement and influence best practice. We have also started working with FAI Farms Limited, global independent animal welfare and sustainability consultants, to help us on the journey of improving our animal welfare metrics and reporting.

Key animal welfare metrics for our fresh meat (beef, lamb, pork, salmon, eggs, chicken and dairy) are summarised in the table below. As we gather more information we will continue to report on our welfare metrics.

Fresh Meat Welfare Metrics (beef, lamb, pork, salmon, eggs, chicken, dairy)	2020/21
Free from close confinement (e.g. cage free)	99%
Environmental enrichment provided	99%
Pre-slaughter stunning	100%
Ineffective stun	0.1%
Free from routine mutilation (e.g. tail docking, dehorning, castration)	63%
Journey time less than 8 hours	99.6%

This work has helped us to gain increased recognition for the high animal welfare standards within our supply chain. This year we improved our Business Benchmark for Farm Animal Welfare (BBFAW) rating from Tier 3 to Tier 2. The BBFAW is the leading global measure of farm animal welfare management, policy commitment, performance and disclosure in food companies. Only 23 companies in the world have achieved Tier 2 or higher, so this demonstrates to Aotearoa, and the world, that together with our suppliers we're leading on animal welfare.

Seafood

Our preference is to source New Zealand seafood to support our local communities and reduce our environmental impact. New Zealand's fisheries management and legislation is well regarded for protecting and managing New Zealand's marine resources. For international seafood sources, we source from independently verified sources (Marine Stewardship Council, MSC; Aquaculture Stewardship Council, ASC; Best Aquaculture Practice, BAP; GlobalG.A.P; International Seafood Sustainability Foundation, ISSF).

	From New Zealand	From International Verified Sources
Behind the counter seafood	88%	12% (MSC, ASC, BAP and GlobalG.A.P)
Own brand frozen, chilled or packaged seafood products	73%	27% (MSC, ASC, BAP and GlobalG.A.P)
Own brand canned skipjack and yellowfin tuna	—	100% FAD-free from suppliers participating in the ISSF with no 'major' non conformances in their annual audit and from vessels listed on the the ISSF Proactive Vessel Register
Own brand canned Alaskan salmon	—	100% MSC certified

Soy

While a versatile source of protein that can be found in a wide variety of products (e.g. soy milk, cooking oil and sauce), the cultivation of soy is not without its challenges, representing the second-largest agricultural driver of tropical deforestation worldwide.

To manage risks of soy cultivation and to only source deforestation-free soy, this year we developed a Sustainable Soy Sourcing Policy for our own brand products. We will use independent certification to verify the soy we use in our products is from sustainable sources that do not contribute to deforestation, and use the Consumer Goods Forum's Soy Measurement Ladder to report on our progress. We will be working with our suppliers to better understand where soy is used as feed for animals in our supply chain so we can assess whether we need to do more to ensure this is also not contributing to deforestation.

Plant-based food with attitude

With an increasing customer focus on making planet-friendly diet changes, we're working to add more plant-based and vegan products to our range. In FY21, this launch has included our own brand range of ready-to-eat, plant-based products called Plantitude that are dairy free, vegan, gluten free and free of artificial colours, flavours or preservatives.

The range includes Satay Tofu, Pad Thai Tofu, Massaman Tofu, Blackbean Tofu, Tex Mex Jackfruit and Green Curry Jackfruit. There are also plant-based chocolate brownies and cake options in the bakery section; with the dairy swapped out for coconut cream. We expect to add more lines to our plant-based range throughout FY22.

Countdown's path to cage-free eggs

February 2017

Announced own brand eggs to go cage-free by end of 2022

December 2019

Countdown Metro Albert Street opens as first cage-free store

January 2021

Countdown Halsey Street Metro opens as a cage-free store

June 2021

Countdown Richmond opens as a cage-free store

July 2016

Launched Egg Producer Programme for barn and free-range

March 2017

Announced commitment to be 100 per cent cage free in the North Island by end of 2024 and by end of 2025 in the South Island

November 2020

Launched 2025 Sustainability Plan with strengthened commitment to cage-free eggs

May 2021

Transitioned five existing stores to selling only cage-free eggs across Auckland and Wellington



"Otaika Valley Free Range has worked with Countdown since 2015 to increase the availability and supply of free range eggs. We are thrilled to see Countdown taking the next step and trialling some stores as cage free only. This reinforces for us Countdown's commitment to proactively move towards cage free as the supply and availability of these eggs increases."

William Sandle, Otaika Valley Free Range Eggs

Cage-free egg trial

In late FY21, we transitioned five stores across Auckland and Wellington to only cage-free eggs on the shelf as part of our long standing commitment to move to cage-free in all on-shelf eggs by the end of 2024 in the North Island and the end of 2025 in the South Island.

Countdown's Milford, Waiheke Island, Grey Lynn, Crofton Downs and Newtown stores now only sell free range and barn eggs.

By 2025	Progress (by sales)
100% of own brand whole shell eggs will be cage free	79% (of egg sales)
100% of vendor brand whole shell eggs will be cage free	56% (of egg sales)
100% of eggs used as an ingredient in own brand products will be cage free	We have identified 100 products that use eggs; our team is working with the suppliers to ensure these are from cage-free sources



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



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

In the last year, there have been two breaches of the Act recorded against us for failed controlled purchase operations. The first breach led to a five-day liquor licence suspension and the second breach was still being reviewed at the time of this report being completed. As a result of these breaches, we've taken the opportunity to look at where we can improve our systems, team training

and policies in order to mitigate future breaches and support our efforts to become New Zealand's most responsible retailer of alcohol.

Training our team

With the changing COVID-19 environment and frequent and abrupt shifts between alert levels, it has been a challenging year, from a training perspective. With classroom training often not possible, we needed to find new ways to deliver training for our team to ensure they could continue to learn and maintain the high standards of responsible service that our customers and regulators expect from us.

To do this we developed an online training programme for the team, which provides greater transparency and analysis of training requirements and knowledge assessments. Carrying out our training this way has provided a level of insight into both training techniques and learner knowledge retention that we didn't previously have in a classroom setting and will help us to keep improving this training moving forward.

Currently, 6,200 of our team are trained to be able to sell age-restricted goods and we are in the process of increasing the number of licensed duty managers we have within our team from 1,853 to approximately 2,300.

Making alcohol-free easy

In FY21, we have continued to see strong growth in the number of customers choosing low alcohol or zero alcohol products in our stores. To meet the 10 per cent growth we have seen, we've been working closely with our suppliers to bring new alternatives to market. This work has seen us increase our range by 20 per cent.

We will be continuing to introduce more low and zero alcohol options in FY22.

Looking forward

Our 2025 Sustainability Plan, *Kia pai ake te āpōpō - A better tomorrow*, has now been in place for a year and has provided an opportunity to not only reframe our conversation around sustainability, but also drive us to be more ambitious than ever before in looking after our people and the planet, and making changes to our products for the better.

FY21 has been a foundational year for this new plan, with new data baselines established, relationships formed and programmes developed. Beyond building a strong foundation for our ongoing success, we have also continued to deliver strong results on a number of key commitments, which have been carried on from our 2020 strategy. It is this work that will see us successfully work towards meeting our ambitious and transformative sustainability goals.

Looking forward to FY22, the principles we established in our 2025 Sustainability Plan will continue to drive not only our actions, but also shape our aspirations for what we want our business to be known for when it comes to sustainability.

Our 19,000 team play a critically important role in delivering our 2025 Sustainability plan. So too do the communities we work to support each and every day. That's why we'll act like a leader and speak up on issues that matter to our team, our supply partners and our community and we'll continue to care for, and unlock the potential of, our people. The next year will see us move beyond the diversity and inclusion baselines we have created, and set in motion the changes needed to deliver long-term change. It will also see us deliver even greater levels of food, funds and support to Kiwis in need through our Food for Good programme.

As a food business, we are incredibly cognisant of the role we must play in stemming the tide of climate change. We have a lot to be proud of, with continued decreases in our emissions year on year, but we need to

do even more. We are determined to have a positive impact on the planet. Over the next year, the delivery of our first zero food waste stores and ongoing emissions reduction efforts will be a key part of this work.

We also know that we need to make sustainable choices easier for our customers and one of the best ways we can do this is by continuing to grow the number of our own brand products in recycled and recyclable packaging and making more reusable options available to our customers too. We'll do this by applying circular thinking in everything we do. We have a number of products hitting the shelves in early FY22, which are a testament to this ongoing work.

Importantly, we are mindful that we cannot achieve our sustainability goals alone. We need to keep building strong and positive partnerships with all of our stakeholders, whether that's with our team, customers, suppliers, communities, interest groups or government. We will embrace the power of these partnerships to create change. We are particularly excited about the new partnerships that will be achieved through our Kete programme in FY22.

The progress achieved over the last year has been good, but moving forward we want that progress to be great. We have a clear plan and strong foundations and we're looking forward to a better tomorrow.