

Our Everyday Heroes

Sustainability
Report 2020



ABOUT THIS REPORT:

This is Countdown's sixth Sustainability Report. Data is for the year ended 30 June 2020, unless otherwise specified. Countdown has had a strong sustainability plan in place since 2007, and in 2017 we launched our new

Corporate Responsibility Strategy 2020. The purpose of this report is to set out our achievements and challenges for our New Zealand customers and stakeholders. 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 2020 Woolworths Sustainability Report please visit: www.woolworthsgroup.com.au

CONTENTS

Introduction from Natalie Davis	Page 2
Commentary from Kiri Hannifin	Page 3
Countdown's 2020 Commitments	Page 4

2020 Sustainability Report snapshot

People	Page 12
---------------------	---------

- Working towards gender equity
- Creating an inclusive culture
- Growing careers and supporting team
- Putting safety first

Planet	Page 30
---------------------	---------

- Sending less to landfill
- Giving food an important second life
- Action on plastic and packaging
- Sourcing sustainably
- Responding to climate change

Prosperity	Page 44
-------------------------	---------

- Supporting our suppliers
- Responsible Sourcing
- Supporting our communities
- Making Kiwis' lives a little bit better everyday



Kia ora koutou. Our purpose is to make Kiwis' lives a little better every day, and as part of this, we want to be New Zealand's most sustainable supermarket.

With 183 stores throughout New Zealand and more than 20,000 team members, we know that these things go hand in hand. We can't sit on the sidelines and wait for changes to happen - we have to make them ourselves.

This report details the progress we have made over the last year and since announcing our 2020 Corporate Social Responsibility Commitments back in 2017. It also details the challenges we continue to face in an increasingly environmentally-conscious and COVID-19 impacted world.

When we set our commitments in 2017, our intention was clear. We wanted to use them as a way to drive ourselves to improve and to deliver better outcomes for our team, our suppliers and customers, and the planet. These commitments have played an invaluable role in driving our successes: our emissions have reduced by 34 per cent from our FY17 figures; we've reduced our food waste, and we've continued to support our communities and Kiwi families through a wide range of programmes and partnerships.

Our commitments have also forced us to acknowledge that there are areas where change is harder to achieve. While the number of women on our executive team sits at 50 per cent, the number of women in leadership positions outside of that remains below 40 per cent. We still have many packaging challenges to overcome, and we want to do even more to reduce the amount of food going to waste.

As we head into FY21, our work won't stop, but our focuses are shifting. Our world has changed significantly as a result of events in the second half of FY20. The impacts of the COVID-19 pandemic on our economy and our communities will be felt for months and possibly years ahead - we need to respond to that.

Soon, we will launch our new 2025 Sustainability Commitments. They are aspirational and powerful, and it will take the work of our entire team of 20,000 Kiwis to meet them, working closely with our suppliers, community partners and of course our customers. However, as our work over the last few years has shown us, with a clear plan and unrelenting focus on doing better by our people, the planet and our communities, we can rise to the challenge.

N. Davis

Natalie Davis
Managing Director



Tēnā koutou, tēnā koutou, tēnā koutou katoa. If the last few months of FY20 have taught us anything, it is that our planet is unpredictable and ever-changing.

Sustainability is more than just looking after our environment. It's about our people too - how we live, how we look after each other, and how we work together to help our communities thrive for the benefit of future generations. This report demonstrates our clear and ongoing commitment to both.

When we first launched our 2020 Commitments in 2017, we announced our plans to phase out single-use plastic bags - the start of a continuing conversation around plastic and an issue that we remain deeply committed to tackling. We also laid out our emissions targets to be 10 per cent below our 2015 levels by the end of FY20 and we've not only met this target, we have far exceeded it.

However, we're under no illusions about who helps us make all of this possible. Our team of 20,000 Kiwis.

Earlier this year, we called them our heroes. And heroes they are. They are deeply passionate, unfailingly hard-working, and relentlessly positive in times when it would seem almost impossible. It is our responsibility to protect them and keep them safe, and it has been a personal mission of mine to make sure that has happened.

Responding to COVID-19 has been a challenge for our business, but I am immensely proud of everything we have done and will continue to do to keep our team and our customers safe. Whether that was the safety measures we put in place in our stores, or making it easier for our vulnerable team to stay home when they needed to - we rose to the challenge.

In recent months, the needs of our communities have changed and we are already seeing higher levels of unemployment and food poverty. Of course, our efforts to protect our environment won't change, but our focus in the immediate future needs to be on building sustainable communities. Communities where all New Zealanders have the chance to thrive.

We will continue to engage with our Government to drive for better outcomes for our communities, we will continue to work with our food rescue partners to feed those in need and we will continue to invest in, and protect, our team.

Mauri ora

Kiri Hannifin
General Manager Corporate Affairs, Safety and Sustainability

Countdown's 2020 Commitments

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

STATUS

- Achieved ✓✓✓
- Materially progressed ✓✓
- Progressed ✓

PEOPLE: Encouraging diversity

1 **Ensuring gender equity**
At least 40 per cent of executive and senior manager positions to be held by women. ✓✓

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

3 **Embracing our diversity**
100 per cent of those responsible for hiring new team members to have completed unconscious bias training. ✓✓

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

5 **A focus on growing our team**
We will develop the careers of the Countdown team with a focus on youth. ✓✓✓

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

7 **Creating opportunities for all**
We are committed to maintaining a workplace that safeguards the health and wellbeing of our people, customers and visitors. ✓✓

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

PLANET: For a healthy Aotearoa New Zealand

9 **Moving to a circular economy**
Towards zero food waste going to landfill. ✓✓

10 Improve the recyclability of our own brand packaging and contribute to the circular economy. ✓✓

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

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

13 **Action on emissions**
Reduce Countdown's carbon emissions to 10 per cent below 2015 levels. ✓✓✓

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

PROSPERITY: Founded on trusted relationships

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

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

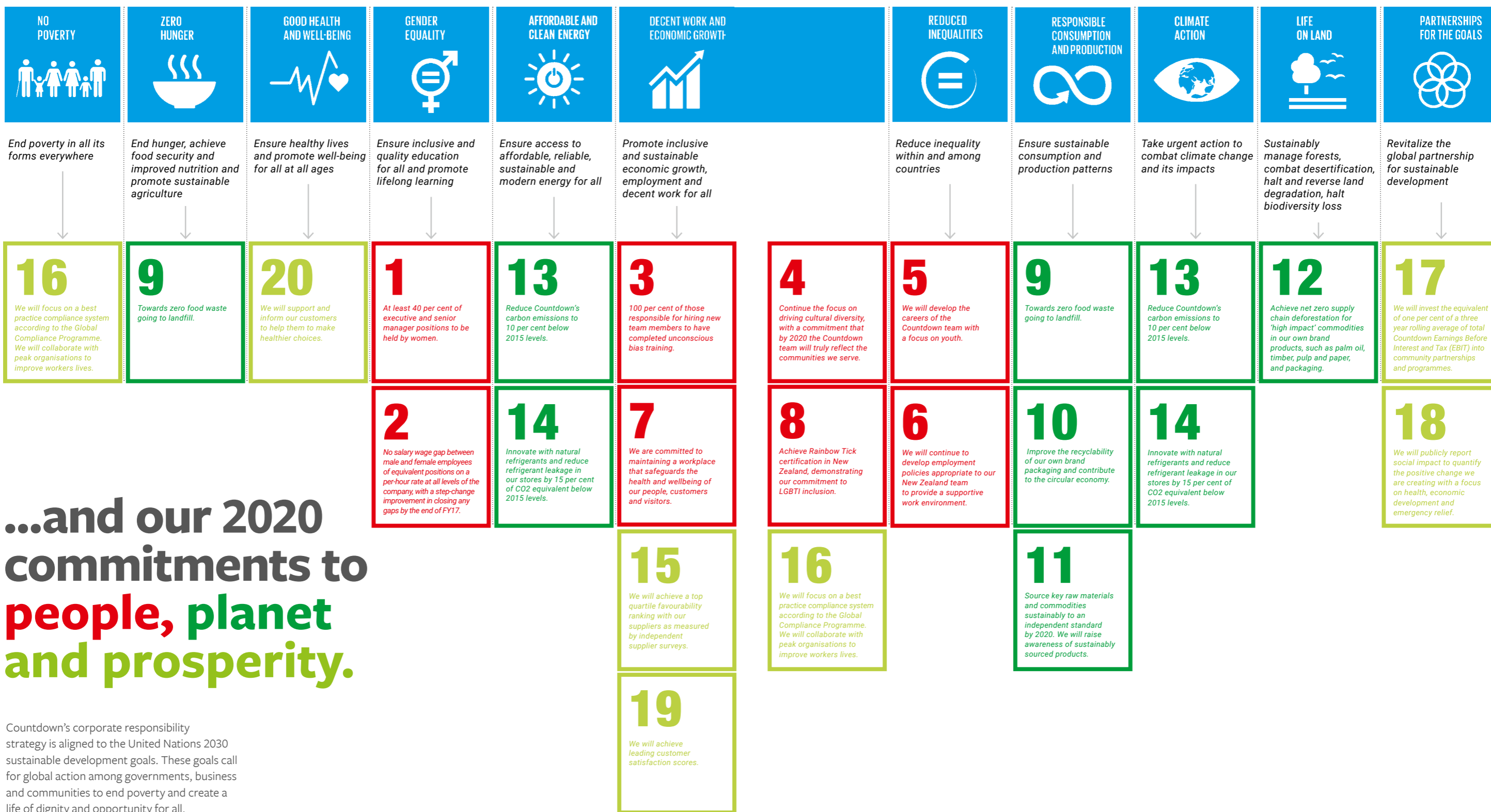
17 **Giving back to the communities in which we operate**
We will invest the equivalent of one per cent of a three year rolling average of total Countdown Earnings Before Interest and Tax (EBIT) into community partnerships and programmes. ✓✓✓

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

19 **Creating shared value with our customers**
We will achieve leading customer satisfaction scores. ✓✓

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

The United Nations sustainable development goals...



...and our 2020 commitments to people, planet and prosperity.

Countdown's corporate responsibility strategy is aligned to the United Nations 2030 sustainable development goals. These goals call for global action among governments, business and communities to end poverty and create a life of dignity and opportunity for all.

Responding to a global pandemic - a snapshot

The latter half of FY20 was dominated by our response to the COVID-19 pandemic as we worked together to keep New Zealanders safe and fed. Our stores and distribution centres experienced more demand and pressure than ever before and we faced our biggest health and safety challenge yet - keeping 20,000 team and 3 million customers safe and well each week as Aotearoa responded to this health crisis.

13.49^M

Customers served safely during NZ's four week lockdown

2,419

New team members

300

New online team members

67,000

Customer emails answers

7^M

Service emails sent to our customer base

110,000

Priority assistance customers

72,000

Calls to Customer Care

639,000

COVID-19 hub page views

118,000

COVID-19 FAQ views

\$1^M

Donated to food welfare and food rescue charities



“My team, they just kept showing up every day, without fail... They are my heroes.”

Alice Davidson, Store Manager

As news of New Zealand's imminent COVID-19 lockdown spread, for Alice Davidson, who was at the time relieving the Te Rapa Store Manager role in nearby Hamilton, it meant two things. First that she needed to return to Countdown Matamata to support her team and second, that she wouldn't be able to hug her kids for at least as long as the lockdown lasted.

The small Waikato town of Matamata was at the centre of a COVID-19 outbreak cluster. Local customers were scared and the store team were worried too.

“When I returned to the Matamata store, our customers were anxious and afraid. The brave Matamata team showed up to work with proactive attitudes and trusted me to lead them through something that we never saw coming. I knew I needed to do everything I could to put people's

minds at ease, and to make sure we were doing everything possible to stay protected,” Alice says.

“Immediately, we set about laying out the store so that people could make their way around while staying safe and far enough away from other shoppers and the team – not an easy task in a very small store! Then we worked to allay fears and diffuse any anger before people even got in the door, dancing and playing music while people

queued outside and explaining to them why and how we were operating to keep everyone safe, and how they needed to play their part. And it worked.”

Alice also made the call early on that she'd keep her two kids safe by not being in their bubble and keeping in-person contact to a minimum with them and maintaining her distance when she could see them.

“We got used to chats through glass. That was one of the hardest parts of it all. Not being able to hug them was so tough – especially at a time when a hug would have meant so much.”

The leadership, courage and sacrifice Alice demonstrated throughout the lockdown has earned her the respect of thousands of our team across the Countdown business, but she is quick to say she didn't do it alone.

“There were days where it was tough to stay positive and face it – the situation was overwhelming and all consuming. But my team. They just kept showing up every day, without fail. Their trust in each other and me meant that I felt I had to continue to do my best for them. They are my heroes.”

Alice is just one of the many great examples of the everyday heroes working right across our business each and everyday.

Our Journey

FY17

PEOPLE: Encouraging diversity

- Introduced Family Violence Policy
- Introduced Transgender Transitioning Policy
- Launched the SEEDs programme

- Achieved White Ribbon Accreditation
- Launched our Unconscious Bias Training for team

- Achieved: Rainbow Tick accreditation
- Launched New Zealand's first Be Accessible supermarket

- Launched the Proud and Diversity and Inclusion groups
- Rolled out Quiet Hour nationally

PLANET: For a healthy Aotearoa New Zealand

- Products with microbeads removed
- Joined Soft Plastics Recycling Scheme

- Signed NZ Packaging Declaration
- Removed single-use cups from Cafeteria

- Phased out single-use plastic carrier bags and plastic straws
- Achieved: reduced emissions to 10per cent below 2015 levels

- Carried out Unwrapped test removing all plastic in produce
- Began developing Emissions Reduction Plan
- Rolled out BYO container initiative nationwide

PROSPERITY: Founded on trusted relationships

- Began own brand product reformulation removing salts, sugars and other fats
- Achieved: 1per cent of EBIT donated to community causes

- Introduced the Responsible Sourcing Policy
- Celebrated two years of Free Fruit For Kids

- Permanently reduced price of period products to address period poverty
- Launched Growing for Good Grants

- Established the Food For Good Foundation, donated \$1m to food rescue partners
- Stopped selling fireworks

FY18

FY19

FY20

People - Encouraging diversity and achieving gender equity

Employing more than 20,000 Kiwis, our team is a reflection of Aotearoa. We believe that our diversity - whether that's age, gender, religion, race or sexual orientation - should be nurtured, grown and celebrated. As one of the country's biggest employers, we can play an important role in addressing gender inequity.

Team members



20,000

Re-accredited with the Rainbow Tick for a second time



Reduction in Total Recordable Injuries

13.7%

Launched Proud and Diversity & Inclusion Groups



Working towards gender equity



COMMITMENT 1

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

STATUS:

MATERIALLY PROGRESSED

COMMITMENT 2

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

STATUS:

ACHIEVED

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

Throughout New Zealand, the inequities between men and women when it comes to pay, and opportunities for career progression are well-established, with the impacts being most keenly felt by Māori and Pacific women.

At the executive level of our business, we are proud to have 50 per cent female representation, but we know that to make a truly transformational change, we need to have gender equity at all levels right across our business.

Over the last year, the number of executive and senior positions held by women has increased slightly from 34 per cent to 37 per cent. While we are disappointed to have not met this commitment, this number has increased by 6 per cent overall since FY17.

Our work to ensure we are supporting all women to progress their careers at Countdown is continuing. Closing our gender pay gap at all levels and encouraging greater ethnic diversity at senior levels will continue in our 2025 Sustainability Commitments.

Supporting female leaders

Women make up more than half of the Countdown team and work in a wide variety of roles across the business. To attract and retain great female talent at all levels, we need clear pathways that will support women into leadership roles and help to deliver long and fulfilling careers with Countdown.

In mid FY20 the wider Woolworths Group established a Gender Equity Group which will be a driving force in ensuring our business is carrying out key initiatives that will have the most effective outcomes for gender equity. Countdown's Managing Director Natalie Davis is the executive sponsor of this group.

Closing the gap

We're committed to ensuring our team members are paid fairly for their work and believe that team members who have the same skills and role shouldn't be paid differently because of their gender.

Our Pay Parity Review methodology and ongoing review processes compare salaries of like-for-like roles of our team members across our business, at all levels. This continuing analytical work helps identify gender pay gaps between our team by grouping our positions and career streams, while accounting for team member movements that may result in fluctuations. Our target is to remain below a statistically insignificant 1 per cent gap.

Achieving pay parity not only helps to ensure our team is paid fairly, it also helps to motivate, retain and attract great people. We remain committed to ensuring we maintain our momentum in this space and continue to review our wages on a regular basis to ensure our team are being paid fairly.



"I want to earn the right to be a leader worth following. I want to show our team that if you're too afraid to fail, you won't truly have given anything a good go."

Anita Smith, Head of Supply Chain Operations

Driving Distribution Centre success

After working for the NZ Post Group from the age of 16, Anita Smith was looking for a new challenge when she took on the role of National Third Party Logistics Manager for Countdown, looking after six outsourced temperature controlled distribution centres. But her willingness to rise to a challenge really came six months later when she became Countdown's Auckland National Distribution Centre (ANDC) Supply Chain Manager, leading a team of over 250 and overseeing the distribution of non-perishable food and groceries to 183 Countdown Stores and 70 FreshChoice and SuperValue supermarkets around the country.

Since then, the ANDC has seen a reduction in absenteeism, improvements in Voice of Team survey results, and an uplift in engagement with health, safety and wellbeing initiatives.

"When I took on the role, I knew the DC needed a bit of TTLT - Tender, Tough Love and Care. The work the leadership team has put in to hold the mirror up to issues, build a plan and then execute has seen ANDC go from strength to strength and it's through action we lead," says Anita.

"We have worked extremely well as a team to ensure ANDC is made even safer for our people. We've focused on promoting prevention-first behaviours - showing care and identifying hazards before they happen to prevent injuries or damage. Through good engagement and active communication, our team have not only been taking responsibility for their own safety, but also the safety of others."

When asked about her achievements to date and what inspires her to be a great leader, her responses are firmly centred around people.

"These awesome roles are customer and team centric, and require leading people with purpose, fairness and passion. I particularly enjoy coaching future leaders helping them to understand accountability, authenticity and driving for success with the different facets of a leadership role and the responsibilities that come with it.

"I want to help grow our individual team through personal and professional development and open doors for those who are willing to pursue greater opportunities. I'm very proud of the ANDC team but we're just getting started!"

Anita has recently been promoted to Head of Supply Chain Operations, providing strategic leadership across our four Ambient Distribution Centres.

Creating an inclusive culture

With more than 20,000 Kiwis working in our business, our team reflects the vast range of ethnicities, abilities, cultures and backgrounds that make up New Zealand's population.

The diversity of both Aotearoa and our business can be a huge asset, if it's supported with a culture of inclusivity where the thoughts, opinions and ideas of every person are respected and valued. Creating an inclusive culture at Countdown means people can bring their whole selves to work and ensures we're creating better experiences for our team, our customers and our communities every day.

Our diversity and inclusion commitments have seen us achieve and maintain our Rainbow Tick Accreditation and further support our rainbow communities; roll out Quiet Hours across our stores to

support customers and their families who may be affected by sensory issues; hold te reo classes; and celebrate and engage more actively with the cultures, languages and beliefs of the people that make up our team.

While we did not meet our target of 100per cent of those responsible for hiring team members having completed unconscious bias training, we were very pleased to reach 87per cent.

We know there is still plenty of work to be done, and our business is determined to maintain the momentum we have gained with the support of our Proud and our Diversity and Inclusion groups.

also about understanding each other - who we are, how we identify ourselves, what makes each of us unique, and what we can all do to ensure everyone feels safe and welcome at work.

In mid-FY20, our Diversity and Inclusion Group was established to help guide and support Countdown's work. The group is chaired by four representatives from across the business and includes members from our stores, support offices and distribution centres. One of the Group's key priorities is to ensure all our policies are inclusive and support our diversity, and to carry out a diversity and inclusion survey of our 20,000 team so we can better understand where Countdown is doing a good job, but also where improvement is needed when it comes to inclusion. The results of the survey will be used to develop a Diversity and Inclusion strategy and plan of action.

Creating an inclusive environment

If we are to truly embrace our diversity, we need to be an inclusive workplace. This will help us to make better business decisions through fresh thinking, ideas and opportunities. It will also make our stores a great place for all our customers to shop.

We've continued to celebrate a variety of cultural days of importance in our stores including Te Reo o Te Wiki Māori, Matariki, Samoan Language Week, the end of Ramadan, Diwali and Chinese New Year, giving our teams and our customers an opportunity to share more about themselves, their traditions and their culture.

However, creating an inclusive culture is more than celebrating each other; it's

DECENT WORK AND ECONOMIC GROWTH



COMMITMENT 3

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

STATUS:

MATERIALLY PROGRESSED

COMMITMENT 4

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

STATUS:

MATERIALLY PROGRESSED

COMMITMENT 8

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

STATUS:

ACHIEVED

National Quiet Hour roll out

When our Marton store launched Countdown's very first Quiet Hour in April 2018, a number of other stores began to follow their lead, launching their own low sensory hours to help create a more welcoming shopping experience for customers with Autism Spectrum Disorder (ASD) and other sensory needs.

In early FY20, with the support and guidance of Autism New Zealand, we were able to roll out Quiet Hour nationwide. The Hour gives customers a time to shop in our stores that is easy on the eyes and ears by reducing lighting, turning off the in-store radio, lowering checkout volumes, minimising trolley collection and shelf-stocking, and pausing any PA announcements except in emergencies.

The response from our customers has been incredibly positive. With ASD

affecting around one in 100 New Zealanders, according to the Ministry of Health, our stores have been really happy to make a few small changes for an hour each week knowing that it can make a big difference for people in their local communities.

“The simple act of turning off music and lights for an hour a week made those Kiwis’ lives a little better every day because it demonstrates to those families that the Countdown in their community cares. As a parent to a young man that faces significant challenges in his day to day living, to have a moment and time to be just like everybody else, is without price.”

Theo Fisher, Online Supervisor, Countdown Whanganui.

Celebrating te reo

Our team is very proud to celebrate the use of te reo Māori across our business. Our use of bilingual signs in stores is one of the ways we bring te reo to life every day. We also incorporate te reo into our internal and external communications wherever we can.

To mark Te Wiki o Te Reo Māori in early FY20, we wanted to engage our team and customers with the language by encouraging our team to introduce themselves in te reo and giving our customers some key phrases they could use in our stores. We also made changes to our online shopping site and customer emails, introducing more Māori words and greetings, and launched our very first television commercials in te reo which played throughout Te Wiki o Te Reo Māori.

We have also continued to hold te reo classes for our support office, with 49 of our team taking part in the sessions in mid-FY20. Five members of our executive team are taking part in the sessions this year, showing the importance our business sees in helping to protect this precious taonga - the Māori language.



“If we’re committed to being part of our communities and part of New Zealand’s culture and heritage; then we should also be committed to being serious about the correct pronunciation and understanding of te reo. The opportunity to learn at work has been a real privilege and one that has enabled me to use te reo not only correctly but meaningfully in my role, which often involves public speaking.”

Brett Ashley, General Manager Store Operations & Supply Chain



“We were so thrilled that Countdown decided to support RainbowYOUTH this year - we can see that there’s a real passion and commitment to our communities in the Countdown team. Countdown’s fundraising has been an incredible help for us; over the lockdown period we’ve seen more support requests from LGBTI+ youth across Aotearoa, and we wouldn’t be able to provide our support services without the support of amazing organisations like Countdown. We’re so grateful for your help!”

Frances Arms, Executive Director RainbowYOUTH

Supporting our Rainbow community

Creating an environment where our team and our customers feel safe and comfortable to be who they are, is important to our business. After achieving

the Rainbow Tick for the first time in FY19, we were pleased to maintain our accreditation in FY20. The accreditation recognises organisations that accept and value people in the workplace, and embrace their diversity of sexual and gender identities. The Rainbow Tick team provides our team with ongoing support

and evaluations to ensure we’re meeting our obligations.

To help further support our Rainbow team and guide our support of New Zealand’s wider Rainbow community, we established our Proud Group in mid-FY20. Setting up the group has already delivered

positive results for our business with a more focused approach to how we deliver events, update our policies and support external organisations.

For Pride Month this year, Countdown stores helped to fundraise more than \$13,000 for RainbowYOUTH.

We also supported a range of Auckland Pride and Wellington Pride events including the Big Gay Out, Auckland Pride, the Wellington Pride Parade and the Ponsonby Pride Parade.

Growing careers and supporting our team

For many young New Zealanders, Countdown provides a great first job opportunity whether it's working at the checkouts after school and on weekends, working hours that fill university holidays or joining our business through the Graduate Programme.

Our objective is to create a working environment, supported by strong policies, that encourages young people and our wider team to continue on in our business with fulfilling, challenging and exciting careers.

As New Zealand feels the flow-on economic impacts of COVID-19, we have a responsibility to not only provide meaningful, ongoing employment

wherever possible, but also to ensure our team and their families can continue to thrive.

Our team is the heart and soul of our business and they are immensely passionate about their work and looking out for each other. We remain committed to delivering policies and programmes that will continue to make Countdown a great place to work.

REDUCED INEQUALITIES



COMMITMENT 5

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

STATUS: **ACHIEVED**

COMMITMENT 6

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

STATUS: **ACHIEVED**

Young people at Countdown

Countdown provides a great start to the careers of many young New Zealanders and we're proud to play an important part in the development of our almost 7,000 team members who are 25 years old and younger.

Although people spend plenty of time in supermarkets, very few understand the careers and opportunities our business provides, from getting products into our stores, helping our online service grow, and helping to develop our stores of the future.

One of the ways we help develop our younger team is through SEEDs programme (Students Entering Employment

Developing Skills), apprenticeships and graduate programmes.

SEEDs has continued to be a great success for Countdown, with 450 students gaining work experience across 58 of our stores and graduating from the programme in 2019. SEEDs is invaluable for gaining first-hand experience working in various areas of the store, and for our store teams who can scope out potential future employees. Over the next year, we'll work to encourage even more students into SEEDs and more stores to take part in this mutually beneficial programme.

Countdown also provides the opportunity for our team to upskill through apprenticeships. Currently 78 of our team are undertaking either butchery or bakery apprenticeships, and since 2017, 14 of our store team members have completed and

gained their NZ Certificate in Meat Retail Butchery, 14 meat plant team members have completed and gained their NZ Certificate in Trade Butchery Carcass and Boning, and 11 store team members have completed and gained their NZ Certificate in Baking.

Our Graduate programme saw 12 young people move into permanent roles and nine new university graduates joined Countdown in early 2020. Since 2017, 38 young people have graduated from the programme, which allows them to gain hands-on experience in their chosen field and across our business.



"I've never felt like a cog in the wheel while working for Countdown, but have instead always felt like I was a valued member of the team."

Gokulan (Goku) Ganeshan, Countdown X Analytics Analyst

"I spoke to plenty of companies, but the team from Countdown were extremely passionate about the work they were doing and were happy to talk about the work culture as well. It didn't feel like a sales pitch. Instead it felt like I would be joining a team." says Goku.

Since joining the business through the Graduate Programme in 2019, the opportunities he's had have helped him not only appreciate how essential Countdown is for our customers' daily lives, but also helped him realise his own potential.

"I was never strong with statistics and numbers and thought that data analyst jobs were only reserved for the super smart. However I did a rotation with my current manager, Hayden Sanders, and he introduced me to the world of data analytics of customer behaviour. It was an eye-opening experience and Hayden gave me the confidence to not only be able to do data analysis but also taught me how to embrace failure as a learning opportunity instead."

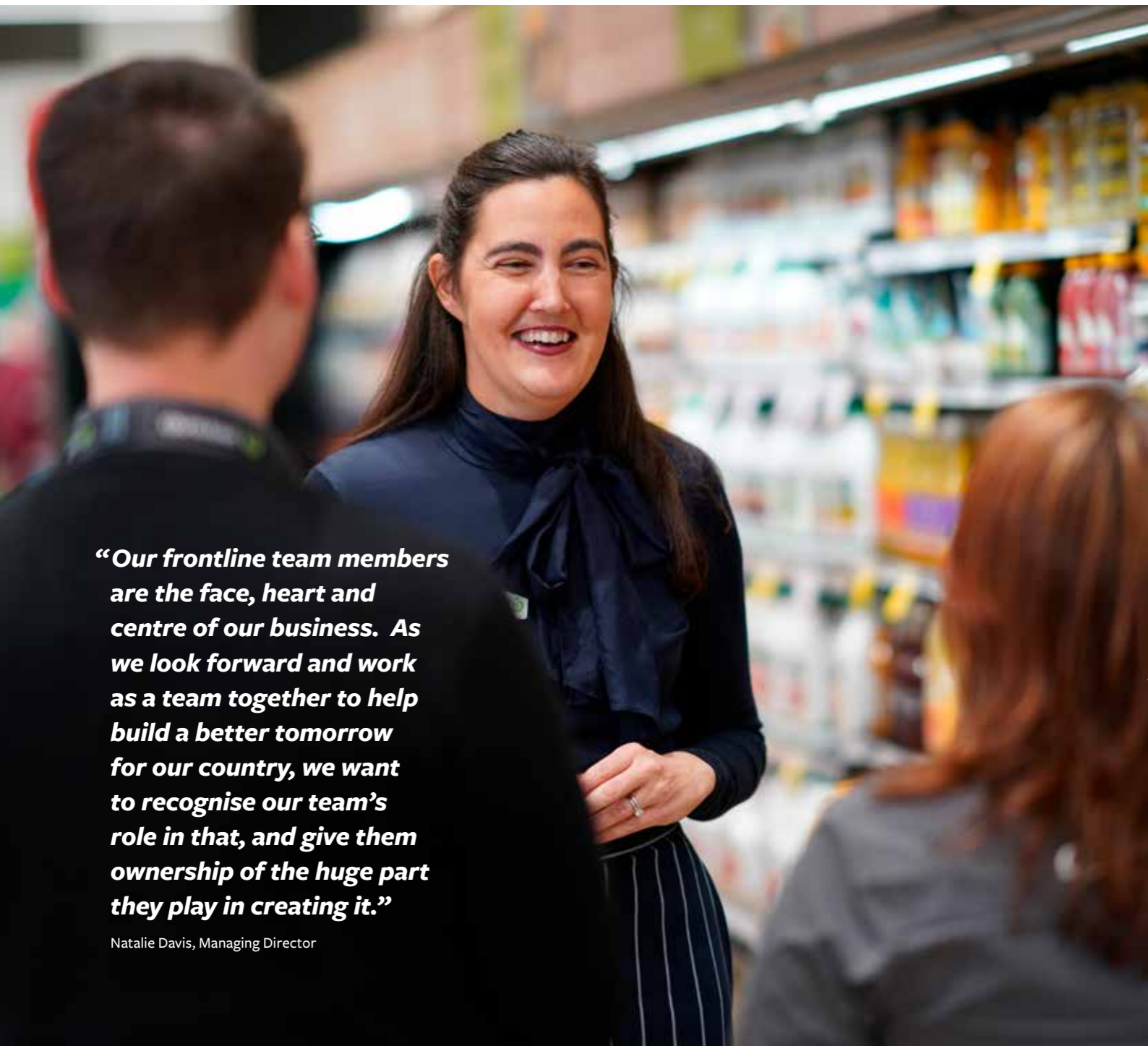
Now a Performance Analytics Analyst at CountdownX working on a variety of projects, Goku says the most important part of his work is trying to understand what online customers want and using his skills to help give them the best experience possible when they visit our website.

"I want to help ensure the projects we work on aren't purely business driven. I want to understand how our customers shop online and use our website so our services are focused on them."

Helping deliver great customer experiences

For Gokulan (Goku) Ganeshan, Countdown wasn't an immediately obvious place to start his career. Having only thought about Countdown as a place to shop for groceries, he wasn't sure where his Bachelor of Commerce majoring in information systems would fit. A chance encounter with the Countdown team at a university career fair helped change that perception.





“Our frontline team members are the face, heart and centre of our business. As we look forward and work as a team together to help build a better tomorrow for our country, we want to recognise our team’s role in that, and give them ownership of the huge part they play in creating it.”

Natalie Davis, Managing Director

Team of 13,010 local shareholders

In late FY20, we awarded \$10 million in Woolworths Group shares to all eligible full-time team members, and on a pro rata basis for our part-time eligible team members, providing 13,010 Kiwis across our 183 stores and distribution centres with an ownership stake in the company.

The shares not only recognise the way our business pulled together during New Zealand’s lockdown to provide food for millions of Kiwis across the country, but also acknowledges the role Countdown’s team members will play as we support the country’s recovery from the impact of COVID-19.

Financial wellbeing programme

In mid FY20, we also launched our financial wellbeing programme, which aims to support team who may have incurred unexpected expenses and costs and need financial assistance and advice. 36 people in our team have been referred for debt coaching to help them get back on track, and 22 loans have been issued to date.

Supporting and recognising our team

Paying people a fair wage for their work is important to our business, and we regularly review pay alongside the unions that represent some of our team.

In mid-FY20, we announced that from September 2020, all Countdown team members with 12 months or more service will earn a minimum of \$21.15 an hour, reflecting our genuine desire to provide more income for our team and balancing the realities of keeping and creating jobs, and keeping food prices affordable for New Zealanders.

All our waged supermarket and distribution team members were also paid a 10 per cent bonus for hours they worked for the initial four week COVID-19 Alert Level 4 lockdown which started on 27 March 2020. This bonus recognised not only the essential service our

team provided New Zealanders during the lockdown, but also the weeks preceding this when we experienced incredibly high levels of demand.

Providing jobs when they were needed most

The impacts of COVID-19 have already been far-reaching with many Kiwis facing job losses and increased financial insecurity. Record unemployment numbers are predicted in the months ahead.

For Countdown, the initial impact of COVID-19 saw our stores and our online service busier than ever before.

To help provide jobs for Kiwis and to support our business as it dealt with the increased demand from customers, 2,418 people joined our team just before and during the lockdown period, taking on

a range of roles and responsibilities and helping ensure our customers had access to the food and essentials they needed. Over half of the team we employed in this period were hired in permanent roles, and we’ve been working hard to convert many of the remaining team on casual and fixed-term contracts into permanent roles.

The new team members have come from a range of industries, including the tourism industry, which has been particularly affected by the closure of borders throughout the world due to COVID-19. With their support, Countdown was able to serve the millions of customers who needed our services at such an uncertain time for the country.



Putting safety first



COMMITMENT 7

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

STATUS:

MATERIALLY PROGRESSED

Whether it's our team working in stores, distribution centres, meat and seafood plants or support offices; our customers or other visitors, we have a responsibility to keep them all safe.

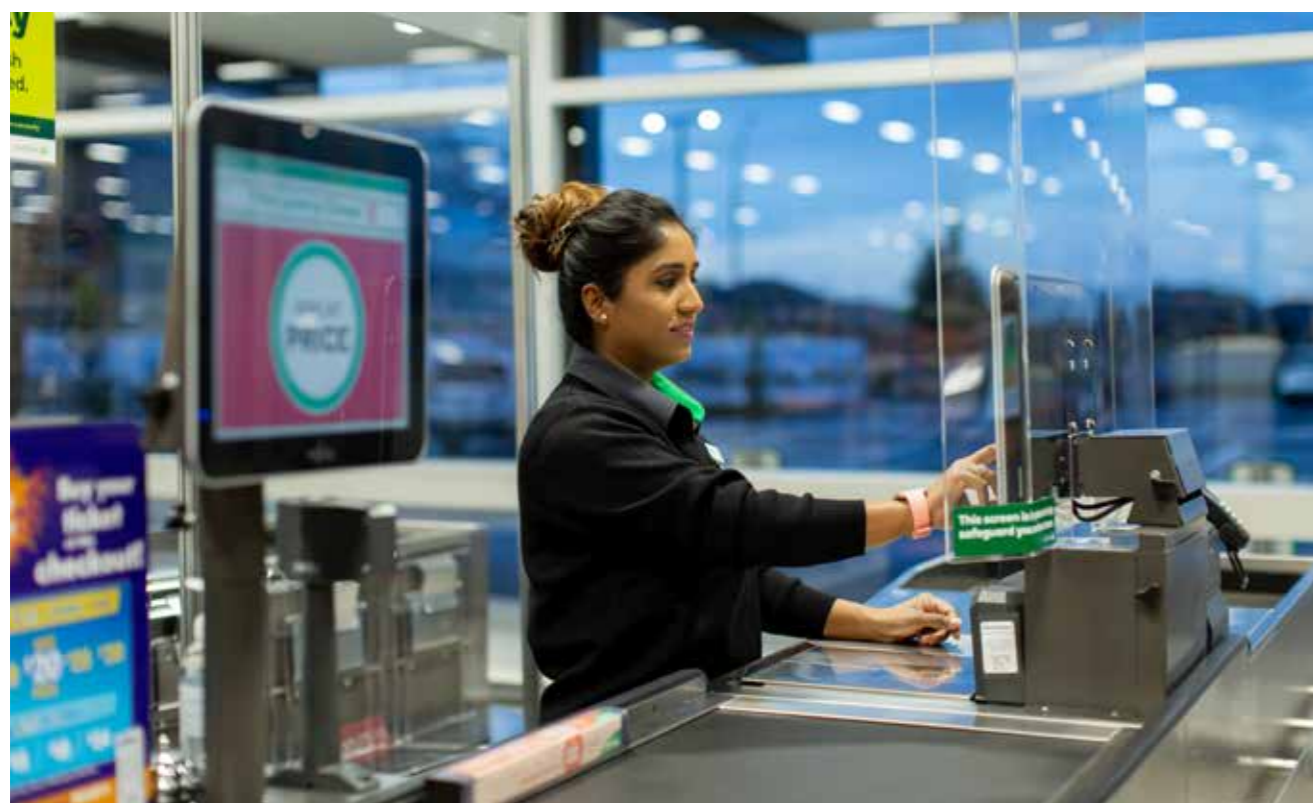
The health and safety challenges of a business like ours are incredibly varied with many of our sites busy with large machinery and thousands of products that need to be lifted and shifted.

However in early 2020, responding to the threat of COVID-19 became the biggest health and safety challenge Countdown has ever faced. As one of the only businesses in the country to remain open throughout lockdown, and in a very public facing way, we had a huge responsibility to keep both our customers and our team safe.

Our team across the country worked incredibly hard to make sure our stores were safe to shop in and that we could

continue to provide Kiwis with food and essentials. Whether it was the protective screens installed at checkouts, the hand-santiser we provided, the extra cleaning in our stores, or physical distancing while shopping, millions of customers shopped safely with us during lockdown.

The impacts of COVID-19 will have long-term effects on many New Zealand businesses and the Kiwis who work for them. Moving forward, we'll continue to regularly check-in with our team and make sure that we're doing everything we can to keep our team physically and mentally happy, healthy and safe.



“Operating through a global pandemic with high levels of uncertainty was extremely challenging. Our focus on the safety of our team, our customers and the communities in which we operate never wavered, our teams responded with courage and commitment to continue to provide access to food and groceries for all Kiwis, often in difficult circumstances.”

Ben Sheidow, Head of Health, Safety and Wellbeing



Responding to a global health crisis

The unprecedented pressure that COVID-19 put on our business was not just from a supply and demand perspective, but a safety, health and wellbeing one too.

Caring for our team is our priority. In the lead up to and throughout the lockdown, our Safety, Health and Wellbeing team worked to develop the plans and processes needed to keep our team and customers safe. We were able to install and initiate a wide range of safety measures and procedures at pace, including limiting the number of people in a store at any time, putting in place strict physical distancing protocols, increasing store cleaning, closing every second checkout, providing PPE, installing perspex screens - to name a few examples.

Our comprehensive COVID-19 and physical distancing plan for stores and distribution centres was reviewed by the New Zealand Defence Force's Environmental Health team, which forms part of the Ministry for Business, Employment and Innovation's

(MBIE) COVID-19 response. This review ensured that despite the pandemic, our supply chain and stores were fighting fit.

During what was a hugely uncertain time for many New Zealanders, we made sure people felt safe in our stores. We also kept the most important part of business - our people - healthy and safe while they were at work.

Any of our team who were considered high risk or vulnerable (including our team over 70 years old) to COVID-19 by the Government were able to stay home and self-isolate. We also worked directly with those in our team who were unable to work during the lockdown period for any reason, such as caring for dependents, to make sure they were supported with paid leave.

We know however that the biggest impact on our team has been to their mental health. Working in an incredibly busy and stressful environment, as well as dealing with customers who were unsettled, often frustrated, and sometimes abusive, has been difficult for our team.

In response we worked with the Police and other government agencies to run a

very public campaign around being kind to supermarket workers. This message was led by the Prime Minister, along with other senior government figures. We also had fantastic support from the New Zealand Police over alert level four in particular. They both proactively visited our stores, but also attended nearly all events involving poor customer behaviour. This support was immensely reassuring for our store teams.

We are now putting in place a number of wellbeing initiatives to continue to support our people. In addition to encouraging our teams to talk with each other, providing onsite professionals to support team and to join our I am Here Ambassador programme, during the lockdown we launched a new online yoga and mindfulness resource for all team and their whanau, and more recently launched the UnMind app for team. UnMind provides tips and tricks on how to look after their mental health effectively. We have a firm and ongoing focus on helping our team stay well and healthy over the coming year.

A focus on safety

Over the last two years, we've tackled health and safety with renewed focus and a clear aim of making Countdown an even safer place for our team to work and our customers to shop.

There are two main areas of safety that we've addressed. First, we have changed our approach from one focussed on compliance, to one based in, and driven by, care. And secondly we have changed the way we engage with our team.

We know that engagement is fundamental to improve our team's understanding of why their safety and wellbeing is such a priority. To help, we have held quarterly safety weeks. Each day of these weeks focuses on a new topic, centered around critical and high frequency risks such as traffic management, conflict, electrical and

manual handling. Throughout the week teams across our stores and distribution centres work through a range of videos, briefings and tasks, which help ensure health and safety remains a top-of-mind issue for our team.

In FY20, we had almost 130,000 safety conversations (iLEADs) amongst our team. These are specific conversations held with team or leaders on safety; they can be positive and recognise good behaviour or they can be constructive and provide coaching in situations where things could be improved.

We also launched improvement programmes for electrical safety, traffic management, how we manage conflict in our stores, and road safety, and have continued to invest in making sure our team has the right equipment for the right job. This has included electric pallet

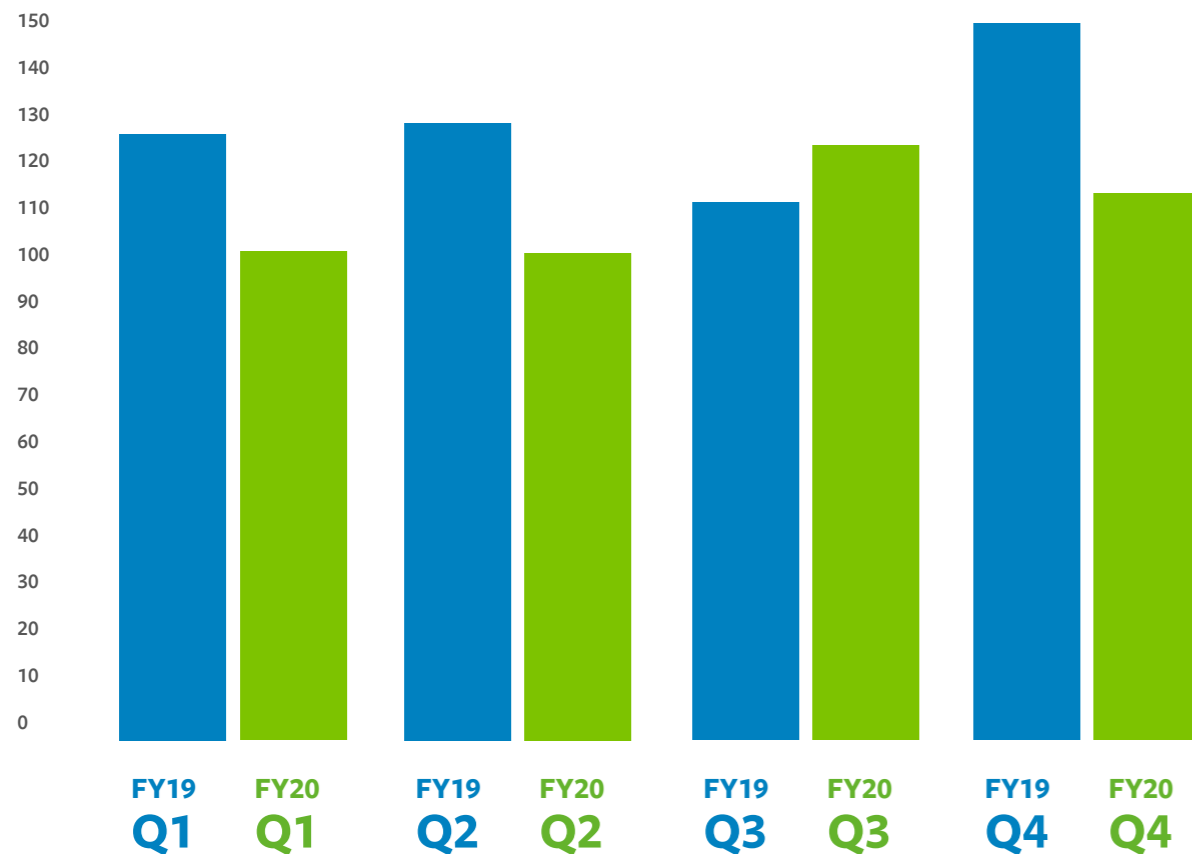
jacks in our stores to move stock that can weigh up to 800kg, automated external defibrillators at all Countdown locations, and park brake alarms in our online vehicles and in secondary carrier vehicles to reduce the risk of rollaway incidents.

These programmes and investments, as well as our increased engagement with team, have played an instrumental role in helping us reduce our total recordable injuries by almost 14 per cent.

Over the next year, we will further integrate mental health and wellbeing with our approach to physical safety and wellbeing, increasing our focus on the mental health of our team. To do this, we will continue to provide them the tools, resources and support to help them through challenges they may face in their personal and working lives.

Total Recordable Injuries (TRIs)

*reporting metrics changed in FY18 are not comparable



“Quite simply, having an AED machine was the difference between life and death for an elderly customer who had collapsed and stopped breathing in the trolley bay. I’ve done plenty of first aid courses, but having to give CPR was a big fear of mine. But in that moment, your training just switches into action and the AED Machine tells you exactly what you need to do. It was a life-saver.”

Selwyn Sainty, Store Manager Countdown Birkenhead



Defibrillators rolled out nationally

According to the New Zealand Red Cross an estimated 1,600 New Zealanders have cardiac arrests annually and for every minute without CPR (cardio-pulmonary resuscitation) or treatment from an Automated External Defibrillators (AED's) to restart the heart, a person's chances of surviving a cardiac arrest decreases by 10 per cent.

With more than three million Kiwis shopping with Countdown every week,

the reality is that these types of medical events can, and do, happen in and near our stores. To make sure our team can provide help when it's needed most, we installed AEDs throughout all of our stores, distribution centres and support offices.

We have also partnered with New Zealand Red Cross to make sure our team are trained and this has already been put to good use with the AED machines being used in three separate medical incidents since they were installed in December 2019.

Planet – for a healthy Aotearoa

Our precious environment is under threat, with climate change affecting our weather, oceans, wildlife and way of life. For the sake of our future generations, we're more committed than ever before to reducing our emissions, using more sustainable products and materials, recycling more and wasting less.

Emissions reductions in FY20

8.7%

Tonnes of food diversion from landfill

6,279^T

Refrigerant leakage reduction in FY20

30%

Certification for paper, pulp and timber

100%



Sending less to landfill

As a company that moves food and other essentials up and down the country, we have a focus on reducing waste throughout the supply chain.

Kiwis are passionate about protecting Aotearoa's precious environment. Colmar Brunton's 2020 Better Futures report placed the 'build up of plastic in the environment' as the second top concern for both old and young New Zealanders.

We're actively working on tackling plastic waste and in the past three years, we're taken some significant steps. We've phased out single-use plastic bags and packs of plastic straws, we're the only large supermarket to continue to support the soft plastics recycling scheme, and where we can, we're moving to use more recycled and recyclable materials.

But removing plastic is not a penicillin for New Zealand's waste problem. In fact, plastic often performs an important role

in keeping our fresh food safe, fresh, and transportable. Without it, our plastic waste problem would become a food waste problem. And, while we already divert a lot of our food waste from landfill through our food rescue programme, we want to reduce how much we're creating in the first place.

Meeting our target towards zero food waste to landfill needs a holistic approach. It's about changing what 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.

ZERO HUNGER 

RESPONSIBLE CONSUMPTION AND PRODUCTION 

COMMITMENT 9
Towards zero food waste going to landfill.
STATUS:
MATERIALLY PROGRESSED

COMMITMENT 10
Improve the recyclability of our Own Brand packaging and contribute to the circular economy.
STATUS:
MATERIALLY PROGRESSED

Giving food an important second life

Kiwis throw away an estimated \$1.17 billion worth of food each year, according to Love Food Hate Waste.

This is a major issue not only because of the harmful methane gas food waste produces as it breaks down, but also because of the thousands of New Zealanders going without food each and every day.

At Countdown we work hard to estimate demand and try to stock only what we know will sell - but the nature of our business means that some food waste is inevitable. Our responsibility is to make sure that any waste that is generated, can be thoughtfully diverted from landfill.

Right across New Zealand we work with more than 20 food rescue charity partners to save food that is still safe to eat, but can't be sold. That food is sorted by our stores, picked up by our partners and then distributed to people most in need. We also work with a number of farmers to donate food that can't be eaten by humans, but is safe for animal consumption, to feed their livestock. In the last financial year, we've diverted 6,279 tonnes of food from landfill and since 2017, we've diverted 24,934 tonnes of food.

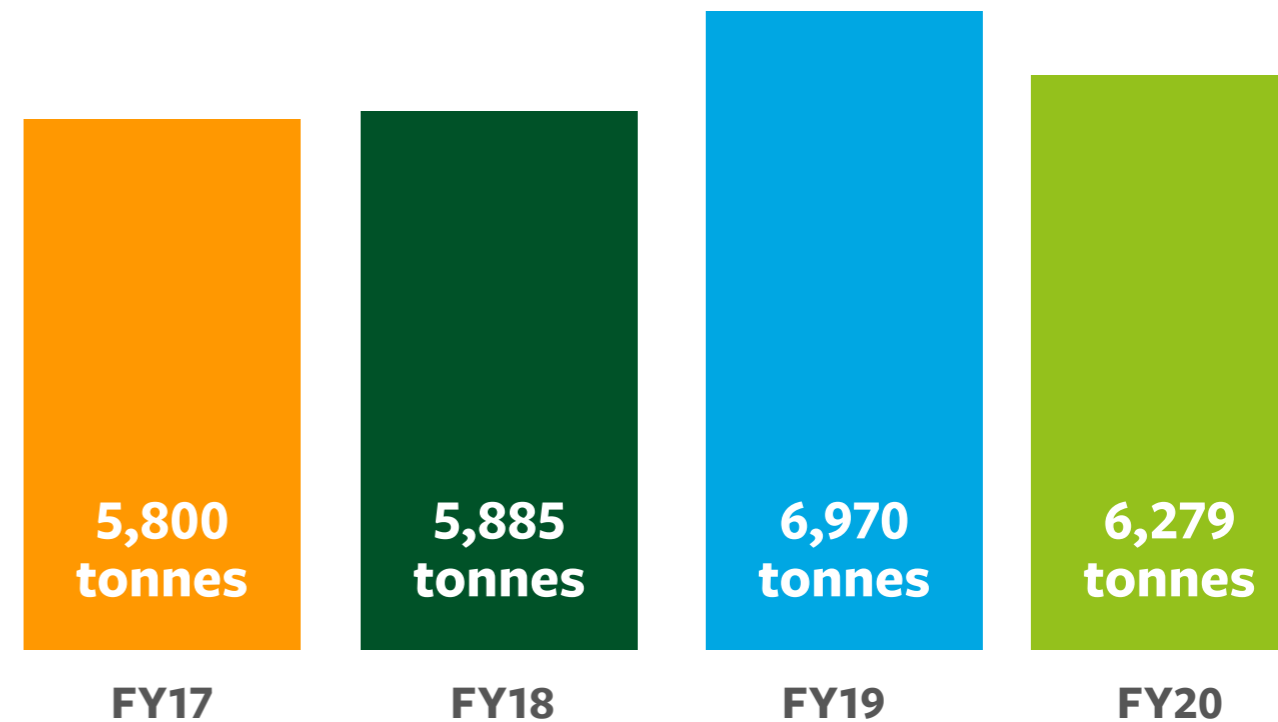
We are working towards zero food waste to landfill, but achieving this will require the efforts of more than our business and those of our food rescue partners.

Government support at a local and national level is urgently needed to establish or incentivise the facilities that can process food waste that isn't safe for humans or animals to eat.

Countdown provided submissions on a number of key consultations over the last year, including the Waste Disposal Levy Consultation, outlining the need to better support New Zealand's food rescue organisations who provide an invaluable service, and also provide support to grow other diversion facilities such as anaerobic digesters and commercial composting facilities.



Food diverted from landfill



*Due to missing data, several of the FY19 data points were estimates based on previous results. FY20 is slightly lower due to this and a drop in diversion during Lockdown Level 4.

Action on plastic and packaging

Since establishing our 2020 Commitments back in 2017, the demand for more action on plastic has continued to grow and Countdown has taken some big steps towards addressing that demand.

We're proud of what we have already achieved, but our work is ongoing. We are determined 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 also want to make 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

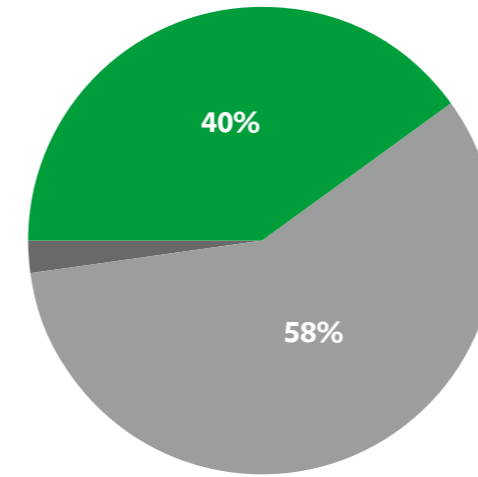
industry, the Government, ourselves and our customers. We've been pleased to see a renewed focus in the past two years on making sure our waste system is fit for purpose and that there is an agreed plan of action regarding plastics. The Prime Minister's Chief Science Advisor's Rethinking Plastics report gives a clear direction for the future and Countdown will continue to be a willing and active participant in this work.



Since 2017, we have:

- + Phased out single-use plastic carrier bags, removing 350 million bags from the waste stream annually
- + Phased out packs of single-use plastic straws, removing 11.6m from the waste stream annually
- + Removed more than 150 tonnes of plastic from our produce section
- + Introduced BYO containers for our deli, meat and seafood counters
- + Introduced more rPET packaging, reducing the need for virgin plastic
- + Phased out takeaway coffee cups at our support office
- + Signed the New Zealand Packaging Declaration
- + Tested 'Unwrapped' produce concept for 10 weeks at Orewa, Manukau and Ponsonby stores.

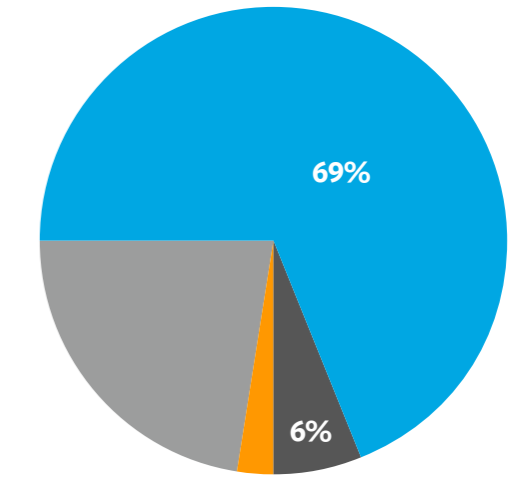
Recyclability of packaging



● Recyclable	40%
● Non-Recyclable	58%
● Unavailable at time of audit	2%

*Items had to be able to be recycled across 80per cent of New Zealand to be considered recyclable.

Key packaging types as a percentage of non recyclable



● Soft plastic	69%
● Black plastic	6%
● PVC	3%
● Other	22%

Packaging at Countdown

Early in 2019, we carried out a packaging audit that looked at the recyclability of our own brand packaging. The total number of products looked at was 1,378 and the number of packaging components within those products totalled 2,036.

The audit has enabled us to develop a clear plan of action when it comes to making changes to our packaging in the short, medium and long term. The report recommendations include regular monitoring of our packaging, phasing out PVC and black plastics, supporting the expansion of the soft plastics recycling scheme, and developing sustainable packaging guidelines alongside our suppliers. These will help us as we work towards meeting the Packaging Declaration commitment to have 100% reusable, recyclable or compostable packaging by 2025.

Supporting Soft Plastics recycling

Countdown currently has 46 stores throughout the Northland, Auckland, Waikato, Bay of Plenty and Wellington regions involved in the Soft Plastics Recycling scheme, giving customers the opportunity to recycle their soft plastics that would have otherwise gone to landfill.

After the scheme was briefly closed down due to the overwhelming amount of material that was collected, it returned in late FY19 and is working to rebuild its capacity, with a focus on processing based in New Zealand. Future Post in Waiuku, Auckland, processes material collected from the top of the North Island into fence posts, and Second Life Plastics in Levin processes material collected from the Wellington region into garden edging, cable covers and other products.

The growth in the scheme has meant that around 60 per cent of New Zealanders now have a soft plastics collection point within 20 km of their home or work.

Countdown is the only major New Zealand supermarket that has continued to support the Soft Plastics Scheme, recognising the soft plastic generated by the products we make and sell, and the extremely important role it plays in closing the loop on soft plastic. Since it began in 2016, the scheme has seen 212 million plastic packages recycled.

We will continue to work alongside the scheme to ensure even more New Zealanders have access to Soft Plastics Recycling in FY21.

Produce goes Unwrapped

In early 2020 we ‘unwrapped’ produce in our Orewa, Ponsonby and Manukau stores. The 10-week test saw 65 products ‘unwrapped’ from their usual plastic wrap or pack, and plastic produce bags removed, with customers encouraged to use reusable bags for their produce instead.

Working with our produce suppliers, we developed and introduced a number of alternative packaging options to take more than a tonne of plastic out of the supply chain entirely - from the moment the produce was picked, all the way through to arriving on our shelves.

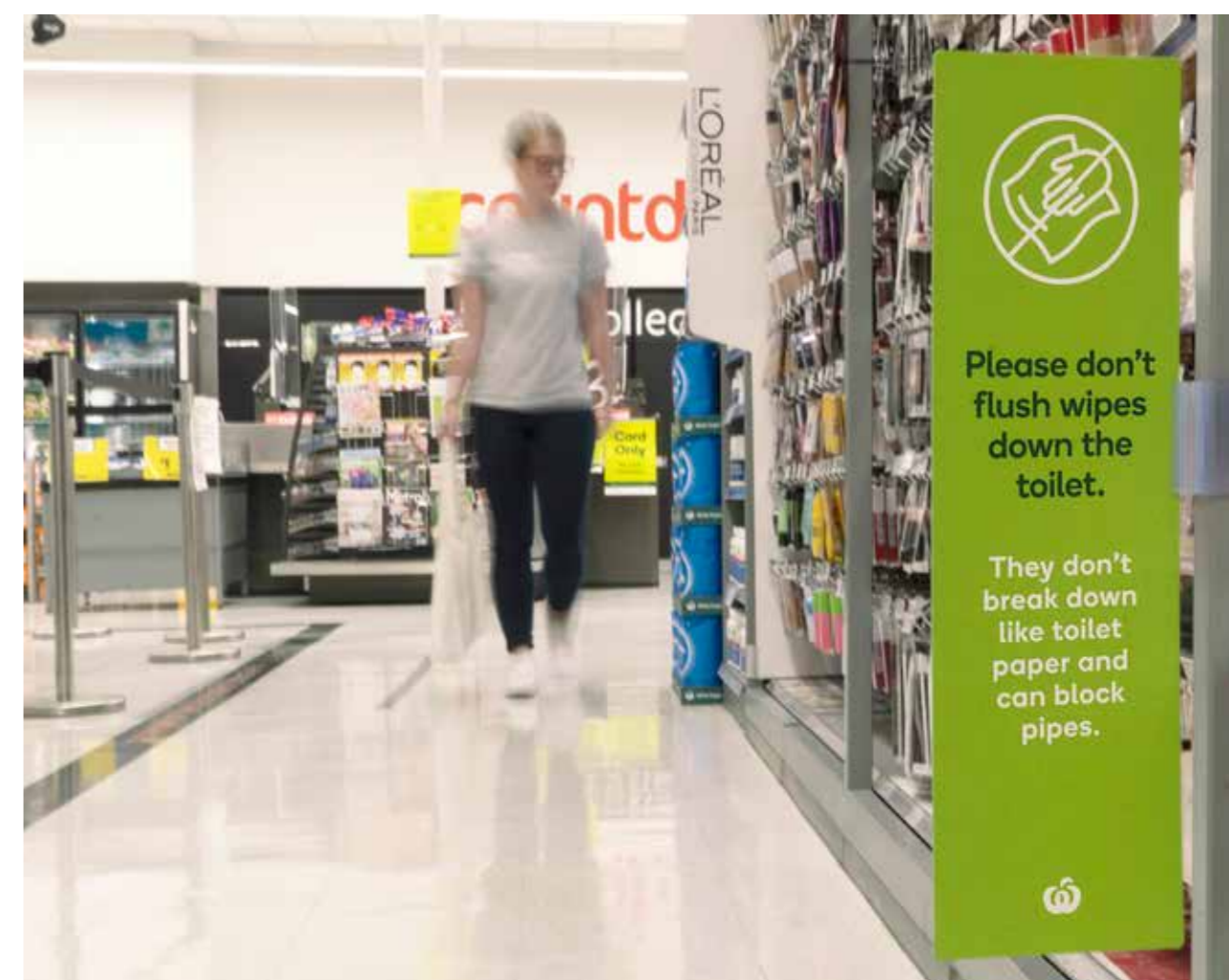
Unwrapped gave us an opportunity to test whether the types of changes we want to make could work long-term, and deliver better outcomes for the environment.

A large part of the test was making sure any changes wouldn’t cause bigger issues down the track, which is why things like food waste and customer reaction were closely monitored.



Throughout the test, we talked to our customers and team to understand opinions on the changes and measured a range of factors. While the customer response to the changes was largely positive, some customers did still prefer using free, single-use plastic bags. We were able to use the feedback we had received to tweak packaging during the test and provide customer incentives to use the reusable bags.

While Unwrapped was cut short due to the impacts of COVID-19, the early results and the feedback we received when it was running will have a long-lasting impact on how all New Zealanders shop in the future. Our produce team is currently considering what changes can be made to the packaging of certain lines and rolled out to all our stores.



Action on wet wipes

In mid-FY20, Countdown met with representatives from a range of local councils, Water NZ, Watercare, the NZ Food and Grocery Council, and a number of our global and local suppliers to talk through the challenges that wipes create for wastewater systems in New Zealand.

Local councils have been incurring huge costs due to the blockages wet wipes cause and with Kiwis using these types of wipes a lot more during the COVID-19 pandemic, they were also causing potential health risks for workers at wastewater plants. To help address the problem, we rolled out signage across all of our stores to remind customers not to flush their wipes down the toilet. This was supported by Water NZ, Local Government New Zealand and the Ministry for the Environment.

We support a New Zealand flushability standard to provide consistent guidance around flushable wipes. Water New Zealand is helping to develop this. We are committed to making sure that any products we sell in the future meet the local flushability standard once this has been developed.

BYO Containers

Moving away from single-use plastic is important to many of our customers and where possible, we’re trying to meet that demand and help reduce our customers reliance on these types of plastics.

During Plastic Free July, we trialed a Bring Your Own (BYO) container initiative, where customers could use clean, reusable containers in our in-store meat, deli and seafood counters. Following the successful trial and a few tweaks to the cleaning processes following customer feedback,

the initiative was rolled out to all stores in early FY20.

Recycled plastic trolleys on a roll

Where possible, we’re keen to incorporate recycled materials into not only our own brand packaging but into other useful items for our stores - including the humble trolley.

Our Takapuna and Waiheke stores are currently trialling recycled plastic trolleys. Introduced in mid FY20, the green trolleys are made from recycled milk bottles. Currently, these aren’t made in New Zealand from locally sourced recycled materials but we are hopeful that in time, items like these will become more available as the country’s waste processing and manufacturing facilities grow and develop their capacity to create more innovative products.

Sourcing sustainably



RESPONSIBLE CONSUMPTION AND PRODUCTION

We know that our role in ensuring products are sustainable doesn't begin when they arrive in our distribution centres - it begins from the moment we first engage with a supplier.

Sustainable sourcing is about understanding the entire supply chain and knowing that the products we sell are grown, produced and transported in a sustainable way. It's also about ensuring we take all reasonable steps to source ethically and not create harm.

We're continuing to work with high impact commodities and key raw materials like palm oil, paper, sugar, coffee and chocolate to ensure they are sourced from sustainable and independently verified supply chains, and we're taking the opportunity to talk to our customers and team about these products wherever we can.

COMMITMENT 11

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

STATUS: **MATERIALLY PROGRESSED**

COMMITMENT 12

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

STATUS: **PROGRESSED**

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.

We are aiming to ensure that both our food and non-food products use palm oil that is certified by the Roundtable on Sustainable Palm Oil (RSPO) - previously our focus was predominantly food products.

100 per cent of our own brand food products support the production of sustainable palm oil. 67 per cent of those products are supplied by an end-product manufacturer that holds RSPO Supply Chain Certification, which completes the 'chain of custody' tracing sustainable palm

oil from the finished product back to the mill or plantation. Volumes of Palm Oil sold in products without complete Supply Chain certification are covered through the purchase of RSPO Credits. We expect that by mid-FY21, all end-product manufacturers will hold the RSPO Supply Chain Certification.

For formulated non-food such as our cleaning or personal care products, in the second half of FY20 we began our journey toward using sustainable palm oil. Currently, 98 per cent of our non-food products in New Zealand are sourced together with Woolworths Group and we will continue to work closely together to achieve sustainable palm oil in this product group.

In FY20, we changed how we track and report our progress to make it clearer. We want our customers to make informed choices about palm oil when they shop with us, which is why where palm oil is used as an ingredient in any of our own brand products, we clearly label it as 'palm oil' on the packaging.

Certified Sustainable



	Coffee	Tea	Sugar	Chocolate	Overall
FY17	25%	0%	0%	21%	19%
FY18	43%	0%	100%	53%	56%
FY19	82%	100%	100%	100%	92%
FY20	98%	100%	100%	100%	98%

Tea, coffee, chocolate and sugar

We want to give our customers the confidence that even the smallest of essentials they buy in our stores are sustainably sourced, and we have continued to work on independently certifying key pantry staples like tea, coffee, chocolate and sugar.

100 per cent of our sugar is Bonsucro certified. 100 per cent of our chocolate and tea, and 98 per cent of our coffee is independently certified by organisations including Fairtrade, Rainforest Alliance and UTZ. Production will begin in early FY21 on a new certified coffee line, which will bring our coffee, and overall, certification figure up to 100 per cent.

Animal welfare

Animal welfare continues to be a key consideration for Countdown and our customers; 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.

In FY20 we have continued our path towards achieving cage-free eggs on shelf across all stores by 2025. During COVID-19 we saw demand for eggs – alongside other pantry staples – skyrocketed 33 per

cent. Continued demand for cage-free eggs will make achieving our targets more challenging, but we continue to work with key industry partners to forecast and meet demand.

In a time when it's especially important to support local producers, we are proud that all of our fresh pork is free-farmed right here in New Zealand.

Our strong preference is also to source 100per cent grass-fed New Zealand produced fresh beef and lamb and this year we also achieved this, despite the

pressure that the drought has put on many farmers.

Our next round of 2025 Commitments will include an increased focus on animal welfare, including the development and reporting of Welfare Outcome Measures to monitor performance against global best practice animal welfare benchmarks.



Progress on paper, pulp and timber certification



Paper, Pulp and Timber

New Zealand produces a significant number of paper, pulp and timber products, which was a welcome relief when COVID-19-related panic buying significantly impacted our toilet paper supply.

To ensure that our own brand products and raw materials are independently certified and sustainable, we work with the Programme for the Endorsement of Forest

Certification (PEFC) and the Forestry Stewardship Council (FSC) systems.

The number of Countdown own brand products containing certified timber, pulp or paper has been steadily increasing over the last few years and we are pleased to report that we have reached 100 per cent certification in FY20. This is a significant increase from our 2017 result of 63 per cent.

Responding to Climate Change

The impact of carbon emissions on our planet is undeniable. Extreme droughts throughout New Zealand and widespread wildfires in Australia are only some of the nearby examples of significant global weather events that threaten the future of our environment and economy.

Climate change remains an issue of great concern for New Zealanders, particularly our young people. For the long-term survival of Aotearoa's environment, of food-focussed 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.

Alongside plastic, we are also seeing climate concerns translate into diet changes to reduce environmental impact, a trend we are seeing reflected in customer buying habits.

In the wake of COVID-19, short-term emissions reductions in parts of our

economy are likely, with more people working from home and business travel patterns changing. The focus now needs to be on ensuring that as we invest to rebuild, we are investing in ways that aid rather than slow the transition to a low emissions economy.

In FY19, we exceeded our target of reducing our emissions to 10 per cent below our 2015 levels and this progress hasn't slowed. We are firmly focused on the action we need to take now to play our part in meeting the Woolworths Group commitment to reducing emissions by 60 per cent by 2030 compared with 2015 levels.

AFFORDABLE AND CLEAN ENERGY



CLIMATE ACTION



COMMITMENT 13

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

STATUS: ACHIEVED

COMMITMENT 14

Innovate with natural refrigerants and reduce refrigerant leakage in our stores by 15per cent of CO2 equivalent below 2015 levels. (CO2t).

STATUS: ACHIEVED

Developing an emissions reduction action plan

It has been a big year for climate change in New Zealand with the Zero Carbon Act coming into force in November 2019, followed by the establishment of the Climate Change Commission. The Emissions Trading Scheme is also undergoing significant changes and there has been a focus on accelerating renewable energy and energy efficiency.

Countdown has continued its work to reduce emissions and this year we reduced emissions by 25,123 tonnes, more than doubling our targeted reductions. Our ongoing refrigeration transition programme was again the hero in this year's results. We retrofitted five stores from higher global warming potential (GWP) gases to lower GWP, and also installed five

new transcritical systems, contributing a reduction of 14,947 tonnes.

In FY19, as part of the Woolworths Group, we announced a commitment to reducing emissions by 60 per cent by 2030 compared with 2015 levels. This new target - which relates to our Scope 1 and Scope 2 emissions - starts in FY21, and has been set using the Science Based Targets methodology.

During FY20, we have been working closely with sustainability consultants thinkstep Australasia to map our pathway to 2030 and identify the best opportunities to achieve our 60 per cent reduction target. We also commissioned two detailed store energy audits, with support from EECA.

We have identified the following opportunity areas:

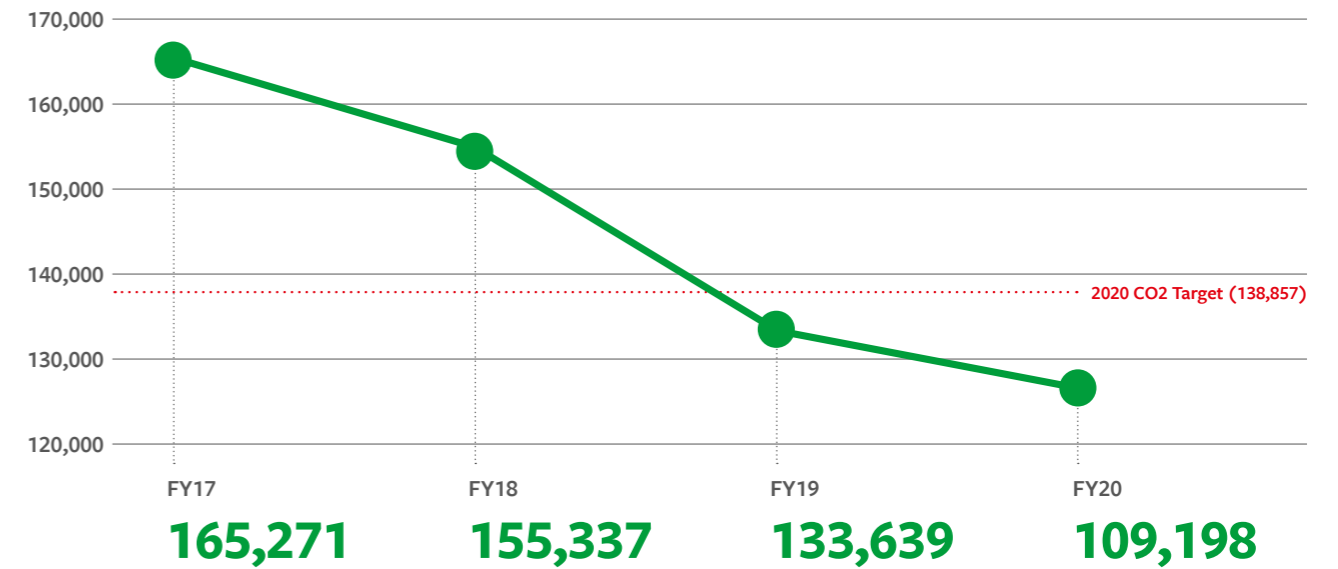
- Transitioning towards very low greenhouse gas refrigerant emissions systems

- Accelerating energy efficiency retrofits in our stores which includes installing LEDs and improving air conditioning systems

- Providing real-time store energy performance information to our team, helping them maintain lower energy use and address any increases

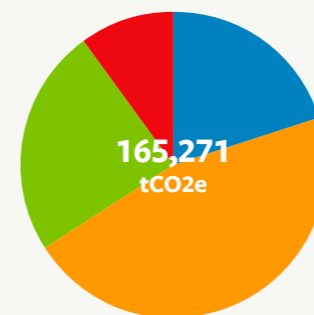
Continuing to reduce waste to landfill and partnering with suppliers are opportunities we will develop further this year. Countdown joined the Sustainable Business Council's Collaboration on Low Emissions Solutions for Heavy Transport to better understand how we can work with our third party logistics partners to reduce emissions in this area. We also continued our membership of the Climate Leaders Coalition, contributing to its annual report on member performance against its 2017 Climate Change Statement.

Total Emissions (Tonnes of Carbon tCO2e)



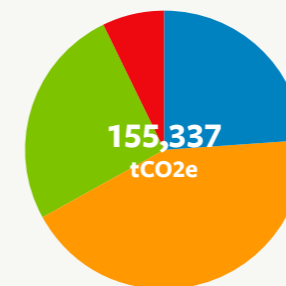
18.7%
reduction in emissions since FY19

Emissions profile:



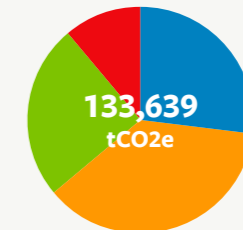
2017

- Fuel 20%
- Refrigerants 46%
- Energy 24%
- Waste 10%



2018

- Fuel 24%
- Refrigerants 43%
- Energy 26%
- Waste 7%



2019

- Fuel 27%
- Refrigerants 37%
- Energy 25%
- Waste 11%



2020

- Fuel 25%
- Refrigerants 32%
- Energy 30%
- Waste 13%



Electric delivery trucks hit the road

With more customers than ever before using our online service, we can help reduce the emissions our delivery trucks generate in getting food and essentials to our customers.

In early FY20, Countdown launched the first of five electric delivery trucks at the St Johns store in Auckland, servicing online customers in St Johns, Greenlane, Remuera, Stonefields and St Heliers. A further two trucks joined the fleet later in the year servicing our Grey Lynn, Auckland, and Hornby, Christchurch, stores. The final two trucks are expected to start deliveries in early FY21.

The trucks have been part funded by an Energy Efficiency and Conservation Authority (EECA) grant totaling \$387,500, to help convert the formerly diesel trucks to electric.

Each of the trucks, which have both a refrigerated and freezer compartment, will be able to drive around 220 kilometres before recharging. When all five trucks are on the road, they will save around 135 tonnes of CO2 emissions annually.

Supporting electric vehicles on Waiheke

Electric vehicles are becoming increasingly popular with Kiwis, with many people seeing them as a great way to reduce their personal emissions. Waiheke Island is well-known for being an eco-conscious hot-spot in New Zealand and locals are keen adopters of EVs with 200 EVs already in use on the Island. Local community group, Electric Island Waiheke, has also set a goal for the island to become fossil fuel free by 2030.

To support this community goal, and to help make trips to our Waiheke store easier for EV drivers, Countdown installed four public charging stations with the support of Envex. The charging stations are free to use and allow shoppers to top up their charge while they visit the supermarket.

Joining Gen Less

In mid-FY20, Countdown became one of the founding 12 partners (and only supermarket brand) to join Gen Less, to help encourage individuals, organisations, businesses and government to live and work in more climate-friendly ways and reduce greenhouse gas emissions from energy use.

The initiative, which was launched with a rousing call to action on climate change, was established by government agency EECA, and continues to give Kiwis guidance and advice on how to use less energy in their day-to-day lives.



countdown 
WE'RE IN GEN LESS

Closing the door on fridges

As part of Countdown's focus to reduce emissions, every time we build a new store we look at how we can introduce tools and initiatives to help us achieve this.

Countdown Rototuna, which opened in late FY20, has been kitted out with a number of energy-use saving and emission reducing measures such as LED lighting, transcritical refrigeration and new chiller doors which will help reduce the fridges' energy use by 42 per cent a year. These doors alone will save enough energy to power 20 Kiwi homes for a year.

We had previously tested doors on fridges at Countdown Pukekohe South, and while they delivered significant energy savings, sales of refrigerated products dipped initially as customers adapted to the new fridges. For Rototuna, the team developed new signage to help customers understand the importance of the doors and to help them feel like they are part of our energy-saving efforts. We will monitor the customer response and hope to roll chiller doors out across more of our stores in future.



Prosperity – building strong and trusting relationships

Our customers place trust in us to do the right thing. By supporting and engaging with our suppliers, upholding human rights in our supply chain and contributing meaningfully to our local communities - we're working to honour that trust every day.

FY20 Community investment

\$7.2_M

Own brand food with the HSR

99%

Free pieces of fruit given away to kids since FY17

12_M

Donations to food rescue partners

\$1_M



Supporting New Zealand suppliers



COMMITMENT 15

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

STATUS:
ACHIEVED

To keep our shelves stocked with the fresh and locally grown produce that our customers love, we work with more than 1,200 farmers and hundreds of local growers. Strong and long-lasting partnerships are what we strive for with all our suppliers.

Local Kiwi suppliers are a fundamental part of our business and we're proud of the positive working relationships we have with them. Whether big or small, or whether we've worked with them for years or only a few weeks, we want to make sure that partnering with Countdown is mutually beneficial.

Along with the health and safety challenges that COVID-19 presented, it also created immense pressure in our supply chain. In the weeks leading up to New Zealand's national lockdown, our stores saw unprecedented levels of demand for a wide

range of products. We also saw the supply of products from off-shore slow as borders closed around the world.

Now, more than ever, New Zealand will depend on its local growers and suppliers. We are a nation that produces some of the greatest 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 and increase their supply, knowing that they have a long-term stockist, and helping them adapt to changes in consumer behaviour and changes to our planet.



“We see Compass as a genuine win-win because a lost sale for a supplier is most likely an unsatisfied Countdown customer as well. We believe that the introduction of Compass here has the potential to recoup real value for suppliers while improving availability for our customers at the same time.”

Steve Mills, General Manager Merchandise

Meeting the needs of our suppliers

We're dependent on our local suppliers to help us deliver great experiences for our customers, and it's important to our business that we continue to improve our relationships with each of them.

Twice a year, our team undertakes a supplier survey to gauge how well we're supporting our suppliers and to understand where we are doing well and what we need to do to be better.

Since the Voice of the Supplier survey began in October 2018, we've seen continued improvement in our results, with suppliers taking the opportunity to provide valued feedback that they know we will act on. The latest survey, which was completed

in February 2020, has again shown an increase in positive sentiment with an overall score of 45. This is a six point increase on the previous result, with the 'Collaborative Forecasting and Ordering', team 'Accessibility and Availability' and 'Viewing Countdown as Fair, Equitable and Trustworthy Business Partners' measures all seeing significant lifts.

The results have also shown our team where more work is needed to make things easier for our suppliers and to increase our collaboration with them. Our focus over the coming financial year will be on responding to this feedback and working to improve in these areas.

Compass app helps guide suppliers

A big part of our customers' experience in our stores is making sure we've got the products they need, when they need them. To help, we launched a new app called Compass, which enables our local suppliers to more closely monitor sales of their products in any of our stores.

Compass draws on historical sales patterns to calculate daily sales expectations for every product in every store, and it generates alerts for suppliers to quickly identify and fix potential out-of-stocks or other issues.

The app has already seen good pick up by suppliers, with many keen to take the opportunity to better understand how our customers shop and how they can provide the right products and stock levels to meet their demands.

Supplying New Zealand with the essentials through lockdown

At a time when our global supply chain was slowed due to the COVID-19 pandemic, our fruit and vegetable department flourished with 20 per cent more fresh, locally grown produce available to our customers than during our busiest time of the year - Christmas.

Thanks to our hardworking growers, our three produce distribution centres received the largest ever volume of fresh produce, with more than 100 team members helping get it all into stores ahead of the Easter Weekend.

“During a time when there was huge uncertainty for our customers, and Kiwi families were looking at spending Easter in lockdown, it was a proud moment knowing that anyone entering our stores would see this absolute abundance of beautiful, locally grown, fresh produce.”

Grant Robinson, Merchandise Manager Produce

152,000 bags of carrots

236,000 bags of potatoes

155,000 bags of brown onions

302,000 avocados

369,000 heads of brocoli

Buying locally:

82%

of our fresh produce is NZ sourced

100%

of Fresh White Milk is NZ sourced

100%

of instore baked Bread, Buns & Rolls are produced from NZ milled flour

84%

of fresh fish is locally sourced

99%

of all the fresh Beef, Poultry, Lamb, & Pork sold by Countdown is locally sourced

100%

of block butter is NZ sourced

100%

of block cheese is NZ sourced

60%

of our specialty cheeses are made by local artisan producers



Responsible sourcing

With a heightened focus on responsible sourcing over the past year in New Zealand, driven by market, regulatory and - most recently - global events, it's hugely important to our business that we're making sure workers in our supply chain are given a fair deal and not exploited.

We know Kiwis want everyone to be paid and treated fairly for their work. Our Responsible Sourcing Programme helps us to make sure we're doing that. To date, 95 per cent of our team members who interact with suppliers have completed a training module on how their actions influence Responsible Sourcing outcomes.

The past year saw the first conviction in New Zealand for a combination of both human trafficking and modern slavery. A number of investigations by the Labour Inspectorate and Immigration New Zealand have further revealed employment and immigration breaches in a number of sectors, including horticulture. The Government ratified the ILO Forced Labour Protocol 2014 and in November 2019, the Ministry of Business, Innovation and Employment (MBIE) began a review into temporary migrant worker exploitation. Countdown contributed its

views to this review, and consultation will continue this year.

Over the last year, we have continued to work closely with the New Zealand horticulture industry to raise awareness of the risks in this sector, as well as with NZGAP to develop a social practice add-on to their certification scheme. We have also promoted the availability of Speak Up, a website and phone line that allows suppliers and team to raise concerns anonymously. This is particularly important for workers who may feel they can't discuss employment issues with their employer and need support.

The pressure that COVID-19 has placed on supply chain throughout the world is immense and with that pressure comes a greater potential for worker exploitation which we all have to be alert to. We will continue to play our part in upholding the rights of workers in our supply chain.

NO POVERTY 

DECENT WORK AND ECONOMIC GROWTH 

COMMITMENT 16

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

STATUS: **MATERIALLY PROGRESSED**



Responsible engagement with our suppliers

Countdown is one of the first, if not the first, major food retailers in New Zealand to require social practice compliance from its suppliers and we have been working to raise awareness of our Responsible Sourcing Programme through supplier communications, grower updates, and presentations at industry conferences and events.

During the COVID-19 pandemic, we have maintained engagement with our suppliers regarding our responsible sourcing expectations and have taken the opportunity to communicate with our buying teams around risk areas such as health and safety protocols, working hours and subcontracting.

While the New Zealand Government has enabled more flexibility on working visas for those in the country, some migrant workers have found themselves stranded as their home countries closed borders or limited returns because of quarantine

requirements. We have also seen seasonal labour shortages due to our own border closing, and a call for more New Zealanders to take up jobs traditionally taken up by migrant workers. This may mean we see fewer instances of immigration issues for some time, however we know that there is a risk that employment breaches will still occur within non-migrant workforces. It is critical in responding to the crisis that we maintain the integrity of our responsible sourcing programme and continue to put people at the centre of decision making.

Our approach

While all our suppliers are subject to our Responsible Sourcing Policy, given the diversity and scale of our supply base, we need to focus first on the areas of greatest risk. We are currently focused on our suppliers of own brand, exclusive and fresh products, and have worked with global supply chain human rights experts, Elevate, to categorise these into different levels of risk, based on geography and sector.

Priority, Moderate and Specialised suppliers are all required to undertake a site audit from one of our mutually recognised programmes, while Minimum risk ranked suppliers complete a self-assessment questionnaire. These results identify any breaches of our Responsible Sourcing Standards, and also help us benchmark supplier maturity in this area. In the future, we will be extending this approach to our direct suppliers of non-traded goods and services.

Risk segmentation	Number of sites	Percentage %
Priority	4	1
Moderate	10	4
Specialised	108 (direct)	37
Minimum	169	58
Total	291	100

Focus on responsibly sourced produce

Our produce suppliers are categorised as 'Specialised' risk due in particular to the heavy reliance on seasonal, including migrant, labour for picking and harvesting in New Zealand. We are working with 108 direct suppliers and several hundred more grower sites indirectly supplying through wholesalers to onboard them to our Responsible Sourcing programme. 96 per cent of our New Zealand direct suppliers have now been onboarded to our Responsible Sourcing programme, and have or will undergo social practice audits within the next year to demonstrate their compliance and good social practice.

Working with NZGAP

We have continued to work closely with NZGAP, the certification arm of Horticulture New Zealand, to support the launch of the NZGAP Social Practice Add-on module.

NZGAP developed the NZGAP certification for food safety, health and safety and environmental management over 20 years ago. In response to market and regulatory demand, its Social Practice Add-on module will be launching in late 2020.

The certification is benchmarked to both New Zealand employment law and international best practice, and will enable 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 will work in alignment to the Social Practice Add-on module.

Supplier investigations

This year, Countdown has undertaken investigations into four direct and two indirect suppliers that have been linked to Labour Inspectorate and Immigration New Zealand investigations.

The Government findings related to activities that occurred between 2015 - 2020, with the main issues being:

- Workers on holiday or expired work visas,
- Paying workers below minimum wage,
- Not paying holiday pay,
- Failure to provide workers with employment agreements, and
- Failure to keep accurate records.

We have engaged with the suppliers involved and in one instance facilitated restitution of underpayments of \$5,166.97 to workers by a direct supplier on behalf of the Labour Hire Provider, who was unable to meet their obligations. During our meetings suppliers have been supported and encouraged to analyse the root causes of the identified breaches, and set targets for follow-up actions to prevent these breaches occurring again.



Case study: Tackling worker exploitation through better grower oversight of Labour Hire Providers

Three of the four investigations Countdown conducted in the past year related to the activity of Labour Hire Providers (LHPs) on our suppliers' sites.

LHPs are commonly used in the horticulture sector to provide additional workers at peak growing and picking periods. Unlike manufacturing, it can be hard for growers to accurately predict when and how much labour they'll need because production is so seasonal and weather dependent. LHPs provide a service that is essential for many growers.

However, many of these LHPs are very small local companies and some - whether intentionally or not - lack understanding of employment law, or adequate

management systems to make sure they comply. These LHPs are currently a vulnerable point in the supply chain that can lead to exploitation of workers.

In one instance, our investigation found a grower working with a LHP that did not know the minimum wage required to be paid to workers, and also did not accurately calculate or pay out holiday, public holiday pay or PAYE. In another, the LHP was provided with clear payment schedules for workers by the contracting grower, but failed to pay out the holiday or public holiday component of the pay to the workers.

We see the need for growers to increase their due diligence and management oversight of the LHPs they use. In both of the above cases the growers addressed the issues as soon as they became aware of them and contracted expert advice to assist them in improving how they set out their contractual requirements and their oversight. We are encouraging our

growers to reflect on the best way to help their LHPs to build their capabilities in this area. This needs to be done in a considered way to ensure it achieves the desired result. For example, one grower took the decision to reduce the amount of paperwork they were handling on behalf of their LHPs, and instead set service levels for how the LHP was to manage this. While the grower thought they were assisting the LHP by doing this, it meant that the LHP did not have to establish their own robust systems.

We also welcome the development of NZGAP's Contractor Standard as a mechanism to drive improved performance through the contractor sector and are exploring how we support this development through our Responsible Sourcing programme requirements in FY21.

Supporting our communities

It's a privilege to be in the business of food in Aotearoa New Zealand. We're proud to be a part of 183 communities, an employer of 20,000 hard-working Kiwis, 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.

Being part of a community is more than being a place where people buy their groceries - it's about playing an active role in supporting that community to thrive. Whether that's partnering with our local food rescue charities, minimising harm by selling products like alcohol and energy drinks responsibly, giving our customers the information they need to make healthier choices, or simply lending a helping hand when people need it most.

If there is anything that the last few months have shown us, it's that the time

for kindness is now. COVID-19 will have a lasting impact on our country, but it has also shown us what can be achieved if we work together. Times will be tough for many in the coming months and years, which is why establishing our new Countdown Food for Good Foundation was so important to us.

We want our support for our communities to be effective, long-lasting and help New Zealand thrive.



PARTNERSHIPS FOR THE GOALS

COMMITMENT 17

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

STATUS:

ACHIEVED

COMMITMENT 18

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

STATUS:

ACHIEVED

Countdown's FY20 Community Investment:

Food rescue food donations	\$2.9m
Food rescue contestable fund	\$.2m
Countdown Kids Appeal Fundraising	\$1.1m
Golf Day and Lamingtons Fundraising	\$.18m
Foodbank Project rebates	\$.12m
Other company and customer donations to charity	\$.65m
Free Fruit For Kids	\$1.04m
Food Food for Good Foundation - Food Rescue support	\$1m
Total investment	\$7.2m

Using Food for Good

Countdown has 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 FY20, after seeing the unique challenges our communities are facing in the wake of COVID-19, we felt we needed to establish a clearer platform for our support - Countdown's Food for Good Foundation.

The Foundation aims to provide meaningful and long-lasting support to our communities, giving all Kiwis the opportunity to thrive, and helping to build a stronger, healthier New Zealand for future generations.

As our first step, we donated \$1 million in the wake of COVID-19 to our food rescue and food welfare charity partners to help them answer the massively increased demand for food support, and help them operate in the immediate term.

A further \$500,000 will be provided to support our food rescue partners in FY21, to help our food rescue partners ramp up their operations - whether that's for more food, more people, more vans on the road or more fridges and freezers.

Over the last five years, Countdown has provided more than \$740,000 of funding to help support these organisations as part of our goal towards zero food waste to landfill. Our increased contribution in the next financial year reflects the critical service food rescue plays for both Countdown, and the broader community.



\$1m to support charities in the wake of COVID-19:

The Salvation Army	\$100,000.00
KidsCan	\$100,000.00
Auckland City Mission	\$50,000.00
Wellington City Mission	\$50,000.00
Christchurch City Mission	\$50,000.00
Lifeline	\$50,000.00
Red Cross - vulnerable MOW and refugees	\$20,000.00
Kiwiharvest	\$80,000.00
Foodbank Canterbury	\$55,000.00
Fair Food	\$50,000.00
Kaivolution	\$50,000.00
Kaibosh	\$50,000.00
Good Neighbour	\$40,000.00
Kiwi Community Assistance	\$30,000.00
Just Zilch	\$25,000.00
Nourished for Nil	\$25,000.00
Love Soup Hibiscus Coast	\$25,000.00
Rotorua Whakaora	\$25,000.00
Kai Rescue Nelson	\$20,000.00
Satisfy Food Rescue	\$20,000.00
Waiwaste Masterton	\$15,000.00
Halo Charitable Trust	\$10,000.00
Huntly Friendship House	\$10,000.00
Gizzy Kai Rescue	\$10,000.00
Mangere Budgeting Service	\$10,000.00
Rural Women	\$10,000.00
Northland Food Rescue	\$5,000.00
Dargaville Community Foodbank	\$5,000.00
Blenheim Foodbank	\$3,000.00
Hawea Foodbank	\$3,000.00
Manchester House Feilding	\$2,000.00
Katikati Foodbank	\$2,000.00
Matamata Foodbank	\$2,000.00
Morrinsville Ezekiel Trust Foodbank	\$2,000.00
Waiheke Resourcing Trust	\$1,000.00

Helping out The Salvation Army

The Salvation Army is our largest and longest-standing, charity partner, and in FY20, we again supported The Salvation Army's Winter Food Appeal and the Christmas Appeal, helped The Foodbank Project reach new heights, and supported a Good Shop mobile shopping truck in the Wellington region.

Over the last year, \$2.6m worth of groceries have been donated through The Foodbank Project, with Countdown providing and delivering the donated items at cost.

They continue to see huge demand from Kiwi families in need - a demand that has increased exponentially over the last half of FY20.

Growing for Good

Countdown provided \$26,000 worth of grants to primary and intermediate schools and early childhood education centres across the country as part of the second round of our Growing for Good grants.

The grants, which will be used to kick start a range of sustainability projects, were awarded to young Kiwi conservationists, gardeners and environmental champions at 34 schools in an effort to encourage New Zealand tamariki to protect Aotearoa's precious environment. Many of the successful projects had a clear focus on feeding and supporting the local community.

Projects being funded this year include installing beehives and chicken coops; planting native trees and plants, and fruit and vegetable gardens; revitalising a native skink garden; installing worm farms and reducing food waste.

White Island support

When Whakaari erupted in mid-FY20, it sent shockwaves throughout New Zealand. Many people had travelled to the island to see it, but on this occasion a number of visitors to its shore did not make it home alive. This sadly included a number of our colleagues from the Woolworths Australia team.

Our team immediately set about supporting the families of our wider team who had been hurt or killed in the eruption. We worked with the Australian High Commission and the New Zealand Police to ensure the families were well cared for as soon as they landed in the country providing food, phones, transportation and support during what was an incredibly difficult time. Our Manukau store also prepared food that was delivered to Middlemore hospital and gratefully received by the families and emergency workers.



Fireworks go out with a fizzle

In early FY20, Countdown made the decision not to sell fireworks due to a change in customer sentiment, with 66 per cent of customers indicating in a survey that they rarely or never buy fireworks for private use.

Almost half of those surveyed said they were buying less fireworks than two years ago. 71 per cent stated animal welfare as their most common reason for moving away from fireworks, with other reasons including fire safety concerns (49 per cent), environmental reasons (30 per cent), neighbour disturbance (34 per cent), and personal safety (30 per cent).

The SPCA welcomed the announcement, which will help keep pets safe and happy particularly during Guy Fawkes night when many animals get hurt or go missing.

Age restriction on energy drinks

New Zealand has the third highest obesity rate in the OECD and, with a combination of caffeine, sugar, serving sizes and the fact that children often consume on the way to school, Countdown wanted to address concerns being raised by health leaders about energy drinks.

After speaking with a wide range of people about this issue, overwhelmingly the advice and feedback we received was that when it came to children's health, restricting the sale of energy drinks would make an important and meaningful impact in an area of high need. While energy drinks are not recommended for children and they already have to carry a warning on pack, in early FY20, Countdown proactively introduced an age limit of 16 years and older on all energy drinks.

Auckland University lecturer in Epidemiology and Biostatistics, Dr Simon Thornley, said "I applaud Countdown for taking the initiative and making a concrete,

positive step toward improving child health. The sugar and caffeine in these drinks leads to children getting hooked on them, with rotten teeth and poor engagement in the classroom as predictable consequences. An age restriction makes sense."

Countdown supports return of Kiwi favourite

The Girl Guide biscuit has been a staple in the pantry of New Zealanders for some years, so when GirlGuiding NZ announced that the beloved Guide biscuit would no longer be sold by its members, the Countdown team sprung into action.

Countdown worked alongside GirlGuiding NZ and Griffins to see the sweet treat return to supermarket shelves in mid-FY20, with a dollar from every pack sold donated to GirlGuiding NZ. The funds raised help to support the work GirlGuiding NZ does to empower Kiwi girls and young women, teaching them a raft of skills to help build confidence and set them up to be great adults.

Making Kiwis' lives a little better everyday

Our customers are a fundamental part of our business and our team works hard to make sure we're giving them great experiences each and every time they interact with us. Whether that's when they're shopping in our stores, receiving an online delivery, or getting help from our Customer Care team, every interaction is important.

Our team is guided by our values - we care deeply, we listen and learn, and we always do the right thing. We're striving to create a culture within our business where great customer service is second nature and an environment where the people who shop with us feel safe and cared for.

It's also about giving our customers access to the products and information they need to make healthier choices.

As a food business, we appreciate the role we play in helping to create happy and healthy communities. In the last year, we have offered our customers a growing

array of meat alternative products, we have placed age restrictions on energy drinks, we have continued to reformulate our own brand products to be healthier, and we have maintained our focus on selling alcohol responsibly.

We don't think our customers should have to choose between buying products that are better for the planet or buying enough to offer great products at a great price that are also great for the planet.

Listening to our customers

To better understand what our customers want and how we can improve their experiences in our stores, we use our Voice of Customer survey. The surveys give our customers the opportunity to tell us what they loved and liked in our stores. It also gives them the opportunity to tell us where and how we could do better.

The Voice of Customer survey also became an opportunity for customers to share messages of thanks to our team who worked through New Zealand's lockdown, with more than 130,000 pieces of positive feedback given during the year, including several thousand during lockdown.

Supporting emergency workers

During the four week lockdown, we wanted to show our support and appreciation for New Zealand's frontline emergency workers. To help, we introduced a priority shopping hour for emergency workers and medical personnel, before the store opened to the general public. The offer applied to members of the New Zealand Police, Fire Service, ambulance paramedics, medical professionals including DHB personnel, doctors and nurses, giving them the opportunity to buy groceries for themselves and their families and ease pressure they would have been feeling during such a challenging time.

GOOD HEALTH AND WELL-BEING

COMMITMENT 19

We will achieve leading customer satisfaction scores.

STATUS: **MATERIALLY PROGRESSED**

COMMITMENT 20

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

STATUS: **MATERIALLY PROGRESSED**

Supporting our customers during lockdown

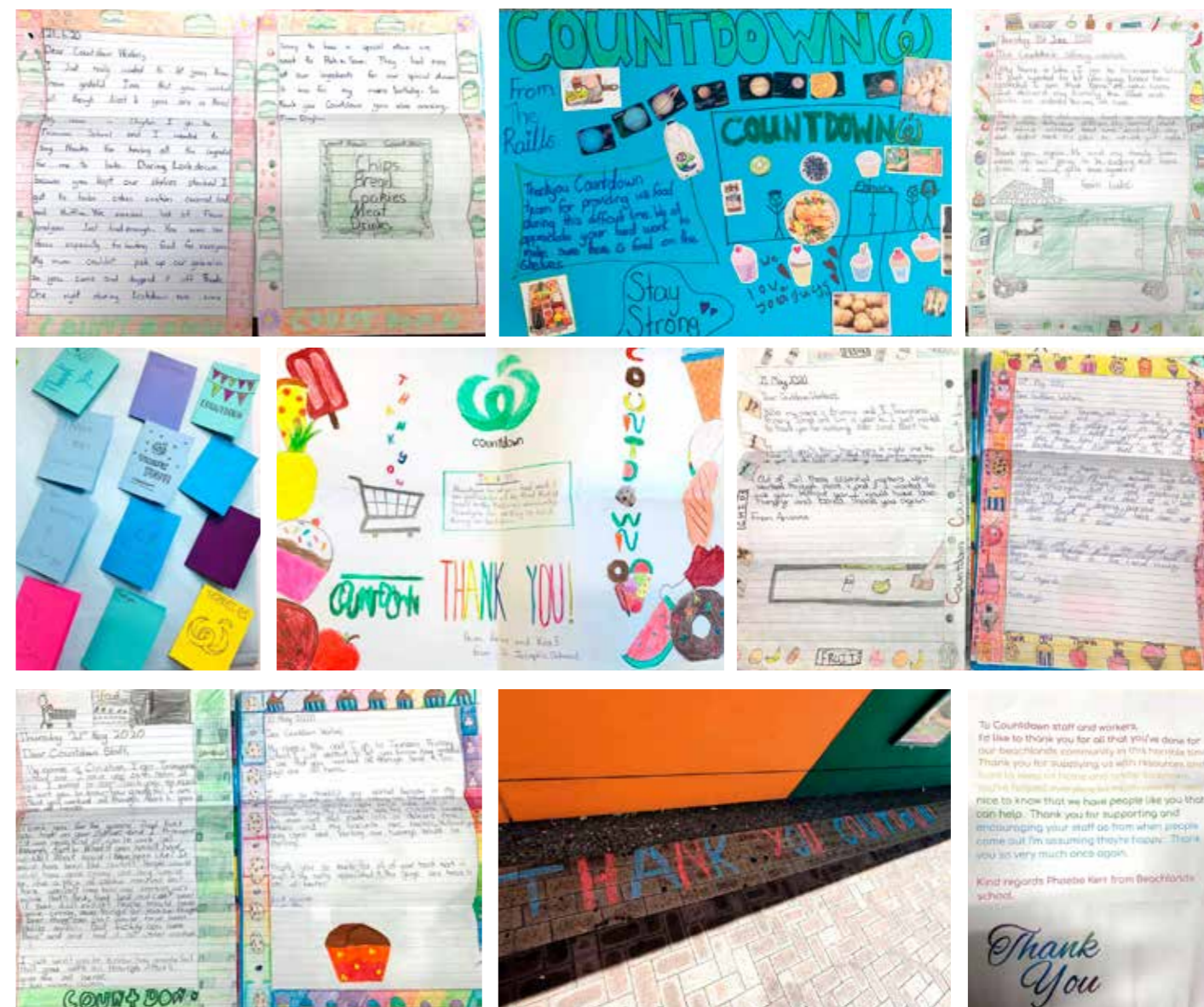
Lockdown presented a number of challenges for not only our business, but for our customers too with many needing to change how they shopped. Restrictions on the number of customers allowed to be in our stores at any one time, and the Government encouraging people to stay home - particularly those with health conditions that would make them more vulnerable to COVID-19 - meant many people were relying on our online service to get food and other essentials delivered.

In the first week of lockdown, demand for our online shopping service increased by 40per cent and we needed to make changes quickly to help provide vulnerable New Zealanders with access to food and other essentials.

To help, we quickly developed a Priority Assistance Service to prioritise our online delivery service towards customers who needed extra support. The meant customers who were over 70, had serious chronic illness, were self-isolating due to recent travel or had a physical disability that prevented them from shopping in our stores could have earlier access to online delivery windows. More than 110,000 customers signed up for the service.

To further meet the increased demand for our online services, we temporarily converted a number of our stores into online only stores and launched our very first permanent eStore in Penrose, which will be used for processing 7,000 - 16,000 online orders each week.

With these changes and the increased demand we saw, communicating with our customers was incredibly important. For six weeks, from 1 March 2020, our Customer Care team answered 72,000 calls and answered 67,000 emails; our COVID-19 website information page had 639,000 views and we sent close to 7m service emails to our customer base.





Selling alcohol responsibly

Countdown takes its responsibilities around the sale of alcohol seriously and we have a range of policies in place to ensure we do the right thing. Selling alcohol is a privilege and we understand that excessive alcohol consumption can cause harm.

Wherever we can, we want to take the opportunity to reduce this harm. This commitment was evident during New Zealand's COVID-19 response, where there was an increase in alcohol related incidents in the community. Well-ahead of the Level 4 lockdown, Countdown, working with the NZ Police, decided to place a limit of four on all alcohol products and this remained in place until the country moved to alert level two. We were the only New Zealand supermarket to put a limit like this in place.

We're continuing to work to improve our systems, team training and policies in our effort to remain New Zealand's most responsible retailer of alcohol. Our Alcohol Responsibility Manager continues to provide regulators and local communities a single point of contact to help address any issues or concerns around the sale of alcohol. This also means operational questions from our stores can be resolved in a timely manner, and that our teams are aware of their responsibilities.

We have continued to refine our processes and team training to ensure there are no breaches across our 183 stores. In FY20, we had one breach of the Act recorded against us for sale of alcohol to an intoxicated person, which led to a five-day licence suspension.

Following this suspension, we undertook a review of our team training and made further refinements to help prevent future

breaches. Our team training is focused on responsible service of alcohol, the regulations around selling alcohol, and conflict resolution. As well as undergoing the initial training, our team must also complete an annual refresher course. Last year more than 4,528 of our team attended these training and refresher courses.

We have continued to see a growing number of customers choosing both low alcohol beer and low alcohol wine since we increased our range of these products.

We have significantly grown our zero per cent and our low and lighter options range. We are working with our suppliers so we can bring new lines to the market and ensure they are ranged in Countdown supermarkets as a true alternative for customers. We will be continuing to introduce more low and zero alcohol options in FY21.

Making basket-basics healthier

How reformulating these basics is removing salt and sugar from Kiwi diets*



Helping our customers make healthier choices

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.

Where we can, we're also making it easier for customers to make informed choices and the Health Star Rating is a big part of this. We've continued to put the Health Star Rating on our own brand products and currently 99 per cent of them proudly display it. More than half of these have a Health Star Rating of 3.5 stars and above.

We also want to help our online customers make healthier choices too. We've recently partnered with Spoon Guru to launch online

filters for our website which make it easier to identify products that meet specific dietary or lifestyle needs. Customers can now select filters including things like low salt, high fibre, vegetarian, gluten free and lactose free to make sure they are making informed and healthy choices that meet their needs when they're filling their basket.

Making own brand products healthier

We have continued to improve the nutritional content of more than 280 own brand products in everyday food categories such as bread, breakfast cereals and processed meats. 75 per cent of our own brand products meet the Heart Foundations HeartSAFE targets - including our recently launched chilled soups and frozen pizzas.

Macro awarded Organic Brand of the Year

Our Macro Organics range offers customers great organic products and continues to grow. In fact, its popularity with our customers had seen more and more floor space in our stores dedicated to a wider selection of organic and health foods.

In late FY20 our Macro Organic brand was awarded with the Organic Week Aotearoa Brand of the Year. The awards seek to reward and promote outstanding farmers, manufacturers and producers for their exceptional work using certified organic practices across New Zealand. To win, we successfully demonstrated the contribution the Macro Organic brand makes to the local organics sector through our efforts to tell the stories of our growers and the clear labelling we use on Macro products, making them easy for customers to find in our stores.

