



# FREE FRUIT FOR KIDS

Let your kids munch on a FREE piece of fruit while you shop.

countdown 

# CORPORATE RESPONSIBILITY REPORT

30 JUNE 2014 - 28 JUNE 2015

countdown 

\*Footnote - statistics are for the year ended 28 June 2015, unless otherwise specified.

# REPORT SNAPSHOT



Countdown and our customers have contributed almost **\$7 MILLION** of cash and in kind donations to those in need in the past year.

Our landfill waste has reduced by 43% since 2006. Our recycling tonnage is 39% greater than in 2006.

Across all our charity partners, including The Salvation Army, **\$3.5m WORTH OF FOOD** has gone to families in need.

Across our network of stores, 100% of our fresh chicken and pork is sourced in New Zealand. Additionally, 94% of our fresh lamb and 92% of our fresh beef is produced locally, along with 97% of our fresh fish.



More than \$485m has been invested in creating new stores over the past three years. **WE HAVE OPENED FIVE NEW STORES IN THE LAST YEAR, WHICH EMPLOY MORE THAN 400 PEOPLE.**

Countdown employs close to 18,000 team members, making us one of New Zealand's largest employers. Our annual wage bill comes to almost \$670 million. **ALMOST 6,500 OF OUR TEAM MEMBERS ARE UNDER 25 YEARS OLD.**

Electricity per square metre of selling space has **dropped 21%** since 2006.

We have seen a **26% REDUCTION IN CARBON EMISSIONS** per square metre of shop space from 2006 to 2015.

Countdown Kids Hospital Appeal raised almost \$1.3 million in 2014 – the highest amount ever raised. **SINCE 2007, THE CAMPAIGN HAS RAISED MORE THAN \$8.2 MILLION** for children's wards throughout New Zealand. The campaign ran again in 2015.



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# MANAGING DIRECTOR'S REPORT

Pat McEntee, Acting Managing Director



## Welcome to Countdown's first Corporate Responsibility Report.

As a supermarket the very nature of our business means that we touch many peoples' lives and many communities. **Doing this responsibly, sustainably and contributing back to the communities in which we operate is part of how we do business.** This report aims to share some of our initiatives and achievements over the past year.

Countdown is New Zealand's largest supermarket brand, and lead brand for Progressive Enterprises Ltd, with 177 supermarkets nationwide as at July 2015. We're a growing, vibrant business and as this report is published, our store network will have grown by a further six supermarkets to 183.

Progressive is also the franchisor for another 60 SuperValue and FreshChoice supermarkets all locally owned and operated.

Approaching 18,000 strong, Countdown is one of New Zealand's largest employers. Add to that our partner and supplier ecosystem and we have a pivotal role to play in the New Zealand economy.

We've continued to invest in regional economies and over the last three financial years have invested more than \$485m in creating new stores. We have opened five new stores in the last financial year, which employ more than 400 people.

Operating in a sustainable manner is good for business and I am very proud of our efforts to minimise our company's impact on the New Zealand environment. Our team have worked hard to deliver on challenging environmental targets – efforts that show great focus and passion. We are committed to improving the environment we work in, and have taken leadership positions on issues such as carbon emissions, waste reduction and recycling.

I'm particularly proud of our Food Rescue Programme and the strong relationship that we have with The Salvation Army. Currently, 163 of

our stores work directly with The Salvation Army. This partnership has seen more than \$2m of food delivered to families in need. In total this year, we donated \$3.5m worth of food to our charity partners, including FairFood, o8oo HUNGRY, Just Zilch, FoodShare and Kaibosh.

We want to make Kiwis' lives a little better every day, and we are committed to delivering our customers lower prices. This has been the driving force behind our leadership position on locking down prices on a wide range of popular household items - for the long term. We've saved our shoppers more than \$125m in the two years since October 2013, and are seeing our work contribute to lower grocery prices overall.

We also know that our customers want to provide their families with good quality, nutritious food. That's why we're focused on providing our customers with healthy food options and providing them with better information about the products they buy.

Our passion for great food is particularly evident through our dedication to local sourcing and through our strong partnerships with more than 4,000 suppliers and farmers, many of whom are Kiwi suppliers and farmers.

Reflecting on the past year, it is encouraging to see our progress. While we have achieved some results to be proud of, we still have work to do and will work with our team, our suppliers and our customers to achieve further successes.

We welcome your feedback and questions on any of the initiatives in this report.

**PAT MCENTEE  
NOVEMBER, 2015**



Countdown Acting Managing Director Pat McEntee delivers donated groceries to The Salvation Army for the Countdown Christmas Food Rescue Appeal.

### ABOUT THIS REPORT:

*This is Countdown's first New Zealand Corporate Responsibility Report.*

*As a business, we have had a strong sustainability plan in place since 2007 and have been working towards achieving the goals set by the Woolworths Limited CSR Strategy 2007-2015.*

*Each year, we submit our sustainability data to Woolworths Limited for inclusion in the group's Corporate Social Responsibility Report.*

*While we have considered international reporting standards in the preparation of this report, and our data submissions for the Woolworths Limited report are independently and internally audited, Countdown does not proclaim to have followed any particular standards. The data and statements made in this report have not been independently audited in their entirety.*

*Our ambition is to produce our first Community Investment Strategy in 2016.*

*For the full 2015 Woolworths Corporate Responsibility Report please visit [www.woolworthslimited2015.csr-report.com.au](http://www.woolworthslimited2015.csr-report.com.au)*

# OUR CUSTOMERS

- making food more affordable and shopping easier

We know for many of our customers that the **price they pay** is the most important reason for choosing a supermarket, after its location.

With the cost of living continuing to rise, it's important we ensure our customers have one less worry when it comes to balancing the family budget, and that's the cost of their groceries.

We're committed to delivering Kiwis great quality food at a low price everyday and this continues to be a focus for our business through our Price Lockdown programme, introduced in October 2013.

Through this programme, more than 2,000 products have had their everyday prices dropped, saving Kiwis more than \$100 million in the past financial year and these savings continue to grow as more products come on board.

Our Price Lockdown programme delivers our customers a low price every day. Customers buy more, but in a more even manner. As a result, smoother, ongoing elevated demand increases in store, logistics and supplier efficiencies help to deliver lower prices.

We track a basket of 100 of the most commonly purchased items in our supermarkets and this has come down by a further 1.5% in the past year, on top of prior year's 2% reduction. Our own food price index showed deflation of 0.2 per cent in the financial



year ending June 2015, substantially below overall market inflation that year.

Countdown's price down programme is contributing to lower grocery prices around the country. In the year to June 2015, the Statistics New Zealand Food Price Index also showed grocery food prices decreased 2.1 per cent over the year, influenced by lower prices for fresh milk and bread.

Since we dropped the price of our Homebrand bread to \$1 a loaf in July 2014, Kiwi shoppers have saved more than \$11.5 million and have bought nearly 24 million loaves in that time, up to October 2015.

In addition to \$1 Homebrand bread, we have added a number of new products to the programme, making managing budgets easier for our customers. For example, we cut the price of our Homebrand nappies from \$19 to \$15 for 44-60 pack nappies, saving our customers \$1m a year.

**SINCE WE DROPPED THE PRICE OF OUR HOMEBRAND BREAD TO \$1 A LOAF IN JULY 2014, KIWI SHOPPERS HAVE SAVED MORE THAN \$11.5 MILLION**



Consistent low prices, particularly on staples like bread, have been shown in international research to **smooth out purchase capabilities for shoppers allowing better budgeting to occur.** Grocery shoppers can build their basket around known quantities of staples, enabling them to decide when to add or delete luxury items in the knowledge they have purchased the essential basics.

*AUT University's Professor of Retailing, Andrew Parsons*





## MAKING IT EASIER TO DELIVER OUR CUSTOMERS HEALTHY CHOICES

**Health and nutrition are a focus for governments and health groups throughout the world.** The obesity epidemic, and particularly childhood obesity epidemic, is of growing concern in New Zealand with the Ministry of Health's Understanding Excess Body Weight: New Zealand Health Survey finding that 1 in 9 children are obese.

In response to this, the Government has released a Childhood Obesity Plan, in October 2015, to combat the problem, which includes focus areas for the Food Industry. These are the promotion of Health Star Ratings, marketing and advertising to children and the need for Government to work in partnership with the food industry.

As a supermarket, we aim to offer our customers choice, while also ensuring we have a range of

healthy options in our stores that allow customers to make healthier decisions when buying groceries for themselves and their families..

More recently, our commitment to this has seen us introduce the Free Fruit for Kids initiative. The initiative, which offers free fruit to children shopping with their parents while in our stores, has been well received by parents throughout out the country since its launch in October 2015.

Our health food range and the Health Star Rating system labelling are also examples of where we are providing our customers with the products and information they need to make healthy choices for their family.

## HEALTH FOODS

Our own "Free From" range is becoming increasingly popular with our customers who have food allergies, or prefer them as a lifestyle choice and include gluten and dairy free options.

In 2014, six out of 10 customers at Countdown purchased a gluten free product- double the number of people buying gluten free products in 2013.

We are continuing to extend our product range, improve store layout and create dedicated health food sections in even more of our stores. We have dedicated health food sections in 41 of our stores and will be increasing this number in the coming year. This section contains gluten free, organic and other health foods.



Countdown's Free From range

## HEALTH STAR LABELLING INTRODUCTION

Countdown supports nutrition information that's easy to understand and meaningful for our customers and, as such, is adopting the new Health Star Rating on our own brand products. This includes more than 2,800 products across Countdown's own brands - Homebrand, Select, Macro, Signature Range and Free From.

We are reviewing our range and developing new labels in line with the new system and now have more than 130 own-brand products available on our shelves with the Health Star Rating.

# OUR SUPPLIERS

- critical partners in delivering great products

Countdown has more than 4,000 suppliers and farmers with whom we work to **deliver our customers the quality produce and products they want.**

More than 2.7 million customers shop with us each week, so our suppliers are an integral part of our business as we strive to ensure our products are consistently of the best quality at the best price.

Following the Commerce Commission investigation in 2014, where we were cleared of all charges relating to allegations of anti-competitive behaviour towards our suppliers, our team has worked hard to win back the confidence of our customers. As a supermarket, we negotiate in a competitive environment to lower prices for our customers, and we pride ourselves in doing this in good faith.

We operate with principles of openness and transparency with our suppliers, meeting regularly to talk about the business, the importance of their contribution and how we can work to achieve great results - together.

New Zealand customers love to buy on special. In fact, we estimate that more than 50% of what Kiwis buy in the supermarket is purchased on special, making New Zealand one of the most promotionally savvy markets in the world.

By their very nature, specials create huge peaks and troughs in customer demand that increase inefficiency and cost in the supply chain. It also makes it harder for customers to budget for the item they like to buy and can make it harder for brands to achieve loyalty.

While our Price Lockdown programme has saved our customers more than \$125 million\* to date, it has also been beneficial for our suppliers, with those involved experiencing a 30% increase in sales on average.

Countdown has been excellent at including us in the development of their market with **good transparency and honesty in our business dealings.** We find Countdown people easy to deal with and enjoy having the ability to work together to make pork more profitable for both parties.

**The greatest benefit in working with Countdown is our ability to get closer to the consumer.** Selling to Countdown was the first major direct supply contract that we entered into by-passing the wholesaler. It has been a highly successful transition that has eliminated some unnecessary costs. We hope to grow the pork business with Countdown through better marketing and product development.

*Owner/farmer of Patoa Farms in Canterbury, Steve Sterne*

*\*savings calculated based on units sold since individual products launch date, multiplied by price reduction per unit*



## Local sourcing, LOCAL PROVIDERS

Support of local suppliers makes sense to us from environmental and commercial perspectives – we better manage our carbon footprint as well as supporting the local economy.

We want to source as much of our fresh food as possible from New Zealand, however there are instances where we can't due to our climate. These products include bananas, mangos and other tropical fruits.

Across our network of stores, 100% of our fresh chicken and fresh pork is sourced in New Zealand. Additionally, 94% of our fresh lamb and 92% of our fresh beef is produced locally, along with 97% of our fresh fish.

Having locally sourced fresh fruit and vegetables is important as they are the first products customers see when they walk into our stores. Over the last financial year, 93.4% of our fresh fruit and vegetables were locally sourced\*.

*\*Fruit and vegetables exclude produce that cannot be commercially grown in New Zealand*



Steve Sterne, Countdown supplier and owner of Patoa Farms in Canterbury



# Responsible AND ETHICAL SOURCING

Countdown subscribes to Woolworths Limited's group-wide responsible sourcing policies.

## Ethical Sourcing

Woolworths Limited, the parent company of Countdown, has in place an ethical sourcing policy supported by an audit programme.

**OUR COMMITMENT: To uphold human rights, fair working conditions and environmental protection.**

In accordance with the expectations of our customers, the community, and the requirements of the law, we endeavour to always operate responsibly within the community and we expect the same from our suppliers.

## ANIMAL WELFARE

Countdown's own brand products are produced to a high standard of animal welfare. We do not use animal testing in our own brand products.



## EGG CHOICES AND QUALITY

At Countdown we aim to provide our customers with a choice of eggs that suit their different preferences, needs and budgets.

Just under 50% of the eggs produced in New Zealand are sold in supermarkets, which means we compete every day with other retailers, the route trade and food service and hospitality to secure egg supply for our store network.

While the additional free range egg supply is extremely scarce in New Zealand, there is a steadily growing consumer interest in animal welfare and we want to satisfy the changing needs of our customers now and in the future. All Countdown suppliers are audited against our



strict quality standards, which is overseen by AsureQuality and ensures that eggs that are labeled as being free range are indeed free range, and not caged or colony laid eggs. We require all products sold in our stores to comply with New Zealand legislation, whether that's our own brands or a supplier's branded product.

At the same time, there is also continued demand for affordable eggs and more pressure than ever before to lower the cost of food. Eggs are a good source of protein and it's important to us that we continue to provide affordable eggs to meet this demand.

## PAPER AND TIMBER

All of Countdown's own brand tissue, toilet paper and kitchen towel products are sourced from independently certified, sustainable sources.

All of the paper used in the production of the weekly Countdown mailer comes from certified sustainable sources, either through the Forest Stewardship Council (FSC) or the Programme for the Endorsement of Forest Certifications (PEFC).

## PALM OIL

Woolworths Limited is a member of the Roundtable on Sustainable Palm Oil (RSPO) and the entire company is committed to sourcing only RSPO certified sustainable palm oil by the end of 2015 for all Woolworths own brand products. This commitment extends to all Countdown own brand products. The company is on track to meet this commitment by the end of the 2015 calendar year.

## MICROBEADS

Microbeads are micro-plastic particles (0.1-0.5 millimetres in size) added as exfoliating agents to personal care products. Woolworths Limited is committed to minimising the environmental impact of its own brand products. Woolworths has been working with suppliers to phase out the use of plastic micro-beads in our own brand skin care and body wash products by the end of the 2015 calendar year.

## GENETICALLY MODIFIED FOODS

Woolworths own brand products do not use genetically modified (GM) ingredients.

Our requirements on GM ingredients are articulated to our own brand suppliers in our Brand Guidelines and Woolworths Quality Assurance (WQA) Standard.

# OUR ENVIRONMENT

- minimising our environmental impact

**Reducing the environmental impact** as our business grows has meant a concerted effort across all areas of the business.

As one of the country's largest businesses covering a nationwide network of supermarkets, four distribution centres, three manufacturing plants and two support offices, we've worked consistently to limit our environmental impact across all facets of our business. With our growth rate we've had to make sizable environmental gains, quickly, to off-set the impact of more new stores. This is a challenge with a large number of old stores with old infrastructure. It takes time to upgrade with new technology whilst not risking the smooth operation of our supermarkets.

With the introduction of more energy efficient refrigeration systems, LED lighting, freezers that reduce cold air loss, and heat reclaim technology we've taken huge steps in energy reduction.

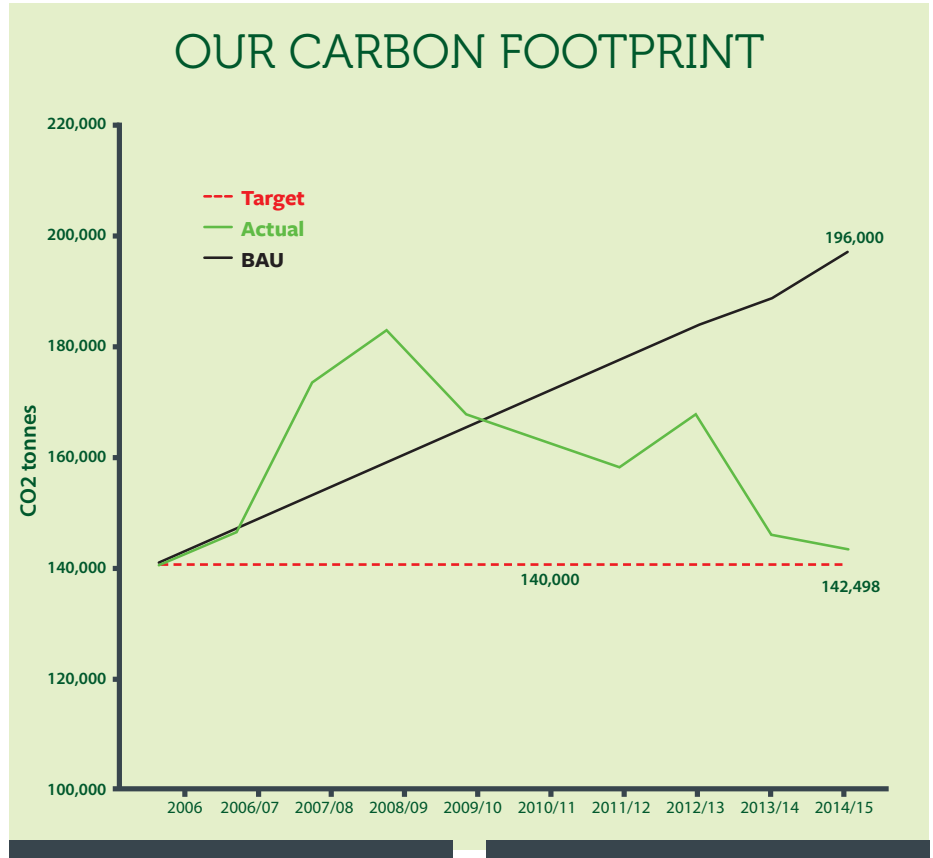
Every store developed since 2006 has had incremental improvement in sustainable performance as technology develops.

## We achieved our goal:

**To hold Countdown carbon emissions to 2006 levels despite a 37% increase in selling space by 2015**

We have reduced our carbon emissions to be within only 1.8% above the baseline year of 2006, despite having grown our physical presence by 37%. This equates to a 26% reduction in carbon emissions per square metre of our shop space in New Zealand from 2006 to 2015. During this time Countdown has grown from 152 supermarkets in 2006 to 177 by July 2015.

Moving to lower GWP (Global Warming Potential) refrigerant gases and reducing gas



losses led to a 4% reduction in carbon emissions from refrigerant gases since 2006 despite significantly increased refrigeration from the 25 additional stores in our business.

Over the last year, we have reduced our waste to landfill by a further 2%, despite five further stores opening in that time. Since 2006, the introduction of our Food Rescue Programme, where food still fit for consumption goes to food banks and food not fit for human consumption goes to farmers for livestock or composting, and the removal of non-recyclable materials from our supply chain, such as polystyrene fish bins, means

our waste has reduced by 43%.

In logistics, our trucking services are outsourced, and we work closely with our fleet partners to reduce fuel emissions, with the truck fleet fuel burn reducing by just under 4% in the past year. This has been achieved through better pallet organisation, increased trailer loads and more fuel efficient vehicles.

Our company car fleet is now a fleet of more fuel efficient and safe (5-star Ancap) vehicles. Although fuel consumption is up slightly at 1% in 2015, it's down 35% compared to the less energy efficient vehicles we ran in 2006.



Countdown's energy efficient Bureta Park store.



## MORE ENERGY EFFICIENT STORES

Our electricity consumption has increased by only 1% in the last year, with gas consumption down 7%. Since 2006 our electricity use has increased by 8% while our selling space increased 37%. Energy reduction initiatives across the business have lead to a 21% drop in electricity usage per square metre of shop space\*.

Since 2006 Countdown has consistently trialled, tested and implemented energy efficient refrigeration and lighting systems. Two more recent major innovation successes have been in the area of LED lighting and Dual Path air conditioning. One of our first completed new design stores is Countdown Bureta Park, Tauranga that opened in November 2014.

Over the last two years we have been trialling

suitable replacement light fittings (LED) with the intention of reducing energy consumption. This fast moving technology means a full store lighting plan, together with specialist case lighting, providing a brighter and better colour spectrum in store. Our current evaluations indicate a 50% reduction in energy consumption.

The Dual Path air conditioning system design has seen a sea change in supermarket comfort meaning we need less equipment and now have better temperature and humidity control in store. - vital for an efficient refrigeration system. The original air conditioning design allowed for two 90 kilowatt (kW) units - the Dual Path system operates with only one 135kW unit.

\*Since 2006

## Plastic Bags

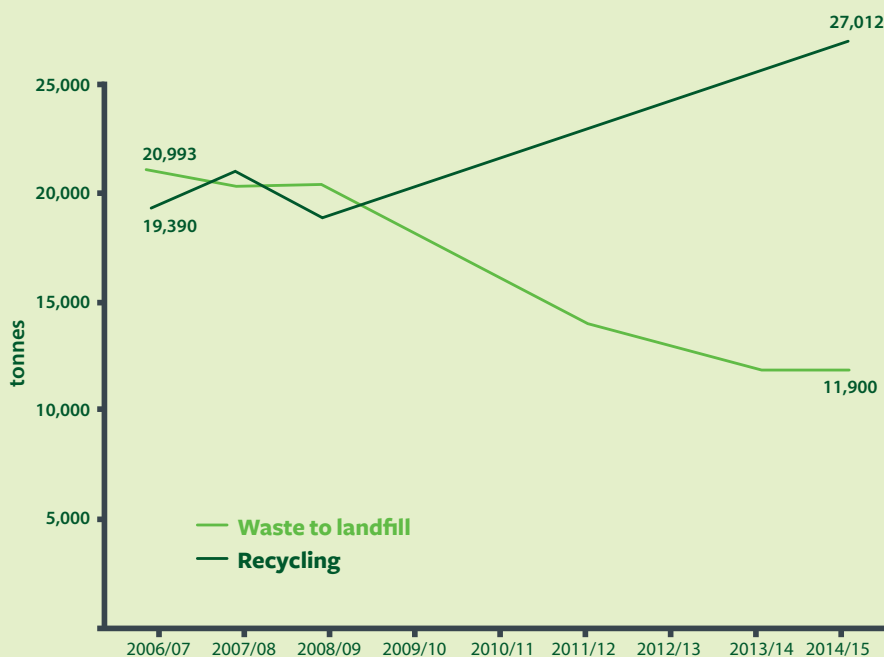
Countdown has joined a trial of the Red Cycle recycling programme for the collection and recycling of soft plastic packaging. This soft plastic material includes plastic shopping bags, and packaging for frozen products and bakery items, amongst others.

The trial commenced in October 2015, with 10 Countdown stores on Auckland's North Shore. In March 2016, Countdown's Hamilton stores will join the trial.

At Countdown, we also have a number of policies in place to help customers reduce plastic bag usage including:

- 'Pack 7' where we encourage our team to pack seven items in each bag
- The prominent display and sale of reusable bags to encourage their use
- Promoting reusable bags with limited edition designer bags and trolley handle reminder messages.

## OUR WASTE AND RECYCLING RECORD



## PACKAGING STEWARDSHIP

A company-wide focus on recycling has seen our rate of recycling increase to 2.3 times the quantity of waste sent to landfill. At 27,000 tonnes of cardboard and plastic wrap, our recycling last year increased by 4%, meaning our recycling tonnage is now 39% greater than in 2006.

While the vast majority of our fresh fruit and vegetables are sold loose, we are developing sustainable packaging options for those fruits and vegetables that need to be packaged.

As part of this plan, in October 2015 we introduced new recyclable plastic containers for some tomatoes, summer fruit and kiwifruit products. These trays are made from food-grade recycled PET - commonly called RPET (recycled polyethylene terephthalate). These new containers are also able to be recycled, through kerbside recycling collection.

# OUR COMMUNITY

- playing our part

With stores throughout New Zealand, **Countdown is an important part of many local communities.**

We believe that it is important to both take part in, and run, a range of community-focused programmes and activities.

Across all our programmes and partnerships described below, Countdown and our customers have contributed almost \$7million worth of cash and in-kind donations to those in need.

## COUNTDOWN FOOD RESCUE DELIVERING TO THOSE IN NEED

Our Food Rescue Programme sees Countdown donating food to our community charity partners throughout New Zealand, including The Salvation Army, FairFood, o8oo HUNGRY, Just Zilch, FoodShare and Kaibosh. The programme has been running for more than three years.

In the last financial year alone, Countdown donated more than \$3.5 million of food – that's

approximately 509 tonnes of food to those in need.

We also have partnerships with local farmers for food no longer suitable for human consumption, so as little as possible is wasted. In 2014, we donated more than \$1.2 million worth of food to farmers for their animals.

The Food Rescue Programme has been an integral part of our 43% reduction in landfill waste since 2006.

Countdown's Food Rescue programme has been fundamental to FoodShare's success.

**By committing to eliminate food waste sent to landfill** Countdown has developed a programme that benefits those in need in our community and our environment.

We see the result of their fresh food donations when we deliver to our recipient agencies. **Families are able to cook nutritious meals and children are taking healthier lunches to school.** The donated food nourishes not just our most vulnerable people, but our community as a whole.

*Deborah Manning, CEO FoodShare*

Kaibosh Food Rescue works closely with Countdown ensuring that **quality surplus food reaches the most vulnerable in our community rather than being needlessly discarded.**

Countdown is Kaibosh's largest food donor with around 45% of all the food we receive being sourced from their supermarkets.

**We have a strong and successful relationship with Countdown who share our vision of Zero Food Poverty, Zero Food Waste** and we are proud of the significant social and environmental outcomes that our collaboration is achieving.

*Kaibosh General Manager, Matt Dagger*

## THE SALVATION ARMY AND COUNTDOWN

Currently, 163 Countdown stores partner with The Salvation Army through the Food Rescue Programme and this number continues to grow as new stores open. Over the last year, Countdown has donated more than \$2 million worth of food to The Salvation Army used to feed families in need.

We also provide support to The Salvation Army during their annual Red Shield Appeal and annual Christmas appeal. Through our in store fundraising, almost \$40,000 was raised through

these two appeals over the last year.

More recently, Countdown and The Salvation Army have worked together to launch New Zealand's first online foodbank – The Foodbank Project. The Foodbank Project works just like online shopping

except everything people donate is delivered by our online team to a local foodbank.

The project was rolled out nationally in mid-November 2015 in Auckland, Wellington, Hamilton, Christchurch and Dunedin.

**Last year, Salvation Army food banks received more than \$2 million worth of food donated from Countdown's stores and customers through their Food Rescue Programme.** These generous donations made a significant contribution to the 55,425 food parcels we distributed to individuals and families in need last year. We are especially grateful for Countdown's additional support at Christmas, which almost doubled donations to our Light Up Someone Else's Christmas Appeal. **Extra donations at such a vital time of the year made a real difference to Kiwis struggling to cope with added expenses during the holiday season.**

*Major Pamela Waugh, National Secretary for Social Services, The Salvation Army*





Countdown's General Manager of Marketing Bridget Lamont with the SPCA's Sue Baudet and CEO Ric Odom.

## THE SPCA AND SUPER ANIMALS

One of our customers' all time favourite collectible campaigns was the Super Animals Sound Cards.

In partnership with the RNZSPCA (SPCA), the campaign set out to not only teach New Zealand children about animals from around the world but to also raise funds for the much-needed Shelter Buddy animal management system.

With \$1 from every Super Animal Sound Card album going to this cause, more than \$360,000 was raised for the SPCA and Shelter Buddy is now being rolled out across the nationwide network of SPCA centres.



We're very grateful for the generosity of Countdown and Countdown customers. **This is a very significant contribution that will benefit our centres around the country and is invaluable to our teams.** The new system allows us to be more efficient, take faster action and ultimately provide better outcomes for animals right across New Zealand.

SPCA CEO Ric Odom

## COUNTDOWN KIDS HOSPITAL APPEAL

Countdown Kids Hospital Appeal aims to contribute to the growth and development of New Zealand by supporting the health of its future - Kiwi kids.

In 2014, the appeal raised almost \$1.3 million - the highest amount Countdown has ever raised. Since 2007, the campaign has raised more than \$8.2 million for children's wards throughout New Zealand to buy much needed hospital equipment.

The 11 children's hospital wards throughout New Zealand that have received much needed equipment are: Whangarei Hospital, Kidz First Children's Hospital - Auckland, Waikato Hospital, Tauranga and Whakatane Hospitals, Hawke's Bay Hospital, Wellington Hospital, Greymouth Hospital, Christchurch Hospital, Dunedin Hospital, Waitakere and North Shore Hospital and Southland Hospital.

The 2014 campaign featured two young ambassadors (Wiremu le Comte and Katie Reed) who have both benefitted from monitors and systems purchased with funds raised by the appeal.

Katie (pictured), who is now 11, was diagnosed with Bronchiectasis (permanent enlargement of the airways of the lung) two



years ago, following seven bouts of pneumonia in 15 months. She spends a lot of time in hospital having antibiotics for lung infections, and has relied on respiratory support and blood pressure monitors purchased with the funds from Countdown Kids Hospital Appeals.

We have been grateful beneficiaries of funds from the Countdown Kids Hospital Appeal for several years, and it's impossible to say how many children have benefitted. **It would not be overstating things to say there are children in our community who are alive and well because of that support.** How do you put a price on that? And it is all thanks to the shoppers who support the appeal, and Countdown staff, who don't always get the thanks they deserve when so much of the money donated is raised by them. **It's an awesome campaign and we would be lost without it - and Countdown.**

Pam Tregonning, Executive Director, Middlemore Foundation

## OXFAM AND DISASTER RELIEF

In response to natural disasters, Countdown partners with Oxfam to assist them in their fundraising efforts.

Earlier this year, Countdown and our customers raised more than \$36,000 over March and April for the Oxfam Cyclone Pam Appeal. In the weeks and months following the devastating cyclone that hit Vanuatu in early 2015, the funds raised helped Oxfam provide shelter, clean water and sanitation to people, especially those left homeless.

## OLYMPICS RIO 2016

Countdown is excited to be a major sponsor of the New Zealand Olympic team as they take on the world at the Rio Olympic Games in August 2016.

To further support our New Zealand team we have two brand ambassadors, world champion rowers Hamish Bond and Eric Murray. They have remained unbeaten in their rowing discipline since 2009.

The partnership which was launched at Countdown Richmond Road in Grey Lynn with Hamish and Eric taking part in a race around the supermarket collecting the food they need to be able to train well and was covered by Prime TV's The Crowd Goes Wild.

## ALZHEIMERS NEW ZEALAND

Countdown supports the Alzheimers New Zealand Appeal annually with all money raised going to Alzheimers New Zealand. The not-for-profit organisation offers practical support to people living with the condition, as well as their carers and family.

The 2015 Appeal encouraged customers to donate at checkouts or purchase Countdown lamingtons or Alzheimers NZ shortbread with a portion of proceeds being donated to Alzheimers NZ.

Countdown has supported the Alzheimers New Zealand Appeal for more than 11 years and has helped raise \$1.3 million during this period. This year more than \$30,000 was raised, which will help the 50,000 New Zealanders living with dementia.



## RETURNED AND SERVICES ASSOCIATION (RSA)

In 2015, the 100th anniversary of the Anzac landing at Gallipoli, Anzac Day commemorations were marked specially in our stores, with customers being given the opportunity to pick up a free poppy sticker at checkout and place a message on our special poppy field posters in-store. The poppy field posters were then presented to each store's local RSA so the messages were able to be displayed for members to see.

Countdown supported the RSA in the lead-



up to this special Anzac Day through customer donations and the sale of Anzac commemorative pins and Anzac biscuits in store with more than \$185,000 raised for the RSA.

Our partnership with Countdown has grown to a most significant level over the past year. In the 100th anniversary year of the landings at Gallipoli, **Countdown opened their network of stores to raise funds for our work.** Through the sales of poppy pins on Countdown check outs and the Remembrance Walls set up in each store, Countdown have demonstrated that they have a genuine partnership with the RSA. **We are very grateful for the part they have played.**

RSA CEO, David Moger

Countdown supported Alzheimers NZ 2015 annual appeal



# OUR LOCAL STORES

-local causes, local partners

countdown  
open 7am - 9pm  
7 days



Today at Countdown we have 183 stores, which means we are active in most communities around New Zealand. We receive daily requests to support local causes, charities, schools, sports teams. **These causes are almost always worthy, and it can be difficult to determine which causes to support.**

In the last financial year our stores recorded \$80,000 worth of donations to local causes. However, it has been difficult to capture the extent to which our stores are giving locally, particularly through in-kind giving of product.

In August 2015, we decided to further empower our stores to give locally and to better measure what we do. We think it's right that our stores

decide what local causes they should get in behind. New store-level giving guidance was developed, and a national budget of \$500,000 was put in place.

## THESE GUIDELINES ENCOURAGE STORES TO SUPPORT COMMUNITIES BY:

- Providing people power and getting involved in local community causes and events
- Facilitate fundraising for a charity at a Countdown supermarket
- Making donations or providing sponsorship for a local charity or cause.

Stores can make decisions about supporting causes based on whether it is a good fit for that store and the Countdown team, alongside the needs of their local community. Criteria for fundraising and donations by stores can be found at Appendix A.

## 'WINDOWS ON THE WAITAKI' PARTNERSHIP

In May this year, our Countdown Oamaru store partnered with the Waitaki District Council and local artists to bring Oamaru residents a new community mural, "Windows on the Waitaki" (pictured above).

The new Thames Street mural, located along the exterior wall of Countdown includes images incorporating the recognisable architectural, cultural and geographic features of the Oamaru region. The local artists creating the mural are Watts Davies, Trish Shirley and Donna Demente with the project overseen and coordinated by Ken Larraman.

"I discussed the idea of a mural for the Countdown wall with the community on my Facebook page, proposing something creative that would have local, visitor and street appeal. The feedback was overwhelmingly in support of the concept and I have updated the public as we have progressed. It has been fantastic to see how positive people are about the mural and their enthusiasm to see the wall transformed. **It has been a creative journey working with the artists and Countdown and it is truly exciting to have reached the point where we will see the mural take shape and be a feature that the community are proud of.**"

Quote from Mayor of Oamaru, Gary Kircher

## COUNTDOWN AND THE SALVATION ARMY NAPIER BRANCH

The Countdown team is always willing to pitch in - particularly when it comes to helping one of our well-known charity partners, The Salvation Army.

For example, in May this year, Countdown Group Manager Wayne Dohmen and his team of local store managers pitched in to help The Salvation Army's Napier branch build a much needed fence around part of a home they have in Greenmeadows.

"After meeting Major Alister Irwin last Christmas when presenting a \$500 grocery donation to the Salvation Army foodbank, **we both committed to growing our relationship and discussed a desire for Countdown to become more involved in supporting the local community.**

Alister mentioned a need they had which was for us to provide the labour to build a fence around an emergency housing facility. Alister and I arranged to use the Salvation Army facilities to conduct a Store Managers meeting in the morning and we completed the fence in the afternoon. This was a great success and was the beginning of what has become a close working relationship with the Salvation Army.

Wayne Dohmen, Group Manager

# OUR TEAM

- 18,000 Kiwis employed nationwide

Countdown proudly employs almost 18,000 team members across our stores, distribution centres, support offices and meat plants **making us one of New Zealand's largest employers. Our annualised wage bill comes to almost \$670 million.**

Providing jobs for Kiwis is an important part of our contribution to New Zealand and we believe that it is important to be a great business to work for. In fact, almost 550 members of our team have been with us for 25 years or longer.

We also provide a positive place for people to start their working careers and currently almost 6,500 of our team members are under 25 years old.

We're committed to providing our team members with opportunities to advance and grow their skills within our business. Currently, we have 75 members of our team enrolled in butchery and bakery apprenticeships to gain formal qualifications and around 1,500 members of our team are also completing the NZQA recognised National Certificate in Retail (level 2).

Over the last financial year, 18 of our team members graduated from our FASTRACK programme. FASTRACK sees our future operational leaders gain a wide range of experience across the business early in their careers to help them to reach leadership and management roles quickly.

In addition to the FASTRACK programme, in early 2015 we welcomed our first intake of graduates into the business.

The eight graduates are currently in their first year of a two-year journey, starting with 16-week



Countdown employs 18,000 team members across New Zealand

rotations with our operations, logistics and buying teams. During this time graduates partner with mentors to help them learn the ins and outs of the business, then will complete their experience with a year of working in the area that interests them the most.

“The breadth of interaction with people and teams across the business has given me a better understanding of the intricacies behind the operations of a supermarket that serves New Zealand. **I am thankful to have met great colleagues, mentors, sponsors and friends.** The insights gained as a result of this first year will no doubt be of great value as we enter into our final year of the program.”

*Chloe Kwon, taking part in the Countdown Graduate Programme:*



Ajaypal Singh (left) and Yaswanth Yayi (right) - member's of the new Countdown Queenstown team.



# OUR STORES

## investing in communities



The Countdown Stratford team

Our growing business continues to **invest in the economy through our new and refurbished stores** by not only creating jobs, but through our support of local food suppliers.

In the last three years, we have invested more than \$485m in new stores.

Over the past financial year, we have opened five new Countdown stores - Countdown Orewa, Countdown Bureta Park, Countdown Hauraki Corner, Countdown Stratford, and Countdown Vogeltown. We re-opened Countdown Waitangi in the Far North.

The openings of Countdown Vogeltown and Countdown Stratford are examples of our continued investment in regional New Zealand. With the opening of these two new stores, we now employ more than 700 people in the Taranaki region alone.

We are also continuing to invest in the areas of New Zealand that are experiencing rapid growth such as Auckland, where we opened Countdown Hauraki Corner and Countdown Orewa.



Countdown Stratford's new store will have a huge impact and its location will encourage many people driving past to stop and shop here. In addition, the creation of over 90 new jobs is hugely significant to this community. **This will send a positive signal to other businesses that Stratford is a good place to invest.**

*Stratford District Mayor, Neil Volzke*

## RESPONSIBLE SALE OF ALCOHOL

The sale and supply of alcoholic beverages brings with it considerable responsibilities. Countdown recognises the role it must play in reducing alcohol-related harm from inappropriate or excessive alcohol consumption.

We have in place policies to comply with the Sale and Supply of Alcohol Act, which we are constantly reviewing as we strive to achieve best practice. There are challenges for our business given we do 2.7 million transactions each week, but we are committed to meeting our responsibilities.

In November 2015, we rolled out new online training module for staff involved in the sale and supply of alcohol. The frequency of training of our team will also increase.

In our stores we have an ID25 policy in place. Supervisors must approve all transactions involving alcohol.

As a local retailer in towns and cities around New Zealand, Countdown is constructively engaged with Councils in the development of Local Alcohol Policies.

## PARTNERSHIP WITH WINZ TO FOSTER EMPLOYMENT

In May 2014, Countdown began a partnership with government agency Work & Income New Zealand (WINZ) to support people in accessing employment and fostering retail careers.

Since the programme began, we have seen a total of 382 people take up roles in Countdown, FreshChoice and SuperValue stores throughout New Zealand.

The partnership with WINZ is continuing to grow in regional centres throughout the country with the addition of new store openings.

## APPENDIX

### FUNDRAISING ELIGIBILITY CRITERIA

- Stores can support/assist local charities, community groups, causes and schools to conduct their fundraising events and raffles by:
- Donating or providing a discount on products such as bread, sausages, meat, drinks, etc.
- Allowing the use of store's BBQ equipment /Gazebo/Flags.
- Making space available in the carpark or store-front for a fundraising event (make sure you comply with any rules that relate to the use of that area.
- Donating products or gift cards to be used as prizes for fundraising raffles.

Stores should not allow fundraising outside stores for:

- Political parties, campaigns, events and

fundraising.

- Organisations that support illegal activities (for example campaigns of violence).
- Organisations that discriminate or have a limited membership group based on race, gender, sexual orientation, political affiliation, beliefs, class or cultural considerations.
- Activities that may exploit or harm animals (greyhound racing, rodeo, horse racing, etc.).

### DONATIONS ELIGIBILITY CRITERIA

At local level, stores should only make a donation to or support:

- Registered charities and community groups, registered on the Charities Register maintained by Charities Services <https://charities.govt.nz/>
- Local schools and sports clubs.

Stores should not donate or support:

- Political parties, campaigns, events and fundraising.
- Organisations that support illegal activities (for example campaigns of violence).
- Organisations that discriminate or have a limited membership group based on race, gender, sexual orientation, political affiliation, beliefs, class or cultural considerations.
- Individuals seeking support for academic studies, medical treatment, travel, accommodation etc.
- Activities that may exploit or harm animals (greyhound racing, rodeo, horse racing, etc.).

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**We hope you have enjoyed this report and welcome your feedback. Please email [csrreportfeedback@countdown.co.nz](mailto:csrreportfeedback@countdown.co.nz) with any comments or questions.**

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