

New Zealand Supermarkets

Countdown is the main brand for Progressive Enterprises Limited's owned and operated stores, with 177 supermarkets throughout New Zealand. We are one of New Zealand's largest employers, and we partner with thousands of suppliers and farmers, and with dozens of local and national charities.

PEOPLE

Customers

Value

Our Price Lockdown and Price Drop campaigns continue to be drivers of savings for customers and sales growth for the business. The Countdown Supermarkets food price index has shown price deflation of 0.2% for the year, with deflation in Grocery and Bakery in particular.

Choice

HeartSAFE

In New Zealand, Woolworths is committed to HeartSAFE, a voluntary collaboration that brings together the food industry, the Heart Foundation and other food experts to set targets for sodium reduction in high-volume, lower-cost foods.

To date, over 90% of our breakfast cereals and processed meats have met the HeartSAFE targets, and we are well underway to reducing our bread sodium content to further align with lower Australian targets. Sodium is also being reduced in a further seven categories. We are on track to deliver these commitments in the next two years.

Employees

Partnering with Work & Income

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 then, we have seen a total of 382 people take up roles in Countdown, Fresh Choice and Super Value stores throughout New Zealand.

The partnership with WINZ continues to grow in regional centres with the addition of new store openings.

PLANET

Countdown has maintained its focus on contributing to the Group's targets and commits to reducing carbon emissions, improving recycling and reducing waste.

Carbon emissions

Facilities

Since 2007, the business has grown its physical presence by 37% (including new stores and expansion during refurbishments), but the implementation of energy efficiency and low carbon technology has resulted in carbon emissions increasing by only 1.8% above its baseline emissions.

During 2015, whilst increasing our store footprint by 3.1%, we have managed to reduce:

- Carbon emissions by 2%
- Natural gas use by 7%
- Emissions from refrigerant loss by 2%

Transport

Countdown uses third-party transport providers to transport goods from distribution centres to stores. By working with our transport providers to improve our logistics network and planning, we have reduced truck fuel usage by 3.5% from the previous year.

PROSPERITY

Jobs and employment

Our business provides employment opportunities for thousands of New Zealanders from all walks of life. More than 18,000 of the best retailers in the country work for our business. We value the contribution of youth, with more than 6,000 young employees, and of experience, with more than 500 employees working for us for longer than 25 years.

During the year, we opened five new stores and re-opened another, with more than 400 people working in locations such as Orewa, Hauraki Corner and Vogeltown. Over the last three years, we have invested more than \$485 million in new stores.

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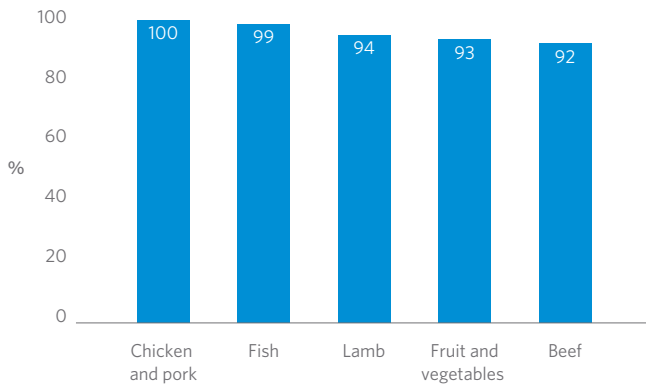
Suppliers

New Zealanders want to spend their money on locally grown produce or locally made products.

Working with more than 4,000 local farmers and suppliers, we deliver a great choice of locally produced meat, fruit, vegetables and fish.

Our locally produced Own Brand products are also popular with local shoppers, with 76% of Own Brand sales produced by New Zealand companies.

New Zealand sourced – fresh (in NZ Supermarkets)



Note: Fruit and vegetables exclude produce that cannot be commercially grown in New Zealand.

Community

Countdown will also review its community investment strategy in the coming year, but in the meantime we continue to provide valuable support to charities and programs.

Total community investment in NZ	NZ\$7,060,000
Meals for those in need	1,018,000

Countdown Kids Hospital Appeal

Since 2007, our annual Countdown Kids Hospital Appeal, which involves in-store fundraising initiatives, has raised NZ\$8.2 million for children’s hospital wards around the country. Almost NZ\$1.3 million was raised in this year’s appeal, thanks to the generosity of our customers, staff and suppliers.

“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 benefited. 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**

Countdown food rescue

Countdown also follows a preferred hierarchy of preventing food waste, with food rescue to charities and partnership with local farmers to supplement stock feed.

The Salvation Army has been the largest beneficiary of the food rescue program, receiving more than NZ\$2.1 million worth of groceries. Other charities, like Kaibosh, Fair Food and O800 Hungry have also benefited from the total NZ\$3.5 million of food donated.

Local farmers have also been collecting food from our stores that cannot be sold or donated to charities, and we estimate that around NZ\$1.2 million in food has been donated for stock feed.

“Last year, Salvation Army food banks received more than NZ\$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 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. Thanks to everyone at Countdown for your wonderful support over the four years of our partnership!”

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