

Planet

Our aim is to do more with less by using the natural resources of our plant more efficiently.

RESOURCE EFFICIENCY TREND

	2011	2012	2013	2014	2015
Carbon Intensity ⁸ (t CO ₂ -e/\$m EBIT)	881	838	841	793	808
Energy Intensity ⁹ (GJ/\$m EBIT)	3,325	3,227	3,097	3,019	3,100
Water Intensity ¹⁰ (kL/\$m EBIT)	560	600	600	655	655
Waste Intensity ¹¹ (T/\$m EBIT)	45	38	36	28	29

CARBON EMISSIONS - FACILITIES

Energy Efficiency

42% reduction in carbon emissions

One of Woolworths' key and most challenging targets from 2007 was reducing carbon emissions from stores, distribution centres and offices by 40% (compared to projected growth levels) by 2015. Our goal was to bring our emissions from facilities back to the baseline year of 2006-2007, despite growing our business.

An overall reduction of 42% surpasses our ambitious target.

Setting this target eight years ago, when very few of our peers had made similar commitments, gave the business the focus to investigate, develop, trial and implement energy efficiency innovation that was ahead of many retailers.

Use of low greenhouse gas emitting refrigerants, efficient redesign of customer-facing refrigeration cases, large scale adoption of efficient fluorescent light and then LED lighting, and improved energy management systems also delivered an estimated reduction in carbon emissions of more than one million tonnes, or the equivalent of operating an estimated 405 supermarkets as carbon neutral.

We implemented four new projects this year which have reduced energy use by 16,573MWh and carbon emissions by 15,646 tonnes.

The energy use and carbon emissions data was prepared in accordance with the National Greenhouse and Energy Reporting Technical Guidelines.

Reducing our cost of doing business

Improving the efficient use of resources and minimising waste continue to be effective business practices in reducing operational costs.

Woolworths has reached a transition period for energy efficiency and low carbon technology projects. Our original initiatives focusing on refrigeration, air-conditioning and lighting have delivered estimated operating cost savings of \$172 million, from \$137 million in capital investment.

Our next phase of energy efficiency, dubbed Project Enlighten, focuses on lighting technology and has the potential to save \$100 million in operational costs annually when fully implemented. With current capital investment we expect to deliver \$24 million in annual savings by the end of 2016.

Renewable energy

Solar energy generation is another aspect of this project. In the last few months of the financial year we invested in the installation of 25 solar panel systems, of differing capacities, across all mainland states and territories and on the roof of Supermarkets, BIG W and Liquor stores, and Petrol sites. All up, these sites have a capacity of more than 1.2MW.

150MWh of renewable energy generated at Woolworths' sites in 2015

⁸ Scope 1 and 2 carbon emissions only, from stationary sources

⁹ Energy use from stationary sources only

¹⁰ Estimated water use from Australian Supermarkets only

¹¹ Waste to landfill from Australian Supermarkets, New Zealand Supermarkets and BIG W

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CARBON EMISSIONS - TRANSPORT

Company car fleet

Woolworths continues to achieve its commitment of reducing the carbon footprint of its company car fleet. Fuel efficiency remains a criterion during the selection of vehicles for our fleet and our emissions are now 46.7% below our 2007 baseline.

Emissions from company cars (tonnes of CO₂-e)

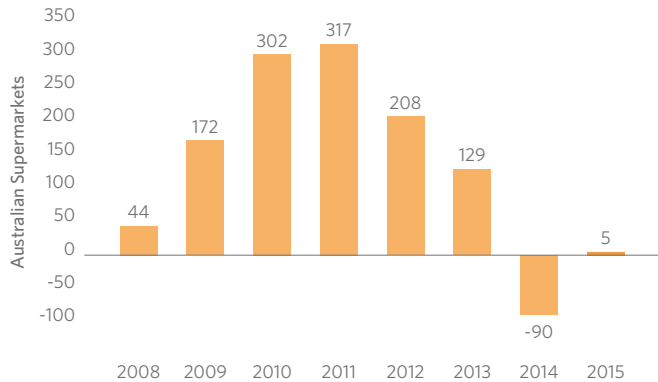
Country	2013	2014	2015
Australia	14,992	9,939	8,654
New Zealand	1,936	1,898	1,926
Total	16,928	11,837	10,580

WATER

We used an estimated 2.46 gigalitres (GL) of water in our Australian Supermarkets during the year. This estimate was based on a small sample space of metered water use in stores.

In 2014, we had a higher average store water usage. Our Engineering Maintenance and Services team investigated and addressed any leaks or operational practices that contributed to this.

Water savings from Water Wise Project (ML)



PACKAGING

50.7 million boxes not used due to the use of 3.4 million reusable produce crates

Packaging plays a key role for retailers and brand owners. Significant resources have been invested in growing, processing and transporting the products that are on our shelves, ensuring all products are protected from the supply chain through to the pantries of our customers.

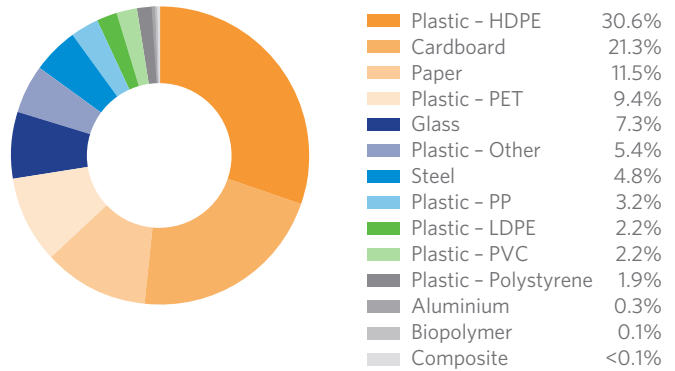
When designing the packaging of its Own Brand products, Woolworths considers the product's protection, while also considering packaging accessibility, recyclability, recycled content and messaging.

Material use

Woolworths has reviewed the packaging material of more than 3,000 Own Brand products. The products account for more than 34% of Own Brand sales and required the use of more than 32,300 tonnes of packaging materials.

High Density Polyethylene (HDPE) continues to be the most common material, due to use in two and three litre milk containers. Cardboard and paper are the next most commonly used packaging material, driven by egg cartons and Homebrand Frozen Peas. Approximately 19.5% of the packaging used contains post-consumer recycled content.

Packaging used in Australian Supermarkets



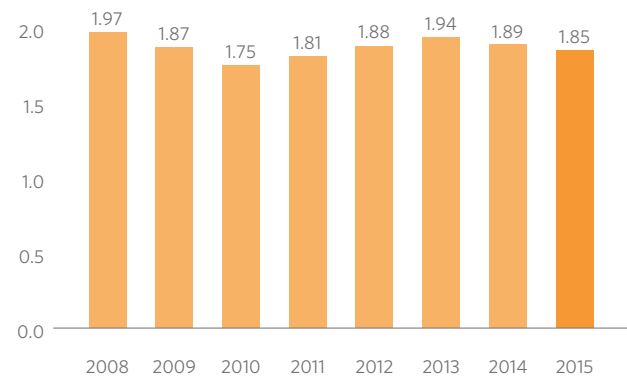
Note: Data is only for Australian Supermarkets Own Brand products that have been reviewed.

Switching from glass to plastic for Own Brand Olive Oil

During the year, we reviewed the packaging used for our Homebrand and Select range of Olive Oils. Traditionally packaged in glass bottles, we changed to a PET bottle and reduced the weight of packaging by up to 94%. The change to this range is expected to deliver an overall saving in packaging weight of 1,130 tonnes per year.

Through previous use of the Packaging Impact Quick Assessment Tool (PIQET), we found that the construction and use of PET bottles generally has a lower environmental impact than bottles made from glass.

Plastic bags per customer transaction



Note: Trend is for Australian Supermarkets only.

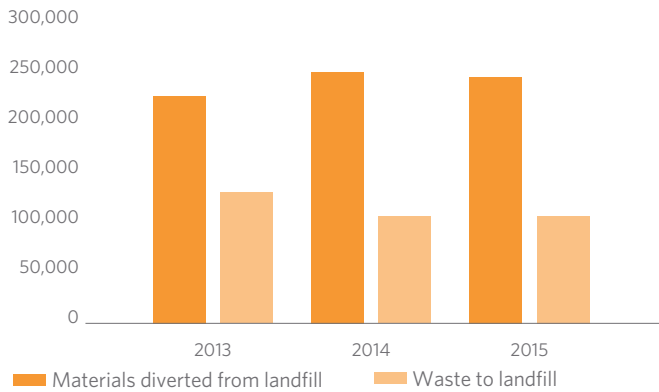
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WASTE AND RECYCLING

Managing waste is a key focus for the business. We are committed to key targets of zero food waste to landfill and increasing recycling rates, both of which will also help the business reduce operational costs.

For 2015, waste disposed to landfill has increased slightly by 0.4% and the volume of material recycled or diverted from landfill has decreased by 1.8%.

Waste and recycling trends (tonnes)



Note: Waste to landfill data only from Australian Supermarkets, New Zealand Supermarkets and BIG W.

Waste audits

During our annual waste audits of 27 Australian Supermarkets, we identified that we had fulfilled one of our original sustainability targets of reducing the volume of plastic film in our waste stream to less than 1% by weight (0.9%). The volume of recyclable cardboard in the waste stream increased slightly from 0.96% the previous year to 1.08% this year.

The volume of food waste in this audit remained static at 57%. Our initiatives to address food waste are outlined in the Australian Food and Petrol section.

Food waste

We estimate that we have reduced our food waste to landfill by more than 55,000 tonnes during the year. Although this is short of the ambitious target we set for the close of 2015, our commitment to this target over the years has realised significant improvements.

If the food in our Supermarkets cannot be sold, Woolworths is committed to directing food waste to other forms of beneficial reuse. Initiatives to reduce shrink (loss) in store have generated an estimated \$65 million in savings, whilst more than \$12 million of savings in waste management costs have been delivered through food rescue, farmers programs and commercial composting.

We are implementing new waste management contracts during the coming year which we expect will divert a further 10,000 tonnes of food waste from landfill.

Packaging stewardship

We commenced a trial of the Redcycle recycling program for the collection of flexible plastic packaging. This soft plastic material is used to package many frozen products and bakery items and cannot be recycled through Australia's kerbside recycling program.

This material is currently collected in dedicated bins at the front of 100 Supermarkets (half in Sydney and the other half in Melbourne), and the material is sent to an Australian processor to make plastic park furniture. Since implementation we have collected 71.5 tonnes of plastics, or 18 million pieces of packaging.

DEFORESTATION

By 2020, we aim to have zero net deforestation from commodities sourced for our Own Brand products.

Palm oil

We have maintained a strong focus on our commitment to use only sustainable palm oil in Own Brand food products by the end of 2015. We have converted all our existing baseline of Own Brand food products to certified sustainable palm oil. In 2015, these products used 6,210 tonnes of sustainable palm oil. We use palm oil that has been certified sustainable under the Roundtable on Sustainable Palm Oil's (RSPO) identity preserved, segregated or mass balance models.

Our requirements for sustainable palm oil have been incorporated in our Brand Guidelines covering all new product development and we have labelled palm oil in 99% of our Own Brand food products where they contain palm oil as a direct ingredient.

Paper and timber

All of our Own Brand tissue, toilet paper and kitchen towel products are sourced from independently certified, sustainable sources.

Catalogues are a key marketing tool for our business and during the year we produced almost 1.36 billion catalogues across our brands in Australia and New Zealand. All of the 54,160 tonnes of paper used to make these catalogues came from certified sustainable sources, either through the Forest Stewardship Council (FSC) or the Programme for the Endorsement of Forest Certifications (PEFC).

Within our business we use FSC certified office paper, procuring more than 286,000 reams of paper. The decrease in paper use compared to previous years has been realised via initiatives like the implementation of 'follow-me-print' functions in printers (staff must swipe their card and wait for their printing, rather than print and forget) and increased mobility through digital devices.

MICROBEADS

Microbeads are micro-plastic particles (0.1-0.5 millimetres in size) added as exfoliating agents to personal care products.

These micro-plastics are too small to be filtered out by many municipal wastewater treatment plants, and can wash directly into our fresh water systems. Many treatment plants divert wastewater directly into local rivers during heavy rain, which puts microbeads directly into the environment.

We are committed to minimising environmental impacts of Woolworths Own Brand products. We have been working with our suppliers to phase out the use of plastic microbeads in our Own Brand skin care and body wash products by the end of 2015.