

WOOLWORTHS LIMITED

Passionate About Retail

Presentation to the New Zealand Packaging
Accord

Peter Smith

15 April 2008

Overview

1. Woolworths sustainability strategy and what it means for packaging and private label
2. Targets, areas of focus and how Woolworths is progressing
3. Overseas retail trends in sustainability
4. Sustainability objectives for brand owners wishing to compete on Woolworths shelves

Sustainability Strategy 2007-2015

www.woolworthslimited.com.au



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Woolworths Areas of Focus - Priorities

1. Climate change and drought
2. Direct water use
3. Ethical and sustainable sourcing policies for private label
4. Packaging policies and standards for private label
5. Waste minimisation
6. Sustainable design for new stores

Woolworths Carbon Footprint

2006 Total CO₂ Emissions

Woolworths Carbon Footprint

2006 Total CO₂ Emissions

Electricity	2,550 GWh
Gas	59,483 GJ
Fuel/Mileage	414m km
Waste	83,758 tonnes
Water*	2.15 GL

GHG* = 3.7 Mt per year

*GHG: Green houses gases

Climate Change - Facilities

Status



Total of 3.7 million tonnes CO₂e

Target



**40% reduction in
CO₂ by 2015
from facilities**

Strategy



Climate Change - Facilities

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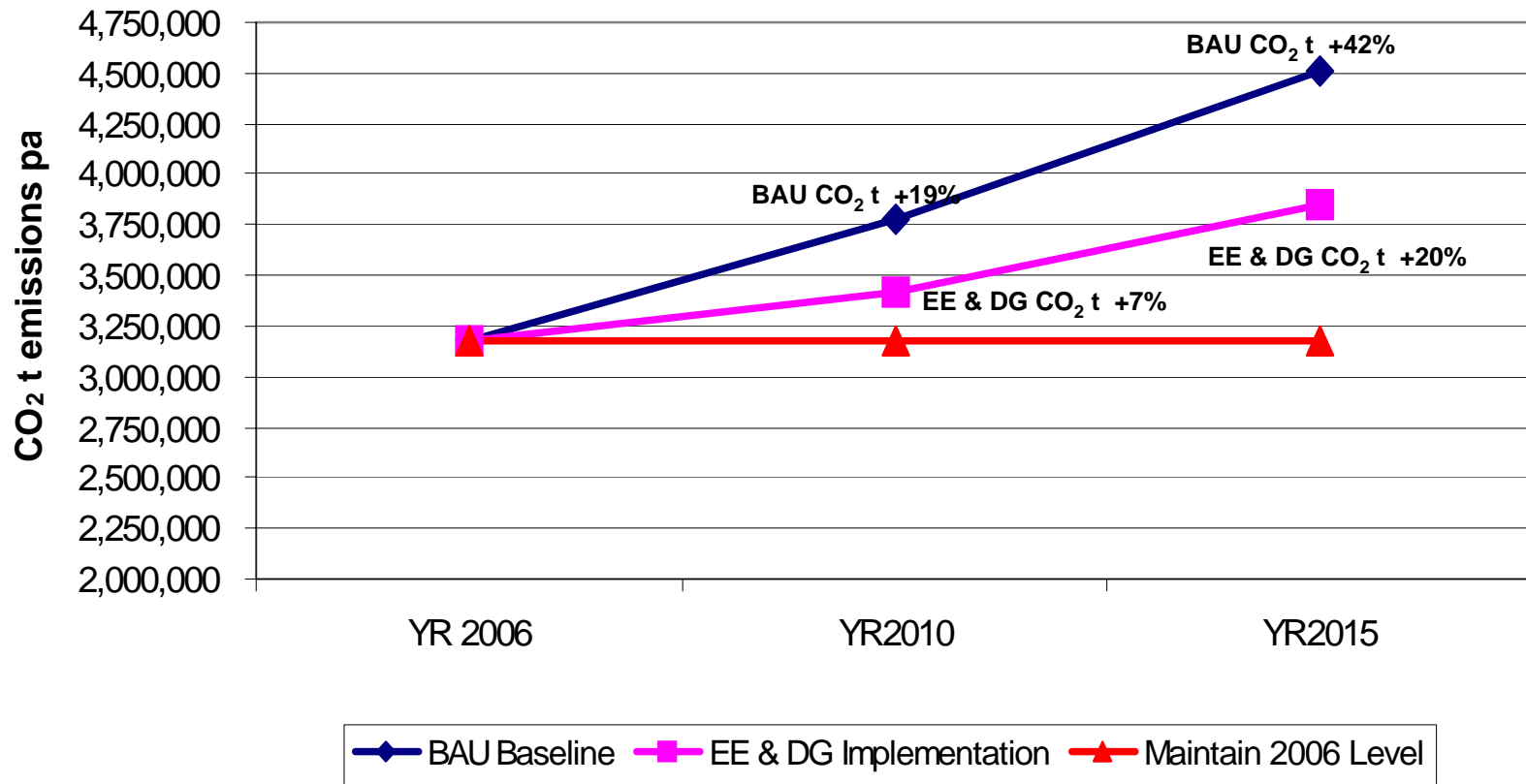
Strategy



- Behavioural change
- Energy efficiencies
- Green stores
- Renewable energy

CO₂ Reduction Targets

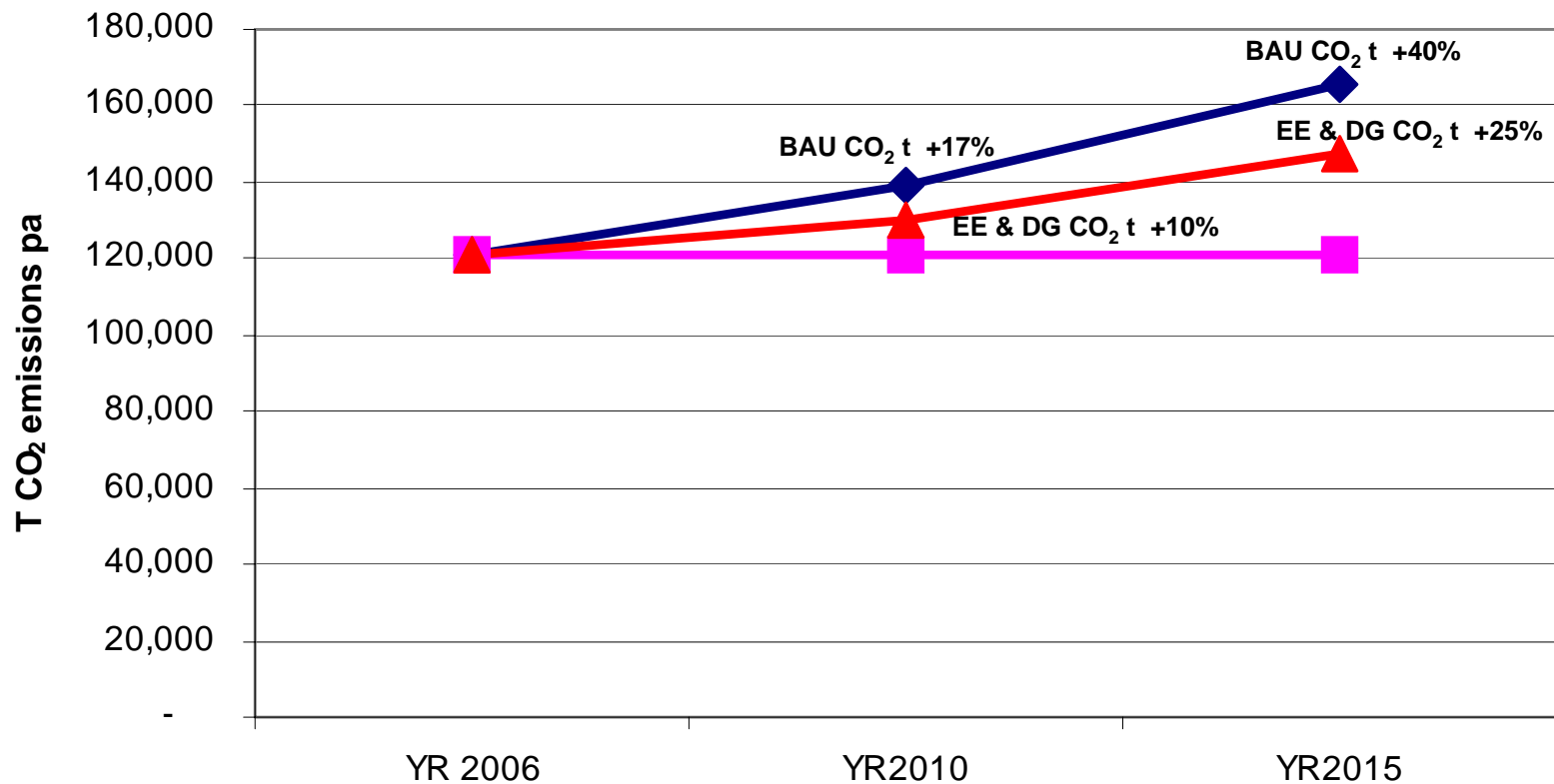
Total Group CO₂ t emissions



BAU: Business as usual EE & DG: Energy Efficiency and Design Guidelines

CO₂ Reduction Targets – NZ Facilities

PEL Supermarkets CO₂ t emissions

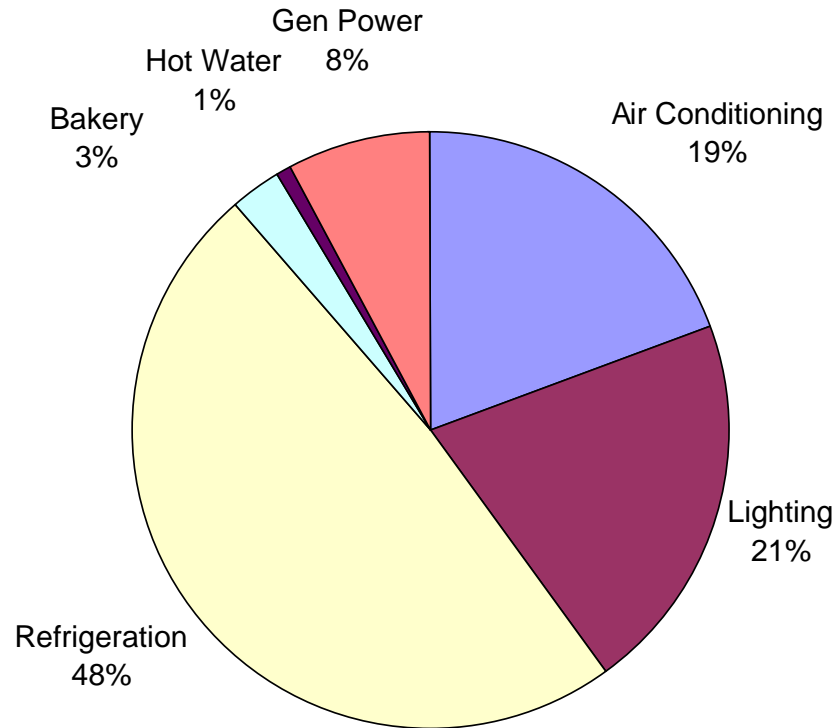


—◆— PEL Baseline —■— Maintain 2006 Level —▲— Total Reduction

BAU: Business as usual EE & DG: Energy Efficiency and Design Guidelines

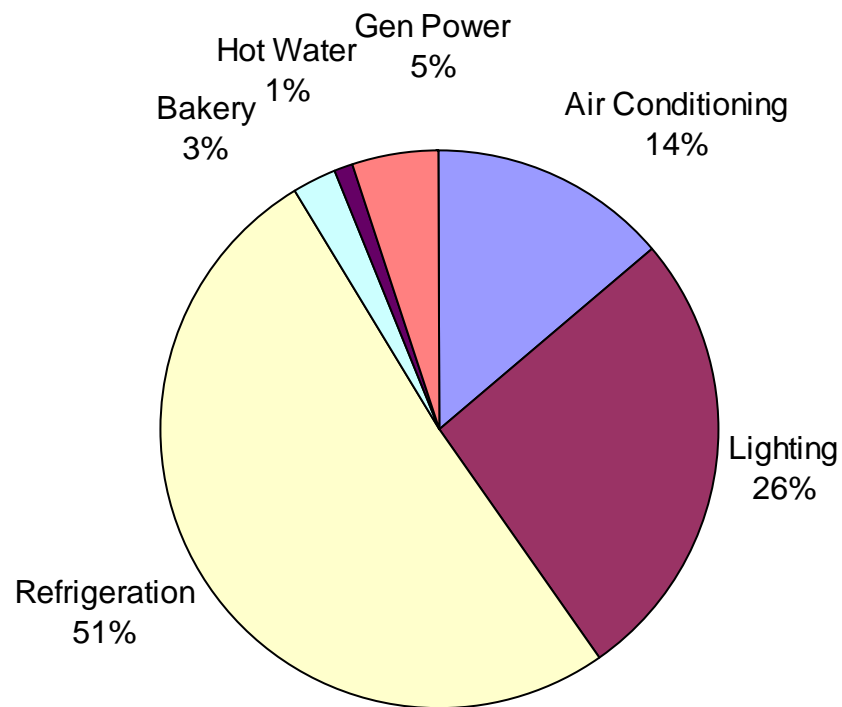
CO₂ Emissions from Facilities by End Use

Total Group CO₂ t pa



CO₂ Emissions Break-up From Facilities in NZ

Supermarkets NZ Breakup of Energy Use



Climate Change – Transport Total Group

Status



**Transport = 12% of total CO₂e
(410 kT)**

Target



**25% reduction in
CO₂ per carton
delivered by 2012**

Strategy



Climate Change – Transport Total Group

Status



**Transport = 12% of total CO₂e
(410 kT)**

Target



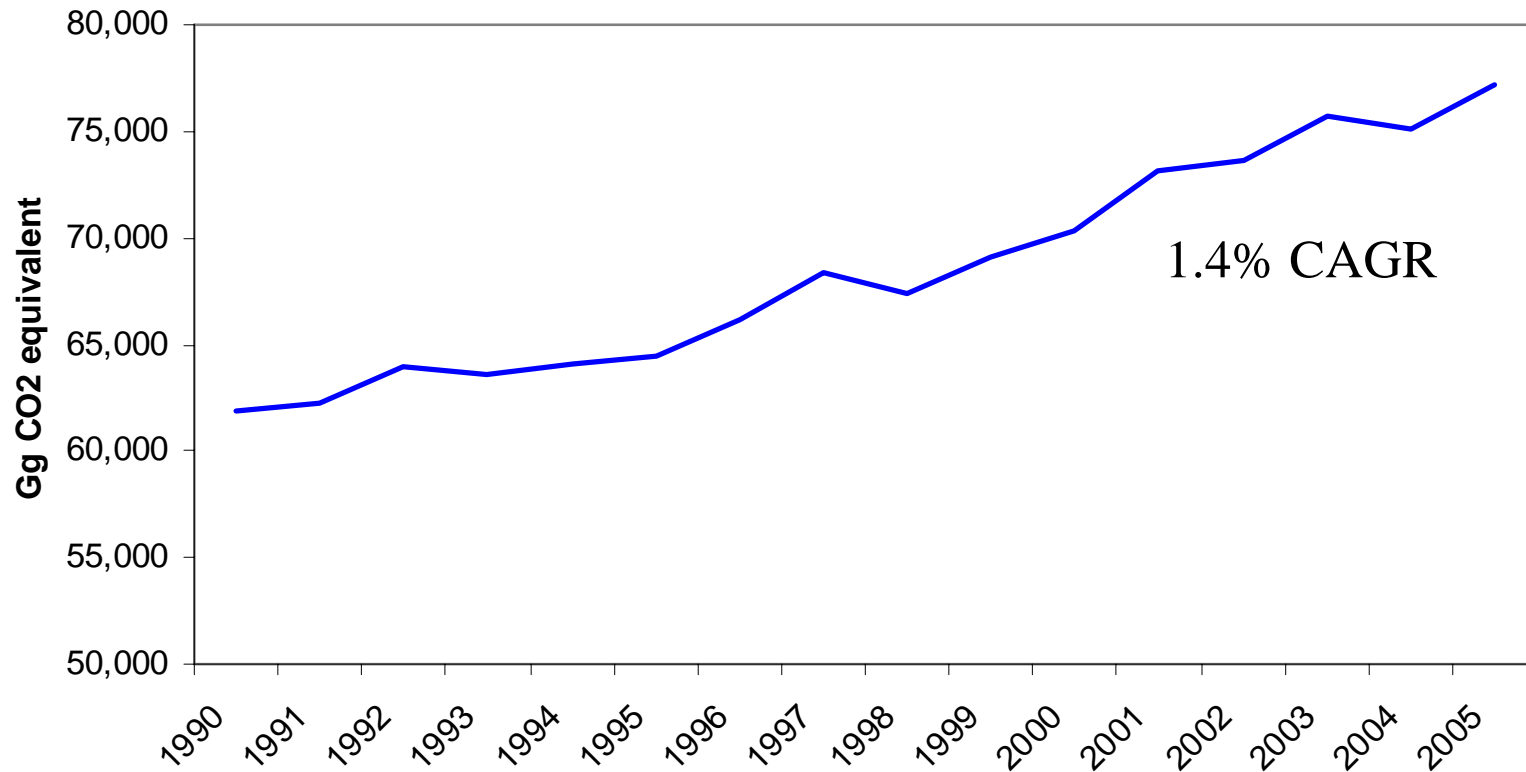
**25% reduction in
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Strategy



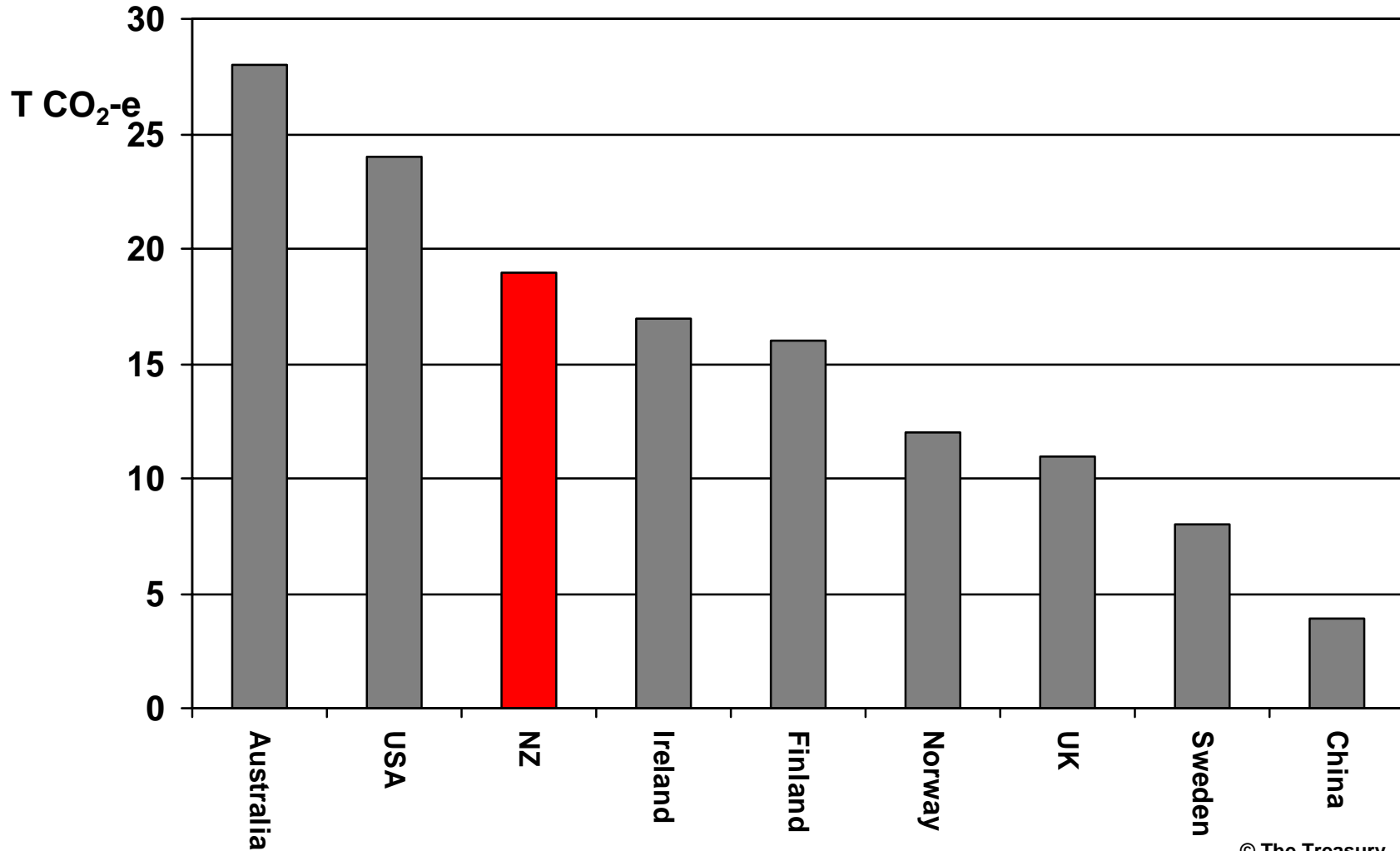
- **Reduced kms travelled**
- **Vehicle design**
- **Alternative fuels**
- **Hybrid trucks**

Greenhouse emissions growing in NZ by 1.4% pa



Per capita emissions

Source: World Resource Institute (WRI)



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Private Label & Trade Packaging

1. Continue the review of private label product packaging to establish an accurate baseline (45 products reviewed against ECoPP in 2007)
2. Implement impact assessment trials for 20 private label using Packaging Impact Quick Evaluation Tool (PIQET)
3. Supplier engagement forum
4. Provide supplier training on PIQET

Ethical & Sustainable Sourcing – Private Label

1. Priority focus for policy development will relate to sourcing from Asia initially and will include:
 - Review and mapping of sourcing policies and relevant CSR standards across all WoW businesses
 - Selecting appropriate standards, audit protocols, monitoring and compliance systems
 - Engagement with third party certification bodies and ethics advocacy groups
 - Buyer training and standard application across WoW Group

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Retail and Consumer trends in
sustainability

What are other retailers doing?

Marks & Spencer Plan A

- Carbon neutral, Zero waste to landfill and 33% less plastic bags by 2012.
- Investing at least 1% pre-tax profits into the community and work experience for disadvantaged people.
- Fairtrade certified cotton, etc.

Tesco

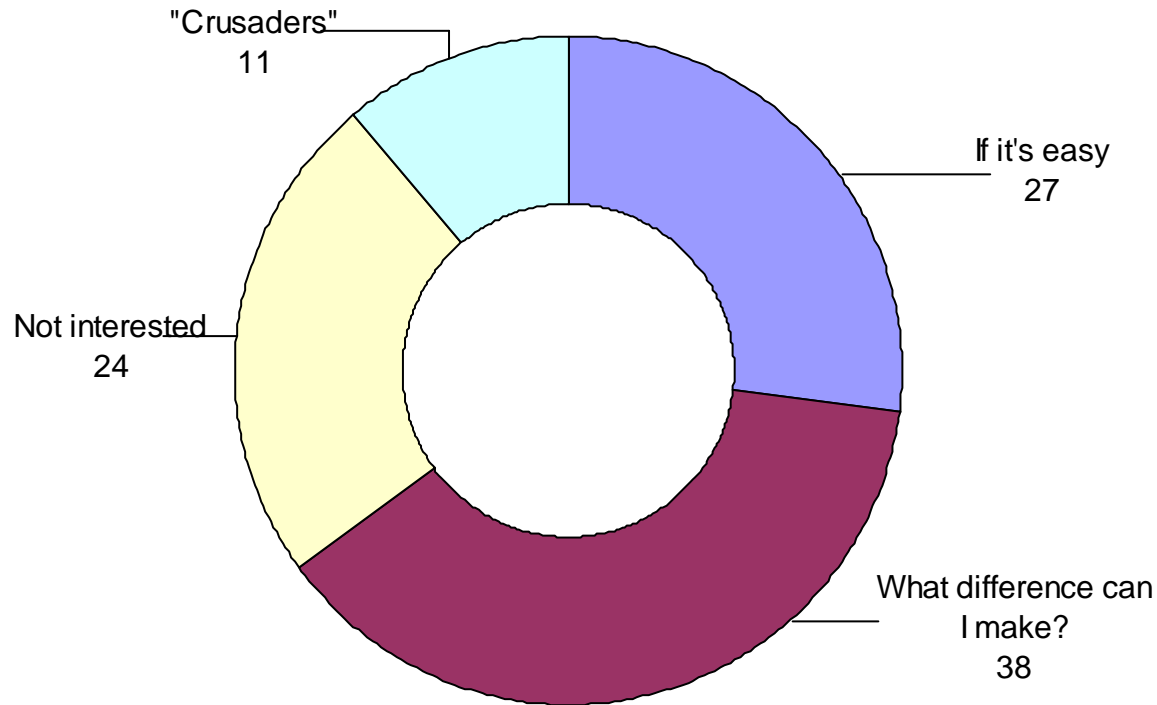
- Reduce greenhouse gas emissions by 50% by 2020 and all new stores 50% less energy intensive than stores built in 2006.
- Zero emission home delivery vans and restrict air transport to less than 1% of products.
- Marine Stewardship Certification requirements.
- Carbon labeling – food miles

Wal-Mart

- ASDA to cut packaging by 25% by 2008. WalMart to cut packaging by 3%.
- Reduce greenhouse by 20% in the next 8 years and carbon neutral in long-term.

15 MW solar generation = less than 0.6% of their current total CO₂ emissions

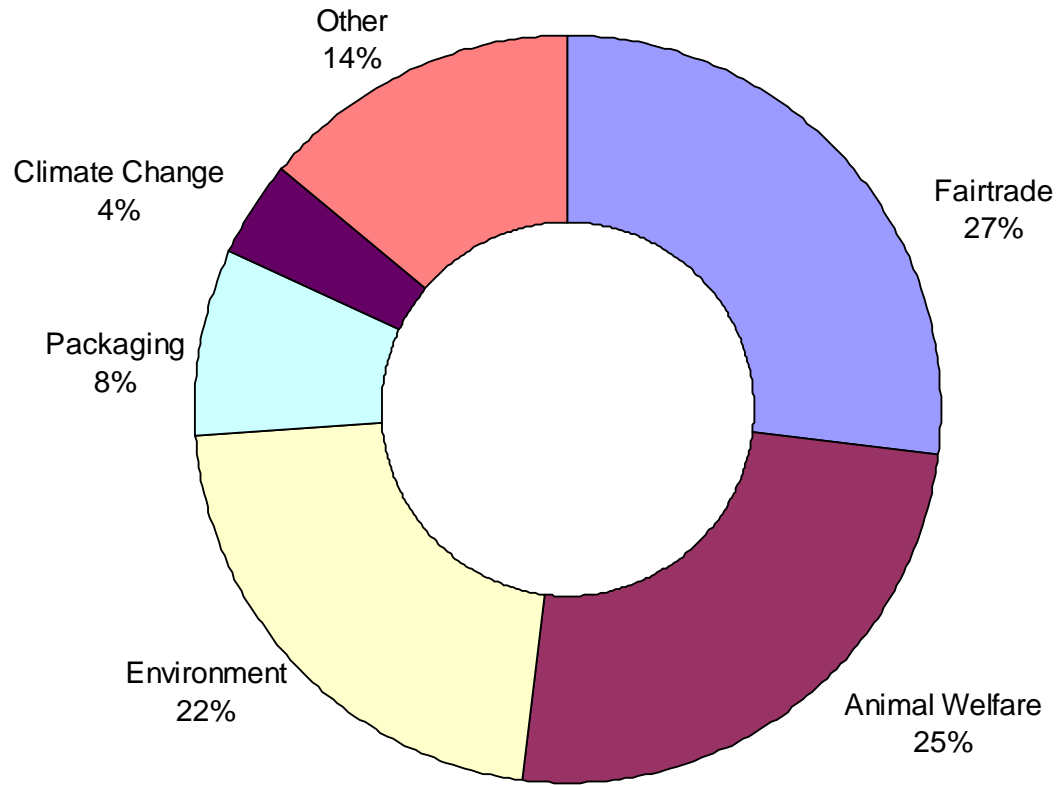
UK consumer attitudes to green shopping (% of total)



Source: M&S survey of 25,000 consumers, 2007

Co-Operative Retail Group in UK

Ethical Priorities of UK Consumers



Source: Co-Operative Group research published in The Retail Bulletin, 7 February 2008

NZ Consumer Research

Research conducted recently by Nielson Company:

Despite apparent growing consumer demand for shops to be green, consumers don't necessarily make this a priority when choosing where to shop

Only 21% choosing with Green in mind

Packaging Requirements on Brand Owners

1. At this stage our focus is on our own brands for consumer packaging
2. We will require all supplier to be ECoPP compliant or have a clear plan of how they will become compliant
3. We will review trade packaging issues under our NPC commitment and may require changes
4. We are interested in learning from those who have achieved innovation in packaging
5. Your feedback is important

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