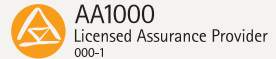


INDEPENDENT ASSURANCE STATEMENT



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To the Board of Directors, Management and Stakeholders of Woolworths Ltd:

Woolworths Ltd (Woolworths) commissioned Net Balance Management Group Pty Ltd (Net Balance) to provide independent assurance of their 'Corporate Responsibility Report 2009' (the 'Report'). The Report presents Woolworths' sustainability performance over the period 1 July 2008 to 30 June 2009. Woolworths were responsible for the preparation of the Report and this statement represents the assurance provider's independent opinion. Net Balance's responsibility in performing its assurance activities is to the Board and Management of Woolworths alone and in accordance with the terms of reference agreed with them. Other stakeholders should perform their own due diligence before taking any action as a result of this statement.

ASSURANCE STANDARD AND OBJECTIVES

The assurance was undertaken in accordance with the AA1000 Assurance Standard (AA1000AS (2008)). Assurance undertaken using this standard, provides a comprehensive way of ensuring an organisation is responsible for its management, performance and reporting on sustainability issues. This is achieved through the evaluation of the organisation's adherence to the AA1000 AccountAbility Principles (2008) and by reviewing the accuracy and quality of disclosed sustainability performance information.

The AA1000 Accountability Principles (2008) against which Woolworths' processes are assessed include:

Inclusivity: An assessment is made on whether the organisation has included stakeholders in developing and achieving an accountable and strategic response to sustainability.

Materiality: An assessment is made on whether the organisation has included in its report the material information required by its stakeholders to be able to make informed judgements, decisions and actions.

Responsiveness: An assessment is made on whether the organisation has responded to stakeholder concerns, policies and relevant standards and adequately communicated these in its report.

ASSURANCE TYPE AND SCOPE

Net Balance provided Type 2 assurance in accordance with the AA1000AS (2008). This involved an assessment of the organisation's adherence to the AA1000 AccountAbility Principles (2008) and an assessment of the accuracy and quality of the report's sustainability performance related information.

The review of accuracy and quality of sustainability performance information was undertaken using Woolworths' internal protocols and the Global Reporting Initiative's (GRI) G3 principles of quality.

ASSURANCE LEVEL AND LIMITATIONS

The level of assurance provided is moderate as defined by the scope and methodology described in this assurance statement. The assurance covered the whole report and focussed on systems and activities of Woolworths during the reporting period, with the following exceptions:

- The scope of work did not involve verification of financial data, other than that relating to environmental, social or broader economic performance.
- The verification process was conducted primarily at the Bella Vista Head Office as well as the Pennant Hills Office.

ASSURANCE METHODOLOGY

The assurance engagement was undertaken in October 2009, and the process involved:

- Development of a materiality register using the five-part materiality test, including a comparison of Woolworths against its peers, a risk review, a review of selected Australian media, a policy review and review of stakeholder feedback.
- Senior management interviews to assess the effectiveness of the policy, procedures and frameworks in place to manage sustainability within the organisation.
- A review of the processes used by Woolworths to engage with its stakeholders and the outcomes of the external and internal stakeholder engagement undertaken during the reporting period in order to understand the nature of material issues raised by stakeholders.
- A review of Woolworths' key sustainability strategies, policies, objectives, management systems, measurement and reporting procedures, background documentation and data collection and reporting procedures.
- Interviews with key staff responsible for the sustainability report to ascertain their views, understanding and response to material sustainability issues faced by the business.
- A series of interviews with key personnel responsible for collating and writing various parts of the report in order to substantiate the veracity of selected claims.
- A review of the Report for any significant anomalies, particularly in relation to significant claims as well as trends in data.
- Examination of the aggregation and/or derivation of, and underlying evidence for over 140 selected data points and statements made in the report and evaluation of the data and statements against Woolworths internal data protocols and the GRI G3 principles of quality.
- Collecting and evaluating evidence to support the assurance work undertaken.
- A GRI G3 application level check.

OUR INDEPENDENCE

Net Balance was not responsible for preparation of any part of the Report. Our team's independence was ensured by selecting an assurance team that had no other involvement with Woolworths during the reporting period that could impair the team's independence or objectivity. However, Net Balance completed Global Reporting Initiative (GRI) G3 Application level check for the 2009 Report and verification of Woolworths' reporting data in relation to the National Greenhouse and Energy Reporting (NGER) Act 2007. These projects were deemed complementary to the assurance function and therefore did not impact upon the team's independence or objectivity.

OUR COMPETENCY

The Woolworths assurance engagement was carried out by an experienced team of professionals led by a Lead Sustainability Assurance Practitioner (Lead CSAP), accredited by the International Register of Certified Auditors UK (IRCA UK). The project included consultants with expertise in environmental, social and economic performance measurement across a range of industry sectors. Net Balance is a global leader in the use of Accountability's AA1000AS, having undertaken over 50 assurance engagements in Australia over 2007 and 2008.

FINDINGS AND CONCLUSIONS

Adherence to AA1000 Principles

Inclusivity: Woolworths has effective systems in place to collect feedback from key stakeholders to ensure that the organisation appropriately measures, monitors and manages its material sustainability issues.

Net Balance investigated a number of material issues from the Report, and found comprehensive and continuous processes in place for communicating with key stakeholders. Issues and feedback are actively monitored and regularly inform the group's strategy development processes. The issues reviewed include corporate governance, responsible alcohol consumption, and quality assurance of Private Label products.

Materiality: Woolworths has multiple processes in place to determine material issues across the organisation. The Report was found to be in alignment with the outcomes of these processes and, as such, appropriately addressed Woolworths' environmental, social and economic material issues. In addition, the Report was also found to provide balanced information about Woolworths' sustainability management and performance. Net Balance acknowledges that as a large organisation, representing over 190,000 team members, identifying the gamete of material issues across all business presents many challenges for Woolworths. However, considering sustainability in developing strategies for the various businesses is starting to address this.

Responsiveness: Woolworths actively engages with customers, industry groups, government and the communities in which it operates to identify material issues. It also reports relevant and timely information in relation to those issues and this was demonstrated throughout the report. Net Balance recommends Woolworths could further improve reporting on engagement by incorporating within the Report an outline of the process for stakeholder engagement and how stakeholders' responses are being addressed at a high level. While a number of engagement processes are in place, a group-wide stakeholder engagement strategy will assist in improving engagement with stakeholders and the responsiveness of the Report to address the material issues identified by these groups.

Reliability of Performance Information

Based on the scope of the assurance process, the following was observed with regard to performance information:

- The findings of the assurance engagement provide confidence in the systems and processes used for managing and reporting sustainability performance information.
- The level of accuracy of sustainability performance information was found to be within acceptable limits.
- Data trails selected were generally identifiable and traceable, and the personnel responsible were able to reliably demonstrate the origin(s) and interpretation of data.
- The sustainability performance disclosures presented within the report appropriately reflect environmental, social and economic performance achieved during the period.
- The GRI application level check found that the Report was classified as A+.

Overall, it is Net Balance's opinion that the information presented within the report is fair and accurate and that the report is a reliable account of Woolworths' sustainability performance during the reporting period.

THE WAY FORWARD

Woolworths continues to take a lead role with respect to its international peers as being one of the few top retailers to have its Report prepared and independently assured. In its second year of assurance, Woolworths' practically demonstrates an ongoing commitment to corporate responsibility by communicating the company's performance to stakeholders, peers and the wider community. The following provides an overview of key findings and recommendations.

It was found that Woolworths have strong processes in place for collecting sustainability performance information and that the Report appropriately addresses Woolworths' environmental, social and economic material issues. Significant improvements were observed in:

- Data collection processes with respect to Human Resources information.
- Processes for engaging with stakeholders on key issues.
- Increased focus on Quality Assurance and Ethical Sourcing, particularly with respect to Private Label products.
- The furnishing of supporting evidence for the statements made in the Report.

The size and breadth of the business presents continuing challenges to Woolworths in terms of how it integrates sustainability into its operations. Recent and expected growth of the business introduces ongoing challenges of integrating environmental and social performance objectives that are consistent across business units. These challenges are not likely to disappear, and indeed are more likely to increase with time.

Now that Woolworths' Corporate Responsibility framework is well established, the focus moving forward is on increased integration and alignment of corporate responsibility objectives and strategies across the whole business. It is therefore an opportune time to look at the alignment of internal policies and procedures where synergies may exist. Net Balance also suggests that Woolworths:

- Establishes formal data management and reporting protocols and procedures.
- Focuses on consistent boundaries for performance data to increase consistency across business units that allows for comparable measures over time.
- Continues to formalise stakeholder engagement strategies to support existing processes and committees.
- Commences the assurance process with increased staff engagement to provide a greater understanding of, and engagement with the process.
- Continues to focus on its supply chain across all business units.

To ensure that Woolworths continue to improve, Net Balance has provided recommendations and suggestions that have been outlined in a more detailed report presented to Woolworths's management.

On behalf of the assurance team
30th October 2009
Melbourne, Australia



Terence Jeyaretnam

Director, Net Balance & Lead CSAP (IRCA UK)