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## **Annual General Meeting (AGM) Addresses and Presentation**

Attached for release to the market is a copy of the addresses and presentation to be made at today's Woolworths Group AGM.

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**Annual General Meeting 2023**  
**Thursday, 26 October 10:00am (AEDT)**  
**Chair's Address**

Now ladies and gentleman and fellow shareholders, onto my address as Chair of Woolworths Group.

Welcome again to the 99th Annual General Meeting of Woolworths Group.

Having assumed the role of Chair at the conclusion of the last AGM, it is a special pleasure to address you today to review the past year and update you on the Group's performance and prospects. I also look forward to the opportunity to meet many of you and address questions from shareholders during the course of the meeting.

Woolworths Group's performance during the 2023 financial year reflects a business that is performing well across many of its key measures. Today you will hear both from me and our CEO, Brad Banducci as we share our perspectives on the past year.

The Group's performance in FY23 reflected improving fundamentals, many of which stem from the long-term decisions we have taken during our transformation. The results also reflect the recovery from a very challenging FY21 and FY22, which were materially impacted by the pandemic and related disruptions.

However, the most important driver of our performance this year is, again, the contribution of Woolworths Group's team members.

Throughout FY23, our team have lived our shared purpose of better experiences together for a better tomorrow. They have kept customers and their fellow team members at the centre of every day, on the job, across the Group.

I would like to thank every team member for their hard work and care demonstrated throughout the year.

I would also like to recognise the tragic passing of two team members in two separate workplace incidents in the last 12 months.

We are deeply saddened by the loss and on behalf of the entire board, we extend our sincere condolences to the families, friends and colleagues of these team members.

The safety of all team members is our primary objective and while the formal investigations into both incidents are ongoing, the business has not hesitated to make any necessary changes to our workplaces to protect our team. In our role as the Board, we are also committed to a relentless focus on safety and other material risks.

Despite a Group-wide effort and resulting steady improvement in underlying safety over many years, these events remind us that we have more work to do.

In the context of these tragic circumstances, as it related to the safety measure in the short-term incentive, the Board adopted a two-stage approach.

The Board determined that there should be a 10% absolute reduction in the Group's short-term incentive for the vast majority of above-store salaried team members for FY23.

Mindful that the investigations are yet to establish the root causes of each tragic incident, the Board committed to determine a further response informed by the outcome of the investigations.

For the balance of my address today I will touch on the Board's perspective on the Group's performance and underlying health, before handing over to Brad to provide a more detailed summary of our strategic progress as well as an update on the Group's trading following yesterday's release of our first quarter results for FY24.

As a Board, we are pleased with the progress Woolworths Group is making. But we take nothing for granted and every day is a new day in retail. We are acutely aware of the choices customers have, and the need for us to relentlessly improve to win and retain their trust.

FY23 marked the return to a more stable operating environment for all businesses following the material disruption of COVID and the associated impacts over the last three years.

This operating environment, phase-out of material COVID-related costs, and ongoing investment in recent years led to Group EBIT growth before significant items of 15.8%. However, if we were to exclude the material impact of COVID costs in FY22, EBIT growth for the Group in FY23 was 3.4%.

Reflecting the solid result, the Board declared a fully franked final dividend of 58 cents per share which was up 9.4% on last year. This resulted in a total dividend of 104 cents per share, up 13% compared to FY22 and in line with earnings growth for the year. This reflects both this year's performance and our long-term confidence in the Group's prospects.

While the overall operating environment for the Group improved in FY23, global and local inflationary impacts created a new challenge as our customers' household budgets became increasingly stretched.

Amid this backdrop, we have responded by delivering even greater value across our Food and Everyday Needs businesses. This included Weekly Specials and Low Price programs in Food, expanding the loyalty offer, and investing in our Own Brands to provide quality products and more affordable choices. Ensuring that all of our customers can access great value remains a key priority for the year ahead.

As well as "Getting your Woolies Worth", we increased our focus on investing in the quality, the fresh food and the range that we are famous for. Material investment in the Group's digital and eCommerce assets over many years has established a solid foundation that has enabled the Group to respond to changing customer preferences. Through our early investment into convenience, we can now offer online shopping options ranging from home delivery within two hours, to Direct to boot in over 700 stores to a MILKRUN delivery which takes on average 33 minutes. We decided to give shareholders more visibility as to the scale and composition of these activities by reporting on our eCommerce profitability separately for the first time in FY23.

The Group's multi-year supply chain transformation is a key driver of productivity improvement with the upgraded facilities enabling a wider and fresher range for customers, a material increase in capacity, and improved efficiencies.

Major new facilities opened over the last five years include Melbourne South Regional DC and Melbourne Fresh DC in Victoria; Adelaide Regional DC expansion in South Australia; Palmerston North DC and Auckland Fresh DC in New Zealand and Heathwood Chilled and Frozen DC in Queensland. A new Fresh DC in Christchurch, New Zealand, and Woolworths Group's first automated customer fulfilment centre in Auburn, Sydney, are on track to open in 2024.

We continued our expansion into complementary adjacencies during the year. This strategy draws upon what we have learned and established in our Food businesses - whether it be our loyalty platform, data and analytics, own brand, store technology and supply chain. While we will remain particularly disciplined in the investment of capital into these areas, pleasingly the strategy is delivering with impressive 27% sales growth in PFD, our food service business and 29% sales growth in Cartology, our retail media business.

The acquisition of an equity stake in Petstock Group announced in December 2022, subject to ACCC approval, will also enable more customers to conveniently shop for more of their everyday needs across our connected Group. If you are anything like our household, every shopping mission starts with the needs of your pet.

Overarching all this, we need to strike the right balance between providing value to our customers, recognising cost pressures being felt by suppliers, providing our team with competitive pay, and ensuring we are delivering an acceptable return for our shareholders.

We believe that operating sustainably, having a positive impact on our communities and maintaining the highest levels of governance, benefits all of our stakeholders. We also recognise that it is not the Group's place to have a view on every social issue - rather we will focus on those which are tied to our purpose, where we can have a meaningful impact and hence which will be for the long-term benefit of the Group.

This year also marked the halfway point of the Group's 2025 Sustainability Plan.

While we recognise the progress made, we equally recognise that more work needs to be done.

The Group continues to progress on its pathway to net positive carbon emissions. To support this, we announced a target to reduce our transport emissions by 60% in 2030 compared to 2022 levels as part of the Group's transport decarbonisation strategy launched this year.

We launched our latest Reconciliation Action Plan earlier this year, detailing 97 deliverables to drive meaningful progress towards reconciliation with Indigenous Australia through a focus on employment, health, education and sourcing.

We also contributed the equivalent of an astonishing 34 million meals to our food rescue partners, including OzHarvest, Foodbank and Fareshare in Australia, and KiwiHarvest and The Salvation Army in New Zealand which went towards the diversion of 80% of total food waste from our Australian Woolworths Supermarkets in FY23.

These are only three focus areas of our many goals. We will continue to progress our Sustainability Plan 2025 to not only have a positive impact but also make our business stronger and more resilient for the future.

I would like to take this moment to acknowledge Brad and the wider Group Executive team for their dedication and hard work during 2023. We are indeed fortunate to have a team with the drive, aspiration and care that every day is put to work at Woolworths Group.

I would also like to acknowledge the dedication of my fellow directors over the past year and the support they have offered to the management team.

During the year we welcomed two highly experienced directors, Tracey Fellows and Warwick Bray to the Woolworths Group Board. We are delighted to have Tracey and Warwick's wealth of experience, knowledge and unique perspectives available which will complement the Board's existing skills.

As we move into our centenary year in 2024, the Board remains focused on supporting our CEO and management team as we execute our ambitious strategy. While our operating

environment remains somewhat uncertain, we are reassured by the clear strategy, the performance and underlying health of the Group and are energised by the opportunities ahead of us.

We will be relentless in providing value for our customers and supporting our team across the Group. We will continue to realise the benefits of our investments to date but will also continue to invest, in a disciplined fashion, to strengthen our cornerstone businesses and platforms, grow our adjacencies and evolve the Group to meet the changing needs of our customers.

Woolworths Group is at the heart of nearly every community in Australia and New Zealand. We look to the future with a sense of both responsibility and optimism, guided by the potential of working better together for a better tomorrow.

Thank you.



**Annual General Meeting 2023**  
**Thursday, 26 October 10:00am (AEDT)**  
**CEO's Address**

Good morning everyone.

In my address today I will talk about the Group's F23 performance and our Q1 results for F24. I will then provide a summary of our key strategic achievements before finishing on the areas of focus for the year ahead.

I would also like to address upfront the tragic passing of two team members in the last 12 months. This has deeply impacted the broader Woolworths team and our thoughts remain with the family, friends, and teammates affected by each tragedy.

The first fatality was a contract cleaner working in our Jesmond store when tragic circumstances led to her passing away while working with a cleaning machine in November last year. The second was a team member working in our Minchinbury DC, who in late June of this year, was fatally injured whilst engaging with equipment.

As Scott stated, the formal investigations into each event to identify the root causes are ongoing, and we are fully cooperating with SafeWork NSW to ensure a thorough review is completed with no stone left unturned.

We have taken immediate measures in both sites and we are absolutely committed to ensuring learnings are acknowledged and properly implemented so that every team member returns home safely at the end of every day.

Sadly, we have also seen an increase in cases of aggression towards our team members, particularly in our stores with more than 3,000 acts of violence, threats and abuse reported in the past 12 months. This is not acceptable and we are putting in place additional measures to support our team.

In conjunction with investment into areas such as CCTV upgrades, two-way radio headsets, as well as virtual reality violence and aggression training, we are working closely with the government to advocate for legislative change to help further protect retail workers.

Equally important to us is the mental wellbeing of our team. To support this, we partnered with Sonder to provide an app to all of our team members that provides unlimited access to health professionals as well as safety, mental health, physical health and wellbeing support. We also partner with Good Shepherd to support the financial wellbeing of our team which is critically important given the challenging economic environment we currently face.

I would also like to take this opportunity to thank all of our hard-working team members for their continued commitment to our shared purpose of being better together.

Turning to the Group's performance.

F23 marked the return to relative stability in our operating environment following the material disruption from COVID in prior years. This increased stability, non-recurrence of COVID costs incurred in the prior year, and the realisation of benefits from strategic investments led to strong financial outcomes for the Group during the year.

Customer shopping behaviours also continued to normalise with customers coming back into stores more often and shopping more on weeknights and weekends. However, the growing demand for convenience continues unabated, evidenced by eCommerce sales returning to strong growth in the second half of F23, and continuing into Q1 of the current financial year.

While overall demand remained resilient throughout F23 and in F24 to date, customers are becoming more careful in their spending, particularly our Saver Families and Young Singles and Couples.

We recognise the impact inflation and cost-of-living pressures are having on household budgets for both our customers and our team and providing value to all of our customers remains a key priority.

Yesterday, we released our sales results for the first quarter of F24.

Group sales increased by 5.3% to \$17.2 billion primarily driven by our Australian Food business. We are also pleased with the continued strength in eCom with Group eCommerce sales up 16% to \$2 billion in Q1.

Importantly for customers, we saw a moderation in inflation in our Food businesses in Q1. In Australia, the moderation in inflation has been offset by higher item growth whereas in New Zealand item growth continues to be more challenged.

For New Zealand Food, as we foreshadowed in August, the challenging economic environment and the competitive landscape means the short-term outlook for the business remains uncertain. While it is still early days, the transformation of the business announced in July is progressing well with new pricing mechanics launched late in the quarter showing positive early traction.

BIG W sales declined by 5.5% on the prior year with a modest improvement in trend in the latter part of the quarter. While customers continue to be cautious and are trading down within categories, we are seeing solid growth in summer clothing and in opening price point products that offer real value. The Christmas trading period will be key to determining the success of the half.

I am confident in the strong plans we have for Christmas and I hope you continue to choose Woolworths Group for all your needs over the festive season.

Turning now to our strategic highlights for the year.

We made good progress on our Group strategic agenda in F23 to create value for our stakeholders. This can only be achieved if we live our Purpose and stay true to our core values.

We continue to receive strong external endorsement of our efforts with Woolworths being named Most Trusted Brand by Roy Morgan and Most Valuable Brand by Brand Finance in F23.

Customers remain at the centre of our strategy and our customer metrics were broadly stable in F23 despite a number of external challenges. Pleasingly, scores measuring whether customers felt cared for remain the highest customer metrics across the Group.

Our latest Voice of Team survey has seen team scores improve on previous results, particularly for store team members with an advocacy score of 17 compared to eight in F22. This reflects higher scores relating to psychological health, safety and wellbeing, recognition and taking action on team feedback.

We have continued to invest in our Australian and New Zealand supermarkets with 22 new stores and 55 renewals completed in the year. Tailoring our stores to the needs of individual communities is also progressing well through our Value, Core and UP store segmentation and at the end of F23, categories that account for half of Woolworths Supermarkets sales had undergone range curation.

To meet the demand for convenience, we have continued to expand and evolve our eCommerce offer. We believe that customers will increasingly demand greater levels of

convenience and at the end of F23 over 80% of eCom sales were fulfilled within 24 hours of order and 39% were Same Day.

We have also been increasingly focused on delivering better digital customer experiences. Average weekly traffic to Group digital platforms in F23 increased 16.3% and weekly average visits to our Woolworths and Everyday Rewards websites and apps reached 17.5 million in Q1.

Another area of progress in recent years has been the strength of the retail platforms we have built across the Group. Our supply chain transformation continues to progress as planned with our fully-automated Melbourne South Regional DC now delivering 2.4 million cartons per week, and our new facilities in Moorebank, Sydney progressing to plan.

Our retail media business, Cartology, continues to grow strongly with sales growth of 29% in F23, and wiq, the Group's data and analytics platform, has increased its impact with over 30 high-impact use cases turned into platform solutions.

In general merchandise, a strong third-party marketplace offering has become a key part of the digital customer experience. To accelerate our capabilities in this area, we completed the acquisition of MyDeal in September 2022 and are well-progressed in leveraging these capabilities, particularly in BIG W.

In December last year, we announced our proposed investment in Petstock Group. It remains subject to ACCC approval and we remain committed to working with the founders to complete the proposed acquisition.

We progressed a number of key initiatives in the year as we mark the halfway point of our 2025 sustainability plan.

In F23, Woolworths Group was recognised once again for our efforts on inclusion and belonging, achieving platinum status from the Australian Workplace Equality Index.

As an employer of over 200,000 team members and a company that operates in most communities across Australia and New Zealand, inclusion and belonging are critically important.

This includes our commitment to meaningful progress towards Reconciliation with Indigenous Australians. We're proud to be one of Australia's largest employers of First Nations peoples and we are committed to creating sustainable careers within our Group. Woolworths Group has also felt the benefit of establishing and empowering our own Indigenous Voice via our First Nations Advisory Board.

For the recent referendum, we respected our teams' individual views and our approach as an organisation was to educate and show care for all leaders and teams. We donated approximately \$1.55 million to AICR, Uluru Dialogues, and Uphold and Recognise to specifically support education on this important issue.

Our Reconciliation journey began long ago and we remain committed to actively contributing through listening and learning and empowering the diverse voices within our Group to continue to work better together for a better tomorrow.

As part of progress against our Planet sustainability pillar, efforts to reduce our scope 1 & 2 emissions in F23 resulted in a 36% reduction from our baseline and we announced our commitment to a fully electric home delivery fleet by 2030.

We also reached an important milestone with the removal of reusable plastic bags nationwide, which at the end of phase-out equates to approximately 350 million fewer plastic bags annually combined with the 3.2 billion single-use plastic bags that used to be in circulation.



On the product side, we are proud to retain the title of Healthiest Own Brand for the fourth year in a row and it is great to see our customers continue to embrace our Free Fruit for Kids with 30 million pieces of fruit shared in F23.

Finally, we were very disappointed with the suspension of the RedCycle soft plastics recycling program in November last year after it came to light that the company had been stockpiling due to insufficient processing capacity.

Over the last six months, Woolworths has also been working as part of the Soft Plastics Taskforce to identify potential processing arrangements for the existing stockpiles and we are carefully working through the necessary steps in order to restart an in-store collection program in a responsible manner.

We will continue to invest in areas that align with our purpose, to our business and sustainability strategies, and where we believe our scale and reach can have a beneficial impact on communities.

Turning to our key focus areas for F24.

Looking ahead, I am energised by the plans we have in place to evolve and grow Woolworths Group for the better.

The strong year we had in F23 would not have been possible without the tremendous effort of our team. In July 2023 we increased the retail wage paid to our store teams in Australia by 5.75% and by 7% for our New Zealand store teams.

We are also focused on further enhancing team benefits via our Everyday Rewards Plus membership. This is in conjunction with our plans to deliver meaningful hours and careers through multi-skilling as well as cross-store working, which was recently rolled out nationally to all team members.

In July this year, we announced plans to strengthen our trans-Tasman connections and accelerate the transformation of our New Zealand business.

To date, we have already rebranded 15 stores to Woolworths New Zealand and contrary to some press reporting, the rebranding is a small component of the over NZD \$400 million we intend to spend over the next three years. We will also roll out Everyday Rewards early next year and materially improve our Fresh offer through the commissioning of our Christchurch Fresh DC in 2024 to improve the customer experience.

And finally, investing to make sure our customers get their Woolies worth remains a key priority and we will continue to provide a number of ways to help our customers spend less on their shopping.

This includes our seasonal Prices Dropped programs with our latest Prices Dropped for Spring campaign launched in August. This is in conjunction with our Low Price program focused on our Own Brands and thousands of Weekly Specials.

We have also continued to invest in our Own Brand to deliver new and affordable products that provide greater choice for our customers without having to compromise on quality.

Our Everyday Rewards members are also increasingly looking for more ways to save through Member Boosts and Bank for Christmas, and we have also recently launched Member Pricing to add to the ways our members can realise even more value.

BIG W has also played a role in delivering value for our customers with great prices and specials, particularly for key events such as Back to School, our annual Toy Sale, Halloween in a few days' time and the festive season ahead.

In 2024, we will celebrate our centenary. As we reflect on our first 100 years, and look forward to the next chapter, we are united and galvanised by our shared purpose of being better together.

In closing, I want to say thank you to all of our shareholders for supporting Woolworths Group and for helping us create better experiences in F23 for today and for a better tomorrow.

Thank you.

# Woolworths Group

Annual General Meeting 2023



# CEO's Address



## F23 and Q1 F24 financial performance

### F23

Group sales

**\$64.3b**

▲ 5.7% on F22

Group EBIT<sup>1</sup>

**\$3,116m**

▲ 15.8% on F22

Group NPAT<sup>2</sup>

**\$1,721m**

▲ 13.7% on F22

Total dividend

**104c**

▲ 13.0% on F22

### Q1 F24

Group sales

**\$17,224m**

▲ 5.3% on Q1 F23

Group eCom sales

**\$1,969m**

▲ 16.0% on Q1 F23

Australian Food sales

**\$13.1b**

▲ 6.4% on Q1 F23

Group VOC NPS

**47**

▼ 3 pts<sup>3</sup> on Q1 F23



## F23 strategic highlights

### Live our purpose

- Woolworths **named Most Trusted Brand** by Roy Morgan and **Most Valuable Brand** by Brand Finance in F23
- **Customer Care** remains our highest Store-controllable Voice of Customer metric in F23
- **Voice of Team** improved through the year



F23 strategic highlights

## Delivering compelling customer propositions

- **22 new stores and 55 renewals** completed in Australia and New Zealand in F23
- 80% of eCom sales were **fulfilled within 24 hours** of order and over 39% were Same Day
- **Average weekly traffic** to Group digital platforms in F23 increased 16.3%



### F23 strategic highlights




## Strengthening our foundations

- Melbourne South Regional DC delivering **2.4 million cartons per week**; new facilities in Sydney on track
- Retail media business, **Cartology** with **strong sales growth in F23 of 29%**
- **MyDeal** acquired in September 2022 and proposed investment in **Petstock Group** announced December 2022





# Progress across our sustainability pillars in F23

<p><b>People</b> Making a positive change to the future of our people, our partners and our communities</p>		<p><b>Platinum</b> AWEI employer status achieved in 2023</p>	<p><b>Launched</b> Innovate level Reconciliation Action Plan in June 2023</p>	<p><b>\$122m</b> of direct community contributions</p>	<p><b>#1 Retailer</b> globally in 2022 Corporate Human Rights Benchmark</p>
<p><b>Planet</b> Ensuring we leave the environment better off for future generations</p>		<p><b>36%</b> reduction in scope 1 &amp; 2 emissions<sup>1</sup> from 2015 baseline</p>	<p><b>22.6%</b> Green electricity across operations ▲ 6% vs F22</p>	<p><b>27 EV trucks</b> deployed as part of goal to achieve full EV home delivery fleet by 2030</p>	<p><b>&gt;34m meals</b> donated via food rescue partnerships</p>
<p><b>Product</b> Having a positive impact on people and the planet through the product and services provided</p>		<p><b>&gt;14,000t</b> virgin plastic packaging reduction 26% reduction vs F18 baseline<sup>2</sup></p>	<p><b>49%</b> average recycled content across all packaging</p>	<p><b>#1</b> Australia's Healthiest Supermarket Own Brand<sup>3</sup> fourth year in a row</p>	<p><b>&gt;30m</b> pieces of Free Fruit for Kids in F23</p>



1 Using the market-based method for calculating electricity emissions. Further details of the emissions profile are available in the 2023 Sustainability Data Pack  
 2 Own brand virgin plastic packaging reductions from targeted initiatives across Australian Food, New Zealand Food and BIG W. Calculated based on the change in virgin plastic weight multiplied by the volume of either sales or purchases in the 12 months prior to the packaging change  
 3 The George Institute for Global Health's FoodSwitch: State of the Food Supply report (2019 - 2022)

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