

## Woolworths Annual General Meeting - 27 October 2021 – 2:00pm AEDT

GORDON CAIRNS:

Good afternoon, everyone. My name is Gordon Cairns, and I'm the Chairman of Woolworths Group. Before we start today's meeting, I'd like to introduce Aunty Donna Ingram to deliver the Welcome to Country. Donna's Aboriginal family connections are with the Wiradjuri of Central West New South Wales, and she was raised in Sydney, on Gadigal land. Donna is proud to be a Cultural Representative for the local Aboriginal community in Sydney. Donna has worked in Aboriginal affairs in Government and community organisations in Sydney for the past 35 years, predominantly in education. Donna is involved in several community consultation groups, especially in regard to women's issues, and NAIDOC week in the Redfern/Inner City area. Donna has joined us at previous Annual General Meetings and I thank her for once again making the time to come and join us online today.

DONNA INGRAM:

Good afternoon, everyone. It's my great pleasure to be here with permission from my Elders to offer you Welcome to Country for the Woolworths Group Ltd AGM 2021. It gives me pride to represent my community in this important cultural protocol. It shows respect for and recognition to the unique position of Aboriginal and Torres Strait Islander people in Australian culture and history. We are presenting to you from the traditional land of the Gadigal, who are one of 29 clans of the Eora nation, which is bordered by the Hawkesbury, the Georges and the Nepean Rivers. I'm an Aboriginal woman who proudly identifies with the Wiradjuri nation through my family connections from Central West New South Wales. I was born on Gadigal land and I've had the privilege to live, work and raise my four children on this land for most of my life. My family has grown and I'm now proud grandmother to Aaliyah, Elijah, Kelyla, Lakoda, and Jake Junior. My wish for my grandchildren is to grow up happy and healthy, in a safe and inclusive society that respects their culture and offers them equal opportunities.

I acknowledge the Gadigal and all nations represented today. Their spirits and ancestors will always remain with the land mother Earth, and I thank them for their ongoing custodianship. I pay my respects to our Elders, both past and present. And we must never forget the sacrifices made by our leaders to create a better future for Aboriginal people. I do this as a tribute and as a reminder to Elders and those who have gone before us to fight for land rights, justice, and equity for our communities. I extend my respects to Aboriginal and Torres Strait Islander people from all clans and nations who are viewing today. I also recognise our non-Aboriginal sisters and brothers who walk beside us to support communities and create opportunities for all. At this point, I would normally say "I now offer you a warm and sincere welcome to the land of the Gadigal of the Eora nation. I wish you a safe stay on the land and safe travel from the land." I have this same wish for you all, whichever country you may be viewing from. On behalf of my community and the Gadigal, I wish you a successful and productive time at this year's AGM, to share your successes over the past year and discuss focus areas for the year ahead to further support your purpose of creating better opportunities together, for a better tomorrow.

I'd also like to thank Woolworths for your continued commitment to Reconciliation, and your willingness to listen deeply, and play your part to collectively build relationships and communities

that value Aboriginal and Torres Strait Islander peoples, histories, cultures, and futures. In closing, we remember that this is, was, and always will be, Aboriginal land. Thanks everyone, now have a great day.

GORDON CAIRNS:

Thank you very much, Aunty Donna, for such a warm Welcome to Country. I would also like to respectfully acknowledge the traditional custodians of this land on which we are meeting, the Gadigal people of the Eora nation, and pay my respects to Elders past, present, and emerging. I'd like to begin by welcoming all my fellow shareholders joining us today by webcast, and by telephone from around Australia, and overseas. In the current COVID-19 environment, the health and safety of our shareholders, team members, their families and the broader community, is our number one priority. As a result, Woolworths Group made the decision to hold this year's Annual General Meeting entirely online. Whilst the board and management team will not have the opportunity to meet with you in-person this year, all shareholders, regardless of where you live, will be able to participate.

I will now explain how the technology for the conduct of the meeting will operate. The Notice of Meeting sets out the business of the meeting, and explanatory information about the resolutions. It is available on the AGM page of our website. If you're attending online, you can click on the 'Documents' tab on the top of your screen. Instructions to assist you to navigate the webcast, and telephone, including how to vote and ask questions, are available in the 'How to participate' information, and the online AGM guide, available on the AGM page on our website. If you're having trouble using the online platform or telephone, please check the guide, or call, +61 2 8075 0100. The help number is also listed in the guide and shown on your screen for those of you participating online. If we experience a significant technological issue or in the event we are required to evacuate this building, I will suspend the meeting until we are able to recommence, or if we are unable to recommence within two hours, I will adjourn the meeting to another day and time. We will provide shareholders with details of the adjournment via the ASX, and on our website. Those of you participating online today will see a split screen, with instructions on the left and the broadcast and presentation slides on the right. You can maximise the broadcast window by clicking on the full screen icon on the right hand side of the window.

Now to voting. To vote at today's meeting, you need to be registered as a shareholder. This includes Body Corporate Representatives and Attorneys, or as a proxy. You can vote by clicking on the 'voting' tab at the top of the screen, which will open a list of all resolutions and their voting options. You can vote for, against, or abstain, by selecting the option for each resolution once the poll is opened. If you change your mind and wish to change your vote, simply select another option. If you wish to cancel your vote, just please press 'Cancel'. There is no need to press the 'Submit' or 'Send' button. Your vote is automatically counted.

Once again, you can vote at any time while the poll is open. If you have multiple holdings, you will need to log in separately with each individual holding, to lodge your vote. Log in using the SRN or HIN and postcode for each holding and repeat the voting steps each time. Shareholders and proxy holders can submit written or audio questions during the meeting. To submit a written question, click the 'messaging' tab at the top of the screen, type out your written question, and select the send

icon. To submit an audio question, select the 'Home' tab and follow the 'Asking Audio Questions' instructions. Enter the requested details and click 'Submit Request' to join the audio questions queue. Shareholders will be able to listen to the AGM while waiting to ask their questions. If you do have questions, I encourage you to submit them as soon as possible. A member of our internal communications team here at Woolworths Group will read aloud questions to the meeting. I will deal with questions in accordance with the item of business they refer to.

Now, in the interests of giving all shareholders a fair opportunity to have their questions heard, I ask shareholders to please limit your question to one question, one question, per item of business. If you're asking your questions as a representative of an organisation or group of shareholders, please include that information in your question. To allow me to get through the questions submitted and to give shareholders an opportunity to voice the largest range of questions, I've asked the moderator to take the following steps for the smooth functioning of the meeting.

Firstly, shareholders who have not already asked a question on the relevant item of business will be prioritised. Secondly, if there are multiple questions that are substantially identical, one of these questions will be read and answered. We will conduct the meeting in a responsible manner and ask that shareholders are respectful when asking questions, as we will be when answering them. Every year we receive a number of questions about individual customer service, product or store-related matters. If you submit a question about an individual customer or administrative share register matter using the online platform, I've asked the team to inform you that the best way to get resolution of your matter is through our customer service channel or through the share registry. Those contact details can be found in the Notice of Meeting, and on the Woolworths Group website. I note that we have a number, we have received a number of questions in advance of the meeting. We will endeavour to address the key themes arising from those during today's meeting.

Now that we've dealt with the procedural matters, let me briefly introduce my colleagues on the stage today. On my right and your left, Brad Banducci. Brad, as you know, is Managing Director and CEO, and you'll be hearing from Brad in a moment. Next to Brad is Maxine Brenner, the Chair of our Risk Committee. Maxine is standing for election at this meeting and she will address the meeting later today. On my left and your right are Kate Eastoe, our Group Company Secretary, next to Kate is Philip Chronican. Philip is standing for election at this meeting and he will address the meeting later today. Due current restrictions, unfortunately, a number of our Directors are not able to join us on stage today. But joining us online we have Jennifer Carr-Smith, Holly Kramer, Siobhan McKenna, Scott Perkins and Kathee Tesija, Michael Ullmer. Members of the Woolworths Group Executive Team are also online, and we have our Chief Financial Officer, Stephen Harrison, and our Chief Legal Officer, Bill Reid, with us in the room today. I also wish to acknowledge the attendance today of Andrew Griffiths, who was our Lead Signing Partner for our auditor, Deloitte, for Financial Year '21. Andrew is available to answer questions through me on the conduct of the audit, and the preparation and content of the auditor's report. As we have a quorum, I now declare the meeting and the poll open.

Let me turn now to my Chairman's Address. This was another year where we sought to live our purpose of creating better experiences together for a better tomorrow. This has also been another year that has been hugely transformative for Woolworths Group. As we know, COVID continued to

challenge us over the last 12 months. And as I reflect on the year that's been, I again, I'm humbled and inspired by our team for their resilience, their vigilance, and their great care, as we have continued to manage the ongoing impacts of COVID and fulfilled a critical role across Australia and New Zealand. The Group's trading performance for financial year 2021 was strong, with Group sales growth of 5.7%, and IBET growth of 13.7%. Total dividends for the year were 180 cents per share, up 14.9% on the prior year. This excludes the seven cents per share final dividend paid by the Endeavour Group. If you include the Endeavour Group dividend, the total dividend was up 22% on the prior year, which was in line with our impact growth.

We recently also completed an off-market buy-back, which returned \$2 billion to shareholders. Together with the final financial year '21 dividend, approximately 1.1 billion of franking credits were released to shareholders. The ability to return this capital to our shareholders, and at the same time, continuing to invest for the future, reflects the strength of our business, and our solid balance sheet position.

The end of financial year '21 marked the successful completion of a key milestone, the demerger of Endeavour Group. We are confident that the demerger will create value for shareholders, and while it's early days, we have been pleased with the market reaction to date. As a result of the demerger, Woolworths Group and Endeavour Group are now separately able to focus on their core customer offerings, and new growth opportunities, while continuing to benefit from a mutually beneficial commercial partnership. Woolworths Group will become a more focused food and everyday needs business, with further opportunities to build out a retail ecosystem. Over the last year, we've made a number of strategic investments, or built on our partnerships, to support our growth or deliver complementary services to our customers. Some examples include our increased investment in Quantum, and partnership with the Smith Family through a 65% stake in PFD Food Services. In November last year, we launched our 2025 Sustainability Plan. Outlining our ambitions to play our role in creating a better future. We believe that our sustainability ambitions will create long-term value for our shareholders through the ability to deliver benefits to our customers and communities, for decades to come. More recently, we successfully issued sustainability-linked bonds in both Europe and Australia. These bonds are linked directly to our sustainability goals and emissions reduction performance embedding financial incentives to drive meaningful change.

As a group, we have recognised that we need to do more to listen and learn when it comes to our commitment to reconciliation. In December last year, we commissioned an independent review into the proposed Dan Murphy's store in Darwin, which highlighted where we had failed to live up to our values and ways of working. As a result, in April, the Board and Management made the decision not to proceed with the proposed development in Darwin.

Now we know that we don't get it right always, and the findings from the Independent Review have provided many opportunities for learning as part of that journey towards reconciliation. Among other steps, the Board has approved a refreshed Reconciliation Strategy, ahead of building our next Reconciliation Action Plan. And we've established a First Nations Advisory Board with internal and external member representation, to provide counsel and perspective. As part of our personal journeys, my colleagues and I have been engaging in listening sessions and yarning circles, with a number of First Nations individuals and community leaders. I am personally humbled by how little I

knew of Indigenous History, despite being a student of history, how little I knew of the culture or their marginalisation, and I'm on a wonderful journey of learning. Finally, we at Woolworths Group are supportive of the Uluru Statement From The Heart, and for a voice in the Australian Constitution.

During the year, we enhanced accountability for our approach to sustainability through the appointment of a Chief Sustainability Officer, as well as the recruitment of a General Manager for Aboriginal and Torres Strait Islander strategy and affairs. During Financial Year '21, the People Committee commissioned PWC to undertake a comprehensive, independent review of the group's remuneration framework. The review found the current remuneration framework was fit for purpose, demonstrating a strong link between pay and performance, and was relatively well-aligned to the broader Australian market. However, the progress of the Group's transformation over Financial Year '21 led to the introduction of a number of changes to strengthen alignment of the Financial '22 performance measures, with the Group's strategic objectives. The changes for F22 are to replace the current safety performance measure with a more holistic severity rate measure, for the short-term incentive. This is in line with the most progressive health and safety programs.

For the long-term incentive, firstly, we are replacing the sales per square metre measure, with a reputational measure. Secondly, we are adjusting the ratings of long-term incentive performance measures. So that the total return to shareholders and the return on funds employed financial measures, are increased to 40% each, with the new reputational non-financial metric at 20%. The introduction of a reputation measure in the long-term incentive reinforces an important long-term driver of the group's success, which is an understanding of reputation and the role it plays in the way in which our stakeholders choose to engage across the Woolworths Group ecosystem. I'm delighted that all three of these changes have received overwhelming support from our institutional investors and proxies.

Now I'd like to acknowledge and thank Michael Ullmer who will be retiring at the conclusion of this meeting after more than nine years of distinguished service as a Non-Executive Director for Woolworths Group. Michael is currently a member of the Group's Audit and Finance Committee, the Risk Committee, the People Committee, and the Nomination Committee. Michael's contribution to Woolworths Group has been invaluable during a period of significant transformation and growth. And he has been a source of wisdom, and sage advice, not only to me and the Board, but also the executive team who have served during his tenure. As part of the Board Renewal Program, the Board undertook a rigorous, externally-facilitated process to identify a suitable candidate to succeed Michael, and we are delighted to welcome Philip Chronican, who was appointed as a Non-Executive Director on the 1st of October this year, and who is standing for election today. Philip has more than 38 years of experience in banking and finance across Australia and New Zealand, having led major businesses at Westpac and ANZ. I have no doubt that Philip's skills and experience as a CFO, CEO, and most recently Chairman, will add enormous value to the Woolworths Group Board.

I also welcome Maxine Brenner, appointed as a Non-Executive Director on the 1st of December 2020, who is also standing for election today. Maxine has demonstrated deep capability and expertise in M&A, risk, and sustainability since her appointment, and is already contributing strongly to the Board. I am pleased to reiterate the Board's unanimous support for the election of Maxine and Philip. I've also indicated that while I'm standing for re-election today, I don't expect to serve my

entire three-year term. I've had the privilege of being the Chairman for six years now, and we'll be looking forward to working together with my Board colleagues to identify my successor in due course. In conclusion, ladies and gentlemen, as we look ahead to Christmas, while the outlook still remains uncertain. We remain committed to prioritising the health and safety of our team and customers, and to living our purpose. I'm hopeful with the increasing vaccination rates and the easing of restrictions, we can look forward to a festive Christmas and holiday period, and safe time with friends and family. I'm confident that we have the right strategies in place to deliver value for our shareholders, customers, partners, and communities, and the leadership to execute those strategies. The way in which we have continued to serve our stakeholders over the last 12 months is a testament to the hard work of each and every team member, as well as the leadership of Brad, and the Executive Team. Again, I thank them all for their hard work and contribution. Finally, I'd like to pay a personal thank you to my Board colleagues, who have been unwavering in their support, generous with their time, and courageous in making tough decisions. To all of you, thank you. Be safes, stay well, and happy. I'll now hand over to Brad for an update on the business.

BRAD BANDUCCI:

Thank you, Gordon. And good morning...actually, good afternoon, everyone. While Financial Year 2021 will be a year that is remembered for the various challenges of COVID, it was also a year of tremendous progress for Woolworths Group. We achieved a great deal together, guided by our group purpose of creating better experiences together for a better tomorrow, and we have also materially reshaped our portfolio. From the onset of COVID, our focus has been on the safety of our team and customers and fulfilling our role of providing food and everyday needs to Australians and New Zealanders. I would like to highlight some numbers, which I think bring to life the challenges that have been experienced by our team, as a result of the Delta variant. Since the Delta outbreak began earlier this year, we have had over 1,500 exposure sites in our network, as a result of positive COVID cases, and have had to shut some sites temporarily. Over 22,000 of our team have had to isolate, causing consequent challenges for us to meet the needs of our DC's and stores where those teams are isolating.

Also important, trading restrictions have impacted 91 BIG W stores, with eight BIG W stores closed completely. Our ability to continue to operate throughout this period, despite these challenges, is a testament to the resilience and agility of our team. However, we recognise that this has not been easy, and it has taken an enormous toll on our team. They are telling us that they are feeling the pressure of the last 18 months and hence focusing on our team's well-being has never been as important. We have a number of initiatives already in place for our team. We've also recently announced an initiative to encourage our team members to take a well-deserved break. We also announced the Christmas 'Thank You' bonus for all of our team members, to thank them for their efforts this year, and a number of other highly focused wellbeing initiatives. This morning we released our sales results for the first quarter of F22. A few businesses have continued to benefit from customers spending more time at home due to lockdowns, with strong sales growth in Australian and New Zealand food. On the other hand, Big W has been negatively impacted as a result of trading restrictions. But as I mentioned, 91 BIG W stores were impacted during the quarter.

COVID costs have also increased again, as we continue to spend whatever is required to keep our customers and team safe. The strength of our e-commerce businesses was again a highlight in the

quarter, with growth of 53.5% and record sales penetration of 12.4%, as we were able to continue to provide more convenient ways for our customers to shop. As restrictions begin to ease in many parts of the country, vaccination continues to be key to workplace safety. After careful consideration and much consultation last week, we announced our Vaccination Roadmap, that we will be requiring our team members in Australia to be fully vaccinated against COVID. We need to provide the safest possible workplace for our team to work, as well as for our customers to shop, as we continue to provide an essential service for our communities.

In F21, we continued to progress our strategic agenda, reshape our portfolio, and build the foundations for Woolworths Group in the new era. The group is transforming into being a food and everyday needs ecosystem, and in F21, we made good progress in our transformation through a combination of partnerships, investments, and new businesses, delivered increased services and value for our customers. In June, we farewelled our Endeavour Group colleagues as the multi-year journey to separate Endeavour Group was completed through a demerger. While this was a bittersweet moment, we remain a significant shareholder in Endeavour Group, and look forward to continuing to working together with Endeavour, in partnership, for many years to come. We also completed our strategic investments in PFD Food Services, which will provide exposure to the growing food services sector in Australia. PFD is a proudly Australian-grown business, and we look forward to working with the Smith Family to further grow and develop this business. We know how important data and analytics is for the future of retail, so we've increased our ownership of Australia's leading advanced analytics business, Quantum, to 75%. We've also created a vertical called Q Retail, to combine the best of Woolworths Groups and Quantum's retail analytical capabilities. We've also established new businesses such as GreenStock, Wpay, Healthylife, and most recently, Everyday Market, to provide greater value to our customers and meet their change in food and everyday essential needs. I look forward to updating you on progress on the build-out of this ecosystem, in the years ahead. The Group's financial performance in F21 was strong, with Group sales up 5.7% to \$67.3 billion, and Group EBIT up 13.7% to \$3.7 billion. It was a difficult year to look at in aggregate, as COVID impacted our businesses differently, at different times of the year. Some businesses, such as our food businesses benefited from strong demand due to higher in-home consumption, whereas businesses such as hotels were impacted by various trading restrictions. But despite the volatility, I'm proud of what we were able to achieve as one team. I would like to make a special mention of BIG W, which had a fantastic year, with record sales of \$4.6 billion and EBIT more than quadrupling in the year, compared to the previous year. It was another record year for e-commerce and digital, with Group E-Commerce sales from continuing operations up 58.1% in F21 and sales penetration of 8.5%. We continue to work hard as a group to enhance our various e-commerce service propositions, to all of our customers, to shop their way.

Another highlight was the increase in average weekly visits to the Group's digital platforms. On average, 17.2 million customers visited our digital platforms, up over 40% on the prior year, with most of the growth coming... Driven by app usage in Woolworths and Everyday Rewards. Our Group purpose of creating better experiences together for a better tomorrow continues to guide us in everything we do. We launched our Group Sustainability Plan 2025 with ambitious targets across the Three Pillars of People, Planet, and Product. Focusing on areas where we believe we can make the biggest difference.

There are too many achievements to call out individually, but I'm particularly pleased with the progress we have made on diversity and inclusion. Woolworths Group was recognised and celebrated through a number of external awards, including the WGEA Employer of Choice for Gender Equality Citation, and Gold Tier status for LGBT+ inclusion for the fourth consecutive year. We have reduced Scope One and two carbon emissions by 27% since 2015 and removed over 2,500 tonnes of plastic from our products in F21 alone. We also signed our first Purchase Power Agreement in New South Wales in F21, as we transition to 100% renewable energy by 2025.

Earlier this month, we announced that we would make in the next tranche of payments to current and former salaried team members, covering the period between 2010 and 2013. Since we discovered the issue in 2019, it has been our priority to do the right thing by our team members, and we've committed to extend our review beyond our legal obligations and look back to when the modern Award was introduced in 2010. Caring for our communities is at the heart of our purpose, and while our store teams have been providing for the essential needs of our customers, our charity partners have been doing incredible work ensuring those Australians hit hardest by the pandemic are supported. In the last year, Woolworths and its customers have provided more than \$8 million in support to OzHarvest, Big W's charity partner Good360, Foodbank, and FareShare. With 10,000 tonnes of edible surplus food provided to charities. Countdown has also continued to support New Zealand communities through the lockdown, in partnership with its food rescue partners. I thank all of our customers for their support and we're continually inspired in how we can work together to support those most in need.

In summary, as we look ahead, the run to Christmas is well underway, and it's the most exciting time for us to be in retail. While we know making any predictions about the year ahead is very difficult, we're ready and committed to help our customers celebrate a much-needed festive season in a safe, inspirational, and enjoyable way. I'm extremely excited about, for the future, as we embark on Woolworth's Group in a new era. We will continue to leverage our core capabilities and platforms to grow our food and everyday needs ecosystem over the medium term by expanding into complementary areas that deliver more value and services for our customers. And always, with an eye on creating a better tomorrow.

I would like to conclude the same way I started, by once again recognising our team for their commitment and passion.

And finally, I would like to thank you, our shareholders, and hopefully our loyal shoppers, for your continued support.

I will now hand back to the Chairman to continue the meeting. Back to you Gordon.

GORDON CAIRNS:

Thanks very much, Brad. The agenda for today's AGM is set out in the notice of meeting. Copies of the notice of Meeting and our 2021 annual and sustainability reports are available on our website. The minutes of the 2020 AGM and the 2021 Demerger General Meeting have been signed and are available for inspection by arrangement through our company secretary. We will vote on each

resolution for today's meeting by way of a poll. I will call for a vote after there's been reasonable opportunity for discussion on each resolution.

I will also show a slide with the proxies received prior to the meeting for each resolution. The final votes for and against each resolution will be released to the ASX after the meeting is closed. I intend to vote open proxies held by me for all resolutions. Lucy Chiu from our share registry Link Market Services, will act as returning officer for the poll. I will now turn to the formal business of the AGM. I will invite questions on each item of business in turn. First item of business is to receive the financial and other reports for the 2021 financial year. Are there any shareholders who would like to ask a question or make comment on those reports? I will also take general questions that are not related to the other items of business at this time.

**SPEAKER:**

Shareholders association, your sustainability objectives are to be praised. How rigorously did you evaluate the costs of these objectives and estimate the value of the benefits that might flow to our company should you achieve them? Approximately how much will you spend on solar power equipment over the next few years?

**GORDON CAIRNS:**

First, let me thank the Australian Shareholders Association for their continued support and for their depth of their questioning. I think we've got more questions from them than anyone else today. So, Don, thank you very much for your interest. The first thing I'd like to say is that sustainability objectives were not driven by a financial perspective, that was a second order. That was a second-order question. The first-order question goes to the fact that we are a purpose-led organisation, and the reason we're doing this is because it's the right thing to do, not because of a cost-benefit analysis. And the second part of the question was around solar. And there our objective, quite frankly, as Brad said in his, is to be self-sufficient by 2025 in terms of electricity. And is that right?

**BRAD BANDUCCI:**

Absolutely, Gordon.

**GORDON CAIRNS:**

Yeah, thanks Brad. And the way we plan to do that is, first of all, through putting solar panels on the roofs of our supermarkets and DCs. Secondly, to buy a, we've bought a PPA from a wind farm, which will supply green energy and finally to change in our refrigeration equipment to trans critical.

**SPEAKER:**

Thank you, chairman.

**GORDON CAIRNS:**

Anything you want to add to that Brad?

**BRAD BANDUCCI:**

It's a very challenging question to outline exactly how much we spend, but we spend about \$70 million a year on energy efficiency initiatives inside the group. Actually, it's a very strong return, I should add which shareholders would be pleased to know we're getting a very good return on that,

given the reduction in overall energy usage, and we continue to assume that we will spend that on a go-forward basis for many years to come.

GORDON CAIRNS:

Thanks, Brad. May be helpful if you take your mask off when you're answering the question so we can hear you.

Yeah, no. I think we're good. Yeah.

SPEAKER:

Chairman, this is a question from shareholder Mr Robert Paul Kosovich. How does the company plan to fill the earning gap left by the demerger of the Endeavour group?

GORDON CAIRNS:

Well, again, I think Brad has answered that in his address, but let me reiterate and reconfirm the points he made. We think that there is plenty of growth left in our bricks and mortar stores at Woolworths and Big W. Secondly, there will be enormous growth opportunities in our online businesses WooliesX and CountdownX, which as Brad said, are growing at a fantastic pace. And the third thing is, as he pointed out, the ecosystem that we have has enormous proceptivity for growth, and two of the ones that he called out were an investment in PFD. The B2B business sector is growing faster than B2C, and also in data analytics, where Quantum actually have business opportunities around the world. You want to add anything to that Brad?

BRAD BANDUCCI:

Thanks, Gordon. I think you've covered it. We see enormous growth prospects in all the adjacencies around our group, which is outlined in our ecosystem. Our focus isn't to replace the earnings but to generate the right level of returns for our shareholders. And we feel very positive in terms of the opportunities that we've started to invest in, as Gordon's talked about with PFD, Quantum, and others and our ability to grow them in the years to come.

GORDON CAIRNS:

Thanks, Brad.

SPEAKER:

Chairman, this is a question from shareholder Mr. Stewart Neil McKellar. Regarding the Elsternwick Victoria ten-story twin towers development application, why persist with an environmentally archaic development that is out of place in a fine heritage area and has been rejected by the Glen Eira Council twice? And why not develop a new Woolworths store aligned with the company's own sustainability charter in a location which does not impose large trucks on the beautiful local side streets and is in keeping with the heritage of the area and the people living there?

GORDON CAIRNS:

Well, thank you for your question, and obviously, I respect your right to have a different opinion from us. Let me give you and other shareholders who are joining us online some perspective here. We acquired the former ABC building on Selwyn Street in Elsternwick in 2017 for a new supermarket and for residential apartments at this location. Our plans also included space dedicated to the Jewish

cultural and arts precinct to contribute to the council's vision for this area. As a result of extensive consultation with both council and with residents, we have made significant changes to our previous plans, which reflected the feedback.

We reduced the height of the southern building to ten storeys, which was more than a 20% reduction. We increased the setback of the building to our neighbours' in the East, and we improved the way the building looks facing the heritage facades of Glen Huntly Road. These changes, and they were significant, were acknowledged by council officers recommendation to approve the plans in 2021. Given these changes, we were disappointed. The council voted to refuse the development, but we will continue to engage with stakeholders in the lead up to the VCAT in mid 2022. Thank you.

SPEAKER:

Chairman, this is a question from shareholder Mr Peter Calliero. The 2020-21 Woolworths annual report states that it has 367,852 shareholders, but Endeavour's inaugural annual report claims they have 466,897 shareholders. Is Woolworths understanding their shareholder numbers? And if not, how do you explain the discrepancy of over 99,000 shareholders? Link Market Services, is the share registry for both companies, so this large discrepancy makes no sense. Endeavour could not explain the discrepancy at their AGM.

GORDON CAIRNS:

Oh, well, that's a shame because we can. And I commend you on being eagle-eyed and noticing the differences. So, let me see if I can explain to you. The difference is due to the allotment of Endeavour shares to Endeavour employees upon demerger, and these are registered in a single holding in the name of the employee shares plan trustee. Thank you.

SPEAKER:

Chairman, this is a question from shareholder Mr Henry Kaye. Will Woolworths be introducing a disability action plan and recruit more people with disabilities? Also with regards to the safety of staff at the Seaford store 3198, will this be renovated? This store is riddled with asbestos and has been leaking with heavy rain that has occurred. Please act on this.

GORDON CAIRNS:

Thank you. Let me answer both questions as best I can. Disability is a key part of our work to create a truly inclusive workplace. And our team are working on how we can continue to do more in this space, including an accessibility action plan. As for Seaford, we do have a store renewal program. However, I don't have details of where that sits in the program, but I'll take that question on notice, and the team will come back to you once we reviewed it. Brad do you have anything you want to add to?

BRAD BANDUCCI:

No, I just want to reinforce the importance of our Disability Inclusion Action Plan. We think it's one of the most important things that we have in the years ahead, and we have some amazingly talented team members in our group that we really want to make sure we get the full potential out of them and so couldn't be more excited to see it as one of our biggest opportunities. And of course, if there's a store with asbestos Gordon, we will look at it immediately.

SPEAKER:

Chairman, I have another question from the Australian Shareholders Association. The question reads, why is Quantum a logical investment for Woolworths? How much control of the assets do you have? I.e., what is it to stop the senior software engineers walking out the door to start a competitor?

GORDON CAIRNS:

Well, let me, Brad is the architect of this acquisition, I'll be very happy for him to talk eloquently on why this is absolutely hugely central and significant to the future of Woolworths. Brad.

BRAD BANDUCCI:

Thanks, Gordon. Don't know if I can live up to the eloquence expectations. But, advanced analytics are key to the future of Woolworths, and we've got a number of talented team members in both Woolworths and Quantum in the space, and the opportunity of moving to the 75% to more formally integrate these two teams to work on the biggest opportunities inside Woolworths and early signs are very encouraging. Now, I think it's a very fair point whether it's inside Quantum or inside Woolworths, there are some very talented people and we need to work constantly to keep them engaged, inspired, and committed to our group or any of them can leave.

And so it's up to us to continue to inspire and challenge them. The senior management at Quantum, still have material shareholding in Quantum, I should add, and that includes all of the key employees in the business via the 25% that's held in their employee shareholder plan. So, that is a backstop. But I think the key is inspiration and ensuring that these teams that they can make a meaningful difference to our business.

GORDON CAIRNS:

Yeah, let me just reinforce Brad's point. You'll recall that we on the 31 of May 2021, we increased our shareholding from 47% to 75%, for a consideration of \$223 million. And I think I'm right in saying that when university grads are looking for employers, Quantum is there in the top five companies in Australia to work for. So I think as an employee value proposition, that's as good as any.

SPEAKER:

Chairman, I have another question from the Australian Shareholders Association. The question reads, the deals with Quantum and PFD both have put call structures over the minority interests. This seems to be a mechanism for you to move to 100 percent control. Are the puts and calls on the same basis, ie the same strike price and the same maturity? Is the strike price determined by the performance of the business against plan? Is it feasible that neither side would exercise their option, ie maintain the status quo? Or is it certain that you'll end up with a 100 percent?

GORDON CAIRNS:

So again, I'm happy Brad was the architect of this deal, happy to get him to answer, but it's fairly straightforward.

BRAD BANDUCCI:

They're both partnerships and we hope to be partners for a long time and one should always put in place the right mechanics so that if either partner chooses to change that, they have the options to

do that. They're both pari passu type options with the put and call done on the same basis, and it's based on the performance of the business at the time in which the put or call could be exercised. We had a similar structure in place with the Bruce Matheson Group, and it did stand us in very good stead over the years we built a partnership with them. But as I say, how long they last will depend on how hard we work as partners, together as partners and continue to inspire and challenge each other as partners.

SPEAKER:

Chairman, I have another question from the Australian Shareholders Association.

GORDON CAIRNS:

I thought we were only going to have one question and then we were going to go to the others. How come the Australian Shareholders Association are monopolising this meeting? Could we maybe give others the opportunity? Would that be appropriate? And we can come back to the Australian Shareholders Association if we haven't, if we've still got lights on here?

SPEAKER:

OK, chairman, I've got another question from shareholder Mr. Henry Kaye. I would like to ask why online shoppers are not encouraged to use debit and eftpos cards because not everyone has a credit card or wishes not to use them. Customers should be allowed to use them.

GORDON CAIRNS:

Brad do you want to comment on that?

BRAD BANDUCCI:

I think, you know, I think that's a good point, and we don't disagree. Let me just log that is something that I know the team are working on.

GORDON CAIRNS:

Yeah. So let's take that on board.

SPEAKER:

Chairman, I've got two questions left and they're both from the Australian Shareholders Association.

GORDON CAIRNS:

OK, Don, you're extending my patience, but we'll live with it.

SPEAKER:

The question reads, you are using three electric vehicles now. What proportion of your trucks will be electric by 2025?

GORDON CAIRNS:

Oh, we don't have a target, but as part of our renewable plan, as I said, we plan to be 100 percent green electric by 2025. That's part of it. Clearly, there is a significant degree of emissions coming from our primary connect fleet. So electrification is an important part of that.

SPEAKER:

Chairman, a further question from the Australian Shareholders Association. The underpayment issue continues to dog you. You spent 500 million on remediation and 50 million to settle the class action. Could you outline the scope of the risk that you faced from the Fair Work Ombudsman Court case? Do you have any exposure to the underpayment problems more recently discovered in Endeavour?

GORDON CAIRNS:

OK, so let me say that it would be inappropriate for me to comment on the exposure to the Fair Work Ombudsman that will be settled by the courts and I think appropriately so. And the second thing is, our agreement with Endeavour was very clear that we took responsibility up until the time of the demerger. After that, any shortfall in the HIGA award is to their account.

BRAD BANDUCCI:

Gordon I'll just, one thing, those facts are incorrect. We didn't spend \$50 million to settle the class action.

GORDON CAIRNS:

I was going to come to that. Yeah, I was going to say the \$50 million was our ex gratia payment where we currently paid our members \$2,500 as an ex gratia payment, as part of the GRIA.

SPEAKER:

Chairman, I'm showing no further questions for this item, I'll just confirm that with the team. Chairman, no further questions for the item.

GORDON CAIRNS:

Excellent. Thank you. I'm advised there are no more questions on this item of business. So, I'd like to thank everyone for their contribution to this discussion. If we can now move to the next item of business, the election of directors. This year, I will be standing for re-election as a director. Maxine Brenner and Philip Chronican will each be standing for election as directors. Each candidate will have the opportunity to address you shortly. You should direct any questions about their candidacy to the chair. The board follows a structured, externally facilitated process to assess the skills and experience of directors, both individually and collectively.

This input is combined with the outcome of annual external board performance evaluation when determining whether to support the re-election of existing directors. Having followed that process, your directors, other than each candidate in respect of their candidacy, recommend that shareholders vote for the re-election of myself and the election of Maxine and Philip. I will start with Agenda Item 2A, the resolution relating to my re-election. And at this point, I'll pass to Brad to chair the meeting in relation to this item of business. Just give me a chance to wipe the lectern clean.

And before I do so, I'd like to make a few comments on my candidacy. I've been the chair of Woolworths now for just over six years. It has been a wonderful journey, personally and professionally and in all modesty, I hope rewarding for you as shareholders. During this time, I've been privileged to work with an outstanding board who have, I can attest, held me to account.

I have been blessed to work with a great management team led by Brad, who are transforming Woolies from a traditional bricks and mortar retailer into an exciting ecosystem, purpose-led business. And I've had the support of shareholders, both large and small, who I have enjoyed listening and learning from. However, the transformation is far from complete and my passion for the strategy is as strong as ever. I have the time and the energy to devote, and so I offer myself up for re-election with the endorsement of my colleagues. In doing so, as I said earlier, my intention is not to serve my full term, but at the appropriate time to hand over to my successor, confident in the knowledge the company will be in good hands. Thank you.

BRAD BANDUCCI:

Thank you, Gordon. Your board's recommendation with Gordon abstaining is that shareholders vote for the re-election of Gordon as director. Are there any questions in relation to Gordon's candidacy?

SPEAKER:

No questions for this item, I'll just confirm that. Chairman, no question for this item.

BRAD BANDUCCI:

Thank you, ladies and gentlemen, the proxy position prior to this meeting is on the screen. I will now post the chair back to you, Gordon.

GORDON CAIRNS:

Thank you, Brad, for chairing that. I will now move - and thank you for re-electing me. Looks like I got up. (LAUGHS) Let's not declare victory just too soon. I'll now move to agenda item 2B, the resolution to elect Maxine Brenner as director. I will now invite Maxine to address you directly and to make some brief comments on her candidacy. I'll just make sure this is hygienic.

MAXINE BRENNER:

Thank you, Gordon, and good afternoon to my fellow shareholders. Like other members of the board, Woolies has been an integral part of my life. It's where I'd go as a child to get my treats and then later on to feed my family. So, I've always had a personal connection with Woolworths, feeling it as a safe and caring environment which provides for our community. I know a lot of other people feel the same way, particularly during the pandemic, and this is only some of what makes serving this remarkable company such an honour.

Joining Woolworths at this time is a privilege. Brad and his team, together with my board colleagues, have managed a remarkable turnaround over the past few years. They've restructured the business in a way which prepares it for the future, and that reshaping continues. With a considerable number of portfolio adjustments, the business is shifting so that we can respond to the fast-changing technological landscape and the resulting changes in the ways our customers and stakeholders want to engage with us. My executive experience for over 25 years has focused on all aspects of corporate acquisitions, divestments, restructurings and so on. Acting both as an investment banker and lawyer has provided me with the skills to contribute to the significant corporate activity Woolworths undertakes, which in this year alone has involved the demerger of the Endeavour group, the acquisition of PFD and a further stake being taken in Quantum.

Inevitably, such changes bring risk, and my experience in risk, both as an executive and non-executive director, will inform my contributions in general discussions and in helping shape the road-map for our new risk committee, which I have been asked to chair. Outside of Woolworths, I sit on the boards of Qantas, Origin Energy and Orica, which has exposed me to both fast-moving and challenging times. In particular, learnings around customer, platforms, energy and transport are especially relevant as they are key to responding to so many of the opportunities that Woolworths has today. I would hope to bring all of these skills to my role as a director of Woolworths. I have both the commitment and time to devote myself to the role and with your support would be privileged to work with my board colleagues and management to create ongoing value for you our shareholders, customers, employees, communities and partners. Thank you.

GORDON CAIRNS:

Beautifully done. Thank you, Maxine. Your board's recommendation with Maxine abstaining is that shareholders vote for the re-election of Maxine as director. Are there any questions in relation to her candidacy?

SPEAKER:

Chairman, I'm showing no questions.

GORDON CAIRNS:

Thank you, ladies and gentlemen. The proxy position prior to this meeting is on the screen.

Now I will move to agenda item 2C, the resolution to elect Philip Chronican as a director. I now invite Philip to address you directly and to make some brief remarks on his candidacy.

PHILIP CHRONICAN:

Thank you, Gordon. It is with considerable pleasure that I'm here to put myself forward for election as a non-executive director at Woolworths today. I've spent most of my executive career in the banking industry in both Australia and New Zealand working in roles covering finance and risk management, as well as leading customer-facing businesses, dealing with retail, business and large institutional customers. Since retiring from full-time executive roles around six years ago, I've focused on a small number of directorships. The principal current one being my role as chairman at National Australia Bank.

I hope to bring my financial and risk skills to the company, as well as the sensitivity to the need for businesses to be responsive to community expectations, as became evident in the financial sector over recent years. The other big trend that businesses need to be responsive to is the ever-present threat of digital disruption and the imperative for businesses like Woolworths to innovate and change as the environment changes. Outside of business, I maintain a strong interest in the benefits that medical research brings to the lives of everyday Australians and New Zealanders. Because of that, my other significant non-executive role is as chairman of the Westmead Institute for Medical Research. With only this small number of commitments, I can confirm that I have adequate time and energy to devote to the Woolworths board. Thank you for supporting my election as a director today.

GORDON CAIRNS:

Thank you, Phillip, your board's recommendation with Philip abstaining is that shareholders vote for the election of Philip as director. Are there any questions in relation to Phillip's candidacy?

SPEAKER:

Chairman, I'm showing no questions.

GORDON CAIRNS:

Thank you, ladies and gentlemen. The proxy position prior to this meeting is now on the screen.

I now move to the third item on the agenda, which is the adoption of the 2021 remuneration report. This is an advisory resolution that gives shareholders the opportunity to provide feedback on the group's remuneration policy. The remuneration report sets out details of the company's remuneration framework and the remuneration arrangements in place for the directors, CEO and other key management personnel. In terms of outcomes for financial year '21, the group's performance against the F21 scorecard, our short-term incentive scorecard was above target with a group business outcome of 115.5% of target.

As a result of the group's strong performance over the three-year performance period from financial year '19 to financial year '21, 77.5% of the maximum performance rights awarded under the long term incentive plan vested reflecting an aggregate outcome between target and stretch. My board colleagues and I are particularly pleased with the significant value that has been delivered to shareholders over this period, with total shareholder return growth of 61%, ranking the Woolworths Group at the 89th percentile of our comparator group. I've already spoken to a number of changes to strengthen alignment of the F22 performance measures with the group's strategic objectives. Your board considers the current remuneration framework is fit for purpose, demonstrating a strong link between pay and performance and is relatively well aligned to the broader Australian market. Further details about the group's remuneration policies are set out in our remuneration report. I now open this resolution up for discussion.

SPEAKER:

Chairman, the first question comes from the Australian Shareholders Association. You've been making some serious, longer-term investments in Quantum, in PFD, in new distribution centres, in sustainability. Do you think the time has come to extend the vesting period for LTI beyond three years?

GORDON CAIRNS:

Thank you, Don, again for that question. It's something that we reflect on every year and we think our settings currently are about right for our business. You'll recall also that we have a vesting period in our short-term incentive of two years, as well as the three years in our long-term. So, at the moment, we think it's about right, but we'll continue to review.

SPEAKER:

Chairman, this is a question from Smart Art and Design Proprietary Limited. While I recognise that the CEO has produced very good results in difficult times. I question the quantum of the CEO's remuneration compared to his team members, with the CEO 2021 remuneration 118 times average

weekly earnings and 195 times your average team-member salary. Can the chair comment on how the board considers it has balanced the executive's self-interest and community and shareholder expectation of a fair and reasonable remuneration?

GORDON CAIRNS:

Well, I think the first thing I'd say is that we benchmark the CEO and his executive team against the marketplace, and our policy there is to pay for performance to mark fixed remuneration at the median and therefore any outperformance is a result of share price appreciation in performance. So, we think it is very competitively placed. So, that's the first thing. The second thing I'd say is most of the increase in our executive's remuneration has been a result of share price appreciation. And I think that's entirely consistent with an alignment with shareholders. And then finally, I'd say it's very difficult to compare a retail operation with, say, other industries where we have, let's say, 150,000 people who are working in our stores from checkout operators upwards. And so the important criteria there is, are we paying those people fairly and appropriately? And the thing that I'm proud of is that in the last few years, we have increased their average wages, their average weekly wages faster than the rate of inflation.

SPEAKER:

Chairman, I'm showing no further questions for this item, I'll just confirm that.

Chairman, there are no further questions to this item.

GORDON CAIRNS:

Well, thank you for those questions. Your directors recommend that the shareholders vote for this resolution. I also intend to vote all open proxies I have for the resolution. The proxy position prior to this meeting is on the screen.

The next item of business is seeking shareholder approval for a grant of long-term incentive for Brad Banducci for financial year '22. The proposed financial year '22 long-term incentive grant to Brad is for a maximum of 117,532 performance share rights. I'd like to stress that Brad will only receive the maximum value of this award if our performance targets are exceeded over the three year period to financial year 2024. Details of those performance hurdles and the other key terms of the performance share rights are set out in the notice of meeting. The directors other than Brad recommend that shareholders vote for this resolution. I also intend to vote all open proxies I hold for this resolution. Are there any questions or comments on this?

SPEAKER:

Chairman, I'm showing no questions on this item.

GORDON CAIRNS:

Thank you, ladies and gentlemen. The proxy position prior to this meeting is on the screen.

The next item of business is to approve the grants of Woolworths equity to non-executive directors under the Australian and US non-executive director equity plans for the next three years. The group introduced the Australian Non-Executive Director Plan in January 2018 and the USNED plan in 2019 to further encourage and facilitate share ownership for non-executive directors through salary

sacrifice of their directors fees. A number of our directors are currently participating in the NED plans, including me. Further details of the terms of the Australian and USNED plans are outlined in the notice of meeting. Are there any questions or comments on this resolution?

SPEAKER:

Chairman, I'm showing no questions on this.

GORDON CAIRNS:

Thank you, ladies and gentlemen. The proxy position prior to this meeting is on the screen.

So, before I move to close the meeting, can I check if we have any final questions from shareholders?

SPEAKER:

Chairman, I'll just confirm that, but there are none currently. Chairman, no questions.

GORDON CAIRNS:

Wow. (LAUGHS) That concludes the items of business for today's annual general meeting. If you haven't already done so, please submit your vote now.

Has everyone had a chance to post their voting? I'll give everyone a chance because if I close the meeting before, your votes don't count, so I'll be very patient. We've got plenty of time. I'd allowed three hours for this.

(LAUGHS)

Are we OK to close? As I said earlier, the results of the poll will be released later today via the ASX on our website. Ordinarily, at this point in the proceedings, my colleagues and I would join you for refreshments because that is unfortunately not possible today. We have agreed to donate what would have been spent on catering to charity. Thank you shareholders for joining us today, for supporting us so overwhelmingly, for making this meeting so efficient. I promise you that your board and the management team will not let you down. I now declare the meeting and the poll closed. Thank you.

CLOSE OF MEETING

(UPBEAT MUSIC PLAYS)