

28 August 2024

ASX Market Announcements Office  
Australian Securities Exchange  
20 Bridge Street  
Sydney NSW 2000

## Appendix 4E and Annual Report

Attached for release is the Woolworths Group Appendix 4E and 2024 Annual Report for the year ended 30 June 2024.

**Authorised by:** Dom Millgate, Group Company Secretary

### For further information contact

#### Investors and analysts

Paul van Meurs  
Head of Investor Relations  
+61 407 521 651

#### Media

Woolworths Press Office  
[media@woolworths.com.au](mailto:media@woolworths.com.au)  
+61 2 8885 1033

# Appendix 4E – Preliminary Final Report under ASX Listing Rule 4.3A

Current reporting period (53 weeks)  
Prior corresponding period (52 weeks)

26 June 2023 to 30 June 2024  
27 June 2022 to 25 June 2023

## Results for announcement to the market

### Key information

	% CHANGE		\$M
Revenue	5.6	to	67,922
Profit after tax attributable to equity holders of the parent entity before significant items <sup>1</sup>	(0.6)	to	1,711
Profit after tax attributable to equity holders of the parent entity	(93.3)	to	108

1 Significant items for the current period includes the New Zealand Food impairment of \$1,505 million and the impact from the loss of significant influence over Endeavour Group Limited of \$209 million, partially offset by the gain from the revaluation of put option liabilities over non-controlling interests of \$107 million and an income tax benefit of \$4 million.

### Details relating to dividends<sup>1</sup>

	CENTS PER SHARE	\$M
2024 interim dividend paid on 11 April 2024	47	574
2024 final dividend declared on 28 August 2024 <sup>2,3</sup>	57	696 <sup>4</sup>
2024 special dividend declared on 28 August 2024 <sup>2,3</sup>	40	489 <sup>4</sup>

- All dividends are fully franked at a 30% tax rate.
- Record date for determining entitlement to the 2024 final and special dividends is 4 September 2024.
- The 2024 final and special dividends are payable on or around 30 September 2024 and are not provided for as at 30 June 2024.
- Represents the anticipated dividend based on the shares on issue as at the date of this report. This value will change if there are any shares issued between the date of this report and the ex-dividend date.

The Dividend Reinvestment Plan (DRP) remains active. Eligible shareholders may participate in the DRP in respect of all or part of their shareholding. There is currently no DRP discount applied and no limit on the number of shares that can participate in the DRP.

Shares will be allocated to shareholders under the DRP for the 2024 final and special dividend at an amount equal to the average of the daily volume weighted average market price of ordinary shares of the Company traded on the ASX over the period of ten trading days commencing on 6 September 2024. The last date for receipt of election notices for the DRP is 5 September 2024. The Company intends to purchase shares on-market and transfer these to participants on or around 30 September 2024 to satisfy its obligations under the DRP.

## Net tangible assets per share

	AS AT	
	30 JUNE 2024 CENTS PER SHARE	25 JUNE 2023 CENTS PER SHARE
Net tangible assets per share <sup>1</sup>	43.8	60.1

1 Net tangible assets is calculated as net assets adjusted for intangible assets and non-controlling interest and is based on the closing number of shares.

## Details of subsidiaries, associates and joint ventures

### Entities where control was gained

During the period ended 30 June 2024, the Group incorporated or gained control of the following entities:

COMPANY	COUNTRY OF INCORPORATION	INCORPORATION OR ACQUISITION DATE
150 Barwon Pty Ltd	Australia	3 January 2024
AgribRANDS Pty Ltd	Australia	3 January 2024
Best Friends Finco Pty Ltd	Australia	3 January 2024
Best Friends IP Pty Ltd	Australia	3 January 2024
Best Friends OpCo Pty Ltd	Australia	3 January 2024
Best Friends Pets Holdings Pty Limited	Australia	3 January 2024

# Appendix 4E – Preliminary Final Report under ASX Listing Rule 4.3A

## Details of subsidiaries, associates and joint ventures (continued)

COMPANY	COUNTRY OF INCORPORATION	INCORPORATION OR ACQUISITION DATE
Best Friends Retail Pty Ltd	Australia	3 January 2024
Best Friends Securityco Pty Ltd	Australia	3 January 2024
Best Friends Support Services Pty Ltd	Australia	3 January 2024
Birdzone Pty Ltd	Australia	3 January 2024
Equine Holdings Pty Ltd	Australia	3 January 2024
Establo Limited	New Zealand	3 January 2024
Genuine Range Pty Ltd	Australia	3 January 2024
Gobble Gobble Pty Ltd	Australia	3 January 2024
Hart Retail Group Pty Ltd	Australia	3 January 2024
Healthylife Direct Pty Limited	Australia	27 September 2023
Jahaps Pty Ltd	Australia	3 January 2024
OurVet Pty Ltd	Australia	3 January 2024
Pet Culture Group Pty Limited	Australia	18 August 2023
Pet Imports Pty Ltd	Australia	3 January 2024
Pet Market (Australia) Pty Ltd	Australia	3 January 2024
Pet Post (Australia) Pty Ltd	Australia	3 January 2024
Pet Source Pty. Ltd.	Australia	3 January 2024
Pet Wise Investments Pty Ltd	Australia	3 January 2024
Petbiz Pty Ltd	Australia	3 January 2024
Peters Pure Animal Foods Pty Ltd	Australia	3 January 2024
Petmarket NZ Limited	New Zealand	3 January 2024
Petspiration Group Pty Ltd	Australia	3 January 2024
Petspiration Insurance Pty Ltd	Australia	3 January 2024
Petspiration Pty Ltd	Australia	3 January 2024
Petstock (Altona North) Pty Ltd	Australia	3 January 2024
Petstock (Ashmore) Pty Ltd	Australia	3 January 2024
Petstock (Balcatta) Pty Ltd	Australia	3 January 2024
Petstock (Ballarat) Pty Ltd	Australia	3 January 2024
Petstock (Bathurst) Pty Ltd	Australia	3 January 2024
Petstock (Belmont WA) Pty Ltd	Australia	3 January 2024
Petstock (Bendigo) Pty Ltd	Australia	3 January 2024
Petstock (Braeside) Pty Ltd	Australia	3 January 2024
Petstock (Brighton) Pty Ltd	Australia	3 January 2024
Petstock (Caboolture) Pty Ltd	Australia	3 January 2024
Petstock (Cannonvale) Pty Ltd	Australia	3 January 2024
Petstock (Capalaba) Pty Ltd	Australia	3 January 2024
Petstock (Chelsea) Pty Ltd	Australia	3 January 2024
Petstock (Coffs Harbour) Pty Ltd	Australia	3 January 2024
Petstock (Craigieburn) Pty Ltd	Australia	3 January 2024
Petstock (Darwin) Pty Ltd	Australia	3 January 2024
Petstock (Dural) Pty Ltd	Australia	3 January 2024
Petstock (Erina) Pty Ltd	Australia	3 January 2024
Petstock (Essendon) Pty Ltd	Australia	3 January 2024
Petstock (Geelong) Pty Ltd	Australia	3 January 2024
Petstock (Hervey Bay) Pty Ltd	Australia	3 January 2024
Petstock (Hoppers Crossing) Pty Ltd	Australia	3 January 2024
Petstock (Indooroopilly) Pty Ltd	Australia	3 January 2024
Petstock (Kawana Waters) Pty Ltd	Australia	3 January 2024
Petstock (Kilmore) Pty Ltd	Australia	3 January 2024
Petstock (Kingsford) Pty Ltd	Australia	3 January 2024
Petstock (Mitcham) Pty Ltd	Australia	3 January 2024

# Appendix 4E – Preliminary Final Report under ASX Listing Rule 4.3A

## Details of subsidiaries, associates and joint ventures (continued)

COMPANY	COUNTRY OF INCORPORATION	INCORPORATION OR ACQUISITION DATE
Petstock (Morningside) Pty Ltd	Australia	3 January 2024
Petstock (MP) Pty Ltd	Australia	3 January 2024
Petstock (Noosa) Pty Ltd	Australia	3 January 2024
Petstock (Rouse Hill) Pty Ltd	Australia	3 January 2024
Petstock (Services) Pty Ltd	Australia	3 January 2024
Petstock (Shepparton) Pty Ltd	Australia	3 January 2024
Petstock (Sunbury) Pty Ltd	Australia	3 January 2024
Petstock (Sunshine) Pty Ltd	Australia	3 January 2024
Petstock (Swan Valley) Pty Ltd	Australia	3 January 2024
Petstock (Tamworth) Pty Ltd	Australia	3 January 2024
Petstock (Taylors Lakes) Pty Ltd	Australia	3 January 2024
Petstock (Townsville) Pty Ltd	Australia	3 January 2024
Petstock (Tuggerah) Pty Ltd	Australia	3 January 2024
Petstock (Vermont) Pty Ltd	Australia	3 January 2024
Petstock (West Gosford) Pty Ltd	Australia	3 January 2024
Petstock ACT Pty Ltd	Australia	3 January 2024
Petstock Baldivis Pty Ltd	Australia	3 January 2024
Petstock Bunbury Pty Ltd	Australia	3 January 2024
Petstock Foundation Limited	Australia	3 January 2024
Petstock Holdings Pty Ltd	Australia	3 January 2024
Petstock Industries Pty Ltd	Australia	3 January 2024
Petstock Inner East Melbourne Pty Ltd	Australia	3 January 2024
Petstock Investments Pty Ltd	Australia	3 January 2024
Petstock Joondalup Pty Ltd	Australia	3 January 2024
Petstock Mini Pty Ltd	Australia	3 January 2024
Petstock NDC Pty Ltd	Australia	3 January 2024
Petstock North Qld Pty Ltd	Australia	3 January 2024
Petstock North Sydney Pty Ltd	Australia	3 January 2024
Petstock NZ Limited	New Zealand	3 January 2024
Petstock Property Pty Ltd	Australia	3 January 2024
Petstock Provincial Pty Ltd	Australia	3 January 2024
PETstock Pty Ltd	Australia	3 January 2024
Petstock Qld Pty Ltd	Australia	3 January 2024
Petstock Retail Pty Ltd	Australia	3 January 2024
Petstock Rural Pty Ltd	Australia	3 January 2024
Petstock Tasmania Pty Ltd	Australia	3 January 2024
Petstock Toowoomba Pty Ltd	Australia	3 January 2024
Petstock Vet (Bennetts Green) Pty Ltd	Australia	3 January 2024
Petstock Vet (Bunbury) Pty Ltd	Australia	3 January 2024
Petstock Vet (Carrum Downs) Pty Ltd	Australia	3 January 2024
Petstock Vet (Clyde North) Pty Ltd	Australia	3 January 2024
Petstock Vet (Essendon) Pty Ltd	Australia	3 January 2024
Petstock Vet (Gregory Hills) Pty Ltd	Australia	3 January 2024
Petstock Vet (Lilydale) Pty Ltd	Australia	3 January 2024
Petstock Vet (North Lakes) Pty Ltd	Australia	3 January 2024
Petstock Vet (Robina) Pty Ltd	Australia	3 January 2024
Petstock Vet (Rouse Hill) Pty Ltd	Australia	3 January 2024
Petstock Vet (Toowoomba) Pty Ltd	Australia	3 January 2024
Petstock Vet (Wairn Ponds) Pty Ltd	Australia	3 January 2024
Petstock Vet Pty Ltd	Australia	3 January 2024
Petstock WA (1) Pty Ltd	Australia	3 January 2024

# Appendix 4E – Preliminary Final Report under ASX Listing Rule 4.3A

## Details of subsidiaries, associates and joint ventures (continued)

COMPANY	COUNTRY OF INCORPORATION	INCORPORATION OR ACQUISITION DATE
Petstock WA CO Pty Ltd	Australia	3 January 2024
Petstock Wagga Wagga Pty Ltd	Australia	3 January 2024
Petvet Altona North Pty Ltd	Australia	3 January 2024
Petvet Craigieburn Pty Ltd	Australia	3 January 2024
PHIL Ventures Pty Ltd	Australia	3 January 2024
Point Gate Developments Pty Limited	Australia	26 June 2023
Point Gate Properties Pty Limited	Australia	26 June 2023
PS Centre of Excellence Pty Ltd	Australia	3 January 2024
PS Daycare Ballarat Pty Ltd	Australia	3 January 2024
PS Doggie Daycare Pty Ltd	Australia	3 January 2024
PS Equine Pty Ltd	Australia	3 January 2024
PS NSW Group Pty Ltd	Australia	3 January 2024
PS Tech Holdings Pty Ltd	Australia	3 January 2024
PSD Rural Pty Ltd	Australia	3 January 2024
PSHO Strategic Pty Ltd	Australia	3 January 2024
PSM Retail Group Pty Ltd	Australia	3 January 2024
Quantium Health Information Technology Company	Saudi Arabia	18 March 2024
Ribs Finance Pty Ltd	Australia	3 January 2024
Southern Cross Feeds Pty Ltd	Australia	3 January 2024
St Arnaud Equity Pty Ltd	Australia	3 January 2024
Syd Hill & Sons Pty Ltd	Australia	3 January 2024
Total Animal Supplies Pty Ltd	Australia	3 January 2024
Vet Holdings (NSW) & (WA) Pty. Ltd.	Australia	19 April 2024
Vetland NZ Limited	New Zealand	3 January 2024

### Entities deregistered resulting in loss of control

During the period ended 30 June 2024, the Group ceased control of the following entities:

COMPANY	DATE
ACN 001259 301 Pty Limited	5 July 2023
Australian Independent Retailers Pty Ltd	26 May 2024
Charmtex Pty Ltd	5 July 2023
DB Deals Online Pty Limited	26 May 2024
Dentra Pty. Limited	26 May 2024
Drystone Pty Ltd	5 July 2023
Grocery Wholesalers Pty Ltd	26 May 2024
Hydrogen Nominees Pty. Ltd	26 May 2024
Hydrox Brands Pty Ltd	26 May 2024
Jack Butler & Staff Pty. Ltd.	26 May 2024
Kiaora Lands Pty Limited	26 May 2024
Oxygen Nominees Pty. Ltd.	26 May 2024
QFD Pty. Limited	5 July 2023
Weetah Pty. Limited	26 May 2024
Woolies Liquor Stores Pty. Ltd.	26 May 2024
Woolworths (Project Finance) Pty. Limited	5 July 2023
Woolworths (R & D) Pty Limited	5 July 2023
Woolworths Executive Superannuation Scheme Pty Limited	26 May 2024
Woolworths Group Superannuation Scheme Pty Ltd	26 May 2024
Woolworths Townsville Nominee Pty Ltd	26 May 2024
Woolworths Trust Management Pty Limited	26 May 2024
Woolworths Trustee No. 2 Pty Limited	26 May 2024

# Appendix 4E – Preliminary Final Report under ASX Listing Rule 4.3A

## Details of subsidiaries, associates and joint ventures (continued)

### Details of associates and joint ventures

	LEGAL OWNERSHIP INTEREST AS AT	
	30 JUNE 2024	25 JUNE 2023
173 Burke Rd JV Pty Ltd	50.1%	50.1%
Quantium Telstra Pty Ltd <sup>1</sup>	49.9%	49.9%
NP Fulfilment Group Pty Limited	40.0%	40.0%
Sherpa (Aust) Pty Ltd	27.0%	27.0%
B & J City Kitchen Pty Ltd	23.0%	23.0%
W23 Global Fund LP	20.0%	–
W23 Global GP LLP	20.0%	–
FutureFeed Pty Ltd	12.4%	13.8%

<sup>1</sup> The Quantum Group Holdings Pty Limited, a subsidiary of the Group, holds a 49.9% ownership interest in this entity, which it classifies as an investment in associate and applies the equity method of accounting.

### Other

Additional Appendix 4E disclosure requirements and further information, including commentary on significant features of the operating performance, results of segments, trends in performance and other factors affecting the results for the current period are contained in the 2024 Annual Report and accompanying F24 Full Year Profit and Dividend Announcement.

The Consolidated Financial Statements contained within the 2024 Annual Report, of which this report is based upon, have been audited by Deloitte Touche Tohmatsu.

# 2024 Annual Report



For personal use only



## Better together for 100 years

# Contents

## SECTION 1

### Performance Highlights

About Woolworths Group	4
Chair Report	6
CEO Report	8
How we work together	10
Our business model	12
Our value chain	14
Our operating context	16
Balancing the needs of all our stakeholders	18
Group financial performance	26

## SECTION 2

### Business review

Australian Food	30
Australian B2B	36
New Zealand Food	38
BIG W	40
Addressing climate and nature to support food systems resilience	42
Managing our risks	62

## SECTION 3

### Directors' Report

Governance	70
Board of Directors	72
Group Executive Committee	75
Directors' Statutory Report	78
Remuneration Report	80

## SECTION 4

### Financial Report

Auditor's Independence Declaration	104
Financial Report	105
Directors' Declaration	167
Independent Auditor's Report	168

## SECTION 5

### Other information

Shareholder information	172
Subleases	174
Glossary	175
Company directory	177

# 100 years of Woolworths Group

As we approach our centenary year, we reflect on our proud history, who we are today, and look ahead to the next chapter.

- 1924** **Opened first Australian store**  
Woolworths Stupendous Bargain Basement
- 1929** **Opened first New Zealand store**  
located on Cuba Street, Wellington
- 1960** **Opened first Woolworths Supermarket**  
located in Warrawong, NSW
- 1973** **Woolworths own brand comes to life**  
with development of first own brand products
- 1976** **Opened first BIG W**  
located in Tamworth, NSW
- 1987** **Launched 'The Fresh Food People'**  
Woolworths Supermarkets brand campaign
- 1993** **Relisted on the Australian Stock Exchange (ASX)**  
with more than 330,000 investors, after delisting in 1989
- 1999** **Began Project Refresh**  
a multi-year transformation program, involving store renewals and streamlined operations
- 2005** **Re-entered the New Zealand market**  
with the acquisition of Progressive Enterprises Limited
- 2008** **Launched Everyday Rewards**  
the Group's rewards and loyalty program
- 2017** **Established WooliesX**  
Australian Food's standalone digital, eCommerce and loyalty business
- 2018** **Sale of fuel business**  
with proceeds returned to shareholders via a share buy-back
- 2021** **Acquired a majority stake in PFD Food Services**  
one of Australia's leading B2B food service businesses
- 2021** **Completed demerger of Endeavour Group**  
the Group's drinks and hospitality business
- 2023** **Began rebrand in New Zealand**  
from Countdown to Woolworths
- 2024** **Acquired a majority stake in Petstock**  
evolving our Everyday Retail strategy

Better together for the next 100 years...



Image: Team Christmas celebration at our Woolworths Variety Store in Townsville, Qld, 1939.



# Better together for 100 years

This year marks 100 years since Woolworths Group opened its first store on Pitt St in Sydney on Friday, 5 December 1924 and served its very first customers.

Some things never change. Service is as important today as it's always been. Today, over 200,000 hard working team members work across our Group and proudly serve all the communities in which we operate across Australia and New Zealand.

As we celebrate our centenary and look ahead to the future, all of our decisions and actions reinforce our purpose to continue delivering long-term, sustainable value for all our stakeholders.

## Creating better experiences together for a better tomorrow



Image: Team members at reopening of Bethlehem Supermarket in New Zealand, 2023.



personal use

# About this report

The 2024 Annual Report for the 53 weeks ended 30 June 2024 contains certain non-IFRS financial measures of historical financial performance, balance sheet or cash flows. Non-IFRS financial measures are financial measures other than those defined or specified under all relevant accounting standards and may not be directly comparable with other companies' measures but are common practice in the industry in which Woolworths Group operates.

## Non-IFRS financial information

Non-IFRS financial information should be considered in addition to, and is not intended to be a substitute for, or more important than, IFRS measures. The presentation of non-IFRS measures is in line with Regulatory Guide 230 issued by the Australian Securities and Investments Commission in December 2011 to promote full and clear disclosure for investors and other users of financial information and minimise the possibility of being misled by such information.

These measures are used by management and the directors as the primary measures of assessing the financial performance of the Group and individual segments. The directors also believe that these

non-IFRS measures assist in providing additional meaningful information on the underlying drivers of the business, performance and trends, as well as the financial position of Woolworths Group. Non-IFRS financial measures are also used to enhance the comparability of information between reporting periods (such as comparable sales), by adjusting for non-recurring or uncontrollable factors which affect IFRS measures, to aid the user in understanding Woolworths Group's performance. Consequently, non-IFRS measures are used by the directors and management for performance analysis, planning, reporting and incentive setting purposes and have remained consistent with the prior year. Non-IFRS measures are not subject to audit or review.

## Acknowledgement of Country



Woolworths Group acknowledges the many Traditional Owners of the lands on which we operate and pay our respects to their Elders past and present. We recognise their strengths and enduring connection to lands, waters and skies as the Custodians of the oldest continuing cultures on the planet.



Woolworths Group supports the invitation set out in the Uluru Statement from the Heart to walk together with Aboriginal and Torres Strait Islander peoples. We are committed to actively contributing to Australia's reconciliation journey through listening and learning, empowering more diverse voices, caring deeply for our communities and working together for a better tomorrow.



*"A Brave Heart for a Better Tomorrow"*  
artwork by David Williams of Gilimbaa.

## Disclaimer

This report contains forward looking statements, including, but not limited to statements regarding: trends in consumer preferences; commodity prices; goals, targets, plans, strategies and objectives of Woolworths Group; assumed near and long-term scenarios and transition pathways; potential global responses to climate change; regulatory and policy developments; the development and uptake of certain technologies; and the potential effect of possible future events on the value of Woolworths Group.

The forward looking statements in this report are based on management's good faith, current expectations and reflect judgements, assumptions and estimates and other information available as at the date of this report. They are, by their nature, subject to significant uncertainties, many of which are outside Woolworths Group's control. Actual results, circumstances and developments may differ materially from those expressed in this report and readers are cautioned not to place undue reliance on these forward looking statements. Forward looking statements should therefore be read in conjunction with, and are qualified by reference to the expectations, judgements, assumptions, estimates and other information and risk factors, referred to above.

# Our reporting suite

The 2024 Annual Report provides a consolidated summary of Woolworths Group's performance for the financial year ended 30 June 2024, as well as progress against our strategic agenda and Sustainability Plan 2025 to create long-term value for our stakeholders.

- Our Directors' Report and Operating and Financial Review are featured on pages 2 to 79 of this report and the information in these sections has been verified through the Group's internal verification process
- The Remuneration Report on pages 80 to 103 and the Financial Statements on pages 105 to 166 have been audited by Deloitte.

This report should be read in conjunction with the other reports that comprise the 2024 reporting suite, including:



## 2024 Sustainability Report

For detailed information on our progress against our Sustainability Plan 2025.



## 2024 Sustainability Data Pack

For detailed data on our key sustainability metrics.



## 2024 Modern Slavery Statement

For detailed information on our progress made to identify, manage and mitigate the specific risks of modern slavery in our operations and supply chain.



## 2024 Corporate Governance Statement

Describes our corporate governance framework, policies and practices as at 28 August 2024.

## Where to find

	ANNUAL REPORT	SUSTAINABILITY REPORT	SUSTAINABILITY DATA PACK	MODERN SLAVERY STATEMENT	CORPORATE GOVERNANCE STATEMENT
Strategic priorities	●				
Operational performance	●				
Financial performance	●				
Risk management	●			○	○
Governance, policies and practices	○				●
Board composition	●				●
Climate disclosures	●	○	○		
Sustainability strategy and governance	○	●		●	
Sustainability performance	○	●	●	●	○

Key: ○ Key messages ● Comprehensive



The 2024 reporting suite can be found online at:

[www.woolworthsgroup.com.au/au/en/investors/our-performance/reports.html](http://www.woolworthsgroup.com.au/au/en/investors/our-performance/reports.html)

For personal use only

# About Woolworths Group

Founded in 1924, Woolworths Group is one of Australia and New Zealand's largest retailers. Today, we are a Group of food and everyday needs retail businesses comprising a large and convenient store network, online shopping and complementary services and retail platforms.

## Our businesses

Woolworths 



**Woolworths Supermarkets and Metro** are our cornerstone food retail businesses in Australia and New Zealand with customers engaging with us through both our extensive store network and our online digital shopping platforms.



The **Everyday business** comprises our leading rewards and loyalty program, as well as our insurance, payments and mobile businesses, enabled by our digital and data capabilities.



**BIG W, Petstock and Healthylife** are our specialty retail businesses providing customers with their everyday needs both in-store and online with an extended third-party range through our marketplaces.



Woolworths Group's **B2B food businesses** include PFD Food Services, Australian Grocery Wholesalers and Greenstock, our end-to-end meat business.



Woolworths Group's **platforms and services** work to support our retail businesses and include Primary Connect, our distribution and fulfilment network, Quantum, our data and advanced analytics company, and Cartology, our retail media business.

## Our reach

Customers served in store on average per week

**25.1M**

Australian Food	20.1M
New Zealand Food	3.0M
BIG W	2.0M

Team members

**201,413**

Women	107,363
Men	92,692
Different term	1,358

Our store network in Australia and New Zealand

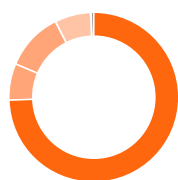
**1,734**

Australian Supermarkets & Metro	1,111
New Zealand Supermarkets	188
BIG W	178
Petstock Retail	257

## Our financial performance

Group sales

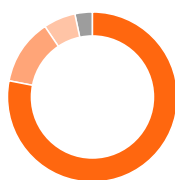
**\$67,922M**



Australian Food	\$50,741M
Australian B2B	\$4,589M
New Zealand Food	\$7,551M
BIG W	\$4,685M
Other <sup>2,3</sup>	\$356M

Group eCom sales

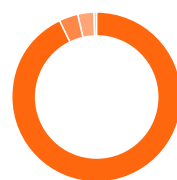
**\$7,963M**



Australian Food	\$6,226M <sup>4</sup>
New Zealand Food	\$994M
BIG W	\$486M
Other <sup>2</sup> and Accelerators	\$257M

Group EBIT<sup>1</sup>

**\$3,223M**



Australian Food	\$3,110M
Australian B2B	\$122M
New Zealand Food	\$100M
BIG W	\$14M
Other <sup>2</sup>	\$(123)M

## Serving our communities for 100 years



### mini woolies

Established in 2018, the collaborative program between Woolworths Supermarkets and Fujitsu provides hands-on learning experiences for students and job candidates living with disabilities. At the end of F24, the program expanded to 68 locations and officially launched in New Zealand in 2024, with two new store openings.



### The Salvation Army

Since 1925 Woolworths Group has had a long-standing partnership with The Salvation Army and has supported Australians facing hardship over the last century. In 2016, we established the S.T.A.N.D (Support Through Australian Natural Disasters) program which raises funds to support local communities impacted by natural disasters.



### Food relief partners

We're proud to work with our various food relief partners to support Australians and New Zealanders in need. Together with our customers, we donated \$18 million in F24 to our hunger relief partners OzHarvest, Foodbank and Fareshare in Australia, and Kiwi Harvest and The Salvation Army in New Zealand.

1 Before significant items as presented in the Group Financial Performance on page 27.  
 2 Other comprises Petstock, Quantum and MyDeal, as well as various support functions, including property and overhead costs, the Group's share of profit or loss of investments accounted for using the equity method, and consolidation and elimination journals.  
 3 Revenue in Australian B2B includes \$356 million (F23: \$351 million) of freight revenue received from suppliers for freight services provided on products sold by the Group. At the Group level, this revenue represents a reduction in the cost of the products and is reclassified as a reduction in cost of sales in Other, resulting in no change to EBIT.  
 4 Woolworths Food Retail eComX sales.

# The value of a better tomorrow

I am pleased to present our Annual Report for 2024 – the year that also marks the Group's 100th anniversary in December. Having grown from humble beginnings as Woolworths Stupendous Bargain Basement to a group of iconic retail brands, we are proud today to serve our communities across Australia and New Zealand – delivering great value and meeting their everyday needs.

## F24 performance

The Group's F24 financial results reflect a challenging operating environment with customers feeling the cumulative impact of inflation over the last few years which drove real cost-of-living pressure. Housing and interest rates were the largest contributors to this, with food inflation in line with increases in other household expenditure categories. The more controllable nature of food and everyday needs expenditure placed greater pressure on these categories as customers sought to balance their budgets.

Group sales in F24 increased by 3.7%<sup>1</sup> on the prior year but slowed in the second half with moderating inflation in our Food businesses and weak consumer sentiment impacting discretionary spending which was felt most acutely in BIG W. Group EBIT<sup>2</sup> increased by 1.1%<sup>1</sup> compared to the

prior year and Group NPAT<sup>3</sup> declined 0.6% reflecting higher finance costs and tax expense.

The Board has declared a fully franked final dividend of 57 cents taking the full year ordinary dividend to 104 cents, consistent with prior year and reflecting a payout ratio of 74.3%. The Board has also declared a special dividend of 40 cents following the sell-down of a 5% stake in Endeavour Group earlier this year.

Reflecting on the Group's broader scorecard, our reputation score as measured by RepTrak declined during the year with an increase in public and political scrutiny on the grocery sector and Woolworths Group. This was primarily due to cost-of-living concerns but also reflected the increasing polarisation in community expectations on the role of businesses.

<sup>1</sup> Normalised growth adjusted to remove the impact of the 53rd week in F24.

<sup>2</sup> Before significant items as presented in the Group Financial Performance on [page 27](#).

<sup>3</sup> Attributable to equity holders of the parent entity before significant items as presented in the Group Financial Performance on [page 27](#).

This economic and political environment led to increased regulatory oversight of Australian supermarkets, and Woolworths Group participated in a number of government inquiries during the year including the ACCC Supermarkets Inquiry and the Food and Grocery Code of Conduct Review.

We welcomed the opportunity in the various inquiries to share how we are working to balance the needs of our customers, our team, our suppliers and our shareholders in the context of economy-wide inflationary pressure.

### Team first

In last year's report, I spoke about our commitment to team safety (including contractors and customers) in the context of the tragic circumstances of two team member fatalities.

At the 2023 AGM, we received a first strike against the Remuneration Report. Some shareholders felt the Safety short-term incentive metric was focused on Severity Rate outcomes without a fatality gateway and that the reduction in F23 STI outcomes did not sufficiently impact executive incentives in response to the fatalities.

For the 2024 financial year, after consultation with a range of stakeholders, the Group's STI scorecard has been updated to include a fatality gateway for the Safety component as well as to reintroduce Total Recordable Injury Frequency Rate (TRIFR) to complement the existing Severity Rate to emphasise the importance of safety in our business.

We also committed to consider whether any further adjustments to F23 STI outcomes were appropriate, once all relevant investigations were complete. The investigations are expected to be completed by the end of F25 at which point the Board will reconsider these issues. Further information can be found in this year's Remuneration Report.

While Severity Rate improved in F24 due to fewer severe injuries and improved reporting, we are disappointed in our TRIFR performance due to an increase in medical treatment and restricted work cases driven by manual handling injuries. We recognise that our safety performance needs further improvement and are committed to proactively being better. We have revised our safety strategy and enhanced our Safety, Health and Wellbeing teams to strengthen our ability to drive reductions in our most frequent injury types while continuing to mitigate our critical (material) risks. We expect these combined efforts to improve our work practices will lead to safer and better outcomes.

### CEO succession

In February Brad Banducci announced his intention to retire as Managing Director and Group CEO after 13 years with Woolworths Group and more than eight years as CEO.

I want to acknowledge Brad's enormous contribution to the Group including the remarkable turnaround and transformation of the Group under his leadership.

Brad has engendered a culture of putting our customers and team first, helped to improve and strengthen existing businesses and built market-leading digital, eCommerce and analytics capabilities which will position the Group well for many years to come.

Most importantly, he has built a high-calibre team. Woolworths Group has been fortunate to have Brad as its leader and he has indeed helped us to be better together.

Managing CEO succession is one of the most important tasks for a Board and we refreshed our future CEO criteria in 2022 and worked closely with our team on their development.

In the middle of 2023, the Board commenced formal planning for CEO succession and worked with advisors to conduct an extensive search which included international candidates alongside our internal candidates.

We were pleased to announce the appointment of Amanda Bardwell as Brad's successor. Amanda has been with Woolworths Group for 23 years and commences as CEO on 1 September this year.

The Board is confident Amanda is the right person to lead the Group as a proven people leader, business builder and modern retailer. I know, like Brad, Amanda will live our purpose and work hard to achieve Woolworths Group's full potential.

### Working towards a better tomorrow

While it has been a more challenging year for Woolworths Group, we reacted quickly in the second half to address the issues most important to customers. We expect the economic environment to continue to be challenging in F25 and we will continue to work hard to meet our customer expectations to find great value and deliver better shopping experiences.

Woolworths Group continues our long-standing commitment to contribute to a 1.5°C pathway. We have updated our climate and nature scope 3 strategy including reviewing and obtaining validation of our scope 1, 2 and 3 emissions reduction targets from the Science Based Targets Initiative (SBTi).

I remain confident that the investments we have made over many years have built a strong business that remains well positioned to deliver for our stakeholders and create value for our shareholders over the longer term.

I want to thank all of our hard working teams and their commitment to our purpose – I am energised and excited by the prospects for the Group's next 100 years.

**Scott Perkins**  
Chair

For personal use only

# Being purposeful

In this, my last Annual Report, I wanted to express my gratitude for the privilege of being able to serve as the CEO of Woolworths Group. To have had the opportunity to work with an amazing, dedicated and hard working team to bring our purpose of *creating better experiences together* to life for all our stakeholders (including our shareholders), is the privilege of a lifetime and I am deeply thankful.

## F24 reflections

It was a very challenging year, with our customers facing material cost-of-living pressures and the need for us to do more to help them in the context of their food and everyday needs shopping, while at the same time ensuring we do the right thing for our suppliers, our team and other stakeholders. This all came to a head in early December with the announcement of the Senate Inquiry into pricing in the Supermarket sector.

We saw a noticeable shift in customer behaviour as they sought more value leading to a decline of Value for Money scores and slowing sales momentum, particularly in Q3. The Group's F24 sales performance reflects this reality with more cross-shopping, trading down or in some instances, cutting back on spending. After solid H1 sales growth of 4.4%, sales in H2 slowed to 1.7%<sup>1,2</sup> as inflation and item growth moderated, with Group sales for F24 increasing by 3.7%<sup>1</sup>. Group EBIT<sup>3</sup> for F24 increased by 1.1%<sup>1</sup> reflecting

the lower sales growth in H2, our further investment in delivering value for our customers and an especially challenging year in BIG W and New Zealand Food.

We worked hard to 'meet our customers where they were at' and, pleasingly, customer scores and sales momentum improved in Q4 and continued into F25. While there remains more to do, we also made good progress on Woolworths New Zealand and BIG W's transformation plans with 'green shoots' for us to build on in F25.

## Progressing our 'Group Everyday Retail' strategy

Our Group Everyday Retail strategy is increasingly contributing to our growth, while also strengthening the foundations of the Group.

<sup>1</sup> Normalised growth adjusted to remove the impact of the 53rd week in F24.

<sup>2</sup> Excludes Petstock Group.

<sup>3</sup> Before significant items as presented in the Group Financial Performance on page 27.



For personal use only

Supermarkets remain the cornerstone of what we do, but by growing adjacent businesses and services like eCommerce (WooliesX) and Retail Media (Cartology), and investing in new adjacent businesses like PFD (Foodservice) and Petstock (Specialty Pet), we are meeting more of our customers' everyday needs and creating value as a connected Group. We are also building world-class retail platforms such as Primary Connect (supply chain) and wiq (analytics including AI), which position the Group for its second century.

Average weekly visits to Group digital assets (apps and web) increased by 19.7% with digital visits now exceeding store transactions. Budget-friendly digital tools such as Shopping Lists, Digital Catalogue and Best Unit Price filter are supporting this growth with more exciting features to come in F25 (Ask Olive, Watch Lists and others). Group eCom sales increased by 18.5%<sup>1</sup> in F24 led by Australian Food with our popular Same Day propositions showing the strongest growth.

Our retail media business, Cartology, continued to grow, albeit at a more modest rate, with sales growth of 9% in F24, but delivered EBIT growth and valuable media inventory for the Group. wiq, delivered an ever increasing number of high-value use cases driving significant benefits including Next Gen Promos, Quick Assist and Team Coach. wiq is also championing the increased adoption of AI capability across the Group with the stand-up of wiqLABS.

Our NSW Supply Chain Transformation, the largest individual capital commitment by Woolworths Group to date, continued during the year with the important milestone of practical completion on our Moorebank NDC during the year. The Moorebank National Distribution Centre and Auburn CFC are expected to open in F25 with Moorebank Regional Distribution Centre opening in F26.

### Keeping our Team Safe

Despite the challenging year for our team, Voice of Team scores remained resilient as we continue to listen and learn and respond to team feedback. Initiatives to support our team during the year included roster predictability, additional hours and multi-skilling.

Despite significant efforts, safety outcomes in F24 were below our aspirations. While we saw a reduction in severe injuries, TRIFR was disappointing with an increase of 11.5%, primarily related to manual handling injuries. Multiple initiatives are underway to help reduce the risk of these injuries, including an ergonomic pilot program utilising wearable sensors and AI technology, the introduction of improved material handling equipment and task redesign. We also remain focused on our material risks with rolling out a Back of House program to mitigate plant and vehicle related incidents, and deployment of further controls to reduce the likelihood of Acts of Violence, including our innovative use of virtual reality training.

Following the two tragic fatalities last year, we have also reinforced our commitment to safety across the Group. In conjunction with our revised Safety strategy and the updates to the Group scorecard to reintroduce TRIFR and a fatality gateway, we have worked on a new Group-wide safety promise of '**Our Place – we're safer together**'. Our Place embraces the diversity of the places our teams work and the type of work they do, and promotes individual and collective ownership along with the commitment we have as a Group for ensuring everyone goes home safely, every day.

### In summary ...

At our best we are better together as a team, and I couldn't be prouder to hand the baton over to Amanda Bardwell and our extended Group Leadership Team. Amanda will become the thirteenth CEO of Woolworths Group and I know she will do a great job of leading us into the next 100 years.

**Brad Banducci**  
Chief Executive Officer



### Introducing our new CEO

I joined Woolworths Group 23 years ago and have been fortunate to work across many areas of the Group, including most recently by leading our digital, loyalty and eCom businesses. Through these experiences, I strongly believe that it's our people, our passion for building a better tomorrow and our willingness to act like a leader that is critical to our success.

We have all the right building blocks in place and our Group Purpose and Everyday Retail strategy position us well for the future.

I would like to thank Brad for his support and significant contribution to Woolworths Group and wish him all the best for the future. I look forward to meeting with many of our shareholders, including at this year's AGM, and celebrating our Group's rich 100-year history as we embark on the next century.

**Amanda Bardwell**  
Chief Executive Officer-elect

# How we work together

We are focused on ensuring all of our decisions and actions reinforce our purpose of creating better experiences together for a better tomorrow for our customers, our team and the communities we serve.



For personal use only

## Our strategic priorities

Our strategic priorities have a Customer 1<sup>st</sup> Team 1<sup>st</sup> approach at their core and align with our Everyday Retail strategy.

### Living our purpose

Build a better *and safer* tomorrow for our Customers and Team.

Leverage Everyday Rewards to unlock even more value for our Members.

### Delivering compelling customer propositions

Woolworths Retail: help our customers get their Woolies worth.

Woolworths Food Company: grow brands, products and capabilities unique to Woolworths.

W Living (BIG W and Specialty): help our Customers find real value and easy everyday solutions.

### Strengthening our foundations

Platforms: scale value delivery in our Group businesses and with third parties.

## Our sustainability pillars

[→ Access our 2024 Sustainability Report](#)

Sustainability is intrinsic to our business and the way we operate, helping us make positive change for a better tomorrow.

### People

Our People pillar focuses on creating a diverse and inclusive place for our teams to work. It means supporting our communities, building partnerships and working with our suppliers to make sure that workers' rights in our supply chain are protected.

### Planet

Our Planet pillar focuses on protecting the world we live in for current and future generations. It means going further than just limiting negative impacts; it means actively finding ways to create positive benefits.

### Product

Our Product pillar focuses on evolving the way we do business to embrace circular thinking, which means all waste is a resource. It means making it easy for our customers to choose products that are healthier, sustainably sourced and responsibly packaged.

## Our ways-of-working and core values

### Ways-of-working

These define how we aspire to work together end-to-end as one team.

### Core values

These are the core values we expect everyone at Woolworths Group to role model on an individual and ongoing basis.

## Our stakeholders

[→ See pages 18 to 25](#)

As one of Australia and New Zealand's largest retailers, we recognise the impact Woolworths Group has across all of our stakeholders. Engaging with our stakeholders helps us to understand and prioritise our strategic agenda for the business to deliver sustainable value for all.



Customers



Team



Suppliers



Communities



Planet



Investors

## Risk management oversight

[→ See pages 62 to 69](#)

# Our business model

## Our value drivers

## Our Group

### Trusted brands and products

We provide our customers in Australia and New Zealand with fresh food and the best range of great value products.

### Retail businesses and adjacent services

Our retail businesses enable us to deliver our B2C and B2B customers with their food and everyday needs, both in-store and online. This is supported by our adjacent services, including our distribution and fulfilment network, our rewards and loyalty program, and our advanced analytics and retail media businesses.

### Team members

Our Team 1st culture is focused on the workplace of the future with a non-negotiable approach to safety, and celebrates inclusion and belonging to reflect the diversity of our communities.

### Data, technology and advanced analytics

We leverage data, technology and advanced analytics to materially enhance our decision making and optimise efficiencies within our operations.

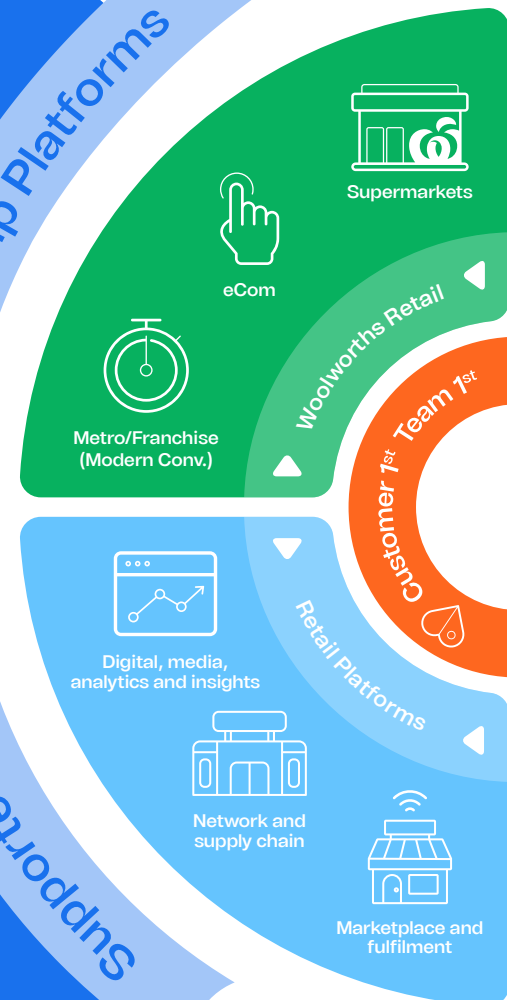
### Sustainability

A leader in sustainability focused on creating positive change for our current and future generations through our pillars of People, Planet and Product.

### Financial

Our strong balance sheet and disciplined capital allocation enables us to drive sustainable long-term growth.

Supported by our Teams and Group Platforms



For personal use only



Woolworths Group's value drivers are essential for delivering growth and positive change for our stakeholders. Our Group comprises five key components that work together to deliver our Everyday Retail strategy.

## Value created in F24

We create better experiences together for a better tomorrow

### Customers

See page 18

47

Group VOC NPS (June 2024)

9.8M

Active Everyday Rewards members

### Team

See page 20

23

Group VOT NPS<sup>1</sup> (F24)

WGEA

Employer of Choice for Gender Equality

### Suppliers

See page 22

51%

VOS<sup>2</sup> score (July 2024)

78

suppliers involved in scope 3 emissions program

### Communities

See page 23

\$143M

direct community contribution

36M

meals donated to food rescue partners

### Planet

See page 24

▼42%

reduction in scope 1 & 2 emissions from 2015 baseline<sup>3</sup>

80%

of food waste diverted from landfill across the Group

### Investors

See page 25

144¢<sup>4</sup>

F24 total dividend, including special dividend of 40cps

\$1,711M

Group NPAT<sup>5</sup>

1 Annualised 12-month rolling.

2 Woolworths Supermarkets only.

3 Emissions data reflects market-based reporting and includes ACCUs estimated to be issued in the period 1 July 2023 to 30 June 2024.

4 Fully franked.

5 Attributable to equity holders of the parent entity before significant items as presented in the Group Financial Performance on page 27.

Woolworths Group



# Our value chain



## Agricultural and raw materials

The farming and sourcing of raw materials is fundamental to delivering fresh, quality food and the production of own brand products for our customers.

## Data and technology

As a retailer we collect data to provide better personalised shopping experiences. We also leverage transformative technologies to optimise our operations.

## Suppliers, processors and packaging

Maintaining strong and collaborative relationships with our suppliers, processors and packaging partners is essential to delivering quality products at great value.

## Warehouse and distribution

The strength and resilience of our supply chain is critical in ensuring our retail network is properly stocked to maintain high levels of availability and choice for our customers.

## Our approach

### Viable and resilient food systems

We continue our long-standing commitment to contribute to a 1.5°C pathway and this year we have reviewed and obtained validation of our scope 1, 2 and 3 emissions reductions targets from the SBTi. This requires a collaborative, systems-based approach across industries, government and our supply chain. While our ambition is not without challenge, we continue to work on emissions reductions opportunities as well as invest in innovative solutions.

### Privacy and cyber security

Cyber security is considered a macro risk factor and we proactively consider our cyber risk on a regular basis as part of our risk management practices. With the growth of our online businesses and increased traffic to our digital channels, we have continued to invest in our cyber security expertise and controls and established our Group AI Council as part of our governance framework. We exercise ongoing due diligence and have a proactive program.

### Human rights and responsible sourcing

We aim to build a rights-respecting approach where modern slavery risks are identified, managed, remediated and mitigated.

We designed two new frameworks to help improve our ability to identify and mitigate modern slavery risks, including an extreme due diligence framework and guidance for engaging potentially affected stakeholders.

A non-trade supplier risk segmentation was also conducted to help prioritise human rights due diligence in our non-trade supply chain.

### Scope 1 and 2 emissions

We aspire to achieve net positive emissions across our operations by 2050, partnering to remove more carbon than we emit.

We prioritise opportunities to design out emissions entirely through renewables, increasing energy efficiency to reduce emissions, and finally, substituting lower-carbon alternatives, such as electric vehicles, where feasible.



Woolworths Group's value chain reveals interconnected operations which continue to evolve to become more efficient to generate growth for our suppliers, and to deliver on our commitment for a better tomorrow.



### Retail businesses and services

Our retail and B2B businesses provide Australian and New Zealand customers with their food and everyday needs, both in-store and online, supported by our adjacent services.

### Team members

Our team members are critical in serving our customers and ensuring we're providing great shopping experiences while maintaining a safe and inclusive work environment.

### Customers

Providing our customers with great value products and convenient shopping experiences is critical to the success of our business.

### Product stewardship

Minimising food waste and plastic packaging across our value chain helps us to reduce our environmental impact while supporting efforts to mitigate food insecurity.

### Food surplus donations

We seek to apply an end-to-end approach across our value chain to redistribute edible food and reduce hunger and food waste.

Whilst continuing to make progress on reducing food waste in our own operations, we have also made progress in broadening our scope of impact to suppliers and customers to help reduce their food waste.

We provided over 36 million meals to those in need, and \$15 million in financial support to our food relief charity partners.

### Holistic wellbeing

We aim to create safe workplaces for our team and invest in our team's holistic wellbeing, both mental and physical.

A number of new initiatives were introduced as part of a broader investment to address our material safety risks in F24, including manual handling injuries and acts of violence and aggression.

We also continued to embed Sonder, our comprehensive wellbeing app for team members, which is now available Group-wide after launching in New Zealand during the year.

### Healthier choices

We've been making progress on making healthy eating easier by reformulating our own brand products and implementing initiatives to help customers make informed decisions across the whole customer journey.

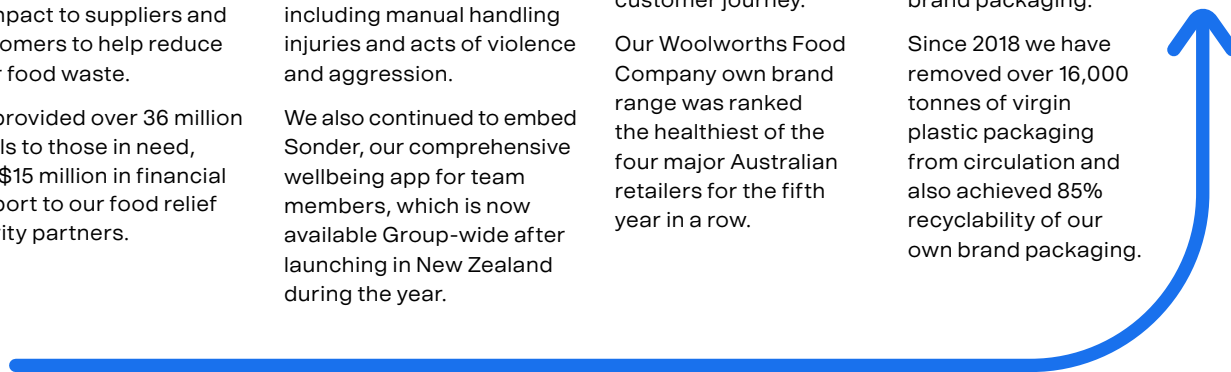
Our Woolworths Food Company own brand range was ranked the healthiest of the four major Australian retailers for the fifth year in a row.

### Responsible packaging

We've been working with suppliers, industry and government to implement more sustainable packaging solutions and aim to reduce the use of virgin plastic and increase recyclability across our own brand packaging.

Since 2018 we have removed over 16,000 tonnes of virgin plastic packaging from circulation and also achieved 85% recyclability of our own brand packaging.

For personal use only



# Our operating context

It's important that we understand and respond to the key macro trends that create both opportunities and risks for our business.

## Customer sentiment

Customer sentiment in Australia and New Zealand has been weak for some time, in line with the rise in inflationary pressure since February 2021. This was driven at the time by COVID-related supply chain shocks and geopolitical tension with domestic supply chains further impacted by weather events.

The inflation rate, as measured by the ABS, peaked in December 2022 and has been slowly moderating over the last 18 months. However, despite the moderation in inflation, since December 2023 there has been a noticeable change in consumer behaviour across the Group as customers have adjusted their household budgets to manage the ongoing cost-of-living pressures. According to Ipsos data<sup>1</sup>, the gap between cost-of-living concerns and other concerns continues to widen.

More broadly, there is also increasing polarisation of community views on the role business should play in addressing social and environmental issues.



**Over 60% of Australians and New Zealanders rank cost-of-living as their top issue<sup>1</sup>**

1 Ipsos AU National Issues Monitor – July 2024; Ipsos 23rd NZ Issues Monitor – May 2024.

## OUR RESPONSE

Helping our customers find value:

- ✓ Reset of price mechanics, including Everyday Low Price
- ✓ Prices Dropped campaigns
- ✓ Own and Exclusive brands
- ✓ Everyday Rewards program



Further information can be found on [page 18](#)

## Cost increases

In line with the rising inflationary environment over recent years, operating, manufacturing and raw material costs have also increased significantly.

These include a range of costs associated with getting products into stores and selling food and everyday items to customers, including team wages; supply chain costs such as freight, fuel and the running of distribution centres; lease costs, and utilities such as energy.



**17% increase in Australian Woolworths Supermarkets store team wages since 2020<sup>2</sup>**

2 Includes superannuation increases.

## OUR RESPONSE

Driving productivity initiatives to offset costs:

- ✓ Scan Assist rollout
- ✓ Electronic shelf labels
- ✓ Front-of-store upgrades
- ✓ Modernisation of new DCs



Further information can be found on [page 25](#)



## Supply chains and food systems

Supply chain disruption from extreme weather, geopolitical events and technology challenges in the year led to availability being below the Group's aspirations.

In F24 there were a total of 205 days of unplanned disruption to the Group's supply chain from over 42 events including flooding and rail outages, bushfires, cyclones and systems connectivity issues as new software was deployed.

The rising frequency and severity of natural disasters has also increased the need for greater resilience across the food systems which the Group relies upon.

 **205 days of unplanned supply chain disruption**

### OUR RESPONSE

#### Building resilience:

- ✓ Investment in supply chain network
- ✓ Partnering with suppliers on scope 3 program
- ✓ Updated climate and nature scope 3 strategy

➔ Further information can be found on [page 23](#) and [24](#)

## Regulatory oversight

Cost-of-living increases have led to increased regulatory scrutiny as governments respond to community pressure to address affordability. This increased regulatory scrutiny has included the food and grocery sector and led to the establishment of Federal and State government inquiries and an inquiry from the competition regulator ACCC.

Upcoming reforms are also changing the landscape for transparency and environmental protection including the government's new anti-corruption commission and the ACCC's focus on greenwashing. New disclosure standards mandate scrutiny of supply chain, climate and nature risks.

 **Participated in 10 government inquiries in F24**

### OUR RESPONSE

#### Participated in food and grocery sector reviews:

- ✓ Openly and constructively assisted the various inquiries and welcomed the opportunity to explain how we work to balance the needs of stakeholders
- ✓ Published all submissions and supporting information on our website

➔ Further information can be found on [page 22](#)

## New technology and AI

The rise of new technologies and artificial intelligence (AI) is transforming businesses including the retail industry. As a Group, we are continuing to leverage data, technology and analytics to enhance our decision making, drive productivity improvements and optimise our internal processes. Customer preferences, including the growth in eCommerce and shift towards greater convenience, has also given rise to new technologies and digital tools to improve customer shopping experiences. Internally, the adoption of AI has accelerated during the year to deliver greater value for the Group as well as providing insights to the Group's partners.

 **Over 10 AI use cases deployed across the Group**

### OUR RESPONSE

#### Leveraging technology and AI to optimise efficiencies:

- ✓ Enhanced customer digital tools and in-store features
- ✓ Established wiqLABS to accelerate our AI capabilities across the Group
- ✓ Evolved governance frameworks to support responsible use of AI

➔ Further information can be found on [page 21](#)

# Balancing the needs of all our stakeholders

We are committed to balancing the needs of all our stakeholders to create long-term value for the Group. This includes providing the best value and shopping experiences for our customers and team, supporting our suppliers, contributing to our communities, creating a better tomorrow for future generations and delivering sustainable returns for our investors.



## Customers

We recognise the important role we play for our customers in delivering the value, choice and quality they expect for their food and everyday needs.

Ongoing cost-of-living pressures in Australia and New Zealand driven largely by mortgage and rental increases led to rapidly evolving customer expectations and behaviours which came to a head in the second half of the financial year. This was reflected in our customer scores in F24 which were below our aspirations and largely driven by a decline in Value for Money scores in the context of a high-inflationary environment, as well as some availability issues in the first half, resulting in a one point reduction in Group VOC NPS. Pleasingly, Store-controllable VOC scores remained resilient with Customer Care the highest individual component and largely unchanged on prior periods.

Delivering value for our customers was the key priority during the year. This included offering more than 6,000 weekly specials, around 3,000 products on Everyday Low Price and four Seasonal and a Christmas Prices Dropped campaigns. Our own brand products also provided great value with an average price saving of around 30% to branded equivalents. Customers continue to trade into own brand to improve the value of their basket, with Macro, our health-focused own brand, showing strong sales growth of 12% across the range in F24.

Our Everyday Rewards loyalty program and digital tools, including Shopping Lists, Catalogue, Recipes and the Best Unit Price filter on our website and app, are helping our customers more easily compare unit prices and

stick to their shopping budgets. To further support our customers, in May we increased the sizing of unit prices across all in-store marketing materials and shelf tickets. Our Everyday Rewards members also benefitted from personalised value with members accessing boost offers up 9% compared to the prior year, with members who boost reaching their \$10 value back more than five times faster than those who simply scan their card.

In New Zealand, we reset key price mechanics including Low Price and Specials as part of the broader Woolworths New Zealand transformation program which drove an improvement in Value for Money customer scores, up five points compared to the prior year. We also launched a new fresh or free guarantee and began the roll out of new front-of-store value stands which are updated weekly and highlight the best offers in store.

BIG W continued its focus on providing customers with real value by introducing new ranges at affordable price points, dropping prices on hundreds of products and reducing lay-by fees. BIG W Market, which was launched in November 2023 in partnership with MyDeal, has extended the range available to customers online with over 100,000 products and is contributing to BIG W's eCommerce sales growth. While customers have become more deliberate in their purchases, key seasonal events such as Black Friday and the annual Toy Sale performed well due to the strong value offering.

For personal use only



## everyday rewards

### launches in New Zealand

In February 2024 we officially launched Everyday Rewards in New Zealand helping to provide 1.6 million active members with even more ways to save. More recently we announced the trans-Tasman earn feature enabling members the opportunity to collect rewards points across both countries. During the year we also added new partners to the program in Australia and New Zealand, including Accor, MILKRUN and Petstock.

### More convenient ways to shop

We continued to grow our eCommerce network and invested in fulfilment capabilities to provide even more convenience for our customers through our services including Direct to Boot and Pick up, helping to deliver a step change in our Same Day collection offer. In Australian Supermarkets, the cut-off time for Same Day orders has now been extended to 4pm across most stores and 86% of orders are now delivered within 24 hours of order placement.

We increased capacity in existing locations to support growing customer demand with the launch of Direct to Boot Now, a sub-60-minute collection offer, now in 307 stores, and 727 Direct to Boot locations Australia as at the end of F24. In New Zealand, we added 43 Direct to Boot locations and launched MILKRUN, available in 57 stores across the network. HomeRun, the Group's last mile delivery service platform, was established in F24. Through the existing fleet and crowd-sourced partners, HomeRun delivered 20 million orders, driving efficiency through reduced delivery cost per order and improved customer convenience.

To help us deliver better shopping experiences for our customers, we opened 13 net new supermarkets across Australia and New Zealand in F24 and renewed a further 57. We also rebranded 72 Countdown stores to Woolworths Supermarkets as part of New Zealand's broader transformation with rebranded stores resonating well with customers.

In partnership with wiq, we recently launched our new in-app voice product finder, making it easier for customers to locate products across all of our stores through Olive, our AI virtual customer service assistant. Not being able to easily find a product in store is a common customer pain point, with our team getting asked by customers where products are located 150 to 200 times each day. Within the In-Store mode, the voice product finder functionality allows customers to locate products by saying the name of the product or asking for its location. Olive will then provide the aisle information, without the need to manually type the product name, making it easier for our customers.

### Woolworths helps customers 'Dine In'

With customer demand for convenient ready-made meals at home continuing to grow, Woolworths Food Company launched 'Dine In', 35 convenient and affordable pre-made meal options. The range is being trialled across 100 stores in NSW and Victoria and caters to busy and budget-conscious customers who are looking for quick and easy meals that are ready in under 35 minutes. Woolworths Food Company has also expanded its popular own brand COOK range during the year with the introduction of six new convenient and budget-friendly meal solutions with double-digit growth across the COOK range.



For personal use only

 Team

Our primary focus is on the safety and wellbeing of our team members, contractors and customers and we have an unwavering commitment to ensuring a safe and healthy work environment for all.

In F24, following the tragic loss of two team members in the previous year, we took significant steps to drive both short and long-term safety improvements. We revised our safety strategy, supported by a five-pillar framework designed to create a safer workplace through focused efforts and prioritised investments. These pillars emphasise critical risk management, safety foundations, mental health and wellbeing, injury prevention and care, and technology and innovation. This strategy is being implemented across the Group with the support of a strengthened Safety, Health, and Wellbeing team.

We also updated our safety metrics to reintroduce TRIFR into the Group's scorecard as a measure of frequency of injury<sup>1</sup>, along with the existing severity rate<sup>2</sup> measure, which focuses on reporting and severity of injury. We expect these combined efforts to improve our work practices, leading to safer and better outcomes for our team members, customers and partners.

We have implemented many initiatives across F24, however we acknowledge that our safety injury performance requires further improvement, and we are committed to achieving this. While we saw a reduction in

severe injuries in F24, our TRIFR performance of 13.86 was disappointing, increasing by 11.5% compared to F23. This was driven by an increase of 321 injuries compared to the prior year with 88% resulting in restricted duties, enabling our team members to stay at work and recover. The remainder only needed medical treatment. The severity of our injuries and those needing time off (LTIFR) have remained relatively flat. We have seen an upward trend in TRIFR since COVID, with 72% of our injuries occurring due to manual handling (58%) and slips and trips (14%).

To address manual handling injuries, we piloted an ergonomic program utilising wearable sensor technology and AI computer video analytics. This program delivered an average risk reduction of 54% after we introduced ergonomic changes to the task, which we are continuing to roll out to target the reduction of these types of injuries. We also deployed over 750 new manual handling trolleys to our sites with online activities, including a specially designed lifting machine to raise online totes from the ground to the rear of trucks.

Group safety injury performance

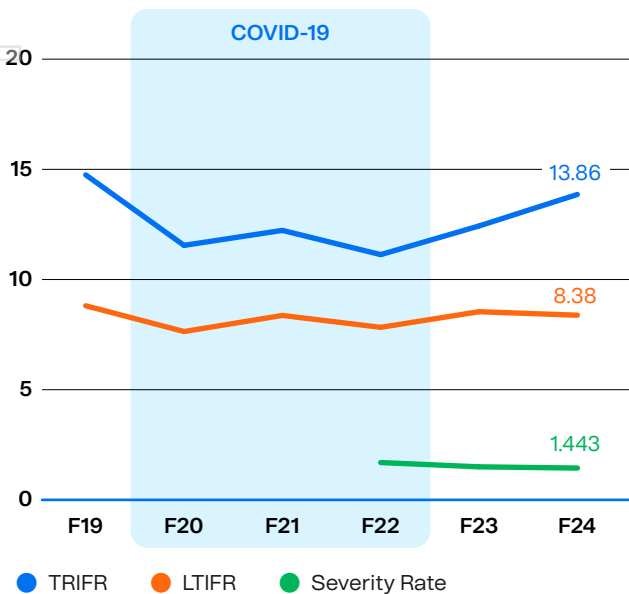


Image: Australian Supermarkets team member using tote lifter.

1 12-month rolling total recordable frequency injury rate, which includes medical treatment (e.g. surgery and physio), restricted work (hours or duties) and lost time injuries.  
 2 A blended rolling 12-month measure that includes all team and customer injuries/illnesses and their severity.

For personal use only

In F24, we continued our focus on critical (material) safety risks, which is integral to our safety strategy to ensure robust consistency across the Group in how we manage these risks. This included our focus on interactions between people and vehicles and moving equipment. Within Australian Supermarkets, BIG W and Metro, a safety refresh program to mitigate vehicle-related incidents in back of house and loading dock areas across 1,100 sites was a key initiative in the year. The program focused on strengthening traffic management, updating exclusion zones and installing back dock fall protection. In New Zealand, we commenced a proof of concept with AI-driven computer vision technology in five distribution centres to better collect data to both address design of work environment along with coaching of teams where breaches may have occurred.

We continue to be concerned with the increasing acts of violence and aggression in stores with reported incidents up 63% from last year. In F24 we invested over \$35 million into a range of enhanced safety measures across Australian and New Zealand supermarkets including body-worn safety camera surveillance, two-way headsets, personal safety alarms and de-ranging of knives, along with CCTV upgrades. We also enabled our checkouts to allow for team members to more easily report instances of verbal abuse including threats, swearing, sexual and racial comments to improve the visibility of these issues to enable data-driven action. We also rolled out virtual reality safety training for over 45,000 supermarket team members in Australia and a customer facing campaign to help de-escalate and reduce acts of aggression and violence in-store.

As part of our holistic approach to wellbeing, we also supported team members facing financial hardship with over 200 interest free loans and over 300 grants through Good Shepherd, our financial wellbeing program. Sonder, our mental wellbeing program, has been accessed by 77,000 team members and their families since its launch in F21. In F24 alone, an additional 14,000 benefitted from the program. Furthermore, Sonder's digital self-help topics have been accessed nearly 90,000 times. In addition to this, over 200 leaders participated in proactive wellbeing coaching alongside the launch of our 'Supporting Team in Need' resource. This gives leaders the confidence and tools to provide first level responses across a variety of wellbeing challenges including thoughts of suicide, financial hardship, relationship breakdown and workplace stressors and connecting team with the right professional ongoing support.



### Adopting technology for better team experiences

During the year we established wiqLABS, a dedicated team to deepen capabilities and accelerate our artificial intelligence adoption across the Group. Quick Assist, a new productivity tool, was rolled out to all Australian Supermarkets. Using AI technology, the new tool provides each store with tailored and actionable data-led insights to improve store performance through the consolidation of up to 600 reports and communications across a number of platforms, saving each store team an average of 10 hours per week. Through data-led insights, Quick Assist helps store teams prioritise goals and actions to achieve the best outcomes for their team and customers.

### Delivering value for our team

To address the impact of cost-of-living pressures, we made meaningful investments in our team benefits program and ensured salaries and wages kept pace with rising inflation. Since 1 July 2024 team members are now entitled to 10% off over 5,000 Woolworths own and exclusive brand products, including case-ready meat and loose fruit and vegetables. This is in addition to free access to Everyday Extra, providing an extra 5% off their shop every month, and 10% off BIG W items and 20% off BIG W apparel. We've continued our focus on providing our team with meaningful careers and transforming our team proposition to enable more security and shift predictability. Our multi-skilling program has been a key initiative to support our team and their earning potential through upskilling team members across a number of different departments to provide them access to more shifts across the store. We're pleased that we have been able to exceed our target of achieving over 60% of team multi-skilled across Australian Supermarkets, Metro and BIG W retail teams since the program launched in April 2023. This has driven more security for our team, with the number of worked hours by our part-time team members increasing by 4% in F24 and enabling better shift predictability.



## Suppliers

Maintaining strong and collaborative relationships with our suppliers is critical to providing our customers with a wide range of great quality products.

We work together with thousands of suppliers, including farmers and growers, and large and small domestic and international companies. We are committed to fostering fair, transparent and mutually beneficial relationships with all our suppliers and working together in partnership allows us to deliver great quality products to our customers at great value.

In 2024, for the second year in a row, Woolworths was ranked first in the Advantage Annual Grocery Voice of Supplier (VOS) survey, whereby suppliers provide feedback on 20 retailers across Australia. While the more challenging environment has led to a decline in VOS scores during the year, we continued to focus on listening and acting on the feedback we received. We know we have more work to do to improve in F25.

During the year we participated in a number of inquiries and reviews relevant to the food grocery sector, including the Senate Select Committee on Supermarket Prices, various state parliamentary inquiries, the ACCC Supermarkets Inquiry and the Food and Grocery Code of Conduct Review. We have welcomed the opportunity

to explain how we are working to balance the needs of our customers, suppliers, team and shareholders in the context of economy-wide inflationary pressures and have openly and constructively provided our views on these important topics. Woolworths is a founding signatory of the Food and Grocery Code of Conduct and we welcome the decision to retain fast and cost-effective avenues for dispute resolution for the benefit of suppliers.

### How we support our small suppliers

Small suppliers play an important role in helping to diversify and tailor our range to meet our customers' needs. In addition to short payment terms (14 days or less), we have invested in a range of other initiatives to help small suppliers grow their business, including a dedicated team that supports them with onboarding, as well as providing smaller suppliers with data-driven insights on the commercial performance of their products. Woolworths Group has also invested over \$7 million in Seedlab, an independent national small business incubator and accelerator program helping small suppliers to grow and become retail-ready.

### Growing together with the Baronio family

As one of our longest-standing suppliers, we have proudly been partnering with the Baronio family of the Eastern Colour farm in Applethorpe, Queensland since 1988. Antonio Baronio, known as John, and his wife Louise Baronio have been supplying broccoli to Woolworths for the last three decades and more recently diversified into strawberries and apples in 2013 with our support. Today, the Baronio family is the largest supplier of strawberries in the region and grows around two million plants per season, as well as being a large contributor to our Odd Bunch range to help minimise waste.

**Image:** The Baronio family, Eastern Colour farm.





# Communities

We operate in almost all communities in Australia and New Zealand and recognise the far-reaching impact we have on these communities.

During the year we continued to grow our mini woolies program with a store in every state and territory in Australia, as well as two stores in New Zealand. Established in 2018, mini woolies is a collaborative program between Woolworths and Fujitsu to provide hands-on learning experiences for students and job candidates living with disabilities. New Zealand's first mini woolies was opened in March at Somerville School in Panmure, with a second store opening at Central Auckland Specialist School in May. At the end of F24, the program expanded to 68 locations with 6,000 students having completed the program since launch.

Australian Supermarkets was proud to provide the equivalent of over 10 million meals to Australians in need as part of the OzHarvest Christmas Appeal. Together with customer donations of \$220,000 (NZD), New Zealand Supermarkets donated more than \$400,000 (NZD) to The Salvation Army. BIG W continued to make a real difference for families and together with their customers, raised over \$700,000 in F24 through Easter, Toy Sale and Christmas fundraising campaigns for the Australian hospital network.

In Australia, the Group's Support Through Australian Natural Disasters (S.T.A.N.D) program helped local communities impacted by natural disasters, including Cyclone Jasper in Queensland, flooding in Victoria and fires in Western Australia. Over \$3 million was raised through the program in F24, including the Group's annual donation of \$500,000, which helped provide immediate relief to affected communities.

We also continue to focus on enhancing our supply chain resilience to better support and service our regional communities. We are seeing continued benefits from investment in the Townsville distribution centre, which services 39 supermarkets across Far North Queensland. The distribution centre underwent a significant transformation in 2020 and was expanded and upgraded to support better capacity and range availability in the event of severe weather events. This enabled the team to better respond to the supply chain challenges caused by Cyclone Jasper in 2023. More broadly across our supply chain, while there was an increase in significant events impacting our operations in F24 as a result of severe weather events and transport and system impacts, we have seen a reduction in the number of disrupted days which reflects the growing resilience across our supply chain.

## Launch of the Woolworths Group Foundation

The Woolworths Group Foundation was established in June 2024 as a registered charity aimed to deliver fast, targeted and practical support to Australian communities affected by natural disasters. The foundation will continue the Group's long-term support for existing national disaster relief partners, including The Salvation Army, Foodbank, Rural Aid and Lifeline, whilst also creating opportunities for long-term partnerships with smaller local charities in disaster-affected communities to provide even greater reach. Woolworths Group will invest directly in the foundation through donations, as well as proceeds raised from the sale of Woolworths Spring Water multipacks, helping to deliver millions in disaster relief funding every year for our partners.



1

Performance highlights

2

Business review

3

Directors' Report

4

Financial Report

5

Other information



For personal use only



## Planet

We are focused on supporting viable and resilient food systems to help manage the availability of food for our customers now and into the future.

We were required to reset our previous 2015 base year to a F23 base year due to organisational changes. We have subsequently updated our scope 1, 2 and 3 emission reductions targets from a new F23 base year, and obtained validation of these updated targets from the SBTi. In doing so, we also adopted the new SBTi guidance for FLAG. We recognise the practical and dynamic context in which Woolworths Group operates, and the importance of working collaboratively with our suppliers and other supply chain participants towards our scope 3 and deforestation ambitions.

In F24, our scope 1 and 2 emissions have reduced 42% below our 2015 base year. This was supported by the installation of 53 solar systems reaching a total of 278 sites across Australia and New Zealand and a new energy partnership with CleanCo in Queensland to support the transition to 100% renewable electricity.

➔ **More detail on our climate and nature strategy can be found on [pages 42 to 61](#) of this report.**

In F24, 85% of food waste was diverted from landfill in Woolworths Supermarkets and 80% across the Group. While we are making progress in reducing food waste

to landfill and have worked hard to build capacity, we acknowledge that unforeseen events such as power outages, refrigeration breakdowns and natural disasters continue to impact our ability to divert food waste from landfill. Challenges also remain due to limited infrastructure and capacity for recycling of food waste, particularly in regional areas. We will continue to work towards mitigating this impact through proactive mitigation strategies.

We delivered \$143 million in direct community contributions, including over 36 million meals provided to those in need, and \$15 million in financial support to our food relief charity partners. In addition, our customers donated over \$3 million via our Christmas appeals and other giving programs.

Reducing plastic packaging continues to be a top concern for our customers and in F24 we removed over 2,500 tonnes of virgin plastic from our packaging and achieved 85% recyclability of our own brand packaging. We remain committed to reducing and eliminating unnecessary or problematic packaging through the redesign, innovation and reuse of packaging solutions.

➔ **More information can be found in our [2024 Sustainability Report](#).**

### Introducing Refresh:Food

As part of our ambition to reduce upstream food waste from farms, the Group launched Refresh:Food. The Refresh:Food digital marketplace connects growers with retailers, processors and food-rescue organisations to reallocate surplus produce to help minimise upstream food waste and support farmers to sell more of their crops that would otherwise be wasted. In F24 Refresh:Food helped produce the equivalent of one million meals through our charity partners using the platform, including OzHarvest, FareShare and Foodbank.



For personal use only





## Investors

The Group's full year financial performance reflects a very challenging operating environment impacted by elevated cost-of-living pressures and a highly competitive market.

### Financial performance and capital management

Group sales for F24 increased by 3.7%<sup>1</sup>; however, sales growth in all businesses slowed in the second half. In Australian Food, F24 sales were also up 3.7%<sup>1</sup> with sales growth slowing to 1.8%<sup>1</sup> in H2 as inflation moderated despite eCom growth remaining strong. New Zealand Food and BIG W had a challenging year impacted by value-conscious customers cross-shopping and trading down. Group EBIT<sup>2</sup> for F24 increased 1.1%<sup>1</sup> driven by Australian Food and Australian B2B, offset by a decline in New Zealand Food and BIG W. Group NPAT<sup>3</sup> of \$1,711 million declined 0.6% on last year with EBIT growth offset somewhat by higher interest and tax.

The Board declared a final dividend of 57 cents per share bringing the total dividend for the year to 104 cents per share, in line with the prior year with the full year payout within our 70–75% payout ratio.

The Board also approved a special dividend of 40 cents per share to return the proceeds from the sale of a 5% Endeavour Group stake in May. The final and special dividends will release over \$500 million of franking credits to shareholders.

In January, we completed the acquisition of a 55% equity interest in Petstock Group which is enabling customers to conveniently shop for more of their everyday needs across our connected Group.

### Growing contribution from Retail Platforms

As our Everyday Retail strategy gathers momentum, the contribution from our Retail Platforms and adjacencies to the Group is increasing.

The Group's retail media business, Cartology, has grown rapidly since it was established in 2019 with a compound revenue increase of 34% over the last four years. Cartology's growing network reach of over 4,000 screens within Woolworths Supermarkets and BIG W, as well as off-network channels, has supported this strong growth. Cartology's F24 revenue increased by 9%<sup>1</sup> compared to the prior year and it continued to deliver incremental EBIT growth but also provided valuable media inventory for the Group.

wiq, our data and analytics platform implemented an increasing number of high-value use cases that are delivering material benefits across the Group. Some examples of the tools developed by wiq include Next Gen Promo, a promotion optimisation tool, and an interactive knowledge management solution to support customer service agents called Team Coach. Third-party sales are also growing from relationships with over 500 suppliers to increase collaboration and deliver category growth through data-led insights.

In Primary Connect, the Group's multi-year supply chain transformation program is continuing to progress with a number of major automation projects including our Auburn CFC and Moorebank NDC and RDC

<sup>1</sup> Normalised growth adjusted to remove the impact of the 53rd week in F24.

<sup>2</sup> Before significant items as presented in the Group Financial Performance on [page 27](#).

<sup>3</sup> Attributable to equity holders of the parent entity before significant items.



### New Zealand Food's transformation

During the year the transformation of our New Zealand Food business continued delivering an improved offer for our customers, but with more to do in F25. We rebranded 72 Countdown stores to Woolworths Supermarkets, successfully launched the Everyday Rewards loyalty program and continued to grow our eCommerce network. We also opened our new state-of-the-art Christchurch Fresh DC which will deliver material improvements for our network on the South Island and launched our new brand platform, That Fresh Food Feeling, including a fresh or free guarantee. Pleasingly, customer metrics in F24 showed improvement in key areas including Value for Money, Fruit & Vegetables and Availability as a result of early progress on transformation initiatives.

nearing completion. We remain confident in the benefits we will realise from these investments which will materially enhance the experience for our customers, deliver efficiencies and create a safer working environment for our team. Primary Connect also grew its third-party services in F24 with PC+ revenue of approximately \$800 million.

Woolworths 360, our format and development platform, delivered 14 net new stores across the Group as well as 60 renewals in F24. While this drives growth through our store network, the platform also delivered material savings from its Smarter Operations productivity initiatives including the continued roll out of electronic shelf labels and upgrades to manage stockloss.

# Group financial performance

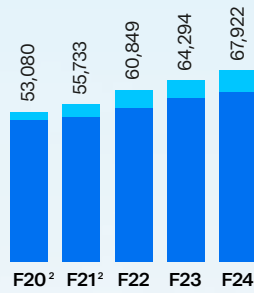
The F24 financial results reflect a difficult operating environment impacted by cost-of-living pressures and a competitive market with New Zealand Food and BIG W most impacted. Group sales momentum improved in Q4 and has continued into F25.

## Group sales

**\$67,922M**

▲ 3.7%<sup>1</sup> from F23

● Online sales

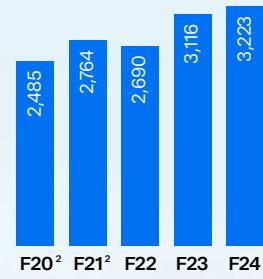


Group sales in F24 increased by 5.6% with normalised sales increasing by 3.7%. Sales momentum slowed in H2 due to lower inflation and lower item growth in a more challenging economic environment leading to more cross shopping and increased competition for the shopping basket.

## Group EBIT<sup>3</sup>

**\$3,223M**

▲ 1.1%<sup>1</sup> from F23



Group EBIT before significant items in F24 increased by 3.4% with normalised EBIT on the same basis up 1.1%. H2 normalised EBIT declined 1.3% as growth in Australian Food and Australian B2B was offset by lower EBIT from New Zealand Food and BIG W.

## Group NPAT<sup>4</sup>

**\$1,711M**

▼ 0.6% from F23

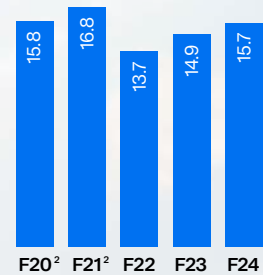


NPAT attributable to equity holders of the parent entity before significant items declined by 0.6% to \$1,711 million with the EBIT increase offset by higher finance costs and income tax expense.

## Group ROFE<sup>5,6</sup>

**15.7%**

▲ 78 bps<sup>1</sup> from F23



Group normalised ROFE was 15.7%, an increase of 78 bps on the prior year due to higher Group EBIT and a reduction in average funds employed. Excluding the impact of the New Zealand Food goodwill impairment, normalised ROFE would have been 14.9%, up 4 bps<sup>1</sup> on the prior year.

1 Normalised growth has been adjusted to remove the impact of the 53rd week in F24.

2 F20 and F21 based on continuing operations only.

3 Before significant items as presented on page 27.

4 Before significant items attributable to equity holders of the parent entity as presented on page 27.

5 Normalised ROFE is calculated using EBIT before significant items adjusted to remove the impact of the 53rd week in F24. No adjustments to average funds employed have been made.

6 F21 closing funds employed included in the ROFE calculation excludes the \$7,870m demerger distribution liability.

## F24 sales and EBIT summary

\$ MILLION	F24 (53 WEEKS)	F23 (52 WEEKS)	CHANGE	CHANGE NORMALISED
Australian Food	50,741	48,047	5.6%	3.7%
Australian B2B <sup>1</sup>	4,589	4,324	6.1%	4.3%
New Zealand Food (AUD)	7,551	7,240	4.3%	2.4%
<i>New Zealand Food (NZD)</i>	8,166	7,912	3.2%	1.3%
BIG W	4,685	4,785	(2.1)%	(3.9)%
Other <sup>1,2</sup>	356	(102)	n.m.	n.m.
<b>Total Group sales</b>	<b>67,922</b>	<b>64,294</b>	<b>5.6%</b>	<b>3.7%</b>

\$ MILLION	F24 (53 WEEKS)	F23 (52 WEEKS)	CHANGE	CHANGE NORMALISED
<b>Before significant items</b>				
Australian Food	3,110	2,865	8.6%	6.0%
Australian B2B	122	63	92.7%	87.1%
New Zealand Food (AUD)	100	228	(56.0)%	(56.7)%
<i>New Zealand Food (NZD)</i>	108	249	(56.5)%	(57.2)%
BIG W	14	145	(90.4)%	(90.3)%
Other <sup>2</sup>	(123)	(185)	(33.3)%	(36.7)%
<b>Group EBIT before significant items</b>	<b>3,223</b>	<b>3,116</b>	<b>3.4%</b>	<b>1.1%</b>
Significant items	(1,607)	(117)	n.m.	n.m.
<b>Group EBIT</b>	<b>1,616</b>	<b>2,999</b>	<b>(46.1)%</b>	<b>(48.5)%</b>

## Group profit or loss for the 53 weeks ended 30 June 2024

GROUP	F24 (53 WEEKS)	F23 (52 WEEKS)	CHANGE	CHANGE NORMALISED
Sales	67,922	64,294	5.6%	3.7%
EBITDA before significant items	6,001	5,694	5.4%	3.9%
Depreciation and amortisation <sup>3</sup>	(2,778)	(2,578)	7.8%	7.1%
<b>EBIT before significant items</b>	<b>3,223</b>	<b>3,116</b>	<b>3.4%</b>	<b>1.1%</b>
Finance costs	(740)	(677)	9.4%	7.6%
Income tax expense	(763)	(707)	7.8%	5.3%
<b>NPAT before significant items</b>	<b>1,720</b>	<b>1,732</b>	<b>(0.7)%</b>	<b>(3.1)%</b>
Non-controlling interests	(9)	(11)	(12.5)%	(12.5)%
<b>NPAT attributable to equity holders of the parent entity before significant items</b>	<b>1,711</b>	<b>1,721</b>	<b>(0.6)%</b>	<b>(3.0)%</b>
Significant items after tax	(1,603)	(103)	n.m.	n.m.
<b>Net (loss)/profit after tax attributable to equity holders of the parent entity after significant items</b>	<b>108</b>	<b>1,618</b>	<b>(93.3)%</b>	<b>(95.9)%</b>
<b>MARGINS - BEFORE SIGNIFICANT ITEMS</b>				
Gross margin (%)	27.3	26.8	56 bps	56 bps
Cost of doing business (CODB) (%)	22.6	21.9	66 bps	68 bps
EBIT (%)	4.7	4.8	(10) bps	(12) bps
NPAT (%)	2.5	2.7	(16) bps	(17) bps
Group basic EPS (cents) before significant items	140.3	141.7	(1.0)%	(3.4)%
Total dividend per share (cents) – fully franked	144	104	38.5%	

1 Revenue in Australian B2B includes \$356 million (F23: \$351 million) of freight revenue received from suppliers for freight services provided on products sold by the Group. At the Group level, this revenue represents a reduction in the cost of the products and is reclassified as a reduction in cost of sales in Other, resulting in no change to EBIT.

2 Other comprises Petstock, Quantum and MyDeal (which are not considered separately reportable segments), as well as various support functions, including property and overhead costs, the Group's share of profit or loss of investments accounted for using the equity method and consolidation and elimination journals.

3 Depreciation and amortisation of \$326 million is included in cost of sales (F23: \$269 million).

## Group financial performance

## Group balance sheet as at 30 June 2024

\$ MILLION	30 JUNE 2024	25 JUNE 2023	CHANGE
Inventories	4,187	3,698	489
Trade payables	(5,815)	(5,621)	(194)
<b>Net investment in inventory</b>	<b>(1,628)</b>	(1,923)	295
Trade, other receivables and prepayments	1,358	1,319	39
Other creditors, provisions and other liabilities	(4,590)	(4,559)	(31)
Property, plant and equipment and investments	10,319	10,082	237
Net assets held for sale	162	250	(88)
Intangible assets	4,873	5,693	(820)
Lease assets	9,604	9,467	137
Other assets	390	413	(23)
<b>Total funds employed</b>	<b>20,488</b>	20,742	(254)
Net tax balances	1,261	1,248	13
<b>Net assets employed</b>	<b>21,749</b>	21,990	(241)
Cash and borrowings	(3,280)	(2,620)	(660)
Derivatives	(80)	(60)	(20)
<b>Net debt (including derivatives and excluding lease liabilities)</b>	<b>(3,360)</b>	(2,680)	(680)
Lease liabilities	(12,144)	(11,980)	(164)
<b>Total net debt (including derivatives)</b>	<b>(15,504)</b>	(14,660)	(844)
Put option liabilities over non-controlling interests	(675)	(765)	90
<b>Net assets</b>	<b>5,570</b>	6,565	(995)
Non-controlling interests	162	140	22
Shareholders' equity	5,408	6,425	(1,017)
<b>Total equity</b>	<b>5,570</b>	6,565	(995)

**Inventories** increased by \$489 million due to inventory investments to improve availability, higher goods in transit due to timing of purchases and global delays, inflation, and inventory acquired on the acquisition of Petstock. Closing inventory days increased 2.9 days with average inventory days increasing by 0.3 days.

**Trade payables** increased \$194 million driven by higher inventory investments and trade payables recognised on the acquisition of Petstock. This was partially offset by the timing of payments in New Zealand Food made in the 53rd week.

**Property, plant and equipment (PPE) and investments** increased by \$237 million. The increase in PPE reflected investment in new and existing stores, property development, supply chain and IT infrastructure and assets recognised on the acquisition of Petstock. This was partly offset by depreciation and properties transferred to assets held for sale. Investments declined, primarily reflecting a loss on the derecognition of equity accounting the Group's investment in Endeavour Group and a decline resulting from the sale of 5% of Endeavour Group.

**Intangible assets** decreased by \$820 million following the New Zealand Food goodwill impairment of \$1,492 million partly offset by the recognition of intangible assets on the acquisition of Petstock of \$706 million.

**Lease assets** increased by \$137 million with lease assets recognised on the acquisition of Petstock and recognition of the new lease on the Moorebank National DC, partially offset by lease asset depreciation and terminations.

**Net debt (including derivatives and excluding lease liabilities)** increased by \$680 million mainly due to the acquisition of Petstock and lower operating cash flows offset by the proceeds from the sale of shares in Endeavour Group.

**Lease liabilities** increased by \$164 million with the interest expense, lease liability additions and remeasurements, and lease liabilities recognised on the acquisition of Petstock partially offset by lease payments and terminations.

**Put option liabilities over non-controlling interests** decreased by \$90 million mainly driven by revaluation of the put option liabilities for PFD and Quantum.

## Group cash flows for the 53 weeks ended 30 June 2024

\$ MILLION	F24 (53 WEEKS)	F23 (52 WEEKS)	CHANGE
<b>Group EBITDA before significant items</b>	<b>6,001</b>	5,694	5.4%
Working capital and non-cash movements	(138)	322	n.m.
<b>Cash from operating activities before interest and tax</b>	<b>5,863</b>	6,016	(2.5)%
Interest paid – leases	(570)	(542)	5.2%
Net interest paid – non-leases	(160)	(133)	20.3%
Tax paid	(774)	(587)	31.9%
<b>Total cash provided by operating activities</b>	<b>4,359</b>	4,754	(8.3)%
<b>Total cash used in investing activities</b>	<b>(2,277)</b>	(1,844)	23.5%
<b>Cash flow before lease payments, dividends</b>	<b>2,082</b>	2,910	(28.5)%
Repayment of lease liabilities	(1,138)	(1,067)	6.7%
Dividends paid and payments for shares held in trust	(1,232)	(1,141)	7.9%
<b>Net cash flow</b>	<b>(288)</b>	702	n.m.
Normalised cash realisation ratio (CRR) <sup>1</sup>	<b>97%</b>	113%	

1 Cash realisation ratio in F24 has been normalised to exclude the New Zealand Food goodwill impairment of \$1.5 billion (NZ\$1.6 billion), the derecognition of equity accounting of the Endeavour Group of \$209 million due to the loss of significant influence and the gain on revaluation of put option liabilities over non-controlling interests (\$107 million).

**EBITDA before significant items** increased 5.4% reflecting higher EBITDA from Australian Food and Australian B2B, partially offset by lower EBITDA from BIG W and New Zealand Food.

### Working capital and non cash movements includes:

- Inventories increased due to an investment in inventory in Australian Food to support improved availability and an increase in goods in transit due to timing of purchases and global delays.
- Increase in trade payables reflects price and volume growth. The increase was lower than the prior year increase when the impact of inflation on purchases was more pronounced as well as the impact of additional supplier payments in New Zealand in the 53rd week.
- Increase in provisions driven by the increase in employee provisions compared to the prior year.

**Cash from operating activities before interest and tax** decreased 2.5% with the EBITDA increase offset primarily by the increase in net investment in inventory.

**Interest paid – leases** increased 5.2% largely attributable to new leases including through the acquisition of Petstock.

**Net interest paid – non-leases** increased by 20.3% compared to the prior year due to higher floating interest rates and higher net debt primarily due to the acquisition of Petstock.

**Tax paid** increased 31.9% compared to the prior year driven by higher taxable income for F23, paid in F24 and a tax refund received in H2 F23.

### Total cash used in investing activities includes:

- Payments for the purchase of PPE and intangible assets was largely in line with the prior year and reflects investment in development properties, new stores and store renewals, IT, digital and eCom.
- Payments for the purchases of businesses relates mainly to the Group's acquisition of a 55% interest in Petstock in January.
- Proceeds from the sale of subsidiaries and investments relates to the net proceeds received on the sale of 5% interest in Endeavour Group.

**Repayment of lease liabilities** increased 6.7% reflecting new property leases in F24 including Moorebank NDC.

**Dividends paid (including to non-controlling interests)** increased due to an increase in the F23 final and F24 interim dividend per share.

**The normalised cash realisation ratio** was 97% (F23: 113%) with the reduction compared to the prior year due to the increase in net investment in inventory.


 Woolworths

Sales

\$50,741M

▲ 3.7%<sup>1</sup> from F23

EBIT

\$3,110M

▲ 6.0%<sup>1</sup> from F23

ROFE

32.2%

▲ 2.5 pts<sup>1</sup> from F23

# Australian Food

We saw solid sales growth in Australian Food in F24 however we experienced a slowdown in the second half driven by lower inflation and lower item growth, despite eCom growth remaining strong.

## Trading performance

**Australian Food** total sales in F24 increased 5.6% to \$50.7 billion with normalised growth of 3.7%. Normalised sales growth in H2 slowed to 1.8% reflecting lower inflation and lower item growth in Woolworths Food Retail. WooliesX normalised sales increased 19.8% in F24 with H2 sales growth of 18.4% driven by eCom, primarily by Same Day and Direct to Boot fulfilled through our store network. Accelerator revenue grew by 142% largely reflecting the continued expansion of MILKRUN in sub-60-minute delivery. Australian Food eCom (eComX and MILKRUN) normalised sales increased by 21.3% in F24 and by 20.6% in H2.

Normalised gross margin (%) increased by 76 bps in F24 with H2 increasing by 54 bps. Excluding Tobacco, gross margin (%) increased by 57 bps in F24 and by 37 bps in H2. Key drivers of gross margin included leveraging analytics to optimise promotions and product ranges, strong Cartology and service income growth and a benefit from cycling a collectibles program in the prior year. Other drivers included category mix benefits including a 19% decline in Tobacco sales, Long Life sales growing faster than Fresh, and improved commodity sourcing. Stockloss was well managed assisted by the roll out of new technology including Scan Assist across all stores.

Segment results are before significant items.

<sup>1</sup> Normalised growth has been adjusted to remove the impact of the 53rd week in F24.



Normalised CODB (%) increased 62 bps with H2 CODB (%) increasing by 52 bps. CODB (%) increases reflected the 6.25% increase in store team wages and superannuation from July, item growth, energy inflation and a higher online mix somewhat offset by lower incentive outcomes. Productivity initiatives such as enhanced inventory routines and eCom picking optimisation also helped to offset underlying cost inflation with a stronger contribution from productivity in H2.

Normalised depreciation and amortisation increased by 5.5% driven by new stores, renewals, supply chain and tech-enabled store and digital investments.

F24 EBIT of \$3,110 million increased by a normalised 6.0% largely driven by a 9.9% increase in H1 with H2 EBIT increasing by 2.2%. By business, WooliesX contributed approximately three quarters of the Australian Food EBIT growth. The F24 Australian Food EBIT margin was 6.1%, up 13 bps on a normalised basis with the H2 EBIT margin in line with H1 and H2 F23.

\$ MILLION	F24 (53 WEEKS)	F23 (52 WEEKS)	CHANGE	CHANGE NORMALISED <sup>1</sup>
<b>Total sales</b>	<b>50,741</b>	48,047	5.6%	3.7%
<b>EBITDA</b>	<b>5,006</b>	4,651	7.6%	5.8%
Depreciation and amortisation	<b>(1,896)</b>	(1,786)	6.2%	5.5%
<b>EBIT</b>	<b>3,110</b>	2,865	8.6%	6.0%
Gross margin (%)	<b>28.9</b>	28.1	76 bps	76 bps
CODB (%)	<b>22.7</b>	22.1	59 bps	62 bps
EBIT to sales (%)	<b>6.1</b>	6.0	17 bps	13 bps
Funds employed	<b>9,883</b>	9,647	2.5%	N/A
ROFE (%)	<b>32.2</b>	29.0	3.2 pts	2.5 pts
Scope 1 & 2 emissions (tonnes) <sup>2</sup>	<b>1,516,197</b>	1,668,070	(9.1)%	N/A



### Making healthier eating easier

Woolworths Supermarkets is making healthier eating easier for customers with its online Meal Planner tool, which can be found on the Recipes section of the website. Woolworths has launched a range of pre-populated healthy and affordable meal plans inspired from over 60 recipes covering breakfast, dinner and lunch box ideas, making it easier for customers to plan and add the ingredients to their online shopping cart. This initiative is part of Woolworths Supermarkets' broader commitment to making healthier food more affordable.

### Caring for our communities

Together with our customers, our Australian Supermarkets provided the equivalent of over 26 million meals to Australians in need in partnership with our food relief partners OzHarvest, FareBank and Fareshare. As part of our food rescue initiatives, in F24 we diverted 85% of total food waste from landfill to our food relief partners, farmers and organic recycling.



<sup>2</sup> Emissions data reflects market-based reporting and ACCUs estimated to be issued in the period 1 July 2023 to 30 June 2024.

For personal use only

# Woolworths Food Retail (Stores and eCom)

## Trading performance

Customer metrics in Q4 improved materially compared to Q3 with VOC NPS (Store and Online) increasing five points to 47 and Store-controllable VOC increasing three points to 78%. Higher scores reflect improvements across all metrics in store and online over the half including Fruit & Veg and Availability with improving shelf availability a key focus following challenges in early Q3. Value for Money scores in Q4 improved four points compared to Q3; however, were down five points compared to the prior year with Value for Money remaining a key priority for F25. VOC NPS (Store and Online) ended the year two points below the prior year with Store-controllable VOC flat compared to the prior year.

Woolworths Food Retail total sales increased by 5.3% in F24 to \$50.2 billion with normalised sales up 3.4% (4.7% ex Tobacco) driven by item growth of 1.3% (1.4% ex Tobacco) and inflation. Item growth was mainly driven by Fresh due to lower prices and improved availability in Fruit & Vegetables and Meat. In Long Life, item growth in Grocery Food was offset by a decline in Everyday Needs. In H2, normalised sales growth slowed to 1.5% (2.7% ex Tobacco) with inflation moderating materially and item growth slowing as customers managed tight household budgets and cross-shopped more. Normalised adjusted sales in Q4 increased 1.9% with a return to item growth in the quarter.

Woolworths Supermarkets (store-originated) sales in F24 were \$42.4 billion, up a normalised 1.3% (2.5% ex Tobacco) compared to the prior year. Strong customer demand for eCom services continued throughout the year with normalised sales growth of 20.2%. In H2, store-originated normalised sales declined by 0.7% (+0.3% ex Tobacco) with eCom sales growth of 19.0%.

Metro (store-originated) normalised sales increased by 5.7% supported by the opening of seven new Neighbourhood stores and improved customer mobility benefitting On the Go stores.

Woolworths Food Company's Own and Exclusive brand normalised sales grew 5.1% in F24 with item growth of 3.0%. Long Life sales increased by 9.4% driven by strong growth across Pantry, Drinks and Household Care and Fresh sales increased 4.3% driven by Bakery, Poultry and Everyday Chilled, including milk and cream.

As cost-of-living pressures continued to impact household budgets, we helped our customers find value through four Seasonal and a Christmas Prices Dropped campaign, more than 3,000 products on Everyday Low Price, Everyday Rewards 'Boost your Budget' campaigns and personalised Member offers.

We also continued to pass on lower prices for customers with average prices in Q4 decreasing by 0.6% compared

to the prior year, a further moderation from Q3 (-0.2%). While Fruit & Vegetables deflation eased in Q4 due to cycling improved supply, prices remained below the prior year largely driven by lower Fruit prices. Meat prices also continued to decline with average prices 6.4% below Q4 in the prior year reflecting lower livestock prices passed on to customers. Moderating deflation in Fruit & Veg and Meat was offset somewhat by lower inflation in Long Life categories and deflation in Everyday Needs.

Woolworths Food Retail's normalised sales per square metre increased by 2.4% with sales growth higher than average space growth of 1.2%. In F24, 16 net new stores (including three Metros) were opened, and 49 renewals were completed with five net new stores and 19 renewals in Q4. At the end of the year, the total fleet comprised 1,006 Woolworths Supermarkets, 105 Metros, 727 Direct to Boot locations, seven CFCs and two eStores.

Woolworths Food Retail EBIT of \$3,006 million increased by a normalised 3.5% supported by a material improvement in eCom profitability of 119% during the year. The F24 EBIT margin of 6.0% was in line with F23.

We continued to grow our mini woolies program opening 24 new mini woolies stores during the year, now with 66 locations across Australia. Together with our customers, Woolworths provided the equivalent of over 26 million meals to Australians in need in partnership with our food relief partners and diverted 85% of total food waste. As the official Olympic and Paralympics partner, we continued to support community sport with a donation of \$1 million to Australian grassroots sporting clubs.

\$ MILLION	F24 (53 WEEKS)	F23 (52 WEEKS)	CHANGE	CHANGE NORMALISED
Total sales	50,197	47,648	5.3%	3.4%
EBITDA	4,821	4,550	6.0%	4.2%
Depreciation and amortisation	(1,815)	(1,712)	6.0%	5.3%
EBIT	3,006	2,838	6.0%	3.5%
EBIT to sales (%)	6.0	6.0	3 bps	0 bps
Sales per square metre (\$)	19,723	18,921	4.2%	2.4%

Segment results are before significant items and normalised growth has been adjusted to remove the impact of the 53rd week in F24.



### Delicious refresh of bakery range

During the year Woolworths Food Company refreshed its in-store bakery range, launching 150 new and reformulated cakes, cookies, muffins and baked desserts. The new range included exciting new additions including lemon meringue tarts, smash cakes and birthday drip cakes to name a few, and was developed after a detailed product development process leveraging customer insights and inspiration from food trends. The new and reformulated products joined existing customer bakery favourites including the iconic Woolworths mud cake and continues to resonate well with customers.



### Creating fulfilling careers

As one of Australia's largest employers we're proud of our history of helping Australians grow their careers with us. In Orange, NSW, our Woolworths Supermarket, which recently celebrated its 50th anniversary, has been a second home for our team members Ian, Wayne and Chris who have worked there for 49, 32 and 39 years respectively. Collectively, that's over 120 years of service to the local Orange community. We thank and recognise all of our team for their valuable contributions in helping us deliver great shopping experiences for all our customers. This year, over 9,000 current team members across Woolworths Group celebrated service of over 25 years, with 37 current team members with over 50 years of service with the Group.



Image: Ian, Wayne and Chris (left to right).



### More convenient shopping experiences

We continued to expand our eCommerce network and improve fulfilment capabilities to support the growing demand for same-day convenience, with 727 Direct to Boot sites at the end of F24. We also launched Direct to Boot Now during the year, a sub-60-minute collection service, now in 307 stores.

For personal use only

# WooliesX (including eCom)

## Trading performance

**WooliesX** total sales in F24 increased 27.9% to \$8,227 million with a normalised increase of 25.4% and growth across all platforms. In H2, normalised sales increased 23.3%. DAP & EBIT of \$362 million increased by a normalised 93.8% reflecting the strong sales growth, a material improvement in eCom profitability and higher EBIT from Digital & Media, Rewards & Services and HomeRun. WooliesX was a key driver of Australian Food F24 sales and EBIT growth.

In **eComX**, B2C Online VOC NPS ended the year at 60, increasing two points compared to Q3 and down one point on the prior year. Customer scores increased across all Pick up, Delivery and On Demand propositions in Q4 reflecting improved Range Satisfaction, Product Availability and Value for Money scores as well as digital enhancements including Best Unit Price filter and Track my Order real time delivery tracking.

eComX sales in F24 of \$6,226 million increased by a normalised 20.2%. Normalised H2 sales increased by 19.0% with Q4 normalised adjusted sales growth of 18.0% taking eCom penetration to 13.4% in the quarter, up 183 bps on the prior year. Growth continued to be driven by Same Day and On Demand propositions with 86% of B2C orders now delivered within 24 hours of order placement, an increase of 6% on the prior year. In Q4, active eCom B2C customers increased by 12% on the prior year reaching the milestone of one million customers, with engaged and loyal customers a key driver of sales growth.

Direct to Boot continued to grow in popularity with pick up mix reaching 41% in Q4. A further 13 locations were added in H2 with 277 Direct to Boot locations by the end of the year. Direct to Boot Now, a sub-60-minute service launched in Q3, is already available in 307 stores.

Woolworths at Work normalised sales growth of 23.3% in F24 was driven by growth in existing customers and feature expansion including recurring orders and an in-store card for shopping on business line of credit.

eComX DAP in F24 was \$201 million, increasing by a normalised 119.2% on the prior year with the DAP margin increasing 148 bps to 3.2%. In H2, eComX DAP was \$102 million, a normalised increase of 77.6%. The improvement was driven by strong sales growth, higher pick up mix, efficiencies from growth in items per basket and targeted customer acquisition and retention initiatives. This was supported by productivity initiatives including team picking algorithms, optimisation of delivery mix between fleet and partner driver network and fleet routing optimisation.

In **Digital & Media**, weekly average traffic to Group digital platforms reached 27.8 million in Q4, up 19.3% on the prior

year driven by increased traffic to the Woolworths and Everyday Rewards apps. Weekly average traffic to Food and Everyday digital platforms reached 19.9 million in Q4, up 22.2% on the prior year with Woolworths app users increasing by 24.3%. A new digital tool, Best Unit Price, was launched during the year to help customers find the lowest unit price for items as well as enhancements to the web and home pages to promote existing digital tools such as Shopping Lists and Recipes.

Cartology revenue increased by 9% supported by strong digital advertising growth including Cartology Promoted Products, front-of-store screens and BIG W. Highlights for the year included the roll out of around 400 Health & Beauty screens across Woolworths Supermarkets, a new partnership with Vicinity Centres adding around 1,000 screens to over 50 shopping centres and the launch of onsite brand video content on the website.

**Everyday Rewards & Services** normalised sales increased 13.2% in F24. Everyday Rewards active members reached 9.8 million, with more than 770,000 new members joining the program during the year including 162,000 in Q4. Member engagement continues to strengthen with weekly active app users increasing to two million and scan and tag rates increasing by approximately four points on the prior year, reflecting improved in-store presence and online engagement, particularly during Boost your Budget campaigns.

**HomeRun** was launched in H1 to bring together the Group's last mile delivery capabilities. During the year, through existing fleet and crowd partners, HomeRun delivered 20 million orders, driving efficiency through reduced delivery cost per order and improved customer convenience.

\$ MILLION	F24 (53 WEEKS)	F23 (52 WEEKS)	CHANGE	CHANGE NORMALISED
<b>Total sales</b>	<b>8,227</b>	6,432	27.9%	25.4%
<b>DAP &amp; EBIT before depreciation and amortisation</b>	<b>548</b>	340	61.0%	57.9%
Depreciation and amortisation	<b>(186)</b>	(159)	17.3%	17.0%
<b>DAP &amp; EBIT</b>	<b>362</b>	181	99.3%	93.8%
DAP & EBIT to sales (%)	<b>4.4</b>	2.8	157 bps	154 bps

Segment results are before significant items and normalised growth has been adjusted to remove the impact of the 53rd week in F24.

For personal use only

### DAP & EBIT performance by platform

\$ MILLION	F24 (53 WEEKS)	F23 (52 WEEKS)	CHANGE	CHANGE NORMALISED
eComX DAP	201	89	126.6%	119.2%
Digital & Media, Rewards & Services, HomeRun & Digital Technology & Support EBIT	161	92	73.3%	69.6%
<b>WooliesX DAP &amp; EBIT</b>	<b>362</b>	<b>181</b>	<b>99.3%</b>	<b>93.8%</b>

### eComX metrics

	Q4'24 (13 WEEKS)	Q3'24 (13 WEEKS)	Q2'24 (13 WEEKS)	Q1'24 (14 WEEKS)
<b>Customer metrics<sup>1</sup></b>				
B2C Online VOC NPS (eCom and Digital)	60	58	62	61
<b>eCommerce sales metrics</b>				
eCommerce sales (\$ million)	1,618	1,539	1,510	1,559
	NORMALISED ADJUSTED <sup>2</sup>	ADJUSTED <sup>2</sup>		
eCommerce sales growth	18.0%	19.7%	24.4%	18.4%
eCommerce penetration	13.4%	12.4%	11.9%	12.0%
Pick up mix (% of eCommerce sales)	41.0%	40.7%	39.9%	39.7%

### Digital metrics

	Q4'24 (13 WEEKS)	Q3'24 (13 WEEKS)	Q2'24 (13 WEEKS)	Q1'24 (14 WEEKS)
<b>Food and Everyday digital platforms</b>				
Average weekly traffic (million)	19.9	19.3	19.5	17.5
Average weekly traffic growth (year on year)	22.2%	22.9%	21.4%	25.2%
<b>Group digital platforms</b>				
Average weekly traffic (million)	27.8	27.0	29.3	24.9
Average weekly traffic growth (year on year)	19.3%	18.4%	17.0%	24.5%

### Everyday Rewards metrics

	Q4'24 (13 WEEKS)	Q3'24 (13 WEEKS)	Q2'24 (13 WEEKS)	Q1'24 (14 WEEKS)
<b>Active members (million)<sup>3</sup></b>	<b>9.8</b>	<b>9.7</b>	<b>9.4</b>	<b>9.2</b>
Scan rate (% of transactions) <sup>4</sup>	59.6	58.4	57.5	56.2
Tag rate (% of sales) <sup>4</sup>	73.3	72.1	71.3	70.0

Segment results are before significant items and normalised growth has been adjusted to remove the impact of the 53rd week in F24.

- Customer metrics represent the final month of the quarter.
- Adjusted for the non-comparable timing of New Year's Day and Easter.
- Registered Everyday Rewards members that have scanned their card at any Woolworths Group banner or partner in the last 12 months.
- Woolworths Supermarkets only (Stores and eCom).

### Digital tools helping our customers find value

Our digital tools are continuing to enhance shopping experiences for our connected customers, with digital visits now exceeding store visits.

<b>1.1M</b>	customers plan with Lists each week	<b>300K</b>	customers are inspired weekly by online Recipes
<b>442K</b>	customers use in-store mode on the app weekly	<b>780K</b>	customers use the digital catalogue weekly
<b>25.4M</b>	weekly product searches start on Woolworths web and app		



Use only



Sales

\$4,589M

▲ 4.3%<sup>1</sup> from F23

EBIT

\$122M

▲ 87.1%<sup>1</sup> from F23

ROFE

9.3%

▲ 4.0 pts<sup>1</sup> from F23

# Australian B2B

Sales growth in Australian B2B remained strong driven by continued growth in PFD.

## Trading performance

**Australian B2B** total sales increased by 6.1% to \$4,589 million with normalised sales increasing by 4.3%. Normalised H2 sales increased by 5.9%. Excluding exited businesses, normalised Australian B2B total sales increased by 6.7%.

**B2B Food** normalised sales increased by 3.7% in F24 led by strong growth in PFD. PFD's key segments of Food Service, Key Accounts and QSR all grew strongly on the prior year delivering overall growth of 9%. PFD growth was partially offset by lower AGW sales due to cycling unprofitable meat sales that were exited in H2 F23, as well as the closure of Woolworths International and the sale of Summergate in F23.

**B2B Supply Chain** normalised sales increased by 5.9% in F24 due to new cross-dock warehouse openings in PC+ and growth in SIW.

**Australian B2B** F24 EBIT of \$122 million increased by a normalised 87.1% with H2 EBIT of \$51 million increasing by a normalised 221% compared to the prior year. The F24 EBIT margin increased to 2.7% from 1.5% in F23 with EBIT growth largely driven by cycling losses in the prior year in Woolworths International and Summergate, and EBIT growth in PC+. ROFE of 9.3% increased by a normalised 4.0pts reflecting the EBIT growth during the year.

Segment results are before significant items.

<sup>1</sup> Normalised growth has been adjusted to remove the impact of the 53rd week in F24.

For personal use only

\$ MILLION	F24 (53 WEEKS)	F23 (52 WEEKS)	CHANGE	CHANGE NORMALISED <sup>2</sup>
Total sales	4,589	4,324	6.1%	4.3%
EBITDA	250	176	41.8%	39.6%
Depreciation and amortisation	(128)	(113)	13.4%	13.1%
EBIT	122	63	92.7%	87.1%
EBIT to sales (%)	2.7	1.5	120 bps	116 bps
Funds employed	1,325	1,286	3.0%	N/A
ROFE (%)	9.3	5.0	4.3 pts	4.0 pts
Scope 1 & 2 emissions (tonnes) <sup>2</sup>	73,121	73,585	(0.6)%	

### Sales performance by business

\$ MILLION	F24 (53 WEEKS)	F23 (52 WEEKS)	CHANGE	CHANGE NORMALISED <sup>2</sup>
B2B Food (Woolworths Food Company 3rd party)	3,305	3,126	5.7%	3.7%
B2B Supply Chain (Primary Connect 3rd party)	1,284	1,198	7.1%	5.9%
<b>Total Australian B2B sales</b>	<b>4,589</b>	<b>4,324</b>	<b>6.1%</b>	<b>4.3%</b>



### Growing WFC

Woolworths Food Company comprises four key areas including: Woolworths Food Company Retail, which is about creating great quality own brand products for our customers, B2B, which includes servicing our business customers through PFD, AGW and Greenstock, and lastly, manufacturing and sourcing.

### Launch of MyPC+

PC+, Primary Connect's third-party business, recently launched a new digital platform that makes it easier for customers to track their orders. MyPC+ provides customers, carrier partners and teams with milestone visibility, ensuring the right inventory is delivered to the right place at the right time, unlocking material efficiencies and delivering a step change in the customer experience. Self-serve tools in the new platform also allow customers to download proof of delivery, transport rate cards and review transport lead times. Since launch, over 900 customers and 40 carrier partners have been onboarded.



<sup>2</sup> Emissions data reflects market-based reporting and ACCUs estimated to be issued in the period 1 July 2023 to 30 June 2024.





Woolworths   
New Zealand

Sales

**\$8,166M**

▲ 1.3%<sup>1</sup> from F23

EBIT

**\$108M**

▼ 57.2%<sup>1</sup> from F23

ROFE

**2.8%**

▼ 2.4 pts<sup>1</sup> from F23

# New Zealand Food<sup>2</sup>

New Zealand Food's financial performance was impacted by a competitive trading environment and value-conscious customers, combined with higher wage costs. Despite this, good progress was made on its transformation agenda during the year.

## Trading performance

Progress on **New Zealand Food's** multi-year transformation was reflected in an improvement in key customer metrics in Q4. While VOC NPS (Store and Online) of 36 ended down two points compared to the prior year, it was up two points compared to Q3. Store-controllable VOC of 78% increased one point on Q3 and two points compared to the prior year with Fresh improvements and the reset of key price mechanics driving improved scores in Fruit & Vegetables and Value for Money. Availability scores also increased due to store service level improvements.

New Zealand Food's total sales increased by 3.2% in F24 to \$8,166 million with normalised sales growth of 1.3%. H2 normalised sales increased by 0.3% with H2 comparable sales increasing by 1.3%. F24 items declined reflecting weak consumer demand and a highly competitive trading environment but returned to growth in Q4.

Segment results are before significant items.

- 1 Normalised growth has been adjusted to remove the impact of the 53rd week in F24.
- 2 New Zealand dollars.

Average prices continued to moderate significantly declining 2.3% in Q4. The decline was driven by deflation in Fruit & Vegetables, combined with lower cost price increases and continued investment in value for customers including through Everyday Rewards since its launch in February.

Franchise and other revenue increased by 5.3% with sales growth driven by three new FreshChoice stores and the conversion of sixteen SuperValue stores to FreshChoice during the year.

eCom sales of \$1,075 million increased by a normalised 5.0% in F24. Sales momentum improved in H2, with normalised adjusted growth of 13.0% in Q4 and penetration reaching 14.3%. As part of Woolworths New Zealand's transformation, investment in convenient same day delivery propositions including Express pick up and delivery and MILKRUN is supporting strong growth with MILKRUN now available in 57 stores and Direct to Boot in 43 stores.

Normalised sales per square metre increased by 1.9% reflecting sales growth and an average space reduction of 0.6%. During the year Woolworths New Zealand opened two new stores (including one eStore), closed four stores and completed eight renewals. At the end of the year, the total store network of 262 stores comprised 188 Supermarkets, 19 SuperValue and 55 FreshChoice franchise stores.

Normalised gross margin (%) decreased 58 bps compared to the prior year with H2 gross margin (%) declining by 100 bps. This was primarily driven by investment in value and the reset of pricing mechanics in an extremely competitive market. While higher freight costs and the Everyday Rewards program launch also contributed to the reduction in gross margin, this was partially offset by an improvement in stockloss and cycling a collectible program in the prior year.

Normalised CODB (%) increased 124 bps primarily reflecting the store team wage increase of 7% in July, transformation costs and modest sales growth, particularly in H2. Normalised H2 CODB (%) increased by 139 bps. Normalised depreciation and amortisation increased by 4.9% due to investment in the store network, including the rebranding of stores and supply chain investments.

F24 EBIT of \$108 million declined by a normalised 57.2% with an EBIT margin of 1.3%. In H2, EBIT of \$37 million declined by a normalised 72.0%.

ROFE declined 2.4 pts to 2.8% primarily reflecting lower EBIT offset somewhat by a reduction in funds employed due to the New Zealand Food impairment disclosed at H1.

During the year we launched our mini woolies program in New Zealand with the opening of two mini woolies at Somerville School in Panmure and Central Auckland Specialist School, with plans to roll out more stores in F25. Woolworths New Zealand received its first Accessibility Tick and maintained the Rainbow Tick accreditation for the sixth consecutive year, recognising our ongoing commitment to disability and LGBTQ+ inclusion.

\$ MILLION (NZD)	F24 (53 WEEKS)	F23 (52 WEEKS)	CHANGE	CHANGE NORMALISED <sup>1</sup>
<b>Total sales</b>	<b>8,166</b>	7,912	3.2%	1.3%
<b>EBITDA</b>	<b>449</b>	572	(21.4)%	(22.1)%
Depreciation and amortisation	<b>(341)</b>	(323)	5.6%	4.9%
<b>EBIT</b>	<b>108</b>	249	(56.5)%	(57.2)%
Gross margin (%)	<b>22.5</b>	23.1	(58) bps	(58) bps
CODB (%)	<b>21.2</b>	20.0	124 bps	124 bps
EBIT to sales (%)	<b>1.3</b>	3.2	(182) bps	(182) bps
Sales per square metre (\$)	<b>18,901</b>	18,208	3.8%	1.9%
Funds employed	<b>3,415</b>	4,745	(28.0)%	N/A
ROFE (%)	<b>2.8</b>	5.2	(2.4) pts	(2.4) pts
Scope 1 & 2 emissions (tonnes) <sup>3</sup>	<b>50,642</b>	62,255	(18.7)%	N/A

## Opening of Christchurch Fresh DC

Woolworths New Zealand opened its new, state-of-the-art distribution centre in Rolleston, Christchurch in February 2024 which now services the entire South Island. The opening of the new facility represents a significant milestone in New Zealand's supply chain transformation and will deliver material improvements to the fresh offer for customers through investments in leading technology, bringing the offer in line with the North Island.



3 Emissions data reflects market-based reporting and ACCUs estimated to be issued in the period 1 July 2023 to 30 June 2024.

use only

**BIG W**

Sales

**\$4,685M**▼ 3.9%<sup>1</sup> from F23

EBIT

**\$14M**▼ 90.3%<sup>1</sup> from F23

ROFE

**1.0%**▼ 10 pts<sup>1</sup> from F23

# BIG W

It was a challenging year for BIG W as customers remained cautious resulting in a reduction in discretionary spending, impacting overall financial performance during the year. Despite the challenging trading environment, BIG W made progress on its transformation initiatives.

## Trading performance

**BIG W's** overall performance has been materially impacted by the challenging trading environment in F24. Despite this, customer metrics remained strong in F24 and were broadly stable on prior periods. Store-controllable VOC was 82%, in line with Q3 and down one point on the prior year. VOC NPS (Store and Online) ended the year at 62, up one point on Q3 and down one point on the prior year. Providing more consistent eCom experiences and availability are key focus areas for F25.

BIG W's total sales in F24 decreased 2.1% to \$4,685 million with a normalised decrease of 3.9% driven by item declines reflecting increasing customer caution as the year progressed. Normalised H2 sales decreased by 3.6%. Sales momentum improved through Q4 boosted by eCom and a successful Toy Sale event leading to item and transaction growth.

Across BIG W's four trading segments, Everyday sales were broadly flat with growth in Beauty Care and bulk offerings in Household Cleaning offsetting slower sales in Pet and Baby. In Play, Books and Toys were a highlight but overall sales were impacted by trading down to lower priced

Segment results are before significant items.

<sup>1</sup> Normalised growth has been adjusted to remove the impact of the 53rd week in F24.

For personal





items. Over the year, Clothing and Home were most impacted due to longer lead-times on product and range enhancements. Clothing was also affected by a slow start to Autumn/Winter and Home sales by availability challenges caused by range changes. However, item growth in both segments improved in Q4.

Key transformation initiatives gained momentum during the year including the transition to Group platforms for range and space management, promotional planning and smart clearance activity in H2. The full Clothing range was also reset during the year with fewer styles, lower price points, more investment in all-year ranges and a focus on fit excellence, with new products available in store in Q1 F25. A new BIG W was also opened during the year in Stanhope Gardens in Sydney to trial a more modern store design.

BIG W online GMV (including 1P eCom sales and BIG W Market) increased by 6.4% in F24 with BIG W Market GMV sales of \$44 million. Traffic to the BIG W website increased by 11.2% supported by the 3P range expansion to around 100,000 items following the launch of BIG W Market in November, leveraging the MyDeal technology platform. BIG W X's reportable eCom sales of \$486 million were broadly in line with the prior year with eCom penetration increasing by 28 bps to 10.3%. BIG W app usage also continued to grow with active app users reaching 278,000 in Q4. Everyday Rewards scan rates increased to 58.0% in Q4 due to growth in active members driven by partnering on key events.

Normalised gross margin (%) decreased 133 bps compared to the prior year with H2 decreasing by 119 bps. The decline was mainly driven by customers shifting to lower priced items within categories, increased clearance activity in Autumn/Winter clothing, price investment and stockloss, partially offset by supply chain productivity improvements. Stockloss initiatives during the year included a targeted program across the highest risk categories and stores, with further investment planned in F25.

Normalised CODB (%) increased 139 bps compared to the prior year with H2 CODB (%) increasing 130 bps. Dollar CODB increased by 0.8% in F24 despite material wage rate increases due to strong cost control across above-store and volume-based measures. Productivity benefits in store partially offset higher wages with a focus on simplification.

F24 EBIT of \$14 million declined by a normalised 90.3% with the H2 LBIT of \$40 million reflecting the challenging trading environment, increased Autumn/Winter clearance activity and higher stockloss.

Closing inventory was 6% above the prior year; however, average inventory days declined on the prior year as purchases were reduced to reflect softer trading. Closing inventory health improved with the

proportion of 'aged and quit' stock below the prior year. Despite the closing inventory increase, funds employed declined reflecting the reduction in BIG W's weighted average lease term. ROFE was down 10 pts reflecting the EBIT decline.

In partnership with our customers, BIG W donated \$79,000 to the Australian Literacy and Numeracy Foundation during the year and continued its support for the Breakfast Library program, as well as donating over \$1 million for children's hospitals and research institutes across the country. BIG W also worked with Good360 to donate surplus goods to communities in need, raising close to \$70,000 for their EveryOne Day fundraiser and collecting over 42,000 gifts across stores for families in need through local charity partners as part of the Giving Tree initiative.

\$ MILLION	F24 (53 WEEKS)	F23 (52 WEEKS)	CHANGE	CHANGE NORMALISED <sup>1</sup>
Total sales	4,685	4,785	(2.1)%	(3.9)%
EBITDA	225	348	(35.1)%	(35.6)%
Depreciation and amortisation	(211)	(203)	4.4%	3.5%
EBIT	14	145	(90.4)%	(90.3)%
Gross margin (%)	30.3	31.6	(135) bps	(133) bps
CODB (%)	30.0	28.6	138 bps	139 bps
EBIT to sales (%)	0.3	3.0	(273) bps	(272) bps
Sales per square metre (\$)	4,620	4,756	(2.9)%	(4.7)%
Funds employed	1,406	1,424	(1.2)%	N/A
ROFE (%)	1.0	11.1	(10.0) pts	(10.0) pts
Scope 1 & 2 emissions (tonnes) <sup>2</sup>	82,488	103,061	(20.0)%	N/A

### Launching BIG W Market

In partnership with MyDeal, BIG W Market was launched in November 2023, expanding the range available for our customers through an online marketplace supported by trusted, third party sellers. Since launch, the range has been extended to over 100,000 items, driving traffic to the BIG W website which increased by 11% compared to F23. During the year Woolworths MarketPlus was also established, bringing together the internal capabilities of Everyday Market, MyDeal and BIG W Market into one team.

2 Emissions data reflects market-based reporting for the period 1 July 2023 to 30 June 2024.

For personal use only

# Addressing climate and nature to support food systems resilience

## Our approach to climate and nature reporting

Woolworths Group's Annual Report, details our material climate and nature related disclosures for F24. Our Sustainability Report is complementary and provides an update of progress in F24.

The Group's climate and nature disclosures continue to be guided by the recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD), including insight into our governance, strategy, risk management, metrics and targets as well as general alignment to the International Sustainability Standards Board (ISSB). We continue to work towards alignment with the Taskforce on Nature-related Financial Disclosures (TNFD) and to evolve our climate and nature disclosures towards alignment with the new Australian Sustainability Reporting Standards (ASRS) in F26.

We recognise that the audiences for our Annual and Sustainability Reports may be different and therefore have duplicated some of the narrative, where relevant, across both reports so they each stand alone.

➔ For how we are aligning with the TCFD recommendations, see the [Reports and Data page](#) on our website.

Climate change and nature loss are projected to place continued and increasing pressure on future food production and supply – presenting risks to the Australian and New Zealand farmers we work with, the customers and communities we support, and Woolworths Group as a business. As a food retailer, we are working to promote sustainable food production in the years ahead by reducing the impact of our business on climate change and nature loss.

The Australian agricultural sector faces significant challenges from climate change and nature loss.<sup>1</sup> These issues pose risks to our business, such as supply chain disruptions and impacts on long-term food production and affordability. In F24 alone, our network experienced 133 days of unplanned disruption to our operations and supply chains due to weather-related natural disasters. We have resilience plans that helped us minimise these impacts and we continue partnering with the government on response planning and disruption management.

We are focused on supporting viable and resilient food systems to help manage the availability of food for our customers now and into the future. This requires a collaborative, systems-based approach across industries, government, and our supply chain. While our ambition is not without challenge, we continue to work on emissions reductions opportunities as well as invest in innovative solutions.

For personal use only



For personal use only



## Summary of our approach and progress

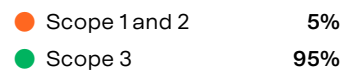
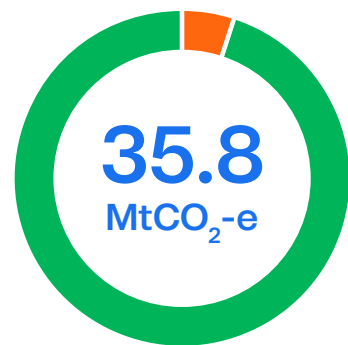
Woolworths Group's approach is focused on reducing the negative environmental impact associated with our value chain and operational footprint together with improving our adaptability and resilience to a changing climate.

Our scope 1 and 2 emissions are in our direct operational control and make up 5% of the emissions in our value chain. Over the past 12 months these emissions have reduced through ongoing electricity grid decarbonisation, adoption of renewable electricity, electrification of fleet, energy efficiency initiatives and refrigeration improvement programs. This has resulted in a cumulative reduction of 42% from our 2015 base year, up from 36% in F23.

Our scope 3 emissions are approximately 19 times greater than our scope 1 and 2 emissions, making up 95% of total emissions in our value chain comprising two key categories – Forest Land and Agriculture (FLAG), and energy and industrial (see [page 50](#)). In line with our long-standing commitment to contribute to a 1.5°C pathway, this year we have reviewed and obtained validation of our scope 1, 2 and 3 emissions reduction targets from the Science Based Targets Initiative (SBTi). In doing so, we recognise the practical context in which we operate, and the importance of working collaboratively with our suppliers and other supply chain participants towards our scope 3 and deforestation ambitions. (see [page 47](#)).

Our strategy integrates climate and nature, acknowledging the strong interdependencies ([page 45](#)). The Woolworths Group Board and Sustainability Committee provide critical oversight of our performance, risks and opportunities, and various teams across the Group partner towards delivery of our strategy ([page 44](#)).

## F24 emissions inventory



▼ 42%

scope 1 and 2 emissions reductions relative to 2015 base year

1 ABARES National Farmers Federation; Analysis of Climate change impacts and adaptation on Australian farms. Reflects a period of 2001–2020 (relative to 1950–2000).

## Our governance framework

The Woolworths Group Board is responsible for appraising and approving the Group's sustainability-related strategies, targets and material investments to manage actual or potential risks and opportunities. The Board does so based on recommendations from its Sustainability Committee (SUSCO). The Committee reviews and monitors performance against the Woolworths Group Sustainability Plan 2025 (2025 Plan), and related strategies, including climate and nature. It oversees the effectiveness of the Group's frameworks and policies and provides external perspectives on matters within the investment landscape.

The CEO and Group Executive Committee, including the Chief Sustainability Officer, have accountability for implementing our sustainability-related strategies and report progress to SUSCO three times a year.

As part of ongoing Board education, SUSCO receives specialist briefing sessions on material topics. In F24 this included an education session on the transition of the agricultural sector to net zero, TNFD frameworks and global trends.

As we commence the transition towards reporting under the upcoming mandatory ASRS, we have established a cross-functional working group. This group is tasked with building out the phased approach to compliance, and continuing to mature how we integrate climate risks and opportunities into strategic decision-making. In F25, we will continue to seek external assurance on our emissions inventory, whilst preparing for ASRS assurance requirements in F26.

### Woolworths Group Board

Responsible for appraising and approving the Group's climate and nature strategy

#### Sustainability Committee

Monitors progress against the climate and nature strategy and is responsible for reviewing and endorsing our targets and sustainability disclosures

#### Audit and Finance Committee

Oversees financial reporting, financial disclosures and the Group's accounting policies

#### Risk Committee

Oversees the risk management framework and the Group risk profile. This includes sustainability-related risks and opportunities



### CEO and Group Executive Committee

Accountable for implementing our climate and nature strategy

#### Group Sustainability Platform

Responsible for identifying strategies, risks and opportunities and preparing our sustainability-related disclosures.

It includes a General Manager who together with their team is responsible for the delivery of our climate and nature strategy

#### Executive sponsors

Responsible for championing and supporting the embedding of strategy within the business. Our sponsors are the Managing

Director – New Zealand and the Chief Commercial Officer – Woolworths Supermarkets and Metro

#### Woolworths 360

Responsible for managing the Board-endorsed energy strategy targeting supply, demand and innovation opportunities to reduce our carbon emissions

For personal use only

## Our climate and nature strategy

Woolworths Group's climate and nature strategy guides our actions to limit the potential impacts and leverage opportunities presented by climate change and nature for our business and value chain. This strategy is approved by the Woolworths Group Board. As we continue to mature in how we address increasing climate and nature-based risks, this year we developed our pathway to reduce our scope 3 emissions with the aim of supporting viable and resilient food systems ([page 54](#)).

### Our strategic framework

#### Managing climate impacts across our business



##### Reducing our electricity and making it greener:

energy efficiency and transitioning to 100% renewable electricity by 2025



##### Embedding low-carbon technology and practices:

converting to low-carbon refrigeration and transport decarbonisation



##### Food systems viability and resilience:

reducing climate and nature impacts on food systems across our value chain

#### Supporting industry and community action



##### Partnering with industry to support the transition to net zero:

driving industry action and engaging our partners and suppliers on ways they can reduce carbon emissions



##### Supporting community resilience:

supporting communities affected by natural disasters using our scale to get fresh food and supplies where they are most needed

#### Nurturing nature across our value chain



##### Leading the future of protein:

providing affordable and sustainable proteins across traditional, plant and alternative sources whilst aiming for the best practice standards of animal welfare



##### Partnering on sustainable and regenerative agriculture:

supporting our growers and farmers to improve farming practices, collaborating throughout our supply chain to identify barriers to adoption and opportunities for mutually beneficial outcomes



##### Having a positive impact on nature:

working to protect, restore and improve soil health, water stewardship and biodiversity

## Evolving our targets

Woolworths Group is continuing our long-standing commitment to contribute to a 1.5°C pathway. We were required to reset our previous 2015 base year to a F23 base year due to organisation changes, such as the demerger of Endeavour Group and the acquisitions of PFD Foods and Quantum. This also considered updates to our calculation methodologies and emissions factors in line with the Greenhouse Gas Protocol Corporate Standard to support more accurate tracking of our emissions over time.

We have subsequently updated our scope 1, 2 and 3 emission reductions targets from a new F23 base year, increasing our targets, and obtaining validation from the Science Based Targets Initiative (SBTi). In doing so, we also adopted the new SBTi guidance for FLAG. We recognise the practical and dynamic context in which Woolworths Group operates, and the importance of working collaboratively with our suppliers and other supply chain participants towards our scope 3 and deforestation ambitions.

Our new targets are based on planning, modelling and assumptions, and current understanding of the public information available to us, including supplier commitments and government policies. We acknowledge that this is an evolving landscape and that new information or developments may impact our ability to reach our targets. We will continue to adapt and improve our approach as we learn more, and we will make decisions based on the best available evidence. If the information relevant to these issues change, we may review and adjust our targets.

### Scope 1 and 2 emissions

Our previous scope 1 and 2 targets, validated by the SBTi in 2020, aligned with a 1.5°C pathway. This year, we have increased our near term target from 63% to 80% and added a new long-term target of 90% (see table). These new targets have been validated by the SBTi. We prioritise absolute emissions reductions for our near-term and long-term scope 1 and 2 emissions reduction targets without the use of carbon offsets. From 2050, we may obtain and surrender high-quality carbon removals to remove more carbon from the atmosphere than we emit in support of our net positive ambition.

### Scope 3 emissions

Our previous scope 3 target, validated by the SBTi in 2020, aligned with a 2°C pathway. In support of our aim to reach net zero emissions across our value chain by 2050, this year we have increased our near-term targets and added new long-term targets (see table) to align with a 1.5°C pathway. These new targets have been validated by the SBTi. Our scope 3 targets are twofold, adopting SBTi FLAG guidance to reflect the vastly different challenges and opportunities on-farm and those associated with energy and industrial emissions<sup>1</sup> as relevant to our sector.

In line with SBTi FLAG guidance, we may use both emissions reductions and carbon removals within our own value chain to support our near-term and long-term scope 3 FLAG targets. From 2050, we may obtain and surrender high-quality carbon removals to neutralise residual emissions in support of our net zero ambition.

1 Emissions from purchased goods and services, capital goods, fuel and energy related activities, upstream and downstream transportation and distribution, and upstream leased assets.

2 Effective August 2024.

3 The SBTi validated targets are 54.6% and 39.4%, they have been rounded off to 55% and 40% respectively.

### Deforestation

To date, our efforts have centred on achieving net zero deforestation in our own brand products by 2025. Our primary deforestation-linked commodities are a part of this commitment (see page 47), so work is already underway. While we have focused our efforts on setting clear expectations for our own brand products as an important first step, we recognise the need for a wider focus. This year, we updated our deforestation target to align with SBTi FLAG guidance for no-deforestation which applies to both own brand and vendor branded products. We will continue to work cooperatively with our suppliers and industry as part of our efforts towards emission reduction and eliminating deforestation in our supply chain. We know this will be achieved progressively, and by working with other leaders of industry we believe we can support sector-wide change.

We recognise that for many of our primary deforestation-linked commodities, there are existing certifications that support our efforts to source deforestation free (paper pulp and timber, palm oil, cocoa, soy (in stockfeed)). We note that in other areas (e.g. fresh beef), more work is required. We are sensitive to the issue around evolving definitions of deforestation and the need to apply these definitions in the appropriate context for our supply chain, industry and geography.

We don't underestimate the scale of the transition required to achieve our no-deforestation ambition, and understand success will depend on many small actions beyond our direct business operations. In recognising SBTi's guidance to support a just transition, we will take care not to exacerbate underlying inequities, particularly for our smaller suppliers. We will actively engage with farmers, suppliers, industry and other key stakeholders to support progress together. We will continue to take a collaborative approach towards our targets, working together with suppliers. This will include partnering with suppliers, industry and governments to address barriers and opportunities to protect and restore nature. We recognise that greater progress can be made together where knowledge, insights and resources are shared.

For personal use only



## Our updated targets

EXISTING 2025 PLAN TARGET	NEW TARGET <sup>2</sup>	TIMEFRAME & VALIDATION
<b>Scope 1 and 2 – updates include a new base year and increased targets</b>		
We aim to reduce emissions from our operations by 63% by 2030 (2015 base year)	Woolworths Group aims to reduce absolute scope 1 and 2 greenhouse gas emissions (GHG) emissions by <b>80%</b> by F30 from a <b>F23 base year</b>	<b>Near-term</b> SBTi validated
	Woolworths Group aims to reduce absolute scope 1 and 2 GHG emissions by <b>90%</b> by F45 from a <b>F23 base year</b>	<b>Long-term</b> SBTi validated
We aim to reach net positive emissions for our operations no later than 2050	No change	<b>Long-term</b> Ambition not validated by SBTi
<b>Scope 3 – updates include a new base year and increased targets aligned to a 1.5°C pathway from 2°C</b>		
We aim to reduce our scope 3 emissions by 19% by 2030 (2015 base year)	Woolworths Group aims to reduce absolute scope 3 GHG energy and industrial emissions <sup>1</sup> by <b>55%</b> <sup>3</sup> by F33 from a <b>F23 base year</b>	<b>Near-term</b> SBTi validated
	Woolworths Group aims to reduce absolute scope 3 FLAG GHG emissions by <b>40%</b> <sup>3</sup> by F33 from a <b>F23 base year</b> <sup>4</sup>	<b>Near-term</b> SBTi validated
	Woolworths Group aims to reduce absolute scope 3 GHG energy and industrial emissions <sup>1</sup> by <b>90%</b> by F50 from a <b>F23 base year</b>	<b>Long-term</b> SBTi validated
	Woolworths Group aims to reduce absolute scope 3 FLAG GHG emissions by <b>72%</b> by F50 from a <b>F23 base year</b> <sup>4</sup>	<b>Long-term</b> SBTi validated
	Woolworths Group aims to reach net zero emissions across the value chain by 2050	<b>Long-term</b> SBTi validated
<b>Deforestation</b>		
By 2025, we will source high risk commodities (e.g. pulp, paper, timber, palm oil, cocoa, tea, coffee, soy, fresh beef) in own brand products sustainably from <b>net zero deforestation</b> supply chains. As these commodities are considered to have material impact on deforestation and conversion of natural ecosystems, we will assess the transition to deforestation and conversion free supply chains	Woolworths Group aims to achieve <b>no-deforestation</b> across our primary deforestation-linked commodities, with a target date of 31 December 2025. In doing so, Woolworths Group: <ul style="list-style-type: none"> <li>references the current SBTi definitions of “deforestation” and “natural forest”<sup>5</sup> and will interpret and apply these definitions in the appropriate context for our supply chain, industry and geography; and</li> <li>confirms that our primary deforestation-linked commodities are paper pulp and timber, palm oil, cocoa, soy (in stockfeed) and fresh beef.</li> </ul>	<b>Near-term</b> SBTi validated

### Basis of scope 3 and deforestation targets:

In reviewing our ambitions and making the target statements in the table above, Woolworths Group confirms:

- our commitment, first and foremost, to comply with our legal and regulatory obligations, particularly those in relation to Woolworths Group’s dealings with suppliers and other relevant supply chain participants;
- that Woolworths Group intends to apply appropriate resources, and to engage and collaborate in good faith with suppliers to Woolworths Group and other relevant supply chain participants, in working together to meet these challenges, and in supporting a “just transition”<sup>6</sup>; and
- that our review and the target statements above are based on Woolworths Group’s planning, modelling and assumptions, made with the public information presently available to us, as to:
  - the commitments, behaviour and performance of many of our suppliers and other supply chain participants;
  - government policy and regulation in relation to these issues; and
  - prevailing definitions of elements relevant to the target statements.

Should the information available to us in relation to these issues change over time, Woolworths Group may review and adjust our targets.

<sup>4</sup> Target includes FLAG emissions and removals.

<sup>5</sup> See SBTi FLAG Science-based Target-setting Guidance, Version 1.1, December 2023 (page 61).

<sup>6</sup> See SBTi FLAG Science-based Target-setting Guidance, Version 1.1, December 2023 (page 39).

For personal use only

# Scope 1 and 2

## Our pathway towards net positive

### What we've achieved so far:

**42%**

scope 1 and 2 emissions reduction relative to 2015 base year

✓ 23.5% renewable electricity

▲ 0.9% from F23

✓ 278 solar systems

▲ 53 from F23

✓ \$77 million allocated to energy initiatives

✓ 71 electric home delivery vehicles

▲ from 22 in F23

✓ Internal shadow carbon price trialled to test material business investment cases

### Near-term

#### Accelerating action across our operations

We have mitigation plans for all material scope 1 and 2 emissions representing approximately 80% of our current footprint by F30.

##### Our ongoing efforts:

- mitigation pathways aligned to 1.5°C, in line with SBTi validated targets
- working towards 100% renewable electricity by 2025
- progressing towards 60% reduction in emissions from our home delivery fleet by 2023
- working to certify all new property developments with a minimum 4 Green Star Rating.

New target:

**80%**

reduction in scope 1 and 2 emissions by F30<sup>1</sup>

Previous target: 63% reduction by 2030 from 2015 base year

We are here

New base year: F23  
Previous base year: 2015

2015                      2020                      2025                      2030

For personal use only



This is Woolworths Group's approach to drive decarbonisation across our operational (scope 1 and 2) emissions. This year we have obtained SBTi validation of our updated near-term and new long-term scope 1 and 2 target, which continue to be aligned with a 1.5°C pathway. We also developed a pathway to decarbonise our scope 3 emissions (see page 54).

## Long-term

### Our net positive aspiration

We aspire to be a net positive business by 2050 – partnering to remove more carbon than we emit. We aim to prioritise absolute emissions reductions and know there is more we can do. As this landscape evolves, we will invest in new technologies, continue to implement initiatives to reduce emissions and decarbonise our transport.

**Focus areas:**

- mitigation pathways aligned to 1.5°C, in line with SBTi validated targets
- further progress made on emissions reductions in our home delivery fleet
- continued investment in energy efficiency across our operations
- ongoing implementation of low Global Warming Potential refrigerants
- identification and investments in new technologies (e.g. lower emissions fuels).

By 2050, we aim to reach **net positive** scope 1 and 2 emissions<sup>2</sup>

New target:

**90%**

reduction in scope 1 and 2 emissions by F45<sup>1</sup>

No previous target



<sup>1</sup> Validated by the SBTi.  
<sup>2</sup> We prioritise absolute emissions reductions for our near-term and long-term scope 1 and 2 emissions reduction targets without the use of carbon offsets. From 2050, we may obtain and surrender high-quality carbon removals to remove more carbon from the atmosphere than we emit in support of our net positive ambition.

For personal use only

# Understanding our emissions and opportunity for impact

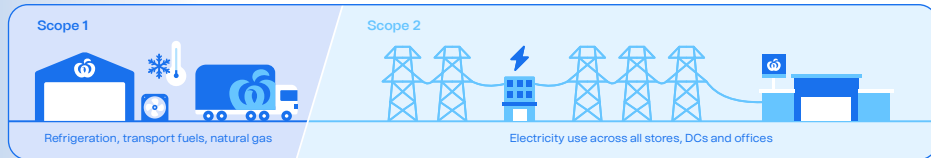
Our scope 1 and 2 emissions make up 5% of the total emissions across our end-to-end value chain. Our scope 3 emissions are approximately 19 times greater than our scope 1 and 2 emissions, making up 95% of the emissions in our end-to-end value chain. Our scope 3 emissions are complex, representing emissions from a variety of sources – the largest being agriculture, energy and transport. Our performance against these are detailed on [pages 51 and 53](#).

For personal use only

5%

## SCOPE 1 AND 2: OUR OPERATIONS

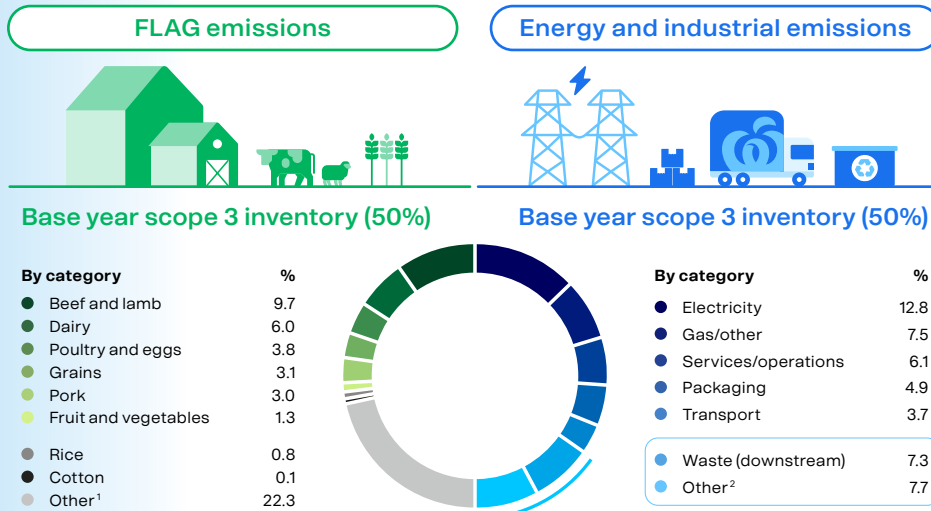
Scope 1 and 2 emissions are those directly within Woolworths Group’s operational control. Our material scope 1 emissions sources include fugitive synthetic refrigerants, transport fuel for fleet cars and home delivery trucks, and natural gas. Our scope 2 emissions comprise the largest part of our operational footprint which is the electricity we use across our store network, distribution centres and offices.



## SCOPE 3: OUR VALUE CHAIN

Scope 3 emissions are indirect emissions from our value chain – both upstream and downstream of our operations. Based on an assessment of our supply chain, approximately 50% are from FLAG sources (pre-farmgate emissions) and approximately 50% from energy and industrial sources (i.e. post-farmgate electricity and gas, services, packaging, transport, downstream waste etc.). This helps us to strategically prioritise areas of highest impact.

95%



Key: ○ Excluded from near 2033 term boundary

1 Consumer packaged goods, general merchandise.  
2 Mixed (e.g. downstream consumption, end of life use).

➔ To understand more about our value chain, see [page 14](#).



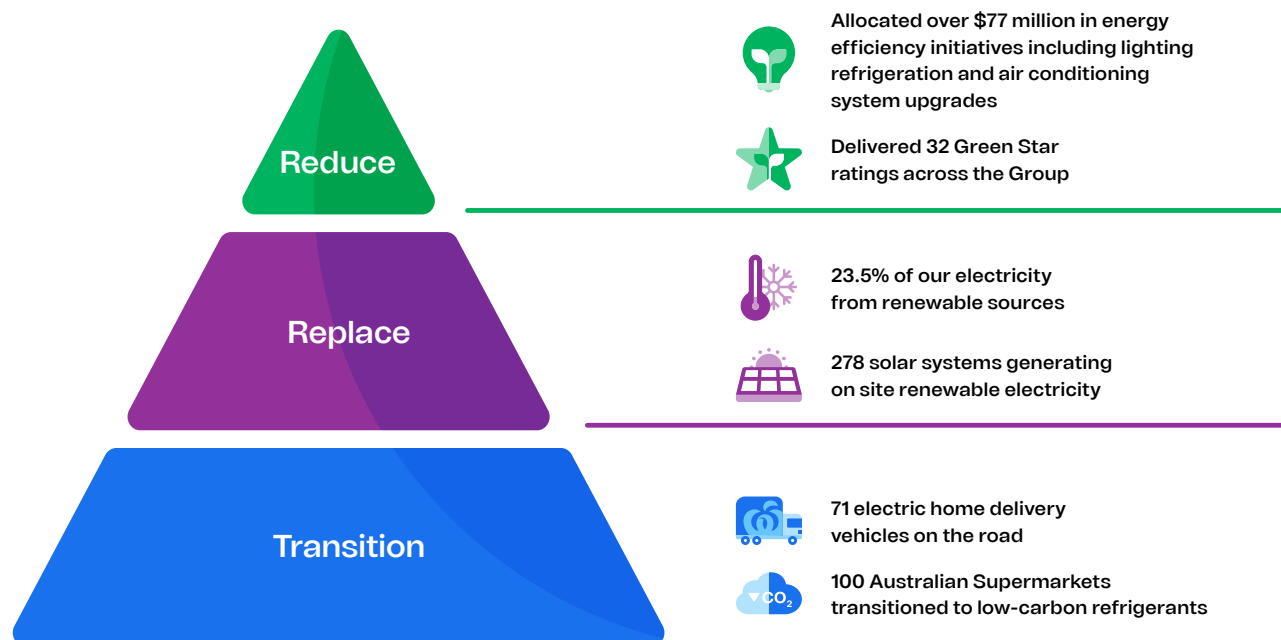
## Reducing our scope 1 and 2 emissions

Over the past 12 months, our scope 1 and 2 emissions had a cumulative reduction of 42% over our 2015 base year.

F24 SCOPE 1 AND 2 EMISSIONS	VS 2015 BASE YEAR	VS F23 BASE YEAR
1,767,284 tCO <sub>2</sub> e	3,051,379 tCO <sub>2</sub> e (42% change)	1,941,581 tCO <sub>2</sub> e (9% change)

Our primary focus is on absolute emissions reduction. Our updated scope 1 and 2 targets continue to be aligned with a 1.5°C pathway and have been validated by SBTi (see page 47). In our operations, we prioritise opportunities to design out emissions entirely, followed by increasing efficiency to reduce emissions in existing processes, and finally, substituting lower-carbon alternatives where feasible.

### Our emissions reduction initiatives



### CASE STUDY

#### Decarbonising our transport and supporting new infrastructure

Our directly managed fleet – scope 1 transport emissions – makes up 5% of our scope 1 and 2 emissions. Scope 3 emissions represent the larger part of our transport footprint, which is outside of Woolworths Group’s direct control. To reduce emissions in our own fleet we launched Woolworths Group’s transport decarbonisation strategy in F23. This is anchored in our commitment that by 2030, we aim to convert our Australian and New Zealand home delivery fleet to zero-emissions vehicles. With this, we aim to reduce our scope 1 transport

emissions by approximately 60% compared to a 2022 base year. By the end of F24 we had 71 electric home delivery vehicles on the road (66 Australia, five New Zealand), up from 22 at the end of F23. This fleet of electric vehicle (EV) trucks is the start of our transport decarbonisation journey. We have continued to extend our network of EV chargers to support our fleet, our team and customers. By the end of F24 across Australia and New Zealand we had installed:

**241** customer charge points    **73** own fleet charge points    **98** team charge points (support offices and DCs)

For personal use only

## CASE STUDY

## Transitioning to 100% renewable electricity

We aim to transition to 100% renewable electricity to power our operations by 2025. We established a new energy partnership with CleanCo in Queensland. This together with contracts in other states, has enabled us to secure a pathway to 100% renewable electricity by 2025 in line with RE100. Our total renewable electricity in F24 was at 23.5%, an increase of 0.9% on F23. Our primary approach to investing in renewables prioritises investment in new renewable electricity generation to grow the availability of green electricity for businesses and the community, and provide new jobs in a sector that requires significant growth to meet growing demand for clean energy. Our renewable electricity efforts are supplemented by our own rooftop solar rollout program totalling 66MW. This year, we installed bi-facial solar panels to maximise solar production whilst providing shade and waterproof parking coverage for our customers.

### Highlights from F24:

# 278

**solar system  
installations**

estimated to power over  
12,600 homes annually

# 100%

**renewable electricity  
pathway secured**



Image: Bango wind farm, NSW.

## CASE STUDY

## Helping inform investment decisions through internal shadow carbon pricing

This year, Woolworths Group piloted and trialled an internal shadow carbon price (ISCP) on major business investment cases to understand the potential impact on investment decisions. Examples of these cases include property, renewal, mergers and acquisitions and major individual investment case projects.

The ISCP was applied to approximately 45 business cases including new stores and renewals and property developments, including our Melbourne North customer fulfilment centre. The ISCP will be reviewed in F25, and is already being used as a basis to partner with business teams to identify and promote opportunities to reduce emissions, including with Woolworths 360 and our Property team on store blueprints and sustainable material choices.

## Our pathway to scope 3 emissions reduction

Scope 3 represents the majority of our emissions – at 34 million tonnes, with purchased goods and services representing 80 to 85% of this. In F24, we focussed on understanding the complexity of how nature and emissions interact with our supply chain and investigated opportunities to develop our climate and nature scope 3 strategy with the aim of supporting viable and resilient food systems. We recognise the practical context in which Woolworths Group operates, and the importance of working collaboratively with our suppliers and other supply chain participants towards our scope 3 ambitions.

### Value chain emissions program

We are committed to working with our suppliers to understand and reduce emissions across the value chain. Our suppliers' efforts to reduce their scope 1 and 2 emissions directly support our goal of reducing our scope 3 emissions. In June 2022 we invited 55 suppliers to participate in our value chain emissions program in partnership with The Sustainability Consortium. The successful pilot saw suppliers complete relevant assessments using THESIS on SupplyShift, a multi retailer platform used by 11 retailers globally. In F24, we added 23 more suppliers, bringing total participation to 78, representing approximately 25% of the Group's scope 3 emissions.

**The program has continued to provide encouraging results, including:**

- 83% of suppliers completing THESIS, 54% have an SBTi approved scope 1 and 2 goal, 20% have submitted to the SBTi, and 12% have committed to setting an SBTi target
- 48% of suppliers have a scope 3 goal – of these, 63% are approved by the SBTi and another 17% are progressing towards approval
- 66% disclosed change in emissions intensity on the prior year with 56% reporting a reduction
- increased momentum on climate commitments and implementation of climate transition plans.

This program has also highlighted the benefit to be gained from an integrated data system across the value chain. Integration offers opportunities to streamline processes, reduce complexity, and incorporate essential verification steps. Realising these benefits will allow us to develop fit-for-purpose future reporting that aligns with the needs of our external stakeholders. In F25, we will conduct a thorough evaluation of future requirements, considering various technology options and approaches to address identified needs.

### Working to increase adoption of sustainable and regenerative practices

The impact of climate on food and fibre production systems is well known, and there is a rapidly growing awareness of the dependencies, impacts and opportunities of these systems with nature. Drawing on increased adoption of sustainable and regenerative practices is an opportunity which has the potential to provide a range of co-benefits over the longer-term – including supply chain resilience, increased productivity and profitability, decarbonisation, protection and restoration of nature, and improved animal welfare outcomes.

In F24, we increased our understanding and our supply chain's adoption of sustainable and regenerative practices, and barriers to adoption including:

- surveying 52 fresh animal protein suppliers to understand their adoption of independent certifications validating these practices (53% holding at least one certification)
- continuing projects with suppliers supported by our Animal Horizon, Dairy Innovation and Ocean Pool Funds
- conducting on-farm trials in New Zealand in partnership with our produce supplier LeaderBrand Produce, research organisations and the New Zealand Government to understand and validate the feasibility of incorporating regenerative practices into intensive vegetable production
- participating in industry initiatives on collaborative solutions such as the Australian SAI Platform, Australian Beef Sustainability Framework and Retail Soy Group to understand shared challenges and opportunities in our value chains
- supporting research into productive, sustainable agricultural production systems through Nuffield Australia.



Image: Nick Mignanelli, Fleurieu Milk Company, SA.

# Scope 3

## Our pathway towards net zero

### What we've achieved so far:

Trajectory reflecting increased business growth

78 suppliers participating in our value chain emissions program representing approximately 25% of our scope 3 emissions

▲ 23 suppliers on F23

80% food waste diverted from landfill across the Group

▲ 8% on F23

100% sustainably sourced single product tea, coffee, cocoa

Maintained from F23

Active participant in various Climate Leaders Coalition working groups

### Near-term

#### Viable and resilient food systems

Climate and nature scope 3 strategy developed, focused on supporting viable and resilient food systems with actions to reduce value chain emissions in the near and long-term. This will be delivered through collaboration, education, innovation, investment and advocacy

We are here

#### Our ongoing efforts:

- working towards the diversion of food waste from landfill
- updated approach to no-deforestation in line with the SBTi (page 47)
- initiate the establishment of a supply chain council, collaborating with key suppliers to drive collective progress
- increasingly sourcing our animal and alternative protein sources in ways which minimise impact on the environment.

#### New targets:

Reduction in FLAG emissions by F33<sup>1</sup>

40%

Reduction in absolute energy and industrial emissions by F33<sup>1</sup>

55%

Previous target: 19% reduction by 2030 from 2015 base year

New base year: F23  
Previous base year: 2015



This is Woolworths Group's approach to drive decarbonisation across our value chain (scope 3 emissions) in partnership with our suppliers. This year, we updated and aligned our scope 3 near and long-term targets with a 1.5°C pathway, towards our ambition of net zero by 2050. Our pathway applies an evidence-based approach and our scope 3 emissions are split evenly between FLAG and energy and industrial sources. We remain responsive to evolving expectations and information, and continually engage to inform our understanding and priorities.

## Long-term

### Our net zero aspiration

We aim to achieve net zero emissions across our value chain. We will partner on opportunities for emissions reductions whilst working on innovative solutions. As this landscape evolves, we will invest in new technologies, encourage sustainable and regenerative practices, implement nature-based solutions and source our products sustainably, to enhance the viability and resilience of food systems.

**Focus areas:**

- progress nature-related targets and approaches that support resilient food and fibre production and help mitigate impacts of climate change
- continue to identify and invest in scalable tech based-solutions that provide commercial, environmental and social benefits
- continue engagement and advocacy with government, industry and broader stakeholders to share knowledge, capabilities, and focus collective efforts.

**New targets:**

Reduction in absolute FLAG emissions by F50<sup>1</sup>

72%

Reduction in absolute energy and industrial emissions by F50<sup>1</sup>

90%

No previous target

Forest land and agricultural sector emissions

Energy and industrial emissions

By 2050, we aim to reach **net zero** scope 3 emissions<sup>1,2</sup>



<sup>1</sup> Validated by the SBTi.

<sup>2</sup> In line with SBTi FLAG guidance, we may use both emissions reductions and carbon removals within our own value chain to support our near-term and long-term scope 3 FLAG targets. From 2050, we may obtain and surrender high-quality carbon removals to neutralise residual emissions in support of our net zero ambition.

## Our scope 3 strategic initiatives

We're in the early stages of activating four strategic initiatives to reduce our scope 3 emissions. We will further develop and refine these throughout F25, focusing on collaboration with farmers, suppliers, industry, government and customers. Through innovation, scalable implementation, and supportive public policy, we aim to drive progress in addressing climate change and nature loss.



### Collaboration

Establish a **supply chain council**, collaborating with **key suppliers** to share insights, best practice progress and prioritisation



### Education

Develop an **education program** to help capacity build, starting with our own teams



### Innovation and investment

**Enable adoption** of technology based-solutions that provide commercial, environmental and social benefits with potential for industry-wide expansion



### Advocacy and thought leadership

Continued **engagement and advocacy** with government, industry and broader stakeholders, and active participation on various **climate and nature leadership forums** to share knowledge, capabilities, and focus collective efforts

## Partnering for progress

We rely on continued support from the Australian and New Zealand governments in progressing their decarbonisation commitments and continued investment. We also rely on industry for scalability of solutions. We continue to advocate for policies, and actively collaborate with industry to influence change through the development and adoption of new technologies to address system-wide challenges and opportunities.

In 2022, we joined the Australian Climate Leaders Coalition (CLC) working as part of a group of cross-sectoral companies supporting the Paris Agreement. We continued to lead the development of the CLC scope 3 roadmap, designed 'by CEOs for CEOs' to encourage more companies to take action on scope 3 emissions and collaborate to identify solutions. This year, we also participated in various initiatives focused on transition planning, long haul low emissions transport, circularity and nature-based solutions.

We joined the Australian Sustainable Agriculture Initiative Platform (SAI Platform) in 2023 and participated in Agribusiness Australia's ESG Working Group. Both forums improve our understanding of Australian and global sustainable agriculture best practices and identify opportunities to increase adoption of those in our supply chain.

We engage with investor forums such as the Climate Action 100 and Nature Action 100 that work to support greater corporate action on tackling climate change, nature and biodiversity loss, and actively engage across our full value chain to continuously learn and re-inform our work.



For personal use only



## Prioritising risk management and leveraging opportunities

Aligned to the TCFD framework, we commenced climate scenario analysis in 2020. We continue to review scenarios in response to any material changes to updated risk profiles, and use them to test ongoing relevance and effectiveness of strategies in addressing climate-related risks and opportunities.

Informed by our work to align with the TNFD, in F24 we also undertook a broader preliminary assessment of nature-related risks and opportunities across our business and supply chain. Part of this review included assessment of additional metrics and measures to support ongoing nature-based strategic priorities.

### Scenario selection and focus areas

Our climate scenarios were selected based on plausible warming pathways referenced by the Intergovernmental Panel on Climate Change (IPCC) and Shared Socioeconomic Pathways (SSP).<sup>1</sup> These are bound by a low warming (orderly) pathway representing a 1.5°C world and a high warming (hot house) pathway representing a 4.4°C world. The in-between (disorderly) scenarios have been updated to represent trajectories closer to the current rate of emissions, existing global policy commitments and the Nationally Determined Contributions of Australia and New Zealand.

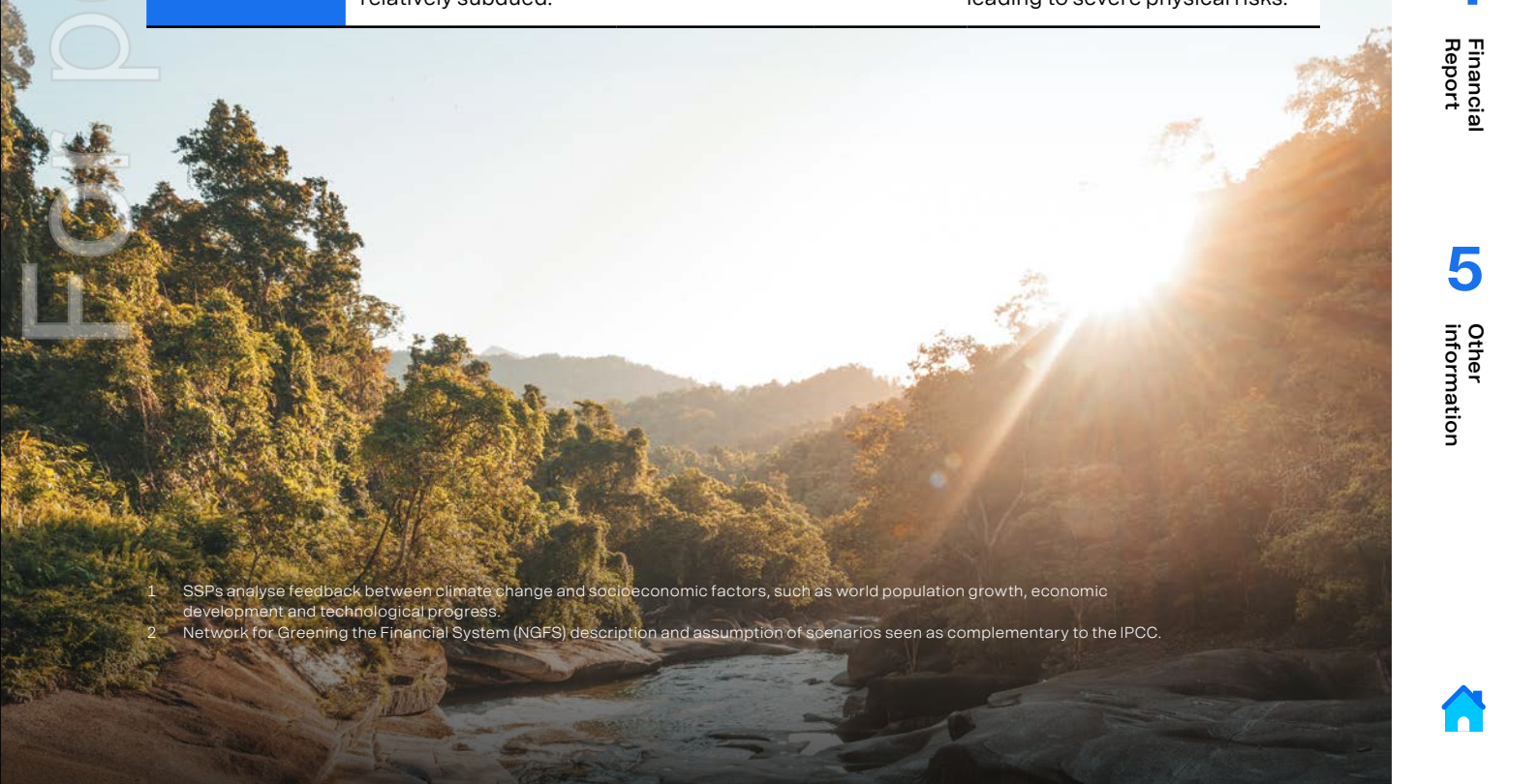
Material climate risks and opportunities have been categorised as physical and transition risks in line with TCFD. We continue to review risk profiles and scenarios for relevance against any material changes. In F24, we focussed on progressing mitigation efforts to address key risks and opportunities and informed our approach through leveraging the Group Risk Register and ASRS aligned climate risk assessments.

	ORDERLY	DISORDERLY		HOT HOUSE
IPCC Scenario	1.5°C	2.0°C	2.7°C	4.4°C
	Net zero by 2050	Delayed transition to net zero		Extreme temperature rise
SSP	<b>SSP1-1.9</b> Sustainable development	<b>SSP1-2.6</b> Sustainable development	<b>SSP2-4.5</b> Middle of the road	<b>SSP5-8.5</b> Fossil-fuelled development
Assumptions <sup>2</sup>	Orderly scenarios assume climate policies are introduced early and become gradually more stringent. Both physical and transition risks are relatively subdued.	Disorderly scenarios explore higher transition risk due to policies being delayed or divergent across countries and sectors. Carbon prices are typically higher for a given temperature outcome.		Hot house scenarios assume that climate policies are implemented in some jurisdictions, but global efforts are insufficient to halt global warming. Critical temperature thresholds are exceeded, leading to severe physical risks.

<sup>1</sup> SSPs analyse feedback between climate change and socioeconomic factors, such as world population growth, economic development and technological progress.

<sup>2</sup> Network for Greening the Financial System (NGFS) description and assumption of scenarios seen as complementary to the IPCC.

For personal use only



## Climate-related risks

DESCRIPTION	LIKELY SCENARIO	TIME HORIZON	POTENTIAL IMPACTS	STRATEGIC MITIGATION UNDERWAY
<b>Physical – Impacts to food security</b>				
Climate change is expected to increase the frequency and severity of acute and chronic weather events such as floods, fires, cyclones, droughts causing food production losses, supply and logistics constraints. For example, the impact of Cyclone Jasper in Queensland on banana supplies.	4.4°C	M L	<ul style="list-style-type: none"> <li>Reduced food production – increased stock/crop losses, reduced yields, resource scarcity, increased pests and diseases, and biodiversity loss</li> <li>Supply chain disruptions - delayed delivery of products, long recovery times causing product shortages</li> <li>Financial impacts – increased costs including higher commodity prices, decreased revenues due to reduced supply</li> </ul>	<ul style="list-style-type: none"> <li>Pathways to net-positive (scope 1 and 2) and to net zero (scope 3) to reduce our impact on climate change through initiatives such as renewable electricity, transport decarbonisation and food waste diversion</li> <li>Climate and nature scope 3 strategy developed to reduce value chain emissions focused on supporting viable and resilient food systems. This will be delivered through collaboration, education, innovation, investment and advocacy</li> <li>Supporting increased adoption of sustainable and regenerative practices</li> <li>Leveraging commodity insights to support sourcing decisions</li> </ul>
<b>Transition – Evolving policy and regulatory factors</b>				
Increasing climate regulation and policy (domestically and globally). For example, the proposed Australian Government's Treasury Laws Amendment Bill 2024 mandates internationally-aligned climate-related financial disclosures supported by new accounting standards ASRS.	1.5°C	S M	<ul style="list-style-type: none"> <li>Increased operating costs including audit, assurance and advisory services and legal expenses</li> <li>Regulatory penalties, reputational risk, and loss of investor confidence</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing monitoring of domestic and global regulatory landscape, and participation in policy consultations</li> <li>Advocacy and consultation through industry, government and sectoral collaboration to influence regulation and policy</li> <li>Obtaining specialist advice to support compliance</li> </ul>
Increased cost of carbon applied through additional carbon pricing mechanisms (e.g. taxes, levies, applied to the production of greenhouse gas emissions) or emissions trading schemes (trading permits for emissions or credits allocated to reductions in emissions).	1.5°C	S M	<ul style="list-style-type: none"> <li>Increased operating costs from carbon price, or carbon liabilities in our value chain for the goods sold</li> </ul>	<ul style="list-style-type: none"> <li>Scope 1 and 2 emissions reduction programs in place to reduce 80% by F30, and net positive by 2050, delivered through programs such as renewable electricity and transport decarbonisation</li> <li>Partnering with suppliers as part of a value chain emissions program to understand and address emissions reductions, with pathway targets set for F33 and net zero by 2050</li> <li>Introduced a shadow carbon price for major business capital investment cases to assess and consider potential carbon liability</li> </ul>

**Key:** Likely scenario: 1.5°C 1.5°C (orderly) 4.4°C 4.4°C (hot house)

Time horizon: S Short-term (now–2025) M Medium-term (2026–30) L Long-term (2031–50)



For personal use only

DESCRIPTION	LIKELY SCENARIO	TIME HORIZON	POTENTIAL IMPACTS	STRATEGIC MITIGATION UNDERWAY
<b>Transition – Delayed adoption of new and existing technologies</b>				
Delayed adoption of transition technologies increases climate risk by prolonging reliance on high-emissions processes. For example, continued reliance on fossil fuel driven energy and transport in our supply chain versus renewable energy and low emissions or electric vehicle transport.	1.5°C	S M	<ul style="list-style-type: none"> <li>Delayed transition could cause higher future operational and supply costs, regulatory penalties, reputational risk and loss of market share</li> </ul>	<ul style="list-style-type: none"> <li>Investments in lower-emissions technology such as on site solar generation, electrification of home delivery fleet, adoption of low refrigerant emissions, and organic food waste recycling programs</li> <li>Climate and nature scope 3 strategy to reduce value chain emissions delivered through collaboration, education, innovation, investment and advocacy</li> <li>Participation on industry forums (e.g. Climate Leaders Coalition) to support industry capacity towards the transition to a lower carbon future</li> </ul>
<b>Transition – Reputational impacts from varying expectations</b>				
The World Economic Forum's 2024 Global Risk Report considers social polarisation among its top three risks. Given the divergence of customer and stakeholder expectations on climate and nature related issues, there is an increasing need to carefully balance our preparation and response to policy outcomes.	1.5°C	S M	<ul style="list-style-type: none"> <li>Impacts to revenue and investment due to reputational factors</li> <li>Shareholder activism associated with too much or not enough action on key areas (e.g. climate change)</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing engagement with stakeholders, including investors and customers through direct engagement, Voice of Customer survey, team, and supplier channels, to improve sustainability outcomes and continue to meet expectations</li> <li>Partnering across our operations and value chain to identify and drive collective emissions reductions</li> <li>Independent validation and reporting against credible frameworks (e.g. SBTi, RE100)</li> <li>Transparent disclosure of progress outlining an evidence-based approach to our actions, leveraging current information, while being responsive to changes over time</li> </ul>
<b>Transition – Shifting market factors</b>				
Shifting consumer preferences away from non-sustainable products. For example, customer surveys suggest momentum towards products perceived as more sustainable products.	1.5°C	S M	<ul style="list-style-type: none"> <li>Decreased revenues due to reduced demand for products and services perceived as unsustainable</li> <li>Decreased access to new markets and consumers</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing monitoring of trends and customer preferences to understand demand for less carbon intensive products and diverse protein options</li> <li>Supporting customer choice through information in store, online and on pack</li> <li>Providing product mix that supports consumer preferences across sustainability indicators</li> </ul>

## Climate-related opportunities

DESCRIPTION	LIKELY SCENARIO	TIME HORIZON	POTENTIAL IMPACTS	STRATEGIC MITIGATION UNDERWAY
<b>Resource efficiency via investments in technology</b>				
Investing in technology that enhances resource efficiency through optimised energy use, reduced waste, and improved supply chain management.	1.5°C 4.4°C	S M	<ul style="list-style-type: none"> <li>Reduced operational expenditure</li> <li>Improved efficiency, productivity and service levels via streamlined processes</li> <li>Reduced environmental impact</li> </ul>	<ul style="list-style-type: none"> <li>Implementing energy efficiency programs and refrigeration improvements</li> <li>Supporting a circular economy with solutions that enable recyclability of our packaging and reduction of food waste</li> <li>Improved logistics management and electrifying our home delivery fleet</li> <li>Investing in innovative start ups and scale ups through W23 Global, our domestic venture capital fund and global partnership that support sustainability outcomes</li> </ul>
<b>New product value propositions</b>				
Customers increasingly want to understand the environmental and social credentials of products they buy. Sourcing products responsibly and communicating in a way that enables customer choice creates access to new sustainable product markets in line with customer appetite.	1.5°C	M L	<ul style="list-style-type: none"> <li>Increased loyalty and market share catered to meet changing consumer preferences</li> </ul>	<ul style="list-style-type: none"> <li>Delivering healthier more sustainable own brand products as part of our 2025 Plan</li> <li>Enabling customer choice and decision making by communicating in store, online and on pack</li> <li>Providing new products that align to consumer preferences across sustainability indicators</li> </ul>
<b>Access to sustainable finance instruments</b>				
Financial institutions are factoring climate considerations into decision making on capital allocations and pricing, requiring transparent and credible reporting, and alignment to science-based targets.	1.5°C	M L	<ul style="list-style-type: none"> <li>Improved access to capital, and sustainability-linked financing</li> </ul>	<ul style="list-style-type: none"> <li>Leveraging credible independent frameworks, e.g. SBTi validated pathways</li> <li>Developing tangible pathways and reporting progress</li> </ul>

### Key:

**Likely scenario:** 1.5°C 1.5°C (orderly) 4.4°C 4.4°C (hot house)

**Time horizon:** S Short-term (now–2025) M Medium-term (2026–30) L Long-term (2031–50)

For personal use only

For personal use only

## Way forward in F25

In F25 we will deliver our 2025 Plan and progress our next strategic horizon, prioritising areas where we can leverage our unique position to deliver positive impact at scale.

### Governance

- Review governance structures and committee responsibilities to ensure appropriate Board-level oversight of climate and nature-related risks and opportunities as we prepare for ASRS reporting

### Strategy

- Implement our climate and nature scope 3 strategy by:
  - delivering education programs to key internal teams
  - developing transition plans across prioritised scope 3 emissions categories
  - activating our approach to advocacy and leadership
  - developing our supply chain council to partner with suppliers, and continue to expand the value chain emissions program
  - exploring additional investment opportunities in technologies supporting net zero outcomes.

### Risk management

- Integrate ASRS program into Group risk management frameworks and risk registers, including across key business units
- Continue to evolve existing frameworks, policies and practices to align with changes and best practice

### Metrics and targets

- Continuous improvement programs across climate and nature related commitments to support ongoing transparent reporting
- Progress our ASRS program of work including across the metrics and measures pillar to support future reporting requirements

# Managing our risks

To be confident we will achieve our purpose, execute our strategy and grow our business, we need to manage risk effectively across the Group. This includes protecting the value of our assets today but also capitalising on opportunities to deliver growth for tomorrow.

Successfully responding to the rapidly changing external environment, customer expectations and the evolving retail sector requires an agile and effective approach to the identification, assessment and management of risks. Our businesses and platforms, supported by our ways-of-working, take considered, proportionate and well-managed risks necessary to achieve our goals. We are committed to managing risk in a coordinated end-to-end, transparent and constructive manner across all our operations. We are investing in technology, data and AI capabilities to further strengthen our approach.

**We think about risks in the following way:**

- **Strategic** – risks that could impact our ability to deliver our strategic goals.
- **Operational** – risks we manage as part of our daily business activities.
- **Emerging** – risks where the full extent and implications may not yet be fully understood.

Our risk management structure is aligned to the Group operating model, with each business and platform responsible for the identification, assessment and management of their strategic, operational and emerging risks. These include a wide variety of changes and uncertainties that may impact our business, team, customers and partners. By better understanding and preparing for emerging risks we can be confident today and ready for tomorrow.

## Risk appetite statements

Our risk appetite statements annually define the types and level of risk we are willing to accept in pursuit of value creation whilst protecting our assets. They also guide how we manage risks effectively across the Group and helps direct our team in how we manage and grow the business every day.

Each risk appetite statement has a Group Executive sponsor (RAS Lead) who is responsible for determining whether we are meeting our risk objective of confidently operating effectively to Woolworths Group's risk appetite.

## Risk management framework

Our risk management framework, as agreed with the Board, outlines our commitment and approach to ongoing, integrated and consistent risk management across Woolworths Group. We understand the environment we operate in is dynamic, and we continue to adapt our framework accordingly. We do this by listening and learning from our customers, teams and communities.

## Our teams

To support our leader-led approach, we have specialist teams including subject matter experts who have the capabilities and skills to identify, assess, respond and monitor risks. To further embed our risk management approach, we provide training and other learning opportunities to strengthen the risk practices of our team. We equip teams with practical tools and templates that allow them to prepare and respond to risks and opportunities as they arise.

## Our material risks

Our material risks are defined as risks that would have the most significant impact on the Group. Our material risks have not changed when compared with the disclosures contained within the 2023 Annual Report. We have adjusted our risk trajectory with regards to legal, regulatory and compliance to reflect the expected regulatory reform impacting the areas we operate in. Our approach to managing the risks associated with sustainability continues to evolve in line with regulatory and societal expectations. Direct updates on the appropriate management of material risks and key areas of focus are provided to the Group Executive Committee and the Risk Committee on a regular basis. The material risks faced by our Group and the risk management approach to each of them are outlined on [pages 64 to 69](#).

## Risk management oversight

The diagram below sets out an overview of the Group's risk governance and management together with key responsibilities (as it relates to risk) of the Board and Board Committees, the Group Executive Committee, the risk community, Internal Audit and the business leaders. The Group applies a three lines of accountability model approach to managing risk and compliance obligations.

### Risk Leadership

#### THE BOARD OF DIRECTORS

The People, Sustainability, AFC and Board Committees have oversight over the risks that are pertinent to their area

#### RISK COMMITTEE

Sets and communicates expectations for risk management	Monitors risk leadership including commitment to behavioural based risk initiatives	Satisfies itself that Woolworths Group has in place an appropriate risk management framework	Sets risk appetite and provides oversight of material risk exposures and risk-taking	Monitors the effectiveness of Woolworths Group governance practices
--	---	--	--	---

#### GROUP EXECUTIVE COMMITTEE

Sets business direction and resolves significant enterprise risk issues	Provides recommendations to the Board on risk policy, frameworks and risk practices	Manages material risks and reporting on material risk matters	Implements effective risk management in the business units
---	---	---	--

#### THREE LINES OF ACCOUNTABILITY

1 <sup>ST</sup> LINE OF ACCOUNTABILITY	2 <sup>ND</sup> LINE OF ACCOUNTABILITY	3 <sup>RD</sup> LINE OF ACCOUNTABILITY
<p><b>Business</b></p> <p>Owns and manages risk</p>	<p><b>Oversight functions</b></p> <p>Oversees and sets frameworks and standards. Independently monitors and provides analysis and reporting on risks and controls</p>	<p><b>Independent assurance</b></p> <p>Provides independent assurance of frameworks and controls effectiveness</p>
<p>Group businesses Group platforms</p>	<p>Group Risk Enablement People team Group Safety, Health &amp; Wellbeing Group Legal &amp; Compliance Group Finance Group Sustainability</p>	<p>Internal Audit External Audit</p>

## Macro risk factors

Macro risk factors are attributes, characteristics or exposures that increase the likelihood of a material risk occurring. These are closely monitored as they are a cause of many of our material risks, examples include:

### Climate

The material risks impacted by climate include: strategy and transformation; customer; legal, regulatory and governance; product safety; supply chain and operational resilience; and sustainability.

### Cyber

The material risks impacted by cyber include: technology; customer; supply chain and operational resilience; privacy and data management; financial; legal, regulatory and governance; and safety, health and wellbeing.

### Geopolitics

The material risks impacted by geopolitics include: people; safety, health and wellbeing; customer; sustainability; privacy and data management; technology; and supply chain and operational resilience.



## Product safety

**Risk trajectory:** ↔

We consider the safety of our customers to be paramount. Unsafe products may result in injury, harm or illness to our customers. If we are unable to meet the requirements of our product safety frameworks, we will be subject to potential regulatory impacts, claims, and reputational damage.

### Our risk management approach includes:

- clear end-to-end procedures and processes for managing product safety in our supply chain from design, manufacturing, transport, and storage to customer purchase
- ongoing review and monitoring of controls throughout the product lifecycle to confirm compliance with mandatory and internal safety requirements
- using diverse data sources and analytics to identify product safety issues
- dedicated product and food safety teams across the Group who lead our response to customer complaints and the withdrawal or recall of products when required.

**Committee:** B R G

**RAS Lead:** Managing Director, Woolworths Food Company



## Safety, health and wellbeing

**Risk trajectory:** ↔

Our primary focus is on the safety and wellbeing of our team members (including contractors) and customers. This commitment is reflected in our proactive approach to promoting positive work environments, preventing harm, and providing early intervention and support to mitigate risks. Furthermore, we are dedicated to investing in skills development and equipping our team with the necessary expertise to thrive in the evolving retail landscape. Along with physical health and safety, we are committed to managing the risk of psychosocial hazards in the workplace, which could cause harm to our teams' mental health and wellbeing.

### Our risk management approach includes:

- ensuring all leaders are accountable and provide active leadership, along with their teams, for creating a safe and healthy workplace
- utilising a data-driven approach to ensure informed decision-making and proactive risk mitigation
- sustaining significant investments in safety to bolster the execution of our comprehensive safety, health, and wellbeing strategy
- an independently verified safety management system that proactively manages both occupational injury and illness; along with material events that may lead to serious harm
- implementing clearly defined critical controls to manage safety, health, and wellbeing risks, supported by robust internal and independent assurance to assess their effectiveness
- Board, management and business-unit specific health and safety governance to oversee performance
- conducting regular safety, health, and wellbeing training for all team members to equip them with essential skills and knowledge for safe work
- comprehensive wellbeing programs that encompass physical, mental, and emotional support, fostering a safe and supportive workplace
- a dedicated safety, health, and wellbeing team providing technical expertise and support, with specialised focus on managing material risks.

**Committee:** B P G

**RAS Lead:** Chief People Officer





## Pay and entitlements

**Risk trajectory:**

Paying our team correctly is critical to maintaining trust, engagement, reputation, legal compliance, and living our values of caring deeply and doing the right thing. We acknowledge our historical challenges in this area. We remain focused on repaying pay shortfalls, while bolstering our internal processes and governance so we are confident we are paying our team correctly today.

### Our risk management approach includes:

- clear leadership and accountability for our pay confidence program across the Group
- updating workforce management and time and attendance systems, and uplifting supporting processes
- ongoing review, monitoring and uplift of controls across our end-to-end pay processes
- enhancing our implementation processes for new or renewed industrial instruments to confirm appropriate system configuration and supporting processes
- continuing our remediation programs, including making repayments to current and former team members, as required
- a range of governance and oversight mechanisms, including specific management forums and regular reporting.

**Committee:**

**RAS Lead:** Chief People Officer



## People

**Risk trajectory:**

Our team is critical to our success. We must attract, retain, and develop team members with diverse skills, capabilities and backgrounds. We also must maintain a respectful and inclusive work environment, with appropriate processes to address unacceptable team member conduct.

### Our risk management approach includes:

- attracting and retaining a diverse workforce that reflects the communities in which we operate, with clear targets and inclusive hiring programs
- building a Customer 1st, Team 1st culture which aims to provide a sense of safety, belonging and inclusion, including taking deliberate steps to address bullying, harassment and discrimination, giving everyone an equal opportunity for growth and development
- listening to our team members through Voice of Team surveys and other mechanisms to adapt and refine our existing people strategies and continuously improve team experience
- embracing agile and flexible working, including refreshed physical spaces in many of our support offices, recognising a blend of working in offices and virtually
- focused attention on proactive talent management and strategic workforce planning to confirm that we have the skills we need today and for the future
- investment in dedicated people risk management initiatives to understand and build confidence across team-related risks (including pay, talent, conduct, industrial action, data and privacy).

**Committee:**

**RAS Lead:** Chief People Officer

### Key:

- |                             |                           |                          |
|-----------------------------|---------------------------|--------------------------|
| Audit and Finance Committee | Group Executive Committee | Risk Committee           |
| Board                       | People Committee          | Sustainability Committee |

**Risk trajectory:** Increasing Decreasing Stable Evolving

For personal use only






## Sustainability

### Risk trajectory:


Our commitment to sustainability is a core part of living our purpose. By focusing on how we manage our environmental impacts, our contribution to a healthier and more inclusive society, how we source our products, and how we uphold the rights of workers; we will maintain our position as a responsible and trusted retailer. Climate change-related risks such as transition, physical infrastructure, and food security risks could impact our business operations if not managed appropriately. Likewise, risks associated with sustainability disclosure, claims and falling short of stakeholder and societal expectations could impact our brand and reputation.

### Our risk management approach includes:

- monitoring our commitments within our Group Sustainability Plan 2025 and reporting our progress and our challenges to our governance forums to demonstrate that we are accountable, maintaining our leadership intent and effectively integrating sustainability across our businesses and platforms
- annual review of the human rights program, including assessment against key external benchmarks and stakeholder feedback for continuous program improvement and refinement of our controls assessment and modelling of climate change scenarios which feeds into our operational resilience planning and decision making
- reviewing and strengthening our sustainability governance, frameworks and controls with new and emerging sustainability risks and developments.

Committee:   

RAS Lead: Chief Sustainability Officer

 Further detail on our material sustainability-related risks can be found on [pages 42 to 61](#) of this report as well as in our Sustainability Report.



## Privacy and data management

### Risk trajectory:

The misuse of customer and team data has the potential to result in significant brand and reputational damage, individual or operational harm, adverse regulatory outcomes, financial impacts, and loss of customer trust. Quality data is also one of our most important organisational assets which positively impacts how we make investment, strategic, and operational decisions.

### Our risk management approach includes:

- the establishment of a comprehensive set of frameworks and initiatives to manage privacy, data ethics, and data management risk
- regular training, and awareness programs to provide our teams with an understanding of privacy and data management commensurate to their role and responsibilities
- ongoing updates to the Woolworths Group Privacy Centre (including our Privacy Policies and other artefacts) to provide increased transparency to our customers on how we collect, use, share and manage their personal information
- managing data quality, protection risks and compliance regulations in line with our endorsed Group data management policy
- specific business unit Privacy and Data Council forums establish best practices and delivery of work programs relating to privacy and responsible data use
- processes to respond to data or privacy-related incidents or complaints should they occur, including any data breach incidents
- developing our responsible AI framework to support AI (including GenAI) capabilities
- dedicated privacy, data ethics, data owners, data stewards and risk experts embedded across the business to provide specialist support.

Committee:   

RAS Lead: Managing Director, WooliesX and Chief Information Officer & Director, Group Enablement



## Customer

**Risk trajectory:**

Changing customer expectations requires us to continually evolve our business model to meet their needs and preferences, with impacts to brand, reputation and market share if not managed effectively. Our ability to respond to our customers' needs and expectations remains particularly important in the context of ongoing cost-of-living pressures in Australia and New Zealand precipitated by a high (albeit now moderating) inflationary environment and elevated rising interest rates.

### Our risk management approach includes:

- listening and engaging with our customers through a broad range of feedback mechanisms – including Voice of Customer surveys, bespoke and 'always on' customer research, and focus groups – and adopting learnings into new and existing strategies
- sharing qualitative and quantitative customer feedback from our stores, customer hub, and online channels with our teams to improve our customer proposition in our stores and online
- dedicated customer strategy, marketing, loyalty, and insight teams working closely together to monitor trends and developments, both locally and globally, to assist in a cross-functional and holistic response to our customer opportunities and challenges across the Group.

**Committee:**

**RAS Lead:** Chief Transformation Officer



## Technology

**Risk trajectory:**

Our technology footprint continues to evolve in scope, scale and complexity aligned to our business operations, strategic intent and evolving regulatory requirements. Associated with this is the increasing threat of cyber and technology risks which demands that we continue to evolve our capabilities to strengthen operational and data resilience and security.

### Our risk management approach includes:

- continually enhancing our critical technology processes, controls, frameworks and standards supported by appropriate investment in infrastructure, business and security capabilities to provide secure, stable and available platforms
- regular review and monitoring of our information technology infrastructure and applications footprints to assess operational risk and security threats, supported by full incident response and management programs
- replacement of obsolete technology assets and/or keeping our technology assets current
- review and monitoring of critical technology controls, complemented by independent assurance activities to assess their effectiveness
- an ongoing risk management process to assess and monitor third-party technology and cyber security controls
- governance and oversight mechanisms that adapt to the ever-changing threats and regulatory requirements that support decisions and investment towards technology enablement, system availability and information security.

**Committee:**

**RAS Lead:** Chief Information Officer & Director, Group Enablement

### Key:

- |                             |                           |                          |
|-----------------------------|---------------------------|--------------------------|
| Audit and Finance Committee | Group Executive Committee | Risk Committee           |
| Board                       | People Committee          | Sustainability Committee |

**Risk trajectory:** Increasing Decreasing Stable Evolving

For personal use only



## Supply chain and operational resilience

**Risk trajectory:** ↔

Minimising interruption in our international and domestic supply chain means that we are able to maintain the availability of products and services to the customers and communities we serve. This includes understanding the physical impacts of climate change on our assets and operations. Over the past 12 months the resilience of our supply chain has been tested as we responded to extreme weather events and ongoing disruption in global supply chains.

### Our risk management approach includes:

- review and approval of the Group's supply chain strategy and network plans by the Board with capital investment to build network resilience by optimising our distribution and customer fulfillment centres, transport operations, and last-mile deliveries
- business resilience frameworks, standards and tools to provide guidance on how we prevent, prepare for, respond to, and recover from key events
- maintaining our critical infrastructure risk management program to meet our requirements under the Security of Critical Infrastructure Act
- monitoring and responding to key events that threaten the continuity of our operations through crisis and disruption management teams and protocols
- working closely with our supply chain and transport partners to respond to changes in our environment internally and externally, including the impacts of climate change
- forward-looking scenario and business continuity planning to manage the flow and distribution of product and maintain operations for natural disasters and other business disruption events.

**Committee:** B G

**RAS Lead:** Managing Director, Primary Connect & Chief Supply Chain Officer



## Financial

**Risk trajectory:** ↔

We are committed to providing accurate, timely and transparent financial disclosures whilst strengthening and optimising our financial performance. We are exposed to adverse movements in foreign exchange, interest and inflation rates that could impact profitability and the availability of liquidity. Liquidity management, including making timely payments to team and suppliers, is an important operational requirement and necessary to support growth initiatives.

### Our risk management approach includes:

- managing specific treasury risks, interest rates, foreign currency, and counterparty risks in line with our Treasury Policy
- regular monitoring of financial performance, including key performance metrics, and revision to short-term and longer-term financial targets to incorporate changes to the external market. Results are subject to external audits
- conducting sensitivity analysis and scenario planning to assess the adequacy of our funding and long-term liquidity position, including our ability to deliver strategic initiatives
- establishing dedicated cross-functional working groups to monitor and respond to areas of emerging risk. For example, the impact of inflationary pressures
- ongoing monitoring of new accounting, financial and tax regulations and implementing required changes to enable compliance
- an insurance program that protects us against accidents, natural disasters, and other events. We have a range of externally placed insurance policies and self-insured programs which we monitor to help us manage our risk exposure. We consider our insurance program to be sufficient in the context of the nature and scale of our business.

**Committee:** B A G

**RAS Lead:** Chief Financial Officer



## Strategy and transformation

Risk trajectory:

We aspire to create better Everyday Retail experiences for our customers, teams, communities, and other stakeholders. Our Group businesses and platforms come together to deliver on our purpose and strategic objectives in a competitive and dynamic retail environment. Failure to execute our strategy may impact our ability to remain competitive and deliver our growth plans. As such, we manage strategy and transformation risks by working with agility and end-to-end as one team.

### Our risk management approach includes:

- dedicated strategy teams, transformation teams and change management capabilities that partner with the business to assist with evaluating and mitigating the impact of continued and significant change on our operations and our team
- considering risks in the operational and strategic planning rhythms, quarterly delivery cycles, and through our M&A activities. Review and approval of our strategies by the Board and regular updates on progress against agreed metrics
- consideration of risks when developing significant projects through our project risk framework
- assigning lead accountability of strategic objectives to key management in the annual strategy and quarterly delivery cycles
- key management and governance forums to review and analyse key metrics and trends with regards to customer feedback, customer buying patterns, supplier metrics, team results, the competitive landscape, regulatory changes, future sales propositions, promotions, and marketing activities to monitor and adjust priorities.

Committee:

RAS Lead: Chief Transformation Officer



## Legal, regulatory and governance

Risk trajectory:

We are subject to a wide range of legal and regulatory obligations, including in relation to health and safety, product safety, employment, competition and consumer, financial services, privacy and corporate and governance regulation. Failure to comply with any legal and regulatory requirements could negatively impact our team, customers, operations, shareholders and reputation, and expose the Group to investigations, litigation or prosecution which may adversely impact our financial performance and licence to operate.

### Our risk management approach includes:

- dedicated legal compliance and risk teams who partner with our wholly and majority owned businesses and other operations to advise on and monitor legal, regulatory, and public policy changes and issues
- our Code of Conduct which provides clear guidance to all of the Woolworths Group team on our compliance and behavioural expectations, and includes a clear statement of our core values
- having a regulatory compliance risk framework, business-specific operational compliance plans, and assurance programs, which support effective operations, complemented by the ongoing consideration of emerging or changing regulatory impact
- our ethics reporting service (Speak Up), which encompasses a formal whistleblowing process through which we actively encourage current and former team members, suppliers, and their families to report, anonymously or otherwise, any wrongdoing or breaches of the law
- new starter and annual compliance training programs which are required to be completed by all team members.

Committee:

RAS Lead: Chief Legal Officer

### Key:

- |                             |                           |                          |
|-----------------------------|---------------------------|--------------------------|
| Audit and Finance Committee | Group Executive Committee | Risk Committee           |
| Board                       | People Committee          | Sustainability Committee |

Risk trajectory: Increasing Decreasing Stable Evolving

For personal use only

# Governance

Our purpose of creating better experiences together for a better tomorrow guides us to better meet the needs of our customers, teams, shareholders, and other key stakeholders. Woolworths Group is committed to a high standard of corporate governance. Good governance goes beyond legal compliance; we see it as central to our approach to creating sustainable growth and enhancing long-term shareholder value.

The Board program is formulated each year to achieve an appropriate balance between governance and oversight, continuous learning focused on relevant industry developments, awareness of emerging risks, and market conditions. The program comprises formal meetings, business briefings, presentations from internal and external specialists and advisors, site visits, engagement with team, and meetings with key stakeholders.

Board meetings are structured to balance recurring items, such as strategy, team, customer and community, business performance, financial and other reporting, sustainability, financial and non-financial risks, legal, regulatory, government and policy developments, with other material matters arising from time to time. The Board actively monitors performance against our strategic priorities, our purpose and our values.

The Board Committees have an annual program of deep dives, with 15 topics considered across F24.

Business engagement beyond formal meetings included site visits in various locations across the UK and Europe, the east coast of Australia and the South Island of New Zealand.

Woolworths Group has also followed each of the recommendations of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (4th edition) throughout the reporting period. Further details of the key corporate governance policies and practices of Woolworths Group during the year are set out in the Corporate Governance Statement, which is available on the Woolworths Group website: [www.woolworthsgroup.com.au](http://www.woolworthsgroup.com.au).

The members of the Board of Directors and the current composition of the Board Committees are set out in the Board of Directors section.

➔ Further information about their skills and experience is set out on [pages 71 to 74](#).





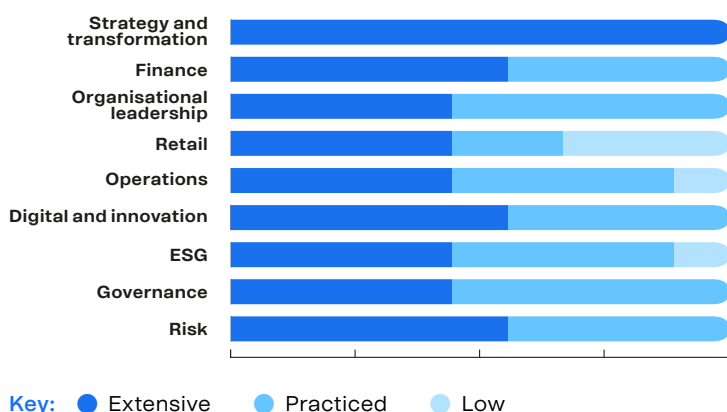
## Board capability, composition and tenure

The Board is composed of a majority of independent non-executive directors with the skills and capabilities to fulfil their duty to act in the best interests of Woolworths Group. The effective application of those skills and capabilities enables the Board's contribution to the decision making and governance of the Group. The Board is comprised of individuals with both relevant skills and capabilities, and diversity of thinking. When combined with management, this leads to Woolworths Group fulfilling its potential through living its purpose, observing its values and executing on its strategy.

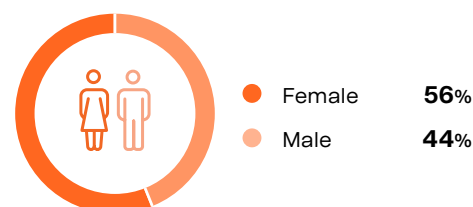
As part of the ongoing succession planning for the Board, the Nomination Committee reviewed the Board capability matrix, which took into consideration the skills and capabilities that the Board currently requires, together with those needed in the future. An assessment of the optimum mix of these capabilities takes place at least once a year. This also informs the identification and assessment of suitable future candidates for the Board.

A summary of the key skills and capabilities of directors is set out below:

### Capability



### Board gender diversity



### Board tenure



**Strategy and Transformation:** Identifying and critically assessing strategic opportunities and threats and associated business plans; overseeing successful transformation execution in large, complex organisations to create sustained, resilient business outcomes.

**Finance:** Effective oversight of capital, financial accounting and corporate reporting, including understanding key business financial drivers and the ability to evaluate the adequacies of internal financial controls and systems.

**Organisational leadership (including people):** Developing and assessing organisational structures and culture and its adherence to the Woolworths Group core values; people management and succession planning; setting strategy-linked remuneration frameworks; and promoting inclusion and belonging.

**Retail:** Implementing customer-led transformation in the food, drinks or general merchandise sectors in large complex organisations, including global experience.

**Operations (including supply chain and property):** Overseeing physical and digital operations in large, complex organisations.

**Digital and Innovation:** Evaluating and implementing new digital and physical technologies, including in-depth understanding of the use of data and data analytics to continue to accelerate business transformation and meet evolving customer needs and expectations.

**ESG:** Developing and overseeing environmental sustainability and governance initiatives and strategies, including climate change, nature, carbon emissions reduction, human rights and responsible sourcing.

**Governance (including regulatory and public policy):** Identifying and managing governance, legal, regulatory, public policy and corporate affairs issues, including experience working or interacting with government and regulators.

**Risk:** Anticipating, identifying and managing key risks, including financial, non-financial and emerging risks; monitoring the appropriateness and effectiveness of risk management frameworks and controls.

For personal use only

# Board of Directors



**Scott Perkins**

BCom, LLB (Hons)

INDEPENDENT CHAIR

**Background and experience:** Scott is an experienced public company director and has extensive Australian and international experience as a leading corporate advisor on strategy, mergers and acquisitions, and capital market matters. He held senior executive leadership positions at Deutsche Bank from 1999 to 2013, including Managing Director and Head of Corporate Finance for Australia and New Zealand, membership of the Asia Pacific Corporate and Investment Bank Management Committee and Chief Executive Officer of Deutsche Bank New Zealand.

**Committees:** A R P S N

**Other roles:** Chair of Origin Energy since October 2020 (Director since September 2015) and Director of Brambles (since June 2015).

**Appointed Chair:** 26 October 2022

**Appointed Director:** 1 September 2014



**Brad Banducci**

MBA, LLB, BComm (Acc)

MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER

**Background and experience:** Brad was appointed Managing Director and Chief Executive Officer in February 2016. Prior to this appointment, Brad was Managing Director of Woolworths Food Group from March 2015, and was Director of the Group's Drinks business between 2012 and 2015. Brad joined the Group in 2011 following the acquisition of the Cellarmasters Group, where he was Chief Executive Officer of Cellarmasters from 2007 to 2011. Prior to this, he was the Chief Financial Officer and Director at Tyro Payments and a Vice President and Director with The Boston Consulting Group, where he was a core member of their retail practice for 15 years.

**Appointed:** 26 February 2016



**Warwick Bray**

BSc (Hons), MBA

INDEPENDENT NON-EXECUTIVE DIRECTOR

**Background and experience:** Warwick has extensive finance and strategy expertise, bringing decades of experience from the international telecommunications, technology and media sectors. He was the former Chief Financial Officer of Telstra, and held various senior roles at Telstra, including Group Managing Director Mobile and Wireline Products, and Executive Director, Head of Corporate Strategy. Earlier in his career he was a Partner with McKinsey in Europe and was Managing Director and Head of Telecommunications Equity Research with JP Morgan and Dresdner Kleinwort Wasserstein.

**Committees:** A R N

**Other roles:** Non-executive director of Spark New Zealand Limited since 2019.

**Appointed:** 1 March 2023

## Key:



Audit and Finance Committee



Risk Committee



People Committee



Sustainability Committee



Nomination Committee



Denotes Chair of Board/Committee



**Committees:** A R P N**Maxine Brenner**

BA, LLB

INDEPENDENT NON-EXECUTIVE DIRECTOR

**Background and experience:** Maxine has extensive corporate advisory experience, particularly in mergers and acquisitions and corporate restructures. She is a former Managing Director of Investment Banking at Investec Bank Limited Australia. She also practised as a corporate lawyer with Freehill Hollingdale & Page (now Herbert Smith Freehills) and spent several years as a lecturer in the Faculty of Law at both the University of NSW and the University of Sydney. She was previously a Director of Orica Limited (April 2013 to December 2022), Growthpoint Properties Australia Limited (March 2012 to November 2020) and Qantas Airways Limited (August 2013 to February 2024).

**Other roles:** Origin Energy (since November 2013), Telstra Group Limited (since February 2023) and a member of the University of NSW Council.

**Appointed:** 1 December 2020

**Committees:** R S N**Jennifer Carr-Smith**

BA Economics, MBA

INDEPENDENT NON-EXECUTIVE DIRECTOR

**Background and experience:** Jennifer is a seasoned board director and online retail executive with experience across organisations undergoing rapid growth and transformation in a number of sectors, including consumer packaged goods, apparel and grocery. Jennifer has over 25 years of experience with diverse organisations from start-ups to large global companies. She has previously held roles as Senior Vice President, General Manager of North America Local at Groupon, President and CEO of Peapod, an online grocery delivery service and director of Full Harvest (January 2020 to December 2022), and Chair of Blue Apron.

**Other roles:** Director of Local Bounty Corporation (since April 2023) and Perdue Farms (since February 2019).

**Appointed:** 17 May 2019

**Committees:** A R N**Philip Chronican**

BCom (Hons), MBA (Dist), GAICD, SF Fin

INDEPENDENT NON-EXECUTIVE DIRECTOR

**Background and experience:** Philip has extensive strategic, financial and management expertise. He was responsible for the Retail and Commercial business of the Australia and New Zealand Banking Group Limited (ANZ) in Australia. Prior to joining ANZ, Mr Chronican had a long career at Westpac Banking Corporation (Westpac), including the roles of Group CFO of Westpac and Group Executive of its institutional business consecutively. He also served as NAB Interim Group CEO from March to November 2019. Philip also has broad experience in M&A activity and post-merger integration, and has taken an active and public role in advocating for greater transparency and ethics in banking and promoting workforce diversity.

**Other roles:** Chair of NAB since November 2019 (Director since May 2016).

**Appointed:** 1 October 2021

## Board of Directors

**Tracey Fellows**

BEC

INDEPENDENT NON-EXECUTIVE DIRECTOR

**Background and experience:** Tracey is an experienced global technology and digital media executive. She was previously President of Global Digital Real Estate for News Corp, responsible for driving the strategy and growth of News Corp's digital real estate interests, and Chief Executive Officer of REA Group for over four years leading its growth within Australia and expansion into southeast Asia and India. Prior to this, Tracey was Executive General Manager of Australia Post leading transformation and integration for delivery of physical and digital mail for customers, President of Microsoft Asia Pacific, and CEO of Microsoft Australia.

**Committees:** P S N

**Other roles:** Director of REA Group Ltd (since August 2014) and Hemnet Group AB (since November 2020).

**Appointed:** 1 March 2023

**Holly Kramer**

BA (Hons), MBA

INDEPENDENT NON-EXECUTIVE DIRECTOR

**Background and experience:** Holly is an experienced director and chief executive with extensive experience in retail and consumer markets across a range of industries. She is the former CEO of Australian retailer, Best & Less and has more than 25 years of experience in general management, marketing and sales, including roles at the Ford Motor Company (in the US and Australia), Telstra Corporation and Pacific Brands. Holly was previously Deputy Chair of Australia Post, Chair of Lendi Group, and Director of Endeavour Group Limited (June 2021 to 30 August 2023). Holly was also a Director of Abacus Property Group (2018 to November 2022), AMP Limited, former director of the Goodes-O'Loughlin Foundation and former Pro Chancellor of Western Sydney University. In her role as Chair of the Board Sustainability Committee, Holly is engaged with numerous sustainability activities. Holly is a director of agtech start-up Nbryo Pty Ltd and a Senior Advisor to climate investment firm Pollination.

**Committees:** P S N

**Other roles:** Director of Fonterra Co-operative Group Limited (since May 2020), ANZ Group Holdings Limited (since 1 August 2023), President of the Commonwealth Remuneration Tribunal (June 2024) and Chair of the Susan McKinnon Foundation Advisory Board (2024).

**Appointed:** 8 February 2016

**Kathryn (Kathee) Tesija**

BSRMM (Fashion Merchandising)

INDEPENDENT NON-EXECUTIVE DIRECTOR

**Background and experience:** Kathee has extensive retailing experience in the US market, particularly in merchandising and supply chain management. During a 30-year executive career with Target Corporation in the US, she served as Chief Merchandising and Supply Chain Officer and Executive Vice President. Kathee continued her involvement in Target as a Strategic Advisor until 2016. Ms Tesija was previously a Director of Verizon Communications, Inc.

**Committees:** P S N

**Other roles:** Director of the Clorox Company (since May 2020) and a senior advisor and consultant for Simpartful, a retail consulting agency in the US.

**Appointed:** 9 May 2016

**Key:**

Audit and Finance Committee



Risk Committee



People Committee



Sustainability Committee



Nomination Committee



Denotes Chair of Board/Committee

# Group Executive Committee



**Brad Banducci** MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER

Brad was appointed Managing Director of Woolworths Food Group in March 2015 and Managing Director and Chief Executive Officer of Woolworths Group in February 2016. Prior to this, Brad was Director of the Group's Liquor business. Brad joined Woolworths Group in 2011 after the acquisition of the Cellarmasters Group where he was Chief Executive Officer from 2007 to 2011.



**Amanda Bardwell** MANAGING DIRECTOR, WOOLIESX,  
MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER - ELECT

Amanda was appointed Managing Director of WooliesX in May 2017. Amanda joined Woolworths Group in 2001 and has held a number of roles across both the Supermarket and Drinks businesses. Amanda holds an MBA from the University of New South Wales and a Bachelor of Business from the University of Technology Queensland and is a member of Chief Executive Women.



**Guy Brent** MANAGING DIRECTOR, WOOLWORTHS FOOD COMPANY

Guy was appointed Managing Director, The Woolworths Food Company, in 2019. Prior to this, Guy was Director of BWS. Guy joined Woolworths Group in April 2011 after the acquisition of the Cellarmasters Group. Guy is a Chartered Accountant and has a BSC from the University of Bristol. Guy is also a Non-executive Director of OzHarvest.



**Jane Danziger** CHIEF TRANSFORMATION OFFICER

Jane was appointed Chief Transformation Officer in December 2022. Prior to joining Woolworths Group, Jane was a Partner and Managing Director at the Boston Consulting Group. Jane holds an MBA from Harvard Business School and a Bachelor of Engineering (Chemical) from the University of Sydney. Jane is also a member of Chief Executive Women.



**Natalie Davis** MANAGING DIRECTOR, WOOLWORTHS SUPERMARKETS

Natalie was appointed Managing Director of Woolworths Supermarkets in October 2020. Prior to this, Natalie was Managing Director, Woolworths New Zealand. Natalie joined the Group in 2015 as Director of Customer Transformation, Food Group. Prior to this, Natalie was a partner at McKinsey & Co. Natalie holds an MBA from INSEAD and a Bachelor of Commerce and Law degrees from the University of Sydney. Natalie is also a member of Chief Executive Women.



**Dan Hake** MANAGING DIRECTOR, BIG W

Dan was appointed Managing Director of BIG W in November 2022. Prior to this, he held a number of senior roles within Woolworths Supermarkets and WooliesX, having joined the Group from the Boston Consulting Group. Dan holds a Master of Management Science from the Vienna University of Business and Economics.

## Group Executive Committee



**Stephen Harrison** CHIEF FINANCIAL OFFICER

Stephen was appointed Chief Financial Officer in August 2019. Prior to his appointment, Stephen held the role of Finance Director for Australian Food from 2015. Prior to this, Stephen worked for a number of leading FMCG businesses in Australia and New Zealand and holds a Bachelor of Economics, Accounting and Finance from Macquarie University and is a Chartered Accountant.



**Andrew Hicks** CHIEF MARKETING OFFICER

Andrew was appointed Chief Marketing Officer in June 2019. Andrew joined Woolworths Group in 2008 and has held a number of leadership roles within the Food and Drinks businesses. Andrew has a Bachelor of Social Science and Marketing Honours degrees from the University of KwaZulu-Natal.



**John Hunt** CHIEF INFORMATION AND REPLENISHMENT OFFICER

John was appointed Chief Information and Replenishment Officer in September 2021. An experienced retailer, prior to joining Woolworths Group in 2017 as Chief Information Officer, John spent over 25 years at Woolworths Holdings, South Africa, holding a number of senior positions including Senior Executive Replenishment Officer and Chief Information Officer.



**Von Ingram** MANAGING DIRECTOR, W LIVING

Von was appointed Managing Director, W Living in September 2022. Von joined Woolworths Group in July 2018 as Chief Transformation Officer. Prior to this, Von was Managing Director and Partner at The Boston Consulting Group. Von holds an MBA from Melbourne Business School and a Bachelor of Commerce from the University of Western Australia.



**Annette Karantoni** CHIEF SUPPLY CHAIN OFFICER AND MANAGING DIRECTOR, PRIMARY CONNECT

Annette was appointed Chief Supply Chain Officer and Managing Director of Primary Connect in February 2022. Prior to this, Annette was Director of the B2C eCommerce business within WooliesX and has held a number of leadership roles across the Group.



**Caryn Katsikogianis** CHIEF PEOPLE OFFICER

Caryn was appointed Chief People Officer in November 2016. Prior to this, Caryn held a number of leadership roles within HR across the Group. Caryn holds a Bachelor of Commerce degree from the University of South Africa and is a member of Chief Executive Women.



**Jaimie Lovell** DIRECTOR OF GOVERNMENT RELATIONS AND INDUSTRY AFFAIRS

Jaimie was appointed Director of Government Relations and Industry Affairs in March 2023. Prior to joining the Group, Jaimie was at Westpac Group as the Head of Government Affairs and Public Policy. In addition to her corporate, industry and government experience, Jaimie holds a Ph.D. from the University of Sydney and is a graduate of the AICD.

**Amitabh Mall** CHIEF ANALYTICS OFFICER AND MANAGING DIRECTOR, WIQ

Amitabh was appointed Chief Analytics Officer in July 2021 and is the Managing Director of wiq. Prior to joining the Group, Amitabh was a Senior Partner & Managing Director at Boston Consulting Group. Amitabh holds an MBA from the Indian Institute of Management, Bangalore and a Bachelor of Commerce from Osmania University.

**Rob McCartney** MANAGING DIRECTOR, WOOLWORTHS 360

Rob was appointed Managing Director of Woolworths 360 in July 2020. Prior to this, Rob held the role of Format Development Director for Australian Food. Rob is an experienced retailer and has held a number of leadership roles within 7-Eleven, Coles and Target prior to joining Woolworths Group in 2015.

**Bill Reid** CHIEF LEGAL OFFICER

Bill joined Woolworths as Chief Legal Officer in October 2019. Prior to his appointment, Bill was a senior partner at Ashurst, leading the firm's Competition team. Bill holds an MBA from Melbourne Business School and a Bachelor of Laws from the University of Adelaide.

**Carly Richards** CHIEF RISK OFFICER

Carly was appointed Chief Risk Officer of Woolworths Group in November 2023. Prior to this, Carly held the role of GM Risk Enablement and Compliance working in partnership to operationalise the Risk Transformation strategy for the Group. Carly has over 30 years of retail risk experience and worked for a number of organisations both locally and overseas including Argos, Target Australia and KPMG.

**Spencer Sonn** MANAGING DIRECTOR, WOOLWORTHS NEW ZEALAND

Spencer was appointed Managing Director, Woolworths New Zealand in March 2021. Prior to this, Spencer held the role of Managing Director, Food at Woolworths Holdings Limited, South Africa. Spencer completed the General Management Program at Harvard Business School in 2015.

### Notes:

- **David Walker** ceased as Chief Risk Officer effective 1 March 2024
- **Alex Holt** ceased as Chief Sustainability Officer effective 1 May 2024
- **Simon Lowden** was appointed Chief Sustainability Officer effective 1 July 2024
- **Amanda Bardwell** was appointed Managing Director and Chief Executive Officer effective 1 September 2024

## Directors' Statutory Report

This is the report of the directors of Woolworths Group Limited (the Company) in respect of the Company and the entities it controlled at the end of, or during, the financial period ended 30 June 2024 (together referred to as the Group).

### Principal activities

The Group operates primarily in Australia and New Zealand, with 1,734 stores (F23: 1,463 stores) and approximately 201,000 employees at year-end. The principal activities of the Group during the year were as follows:

- **Australian Food:** procurement of food and related products for resale and provision of services to retail customers in Australia, operating 1,111 Woolworths Supermarkets and Metro.
- **Australian B2B:** procurement and distribution of food and related products for resale to other businesses and provision of supply chain services to business customers in Australia.
- **New Zealand Food:** procurement of food and drinks for resale and provision of services to retail customers in New Zealand, operating 188 Woolworths Supermarkets.
- **BIG W and Petstock:** procurement of specialty retail products for resale to customers in Australia, operating 178 BIG W stores and 257 Petstock retail stores.
- The Group also has online operations for its primary trading divisions, including data analytics and consulting services.

The Group has a wholesale operation which supplies a further 324 wholesale customer stores, comprising 220 stores relating to Statewide Independent Wholesalers (SIW), 74 stores relating to SuperValue and FreshChoice in New Zealand and 30 stores relating to Petstock Franchise.

### Meetings of directors

The table below sets out the directors of the Company and their attendance at Board and Committee meetings during the financial period ended 30 June 2024.

DIRECTOR	BOARD MEETINGS		AUDIT & FINANCE COMMITTEE		PEOPLE COMMITTEE		RISK COMMITTEE		SUSTAINABILITY COMMITTEE		NOMINATION COMMITTEE	
	(A)	(B)	(A)	(B)	(A)	(B)	(A)	(B)	(A)	(B)	(A)	(B)
Non-executive Directors												
S Perkins	10	10	4	4	5	5	3	3	3	3	4	4
W Bray <sup>1</sup>	10	10	4	4	-	-	2	2	-	-	4	4
M Brenner	10	10	4	4	5	5	3	3	-	-	4	4
J Carr-Smith	10	10	-	-	-	-	3	3	3	3	4	4
P Chronican	10	10	4	4	-	-	3	3	-	-	4	4
T Fellows <sup>2</sup>	10	10	-	-	5	5	-	-	2	2	4	4
H Kramer <sup>3</sup>	10	10	-	-	3	3	1	1	3	3	4	4
K Tesija	10	10	-	-	5	5	-	-	3	3	4	4
Executive Director												
B Banducci	10	10	-	-	-	-	-	-	-	-	-	-

(A) Number of scheduled meetings held during the time the director was a member of the Board or Board Committee.

(B) Number of scheduled Board or Committee meetings that the director attended as a member.

1 Warwick Bray replaced Holly Kramer as a member of the Risk Committee on 1 September 2023.

2 Tracey Fellows was appointed as a member of the Sustainability Committee on 1 September 2023.

3 Holly Kramer was appointed as a member of the People Committee on 1 September 2023.

Directors may attend meetings of Committees of which they are not a member. This is not reflected in the attendance table above.

Details of director experience, qualifications, and other listed company directorships are set out on [pages 71 to 73](#).

### Company secretaries

Kate Eastoe and Michelle Hall were appointed as Company Secretaries in November 2020 and Dom Millgate was appointed from 24 June 2024. Together, Ms Eastoe (until 24 June 2024), Mr Millgate and Ms Hall were Company Secretaries of the Board and its Committees.

Dom Millgate was appointed Group Company Secretary on 24 June 2024, having been Governance Counsel for Woolworths Group Limited since 2022. He has over 20 years' experience in senior legal and governance roles including ASX-listed groups with global operations, spanning retail, financial services, manufacturing and construction industries. Mr Millgate holds a Bachelor of Finance, Bachelor of Laws and Master of Laws, and is a Fellow of the Governance Institute of Australia.

Ms Hall has over 15 years' experience in legal, governance and compliance roles, including as company secretary of a number of ASX listed entities across financial services, property and retail industries. Ms Hall holds a Bachelor of Business, a Bachelor of Laws, and Graduate Diplomas in Legal Practice and Applied Corporate Governance. She is a Fellow of the Governance Institute of Australia.

## Environmental regulation

The Group's operations are subject to a range of environmental regulations under the law of the Commonwealth of Australia and its states and territories. The Group is also subject to various state and local government food licensing requirements, and may be subject to environmental and town planning regulations incidental to the development of shopping centre sites. The Group has not incurred any significant liabilities under any environmental legislation.

## Directors' and officers' indemnity/insurance

- (i) The Constitution of the Company provides that the Company will indemnify to the maximum extent permitted by law, any current or former director, secretary or other officer of the Company or a wholly owned subsidiary of the Company against:
  - (a) Any liability incurred by the person in that capacity (except a liability for legal costs);
  - (b) Legal costs incurred in defending or resisting, or otherwise in connection with proceedings, whether civil, criminal or of an administrative or investigatory nature in which the person becomes involved because of that capacity; and
  - (c) Legal costs incurred in good faith in obtaining legal advice on issues relevant to the performance of their functions and discharge of their duties as an officer of the Company or a wholly owned subsidiary, if the expenditure has been approved in accordance with the Company's policy.
- (ii) Directors and officers of Woolworths Group Limited and certain subsidiaries have entered into a Deed of Access, Insurance and Indemnity that provides for indemnity against liability as a director or officer, except to the extent of indemnity under an insurance policy or where prohibited by statute. The Deed also entitles the director or officer to access company documents and records, subject to undertakings as to confidentiality, and to receive directors' and officers' insurance cover paid for by the Company.
- (iii) During or since the end of the financial period, the Company has paid or agreed to pay a premium in respect of a contract of insurance insuring directors and officers, and any persons who will insure these in the future, and employees of the Company and its subsidiaries, against certain liabilities incurred in that capacity. Disclosure of the total amount of the premiums and the nature of the liabilities in respect of such insurance is prohibited by the contract of insurance.

## Non-audit services

During the period, Deloitte Touche Tohmatsu Australia, the Company's auditor, has performed certain other services in addition to their statutory duties. The Board is satisfied that the provision of those non-audit services during the period by the auditor is compatible with, and did not compromise, the auditor independence requirements of the *Corporations Act 2001* (Cth) or as set out in Code of Conduct APES 110 *Code of Ethics for Professional Accountants* issued by the Accounting Professional & Ethical Standards Board, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the Company, acting as an advocate for the Company or jointly sharing risks or rewards.

Details of amounts paid or payable to the auditor for non-audit services provided during the year by the auditor are outlined in Note 6.4 to the financial statements.

## Other information

The following information, contained in other sections of this Annual Report, forms part of this Directors' Report:

- Operating and Financial Review (Performance Highlights and Business Review) details on [pages 2 to 69](#) inclusive in the Annual Report.
- Details of dividends, including the Dividend Reinvestment Plan (DRP) and shares issued as a result of the DRP, as outlined in Note 4.2 and Note 4.3 to the financial statements.
- Matters subsequent to the end of the financial period as outlined in Note 6.5 to the financial statements.
- Directors' interests in shares and performance rights as set out in Sections 5.2 and 5.3 of the Remuneration Report. These remain unchanged as at 28 August 2024.
- Performance rights granted during the financial period as outlined in Note 6.2 to the financial statements.
- Remuneration Report from [pages 80 to 103](#).
- Auditor's Independence Declaration on [page 104](#).

This Report is made in accordance with a Resolution of the Directors of the Company and is dated 28 August 2024.

**Scott Perkins**  
Chair

**Brad Banducci**  
Managing Director and Chief Executive Officer

# Remuneration Report



## Remuneration Report contents

1	<b>F24 Remuneration at a glance</b>	82
2	<b>Executive KMP remuneration</b>	85
3	<b>Governance</b>	94
4	<b>Non-executive directors' arrangements</b>	98
5	<b>KMP statutory disclosures</b>	99

## Dear shareholders,

On behalf of the Board, I present our Remuneration Report for F24.

During the year the Group and our customers faced challenging economic conditions. We are acutely aware of the cost-of-living pressures on our customers and are determined to deliver trusted value for our customers to meet their everyday retail needs.

The remuneration outcomes for all executive KMP for F24 are significantly below F23 which we believe appropriately balances the experience of our customers and shareholders with the contribution of our executive team.

Despite the challenging operating environment, we have continued to make progress on our strategic agenda by strengthening our retail platforms, including advanced analytics, digital and media, eCommerce, loyalty and supply chain.

### F24 Remuneration Framework

Our remuneration framework is based on market competitive fixed remuneration, a balanced scorecard with an individual performance modifier for short-term incentive (STI) to drive improvement across customer, team, financial and operating performance; and a long-term incentive (LTI) that aligns pay with sustained value creation, strengthening the Group's reputation and shareholder returns. The Board retains discretion over all STI and LTI outcomes.

### F24 Reward Outcome: STI

The STI scorecard outcome for F24 was 34.2% of maximum.

Sales performance met Entry but was below Target as inflation moderated through H2 and discretionary consumption levels reduced. Despite earnings growth generated in H1, the EBIT metric was below Entry, reflecting softer trading conditions, higher operating costs and a significant reduction in earnings in New Zealand Food and BIG W as we invested in price and saw the impacts of reduction in customer spending. Working Capital Days achieved Stretch performance supported by improved inventory flow and underlying trade payables.

The Customer Satisfaction metric was below Entry as cost-of-living pressures negatively impacted perceived value for money and weather-related supply chain disruptions created challenges in product availability. Significant public and political scrutiny on the Group and the grocery sector overall also impacted customer sentiment during the period.

The overall Safety metric achieved an outcome between Entry and Target. While more severe injuries have reduced relative to F23, Total Recordable Injury Frequency Rate (TRIFR) was below Entry mainly due to an increase in manual handling injuries. Severity Rate was just below Target which reflects ongoing improvements in safety reporting.

### F24 Reward Outcome: LTI

There was no vesting under the F22–24 Woolworths Group Incentive Share Plan (WISP). Performance did not meet Entry for each of the three metrics – Relative Total Shareholder Return (rTSR), Return on Funds Employed (ROFE) and Reputation.

rTSR was below the median of the peer group, due to a decline in share price over the performance period. ROFE outcomes reflect F24 EBIT performance below expectations despite strong cumulative earnings growth over the three-year LTI period. Reputation declined in H2 impacted by cost-of-living pressures and ongoing media attention.

### F23 Strike on the Remuneration Report

At the 2023 Annual General Meeting (AGM), following the two tragic fatalities, we received a first strike when just over 28% of shareholders voted against our F23 Remuneration Report.

We have since spent time with many of our shareholders to understand their concerns and reflect on their feedback. We acknowledge the concerns of some of our shareholders that the STI Safety metric was focused on Severity Rate without a fatality gateway and the discretionary 10% point reduction, applied as the first of a two-step process to F23 STI outcomes was considered insufficient.

In response, during F24 the Board introduced a fatality gateway to the



overall Safety metric and refined the F24 STI Safety metric to re-introduce TRIFR in addition to Severity Rate performance. These adjustments further emphasise the importance of safety as a foundational objective in our organisation and seek to drive a high safety benchmark for the Group.

As announced at the 2023 AGM, we will consider whether any further adjustment to F23 STI outcomes is appropriate once all relevant regulatory investigations are complete. We anticipate both regulatory investigations will be completed by the end of F25. Following that, the Board will consider the implications of any findings and may exercise further discretion to adjust or withhold some or all of the deferred F23 STI still outstanding, if appropriate.

### F25 Outlook

During F24, the Board reviewed the remuneration framework to test its ongoing effectiveness in supporting the Group's strategy. The review found

that while the framework remains fit for purpose, there was an opportunity to evolve our remuneration principles to better align with the objectives of the Group today. Changes in F25 are set out in full in Section 2.4.

For F25, we have introduced a leading indicator in our Safety STI metric being High Potential Learning Events (HiPo). This metric is designed to uplift the learning culture in the organisation and embed our commitment to continuous safety improvement. Following any incident that has the potential to cause serious or fatal harm, there is a requirement, which will be tracked in the metric, to conduct root cause analysis, discussion and reflections on learnings. These learnings will then be disseminated across the Group in an effort to be more proactive in understanding and preventing serious incidents from occurring.

Additionally, we are expanding the LTI rTSR peer group to reflect ASX 100 constituents to provide a more

balanced reflection of the market in assessing performance without being skewed to any particular industry.

After reviewing the executive remuneration arrangements compared to the market, the Board approved an adjustment to Mr Harrison's fixed remuneration, to move him closer to the market median. Effective 1 September 2024, Mr Harrison's total fixed remuneration will increase to \$1.15 million.

There are no changes to NED fees proposed for F25.

### CEO Succession

I'd like to thank Brad personally for his great leadership of the Group over the past eight and a half years as Managing Director and CEO, and for the significant contribution in making the Woolworths Group a truly purpose-led retailer.

After an extensive international search process, we were pleased to announce Amanda Bardwell as Brad's successor, with Amanda commencing as CEO on 1 September 2024. Amanda's remuneration arrangements as CEO were determined by the Board with consideration to external benchmarks and her individual skills and experience.

### In Summary

The Board is committed to supporting remuneration outcomes that appropriately drive and reflect the underlying performance of our businesses and the experience of our shareholders, our teams and our customers.

We expect challenging trading conditions to continue into F25, with intense competition for customer shopping baskets. However, we believe the Group, enabled by our team, is well placed to meet these challenges with a continued focus on value and strong end-to-end productivity plans in place.

I invite you to read our Remuneration Report for F24, and I look forward to engaging with our stakeholders in F25.

**Maxine Brenner**  
Chair – People Committee

### Who is covered by this report?

This report outlines Woolworths Group's remuneration framework and the outcomes for the year ended 30 June 2024 for Key Management Personnel (KMP). KMP have the authority and responsibility for planning, directing and controlling the activities of Woolworths Group. F24 KMP are:

	NAME	POSITION	APPOINTED	PEOPLE COMMITTEE
Non-executive KMP	Scott Perkins <sup>1</sup>	Chair	26 Oct 2022	☑
	Warwick Bray	Non-executive director	1 Mar 2023	–
	Maxine Brenner	Non-executive director	1 Dec 2020	Chair
	Jennifer Carr-Smith	Non-executive director	17 May 2019	–
	Philip Chronican	Non-executive director	1 Oct 2021	–
	Tracey Fellows	Non-executive director	1 Mar 2023	☑
	Holly Kramer	Non-executive director	8 Feb 2016	☑
	Kathryn Tesija	Non-executive director	9 May 2016	☑
Executive KMP	Brad Banducci <sup>2</sup>	Managing Director & CEO	26 Feb 2016	
	Amanda Bardwell <sup>3</sup>	CEO Elect	21 Feb 2024	
		Managing Director, WooliesX	26 Jun 2017 to 20 Feb 2024	
	Natalie Davis <sup>2</sup>	Managing Director, Woolworths Supermarkets	1 Oct 2020	
	Stephen Harrison	Chief Financial Officer	1 Aug 2019	

- 1 Mr Perkins was appointed to the Board on 1 September 2014.
- 2 Mr Banducci and Ms Davis have announced that they will be leaving the Group effective 20 September 2024 and 30 September 2024, respectively.
- 3 Ms Bardwell became KMP on 28 June 2021.

## 1 F24 Remuneration at a glance

### 1.1 Alignment of remuneration framework to our strategic priorities

Our remuneration framework is designed to support Woolworths Group's strategic priorities. Clear principles guide our remuneration decisions and design. As we operate in a dynamic and rapidly evolving market, we review our approach to remuneration on a regular basis so that we remain aligned to market expectations and business objectives. In F24, we evolved our remuneration principles to better reflect the nature of our business today.

#### Strategic priorities

**Our purpose:** We create better experiences together for a better tomorrow



##### Living our purpose

Build a better *and safer* tomorrow for our Customers and Team

Leverage Everyday Rewards to unlock more value for our Members



##### Delivering compelling customer propositions

**Woolworths Retail:** help all customers get their Woolies worth

**Woolworths Food Company:** grow brands, products and capabilities unique to Woolworths

**W Living (BIG W and Specialty):** help our Customers find real value and easy everyday solutions



##### Strengthening our foundations

**Platforms:** scale value delivery in our Group businesses and with third parties

#### Remuneration principles

**Objective:** Support our strategic priorities



Reinforce **our purpose**, customer 1st team 1st strategy and **ways of working**



**Attract, retain and enable** the skills and capabilities needed now and in the future



Recognise **differentiated contributions** towards **common objectives** based on impact



Drive **sustainable value creation** supported by **responsible decision-making**



Be **simple, aligned, and easily understood**

#### Remuneration governance

In delivering remuneration outcomes to team members, the Board may apply discretion to deliver appropriate outcomes for our shareholders, customers and team. The Board reviews People Committee (PC) recommendations based on the CEO's proposals for Group and individual performance and incentive outcomes. This review incorporates advice from the Chief Legal Officer, Chief Risk Officer, Chief People Officer and Head of Internal Audit, as well as consultation with Committee Chairs and all directors.



1.1 Alignment of remuneration framework to our strategic priorities (continued)

F24 remuneration framework

Our remuneration framework supports the Group strategy

Total Fixed Remuneration (TFR)

TFR consists of base salary, superannuation and car allowance.

TFR is set in relation to the external market and considers:

- strategic value of the role
- size and complexity of the role
- individual responsibilities
- experience and skills.

TFR is positioned so that total target remuneration (TTR) is around the median of our comparator group, which includes the ASX 25 plus additional reference to major national and international retailers as required. Generally, an executive who is new to a role will start on a TTR package below the median and as they develop skills and experience in the role their pay may progress beyond the median position.

Short-Term Incentive (STI)

50% of the STI is delivered in cash and the remaining 50% is deferred as share rights for two years.

The STI awards executives for annual business performance and individual contribution towards achieving those results. Business performance is measured through a balanced STI scorecard, with 60% weighted on financial objectives and 40% on non-financial objectives:

- Sales – 20%
- Earnings Before Interest and Tax (EBIT), before significant items – 20%
- Working Capital Days – 20%
- Customer Satisfaction – 20%
- Safety – 20%.

Individual performance includes assessment against business, strategic goals, ways of working and core values.

Long-Term Incentive (LTI)

Performance rights vesting based on Group performance over three years.

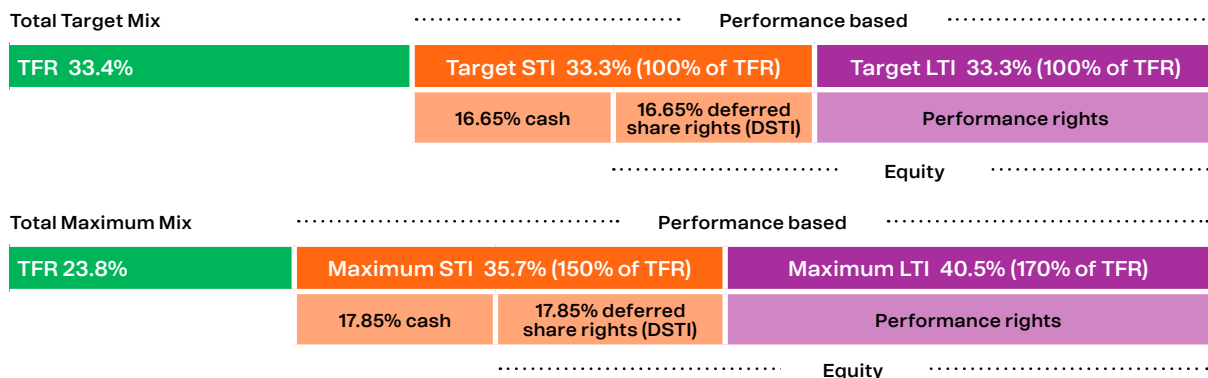
The LTI aligns executives to overall company performance through three measures focused on strategic business drivers and long-term shareholder return:

- Relative Total Shareholder Return (rTSR) – 40%
- Return on Funds Employed (ROFE) – 40%
- Reputation – 20%.

1.2 F24 executive KMP remuneration mix

What is the remuneration mix for executive KMP?

A consistent remuneration mix applies for all executive KMP. It is heavily weighted towards variable remuneration, with performance-based pay contributing 67% of total target mix, and 50% of total target reward delivered in deferred equity.

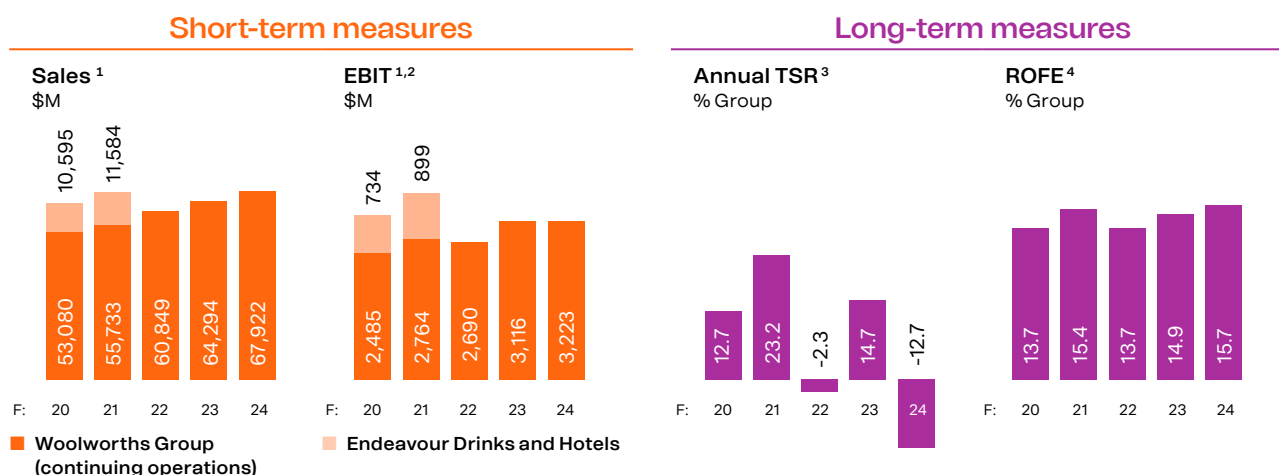


## Remuneration Report

### 1.3 Link between performance and remuneration received

#### Group five-year performance summary

The remuneration outcomes for our executive KMP are aligned to short-term and long-term performance outcomes. The graphs and table below show executive KMP remuneration outcomes and the Group's core financial performance measures over the past five years.



#### STI and LTI outcomes

	F20	F21	F22	F23	F24
STI (% of Maximum)	46.7 <sup>5</sup>	77.0	46.7 <sup>6</sup>	53.2 <sup>7</sup>	34.2
STI (% of Target)	70.0 <sup>5</sup>	115.5	70.0 <sup>6</sup>	79.8 <sup>7</sup>	51.3
LTI (% of Maximum)	64.3	77.5	66.7	49.9	-
Woolworths Group ordinary share price closing (\$) <sup>8</sup>	30.83	36.78	35.46	39.86	33.79
Woolworths Group dividend (cents per share) <sup>9</sup>	94	108	92	104	144

1 F24 Sales and EBIT are reported on a 53-week basis as outlined in the 2024 Financial Report.

2 EBIT before significant items. For F24, significant items were a net loss before tax of \$1,607 million. Details of significant items are included in the 2024 Financial Report.

3 Annual TSR is point to point TSR for the financial year. For F21, annual TSR included the value of Endeavour Group shares distributed on demerger.

4 ROFE is defined on page 88.

5 The F20 STI scorecard outcome of 104% of Target was capped at 70% of Target (or 46.7% of Maximum) for the Group Executive Committee. Mr Banducci waived his F20 STI.

6 Adjusted scorecard outcome. The F22 STI scorecard was adjusted after the Board exercised its discretion to set the Working Capital Days metric to Entry.

7 Adjusted scorecard outcome. A 10% point reduction was applied to the F23 Group STI scorecard outcome from 89.8% to 79.8% of Target.

8 Closing Woolworths Group share price on the last trading day of Woolworths Group's financial year, adjusted to exclude Endeavour Group for the years F20 and F21. Source: FactSet.

9 Interim and final dividends paid in relation to the financial year. F24 includes a special dividend of 40 cps.

#### F24 executive KMP remuneration received

The table below presents the remuneration actually paid during, or vesting at the conclusion of F24, for executive KMP. This differs from the executive KMP statutory disclosures on page 100, which presents remuneration in accordance with statutory obligations and accounting standards.

EXECUTIVE KMP	TOTAL FIXED REMUNERATION \$	OTHER BENEFITS <sup>1</sup> \$	F24 CASH STI \$	VESTED F22 DSTI <sup>2</sup> \$	VESTED F22-24 LTI \$	TOTAL \$
<b>Brad Banducci</b> Managing Director & CEO	2,600,000	2,759	600,210	762,701	-	3,965,670
<b>Amanda Bardwell</b> <sup>3</sup> Managing Director, WooliesX (to 20 Feb 2024) CEO Elect (from 21 Feb 2024)	1,095,832	2,759	282,150	299,417	-	1,680,158
<b>Natalie Davis</b> <sup>4</sup> Managing Director, Woolworths Supermarkets	1,093,354	2,759	282,150	293,334	-	1,671,597
<b>Stephen Harrison</b> <sup>4</sup> Chief Financial Officer	975,171	2,759	284,972	262,615	-	1,525,517

1 Other benefits represents the deemed premium in respect of Directors' and Officers' Indemnity insurance.

2 Vested F22 DSTI is based on the five-day volume weighted average price (VWAP) of Woolworths Group shares up to and including 1 July 2024 (\$33.7942). Includes Dividend Equivalent Rights on vested share rights allocated at the time of vesting.

3 Ms Bardwell did not receive any increase to remuneration on being appointed as the CEO Elect.

4 Ms Davis and Mr Harrison utilised flexible leave arrangements in F24, reducing their Total Fixed Remuneration.



## 2 Executive KMP remuneration

### 2.1 Short-term incentive

#### Our approach and rationale: F24 short-term incentive

We believe that alignment of our STI arrangements from the CEO through to our store teams is an important recognition of the shared accountability for performance at Woolworths Group.

Individual STI outcomes reflect business performance against the STI scorecard, individual contribution to these results, ways of working and core values. The Board also reviews executive behaviour and any malus policy considerations when determining STI outcomes for executive KMP. All measures and targets are reviewed annually so that STI drives the right outcomes each year.

#### Assessing business performance:

The STI balanced scorecard reflects a mix of metrics, with 60% weighting on financial metrics and 40% weighting on non-financial metrics. Five equally weighted business scorecard measures drive outcomes for shareholders, customers and our team:



#### Sales, EBIT' and Working Capital Days

Sales, EBIT' and Working Capital Days performance are all key financial performance metrics used to measure value creation for our shareholders. Through these metrics, we work towards improving all elements of our financial performance, including the productivity of store selling space, the efficiency of our stores, supply chain and overall management of costs and effective inventory management.

#### Customer Satisfaction

Our strategy is underpinned by customer experiences and success is dependent on delivering convenient ways to shop and competitive prices for customers so they continue to choose us over our competitors. Our online platforms are key to delivering new and improved ways in which customers can shop with us. Customer feedback is measured using Voice of Customer Net Promoter Score (VOC NPS), based on 12-month rolling average outcomes. Outcomes are weighted 30% to eCommerce customers and 70% to in-store customers. Scores reflect outcomes across the Group, weighted 75% to Australian Food, 15% to New Zealand Food and 10% to BIG W.

#### Safety

Safety performance is measured by two equally weighted components to provide balanced focus on safety reporting, through Severity Rate, and injury reduction, through TRIFR. Severity Rate is a blended measure that includes all team and customer injuries/illnesses and their severity. The higher the severity of an incident (actual or potential), the higher its severity score. The total of all severity scores is then divided by the event count to determine the Severity Rate. Severity Rate encourages increased reporting of incidents measured through the event count and reduction of more severe incidents measured through the severity score. TRIFR was introduced in F24 as a second Safety metric measuring the outcomes of our injury prevention initiatives. TRIFR is calculated based on the number of recordable injuries (those requiring medical treatment, restrictions at work or lost time) that happen for every million hours worked by our team. The Safety performance outcome is subject to a zero fatality gateway.

1 Before significant items.

For personal use only

## 2.1 Short-term incentive (continued)

### Assessing individual performance:

Two equally weighted categories of goals are used to review performance:

- business strategy and performance goals that capture individual contributions to performance during the year; and
- ways of working and people goals that capture how leaders have delivered goals and set their teams up for success.

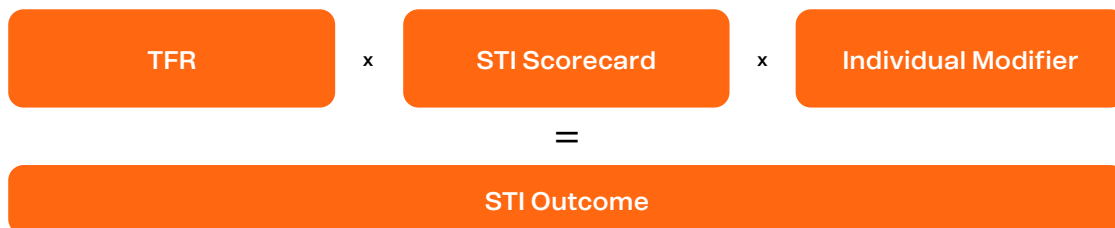
The Board also has discretion to adjust STI or DSTI for individuals (see malus policy outlined in Section 3.4).

### Executive KMP STI outcomes:

Depending on performance against each metric, straight line payouts will apply between Entry and Target, and between Target and Stretch:

- zero for below Entry performance
- 50% of Target for Entry performance
- 100% of Target for Target performance
- 150% of Target for Stretch performance.

The Board has discretion to vary STI outcomes, for individuals and the overall scorecard, beyond these performance measures, so that the outcomes appropriately reflect the complete performance.



### Delivering STI outcomes:

Executive KMP STI awards are delivered:

- 50% as cash
- 50% deferred as share rights for two years.

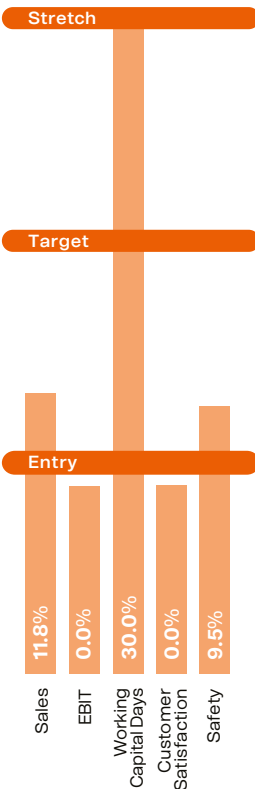
For personal use only

## 2.1 Short-term incentive (continued)

## Performance against: F24 STI measures

Our consistent focus through F24 has been on progressing our strategic agenda and delivering a better customer experience, including delivery of everyday value for customers facing material cost-of-living pressures.

Cost-of-living pressures have led to lower discretionary customer spending through F24 and increased competitive intensity for customer shopping baskets. The Group STI scorecard for F24 reflects these pressures, notably, below Target Sales outcome, and below Entry EBIT and Customer Satisfaction metric outcomes. Overall, Safety achieved an outcome between Entry and Target, while Working Capital Days achieved Stretch as a result of effective management of working capital, partly offset by investment to increase key product availability for customers in the second half. The final F24 Group STI scorecard outcome approved by the Board was 51.3% of Target or 34.2% of Maximum.

**F24 performance against the STI scorecard was 51.3% of Target (34.2% of Maximum).**
**F24 STI MEASURE OUTCOMES (% OF TARGET)**

**Sales<sup>1,2</sup>**

Sales were \$67,922 million, up 5.6% on F23 (on a 53-week basis). eCommerce sales continued to show strong growth and sales in the Australian Food business also increased. However, total sales were impacted by moderating inflation over the year, a shift to value and reduced discretionary consumption with BIG W and New Zealand Food particularly impacted.

ENTRY: \$67.7BN    TARGET: \$68.9BN    STRETCH: \$70.8BN    ACTUAL F24: \$67.9BN

- Sales is income from the sale of goods and services, excluding other income, on a 53-week basis
- Entry, Target and Stretch have been adjusted to include the impact of Petstock acquisition; refer to 2024 Financial Report for details.

**Earnings Before Interest and Tax<sup>3</sup>**

EBIT before significant items was \$3,223 million, up 3.4% on F23 (on a 53-week basis). In H1, strong Australian Food EBIT growth was offset by a lower EBIT contribution from New Zealand Food and BIG W. In H2, earnings growth in Australian Food also slowed, reflecting a moderation in inflation and sales growth, in addition to wage-related cost pressures.

ENTRY: \$3.32BN    TARGET: \$3.43BN    STRETCH: \$3.57BN    ACTUAL F24: \$3.22BN

- Entry, Target and Stretch have been adjusted to include the impact of Petstock acquisition; refer to 2024 Financial Report for details.

**Working Capital Days**

Average Working Capital Days were -4.6 days, a reduction of two days compared to F23, as a result of improved inventory flow through H1, the effective management of payables offset in part with increased investment in H2 to support product availability on key lines, and increased receivables driven by strong growth in our non-Retail business.

ENTRY: (2.6) DAYS    TARGET: (3.1) DAYS    STRETCH: (4.1) DAYS    ACTUAL F24: (4.6) DAYS

**Customer Satisfaction**

Group VOC NPS was below F23 as the cumulative impact of inflation over F23 and F24 impacted value for money perceptions which was compounded by the ongoing media focus and government enquiries into supermarkets.

ENTRY: 48    TARGET: 49    STRETCH: 51    ACTUAL F24: 46

**Safety**

TRIFR was reintroduced during F24 alongside Severity Rate. Although our TRIFR was below Entry largely due to an increase in manual handling injuries, there has been a reduction in the number of more severe injuries compared to F23. With an outcome marginally below Target, Severity Rate performance reflects ongoing improvements in safety reporting.

**TRIFR**

ENTRY: 12.12    TARGET: 11.75    STRETCH: 11.38    ACTUAL F24: 13.86

**Severity Rate**

ENTRY: 1.48    TARGET: 1.44    STRETCH: 1.41    ACTUAL F24: 1.44

## 2.2 Long-term incentive

### Our approach and rationale: F24–26 long-term incentive

The Group's LTI plan is called the Woolworths Incentive Share Plan (WISP). The plan is designed to align executives to overall company performance by delivering on the Group's strategic priorities and long-term shareholder returns. The LTI measures represent financial and non-financial metrics. LTI vesting for executive KMP is subject to Board discretion over and above meeting performance hurdles. This includes consideration under the malus policy. Measures and targets are reviewed annually.

#### Assessing business performance:

The LTI rewards executives subject to performance against three measures over a three-year performance period:



#### Relative TSR

Relative TSR is used as a measure in our LTI plan to align executive outcomes with long-term shareholder value creation. The peer group is the top 30 ASX companies, excluding metals and mining companies<sup>1</sup>. Vesting of 50% is achieved when our peer group ranking is at the median and vesting of 100% is achieved at the 75<sup>th</sup> percentile or higher. Between the median and the 75<sup>th</sup> percentile there is straight-line vesting from 50% to 100%. Peer group ranking below the median results in zero vesting. rTSR outcomes are calculated by an external provider.

#### Return on Funds Employed

ROFE is an important measure to drive behaviours consistent with the delivery of long-term shareholder value. ROFE improvements can be delivered through earnings growth as well as the disciplined allocation of capital and management of assets and working capital. ROFE is defined as EBIT before significant items for the previous 12 months as a percentage of average (opening, mid and closing) funds employed.

#### Reputation

Reputation plays a key role in the extent to which customers choose to engage with Woolworths Group, and in turn contribute to the sustainability of our business. It represents the ability to build and maintain credibility – including in matters such as climate change – with customers and other stakeholders. Reputation is measured independently through RepTrak® Pulse Score, and measures brand reputation across four key metrics: trust, admiration, positive feeling and esteem.

#### Vesting schedule

The vesting schedule for these measures is:

	rTSR <sup>1,2</sup>	ROFE	Reputation	TOTAL % MAX
Entry	20%	8%	4%	32%
Target	n/a	24%	12%	n/a
Stretch	40%	40%	20%	100%

<sup>1</sup> The F24–26 rTSR peer group comprises the following ASX companies (ASX Code): ALL, ANZ, APA, ASX, BXB, CBA, COH, COL, CPU, CSL, GMG, IAG, JHX, MQG, NAB, ORG, QBE, RHC, RMD, SCG, SHL, STO, SUN, TCL, TLS, WBC, WDS, WES, WOW and XRO.

<sup>2</sup> Consistent with market practice, 50% of the rTSR tranche vests at the 50<sup>th</sup> percentile, the entry point for vesting to occur, with stretch achieved at the 75<sup>th</sup> percentile.

#### Assessing individual performance:

The Board has discretion to adjust the vesting outcome for individuals where it is appropriate to do so (see malus policy as outlined in Section 3.5).

#### Delivering LTI outcomes:

Executive KMP are awarded a maximum value of 170% of TFR at the beginning of the three-year performance period. Awards of performance rights are made at face value based on the five-day VWAP up to and including 1 July at the beginning of the performance period. Dividends that would have been earned and reinvested over the performance period vest in the form of additional shares subject to the performance conditions. The deferred nature of LTI arrangements supports retention and also provides a risk management lever to facilitate malus policy application during the performance period.



## 2.2 Long-term incentive (continued)

## Performance against: F22-24 LTI measures

The F22-24 WISP was granted effective July 2021, with challenging performance targets and demanding stretch objectives to reach maximum outcomes. For the F22-24 WISP, performance was assessed against three measures, rTSR (40% weighting), ROFE (40% weighting) and Reputation (20% weighting). There was nil vesting under the plan as all three measures achieved outcomes below Entry.

The F22-24 Award achieved 0.0% of Maximum.

F22-24 LTI MEASURE OUTCOMES (% OF MAXIMUM)

Stretch

Target

Entry

rTSR 0%

ROFE 0%

Reputation 0%

## Relative Total Shareholder Return

Woolworths Group's TSR over the F22-24 WISP performance period was at 15th percentile of the peer group and therefore no performance rights under this tranche vested.

ENTRY: 50TH PERCENTILE

TARGET: N/A

STRETCH: 75TH PERCENTILE

ACTUAL RESULT: 15TH PERCENTILE

Return on Funds Employed<sup>1</sup>

ROFE achieved an outcome just below Entry at 15.7% and therefore no performance rights under this tranche vested. While cumulative EBIT growth over the performance period was strong, it was impacted by lower EBIT growth in the second half of F24.

ENTRY: 15.9%

TARGET: 16.3%

STRETCH: 16.8%

ACTUAL RESULT: 15.7%

<sup>1</sup> ROFE is calculated as EBIT before significant items for the previous 12 months (normalised for 52 weeks) as a percentage of average (opening, mid and closing) funds employed.

## Reputation

Reputation for the F22-24 WISP plan, measured through RepTrak, achieved an outcome of 74.8 and therefore no performance rights under this tranche vested. RepTrak scores have softened as a result of cost-of-living pressures and saw a sharp decline in the second half of F24 following the launch of multiple government enquiries into supermarket pricing and negative media attention into the Group.

ENTRY: 77.1

TARGET: 78.2

STRETCH: 79.9

ACTUAL RESULT: 74.8

## Remuneration Report

### 2.3 What we paid executive KMP in F24 and their current shareholdings

The following pages compare actual, target, and maximum remuneration received during F24 for the executive KMP.

Amounts include:

- TFR received (including base salary, superannuation and car allowance)
- other benefits received, reflecting the deemed premium in respect of Directors' and Officers' Indemnity insurance
- cash STI received for business and individual performance in F24
- equity that vested or which has been performance tested as the end of F24 for the prior year plans
- equity granted in F24 and all unvested equity awards (share rights for DSTI and performance rights for LTI).

Following an external market benchmarking, executive KMP (other than the CEO) received TFR increases effective 1 September 2023. These increases were foreshadowed in the F23 Remuneration Report.

The F22 DSTI plan vested on 1 July 2024, being the 50% portion of the F21 STI award that was deferred as share rights. The F22 STI outcome was 70% of Target, higher than in F24.

At the conclusion of F24, the F22-24 WISP was performance tested and was not approved for vesting based on assessment against performance hurdles.

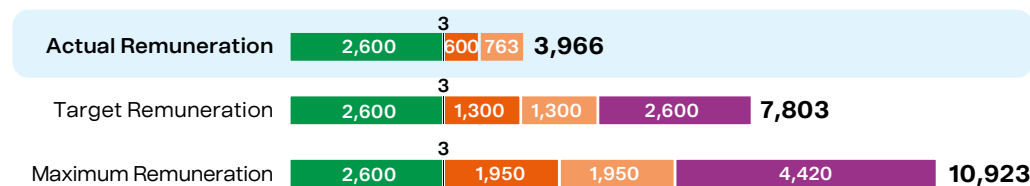
For F22 DSTI, the changes in share price and the accumulated dividends that would have been earned and reinvested over the period in the form of additional rights are contributing factors to the final value received at vesting by the executive KMP. Additional rights are referred to as Dividend Equivalent Rights (DERs).

The individual tables on pages 90 to 92 also show progress against the minimum shareholding requirements (MSR) as at 1 July 2024. The aggregate value of current shareholdings and unvested DSTI awards are used to determine progress against MSR. Further details on the MSR are included in Section 3.5. Each remuneration component in the tables below has been rounded to the nearest thousand.

#### Brad Banducci Managing Director & CEO

Term as KMP: Full Year

##### Actual remuneration received for F24 v Target and Maximum (\$000)



##### Progress on MSR as at 1 July 2024 (\$000)

Target 5,200

Actual 11,732

##### Equity granted (\$000)

Shares	9,955
F22 DSTI	763
F22-24 WISP	-
F23 DSTI	1,014
<b>Total</b>	<b>11,732</b>

##### Unvested LTI and STI awards (\$000)

F23 DSTI	1,014
F23-25 WISP	4,157
F24 DSTI	600
F24-26 WISP	3,758
<b>Total</b>	<b>9,529</b>

##### Vested LTI and STI awards (\$000) including share price uplift and DERs

F22 DSTI	763
F22-24 WISP	-
<b>Total</b>	<b>763</b>

#### LEGEND

■ TFR

■ Other benefits

■ Cash STI

■ Deferred STI

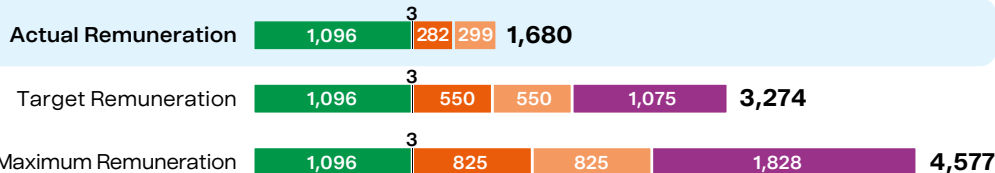
■ LTI

## 2.3 What we paid executive KMP in F24 and their current shareholdings (continued)

**Amanda Bardwell** Managing Director, WooliesX (to 20 Feb 2024)  
and CEO Elect (from 21 Feb 2024)

Term as KMP: Full Year

Actual remuneration received for F24 v Target and Maximum (\$000)

Progress on MSR  
as at 1 July 2024 (\$000)

Target 1,100

Actual 1,474

Shares	774
F22 DSTI	299
F22-24 WISP	-
F23 DSTI	401
<b>Total</b>	<b>1,474</b>

Equity granted  
(\$000)

F24 DSTI	282
F24-26 WISP	1,554
<b>Total</b>	<b>1,836</b>

Unvested LTI and STI  
awards (\$000)

F23 DSTI	401
F23-25 WISP	1,543
F24 DSTI	282
F24-26 WISP	1,554
<b>Total</b>	<b>3,780</b>

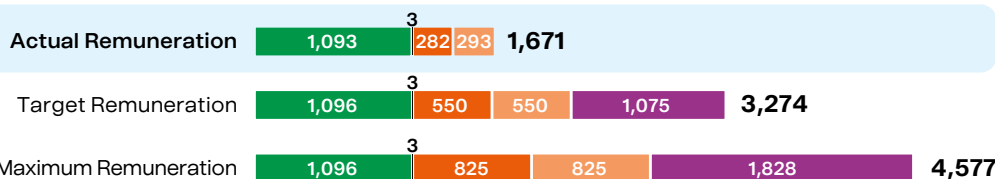
Vested LTI and STI  
awards (\$000)  
including share price  
uplift and DERs

F22 DSTI	299
F22-24 WISP	-
<b>Total</b>	<b>299</b>

**Natalie Davis** Managing Director, Woolworths Supermarkets

Term as KMP: Full Year

Actual remuneration received for F24 v Target and Maximum (\$000)

Progress on MSR  
as at 1 July 2024 (\$000)

Target 1,100

Actual 1,255

Shares	561
F22 DSTI	293
F22-24 WISP	-
F23 DSTI	401
<b>Total</b>	<b>1,255</b>

Equity granted  
(\$000)

F24 DSTI	282
F24-26 WISP	1,554
<b>Total</b>	<b>1,836</b>

Unvested LTI and STI  
awards (\$000)

F23 DSTI	401
F23-25 WISP	1,543
F24 DSTI	282
F24-26 WISP	1,554
<b>Total</b>	<b>3,780</b>

Vested LTI and STI  
awards (\$000)  
including share price  
uplift and DERs

F22 DSTI	293
F22-24 WISP	-
<b>Total</b>	<b>293</b>

## LEGEND

■ TFR

■ Other benefits

■ Cash STI

■ Deferred STI

■ LTI

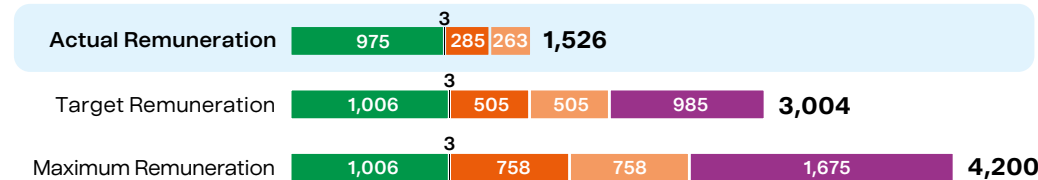
## Remuneration Report

## 2.3 What we paid executive KMP in F24 and their current shareholdings (continued)

**Stephen Harrison** Chief Financial Officer

Term as KMP: Full Year

## Actual remuneration received for F24 v Target and Maximum (\$000)

Progress on MSR  
as at 1 July 2024 (\$000)

Target 1,010

Actual 1,607

Shares 1,010

F22 DSTI 263

F22-24 WISP -

F23 DSTI 334

**Total 1,607**Equity granted  
(\$000)

F24 DSTI 285

F24-26 WISP 1,424

**Total 1,709**Unvested LTI and STI  
awards (\$000)

F23 DSTI 334

F23-25 WISP 1,439

F24 DSTI 285

F24-26 WISP 1,424

**Total 3,482**Vested LTI and STI  
awards (\$000)including share price  
uplift and DERs

F22 DSTI 263

F22-24 WISP -

**Total 263**

## LEGEND

■ TFR

■ Other benefits

■ Cash STI

■ Deferred STI

■ LTI

## 2.4 F25 outlook

Each year the Board reviews measures that are used in the STI and LTI plans to assess their relevance and alignment to the Group's strategic objectives. During F24 the Board reviewed the remuneration principles and framework to test its ongoing effectiveness in supporting the Group's strategy. The review found that whilst the framework remained fit for purpose, there was an opportunity to evolve our remuneration principles to better align with the objective of the Group today.

There are three planned changes to the F25 remuneration framework:

- Severity Rate will evolve to an Injury Severity Score which applies a weighted score on team member recordable injuries based on severity, and excludes customer injuries, first aid injuries and HiPos from the injury score (numerator). In addition, the denominator changes from total number of incidents to using team member hours worked (aligning with TRIFR and SafeWork Australia denominator for lagging metrics). This will enable our ongoing focus on reducing injury severity and frequency.
- HiPos will now be captured through the introduction of a lead indicator – HiPo Learning Events. This will be included in the existing 20% Safety metric within the STI to bolster our commitment to continuous safety improvement and organisation learning
- Expand the LTI relative TSR peer group to ASX 100 companies and move to a broader peer group that reflects the overall performance of the market.

### Macroeconomic outlook and target setting

Cost-of-living pressure on our customers is likely to continue in F25. The outlook for Woolworths Group into F25 continues to be shaped by the external environment. Our F25 plans have been set cognisant of the importance of balancing the delivery of value to our customers, motivating our teams and delivering returns for shareholders. Consistent with prior years, the Board will continue to monitor performance and may apply discretion to outcomes should there be a significant divergence from the macro assumption underlying the plan.

### Incoming CEO remuneration arrangements

Ms Bardwell was appointed as the CEO Elect on 21 February 2024. She did not receive any increase to her current remuneration at this time and will remain on her Managing Director, WooliesX arrangements until she commences as Managing Director and CEO.

Ms Bardwell will commence as Managing Director and CEO from 1 September 2024. Details of her remuneration arrangements from 1 September 2024 were set with reference to market benchmarks and were announced to the ASX on 21 February 2024. Her remuneration arrangements are below that of her predecessor reflecting this will be her first Group CEO role.

The remuneration for Ms Bardwell commencing 1 September 2024 will be as follows:

- TFR of \$2.15 million inclusive of superannuation and any salary sacrifice arrangements
- STI target of 100% of TFR with maximum of 150% of TFR
- LTI annual grant of up to 170% of TFR provided in performance rights, subject to shareholder approval.

For F25, Ms Bardwell's STI and LTI opportunities will be pro-rated for time served as Group CEO and CEO Elect.

### F25 remuneration changes

The Board reviews the remuneration for executive KMP each year to test alignment to the remuneration framework outlined in Section 1.1.

Following a detailed remuneration benchmarking exercise conducted by EY, the Board has approved an adjustment to Mr Harrison's remuneration arrangements to acknowledge the breadth and complexity of his portfolio. From 1 September 2024, Mr Harrison's TFR will increase by 13.9% to \$1.15 million, more closely aligning to the median of market benchmarks.

No other changes to remuneration have been approved for F25 in relation to executive KMP.

## 3 Governance

### 3.1 Role of the Board

The Board reviews, challenges, applies judgement and, as appropriate, approves the People Committee's (PC) recommendations relating to the remuneration of executive KMP and of non-executive directors and the policies and frameworks that govern both. When reviewing performance and determining incentive outcomes, the Board starts from the presumption that performance outcomes that determine incentive awards should align with market-reported outcomes, executive performance and shareholder returns.

To achieve this alignment, the Board retains discretion over final performance and incentive outcomes, and recognises that there are cases where adjustments should be made. The Board considers PC recommendations and consequences of risk-related matters, including whether malus or other adjustments should be applied in the process of finalising individual and collective reward outcomes. In determining reward outcomes, the Board will consider, amongst other things, the degree to which incidents are:

- in line with our legal obligations, ethical expectations and Woolworths' values
- within Woolworths operational control
- impacting the experience of our customers, our teams and our shareholders
- reflective of portfolio/strategy changes implemented but not envisaged in the original performance targets
- due to significant change in asset valuations outside the normal course of business
- classified as significant risk management and compliance matters.

### 3.2 Role of the People Committee (PC)

The PC operates under its own Charter and reports to the Board. The role of the PC is to provide advice and assistance to the Board in relation to people management and remuneration policies, so that remuneration outcomes for senior executives are appropriate and aligned to company performance and shareholder expectations.

The PC reviews the CEO's proposal for performance and incentive outcomes with a risk lens. This incorporates advice from the Chief Legal Officer, Chief Risk Officer, Chief People Officer and Head of Internal Audit, as well as consultation with Committee Chairs and all directors to help inform its recommendations to the Board on the consequence of risk-related matters on variable remuneration of the CEO and his direct reports, and overall Group STI and LTI outcomes. All directors attend this meeting.

The PC finalises its recommendations to the Board in a discussion where no member of the management is present. The CEO is not present when their individual performance or remuneration is discussed.

A copy of the PC Charter is available on the website: [www.woolworthsgroup.com.au/au/en/about-us/our-leadership-team/board-committees.html](http://www.woolworthsgroup.com.au/au/en/about-us/our-leadership-team/board-committees.html).

The Chair of the Board and the Chair of the PC regularly engage with external stakeholders on remuneration arrangements.

#### Independent Remuneration Advisors

Where appropriate, the Board and the PC consult external remuneration advisors from time to time. The requirement for external remuneration advisor services is assessed in the context of matters the PC needs to address. External advice is used as a guide, and does not serve as a substitute for directors' thorough consideration of the relevant matters.

The Board and PC did not seek or receive any remuneration recommendations from external advisors in F24 as defined by the *Corporations Act 2001* (Cth).

### 3.3 Terms of executive KMP service agreements

All executive KMP are employed on service agreements that detail the components of remuneration paid but do not prescribe how remuneration levels are to be modified from year to year. The agreements do not provide for a fixed term, although the service agreements may be terminated on specified notice. The notice period is 12 months for the Managing Director & CEO and six months for all other executive KMP. Below is a summary of the termination provisions for executive KMP.

#### Termination by Woolworths Group

##### Where the notice period is worked:

- TFR is paid in respect of and for the duration of the notice period.

##### Where the notice period is paid in lieu:

- TFR in respect of the notice period (and, if appropriate, a reasonable estimate of STI) is paid as a lump sum.

##### In both circumstances:

- the extent to which STI, DSTI and LTI arrangements remain in place will be treated in accordance with the relevant rules for the award, including any exercise of discretion by the Board. Refer to Section 3.3 for further details.

##### If termination is for cause:

- only accrued leave and unpaid total fixed remuneration for days worked is paid
- STI, DSTI and LTI are forfeited.

#### Termination by executive KMP

##### Where the notice period is worked:

- TFR is paid in respect of and for the duration of the notice period.

##### Where the notice period is paid in lieu:

- TFR in respect of the notice period is paid as a lump sum.

##### In both circumstances:

- the extent to which STI is payable will be treated in accordance with the relevant rules for the award, including any exercise of discretion by the Board
- unvested DSTI and LTI are treated in accordance with the relevant rules for the award and at the discretion of the Board. Refer to Section 3.3 for further details.

In addition, and upon further payment (where required), the Company may invoke a restraint period of up to 12 months following separation, preventing executive KMP from engaging in any business activity with competitors.

## Remuneration Report

### 3.4 Treatment of unvested equity awards upon exit

For the DSTI and LTI plans, the Board has overriding discretion over the treatment of awards when an executive ceases employment. At the 2023 AGM, shareholders again approved providing the Board with discretion to determine how unvested share rights awards will be treated when an executive ceases employment.

The approach the Board would expect to take when exercising this discretion is:

REASON FOR LEAVING	DEFERRED STI	UNVESTED LTI
<b>Genuine retirement</b>	Remain on foot until the end of the deferral period and vest at that time	Award pro-rated for portion of the performance period participant has worked and remains 'on foot' until the end of the performance period
<b>Death, illness and incapacity</b>		
<b>Termination for cause/gross misconduct/poor performance</b>	Award forfeited	Award forfeited
<b>Resignation</b>	Award forfeited	Award forfeited
<b>Mutual separation, redundancy, or other reasons as determined by the Board</b>	The Board will determine the treatment considering the circumstances on a case by case basis	

In cases of resignation, the Board will consider the circumstances surrounding each case. For instance, where the executive is not resigning to join a direct competitor and all reasonable steps have been taken to continue to support the success of the business through to their final date of employment, the Board may consider it appropriate to allow some incentive awards to remain on foot.

In any case, where an award remains on foot post employment, the Board retains absolute discretion under the various plan rules as to the final vesting outcome. The Board will continue to monitor the executive post employment and if they do not meet their post-employment obligations, the Board may lapse any remaining awards. For example, in cases where:

- the executive resigns to join a competitor organisation, or in the Board's opinion the executive does not support the business to their final day of employment, any unvested DSTI and LTI will generally lapse
- the executive retires from Woolworths, but then at a later date (and prior to vesting of awards) undertakes actions inconsistent with retirement, it may result in the Board reconsidering the treatment of any unvested awards.

The Board will disclose any exercise of discretion in relation to executive KMP in the Remuneration Report. No such discretion was exercised in F24.



### 3.5 Other governance requirements

<b>Hedging policy</b>	Under the securities trading policy, senior executives and other specified team members (Specified Persons) may not enter into any derivative (including hedging) transaction that will protect the value of either unvested securities or vested securities that are subject to a disposal restriction, issued as part of our share plans. Compliance with the policy is a condition of participation in the plans.
<b>Malus policy</b>	The executive KMP STI and LTI arrangements are subject to malus provisions that enable the Board to adjust unpaid and/or unvested awards (including to reduce to zero) where it is appropriate to do so. The Board may determine that any unpaid cash STI or unvested DSTI or LTI awards will be forfeited in the event of wilful misconduct, dishonesty or severe breach of our Code of Conduct by the executive. The Board may also adjust these awards in cases of unexpected or unforeseen events impacting performance outcomes, performance with regard to non-financial risk, an outcome which would cause significant reputational damage to the Woolworths Group brand, or a broader assessment of performance indicating there should be an adjustment.
<b>Minimum shareholding requirements (MSR)</b>	<ul style="list-style-type: none"> <li>• CEO: 200% of TFR</li> <li>• Other executive KMP: 100% of TFR</li> <li>• Compliance is required within five years of appointment</li> <li>• MSR includes the aggregate value of current shareholdings and unvested DSTI awards for executive KMP.</li> </ul>
<b>Dividends</b>	Shares equivalent to the value of dividends that would have been earned and reinvested over the performance period are provided at the time of vesting. No dividend equivalent shares will be provided on awards (or portions thereof) that do not vest.
<b>Blackout periods</b>	<p>Under the securities trading policy, Specified Persons and their closely related parties must not deal in Woolworths Group securities during a blackout period. Blackout periods operate in the lead up to certain key announcements, namely:</p> <ul style="list-style-type: none"> <li>• quarter 1 sales results and Woolworths Group Annual General Meeting</li> <li>• quarter 3 sales results</li> <li>• half and full year results.</li> </ul> <p>The Chair, on recommendation of the Chief Legal Officer and Company Secretary, may vary or impose a restriction during other periods where deemed appropriate. Woolworths Group team members, including Specified Persons and their closely related parties, must also not deal in securities if they possess inside information, whether or not a blackout period applies to them.</p>

For personal use only



## Remuneration Report

### 4 Non-executive directors' arrangements

#### 4.1 Non-executive directors' remuneration policy and structure

Non-executive director fees are paid from an aggregate annual fee pool of \$4,000,000, as approved by shareholders at the AGM on 18 November 2010. Total Board and Committee fees paid during F24 were \$3,409,166 (refer to Section 5.1 for individual details).

Non-executive directors do not receive variable pay and no directors' fees are paid to executive directors.

As outlined in the last year's remuneration report, following a review of Board and Committee fees against the market, the Board determined to increase the Board member fees by 3% to \$262,640 inclusive of superannuation, effective September 2023. This was the first increase to these fees since F19. No other changes are being made to non-executive director fees.

The table below provides a summary of the F24 Board and Committee fees:

BOARD AND COMMITTEE FEES (\$)	CHAIR	MEMBER
	F24 FEE INCL. SUPER	F24 FEE INCL. SUPER
Woolworths Group Board	825,000	262,640
Audit and Finance Committee	65,000	32,500
People Committee	65,000	32,500
Risk Committee	65,000	32,500
Sustainability Committee	65,000	32,500
Nomination Committee	Nil	Nil

#### 4.2 Non-executive directors' minimum shareholding requirement

Non-executive directors are required to hold a minimum number of shares for alignment with other shareholders. The MSR is:

- Chair – 200% of the annual Chair fee within five years of appointment.
- Other non-executive directors – 100% of the annual base fee within three years of appointment.

The shares or share instruments may be held personally, by a close family member, within a self-managed superannuation fund, or by a family trust or private company.

Details of the current shareholdings for non-executive directors as at 30 June 2024 are provided in Section 5.3.

#### 4.3 Non-executive directors' equity plan

The Non-Executive Director Equity Plan (NEDP) was introduced to encourage and facilitate share ownership. The NEDP provides a pre-set automated mechanism for participants to acquire shares, recognising that non-executive directors can often be limited in their ability to purchase shares because of Australian insider trading laws. Non-executive director share rights are allocated quarterly at the same time as the underlying shares are issued to the plan's trustee. For Australian-based directors, these rights convert into ordinary shares each half year; and for US-based directors, these rights convert into shares at the end of the director's tenure or other prescribed events (with additional shares equivalent to the dividends that would have been earned and reinvested on those rights), subject to compliance with the securities trading policy.

The NEDP supports the MSR for Board members as it allows non-executive directors to reach the MSR more quickly, as shares are acquired on a pre-tax basis. Details of the share rights allocated to non-executive directors are set out in Section 5.2.

## 5 KMP statutory disclosures

### 5.1 KMP remuneration

The table below sets out the remuneration of non-executive directors of Woolworths Group Limited. Amounts represent the payments relating to the period during which the individuals were KMP.

		SHORT-TERM BENEFITS				TOTAL \$
		DIRECTOR FEES \$	FEES SACRIFICED UNDER NEDP <sup>1</sup> \$	NON-MONETARY AND OTHER BENEFITS <sup>2</sup> \$	POST EMPLOYMENT BENEFITS <sup>3</sup> \$	
<b>Non-executive directors</b>						
S R Perkins	<b>F24</b>	<b>797,601</b>	-	<b>2,759</b>	<b>27,399</b>	<b>827,759</b>
	F23	684,244	-	3,905	-	688,149
W Bray <sup>4</sup>	<b>F24</b>	<b>242,716</b>	<b>83,317</b>	<b>2,759</b>	<b>27,399</b>	<b>356,191</b>
	F23	87,816	10,385	1,255	8,431	107,887
M N Brenner	<b>F24</b>	<b>363,966</b>	-	<b>2,759</b>	<b>27,399</b>	<b>394,124</b>
	F23	349,301	-	3,905	25,292	378,498
J C Carr-Smith <sup>5</sup>	<b>F24</b>	<b>256,365</b>	<b>124,977</b>	<b>14,173</b>	-	<b>395,515</b>
	F23	174,990	174,998	12,141	-	362,129
P W Chronican	<b>F24</b>	<b>352,015</b>	-	<b>2,759</b>	<b>6,850</b>	<b>361,624</b>
	F23	349,738	-	3,905	25,292	378,935
T Fellows <sup>6</sup>	<b>F24</b>	<b>266,883</b>	<b>26,664</b>	<b>2,759</b>	<b>27,399</b>	<b>323,705</b>
	F23	87,399	-	1,255	8,431	97,085
H S Kramer	<b>F24</b>	<b>254,337</b>	<b>66,310</b>	<b>2,759</b>	<b>27,399</b>	<b>350,805</b>
	F23	261,758	65,433	3,905	25,292	356,388
K A Tesija <sup>5</sup>	<b>F24</b>	<b>380,931</b>	-	<b>18,512</b>	-	<b>399,443</b>
	F23	369,990	-	12,141	-	382,131

- 1 Fees sacrificed under NEDP represent non-executive directors' fees sacrificed in the current period to purchase share rights under the NEDP. Refer to Section 4.3 for further details.
- 2 Non-monetary and other benefits include the deemed premium in respect of the Directors' and Officers' Indemnity insurance and, where applicable, travel benefits and associated fringe benefits tax.
- 3 Post employment benefits represent superannuation paid directly to the non-executive director's nominated superannuation fund. If the Group is not required to pay superannuation, the payment may be made as cash and included in director fees.
- 4 Mr Bray was appointed as a non-executive director on 1 March 2023 (F23).
- 5 Ms Carr-Smith's and Ms Tesija's director fees include an overseas director's allowance of \$10,000 per eligible flight taken during the current and prior period.
- 6 Ms Fellows was appointed as a non-executive director on 1 March 2023 (F23).



For personal use only

## Remuneration Report

## 5.1 KMP remuneration (continued)

The table below sets out the remuneration of executive KMP of Woolworths Group Limited. Amounts represent the payments relating to the period during which the individuals were KMP.

		SHORT-TERM BENEFITS			POST EMPLOYMENT BENEFITS <sup>4</sup>	OTHER LONG-TERM BENEFITS <sup>5</sup>	SHARE-BASED PAYMENTS <sup>6</sup>		TOTAL \$
		SALARY <sup>1</sup> \$	CASH INCENTIVE <sup>2</sup> \$	NON- MONETARY AND OTHER BENEFITS <sup>3</sup> \$			STI EQUITY GRANTS <sup>7</sup> \$	LTI EQUITY GRANTS <sup>8</sup> \$	
<b>Executive KMP</b>									
B L Banducci	<b>F24</b>	<b>2,624,078</b>	<b>600,210</b>	<b>2,759</b>	<b>27,399</b>	<b>35,815</b>	<b>956,301</b>	<b>1,207,434</b>	<b>5,453,996</b>
	F23	2,561,222	1,193,010	3,905	27,500	36,160	1,239,075	2,650,623	7,711,495
A Bardwell	<b>F24</b>	<b>1,040,868</b>	<b>282,150</b>	<b>2,759</b>	<b>27,399</b>	<b>19,669</b>	<b>380,435</b>	<b>561,918</b>	<b>2,315,198</b>
	F23	969,722	471,818	3,905	97,841	47,767	460,180	1,041,036	3,092,269
N Davis	<b>F24</b>	<b>1,080,108</b>	<b>282,150</b>	<b>2,759</b>	<b>27,399</b>	<b>18,075</b>	<b>376,924</b>	<b>561,090</b>	<b>2,348,505</b>
	F23	1,037,622	471,818	3,905	27,500	26,583	428,321	970,204	2,965,953
S Harrison	<b>F24</b>	<b>898,545</b>	<b>284,972</b>	<b>2,759</b>	<b>77,288</b>	<b>19,106</b>	<b>323,672</b>	<b>542,094</b>	<b>2,148,436</b>
	F23	933,365	393,015	3,905	27,500	25,394	400,840	945,385	2,729,404

1 Salary includes the net change in accrued annual leave within the period and a car allowance.

2 Cash incentive represents the cash component of the F24 STI, which was 50% of the total STI award. The remaining 50% is deferred as share rights for two years.

3 Non-monetary and other benefits include the deemed premium in respect of the Directors' and Officers' Indemnity insurance and, where applicable, associated fringe benefits tax.

4 Post employment benefits represent superannuation paid directly to the executive KMP's nominated superannuation fund.

5 Other long-term benefits represent the net change in accrued long service leave within the period.

6 Share-based payments represent the fair value of share rights expected to vest and is recognised as an expense over the vesting period.

7 STI equity grants are grants which are not subject to any further performance conditions except continuous employment, subject to the operation of the Group's malus policy.

8 For LTI equity grants, the amount recognised is adjusted to reflect the expected number of instruments that will vest for non-market based performance conditions, including ROFE and Reputation. No adjustment is made for failure to achieve the relative TSR performance hurdle, as this is taken into account in the fair value at grant date. The fair value of share rights subject to the relative TSR performance measure is calculated at the date of grant using a Monte Carlo simulation model, whilst the fair value of other share rights is calculated using a Black-Scholes option pricing model.

## 5.2 KMP share right movements

The tables below summarise the movements in holdings of share right interests in Woolworths Group Limited relating to the period during which individuals were KMP. A share right entitles the holder to one fully paid ordinary Woolworths Group Limited share and are subject to applicable vesting conditions for executive KMPs. Only the non-executive directors who have elected to participate in the NEDP and held share rights within F24 and/or F23 are included in the table below.

		OPENING BALANCE NO.	SHARE RIGHTS GRANTED UNDER THE NEDP		SHARE RIGHTS VESTED		CLOSING BALANCE NO.
			NO.	\$ <sup>1</sup>	NO.	\$ <sup>2</sup>	
<b>Non-executive directors</b>							
W Bray	F24	285	2,509	83,317	(864)	28,771	1,930
	F23	-	285	10,385	-	-	285
J C Carr-Smith	F24	9,916	3,482	124,977	-	-	13,398
	F23	5,082	4,834	174,998	-	-	9,916
T Fellows	F24	-	803	26,664	(185)	6,161	618
	F23	-	-	-	-	-	-
H S Kramer	F24	878	1,923	66,310	(1,774)	62,455	1,027
	F23	951	1,816	65,433	(1,889)	69,865	878

		OPENING BALANCE NO.	SHARE RIGHTS GRANTED		SHARE RIGHTS VESTED		SHARE RIGHTS LAPSED <sup>5</sup> NO.	CLOSING BALANCE NO.
			NO. <sup>3</sup>	\$ <sup>4</sup>	NO.	\$ <sup>2</sup>		
<b>Executive KMP</b>								
B L Banducci	F24	466,126	146,149	2,421,858	(121,992)	(4,525,903)	(76,067)	414,216
	F23	480,989	152,828	4,005,508	(111,849)	(4,138,413)	(55,842)	466,126
A Bardwell	F24	167,801	59,704	1,943,681	(42,250)	(1,567,475)	(25,600)	159,655
	F23	172,608	57,031	1,682,929	(44,655)	(1,652,235)	(17,183)	167,801
N Davis	F24	165,920	59,694	1,943,681	(40,627)	(1,507,262)	(25,512)	159,475
	F23	175,551	56,816	1,676,952	(47,718)	(1,765,566)	(18,729)	165,920
S Harrison	F24	159,855	53,720	1,743,280	(40,771)	(1,512,604)	(26,331)	146,473
	F23	174,733	52,823	1,553,209	(48,371)	(1,789,727)	(19,330)	159,855

- Amounts represent non-executive directors' fees sacrificed in the current period to purchase share rights under the NEDP.
- The value of share rights vested during the period is calculated as the number of shares multiplied by the VWAP of Woolworths Group Limited shares traded in the five days prior to and including the date of vesting.
- The number of share rights granted during the period includes those share rights granted in accordance with the period's LTI and STI awards. The holders of these share rights issued in accordance with the Group's LTI and STI awards are entitled to dividends that would have been paid on the underlying award over the vesting period, which are received as additional share rights (Dividend Equivalent Rights (DERs)) on vesting of the award and as such, are included in the number of share rights granted.
- The value of share rights granted is the total fair value of share rights granted during the period determined by an independent actuary. This is recognised in employee benefits expense over the vesting period of the share right, in accordance with Australian Accounting Standards.
- The number of share rights which lapsed as a result of failure to meet performance hurdles during the relevant performance period.

## Remuneration Report

## 5.3 KMP share movements

The table below summarises the movements of interests in shares of Woolworths Group Limited relating to the period during which individuals were KMP.

The terms of the NEDP applying to US based non-executive directors provide that share rights received, following salary sacrifice of NED fees, must not vest and convert into shares before the cessation of their service as a director, or a number of other prescribed occurrences under US securities laws. Ms Carr-Smith, a non-executive US based director of Woolworths Group Limited, is not included in the table below as she has not yet received any shares on vesting of share rights within F24 and F23. She currently holds the equivalent of 13,398 Woolworths Group shares through the NEDP as set out in Section 5.2.

		OPENING BALANCE NO.	SHARES RECEIVED ON VESTING OF SHARE RIGHTS NO.	NET SHARES PURCHASED/ (DISPOSED) NO.	CLOSING BALANCE NO.
<b>Non-executive directors</b>					
S R Perkins	F24	45,973	-	-	45,973
	F23	17,473	-	28,500	45,973
W Bray	F24	-	864	-	864
	F23	-	-	-	-
M N Brenner	F24	6,740	-	-	6,740
	F23	4,040	-	2,700	6,740
P W Chronican	F24	12,000	-	-	12,000
	F23	7,000	-	5,000	12,000
T Fellows <sup>1</sup>	F24	2,706	185	-	2,891
	F23	193	-	2,513	2,706
H S Kramer	F24	16,896	1,774	-	18,670
	F23	15,007	1,889	-	16,896
K A Tesija	F24	8,980	-	-	8,980
	F23	8,980	-	-	8,980
<b>Executive KMP</b>					
B L Banducci	F24	247,578	121,992	(75,000)	294,570
	F23	365,729	111,849	(230,000)	247,578
A Bardwell	F24	14,655	42,250	(34,000)	22,905
	F23	-	44,655	(30,000)	14,655
N Davis	F24	125,105	40,627	(149,140)	16,592
	F23	159,387	47,718	(82,000)	125,105
S Harrison	F24	34,123	40,771	(45,000)	29,894
	F23	37,752	48,371	(52,000)	34,123

1 Ms Fellows' F23 opening balance is as at 1 March 2023, the date on which Ms Fellows became a non-executive director, and includes shares acquired prior to the period during which Ms Fellows was a non-executive director.

## 5.4 Share rights outstanding for executive KMP

The table below sets out the grants and outstanding number of share rights for current executive KMP.

	AWARD	GRANT DATE <sup>1</sup>	PERFORMANCE PERIOD START DATE	PERFORMANCE PERIOD END DATE <sup>2</sup>	NO. OF RIGHTS EXCLUDING DERS	NO. OF DERS <sup>3</sup>	TOTAL NO. OF RIGHTS	MAXIMUM VALUE OF AWARD TO VEST \$ <sup>4</sup>
<b>Executive KMP</b>								
B L Banducci	F22 WISP	27/10/21	01/07/21	01/07/24	117,531	9,890	127,421	-
	F22 DSTI	21/09/22	01/07/22	01/07/24	21,336	1,233	22,569	750,174
	F23 WISP	26/10/22	01/07/22	01/07/25	123,013	-	123,013	2,294,112
	F23 DSTI	21/08/23	01/07/23	01/07/25	30,014	-	30,014	1,143,233
	F24 WISP <sup>5</sup>	26/10/23	01/07/23	01/07/26	111,199	-	111,199	1,278,625
					<b>403,093</b>	<b>11,123</b>	<b>414,216</b>	<b>5,466,144</b>
A Bardwell	F22 WISP	01/07/21	01/07/21	01/07/24	43,622	3,670	47,292	-
	F22 DSTI	21/09/22	01/07/22	01/07/24	8,376	484	8,860	294,500
	F23 WISP	01/07/22	01/07/22	01/07/25	45,657	-	45,657	1,339,850
	F23 DSTI	21/08/23	01/07/23	01/07/25	11,870	-	11,870	452,128
	F24 WISP	01/07/23	01/07/23	01/07/26	45,976	-	45,976	1,491,553
					<b>155,501</b>	<b>4,154</b>	<b>159,655</b>	<b>3,578,031</b>
N Davis	F22 WISP	01/07/21	01/07/21	01/07/24	43,622	3,670	47,292	-
	F22 DSTI	21/09/22	01/07/22	01/07/24	8,206	474	8,680	288,523
	F23 WISP	01/07/22	01/07/22	01/07/25	45,657	-	45,657	1,339,850
	F23 DSTI	21/08/23	01/07/23	01/07/25	11,870	-	11,870	452,128
	F24 WISP	01/07/23	01/07/23	01/07/26	45,976	-	45,976	1,491,553
					<b>155,331</b>	<b>4,144</b>	<b>159,475</b>	<b>3,572,054</b>
S Harrison	F22 WISP	01/07/21	01/07/21	01/07/24	40,684	3,423	44,107	-
	F22 DSTI	21/09/22	01/07/22	01/07/24	7,347	424	7,771	258,321
	F23 WISP	01/07/22	01/07/22	01/07/25	42,581	-	42,581	1,249,582
	F23 DSTI	21/08/23	01/07/23	01/07/25	9,887	-	9,887	376,596
	F24 WISP	01/07/23	01/07/23	01/07/26	42,127	-	42,127	1,366,684
					<b>142,626</b>	<b>3,847</b>	<b>146,473</b>	<b>3,251,183</b>

### GRANT DATE FAIR VALUE OF PERFORMANCE SHARE RIGHT<sup>6</sup>

	CEO			OTHER KMP		
	TSR	REPUTATION AND ROFE		TSR	REPUTATION AND ROFE	
		DSTI			DSTI	
F22 WISP	\$19.37	\$39.85	-	\$20.80	\$37.51	-
F22 DSTI	-	-	\$35.16	-	-	\$35.16
F23 WISP	\$13.47	\$32.96	-	\$19.77	\$35.73	-
F23 DSTI	-	-	\$38.09	-	-	\$38.09
F24 WISP	\$16.60	\$35.86	-	\$21.51	\$39.73	-

The minimum value of share rights vesting is nil and remain subject to ongoing vesting condition and the Group's malus policy.

- Grant date is the date on which there is a shared understanding of the terms and conditions of the share-based payment arrangement.
- Exercise of share rights will occur the day after the full year results are announced to the market.
- For awards commencing prior to 1 July 2022, DERS are allocated following each dividend payment and actual vesting is in line with the vesting of the underlying share rights. For awards commencing on or after 1 July 2022, DERS will be delivered as additional shares at the time of vesting on the share rights that actually vest.
- The maximum value of award to vest represents the total maximum value of employee benefits expense, based on the grant date fair value, that would be recognised if all share rights which remain outstanding as at 30 June 2024 satisfied all relevant vesting conditions. During F24, Mr Banducci announced that he will be leaving the Group effective 20 September 2024. In accordance with the relevant rules for the awards, the Board has applied their discretion and has agreed that the maximum value of the F23 WISP and F24 WISP that is eligible to remain on-foot post his departure from the Group on 20 September 2024 will be calculated on a pro-rata basis for his time served in the respective performance periods. Subsequent to 30 June 2024, Ms Davis announced her resignation from the Group and therefore, the maximum value of award to vest has not been adjusted.
- The F24 WISP grant to Mr Banducci was approved by shareholders at the 2023 AGM held on 26 October 2023 in accordance with listing rule 10.14.
- The value disclosed is an input in the calculation of share-based expenses recognised over the vesting period.

# Auditor's Independence Declaration

# Deloitte.

Deloitte Touche Tohmatsu  
ABN 74 490 121 060

Quay Quarter Tower  
50 Bridge Street  
Sydney NSW 2000

[www.deloitte.com.au](http://www.deloitte.com.au)

28 August 2024

Board of Directors  
Woolworths Group Limited  
1 Woolworths Way  
Bella Vista NSW 2153

Dear Directors,

## Auditor's Independence Declaration – Woolworths Group Limited

In accordance with section 307C of the *Corporations Act 2001*, we are pleased to provide the following declaration of independence to the Board of Directors of Woolworths Group Limited.

As lead audit partners for the audit of the financial report of Woolworths Group Limited for the 53-week period ended 30 June 2024, we declare that to the best of our knowledge and belief, there have been no contraventions of:

- The auditor independence requirements of the *Corporations Act 2001* in relation to the audit;
- Any applicable code of professional conduct in relation to the audit.

Yours faithfully



DELOITTE TOUCHE TOHMATSU



Tom Imbesi  
Partner  
Chartered Accountants  
Sydney, 28 August 2024



Travis Simkin  
Partner  
Chartered Accountants  
Sydney, 28 August 2024



# 2024 Financial Report

## Table of Contents



## \$67,922M

Revenue, representing an increase of 5.6% from the prior year.

See [page 114](#) ►



## Acquisition of Petstock

During the period, the Group acquired 55% of Petstock Group.

See [page 150](#) ►



## 40 cents per share

Special dividend, representing a capital return to shareholders from the proceeds relating to the sale of shares in Endeavour Group.

See [page 139](#) ►

### Consolidated Financial Statements

Consolidated Statement of Profit or Loss	106
Consolidated Statement of Other Comprehensive Income	107
Consolidated Statement of Financial Position	108
Consolidated Statement of Changes in Equity	109
Consolidated Statement of Cash Flows	110

### Notes to the Consolidated Financial Statements

<b>1</b>	<b>General information</b>	
1.1	Basis of preparation	111
1.2	New accounting Standards and Interpretations	111
1.3	Critical accounting estimates and judgements	113
<b>2</b>	<b>Group performance</b>	
2.1	Revenue and other income	114
2.2	Reportable segments	115
2.3	Branch and administration expenses	117
2.4	Income taxes	118
2.5	Net finance costs	119
<b>3</b>	<b>Assets and liabilities</b>	
3.1	Trade and other receivables	120
3.2	Inventories	120
3.3	Other financial assets and liabilities	121
3.4	Other assets	122
3.5	Leases	123
3.6	Property, plant and equipment	125
3.7	Intangible assets	127
3.8	Commitments for capital expenditure	128
3.9	Impairment of non-financial assets	129
3.10	Investments accounted for using the equity method	132
3.11	Deferred tax	133
3.12	Trade and other payables	134
3.13	Provisions	135
<b>4</b>	<b>Capital structure, financing and risk management</b>	
4.1	Earnings per share	138
4.2	Dividends	139
4.3	Contributed equity	140
4.4	Reserves	140
4.5	Reconciliation of profit for the period to net cash provided by operating activities	142
4.6	Borrowings	142
4.7	Financial risk management	144
<b>5</b>	<b>Group structure</b>	
5.1	Acquisition of subsidiaries	150
5.2	Subsidiaries	151
5.3	Parent entity	155
5.4	Related parties	157
<b>6</b>	<b>Other</b>	
6.1	Contingent liabilities	158
6.2	Share-based payments and share schemes	158
6.3	Retirement plans	160
6.4	Auditor's remuneration	161
6.5	Subsequent events	162

Consolidated Entity Disclosure Statement	163
--	-----

Directors' Declaration	167
------------------------	-----

Independent Auditor's Report	168
------------------------------	-----

## Consolidated Statement of Profit or Loss

	NOTE	2024 53 WEEKS \$M	2023 52 WEEKS \$M
Revenue	2.1	67,922	64,294
Cost of sales		(49,370)	(47,118)
<b>Gross profit</b>		<b>18,552</b>	17,176
Other income	2.1	310	277
Branch expenses <sup>1</sup>	2.3	(11,707)	(10,770)
Administration expenses <sup>1</sup>	2.3	(5,539)	(3,684)
<b>Earnings before interest and tax</b>		<b>1,616</b>	2,999
Net finance costs	2.5	(740)	(677)
<b>Profit before income tax</b>		<b>876</b>	2,322
Income tax expense	2.4.1	(759)	(693)
<b>Profit for the period</b>		<b>117</b>	1,629
<b>Profit for the period attributable to:</b>			
Equity holders of the parent entity		108	1,618
Non-controlling interests		9	11
		<b>117</b>	1,629
		CENTS	CENTS
<b>Earnings per share (EPS) attributable to equity holders of the parent entity</b>			
Basic EPS	4.1	8.9	133.3
Diluted EPS	4.1	8.9	132.3

1 For the current period, administration expenses includes the goodwill impairment in New Zealand Food of \$1,492 million and the impact from the loss of significant influence over Endeavour Group Limited of \$209 million and branch expenses includes a \$13 million impairment loss relating to the transformation and rebranding of Countdown stores to Woolworths New Zealand. Refer to Note 2.2.2 for further details.

The above Consolidated Statement of Profit or Loss should be read in conjunction with the accompanying Notes to the Consolidated Financial Statements.



# Consolidated Statement of Other Comprehensive Income

	2024 53 WEEKS \$M	2023 52 WEEKS \$M
<b>Profit for the period</b>	<b>117</b>	1,629
<b>Other comprehensive income</b>		
<i>Items that may be subsequently reclassified to profit or loss, net of tax</i>		
Effective portion of changes in the fair value of cash flow hedges	(15)	(80)
Foreign currency translation of foreign operations	9	14
Share of other comprehensive income of associates, net of derecognition on partial disposal	-	1
<i>Items that will not be subsequently reclassified to profit or loss, net of tax</i>		
Fair value loss on equity investments designated as at fair value through other comprehensive income	(12)	(6)
Actuarial loss on defined benefit superannuation plans	-	(2)
<b>Other comprehensive loss for the period</b>	<b>(18)</b>	(73)
<b>Total comprehensive income for the period</b>	<b>99</b>	1,556
<b>Total comprehensive income for the period attributable to:</b>		
Equity holders of the parent entity	90	1,545
Non-controlling interests	9	11
	<b>99</b>	1,556

The above Consolidated Statement of Other Comprehensive Income should be read in conjunction with the accompanying Notes to the Consolidated Financial Statements.

For personal use only

## Consolidated Statement of Financial Position

	NOTE	2024 \$M	2023 \$M
<b>Current assets</b>			
Cash and cash equivalents		1,298	1,135
Trade and other receivables	3.1	1,062	1,016
Inventories	3.2	4,187	3,698
Other financial assets	3.3	23	51
Other assets	3.4	221	225
		<b>6,791</b>	<b>6,125</b>
Assets held for sale		200	250
<b>Total current assets</b>		<b>6,991</b>	<b>6,375</b>
<b>Non-current assets</b>			
Trade and other receivables	3.1	129	132
Other financial assets	3.3	600	140
Lease assets	3.5.1	9,604	9,467
Property, plant and equipment	3.6	9,678	8,881
Intangible assets	3.7	4,873	5,693
Investments accounted for using the equity method	3.10.1	78	1,123
Deferred tax assets	3.11.1	1,647	1,532
Other assets	3.4	336	359
		<b>26,945</b>	<b>27,327</b>
<b>Total non-current assets</b>		<b>26,945</b>	<b>27,327</b>
<b>Total assets</b>		<b>33,936</b>	<b>33,702</b>
<b>Current liabilities</b>			
Trade and other payables	3.12	7,762	7,623
Lease liabilities	3.5.2	1,599	1,637
Borrowings	4.6.1	712	466
Current tax payable		303	230
Other financial liabilities	3.3	689	269
Provisions	3.13	1,706	1,640
Other current liabilities		10	21
		<b>12,781</b>	<b>11,886</b>
Liabilities associated with assets held for sale		38	-
<b>Total current liabilities</b>		<b>12,819</b>	<b>11,886</b>
<b>Non-current liabilities</b>			
Lease liabilities	3.5.2	10,545	10,343
Borrowings	4.6.1	3,866	3,289
Other financial liabilities	3.3	126	669
Provisions	3.13	894	857
Deferred tax liability	3.11.1	83	54
Other non-current liabilities		33	39
		<b>15,547</b>	<b>15,251</b>
<b>Total non-current liabilities</b>		<b>15,547</b>	<b>15,251</b>
<b>Total liabilities</b>		<b>28,366</b>	<b>27,137</b>
<b>Net assets</b>		<b>5,570</b>	<b>6,565</b>
<b>Equity</b>			
Contributed equity	4.3	5,604	5,406
Reserves	4.4	(7,609)	(7,567)
Retained earnings		7,413	8,586
		<b>5,408</b>	<b>6,425</b>
<b>Equity attributable to equity holders of the parent entity</b>			
Non-controlling interests	5.2.3	162	140
<b>Total equity</b>		<b>5,570</b>	<b>6,565</b>

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying Notes to the Consolidated Financial Statements.



# Consolidated Statement of Changes in Equity

2024 (53 WEEKS)	ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT ENTITY						NON-CONTROLLING INTERESTS \$M	TOTAL EQUITY \$M
	SHARE CAPITAL \$M	SHARES HELD IN TRUST \$M	RESERVES \$M	RETAINED EARNINGS \$M	TOTAL \$M			
Balance at 25 June 2023	5,556	(150)	(7,567)	8,586	6,425	140	6,565	
Profit for the period	-	-	-	108	108	9	117	
Other comprehensive loss for the period	-	-	(18)	-	(18)	-	(18)	
<b>Total comprehensive (loss)/income for the period</b>	-	-	(18)	108	90	9	99	
Dividends	-	-	-	(1,281)	(1,281)	(19)	(1,300)	
Issue/(transfer) of shares to satisfy employee long-term incentive plans	-	133	(133)	-	-	-	-	
Issue of shares to satisfy the dividend reinvestment plan	109	-	-	-	109	-	109	
Purchase of shares by the Woolworths Employee Share Trust	-	(44)	-	-	(44)	-	(44)	
Recognition of non-controlling interest from acquisition of subsidiary	-	-	-	-	-	31	31	
Derecognition on loss of significant influence over associate	-	-	(3)	-	(3)	-	(3)	
Share-based payments expense	-	-	91	-	91	1	92	
Deferred tax on share-based payments expense	-	-	21	-	21	-	21	
<b>Balance at 30 June 2024</b>	<b>5,665</b>	<b>(61)</b>	<b>(7,609)</b>	<b>7,413</b>	<b>5,408</b>	<b>162</b>	<b>5,570</b>	

2023 (52 WEEKS)	ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT ENTITY						NON-CONTROLLING INTERESTS \$M	TOTAL EQUITY \$M
	SHARE CAPITAL \$M	SHARES HELD IN TRUST \$M	RESERVES \$M	RETAINED EARNINGS \$M	TOTAL \$M			
Balance at 26 June 2022	5,379	(172)	(7,400)	8,173	5,980	124	6,104	
Profit for the period	-	-	-	1,618	1,618	11	1,629	
Other comprehensive loss for the period	-	-	(71)	(2)	(73)	-	(73)	
<b>Total comprehensive (loss)/income for the period</b>	-	-	(71)	1,616	1,545	11	1,556	
Dividends	-	-	-	(1,203)	(1,203)	(5)	(1,208)	
Issue/(transfer) of shares to satisfy employee long-term incentive plans	-	132	(132)	-	-	-	-	
Issue of shares to satisfy the dividend reinvestment plan	177	-	-	-	177	-	177	
Purchase of shares by the Woolworths Employee Share Trust	-	(110)	-	-	(110)	-	(110)	
Deconsolidation of controlled entity	-	-	3	-	3	-	3	
Recognition of non-controlling interest from acquisition of subsidiary	-	-	-	-	-	9	9	
Recognition of put option liability over non-controlling interest	-	-	(79)	-	(79)	-	(79)	
Share-based payments expense	-	-	112	-	112	1	113	
<b>Balance at 25 June 2023</b>	<b>5,556</b>	<b>(150)</b>	<b>(7,567)</b>	<b>8,586</b>	<b>6,425</b>	<b>140</b>	<b>6,565</b>	

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying Notes to the Consolidated Financial Statements.

## Consolidated Statement of Cash Flows

	NOTE	2024 53 WEEKS \$M	2023 52 WEEKS \$M
<b>Cash flows from operating activities</b>			
Receipts from customers		72,155	68,275
Payments to suppliers and employees		(66,292)	(62,259)
Payments for the interest component of lease liabilities	3.5.2	(570)	(542)
Net finance costs paid on borrowings		(160)	(133)
Income tax paid		(774)	(587)
<b>Net cash provided by operating activities</b>	4.5	<b>4,359</b>	<b>4,754</b>
<b>Cash flows from investing activities</b>			
Proceeds from the sale of property, plant and equipment		342	361
Payments for property, plant and equipment and intangible assets		(2,548)	(2,519)
Proceeds from the sale of subsidiaries and investments, net of cash disposed		466	659
Payments for the purchase of businesses, net of cash acquired		(487)	(373)
Payments for the purchase of investments		(86)	(30)
Net proceeds from related parties		-	15
Dividends received		36	43
<b>Net cash used in investing activities</b>		<b>(2,277)</b>	<b>(1,844)</b>
<b>Cash flows from financing activities</b>			
Repayment of principal component of lease liabilities	3.5.2	(1,138)	(1,067)
Proceeds from borrowings	4.6.1	1,215	351
Repayment of borrowings	4.6.1	(764)	(952)
Dividends paid	4.2	(1,172)	(1,026)
Dividends paid to non-controlling interests		(16)	(5)
Payments for shares held in trust		(44)	(110)
<b>Net cash used in financing activities</b>		<b>(1,919)</b>	<b>(2,809)</b>
Net increase in cash and cash equivalents		163	101
Effects of exchange rate changes on cash and cash equivalents		-	2
Cash and cash equivalents at start of period		1,135	1,032
<b>Cash and cash equivalents at end of period</b>		<b>1,298</b>	<b>1,135</b>

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying Notes to the Consolidated Financial Statements.

# Notes to the Consolidated Financial Statements for the period ended 30 June 2024

## 1 General information

### 1.1 Basis of preparation

Woolworths Group Limited (the Company) is a for-profit company which is incorporated and domiciled in Australia. The Financial Report of the Company is for the 53-week period ended 30 June 2024 and comprises the Company and its subsidiaries (together referred to as the Group). The comparative period is the 52-week period ended 25 June 2023.

The Consolidated Financial Statements are presented in Australian dollars and amounts have been rounded to the nearest million dollars unless otherwise stated, in accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191.

The Financial Report was authorised for issue by the directors on 28 August 2024.

#### 1.1.1 Basis of accounting

The Consolidated Financial Statements of the Group are general purpose financial statements, which have been prepared in accordance with the *Corporations Act 2001*, Australian Accounting Standards, and other authoritative pronouncements issued by the Australian Accounting Standards Board (AASB), and comply with other requirements of the law. Compliance with Australian Accounting Standards ensures that the Financial Report complies with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). Consequently, this Financial Report has been prepared in accordance with and complies with IFRS as issued by the IASB.

The Consolidated Financial Statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) during the period. Certain comparative amounts have been reclassified to conform with the current period's presentation. The accounting policies have been applied consistently to all periods presented in the Consolidated Financial Statements, unless otherwise stated.

#### 1.1.2 Going concern

The directors have, at the time of approving the Financial Report, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The going concern basis of accounting has been determined after taking into consideration all available information at the time of approving the Financial Report.

Notwithstanding that the Group's working capital position is in a net current liability position as at 30 June 2024 of \$5,828 million (2023: net current liability position of \$5,511 million), the directors continually monitor the Group's working capital position, including forecast working capital requirements, and are satisfied that the Group's current cash reserves, expected cash flows from operations and available facilities will enable the Group to pay its debts as and when they fall due. The net current liability position is principally due to the fast turning nature of inventories, the timing of payments to suppliers, the use of available funds to support investments that are classified as non-current assets, and the Group's current lease obligations.

### 1.2 New accounting Standards and Interpretations

#### 1.2.1 New and amended Standards that are effective for the current year

The Group has adopted all the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 26 June 2023. This includes the impact of the following:

##### **AASB 17 INSURANCE CONTRACTS (AASB 17)**

AASB 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes AASB 4 *Insurance Contracts*, AASB 1023 *General Insurance Contracts* and AASB 1038 *Life Insurance Contracts*.

Woolworths Group Limited (the parent entity) was impacted by the application of AASB 17 as it is a licensed self-insurer for workers' compensation insurance in New South Wales, Queensland, Western Australia, South Australia, Tasmania and the Northern Territory, and therefore provides insurance to its subsidiaries. Refer to Note 5.3 for further details.

As at 30 June 2024, there is no impact at the Group level as insurance contracts between the Group and its external parties (where the Group acts as the Insurer) do not exist and therefore, do not fall within the scope of AASB 17.

## Notes to the Consolidated Financial Statements

### 1.2 New accounting Standards and Interpretations (continued)

#### AASB 2021-2 AMENDMENTS TO AUSTRALIAN ACCOUNTING STANDARDS – DISCLOSURE OF ACCOUNTING POLICIES AND DEFINITION OF ACCOUNTING ESTIMATES (AASB 2021-2)

AASB 2021-2 amended the requirements in AASB 101 *Presentation of Financial Statements* by requiring companies to disclose their material accounting policy information rather than their significant accounting policies. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The standard also clarified that accounting policies relating to immaterial transactions or other immaterial events/conditions are not required to be disclosed.

The amendments did not have a material impact to the Group and only material accounting policy information is disclosed within the relevant notes to the Consolidated Financial Statements.

#### AASB 2023-2 AMENDMENTS TO AUSTRALIAN ACCOUNTING STANDARDS – INTERNATIONAL TAX REFORM – PILLAR TWO MODEL RULES (AASB 2023-2)

The Group has adopted the amendments introduced to AASB 112 *Income Taxes* as a result of the Organisation for Economic Co-operation and Development's (OECD) international tax reform, known as Pillar Two, effective for annual reporting periods beginning on or after 1 January 2023. These amendments include:

- A mandatory temporary exception to the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules; and
- Disclosure requirements for affected entities to help users of the Consolidated Financial Statements better understand the Group's exposure to Pillar Two income taxes arising from that legislation.

The Group has applied the mandatory exception to recognising and disclosing information about any deferred tax impact related to Pillar Two income taxes.

#### 1.2.2 New and revised Standards and Interpretations on issue but not yet effective

The Group intends to adopt the following new or amended standards and interpretations when they become effective, with the potential impacts on the Consolidated Financial Statements of the Group outlined below:

STANDARD/AMENDMENT	EXPECTED IMPACT TO THE GROUP	EFFECTIVE
AASB 2014-10 <i>Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> (as amended)	The amendments limit the recognition of a gain or loss arising from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or joint venture to the extent of the unrelated investors' interest in that associate or joint venture. Similar limitations apply to remeasurements of retained interests in former subsidiaries. This may impact the Group's Consolidated Financial Statements in future periods should such transactions arise.	For annual reporting periods beginning after 1 January 2025
AASB 2022-6 <i>Amendments to Australian Accounting Standards – Non-current Liabilities with Covenants</i>	The amendments clarify when liabilities should be presented as current or non-current in the consolidated statement of financial position, including the impact of covenants on that classification. They may impact the classification of the Group's financial liabilities in future periods as some of those liabilities are subject to covenants.	For annual reporting periods beginning after 1 January 2024
AASB 2022-5 <i>Amendments to Australian Accounting Standards – Lease Liability in a Sale and Leaseback</i>	The amendments require the Group, in its capacity as a seller-lessee, to subsequently measure lease liabilities arising from a sale and leaseback transaction in a way that does not result in recognition of a gain or loss that relates to the right of use it retains. The Group will apply the amendments when they become effective.	For annual reporting periods beginning after 1 January 2024
AASB 2023-1 <i>Amendments to Australian Accounting Standards – Supplier Finance Arrangements</i>	The amendments require the disclosure of information about an entity's supplier finance arrangements. The Group currently has supplier finance arrangements that are not material. Where supplier finance arrangements become material, additional narrative disclosure will be included when the amendments become effective.	For annual reporting periods beginning after 1 January 2024





## 1.2 New accounting Standards and Interpretations (continued)

STANDARD/AMENDMENT (CONTINUED)	EXPECTED IMPACT TO THE GROUP (CONTINUED)	EFFECTIVE (CONTINUED)
AASB 2024-2 <i>Amendments to Australian Accounting Standards – Classification and Measurement of Financial Instruments</i>	<p>The amendments relate to the following:</p> <ul style="list-style-type: none"> <li><i>Derecognition of a financial liability settled through electronic transfer:</i> permits an entity to deem a financial liability (or part of it) that will be settled in cash using an electronic payment system to be discharged before the settlement date if specified criteria are met;</li> <li><i>Classification of financial assets:</i> provides clarity on contractual terms that are consistent with a basic lending arrangement, assets with non-recourse features and contractually linked instruments;</li> <li><i>Disclosures:</i> disclosures mainly relating to gains or losses recognised in other comprehensive income relating to equity instruments designated at fair value through other comprehensive income; and</li> <li><i>Derecognition of a financial asset:</i> clarifies that an entity derecognises only when the contractual rights to the cash flows from the financial asset expire from a legal perspective. The Group has included \$683 million (2023: \$665 million) in cash and cash equivalents relating to receivables from credit card merchants for electronic funds transfers, and credit card and debit card point of sale transactions. Whilst the Group has not elected to early adopt this amendment, the amount will be reclassified from cash and cash equivalents to receivables from the annual reporting period commencing 1 January 2026.</li> </ul>	For annual reporting periods beginning after 1 January 2026
AASB 18 <i>Presentation and Disclosure in Financial Statements</i>	This standard will not change the recognition and measurement of items in the financial statements, but will affect presentation and disclosure in the financial statements, including introducing new categories and subtotals in the statement of profit or loss, requiring the disclosure of management defined performance measures, and changing the grouping of information in the financial statements.	For annual reporting periods beginning after 1 January 2027

### 1.2.3 Sustainability disclosure standards

In June 2023, the International Sustainability Standards Board (ISSB) published two sustainability reporting standards in response to the demand for better information about sustainability-related matters (IFRS S1 *General Requirements of Sustainability-related Financial Information* and IFRS S2 *Climate-related Disclosures*). The Australian climate related financial disclosure requirements are still being finalised, however disclosures are expected to be closely aligned with the ISSB Standards, with Australian equivalents to be set by the AASB considering Australian-specific requirements. Based on the current proposals, the climate-related disclosure requirements are expected to first apply to the Group for the annual reporting period beginning after 1 January 2025.

Whilst there are currently no mandatory climate-related reporting requirements, the Group recognises the importance of environmental and social matters to its shareholders, suppliers and customers and discloses a significant amount of information on these topics in its annual Sustainability Reports. The Group's 2024 Sustainability Report has been released to the ASX at the same time as this report and can be found on the Company's investor website.

## 1.3 Critical accounting estimates and judgements

In applying the Group's accounting policies, the directors are required to make estimates, judgements, and assumptions that affect amounts reported in this Financial Report. The estimates, judgements, and assumptions are based on historical experience, adjusted for current market conditions and other factors that are believed to be reasonable under the circumstances, and are reviewed on a regular basis. Actual results may differ from these estimates.

The estimates, judgements and assumptions which involve a higher degree of complexity or that have a significant risk of causing a material adjustment to the amounts recognised in the Consolidated Financial Statements are included in Note 3.3 Other financial assets and liabilities, Note 3.5 Leases, Note 3.9 Impairment of non-financial assets, and Note 3.13 Provisions. Revisions to accounting estimates are recognised prospectively.

For personal use only

## 2 Group performance

### 2.1 Revenue and other income

	2024 \$M	2023 \$M
<b>Revenue by category</b>		
Sale of goods in-store to retail customers	54,472	52,615
Sale of goods online to retail customers	7,963	6,592
Sale of goods and provision of supply chain services to business customers <sup>1</sup>	4,233	3,973
Other revenue <sup>2</sup>	1,254	1,114
<b>Total revenue</b>	<b>67,922</b>	<b>64,294</b>
<b>Other income</b>		
Share of profit of investments accounted for using the equity method	21	56
Other <sup>3</sup>	289	221
<b>Total other income</b>	<b>310</b>	<b>277</b>

1 Excludes freight revenue of \$356 million (2023: \$351 million), which is shown as cost of sales at the Group level. Refer to Note 2.2.1 for further details.

2 Other revenue primarily comprises revenue from the provision of financial services and consulting revenue.

3 Other income primarily comprises operating lease rental income, dividend income and income from non-operating activities across the Group.



#### Material Accounting Policies

##### Sale of goods

Revenue from the sale of goods is recognised when control of the goods is transferred to the customer, at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods.

Cash payments are generally received at the point of sale of goods to retail and online customers. Credit terms are provided to business customers, with payment generally due within 24 days.

In most cases, the Group is the principal in the sale of goods, recognising revenue on a gross basis. For certain transactions, the Group acts as an agent and recognises commission revenue, which represents the consideration received from the customer, net of amounts payable to third parties when its performance obligation is satisfied.

##### Loyalty program

The Group operates a loyalty points program, Everyday Rewards, which allows customers to accumulate points that can be redeemed primarily for additional goods and services. The loyalty points earned by a customer on the purchase of a good is a separate performance obligation as it provides a material right to the customer. A portion of the transaction price is allocated to the loyalty points awarded to the customer based on its relative stand-alone selling price and is recognised as a contract liability within trade and other payables until the points are redeemed. Revenue is recognised upon redemption of the points by the customer. The Group recognises breakage revenue in the Consolidated Statement of Profit or Loss based on an estimate of members not expected to redeem the loyalty points in the future.

## 2.2 Reportable segments

### 2.2.1 Financial performance of the Group's reportable segments

Reportable segments are identified on the basis of internal reports on the business units of the Group that are regularly reviewed by the Chief Operating Decision Makers in order to allocate resources to the segment and assess its performance. These reportable segments offer different products and services, or service different customer types, and are managed separately.

The Group's reportable segments are as follows:

- **Australian Food** – procurement of food, drinks and related products for resale and provision of services (including eCommerce and retail media) to retail and business customers in Australia;
- **Australian B2B** – procurement and distribution of food and related products for resale to other businesses and provision of supply chain services to business customers in Australia;
- **New Zealand Food** – procurement of food, drinks and related products for resale and provision of services (including eCommerce) to retail and wholesale customers in New Zealand;
- **BIG W** – procurement of discount general merchandise products for resale (including via eCommerce) to retail customers in Australia; and
- **Other** – comprises Quantum, MyDeal and Petstock, which are not considered separately reportable segments, as well as various support functions including property and Group overhead costs, the Group's share of profit or loss of investments accounted for using the equity method, and consolidation and elimination journals.

The primary reporting measure of the reportable segments is earnings before interest, tax (EBIT) and significant items which is consistent with the way management monitors and reports the performance of these segments. Intersegment arrangements, including the recovery of intersegment charges for shared services, property, and administration overhead costs, are not designed to derive a net profit and are therefore charged on a cost basis.

The following is an analysis of the Group's revenue and results by reportable segment.

2024 (53 WEEKS)	AUSTRALIAN FOOD \$M	AUSTRALIAN B2B \$M	NEW ZEALAND FOOD \$M	BIG W \$M	OTHER \$M	TOTAL \$M
Revenue <sup>1</sup>	50,741	4,589	7,551	4,685	356	67,922
Other income	–	–	–	–	310	310
<b>Total revenue and other income</b>	<b>50,741</b>	<b>4,589</b>	<b>7,551</b>	<b>4,685</b>	<b>666</b>	<b>68,232</b>
<b>EBIT before depreciation, amortisation and significant items</b>	<b>5,006</b>	<b>250</b>	<b>416</b>	<b>225</b>	<b>104</b>	<b>6,001</b>
<b>Depreciation and amortisation<sup>2</sup></b>	<b>(1,896)</b>	<b>(128)</b>	<b>(316)</b>	<b>(211)</b>	<b>(227)</b>	<b>(2,778)</b>
<b>EBIT before significant items</b>	<b>3,110</b>	<b>122</b>	<b>100</b>	<b>14</b>	<b>(123)</b>	<b>3,223</b>
Significant items <sup>3</sup>						(1,607)
<b>Earnings before interest and tax</b>						<b>1,616</b>
Net finance costs						(740)
<b>Profit before income tax</b>						<b>876</b>
Income tax expense						(759)
<b>Profit for the period</b>						<b>117</b>
<b>Capital expenditure<sup>4</sup></b>	<b>1,282</b>	<b>61</b>	<b>323</b>	<b>103</b>	<b>785</b>	<b>2,554</b>

1 Revenue in Australian B2B includes \$356 million of freight revenue received from suppliers for freight services provided on products sold by the Group. At the Group level, this revenue represents a reduction in the cost of the products and is reclassified as a reduction in cost of sales in Other, resulting in no change to EBIT.

2 Refer to Note 2.3.3 for further details.

3 Refer to Note 2.2.2 for further details.

4 Capital expenditure comprises the purchase of property, plant and equipment, and intangible assets.

## Notes to the Consolidated Financial Statements

## 2.2 Reportable segments (continued)

2023 (52 WEEKS)	AUSTRALIAN FOOD \$M	AUSTRALIAN B2B \$M	NEW ZEALAND FOOD \$M	BIG W \$M	OTHER \$M	TOTAL \$M
Revenue <sup>1</sup>	48,047	4,324	7,240	4,785	(102)	64,294
Other income	-	-	-	-	277	277
<b>Total revenue and other income</b>	<b>48,047</b>	<b>4,324</b>	<b>7,240</b>	<b>4,785</b>	<b>175</b>	<b>64,571</b>
<b>EBIT before depreciation, amortisation and significant items</b>	<b>4,651</b>	<b>176</b>	<b>524</b>	<b>348</b>	<b>(5)</b>	<b>5,694</b>
Depreciation and amortisation <sup>2</sup>	(1,786)	(113)	(296)	(203)	(180)	(2,578)
<b>EBIT before significant items</b>	<b>2,865</b>	<b>63</b>	<b>228</b>	<b>145</b>	<b>(185)</b>	<b>3,116</b>
Significant items <sup>3</sup>						(117)
<b>Earnings before interest and tax</b>						<b>2,999</b>
Net finance costs						(677)
<b>Profit before income tax</b>						<b>2,322</b>
Income tax expense						(693)
<b>Profit for the period</b>						<b>1,629</b>
<b>Capital expenditure<sup>4</sup></b>	<b>1,162</b>	<b>58</b>	<b>255</b>	<b>135</b>	<b>872</b>	<b>2,482</b>

1 Revenue in Australian B2B includes \$351 million of freight revenue received from suppliers for freight services provided on products sold by the Group. At the Group level, this revenue represents a reduction in the cost of the products and is reclassified as a reduction in cost of sales in Other, resulting in no change to EBIT.

2 Refer to Note 2.3.3 for further details.

3 Refer to Note 2.2.2 for further details.

4 Capital expenditure comprises the purchase of property, plant and equipment, and intangible assets.

## 2.2.2 Individually significant items

Individually significant items are items which are not directly related to the underlying trading performance of the business and have been highlighted to help users of this Financial Report to understand the financial performance of the Group during the period. These include:

	2024 \$M	2023 \$M
New Zealand Food impairment	(1,505)	-
Loss of significant influence over Endeavour Group	(209)	-
Revaluation of put option liabilities over non-controlling interests	107	(41)
End-to-end payroll review remediation	-	(61)
Supply chain network review	-	(32)
BIG W network review	-	47
Exit of the Summergate business	-	(30)
<b>Total Group significant items before income tax</b>	<b>(1,607)</b>	<b>(117)</b>
Income tax benefit <sup>1</sup>	4	14
<b>Total Group significant items</b>	<b>(1,603)</b>	<b>(103)</b>

1 There is no tax impact on the goodwill impairment of \$1,492 million included in the New Zealand Food impairment, the loss of significant influence over Endeavour Group, and the revaluation of put option liabilities over non-controlling interests as these items are non-deductible or non-assessable for tax purposes. The income tax benefit for the current period relates to the tax impact on the impairment of property, plant and equipment of \$13 million included in the New Zealand Food impairment of \$1,505 million.

The individually significant items before income tax of \$1,607 million recognised during the period are detailed below.

## New Zealand Food impairment

During the half-year ended 31 December 2023, the trading performance of New Zealand Food continued to be impacted by a challenging economic environment and competitive landscape. Whilst positive progress was made during the period on the New Zealand Food transformation agenda, including improved customer metrics, the ongoing challenging environment led to a review of its forecasts for the next three years and recoverable amount.

## 2.2 Reportable segments (continued)

As a result, the carrying value of New Zealand Food exceeded its recoverable amount and a non-cash impairment of \$1,492 million (NZ \$1,613 million) was recognised against goodwill within intangible assets. In addition, the Group recognised a \$13 million (NZ \$14 million) impairment loss relating to property, plant and equipment, as a result of the transformation and rebranding of Countdown stores to Woolworths New Zealand. Notwithstanding that momentum improved towards the end of the period, trading performance continued to be impacted by a challenging economic environment. As at 30 June 2024, no further impairment was recognised.

A total impairment loss of \$1,505 million was recognised as a significant item during the period. Refer to Note 3.9 for further details.

### Loss of significant influence over Endeavour Group

During the half-year ended 31 December 2023, the Group discontinued the equity method of accounting and recognised its investment in Endeavour Group as a financial asset at fair value through equity. A loss of \$209 million was recognised, representing the difference between the derecognition of the carrying value of its equity accounted investment and the fair value of its investment in Endeavour Group at the date of initial recognition based on a share price of \$5.21. Refer to Note 3.10 for further details.

On 3 May 2024, the Group sold a 5% equity interest in Endeavour Group for \$466 million (net of transaction costs), with no gain or loss recognised as the investment is measured at fair value through other comprehensive income. Refer to Note 3.3 for further details.

### Revaluation of put option liabilities over non-controlling interests

The Group has recognised put option liabilities over its non-controlling interests of PFD, Quantum and MyDeal. At each reporting period, the put option liabilities are reassessed to reflect the present value of the Group's best estimate of the amounts expected to be paid at the estimated time of exercise. During the period, a net revaluation gain of \$107 million was recognised, which largely related to the revised revaluation of the PFD put option liability due to changes in key assumptions, including EBITDA, net debt, discount rate, and expected exercise date.

## 2.3 Branch and administration expenses

### 2.3.1 Branch and administration expenses recognised in the Consolidated Statement of Profit or Loss

	NOTE	2024 53 WEEKS \$M	2023 52 WEEKS \$M
Employee benefits expense	2.3.2	9,519	8,762
Depreciation and amortisation expense	2.3.3	2,452	2,309
Occupancy expenses		706	611
Contract labour and consultancy fees		825	832
New Zealand Food impairment	2.2.2	1,505	-
Loss of significant influence over Endeavour Group	2.2.2	209	-
Revaluation of put option liabilities over non-controlling interests	2.2.2	(107)	41
Other <sup>1</sup>		2,137	1,899
<b>Total branch and administration expenses</b>		<b>17,246</b>	<b>14,454</b>
Branch expenses		11,707	10,770
Administration expenses		5,539	3,684
<b>Total branch and administration expenses</b>		<b>17,246</b>	<b>14,454</b>

1 Other includes expenses such as light and power, IT, and repairs and maintenance.

## Notes to the Consolidated Financial Statements

## 2.3 Branch and administration expenses (continued)

## 2.3.2 Employee benefits expense

	2024 53 WEEKS \$M	2023 52 WEEKS \$M
Remuneration and on-costs	9,816	9,125
Superannuation expense	868	749
Share-based payments expense	92	113
<b>Total employee benefits expense</b>	<b>10,776</b>	<b>9,987</b>
Cost of sales	1,257	1,225
Branch and administration expenses	9,519	8,762
<b>Total employee benefits expense</b>	<b>10,776</b>	<b>9,987</b>

## 2.3.3 Depreciation and amortisation expense

	NOTE	2024 53 WEEKS \$M	2023 52 WEEKS \$M
Depreciation – lease assets	3.5.1	1,151	1,066
Depreciation – property, plant and equipment	3.6	1,128	1,023
Amortisation – intangible assets	3.7	499	489
<b>Total depreciation and amortisation expense</b>		<b>2,778</b>	<b>2,578</b>
Cost of sales		326	269
Branch and administration expenses		2,452	2,309
<b>Total depreciation and amortisation expense</b>		<b>2,778</b>	<b>2,578</b>

## 2.4 Income taxes

## 2.4.1 Income tax expense recognised in the Consolidated Statement of Profit or Loss

	2024 53 WEEKS \$M	2023 52 WEEKS \$M
Current tax expense	862	830
Adjustments recognised during the period in relation to the current tax of prior periods	(3)	(11)
Deferred tax relating to the origination and reversal of temporary differences	(100)	(126)
<b>Total income tax expense</b>	<b>759</b>	<b>693</b>

## 2.4 Income taxes (continued)

### 2.4.2 Reconciliation between profit before income tax and income tax expense

	2024 53 WEEKS \$M	2023 52 WEEKS \$M
<b>Profit before income tax</b>	<b>876</b>	<b>2,322</b>
Income tax expense using the Australian corporate tax rate of 30%	263	697
<b>Tax effect of amounts which are not deductible/(taxable) in calculating taxable income:</b>		
Non-deductible expenses <sup>1</sup>	534	39
Non-assessable income <sup>2</sup>	(50)	(2)
Share of profits of investments accounted for using the equity method	(6)	(17)
Share-based payments expense	15	-
Unrecognised tax losses from the current period	1	3
Impact of differences in offshore tax rates	1	(1)
Other	4	(15)
	<b>762</b>	<b>704</b>
Adjustments relating to prior periods	(3)	(11)
<b>Income tax expense</b>	<b>759</b>	<b>693</b>

1 Non-deductible expenses for the current period includes the impact of the tax effected impairment of goodwill in New Zealand Food (\$448 million) and loss of significant influence over Endeavour Group (\$63 million). Refer to Note 2.2.2 for further details.

2 Non-assessable income for the current period includes the tax effected gain of \$32 million on the revaluation of put option liabilities over non-controlling interests. Refer to Note 2.2.2 for further details.

## 2.5 Net finance costs

	2024 53 WEEKS \$M	2023 52 WEEKS \$M
Interest expense <sup>1</sup>	812	726
Less: interest capitalised <sup>2</sup>	(40)	(28)
Interest income <sup>3</sup>	(32)	(21)
<b>Total net finance costs</b>	<b>740</b>	<b>677</b>

1 Interest expense includes interest on leases of \$570 million (2023: \$542 million), interest on borrowings and derivatives of \$225 million (2023: \$169 million), and interest expense on put option liabilities of \$17 million (2023: \$15 million).

2 Weighted average capitalisation rate is 4.79% (2023: 3.55%).

3 Interest income is recognised by the Group in its capacity as a lessor, over the lease term.

### 3 Assets and liabilities

#### 3.1 Trade and other receivables

	2024 \$M	2023 \$M
<b>Current</b>		
Trade receivables	467	416
Loss allowance	(6)	(4)
<b>Total current trade receivables</b>	<b>461</b>	412
Other receivables <sup>1</sup>	610	608
Loss allowance	(9)	(4)
<b>Total current other receivables</b>	<b>601</b>	604
<b>Total current trade and other receivables</b>	<b>1,062</b>	1,016
<b>Non-current</b>		
Trade and other receivables	129	132
<b>Total non-current trade and other receivables</b>	<b>129</b>	132
<b>Total trade and other receivables</b>	<b>1,191</b>	1,148

1 Supplier rebates (included in other receivables) were \$64 million (2023: \$76 million).

#### 3.2 Inventories

	2024 \$M	2023 \$M
Inventories	4,253	3,785
Provision for inventory obsolescence	(66)	(87)
<b>Total inventories</b>	<b>4,187</b>	3,698

Cost of inventories recognised as an expense within cost of sales during the period was \$48,471 million (2023: \$46,057 million).



#### Material Accounting Policies

##### Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is calculated using the weighted average cost method. Cost of sales recognised in the Consolidated Statement of Profit or Loss includes the cost of inventories recognised as an expense.



### 3.3 Other financial assets and liabilities

	2024 \$M	2023 \$M
<b>Other financial assets</b>		
<b>Current</b>		
Derivatives	23	51
<b>Total current other financial assets</b>	<b>23</b>	<b>51</b>
<b>Non-current</b>		
Derivatives	37	62
Listed equity securities	378	-
Unlisted equity securities	177	75
Other	8	3
<b>Total non-current other financial assets</b>	<b>600</b>	<b>140</b>
<b>Total other financial assets</b>	<b>623</b>	<b>191</b>
<b>Other financial liabilities</b>		
<b>Current</b>		
Derivatives	58	97
Put option liabilities over non-controlling interests	631	172
<b>Total current other financial liabilities</b>	<b>689</b>	<b>269</b>
<b>Non-current</b>		
Derivatives	82	76
Put option liabilities over non-controlling interests	44	593
<b>Total non-current other financial liabilities</b>	<b>126</b>	<b>669</b>
<b>Total other financial liabilities</b>	<b>815</b>	<b>938</b>

#### DERIVATIVES

The Group uses various types of derivatives to hedge exposures to variability in both interest and foreign exchange rates. Refer to Note 4.7 for further details.

#### LISTED EQUITY SECURITIES

Listed equity securities primarily includes the Group's investment in Endeavour Group, which is measured at fair value through other comprehensive income, following the loss of significant influence during the half-year ended 31 December 2023. Refer to Note 3.10 for further details.

On 3 May 2024, the Group sold a 5% equity interest in Endeavour Group for \$466 million (net of transaction costs) and no gain or loss was recognised as the investment is measured at fair value. As at 30 June 2024, the Group revalued its investment in Endeavour Group based on a share price of \$5.05 to \$370 million, with a loss of \$10 million recognised within other comprehensive income during the period.

#### UNLISTED EQUITY SECURITIES

The Group has various investments in unlisted equity securities which are measured at fair value through other comprehensive income. Refer to Note 4.7.4 for further details.

#### OTHER

Other includes \$7 million of convertible notes (2023: nil) and \$1 million of loan receivables (2023: \$1 million). Included in prior year was \$2 million of SAFE (Simple Agreement for Future Equity) notes which were impaired during the current period.

For personal use only

## Notes to the Consolidated Financial Statements

### 3.3 Other financial assets and liabilities (continued)

#### PUT OPTION LIABILITIES OVER NON-CONTROLLING INTERESTS

The Group has recognised put option liabilities over its non-controlling interests of PFD, Quantum and MyDeal based on the present value of the amounts expected to be paid at the estimated time of exercise. Subsequent to 30 June 2024, the minority shareholders of PFD exercised their put option and the Group will acquire the remaining 35% equity interest in PFD. Refer to Note 6.5 for further details.

PUT OPTION LIABILITY	NON-CONTROLLING INTEREST	PUT OPTION LIABILITY MECHANISM
Quantum	22.3%	Calculated primarily based on a three-year revenue and EBITDA margin growth, which is applied to the Last Twelve Months (LTM) revenue at exercise date and is subject to a floor.
PFD	35.0%	Calculated based on a LTM EBITDA multiple and is subject to a floor.
MyDeal	19.8%	Primarily referenced to a Gross Transaction Value (GTV) multiple, where the exit enterprise value is calculated as the exit LTM GTV multiplied by an exit multiple which is adjusted for profitability factors, changes in working capital, and net debt to arrive at an equity value.

The values of put option liabilities over non-controlling interests are determined using various assumptions including estimations of future performance, and changes in working capital, net debt and estimated exercise date. Any changes to these assumptions would result in a change to the value of the put option liabilities.



#### Material Accounting Policies

##### Put option liabilities over non-controlling interests

At each reporting period, the put option liabilities are reassessed to reflect the Group's best estimate of the amounts expected to be paid at the estimated time of exercise, discounted to present value using the Group's marginal cost of debt for borrowings over a similar term. Any changes in the estimate are recognised in the Consolidated Statement of Profit or Loss.

The estimates and judgements applied in determining the Group's put option liabilities over non-controlling interests involve a high degree of complexity and, by nature, are uncertain as they relate to estimations of future performance.

### 3.4 Other assets

	2024 \$M	2023 \$M
<b>Current</b>		
Lease receivables	44	49
Prepayments	156	161
Other assets	21	15
<b>Total other current assets</b>	<b>221</b>	<b>225</b>
<b>Non-current</b>		
Lease receivables	325	349
Prepayments	11	10
<b>Total other non-current assets</b>	<b>336</b>	<b>359</b>
<b>Total other assets</b>	<b>557</b>	<b>584</b>



### 3.5 Leases

#### 3.5.1 Lease assets

##### 2024

	PROPERTIES \$M	PLANT AND EQUIPMENT \$M	OTHER \$M	TOTAL \$M
Cost	20,615	372	61	21,048
Less: accumulated depreciation and impairment	(11,234)	(159)	(51)	(11,444)
<b>Carrying amount at end of period</b>	<b>9,381</b>	<b>213</b>	<b>10</b>	<b>9,604</b>
<b>Movement:</b>				
Carrying amount at start of period	9,256	203	8	9,467
Additions	539	96	-	635
Acquisition of business	320	-	-	320
Terminations	(30)	-	-	(30)
Remeasurements	380	8	9	397
Depreciation expense	(1,080)	(64)	(7)	(1,151)
Other	(4)	(30)	-	(34)
<b>Carrying amount at end of period</b>	<b>9,381</b>	<b>213</b>	<b>10</b>	<b>9,604</b>

##### 2023

	PROPERTIES \$M	PLANT AND EQUIPMENT \$M	OTHER \$M	TOTAL \$M
Cost	19,474	335	53	19,862
Less: accumulated depreciation and impairment	(10,218)	(132)	(45)	(10,395)
<b>Carrying amount at end of period</b>	<b>9,256</b>	<b>203</b>	<b>8</b>	<b>9,467</b>
<b>Movement:</b>				
Carrying amount at start of period	9,801	178	16	9,995
Additions	263	87	5	355
Acquisition of businesses	45	-	-	45
Terminations	(23)	-	(8)	(31)
Remeasurements	198	6	-	204
Depreciation expense	(1,000)	(61)	(5)	(1,066)
Impairment expense	(23)	-	-	(23)
Other	(5)	(7)	-	(12)
<b>Carrying amount at end of period</b>	<b>9,256</b>	<b>203</b>	<b>8</b>	<b>9,467</b>

#### 3.5.2 Lease liabilities

	2024 \$M	2023 \$M
<b>Movement:</b>		
Carrying amount at start of period	11,980	12,471
Additions	634	352
Acquisition of business	320	45
Terminations	(21)	(26)
Remeasurements	397	204
Interest expense	570	542
Payments for the interest component of lease liabilities	(570)	(542)
Repayment of the principal component of lease liabilities	(1,138)	(1,067)
Other	(28)	1
<b>Carrying amount at end of period</b>	<b>12,144</b>	<b>11,980</b>
Current	1,599	1,637
Non-current	10,545	10,343
<b>Carrying amount at end of period</b>	<b>12,144</b>	<b>11,980</b>

For personal use only

## Notes to the Consolidated Financial Statements

## 3.5 Leases (continued)

MATURITY PROFILE OF CONTRACTUAL UNDISCOUNTED CASH FLOWS	2024 \$M	2023 \$M
One year or less	1,762	1,689
One year to two years	1,726	1,507
Two years to five years	4,845	3,051
Five years to 10 years	5,386	6,003
Over 10 years	1,741	2,704
<b>Total undiscounted lease liabilities</b>	<b>15,460</b>	<b>14,954</b>

## COMMITMENTS FOR LEASES NOT YET COMMENCED

As at 30 June 2024, the Group had committed to leases which had not yet commenced. Accordingly, these lease contracts are not included in the calculation of the Group's lease liabilities. The Group has estimated that the potential future lease payments for these lease contracts as at the end of the financial period would result in an increase in undiscounted lease liabilities of \$1,954 million (2023: \$1,623 million).

## 3.5.3 Other amounts recognised

	2024 \$M	2023 \$M
<b>Consolidated Statement of Profit or Loss (included in branch and administration expenses)</b>		
Variable lease payments not included in the measurement of lease liabilities <sup>1</sup>	117	115
Expense relating to short-term leases	12	12
<b>Consolidated Statement of Cash Flows (included in payments to suppliers and employees)</b>		
Payments for short-term leases, service components of leases, and variable lease payments	831	723

1 Variable lease payments primarily relate to turnover rent for stores and represent less than 5% of total lease payments (2023: less than 5% of total lease payments).



## Material Accounting Policies

The Group primarily enters into leases for retail and distribution properties, which includes extension options. Where it is reasonably certain that the Group will exercise these options, they are included in the lease term. At the end of the reporting period, the weighted average remaining lease terms for the Group's portfolio of property leases were:

	WEIGHTED AVERAGE LEASE TERM (WALT) <sup>1</sup>		WEIGHTED AVERAGE LEASE EXPIRY (WALE) <sup>1</sup>	
	2024 (YEARS)	2023 (YEARS)	2024 (YEARS)	2023 (YEARS)
Australian Food	8.8	9.3	7.7	8.0
Australian B2B	8.7	8.9	7.8	8.9
New Zealand Food	9.0	9.5	8.0	8.2
BIG W	8.0	8.9	6.0	6.6
Other	8.4	8.0	7.9	7.1
Group	8.6	9.3	7.4	7.8

1 Represents the weighted average number of years from the end of the reporting period to the end of the reasonably certain lease term (WALT) and to the contractual lease end date (WALE).

## Lease assets

Lease assets are initially measured at cost comprising the initial lease liability, lease payments made at or before the commencement date (less any lease incentives received), and initial direct and restoration costs. They are depreciated on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset.

For personal use only

## 3.5 Leases (continued)



## Material Accounting Policies (continued)

## Lease liabilities

Lease liabilities are measured at the present value of lease payments to be made during the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be determined, at the Group's incremental borrowing rate specific to the lease term, which is derived from key external market-based rates and the Group's credit margin.

Lease payments primarily include fixed payments, less any lease incentives receivable. Lease liabilities are subsequently measured at amortised cost using the effective interest rate method. When there is a change in lease term or in future lease payments, lease liabilities are remeasured, with a corresponding adjustment to lease assets.

## Holdover leases

In assessing whether the Group is reasonably certain to extend or renew a lease in holdover, the Group considers all relevant facts and circumstances that create an economic incentive to remain in the leased premises and whether a lease asset and lease liability should be recognised.

## Non-lease components

The Group separates the non-lease components for property leases based on a residual method using property outgoings market data. Non-lease components of lease payments are recognised as an expense in the Consolidated Statement of Profit or Loss as incurred and include items such as embedded property outgoings, and repairs and maintenance.

## 3.6 Property, plant and equipment

	DEVELOPMENT PROPERTIES \$M	FREEHOLD LAND, WAREHOUSE, RETAIL, AND OTHER PROPERTIES \$M	LEASEHOLD IMPROVEMENTS \$M	PLANT AND EQUIPMENT \$M	TOTAL \$M
<b>2024</b>					
Cost	1,636	1,280	4,307	11,983	19,206
Less: accumulated depreciation and impairment	(73)	(141)	(2,375)	(6,939)	(9,528)
<b>Carrying amount at end of period<sup>1</sup></b>	<b>1,563</b>	<b>1,139</b>	<b>1,932</b>	<b>5,044</b>	<b>9,678</b>
<b>Movement:</b>					
Carrying amount at start of period	1,579	813	1,825	4,664	8,881
Additions	506	31	337	1,171	2,045
Acquisition of business	-	9	36	46	91
Disposals	(14)	(6)	(11)	-	(31)
Transfer to assets held for sale	(136)	(49)	-	-	(185)
Depreciation expense	-	(25)	(251)	(852)	(1,128)
Impairment expense	(4)	-	(4)	(30)	(38)
Transfers and other	(368)	368	-	45	45
Effect of movements in foreign exchange rates	-	(2)	-	-	(2)
<b>Carrying amount at end of period<sup>1</sup></b>	<b>1,563</b>	<b>1,139</b>	<b>1,932</b>	<b>5,044</b>	<b>9,678</b>

<sup>1</sup> Carrying amount at the end of the period includes assets under construction of \$1,244 million.

## Notes to the Consolidated Financial Statements

## 3.6 Property, plant and equipment (continued)

2023	DEVELOPMENT PROPERTIES \$M	FREEHOLD LAND, WAREHOUSE, RETAIL, AND OTHER PROPERTIES \$M	LEASEHOLD IMPROVEMENTS \$M	PLANT AND EQUIPMENT \$M	TOTAL \$M
Cost	1,640	927	4,013	11,021	17,601
Less: accumulated depreciation and impairment	(61)	(114)	(2,188)	(6,357)	(8,720)
<b>Carrying amount at end of period<sup>1</sup></b>	<b>1,579</b>	<b>813</b>	<b>1,825</b>	<b>4,664</b>	<b>8,881</b>
<b>Movement:</b>					
Carrying amount at start of period	1,303	808	1,712	4,408	8,231
Additions	570	32	347	1,009	1,958
Acquisition of businesses	-	-	-	19	19
Disposals	(60)	(8)	(1)	(4)	(73)
Transfer to assets held for sale	(9)	(185)	-	(2)	(196)
Depreciation expense	-	(18)	(232)	(773)	(1,023)
Impairment (expense)/reversal	(19)	5	(4)	(23)	(41)
Transfers and other	(206)	177	2	27	-
Effect of movements in foreign exchange rates	-	2	1	3	6
<b>Carrying amount at end of period<sup>1</sup></b>	<b>1,579</b>	<b>813</b>	<b>1,825</b>	<b>4,664</b>	<b>8,881</b>

<sup>1</sup> Carrying amount at the end of the period includes assets under construction of \$1,102 million.



### Material Accounting Policies

#### Property, plant and equipment

The Group's property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Freehold land and development properties are not depreciated, while leasehold improvements are depreciated on a straight-line basis over the shorter of the respective remaining lease term and the estimated useful life of the underlying lease asset. All other property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives to their residual values.

The useful lives of the Group's property, plant and equipment are as follows:

Buildings	25–40 years
Plant and equipment	2.5–20 years
Leasehold improvements	Up to 25 years



### Financial reporting impacts of sustainability-related matters

The Group has identified climate-related physical risks to its assets and is currently working through actions to address these risks, including improving the resilience of its assets through the implementation of generators for areas exposed to a high risk of power outages, flood barriers, rainwater harvesting, and roof strengthening.

#### Useful lives

During the period, there were no changes to the useful lives of property, plant and equipment as a result of climate-related risks. If in future reporting periods there are changes to the proposed useful lives and/or residual values due to climate-related risks, these changes will be accounted for on a prospective basis.

## 3.7 Intangible assets

	GOODWILL \$M	BRAND NAMES <sup>1</sup> \$M	SOFTWARE <sup>2</sup> \$M	CUSTOMER CONTRACTS AND RELATIONSHIPS \$M	OTHER \$M	TOTAL \$M
<b>2024</b>						
Cost	4,017	485	3,919	355	141	8,917
Less: accumulated amortisation and impairment	(1,551)	(18)	(2,346)	(86)	(43)	(4,044)
<b>Carrying amount at end of period</b>	<b>2,466</b>	<b>467</b>	<b>1,573</b>	<b>269</b>	<b>98</b>	<b>4,873</b>
<b>Movement:</b>						
Carrying amount at start of period	3,504	319	1,554	211	105	5,693
Acquisition of business	444	152	20	90	-	706
Additions	-	14	486	-	9	509
Disposals	-	-	(9)	-	-	(9)
Transfers	-	-	(17)	-	-	(17)
Amortisation expense	-	(4)	(447)	(32)	(16)	(499)
Impairment expense	(1,492)	(14)	(12)	-	-	(1,518)
Effect of movements in foreign exchange rates	10	-	(2)	-	-	8
<b>Carrying amount at end of period</b>	<b>2,466</b>	<b>467</b>	<b>1,573</b>	<b>269</b>	<b>98</b>	<b>4,873</b>
<b>2023</b>						
Cost	3,581	322	3,515	265	132	7,815
Less: accumulated amortisation and impairment	(77)	(3)	(1,961)	(54)	(27)	(2,122)
<b>Carrying amount at end of period</b>	<b>3,504</b>	<b>319</b>	<b>1,554</b>	<b>211</b>	<b>105</b>	<b>5,693</b>
<b>Movement:</b>						
Carrying amount at start of period	3,198	305	1,484	224	67	5,278
Acquisition of businesses	297	14	31	10	54	406
Additions	-	3	516	5	-	524
Disposals	-	-	(11)	-	-	(11)
Transfers	(1)	-	(20)	-	-	(21)
Amortisation expense	-	(3)	(443)	(28)	(15)	(489)
Impairment expense	-	-	(5)	-	(1)	(6)
Effect of movements in foreign exchange rates	10	-	2	-	-	12
<b>Carrying amount at end of period</b>	<b>3,504</b>	<b>319</b>	<b>1,554</b>	<b>211</b>	<b>105</b>	<b>5,693</b>

1 As at 30 June 2024, brand names includes \$452 million (2023: \$305 million) of brand names with indefinite useful lives and \$15 million (2023: \$14 million) with finite useful lives.

2 Carrying amount at the end of the period for software includes assets under development of \$466 million (2023: \$507 million).

For personal use only

## 3.7 Intangible assets (continued)



### Material Accounting Policies

#### Intangible assets

The Group's intangible assets are measured at cost less accumulated amortisation and impairment losses. Goodwill and brand names with indefinite useful lives are not amortised. All other intangible assets are amortised over their estimated useful lives as follows:

Brand names with finite useful lives	One to five years
Core systems	Five to 10 years
Other software	Three to five years
Customer contracts and relationships	Three to 10 years
Other intangible assets	Nine years

#### Internally-generated intangible assets

Development expenditure is capitalised only if the expenditure can be measured reliably, the asset is technically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, the expenditure is recognised in the Consolidated Statement of Profit or Loss as incurred.

Subsequent to initial recognition, internally-generated intangible assets are recognised at cost less accumulated amortisation and impairment losses. Expenditure on research activities is recognised as an expense in the period in which it is incurred.

#### Software-as-a-Service

Configuration and customisation costs incurred as part of the Group's Software-as-a-Service arrangement are recognised as operating expenses when the services are received.

However, some costs are incurred for the development of a software code that enhances, modifies, or creates additional capability to the Group's existing on-premise systems and meets the definition of and recognition criteria for an intangible asset. These costs are recognised as intangible software assets.

## 3.8 Commitments for capital expenditure

Capital expenditure commitments of the Group at the reporting date are as follows:

	2024 \$M	2023 \$M
<b>Estimated capital expenditure under firm contracts, payable:</b>		
Not later than one year	751	914
Later than one year, not later than two years	54	155
Later than two years, not later than five years	3	-
<b>Total capital expenditure commitments</b>	<b>808</b>	<b>1,069</b>



### 3.9 Impairment of non-financial assets

At each reporting date, the Group assesses whether there is any indication that an asset may be impaired. Internal and external factors, such as performance against budget, changes in expected future prices, costs, and other market factors are also monitored to assess for indications of impairment.

If any such indication exists, the recoverable amount of the asset is estimated as the higher of fair value less costs of disposal (FVLCD) or value in use (VIU), and is determined for the individual asset where possible, otherwise, for the cash-generating unit (CGU) to which it belongs. CGUs are the smallest identifiable group of assets and liabilities that generate cash inflows that are largely independent of the cash inflows from other assets or groups of assets. An impairment loss is recognised for the amount by which the carrying amount of an asset or a CGU exceeds its recoverable amount.

For the purposes of impairment testing, an intangible asset with an indefinite life is allocated to each CGU that is expected to benefit from the synergies relating to the business combination, reflecting the lowest level for which the asset is monitored for internal management purposes.

The Group's intangible assets with indefinite useful lives are as follows:

CGU	2024		2023	
	GOODWILL \$M	BRAND NAMES \$M	GOODWILL \$M	BRAND NAMES \$M
Australian Food	944	3	866	3
New Zealand Food	608	240	2,077	240
BIG W	72	-	50	-
PFD	360	43	360	43
Quantium	143	19	143	19
MyDeal	8	-	8	-
Petstock	331	147	-	-
<b>Carrying amount at end of period</b>	<b>2,466</b>	<b>452</b>	<b>3,504</b>	<b>305</b>

#### 3.9.1 Impairment testing and sensitivity analysis

The Group performed its annual impairment test for CGUs with goodwill and brand names with indefinite useful lives and/or for CGUs where indicators of impairment were identified. For all CGUs, other than New Zealand Food, BIG W, MyDeal and Petstock, no indications of impairment were identified.

Sensitivity analysis was also performed to determine the impact on the recoverable amount for any reasonably possible changes in the key assumptions for the New Zealand Food, BIG W, MyDeal and Petstock CGUs, with the results as follows.

##### NEW ZEALAND FOOD

During the period, positive progress was made on the New Zealand Food transformation agenda, which included the rebranding of stores from Countdown to Woolworths New Zealand, the relaunch of Weekly Specials and Low Price mechanics, the evolution of in-store price messaging to improve the communication of value to customers, and the launch of Everyday Rewards. Despite positive customer metrics, the financial performance during the period was below expectations, with EBIT before significant items of \$100 million, 56% lower than prior year.

An impairment test was undertaken at H1 F24 which identified that the carrying value of the New Zealand Food CGU exceeded its recoverable amount by \$1,492 million (NZ\$1,613 million) resulting in the recognition of an impairment loss, with a corresponding reduction in goodwill within intangible assets. In addition, the Group recognised a \$13 million (NZ\$14 million) impairment of property, plant, and equipment, as a result of the transformation and rebranding of Countdown stores to Woolworths New Zealand.

As at 30 June 2024, the recoverable amount was reassessed, resulting in minimal headroom. As a result, any adverse changes to the key assumptions applied in the determination of the recoverable amount, such as challenges impacting the business' ability to realise the expected benefits of the transformation agenda, would result in a further impairment loss. Either a 0.1% increase in the post-tax discount rate, or a 0.6% reduction in EBITDA within the terminal year, would result in the recoverable amount approximating its carrying value.

---

**3.9 Impairment of non-financial assets** (continued)

---

**BIG W**

For the current period, BIG W's performance was significantly impacted by a reduction in customer spending and trading down in a highly competitive market. Notwithstanding that performance was below prior year, the Group does not consider this to be a reflection of sustainable long-term performance, with BIG W's recoverable amount exceeding its carrying value. As a result, no impairment loss was recognised during the period.

Any adverse changes to the key assumptions applied in the determination of the recoverable amount, such as challenges impacting the business' ability to meet forecast expectations and achieve sustainable performance in line with the estimates underpinning its terminal value, would result in a further impairment loss. Either a 0.7% increase in the post-tax discount rate, or a 3.1% reduction in EBITDA within the terminal year, would result in the recoverable amount approximating its carrying value.

**MYDEAL**

MyDeal continues to enhance the Group's Marketplace capabilities in furniture, homewares and everyday needs. As at 30 June 2024, the recoverable amount of the CGU based on its VIU approximated its carrying value. As a result, any adverse changes to the discount rate applied or challenges in the achievement of the MyDeal strategic plan would result in an impairment loss. Either a 1.0% increase in the discount rate, or a 6.4% reduction in the EBITDA within the terminal year, would result in an impairment loss of approximately \$8 million.

**PETSTOCK**

During the period, the Group finalised its accounting for the acquisition of Petstock and the allocation of the \$444 million of goodwill (refer to Note 5.1 for further details). As a result, \$113 million was allocated to the Australian Food (\$78 million), BIG W (\$22 million) and New Zealand (\$13 million) CGUs respectively, with \$331 million remaining in Petstock. Goodwill was allocated based on where the expected benefits from the Petstock acquisition are expected to be realised.

As at 30 June 2024, the recoverable amount of the Petstock CGU based on its VIU exceeded its carrying value and no impairment loss was recognised. Given that the business was recently acquired at fair value in an arm's length transaction, management continues to assess the performance of the business against its three-year plan.

Any adverse changes to the key assumptions applied in the determination of the recoverable amount, such as challenges impacting the business' ability to achieve the planned growth objectives, may lead to a future impairment loss. As a result, either a 0.9% increase in the post-tax discount rate, or a 6.7% reduction in the EBITDA within the terminal year, would result in the recoverable amount approximating its carrying value.

## 3.9 Impairment of non-financial assets (continued)

**Material Accounting Policies**

The recoverable amount of a CGU is based on its VIU which is calculated as the present value of the estimated future cash flows in the Group's most recent three-year Board-approved plan, reflecting management's best estimate of income, expenses, capital expenditure and cash flows for each CGU. For the purposes of performing an impairment test, a terminal value was estimated. Cash flows to determine the terminal value were extrapolated using a constant growth rate of 2.5% (2023: 2.5%).

For CGUs that are exposed to greater market risk and/or where actual performance was significantly lower than budget in the current year, the Group risk-adjusted the cash flows as derived from the three-year Board-approved plan for impairment testing purposes.

The estimated future cash flows were discounted to their present value using a pre-tax discount rate (derived from a post-tax discount rate), which reflects the current market assessments of the time value of money and risks specific to the CGU. The post-tax discount rates applied by the Group for impairment testing purposes are as follows:

	2024 %	2023 %
Australian Food	7.9	7.4
New Zealand Food	8.9	8.5
BIG W	9.5	9.0
PFD	8.7	8.2
Quantium	10.2	9.5
MyDeal	11.2	10.5
Petstock	9.6	n/a

**Financial reporting impacts of sustainability-related matters**

Notwithstanding that the Group continues to assess the potential impacts of climate change on its impairment testing, the Group has identified climate-related physical risks to its assets and is currently working through actions to address these risks. These actions include the replacement of its existing assets with more environmentally-friendly alternatives, such as refrigeration, solar and LED lighting, and converting the Group's home delivery fleet to electric vehicles, as well as increasing the resilience of the Group's store and supply chain assets through the implementation of generators for areas exposed to a high risk of power outages. Furthermore, the Group incorporates the potential increase of future flood risk into its existing site selection and design procedures.

Given that the average remaining useful life of the Group's significant non-financial tangible assets is approximately eight years, the potential impacts of climate change are not considered to present a risk of impairment of the carrying value of non-financial assets in the near term.

## Notes to the Consolidated Financial Statements

## 3.10 Investments accounted for using the equity method

During the half-year ended 31 December 2023 the Group reassessed its ability to significantly influence the financial and operating policies of Endeavour Group, which is an area of key judgement. Based on a combination of factors, including the Group's ability to participate in the policy-making processes of Endeavour Group and the material transactions between the entities, the Group concluded that it could no longer clearly demonstrate that it had significant influence over Endeavour Group. As a result, the Group ceased using the equity method of accounting on 31 December 2023 and subsequently designated its investment in Endeavour Group as a financial asset measured at fair value through other comprehensive income within equity. Refer to Note 3.3 for further details.

## 3.10.1 Movements in the carrying amount of investments accounted for using the equity method

	ENDEAVOUR GROUP \$M	INDIVIDUALLY IMMATERIAL INVESTMENTS IN ASSOCIATES \$M	INDIVIDUALLY IMMATERIAL INVESTMENTS IN JOINT VENTURES \$M	TOTAL \$M
<b>2024</b>				
Carrying amount at start of period	1,046	29	48	1,123
Additional investment	-	11		11
Share of net profit/(loss) for the period, net of tax	27	(1)	(5)	21
Dividends received	(12)	-	-	(12)
Derecognition on loss of significant influence	(1,061)	(4)	-	(1,065)
<b>Carrying amount at end of period</b>	<b>-</b>	<b>35</b>	<b>43</b>	<b>78</b>

	ENDEAVOUR GROUP \$M	INDIVIDUALLY IMMATERIAL INVESTMENTS IN ASSOCIATES \$M	INDIVIDUALLY IMMATERIAL INVESTMENTS IN JOINT VENTURES \$M	TOTAL \$M
<b>2023</b>				
Carrying amount at start of period	1,646	26	19	1,691
Additional investment	-	13	40	53
Disposals	(630)	-	-	(630)
Impairment expense	-	(6)	(1)	(7)
Share of net profit/(loss) for the period, net of tax	70	(4)	(10)	56
Share of other comprehensive income for the period, net of tax	3	-	-	3
Dividends received	(43)	-	-	(43)
<b>Carrying amount at end of period</b>	<b>1,046</b>	<b>29</b>	<b>48</b>	<b>1,123</b>

## 3.10.2 Impact of the change in accounting for the investment in Endeavour Group

	\$M
Derecognition of the investment in Endeavour Group upon loss of significant influence	(1,061)
Equity items recycled to profit and loss upon loss of significant influence	3
Recognition of the investment in Endeavour Group at fair value <sup>1</sup>	849
<b>Loss recognised on the change in accounting for the investment in Endeavour Group</b>	<b>(209)</b>

<sup>1</sup> Based on 162,982,408 shares at the share price of \$5.21 on 31 December 2023.

**3.11 Deferred tax****3.11.1 Deferred tax balances recognised in the Consolidated Statement of Financial Position**

	2024 \$M	2023 \$M
Deferred tax asset	1,647	1,532
Deferred tax liability	(83)	(54)
<b>Net deferred tax asset</b>	<b>1,564</b>	<b>1,478</b>

**3.11.2 Movement in deferred tax balances**

2024	OPENING BALANCE \$M	RECOGNISED IN PROFIT OR LOSS \$M	RECOGNISED IN EQUITY \$M	ACQUISITIONS AND OTHER \$M	CLOSING BALANCE \$M
<b>Deferred tax assets</b>					
Property, plant and equipment	231	69	-	-	300
Revenue and capital losses	214	(114)	-	11	111
Lease liabilities	3,655	70	-	99	3,824
Provisions, accruals and other liabilities	863	11	-	13	887
Cash flow and fair value hedges	44	(10)	7	-	41
<b>Total deferred tax assets</b>	<b>5,007</b>	<b>26</b>	<b>7</b>	<b>123</b>	<b>5,163</b>
<b>Deferred tax liabilities</b>					
Intangible assets	(189)	15	-	(71)	(245)
Unrealised exchange differences	(72)	7	1	-	(64)
Lease assets	(3,020)	(48)	-	(99)	(3,167)
Investments	(195)	114	3	-	(78)
Prepayments	(6)	2	-	-	(4)
Other	(47)	(17)	21	2	(41)
<b>Total deferred tax liabilities</b>	<b>(3,529)</b>	<b>73</b>	<b>25</b>	<b>(168)</b>	<b>(3,599)</b>
<b>Net deferred tax asset/(liability)</b>	<b>1,478</b>	<b>99</b>	<b>32</b>	<b>(45)</b>	<b>1,564</b>
<b>2023</b>					
<b>Deferred tax assets</b>					
Property, plant and equipment	170	65	-	(4)	231
Revenue and capital losses	282	(77)	-	9	214
Lease liabilities	3,706	(64)	-	13	3,655
Provisions, accruals and other liabilities	833	25	1	4	863
Cash flow and fair value hedges	13	(3)	34	-	44
<b>Total deferred tax assets</b>	<b>5,004</b>	<b>(54)</b>	<b>35</b>	<b>22</b>	<b>5,007</b>
<b>Deferred tax liabilities</b>					
Intangible assets	(175)	14	-	(28)	(189)
Unrealised exchange differences	(74)	3	(1)	-	(72)
Lease assets	(3,099)	92	-	(13)	(3,020)
Investments	(278)	83	-	-	(195)
Prepayments	(2)	(4)	-	-	(6)
Other	(39)	(8)	1	(1)	(47)
<b>Total deferred tax liabilities</b>	<b>(3,667)</b>	<b>180</b>	<b>-</b>	<b>(42)</b>	<b>(3,529)</b>
<b>Net deferred tax asset/(liability)</b>	<b>1,337</b>	<b>126</b>	<b>35</b>	<b>(20)</b>	<b>1,478</b>

For personal use only

## Notes to the Consolidated Financial Statements

## 3.11 Deferred tax (continued)

## UNRECOGNISED DEFERRED TAX ASSETS

At the reporting date, the Group has unused capital losses of \$353 million (2023: \$166 million) available for offset against future capital gains. A deferred tax asset has not been recognised in association with these capital losses as it is not probable that there will be sufficient capital gains available against which these capital losses can be utilised in the foreseeable future.

At the reporting date, there were \$22 million of unused revenue losses (2023: nil).

## OECD PILLAR TWO MODEL RULES

The Group is within the scope of the OECD Pillar Two Model Rules. The Pillar Two rules will come into effect in Australia and for some entities within the Group from annual reporting periods beginning after 1 January 2024. Pillar Two legislation has been enacted in New Zealand and will come into effect for the Group from annual reporting periods after 1 January 2025. Since the Pillar Two legislation was not effective at the reporting date, the Group has no related current tax exposure.

## 3.11.3 Tax consolidation

The Company and its wholly-owned Australian resident entities formed a tax consolidated group with effect from 1 July 2002. Woolworths Group Limited is the head entity of the tax consolidated group and has assumed the current tax liabilities of the members in the tax consolidated group (the Woolworths tax group).

Income tax expense or benefit, deferred tax assets, and deferred tax liabilities arising from temporary differences of the members of the tax consolidated group are recognised by each subsidiary where the subsidiary would have been able to recognise the deferred tax asset or deferred tax liability on a standalone basis.

The members of the tax consolidated group have entered into a tax funding agreement with the Company which sets out the funding obligations in respect of income tax amounts. The agreement requires payments by the subsidiary to the Company equal to the income tax liability assumed by the Company. The Company is required to make payment to the subsidiary equal to the current tax asset assumed by the Company.

In respect of carried forward tax losses brought into the group on consolidation by subsidiary members, the Company will pay the subsidiary member for such losses when these losses are transferred to the tax consolidated group in the event the subsidiary member would have been entitled to recognise the benefit of these losses on a standalone basis.

Income tax expense of \$130 million (2023: \$173 million) was charged by the Company to subsidiaries during the period through at-call intercompany accounts.

## 3.12 Trade and other payables

	2024 \$M	2023 \$M
Trade payables	5,815	5,621
Accruals	1,462	1,511
Contract liabilities	485	491
<b>Total trade and other payables</b>	<b>7,762</b>	<b>7,623</b>

## CONTRACT LIABILITIES

Contract liabilities represent consideration received for performance obligations not yet satisfied primarily relating to the Group's loyalty programs, gift cards, and the provision of data analytics and consulting services. Substantially all of the revenue deferred as at the end of the current period will be recognised in the following period.



### 3.13 Provisions

	2024 \$M	2023 \$M
<b>Current</b>		
Employee benefits	1,420	1,386
Self-insured risks	218	193
Restructuring and other	68	61
<b>Total current provisions</b>	<b>1,706</b>	<b>1,640</b>
<b>Non-current</b>		
Employee benefits	142	130
Self-insured risks	503	470
Restructuring and other	249	257
<b>Total non-current provisions</b>	<b>894</b>	<b>857</b>
<b>Total provisions</b>	<b>2,600</b>	<b>2,497</b>

#### 3.13.1 Team member remediation provisions

Included in provisions is the team member remediation provision of \$199 million (2023: \$252 million), which represents the Group's best estimates of the remaining expenditure required to settle the Group's obligations under the General Retail Industry Award (GRIA) as well as other modern awards, enterprise agreements (EAs), and statutory entitlements for both salaried and hourly paid team members across the Group.

The critical accounting estimates and judgements required to measure the team member remediation provision include, but are not limited to, discount rates, expected future salary and wage levels, periods of service, wage growth and future inflation.

Movements in the team member remediation provisions during the period are as follows:

	2024 \$M	2023 \$M
Balance at start of period	252	291
Payments to team members	(46)	(124)
Net provision (utilised)/recognised	(7)	85
<b>Balance at end of period</b>	<b>199</b>	<b>252</b>

#### END-TO-END PAYROLL REVIEW

During the 2021 financial period, the Group established an end-to-end review across the Group's payroll systems and processes to test and ensure compliance with the Group's obligations under the GRIA as well as other modern awards, EAs, and statutory entitlements for both salaried and hourly paid team members across the Group. As part of this review, certain areas of non-compliance were identified.

The Group has applied extensive resources to the review and analysis of its records, and the calculation of the likely remediation to affected team members. Notwithstanding this, uncertainty remains in relation to the Group's exposure as engagement with team members and the relevant regulators remains in progress.

During the 2023 financial period, the Group concluded its compliance testing and finalised remediation estimates relating to its multi-year review program across the relevant awards and EAs covering all employees, including the Group's supply chain operations. There were no material new payroll remediation items identified during the 2024 financial period.

As at 30 June 2024, the Group recognised \$199 million (2023: \$252 million) of team member remediation provisions of which \$137 million (2023: \$187 million) relates to hourly paid team members and \$62 million (2023: \$65 million) relates to salaried team members. The provisions recognised as at 30 June 2024 represent the Group's best estimate of the remaining payroll remediation obligations. The provisions remain subject to verification, finalisation of payments to the respective team members, and the outcomes from any further interactions with the relevant regulatory bodies.

For personal use only

## Notes to the Consolidated Financial Statements

## 3.13 Provisions (continued)

**Hourly paid team members**

As at 30 June 2024, the Group has a remaining provision of \$137 million relating to team member payment shortfalls (including interest and on-costs) as a result of non-compliance with EAs for hourly paid team members. As at 30 June 2024, total payments of \$143 million have been made to impacted hourly paid team members and any changes as a result of new information will be treated as a change in accounting estimate and will be recognised in the Consolidated Statement of Profit or Loss in the period in which the new information is available.

**Salaried team members**

On 30 October 2019, the Group disclosed that a number of salaried team members had not been paid in full compliance with the Group's obligations under the Fair Work Act and GRIA. The Group has provided a total of \$547 million in relation to the remediation of salaried team members. Significant progress has been made to remediate the impacted salaried team members with \$485 million paid to those team members as at 30 June 2024.

In June 2021, the Fair Work Ombudsman (FWO) commenced legal proceedings against the Woolworths Group, seeking orders in relation to alleged contraventions of the Fair Work Act and for further compensation of affected salaried team members. The FWO proceedings were heard by the Federal Court in June and July 2023. Class action proceedings brought by Adero Law Firm against the Woolworths Group in 2019 were heard at the same time.

While the Group has been guided by extensive advice from external counsel, the outcome and total costs associated with the proceedings are uncertain. There is a risk that the Court may determine these matters contrary to the Group's current assessment of the position and require the Group to make further material remediation payments. During the period, no changes to the estimate of the provision for salaried team members were made.

As at 30 June 2024, the Group has a remaining provision of \$62 million to settle any remaining obligations. Any changes as a result of new information will be treated as a change in accounting estimate and will be recognised in the Consolidated Statement of Profit or Loss in the period in which the new information is available.

**3.13.2 Movements in total self-insured risks, restructuring, and other provisions**

	SELF-INSURED RISKS		RESTRUCTURING AND OTHER	
	2024 \$M	2023 \$M	2024 \$M	2023 \$M
<b>Movement:</b>				
Balance at start of period	663	628	318	332
Net provisions recognised	226	178	3	26
Cash payments	(159)	(141)	(35)	(30)
Other	(9)	(2)	31	(10)
<b>Balance at end of period</b>	<b>721</b>	<b>663</b>	<b>317</b>	<b>318</b>
Current	218	193	68	61
Non-current	503	470	249	257
<b>Balance at end of period</b>	<b>721</b>	<b>663</b>	<b>317</b>	<b>318</b>

**RESTRUCTURING PROVISIONS**

Included in the Group's restructuring provisions are the provisions for redundancy costs associated with the announced closure of four distribution centres in New South Wales and Victoria (from 2025 to 2027 financial periods) which were recognised as part of the Group's supply chain network strategy and transformation in prior periods.



## 3.13 Provisions (continued)

**Material Accounting Policies**

The main provisions held by the Group are in relation to employee benefits, self-insured risks and restructuring. The key assumptions underpinning these provisions are reviewed periodically.

**Employee benefits**

Provisions for employee benefits comprise a liability for benefits accruing to employees in respect of annual leave, long service leave and team member pay remediation, which represents the Group's best estimate of the expenditure required to settle the obligations in accordance with the relevant EAs and GRIA.

Expected future salary and wage levels (including on-cost rates), the experience of employee departures, and periods of service are considered in the determination of these provisions.

**Self-insurance**

The provision for self-insured risks primarily represents the estimated liability for workers' compensation and public liability claims.

Self-insurance provisions are determined based on independent actuarial assessments, which consider numbers, amounts and duration of claims and allow for future inflation and investment returns. Allowance is included for injuries which occurred before the reporting date, but where the claim is expected to be notified after the reporting date.

**Restructuring**

A provision for restructuring is recognised when the Group has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been publicly announced.

Restructuring provisions are recognised based on the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with the ongoing activities of the Group.

**Financial reporting impacts of sustainability-related matters**

The impacts of acute weather events, such as flooding, on physical assets and subsequent business interruptions includes, but is not limited to, an increase in the Group's cost of insurable risks primarily due to higher premiums, higher deductibles and policy exclusions.



## 4 Capital structure, financing and risk management

The Group manages its capital structure with the objective of enhancing long-term shareholder value through funding its business at an optimised weighted average cost of capital. The capital management framework has been approved by the Board and management is responsible for monitoring and operating within this framework.

Capital is defined as the combination of equity and debt. The Group manages its capital through various means, including:

- raising or reducing debt;
- raising or returning capital (including via a dividend reinvestment plan); and
- determining the amount of dividends paid to shareholders.

In managing its capital, the Group monitors a number of metrics including the cash realisation ratio and leverage (net debt to EBITDA before significant items). The Group remains committed to solid investment grade credit ratings which are BBB and Baa2 according to Standard & Poor's and Moody's respectively.

The Group's net debt and leverage position as at the reporting date are as follows:

	NOTE	2024	2023
Borrowings	4.6.1	4,578	3,755
Lease liabilities	3.5.2	12,144	11,980
Less: cash		(1,298)	(1,135)
Net debt on the Consolidated Statement of Financial Position		15,424	14,600
Adjustments <sup>1</sup>		108	123
Net debt used in leverage ratio		15,532	14,723
EBITDA before significant items	2.2.1	6,001	5,694
<b>Net debt to EBITDA before significant items</b>		<b>2.6x</b>	2.6x

1 Fair value (non-cash) adjustments included in borrowings and mark-to-market of foreign currency hedging associated with Euro denominated bonds.

### 4.1 Earnings per share

	2024	2023
<b>Profit for the period attributable to equity holders of the parent entity used in earnings per share (\$M)</b>	<b>108</b>	1,618
<b>Weighted average number of shares used in earnings per share (shares, millions)</b>		
Basic earnings per share	1,219.8	1,214.3
Diluted earnings per share <sup>1</sup>	1,225.7	1,223.1
<b>Basic earnings per share (cents per share)</b>	<b>8.9</b>	133.3
<b>Diluted earnings per share (cents per share)</b>	<b>8.9</b>	132.3

1 Includes 5.9 million shares (2023: 8.8 million shares) deemed to be issued for no consideration in respect of employee performance rights.

## 4.2 Dividends

	2024			2023		
	CENTS PER SHARE	TOTAL AMOUNT \$M	DATE OF PAYMENT	CENTS PER SHARE	TOTAL AMOUNT \$M	DATE OF PAYMENT
Current year interim	47	574	11 April 2024	46	560	13 April 2023
Prior year final	58	707	27 September 2023	53	643	27 September 2022
<b>Dividends paid during the period</b>	<b>105</b>	<b>1,281</b>		<b>99</b>	<b>1,203</b>	
Issue of shares to satisfy the dividend reinvestment plan		(109)			(177)	
<b>Dividends paid in cash</b>		<b>1,172</b>			<b>1,026</b>	

All dividends are fully franked at a 30% tax rate.

On 28 August 2024, the Board of Directors declared a final dividend of 57 cents per share in respect of the 2024 financial period and a special dividend of 40 cents per share, both fully franked at a 30% tax rate. The amounts will be paid on or around 30 September 2024 and are expected to be \$696 million and \$489 million respectively. As the dividends were declared subsequent to 30 June 2024, no provision was made as at 30 June 2024 in the Consolidated Statement of Financial Position.

### Dividend Reinvestment Plan (DRP)

The DRP remains active. Eligible shareholders may participate in the DRP in respect of all or part of their shareholding. There is currently no DRP discount applied and no limit on the number of shares that can participate in the DRP.

Shares will be allocated to shareholders under the DRP for the 2024 final and special dividend at an amount equal to the average of the daily volume weighted average market price of ordinary shares of the Company traded on the ASX over the period of 10 trading days commencing on 6 September 2024. The last date for receipt of election notices for the DRP is 5 September 2024. The Company intends to purchase shares on-market and transfer these to participants on or around 30 September 2024 to satisfy its obligations under the DRP.

### Franking credit balance

	2024 \$M	2023 \$M
Franking credits available for future financial periods (tax paid basis, 30% tax rate) <sup>1</sup>	1,550	1,240

<sup>1</sup> Excludes \$100 million (2023: \$73 million) attributable to non-controlling interests.

The above amount represents the balance of the franking accounts at the end of the period, adjusted for franking credits that will arise from the payment of income tax payable at the end of the period and franking debits that will arise from the payment of dividends provided at the end of the period.

## Notes to the Consolidated Financial Statements

## 4.3 Contributed equity

	2024		2023	
	NUMBER M	\$M	NUMBER M	\$M
<b>Share capital</b>				
1,221,588,831 fully paid ordinary shares (2023: 1,218,702,058) <sup>1</sup>				
<b>Movement:</b>				
Balance at start of period	1,218.7	5,556	1,213.9	5,379
Issue of shares to satisfy the dividend reinvestment plan <sup>2</sup>	2.9	109	4.8	177
<b>Balance at end of period</b>	<b>1,221.6</b>	<b>5,665</b>	<b>1,218.7</b>	<b>5,556</b>
<b>Shares held in trust</b>				
<b>Movement:</b>				
Balance at start of period	(4.0)	(150)	(4.8)	(172)
Issue of shares to satisfy employee long-term incentive plans <sup>3</sup>	3.6	133	3.7	132
Purchase of shares by the Woolworths Employee Share Trust	(1.4)	(44)	(2.9)	(110)
<b>Balance at end of period</b>	<b>(1.8)</b>	<b>(61)</b>	<b>(4.0)</b>	<b>(150)</b>
<b>Contributed equity at end of period</b>	<b>1,219.8</b>	<b>5,604</b>	<b>1,214.7</b>	<b>5,406</b>

- 1 Holders of ordinary shares are entitled to receive dividends as declared and are entitled to one vote per share at shareholders' meetings. In the event of winding up of the Company, ordinary shareholders rank after creditors and are fully entitled to any proceeds on liquidation.
- 2 During the current period, the Group issued a total of 2,881,538 shares under the DRP. Under the DRP, these shares were issued to satisfy the prior year final dividend at an average price of \$37.94 per share, totalling \$109 million. The DRP for the interim, final and special dividend in respect of the 2024 financial period was and will be satisfied in full through the on-market purchase of shares.
- 3 Performance rights carry no voting rights. Refer to Note 6.2 for further details.

## 4.4 Reserves

Reserves comprise of the following:

- **Cash flow hedge reserve** – comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that have not yet occurred;
- **Foreign currency translation reserve (FCTR)** – comprises all foreign exchange differences arising from the translation of foreign operations where their functional currency is different to the Group's presentation currency;
- **Remuneration reserve** – comprises the fair value of share-based payment plans recognised as an expense in the Consolidated Statement of Profit or Loss;
- **Demerger reserve** – comprises the demerger dividend which represents the difference between the fair value of Endeavour Group's net assets distributed and the capital reduction on the demerger date; and
- **Other reserves** – comprise of the equity instrument reserve which arises on the revaluation of investments in unlisted equity securities, and the put option liability reserve representing the put option liabilities over non-controlling interests recognised on acquisition of a business.

## 4.4 Reserves (continued)

	CASH FLOW HEDGE RESERVE \$M	FOREIGN CURRENCY TRANSLATION RESERVE \$M	REMUNERATION RESERVE \$M	DEMERGER RESERVE \$M	OTHER RESERVES \$M	TOTAL \$M
<b>2024</b>						
Balance at start of period	5	35	203	(6,966)	(844)	(7,567)
Effective portion of changes in the fair value of cash flow hedges, net of tax	(5)	-	-	-	-	(5)
Transfers to initial carrying amount of hedged items, net of tax	(10)	-	-	-	-	(10)
Foreign currency translation of foreign operations, net of tax	-	9	-	-	-	9
Share-based payments expense	-	-	91	-	-	91
Transfer of shares to satisfy employee long-term incentive plans	-	-	(133)	-	-	(133)
Derecognition on loss of significant influence	-	-	-	-	(3)	(3)
Change in the fair value of investments in equity securities	-	-	-	-	(12)	(12)
Deferred tax on share-based payments expense	-	-	21	-	-	21
<b>Balance at end of period</b>	<b>(10)</b>	<b>44</b>	<b>182</b>	<b>(6,966)</b>	<b>(859)</b>	<b>(7,609)</b>
<b>2023</b>						
Balance at start of period	85	18	223	(6,966)	(760)	(7,400)
Effective portion of changes in the fair value of cash flow hedges, net of tax	(21)	-	-	-	-	(21)
Transfers to initial carrying amount of hedged items, net of tax	(59)	-	-	-	-	(59)
Foreign currency translation of foreign operations, net of tax	-	14	-	-	-	14
Deconsolidation of controlled entity	-	3	-	-	-	3
Share-based payments expense	-	-	112	-	-	112
Transfer of shares to satisfy employee long-term incentive plans	-	-	(132)	-	-	(132)
Recognition of put option over non-controlling interest	-	-	-	-	(79)	(79)
Share of other comprehensive income of associates	-	-	-	-	1	1
Change in the fair value of investments in equity securities	-	-	-	-	(6)	(6)
<b>Balance at end of period</b>	<b>5</b>	<b>35</b>	<b>203</b>	<b>(6,966)</b>	<b>(844)</b>	<b>(7,567)</b>



For personal use only

## Notes to the Consolidated Financial Statements

## 4.5 Reconciliation of profit for the period to net cash provided by operating activities

	NOTE	2024 \$M	2023 \$M
<b>Profit for the period</b>		<b>117</b>	1,629
<b>Adjustments for:</b>			
Net share of profit of investments accounted for using the equity method	3.10.1	(21)	(56)
Depreciation and amortisation	2.3.3	2,778	2,578
Impairment of non-financial assets		1,552	43
Share-based payments expense	6.2.1	92	113
Loss of significant influence in Endeavour Group	2.2.2	209	-
Net loss on disposal of businesses and investments		-	33
Net gain on disposal and write-off of assets		(64)	(64)
Revaluation of put option liabilities over non-controlling interests	2.2.2	(107)	41
Other		(28)	22
<b>Changes in:</b>			
Increase in inventories		(357)	(119)
Increase in trade payables		135	371
Increase/(decrease) in provisions		64	(37)
Increase in trade and other receivables		(15)	(129)
Decrease in other assets		42	45
(Decrease)/increase in other payables		(18)	191
Increase in deferred tax		(100)	(132)
Increase in income tax payable		80	225
<b>Net cash provided by operating activities</b>		<b>4,359</b>	4,754

## 4.6 Borrowings

## (I) FINANCING TRANSACTIONS DURING THE CURRENT PERIOD

In October 2023, the Group successfully issued \$450 million of domestic medium-term notes with a tenor of seven-and-a-half years. The proceeds from the issuance were used to refinance \$400 million of domestic medium-term notes that matured in April 2024. Committed bank facilities, which were due to mature prior to 30 June 2024, were also extended during the period with a minimum tenor of at least 12 months.

The Group maintains compliance with its financial covenants, which are tested on a regular basis during the year.

## (II) UPCOMING MATURITIES

The Group has \$400 million of domestic medium term notes maturing in May 2025, which are expected to be refinanced from either a new bond issuance or bank debt facility.



## 4.6 Borrowings (continued)

## 4.6.1 Composition and movements in borrowings

2024	NON-CASH MOVEMENTS					CASH MOVEMENTS		CLOSING BALANCE \$M
	OPENING BALANCE \$M	TRANSFERS FROM NON- CURRENT TO CURRENT \$M	EFFECT OF MOVEMENTS IN FOREIGN EXCHANGE RATES <sup>1</sup> \$M	ACQUISITION OF BUSINESS \$M	OTHER <sup>2</sup> \$M	PROCEEDS \$M	REPAYMENTS \$M	
<b>Current, unsecured</b>								
Short-term money market loans	39	-	-	-	-	-	(39)	-
Bank loans	37	-	(2)	50	9	228	(10)	312
Securities	390	400	-	-	10	-	(400)	400
<b>Total current borrowings</b>	<b>466</b>	<b>400</b>	<b>(2)</b>	<b>50</b>	<b>19</b>	<b>228</b>	<b>(449)</b>	<b>712</b>
<b>Non-current, unsecured</b>								
Bank loans	845	-	(3)	272	17	537	(315)	1,353
Securities	2,467	(400)	(14)	9	19	450	-	2,531
Unamortised borrowing costs	(23)	-	-	(3)	8	-	-	(18)
<b>Total non-current borrowings</b>	<b>3,289</b>	<b>(400)</b>	<b>(17)</b>	<b>278</b>	<b>44</b>	<b>987</b>	<b>(315)</b>	<b>3,866</b>
<b>Total borrowings</b>	<b>3,755</b>	<b>-</b>	<b>(19)</b>	<b>328</b>	<b>63</b>	<b>1,215</b>	<b>(764)</b>	<b>4,578</b>

1 The \$19 million effect of movements in foreign exchange rates represents the change in the carrying values of the European Medium Term Notes which are hedged items in a cash flow hedge relationship of \$14 million and the translation of foreign operations of \$5 million.

2 Other includes \$29 million relating to several Domestic Medium Term Notes, which are hedged items in a fair value hedge relationship and are subject to changes in the carrying amount due to fair value adjustments attached to each arrangement, \$26 million related to the transfer of asset finance loans from lease liabilities, and unamortised borrowing costs of \$8 million.

2023	NON-CASH MOVEMENTS				CASH MOVEMENTS		CLOSING BALANCE \$M
	OPENING BALANCE \$M	TRANSFERS FROM NON- CURRENT TO CURRENT \$M	EFFECT OF MOVEMENTS IN FOREIGN EXCHANGE RATES <sup>1</sup> \$M	OTHER <sup>2</sup> \$M	PROCEEDS \$M	REPAYMENTS \$M	
<b>Current, unsecured</b>							
Short-term money market loans	336	-	-	-	39	(336)	39
Bank loans	18	-	-	-	37	(18)	37
Securities	-	400	-	(10)	-	-	390
<b>Total current borrowings</b>	<b>354</b>	<b>400</b>	<b>-</b>	<b>(10)</b>	<b>76</b>	<b>(354)</b>	<b>466</b>
<b>Non-current, unsecured</b>							
Bank loans	1,168	-	-	-	275	(598)	845
Securities	2,791	(400)	58	18	-	-	2,467
Unamortised borrowing costs	(21)	-	-	(2)	-	-	(23)
<b>Total non-current borrowings</b>	<b>3,938</b>	<b>(400)</b>	<b>58</b>	<b>16</b>	<b>275</b>	<b>(598)</b>	<b>3,289</b>
<b>Total borrowings</b>	<b>4,292</b>	<b>-</b>	<b>58</b>	<b>6</b>	<b>351</b>	<b>(952)</b>	<b>3,755</b>

1 The \$58 million effect of movements in foreign exchange rates represents the change in the carrying values of the European Medium Term Notes which are hedged items in a cash flow hedge relationship.

2 Other includes \$8 million relating to the Medium Term Notes (Green Bond) and several Domestic Notes, which are hedged items in a fair value hedge relationship and are subject to changes in the carrying amount due to fair value adjustments attached to each arrangement, partially offset by \$2 million of unamortised borrowing costs.

## 4.6 Borrowings (continued)



### Financial reporting impacts of sustainability-related matters

Included in the Group's borrowings as at 30 June 2024 are \$1.5 billion of Sustainability Linked Bonds (SLBs), which have a direct link to the Group's commitment to reducing emissions.

The SLB structure embeds a penalty (via a prospective margin increase of 0.25% per annum) into the terms of the notes. This penalty applies if, at the respective testing dates of the notes, the Group's scope 1 and 2 emissions are not aligned with the forecast trajectory of the Group's 2030 emissions reduction targets. The Group has committed to reduce scope 1 and 2 emissions from its own operations by 63% by 2030 compared to a 2015 baseline. As at 30 June 2024, the Group's scope 1 and 2 emissions are 42% below the 2015 baseline, supported by the installation of solar panels reaching sites across Australia and New Zealand and a new energy partnership with CleanCo in Queensland.

## 4.7 Financial risk management

The Group's Treasury function is responsible for managing its liquidity, funding, and capital requirements, and identifying and managing financial risks relating to the Group's operations. These financial risks include:

- Market risk (refer to Note 4.7.1);
- Liquidity risk (refer to Note 4.7.2); and
- Credit risk (refer to Note 4.7.3).

These risks affect the fair value measurements applied by the Group, which are detailed in Note 4.7.4.

The Group adheres to a treasury policy approved by the Board, which has written principles relating to liquidity risk, interest rate risk, foreign exchange risk, credit risk, and the use of derivatives for hedging purposes. The Treasury function reports on its compliance with the policy to the Board.

The Group uses various types of derivatives to hedge its exposures to variability in interest rates and foreign exchange rates. The Group does not enter into or trade financial instruments, including derivatives, for speculative purposes.

### 4.7.1 Market risk

#### (I) INTEREST RATE RISK

Interest rate risk is the risk of a reduction in earnings and/or cash flow due to adverse movements in interest rates because the Group's borrowings and associated hedging arrangements reset directly in accordance with interest rate benchmarks or reset regularly to current rates influenced by interest rate benchmarks. The risk is managed by maintaining an appropriate mix between floating and fixed rate borrowings and through the use of approved derivatives to hedge the risk.

#### (II) FOREIGN EXCHANGE RISK

Foreign exchange risk is the risk that a change in foreign exchange rates may negatively impact the Group's cash flow or profitability because the Group has an exposure to a foreign currency or has foreign currency denominated obligations.

The exposure to purchases denominated in foreign currencies is primarily managed through forward exchange contracts and foreign currency options. These have been designated as cash flow hedges and the Group has established a 100% hedge relationship against the identified exposure.

To hedge the risk of adverse movements in foreign exchange rates in relation to borrowings denominated in foreign currency, the Group enters into cross currency swaps under which it agrees to exchange specified principal and interest foreign currency amounts at an agreed future date at a specified exchange rate. The European Medium Term Notes are 100% hedged in this way.

Foreign currency exposures arising on translation of net investments in foreign subsidiaries are predominantly unhedged.





## 4.7 Financial risk management (continued)

## (III) HEDGE ACCOUNTING ARRANGEMENTS

At the reporting date, the fair value and notional amounts of derivatives entered into for hedging purposes for the Group are:

	NOTIONAL VALUE		FAIR VALUE ASSET		FAIR VALUE LIABILITY	
	2024 \$M	2023 \$M	2024 \$M	2023 \$M	2024 \$M	2023 \$M
<b>Cash flow hedges</b>						
Forward exchange contracts	1,350	865	5	21	(10)	(1)
Cross currency swaps	880	880	11	32	(15)	(29)
Foreign currency options	367	802	10	22	(2)	-
Interest rate swaps	-	400	-	3	-	-
			26	78	(27)	(30)
<b>Fair value hedges</b>						
Interest rate swaps						
Medium Term Notes (Green Bond)	-	400	-	3	-	(13)
Domestic Medium Term Notes	600	600	-	-	(82)	(90)
Domestic Medium Term Notes	350	350	-	-	(31)	(40)
Domestic Medium Term Notes	450	-	2	-	-	-
			2	3	(113)	(143)
<b>Total</b>			28	81	(140)	(173)

**Forward exchange contracts and foreign currency options**

At the reporting date, the net amount of unrealised gains under forward exchange contracts and foreign currency options that are hedging anticipated purchases of inventory and equipment is \$3 million (2023: \$42 million net unrealised gain).

The hedge relationships are all assessed as highly effective with insignificant hedge ineffectiveness and the net unrealised gain of \$3 million has been recognised in the hedge reserve (2023: \$42 million net unrealised gain).

The weighted average exchange rates hedged by outstanding forward exchange contracts and foreign currency options are AUD/USD<sup>1</sup>: 0.67 (2023: 0.68) and AUD/EUR: 0.61 (2023: 0.63).

**Cross currency swaps**

At the reporting date, cross currency swaps have a net unrealised loss of \$4 million (2023: \$3 million net unrealised gain), of which \$3 million is attributable to an unrealised gain on the foreign exchange component (2023: \$17 million net unrealised gain) and \$7 million is attributable to an unrealised loss on the interest rate component (2023: \$14 million net unrealised loss).

The interest rate components of the cross currency swaps are designated as cash flow hedges, in a 100% hedge relationship with the underlying debt. Accordingly, the unrealised loss of \$7 million attributable to the interest rate component has been recognised in the cash flow hedge reserve (2023: \$14 million loss) at the reporting date, with insignificant hedge ineffectiveness.

The movement in the recognised gain attributable to the foreign exchange component of \$3 million (2023: \$17 million gain) has been recognised in the Consolidated Statement of Profit or Loss during the period, completely offsetting the foreign exchange revaluation of the underlying debt.

**Interest rate swaps – cash flow hedges**

At the reporting date, there were no interest rate swaps designated as cash flow hedges (2023: \$3 million unrealised gain). In the prior year, a \$3 million unrealised gain was recognised in the cash flow hedge reserve with insignificant hedge ineffectiveness.

**Interest rate swaps – fair value hedges**

At the reporting date, interest rate swaps designated as fair value hedges have an unrealised loss of \$111 million (2023: \$140 million unrealised loss). These interest rate swaps are designated to be in a 100% hedge relationship against the identified exposure, and the movement in the unrealised gain of \$29 million has been recognised in the Consolidated Statement of Profit or Loss (2023: \$8 million unrealised gain), offsetting the movement in the fair value of the hedged item.

1 The average rate includes foreign currency options measured at the floor rate.

## Notes to the Consolidated Financial Statements

## 4.7 Financial risk management (continued)

## (IV) CASH FLOW HEDGE RESERVE

The table below details the movements in the cash flow hedge reserve during the period:

	2024 \$M	2023 \$M
Balance at start of period	5	85
<i>Gain/(loss) arising on changes in fair value of hedging instruments entered into for cash flow hedges:</i>		
Forward exchange contracts and foreign currency options	(11)	15
Cross currency swaps	7	(47)
Interest rate swaps	(3)	3
Income tax related to gains recognised in other comprehensive income	2	8
	(5)	(21)
<i>Transfers to initial carrying amount of hedged items:</i>		
Forward exchange contracts and foreign currency options	(15)	(85)
Income tax related to amounts transferred to initial carrying amount of hedged items	5	26
	(10)	(59)
<b>Balance at end of period</b>	<b>(10)</b>	<b>5</b>

## (V) SENSITIVITY ANALYSIS

Reasonably possible changes at the reporting date of the Group's exposure to floating interest rate risk and foreign currency risk, after taking into consideration hedges of foreign currency payables, foreign currency borrowings and forecast foreign currency transactions, could result in the following impacts:

<b>INTEREST RATE RISK</b>	<ul style="list-style-type: none"> <li>1% change in floating Australian interest rates could result in either a \$1 million increase or decrease on equity before tax and no impact on profit before tax.</li> </ul>
<b>FOREIGN EXCHANGE RISK</b>	<ul style="list-style-type: none"> <li>10% change in foreign exchange rates could result in either a \$166 million increase or \$155 million decrease on equity before tax and no impact on profit before tax<sup>1</sup>.</li> </ul>

<sup>1</sup> The sensitivity analysis is based on the AUD moving against the EUR, GBP and USD, as well as the NZD moving against the AUD, EUR and USD.

## (VI) POWER PURCHASE AGREEMENT

In 2022, the Group entered into a power purchase agreement (PPA) for a period of 9.5 years. As at 30 June 2024, the fair value of the PPA was \$32 million.

The PPA is not a physical electricity supply contract but operates as a contract for difference where a strike price is agreed. If the electricity spot price is higher than the strike price, the counterparty will pay the difference to the Group. Conversely, if the electricity spot price is lower than the strike price, the Group will pay the difference to the counterparty. The PPA is classified as a derivative asset and is measured at fair value through profit or loss.

## 4.7.2 Liquidity risk

Liquidity risk is the risk that the Group may not have sufficient cash balances and access to funding sources to meet its cash obligations. This risk arises through events such as large amounts falling due for payment, an interruption to cash inflows due to technology incidents or banking system interruption, or an interruption to funding sources and markets.

The treasury policy approved by the Board has set an appropriate liquidity risk management framework for the Group.

The Group maintains a minimum daily liquidity ratio, which the Treasury function monitors and forecasts over a 12-month rolling period. The Group may decide to hold higher levels of liquidity from time to time in anticipation of expected requirements or events. To minimise refinancing risk, the Group maintains a diversity of funding sources and debt maturities.

At the reporting date, the Group has total undrawn committed facilities of \$2,425 million (2023: \$2,765 million) available. These facilities may be drawn at any time, subject to the terms of the lending agreements. Some facilities are subject to certain financial covenants and undertakings. No covenants have been breached during the period.

The following tables detail the Group's undiscounted non-derivative liabilities and derivative assets and liabilities and their contractual maturities. The maturity profile of the Group's undiscounted lease liabilities is included in Note 3.5.2.



## 4.7 Financial risk management (continued)

	MATURITY ANALYSIS OF FINANCIAL LIABILITIES				TOTAL \$M
	ONE YEAR OR LESS \$M	ONE TO TWO YEARS \$M	TWO TO FIVE YEARS \$M	OVER FIVE YEARS \$M	
<b>2024</b>					
<b>Non-derivatives</b>					
Borrowings (floating)	(402)	(341)	(1,113)	(9)	(1,865)
Borrowings (fixed)	(470)	(62)	(1,407)	(1,493)	(3,432)
Put option liabilities over non-controlling interests	(634)	-	(52)	-	(686)
Trade and other payables <sup>1</sup>	(7,277)	-	-	-	(7,277)
	(8,783)	(403)	(2,572)	(1,502)	(13,260)
<b>Derivatives</b>					
Foreign exchange contracts	(9)	(2)	(1)	-	(12)
Cross currency swaps	(15)	(16)	(38)	-	(69)
Interest rate swaps <sup>2</sup>	(26)	(26)	(64)	(16)	(132)
	(50)	(44)	(103)	(16)	(213)
<b>Total</b>	<b>(8,833)</b>	<b>(447)</b>	<b>(2,675)</b>	<b>(1,518)</b>	<b>(13,473)</b>

	MATURITY ANALYSIS OF FINANCIAL LIABILITIES				TOTAL \$M
	ONE YEAR OR LESS \$M	ONE TO TWO YEARS \$M	TWO TO FIVE YEARS \$M	OVER FIVE YEARS \$M	
<b>2023</b>					
<b>Non-derivatives</b>					
Borrowings (floating)	(118)	(114)	(828)	-	(1,060)
Borrowings (fixed)	(455)	(444)	(456)	(1,901)	(3,256)
Put option liabilities over non-controlling interests	(176)	-	(619)	-	(795)
Trade and other payables <sup>1</sup>	(7,132)	-	-	-	(7,132)
	(7,881)	(558)	(1,903)	(1,901)	(12,243)
<b>Derivatives</b>					
Foreign exchange contracts	21	-	-	-	21
Cross currency swaps	(16)	(16)	(47)	(7)	(86)
Interest rate swaps <sup>2</sup>	(31)	(23)	(56)	(28)	(138)
	(26)	(39)	(103)	(35)	(203)
<b>Total</b>	<b>(7,907)</b>	<b>(597)</b>	<b>(2,006)</b>	<b>(1,936)</b>	<b>(12,446)</b>

<sup>1</sup> Excludes contract liabilities.

<sup>2</sup> Interest rate swaps are net settled.

For floating rate instruments, the amount disclosed is determined by reference to the interest rate at the last re-pricing date and the loans are assumed to be repaid at the respective facility maturity date. Cash flows represented are contractual and calculated on an undiscounted basis, based on current rates at the reporting date.

## 4.7.3 Credit risk

Credit risk is the risk that counterparties who may be required to pay monies to the Group may fail and therefore not be able to make those payments. Under the treasury policy approved by the Board, the Group can only invest surplus funds or execute derivatives with counterparty banks and financial institutions that are rated BBB+ or higher by Standard & Poor's or Baa1 by Moody's (or equivalent with other rating agencies).

The recognised financial assets of the Group include amounts receivable arising from unrealised gains on derivatives. For derivatives, credit risk may also arise from the potential failure of the counterparties to meet their obligations under the respective contracts at maturity.

At the reporting date, no material credit risk exposure existed in relation to potential counterparty failure on such financial instruments. Other than the loss allowance recognised in relation to trade and other receivables in Note 3.1, no financial assets were impaired or past due.

## Notes to the Consolidated Financial Statements

## 4.7 Financial risk management (continued)

## 4.7.4 Fair value measurement of financial instruments

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. They are grouped into the following levels based on the degree to which the fair value measurement inputs are observable:

- Level 1** Fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2** Fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3** Fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	NOTE	FAIR VALUE ASSET		FAIR VALUE LIABILITY		FAIR VALUE HIERARCHY
		2024 \$M	2023 \$M	2024 \$M	2023 \$M	
Listed equity securities	3.3	378	-	-	-	Level 1
Forward exchange contracts and foreign currency options	4.7.1	15	43	(12)	(1)	Level 2
Cross currency and interest rate swaps	4.7.1	13	38	(128)	(172)	Level 2
Power purchase agreement	4.7.1	32	32	-	-	Level 2
Convertible and SAFE notes	3.3	7	2	-	-	Level 3
Unlisted equity securities	3.3	177	75	-	-	Level 3

There were no transfers between level 1, level 2, or level 3 during the period, and any reasonably possible changes in significant unobservable inputs for level 3 fair values would not have resulted in a material change in the values of the unlisted equity securities.

## RECONCILIATION OF LEVEL 3 MOVEMENTS

	CONVERTIBLE AND SAFE NOTES		UNLISTED EQUITY SECURITIES	
	2024 \$M	2023 \$M	2024 \$M	2023 \$M
Balance at start of the period	2	11	75	60
Additions	7	-	105	19
Revaluation	(2)	(2)	(3)	(4)
Conversion	-	(7)	-	-
<b>Balance at end of the period</b>	<b>7</b>	<b>2</b>	<b>177</b>	<b>75</b>

## FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES THAT ARE NOT MEASURED AT FAIR VALUE ON A RECURRING BASIS

The carrying values of cash and cash equivalents, financial assets, bank and other loans, and non-interest bearing monetary financial liabilities of the Group approximate their fair value.



## 4.7 Financial risk management (continued)

### ESTIMATION OF FAIR VALUES

At each reporting period, the Group reviews any material adjustments for level 3 fair values and assesses whether any evidence can be obtained from third parties to support the conclusion that these valuations meet the requirements of the Standards, including the level in the fair value hierarchy in which the valuations should be classified. Any material valuation adjustments are reported to the Board. The following summarises the major methods and assumptions used in estimating the fair values of financial assets and liabilities categorised within level 2 and level 3 of the fair value hierarchy:

- The fair value of foreign exchange contracts is determined using a discounted cash flow model where future cash flows are estimated based on market forward exchange rates as at the end of the reporting period and the contract forward rate, discounted by the observable yield curves of the respective currency;
- The fair value of foreign currency options is determined using a Black-Scholes model;
- The fair value of cross currency and interest rate swaps is determined using a discounted cash flow model where future cash flows are estimated based on market forward interest rates and in the case of cross currency swaps, market forward exchange rates as at the end of the reporting period and the contract rates, discounted by the observable yield curves, adjusted to reflect the credit risk of the various respective counterparties;
- The fair value of the power purchase arrangement is determined using a discounted cash flow model where the future cash flows are estimated primarily based on forecast forward market prices, discounted at the credit risk of the relevant counterparty;
- The fair value of convertible and SAFE notes is determined using a Black-Scholes model or a Monte Carlo simulation model; and
- The fair value of unlisted equity securities is determined using the pricing from the latest external fundraising of the unlisted entity which represents the current market value of the investment or, where this is not available, using an appropriate model such as a discounted cash flow model based on estimated future cash flows, discounted at a rate that reflects the relative risks of the investment.

## 5 Group structure

### 5.1 Acquisition of subsidiaries

On 3 January 2024, the Group acquired a 55% controlling interest in PETstock Pty Ltd (Petstock Group), a leading Australian and New Zealand specialty pet food, accessories and services retailer for consideration of \$482 million.

This acquisition allows the Group to meet more of its customers' pet family needs with a complementary range of special pet products and services, and unlock opportunities for material joint value creation through access to the Group's retail capabilities and Petstock Group's specialty pet expertise. From the date of acquisition, the contribution of Petstock Group to the Group's performance was \$426 million of revenues and \$33 million of EBIT, which was included in the Group's Consolidated Statement of Profit or Loss.

An undertaking to divest a portfolio of stores, brands and vet clinics was accepted by the Australian Competition and Consumer Commission (ACCC) and an agreement was entered into with a buyer, with the sale taking place on 1 July 2024.

#### Identifiable net assets acquired on the recognition of goodwill and non-controlling interest

Subsequent to the provisional acquisition accounting disclosed in the 2024 Half-year Financial Report, the Group finalised its acquisition accounting, which resulted in a net increase of \$10 million to goodwill. The following table summarises the identifiable net assets acquired and liabilities assumed of Petstock Group and the recognition of goodwill and non-controlling interest as at the date of acquisition.

2024	NOTE	\$M
<b>Assets</b>		
Cash and cash equivalents		6
Trade and other receivables		39
Inventories		111
Other financial assets		22
Lease assets	3.5.1	320
Property, plant and equipment	3.6	91
Intangible assets <sup>1</sup>	3.7	262
Deferred tax assets		37
Other assets		9
Assets held for sale <sup>2</sup>		60
<b>Total assets</b>		<b>957</b>
<b>Liabilities</b>		
Trade and other payables		96
Lease liabilities	3.5.2	320
Provisions		20
Borrowings		328
Deferred tax liabilities		81
Liabilities associated with assets held for sale <sup>2</sup>		43
<b>Total liabilities</b>		<b>888</b>
<b>Total identifiable net assets acquired</b>		<b>69</b>
<b>Goodwill</b>	3.7	<b>444</b>
<b>Non-controlling interest<sup>3</sup></b>		<b>(31)</b>
<b>Consideration</b>		<b>482</b>

1 Includes brand names of \$152 million, of which \$147 million with indefinite useful lives and \$5 million with finite useful lives, and customer relationships of \$90 million, which are amortised on a straight-line basis over their expected useful lives of 10 years.

2 Represents the assets and liabilities of the portfolio of stores, brands and vet clinics which were divested on 1 July 2024. Refer to Note 6.5 for further details.

3 Based on the non-controlling interest's proportion of the fair value of identifiable net assets of Petstock Group.

## 5.1 Acquisition of subsidiaries (continued)

The goodwill of \$444 million represents the difference between (i) the consideration paid of \$482 million and non-controlling interest of \$31 million and (ii) the total identifiable net assets acquired of \$69 million. The goodwill is attributable mainly to the skills, expertise and technical talent of the existing Petstock Group team members in specialty pet retailing, the strength of the market position and existing store network of Petstock Group, and intangible assets that do not qualify for separate recognition.



### Material Accounting Policies

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value.

Goodwill is measured as the excess of the sum of the consideration transferred and the amount of any non-controlling interests in the acquiree, over the net identifiable assets acquired. Non-controlling interest is recognised as the proportionate share of the fair value of the identifiable net assets acquired.

## 5.2 Subsidiaries

### 5.2.1 Deed of cross guarantee

Woolworths Group Limited and some of the wholly owned Australian subsidiaries set out in Note 5.2.1 (together referred to as the Closed Group) have entered into a deed of cross guarantee (the Deed), as defined in ASIC Corporations (Wholly-owned Companies) Instrument 2016/785 (the Instrument). The effect of the Deed is that each entity in the Closed Group guarantees the payment in full of all debts of the other entities in the Closed Group in the event of their winding up. Pursuant to the Instrument, the wholly-owned subsidiaries within the Closed Group are relieved from the requirement to prepare, audit and lodge separate financial reports.

#### PARTIES TO THE DEED DURING THE PERIOD

##### COMPANY

Advantage Supermarkets Pty Ltd	Josona Pty Ltd
Advantage Supermarkets WA Pty Ltd	Kiaora Lands Pty Limited <sup>1</sup>
Andmist Pty. Limited	Leasehold Investments Pty Ltd
Australian Grocery Wholesalers Pty Limited	Macro Wholefoods Company Pty Limited
Australian Independent Retailers Pty Ltd <sup>1</sup>	Masters Installation Pty Limited
Australian Safeway Stores Pty. Ltd.	Milkrun Delivery Pty Limited
Barjok Pty Ltd	Nalos Pty Ltd
Calvartan Pty. Limited	Oxygen Nominees Pty. Ltd. <sup>1</sup>
Cartology Pty Limited	PEH (NZ IP) Pty Ltd
Cenijade Pty. Limited	Philip Leong Stores Pty Limited
DB Deals Online Pty Limited <sup>1</sup>	Primary Connect International Pty Limited
Dentra Pty. Limited <sup>1</sup>	Progressive Enterprises Holdings Limited
Drumstar Pty Ltd	Queensland Property Investments Pty Ltd
Fabcot Pty Ltd	Shopper Data Group Pty Ltd
Gembond Pty. Limited	Shopper Media Group Pty Ltd
Grand Horizons Pty Ltd	Shopper Media Group Holdings Pty Ltd
GreenGrocer.com.au Pty Ltd	Shopper Media Group Operations Pty Ltd
Grocery Wholesalers Pty Ltd <sup>1</sup>	Spaurum Pty Ltd
Healthylife Company Pty Limited	Universal Wholesalers Pty Limited
HP Distribution Pty Limited	Vincentia Nominees Pty Ltd
Hydrogen Nominees Pty. Ltd <sup>1</sup>	W23 Pty Limited
Hydrox Brands Pty Ltd <sup>1</sup>	W23 Incubator Pty Limited
Jack Butler & Staff Pty. Ltd. <sup>1</sup>	W23 Investments Pty Limited

## Notes to the Consolidated Financial Statements

## 5.2 Subsidiaries (continued)

## COMPANY

W23 Ventures Pty Limited	Woolworths Executive Superannuation Scheme Pty Limited <sup>1</sup>
W360 R&D Pty Limited	Woolworths Format Development Pty Limited
Weetah Pty. Limited <sup>1</sup>	Woolworths Group Foundation Pty Limited
WGP No 1 Pty Limited	Woolworths Group Payments Pty Limited
WGP No 2 Pty Limited	Woolworths Group Superannuation Scheme Pty Ltd <sup>1</sup>
Woolies Liquor Stores Pty. Ltd. <sup>1</sup>	Woolworths International Trading Pty Limited
Woolstar Pty. Limited	Woolworths Investments Pty Limited <sup>2</sup>
Woolworths (International) Pty Limited	Woolworths Management Pty Ltd
Woolworths (Q'land) Pty Limited	Woolworths Marketplace Pty Limited
Woolworths (South Australia) Pty Limited	Woolworths Properties Pty Limited
Woolworths (Victoria) Pty Limited	Woolworths Property Double Bay Pty Limited
Woolworths (W.A.) Pty Limited	Woolworths Townsville Nominee Pty Ltd <sup>1</sup>
Woolworths360 Pty Limited	Woolworths Trust Management Pty Limited <sup>1</sup>
Woolworths360 Investments Pty Limited	Woolworths Trustee No. 2 Pty Limited <sup>1</sup>
Woolworths Custodian Pty Ltd	WPay Pty Limited

1 These dormant subsidiaries were released from the Deed as a result of entering into a Revocation Deed on 18 March 2024.

2 Formerly W23 Investments 4 Pty Limited.

A Statement of Profit or Loss and retained earnings, and Statement of Financial Position for the entities which were party to the Deed during the period are as follows:

	2024 53 WEEKS \$M	2023 52 WEEKS \$M
<b>Continuing operations</b>		
Revenue from the sale of goods and services	56,219	53,652
Cost of sales	(40,108)	(38,630)
<b>Gross profit</b>	<b>16,111</b>	<b>15,022</b>
Other revenue	372	303
Branch expenses	(9,864)	(9,126)
Administration expenses	(4,838)	(3,350)
<b>Earnings before interest and tax</b>	<b>1,781</b>	<b>2,849</b>
Finance costs	(546)	(524)
<b>Profit before income tax</b>	<b>1,235</b>	<b>2,325</b>
Income tax expense	(746)	(631)
<b>Profit for the period</b>	<b>489</b>	<b>1,694</b>
<b>RETAINED EARNINGS</b>		
Balance at start of period	7,449	6,960
Profit for the period	489	1,694
Dividends paid	(1,281)	(1,203)
Actuarial loss on defined benefit superannuation plans, net of tax	-	(2)
<b>Balance at end of period</b>	<b>6,657</b>	<b>7,449</b>



## 5.2 Subsidiaries (continued)

	2024 \$M	2023 \$M
<b>Current assets</b>		
Cash and cash equivalents	957	842
Trade and other receivables	682	692
Inventories	3,383	3,044
Other financial assets	21	49
Other current assets	184	192
	5,227	4,819
Assets held for sale	90	180
<b>Total current assets</b>	<b>5,317</b>	<b>4,999</b>
<b>Non-current assets</b>		
Trade and other receivables	1,446	1,280
Other financial assets	2,790	2,901
Lease assets	7,688	7,788
Property, plant and equipment	8,305	7,703
Intangible assets	1,900	1,854
Investments accounted for using the equity method	70	1,117
Deferred tax assets	1,586	1,490
Other non-current assets	396	426
<b>Total non-current assets</b>	<b>24,181</b>	<b>24,559</b>
<b>Total assets</b>	<b>29,498</b>	<b>29,558</b>
<b>Current liabilities</b>		
Trade and other payables	7,584	7,040
Lease liabilities	1,387	1,391
Borrowings	413	466
Current tax payable	295	195
Other financial liabilities	687	268
Provisions	1,468	1,419
Other current liabilities	8	21
<b>Total current liabilities</b>	<b>11,842</b>	<b>10,800</b>
<b>Non-current liabilities</b>		
Lease liabilities	8,641	8,744
Borrowings	3,390	3,220
Other financial liabilities	127	669
Provisions	868	837
Other non-current liabilities	30	38
<b>Total non-current liabilities</b>	<b>13,056</b>	<b>13,508</b>
<b>Total liabilities</b>	<b>24,898</b>	<b>24,308</b>
<b>Net assets</b>	<b>4,600</b>	<b>5,250</b>
<b>Equity</b>		
Contributed equity	5,604	5,406
Reserves	(7,661)	(7,605)
Retained earnings	6,657	7,449
<b>Total equity</b>	<b>4,600</b>	<b>5,250</b>



For personal use only

## Notes to the Consolidated Financial Statements

## 5.2 Subsidiaries (continued)

## 5.2.2 Details of wholly owned subsidiaries that are material to the Group

Material subsidiaries of Woolworths Group Limited are as follows:

COMPANY	COUNTRY OF INCORPORATION	ULTIMATE AUSTRALIAN CONTROLLING ENTITY
Woolworths New Zealand Group Limited	New Zealand	Woolworths Group Limited
Woolworths New Zealand Limited	New Zealand	Woolworths Group Limited
General Distributors Limited	New Zealand	Woolworths Group Limited

## 5.2.3 Details of non-wholly owned subsidiaries that have material non-controlling interests

NAME OF SUBSIDIARY	PRINCIPAL PLACE OF BUSINESS	PROPORTION OF VOTING RIGHTS HELD BY NON-CONTROLLING INTERESTS	
		2024 %	2023 %
PETstock Pty Ltd	Australia	45.0	n/a
PFD Food Services Pty Ltd	Australia	35.0	35.0
The Quantum Group Holdings Pty Limited	Australia	22.3	22.3

The movement in non-controlling interests is as follows:

	PETSTOCK PTY LTD LTD \$M	PFD FOOD SERVICES PTY LTD LTD \$M	THE QUANTUM GROUP HOLDINGS PTY LIMITED LTD \$M	INDIVIDUALLY IMMATERIAL SUBSIDIARIES \$M	TOTAL NON-CONTROLLING INTERESTS \$M
<b>2024</b>					
Balance at start of period	–	61	50	29	140
Profit/(loss) for the period	1	13	(2)	(3)	9
<b>Total comprehensive income for the period</b>	<b>1</b>	<b>13</b>	<b>(2)</b>	<b>(3)</b>	<b>9</b>
Dividends	(1)	(15)	(3)	–	(19)
Share-based payments expense	–	–	1	–	1
Recognition of non-controlling interest from acquisition of subsidiary	31	–	–	–	31
<b>Balance at end of period</b>	<b>31</b>	<b>59</b>	<b>46</b>	<b>26</b>	<b>162</b>

	PFD FOOD SERVICES PTY LTD LTD \$M	THE QUANTUM GROUP HOLDINGS PTY LIMITED LTD \$M	INDIVIDUALLY IMMATERIAL SUBSIDIARIES \$M	TOTAL NON-CONTROLLING INTERESTS \$M
<b>2023</b>				
Balance at start of period	49	52	23	124
Profit/(loss) for the period	12	2	(3)	11
<b>Total comprehensive income for the period</b>	<b>12</b>	<b>2</b>	<b>(3)</b>	<b>11</b>
Dividends	–	(5)	–	(5)
Share-based payments expense	–	1	–	1
Recognition of non-controlling interest from acquisition of subsidiary	–	–	9	9
<b>Balance at end of period</b>	<b>61</b>	<b>50</b>	<b>29</b>	<b>140</b>

## 5.2 Subsidiaries (continued)

Summarised financial information in respect of each of the Group's subsidiaries that has a material non-controlling interest was as follows:

	PETSTOCK PTY LTD		PFD FOOD SERVICES PTY LTD		THE QUANTUM GROUP HOLDINGS PTY LIMITED \$M	
	2024 \$M	2024 \$M	2023 \$M	2024 \$M	2023 \$M	
Current assets	247	482	438	149	142	
Non-current assets	621	588	574	233	239	
Current liabilities	245	451	425	113	105	
Non-current liabilities	613	394	370	83	94	
Net cash inflow/(outflow)	22	22	1	8	(7)	

## 5.3 Parent entity

	2024 \$M	RESTATED 2023 \$M	2023 \$M
<b>Assets</b>			
Current assets	4,828	4,412	4,411
Non-current assets	30,880	29,466	29,464
<b>Total assets</b>	<b>35,708</b>	<b>33,878</b>	<b>33,875</b>
<b>Liabilities</b>			
Current liabilities	18,056	17,062	17,043
Non-current liabilities	13,210	13,617	13,550
<b>Total liabilities</b>	<b>31,266</b>	<b>30,679</b>	<b>30,593</b>
<b>Net assets</b>	<b>4,442</b>	<b>3,199</b>	<b>3,282</b>
<b>Equity</b>			
Contributed equity	5,604	5,406	5,406
Reserves	(7,691)	(7,639)	(7,639)
Retained earnings <sup>1</sup>	6,529	5,432	5,515
<b>Total equity</b>	<b>4,442</b>	<b>3,199</b>	<b>3,282</b>

	2024 \$M	RESTATED 2023 \$M	2023 \$M
Profit for the period	2,378	1,300	1,306
Other comprehensive income for the period, net of tax	(25)	(79)	(79)
<b>Total comprehensive income for the period</b>	<b>2,353</b>	<b>1,221</b>	<b>1,227</b>

1 Retained earnings includes a profit reserve of \$8,533 million and a loss reserve of \$2,004 million (2023 restated: profit reserve of \$7,436 million and a loss reserve of \$2,004 million, 2023: profit reserve of \$7,519 million and a loss reserve of \$2,004 million).

RETAINED EARNINGS	NOTE	2024 \$M	RESTATED 2023 \$M	2023 \$M
Balance at start of period		5,432	5,337	5,414
Profit for the period		2,378	1,300	1,306
Dividends paid	4.2	(1,281)	(1,203)	(1,203)
Actuarial gain on defined benefit superannuation plans		-	(2)	(2)
<b>Balance at end of period</b>		<b>6,529</b>	<b>5,432</b>	<b>5,515</b>



## Notes to the Consolidated Financial Statements

## 5.3 Parent entity (continued)

**AASB 17 Insurance Contracts (AASB 17)**

AASB 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes AASB 4 *Insurance Contracts*, AASB 1023 *General Insurance Contracts* and AASB 1038 *Life Insurance Contracts*.

AASB 17 outlines a general model, which is modified for insurance contracts with direct participation features, described as the variable fee approach. The general model is simplified if certain criteria are met by measuring the liability for remaining coverage using the premium allocation approach. The general model uses current assumptions to estimate the amount, timing and uncertainty of future cash flows and it explicitly measures the cost of that uncertainty. It takes into account market interest rates and the impact of policyholders' options and guarantees.

AASB 17 is first effective for the 2024 financial period and Woolworths Group Limited (the parent entity) was impacted as it is a licensed self-insurer for workers' compensation insurance in New South Wales, Queensland, Western Australia, South Australia, Tasmania and the Northern Territory, and therefore provides insurance to its subsidiaries.

AASB 17 was adopted retrospectively by the parent entity, with the impact on prior year as follows.

	AS PREVIOUSLY REPORTED 2023 \$M	ADJUSTMENTS \$M	RESTATE 2023 \$M
Current assets	4,411	1	4,412
Non-current assets	29,464	2	29,466
Current liabilities	17,043	19	17,062
Non-current liabilities	13,550	67	13,617
Retained earnings <sup>1</sup>	5,515	(83)	5,432

<sup>1</sup> In 2023, the impact of AASB 17 on opening retained earnings was \$77 million and the impact on profit or loss for the period was \$6 million.

**Guarantees**

The parent entity has entered into a deed of cross guarantee with the effect that the Company guarantees debts in respect of certain subsidiaries. Further details on the deed of cross guarantee and the subsidiaries subject to the deed are disclosed in Note 5.2.1. Other guarantees held by the parent entity are the same as those held by the Group as disclosed in Note 6.1.

**Commitments for capital expenditure**

	2024 \$M	2023 \$M
<b>Estimated capital expenditure under firm contracts, payable:</b>		
Not later than one year	577	562
Later than one year, not later than two years	11	153
Later than two years, not later than five years	3	-
	591	715

**Material Accounting Policies**

The parent entity financial information has been prepared using accounting policies consistent with those applied in the Consolidated Financial Statements. Set out below is the material accounting policy information that is specific to the parent entity financial information.

**Investments in subsidiaries, associates and joint ventures**

Investments in subsidiaries, associates and joint ventures are accounted for at cost.

**Tax consolidation**

The Company and its wholly-owned Australian resident entities are members of a tax-consolidated group under Australian tax law. The Company is the head entity within the tax-consolidated group. Refer to Note 3.11 for further details.

## 5.4 Related parties

### 5.4.1 Transactions within the Group

During the period, Woolworths Group Limited advanced loans to, received and repaid loans from, and provided treasury, accounting, legal, taxation, workers' compensation insurance, and administrative services to other entities within the Group. Entities within the Group also exchanged goods and services in sale and purchase transactions. All transactions occurred on the basis of normal commercial terms and conditions. Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note.

### 5.4.2 Transactions with Endeavour Group

Notwithstanding the loss of significant influence over Endeavour Group on 31 December 2023, strategic Partnership Agreements with Endeavour Group continue to exist, which have been effective from the separation date of 28 June 2021. These agreements cover key business areas, including the provision of goods and services related to supply chain and stores, IT, loyalty and FinTech, digital, media and business support, and occur on the basis of normal commercial terms and conditions. In addition to the Partnership Agreements, the Group continues to supply various goods and services to Endeavour Group including wholesale liquor in Tasmania, food service products, and advanced analytical services.

During the six months ended 31 December 2023, whilst Endeavour Group was a material associate of the Group, the Group recognised \$340 million of revenue and other income and \$9 million of purchases of goods and services for transactions between both parties. This excludes any costs that the Group settles with third parties on behalf of Endeavour Group and are subsequently recovered.

### 5.4.3 Directors and Key Management Personnel

All transactions with directors and Key Management Personnel (including their related parties) were conducted at an arm's length basis in the ordinary course of business and under usual terms and conditions for customers and employees.

The total remuneration for Key Management Personnel of the Group is as follows:

	2024 \$	2023 \$
Short-term employee benefits	10,369,438	11,070,890
Post-employment benefits	303,330	287,833
Other long-term benefits	92,665	135,904
Share-based payments	4,909,868	8,135,664
	<b>15,675,301</b>	<b>19,630,291</b>

## 6 Other

### 6.1 Contingent liabilities

The Group has entered the following guarantees however the probability of having to make a payment under these guarantees is considered remote:

- Guarantees in the normal course of business relating to conditions set out in development applications and for the sale of properties; and
- Guarantees against workers' compensation self-insurance liabilities as required by State WorkCover authorities. The guarantees are based on independent actuarial advice of the outstanding liability.

No provision has been made in the Consolidated Financial Statements in respect of these contingencies however there is a provision of \$721 million (2023: \$663 million) for self-insured risks, which includes liabilities relating to workers' compensation claims, that have been recognised in the Consolidated Statement of Financial Position at the reporting date. Refer to Note 3.13.2 for further details.

From time to time, entities within the Group are party to various legal actions as well as inquiries from regulators and government bodies that have arisen in the ordinary course of business. Consideration has been given to such matters and it has been determined that these matters are not at a stage to support a reasonable evaluation of the likely outcome.

### 6.2 Share-based payments and share schemes

#### 6.2.1 Share-based payments

##### LONG-TERM INCENTIVE (LTI) PLAN

Equity-settled share-based payments form part of the remuneration of eligible employees of the Group. The Group continues to operate the Woolworths Incentive Share Plan (WISP), an LTI plan which delivers a right to acquire a share at a future date. A summary of the LTI plan performance hurdles for all outstanding grants is as follows:

GRANT YEAR	VESTING PERIOD (YEARS)	RELATIVE TOTAL SHAREHOLDER RETURN (TSR)		REPUTATION <sup>1</sup>	RETURN ON FUNDS EMPLOYED (ROFE) <sup>1</sup>
		WEIGHTING (%)	HURDLE/RANGE (PERCENTILE)	WEIGHTING (%)	WEIGHTING (%)
F22, F23, F24 <sup>2</sup>	Three	40.00	50th – 75th	20.00	40.00

1 Hurdle/range not published for Reputation and ROFE as the Group does not provide market guidance on these metrics and the targets are commercially sensitive. The LTI targets and performance will be published following the end of the performance period.

2 The TSR component vests progressively where TSR equals or exceeds the 50th percentile of the comparator group up to the full 40% vesting, where TSR equals the 75th percentile of the comparator group. Reputation and ROFE components vest progressively, upon attaining certain hurdles, to a maximum weighting of 20% and 40% respectively.

The variables in the table below are used as inputs into the model to determine the fair value of performance rights.

	2024 F24 WISP	2023 F23 WISP
Grant date <sup>1</sup>	1 Jul 2023	1 Jul 2022
Performance period start date	1 Jul 2023	1 Jul 2022
Exercise date	1 Jul 2026	1 Jul 2025
Expected volatility <sup>2</sup>	17.0%	22.0%
Risk-free interest rate	4.10%	3.1%
Weighted average fair value at grant date	\$32.44	\$29.35

1 Grant date represents the date on which there is a shared understanding of the terms and conditions of the arrangement.

2 The expected volatility is based on the historical implied volatility calculated based on the weighted average remaining life of the performance rights adjusted for any expected changes to future volatility due to publicly available information.



## 6.2 Share-based payments and share schemes (continued)

### DEFERRED SHORT-TERM INCENTIVE (DEFERRED STI)

Share rights are offered to select employees under the Deferred STI, which has the following features:

- For the F22, F23 and F24 Deferred STI plan, a one-year performance measure linked to sales, EBIT, working capital, customer satisfaction and safety; and
- If the performance hurdles are met, participants are required to remain employed for a further two years to gain access to the performance rights, or otherwise forfeit the performance rights unless the Board exercises its discretion in accordance with the performance rights sub-plan rules.

### SIGN-ON AND RETENTION RIGHTS

Share rights are offered to compensate new hires for foregone equity and to retain key employees to deliver on the Group's strategic direction.

Sign-on and retention rights generally do not have performance measures attached to them due to the objective of retaining key talent and vest subject to the executive remaining employed by the Group, generally for two or more years.

### RECOGNITION SHARE PLAN

The performance rights sub-plan has also been used to reward employees of the Group. Participants are required to meet a service condition to gain access to the performance rights.

### MOVEMENTS IN OUTSTANDING SHARE RIGHTS

The following table summarises the movements in outstanding share rights for all of the above plans:

	2024 NO. OF RIGHTS	2023 NO. OF RIGHTS
Outstanding at start of period	11,374,181	11,925,879
Granted during the period	4,272,099	4,634,582
Vested during the period	(2,707,034)	(3,521,977)
Lapsed during the period	(1,872,605)	(1,664,303)
<b>Outstanding at end of period</b>	<b>11,066,641</b>	<b>11,374,181</b>

Share-based payments expense for the period was \$91,805,010 (2023: \$113,425,421).

### 6.2.2 Share schemes

#### EMPLOYEE SHARE PURCHASE PLAN

The Employee Share Purchase Plan provides permanent full-time and part-time employees who are Australian tax residents and are aged 18 years or over with the opportunity to purchase shares through a pre-tax salary sacrifice plan. The Group pays the associated brokerage costs.

The total shares purchased during the year were 1,843,038 (2023: 3,377,355) at an average price per share of \$33.24 (2023: \$37.73) to satisfy the vesting of share rights and allocation of shares under the Group's employee share plans.

#### NON-EXECUTIVE DIRECTOR EQUITY PLAN

The Non-Executive Director Equity Plan allows non-executive directors to acquire share rights through a pre-tax fee sacrifice plan.

No additional expense is recognised in relation to the shares purchased under the Employee Share Purchase Plan and the shares issued under the Non-Executive Director Equity Plan as they are acquired out of salary/fee sacrificed remuneration.

## Notes to the Consolidated Financial Statements

## 6.3 Retirement plans

### 6.3.1 Defined contribution retirement plans

The majority of employees in Australia and New Zealand are part of a defined contribution superannuation scheme and receive fixed contributions from the Group in accordance with the rules of the Woolworths Group Superannuation Plan (WGSP) and/or any statutory obligations.

The amount recognised as an expense for defined contribution retirement plans is \$863 million (2023: \$744 million).

### 6.3.2 Defined benefit retirement plans

The Company sponsors a defined benefit retirement plan, the WGSP, that provides superannuation benefits for employees upon retirement and is closed to new members. The assets of the WGSP are held in a sub-plan within Australian Retirement Trust (ART) that is legally separated from the Group. The WGSP invests entirely in pooled unit trust products where prices are quoted on a daily basis.

The Group contributes to the WGSP at rates as set out in the Trust Deed and Rules and the Participation Deed between the Group and Australian Retirement Trust Pty Ltd. Members contribute to the WGSP at rates dependent upon their membership category. The plan provides lump sum defined benefits that are defined by salary and period of membership.

An actuarial valuation was carried out at both reporting dates by Willis Towers Watson. The principal actuarial assumptions used for the purpose of the valuation are as follows:

	2024 %	2023 %
Discount rate	5.5	5.1
Expected rate of salary increase	3.3	3.5
Rate of price inflation	2.6	3.0

At the reporting date, the Group's exposure to reasonably possible changes of the discount rate or expected rate of salary increase, while holding all other assumptions constant, is not considered material.

The average duration of the defined benefit obligation at the end of the reporting period is 5.9 years (2023: 5.4 years) which relates wholly to active participants.

#### (j) Categories of plan assets

The plan invests entirely in pooled superannuation trust products where prices are quoted daily. The asset allocation of the plan has been set taking into account the membership profile, the liquidity requirements of the plan, and risk appetite of the Group. The percentage invested in each asset class is as follows:

	2024 %	2023 %
Equity instruments	52	55
Debt instruments	13	17
Real estate	21	14
Cash and cash equivalents	2	6
Other	12	8
<b>Total</b>	<b>100</b>	<b>100</b>



## 6.3 Retirement plans (continued)

## (ii) Movements in the present value of the defined benefit obligation and fair value of plan assets

The amount included in other non-current liabilities in the Consolidated Statement of Financial Position in respect of the net defined benefit liability is as follows:

	FAIR VALUE OF PLAN ASSETS		PRESENT VALUE OF DEFINED BENEFIT OBLIGATION		NET DEFINED BENEFIT OBLIGATION	
	2024 \$M	2023 \$M	2024 \$M	2023 \$M	2024 \$M	2023 \$M
Balance at start of period	236	250	(267)	(288)	(31)	(38)
<i>Recognised in Consolidated Statement of Profit or Loss:</i>						
Current service cost	-	-	(3)	(3)	(3)	(3)
Finance income/(costs)	11	10	(13)	(12)	(2)	(2)
Contributions by plan participants	1	2	(1)	(2)	-	-
<b>Total amount included in branch expenses</b>	<b>12</b>	<b>12</b>	<b>(17)</b>	<b>(17)</b>	<b>(5)</b>	<b>(5)</b>
<i>Recognised in the Consolidated Statement of Other Comprehensive Income:</i>						
Return on plan assets	7	6	-	-	7	6
Actuarial loss	-	-	(7)	(9)	(7)	(9)
<b>Total amount recognised in other comprehensive income, before tax</b>	<b>7</b>	<b>6</b>	<b>(7)</b>	<b>(9)</b>	<b>-</b>	<b>(3)</b>
<i>Other movements:</i>						
Benefits paid	(80)	(44)	80	44	-	-
Contributions by employer	8	15	-	-	8	15
Administration costs and taxes	(2)	(3)	2	3	-	-
<b>Balance at end of period</b>	<b>181</b>	<b>236</b>	<b>(209)</b>	<b>(267)</b>	<b>(28)</b>	<b>(31)</b>

## 6.4 Auditor's remuneration

The remuneration of the Group's external auditors, Deloitte Touche Tohmatsu (Deloitte), is as follows:

	2024 \$'000	2023 \$'000
<b>Deloitte Touche Tohmatsu and related network firms</b>		
Audit or review of the financial reports		
Group	2,650	2,255
Subsidiaries	1,420	1,652
<b>Total audit or review of the financial reports</b>	<b>4,070</b>	<b>3,907</b>
<b>Review of the Sustainability Report</b>	<b>357</b>	<b>306</b>
Other services:		
Tax compliance services	123	179
Consulting services <sup>1</sup>	44	218
Agreed upon procedures and other non-assurance services	223	247
<b>Total other services</b>	<b>390</b>	<b>644</b>
	<b>4,817</b>	<b>4,857</b>

1 Consulting services relates to training services (2023: cyber security services).



---

## 6.5 Subsequent events

---

Events which have occurred between the reporting date and the date the Financial Report is authorised for issue are outlined below.

### 6.5.1 Sale of Petstock businesses

On 1 July 2024, following acceptance of Petstock Group's undertaking to the Australian Competition and Consumer Commission (ACCC), it divested a portfolio of stores, brands and vet clinics. As the net assets held for sale were recognised at the lower of their carrying amounts and fair value less costs to sell, no material gain or loss was recognised on sale relating to the divestiture.

### 6.5.2 Acquisition of interest in B&J City Kitchen and Beak & Johnston New Zealand

Subsequent to 30 June 2024, the Group announced its intention to increase its shareholding in B&J City Kitchen from 23% to 100% and acquire 100% of Beak & Johnston New Zealand. This transaction is subject to the approval by ACCC and the New Zealand Commerce Commission.

In partnership with B&J City Kitchen and Beak & Johnston New Zealand, the Group already produces a range of Woolworths ready meals. Through this transaction, the Group will strengthen its partnership unlocking innovation and speed to market. It will also allow the Group to strengthen its food and own brand manufacturing capabilities, enabling the Group to capture the full sales potential from its own brands.

### 6.5.3 Acquisition of additional interest in PFD Food Services

Following the exercise of the put option by the minority shareholders on 14 August 2024, the Group will acquire the remaining 35% equity interest in PFD Food Services Pty Ltd, with the consideration to be paid in the first half of the 2025 financial period. The redemption liability of ~\$400 million approximates the put option liability recognised and included in Other Financial Liabilities as at 30 June 2024.

# Consolidated Entity Disclosure Statement

Below is the Group consolidated entity disclosure statement as required by the Corporations Act (s.295(3A)(a)).

## Bodies corporate

ENTITY NAME	PLACE FORMED OR INCORPORATED AND TAX JURISDICTION	% OF SHARE CAPITAL HELD	ENTITY NAME	PLACE FORMED OR INCORPORATED AND TAX JURISDICTION	% OF SHARE CAPITAL HELD
150 Barwon Pty Ltd <sup>3</sup>	Australia	28	GDL Rx No8 Limited <sup>3</sup>	New Zealand	49
1581 Botany Road Botany Pty Ltd <sup>2</sup>	Australia	100	GDL Rx No9 Limited <sup>3</sup>	New Zealand	49
159 Penshurst St Pty Ltd <sup>2</sup>	Australia	100	GDL Rx No10 Limited <sup>3</sup>	New Zealand	49
240 Oxford St Pty Ltd <sup>2</sup>	Australia	100	Gembond Pty Limited <sup>2</sup>	Australia	100
294 Bondi Road Pty Ltd <sup>2</sup>	Australia	100	General Distributors Limited	New Zealand	100
ACN 628 341 980 Pty Ltd <sup>2</sup>	Australia	100	Genuine Range Pty Ltd	Australia	55
Advantage Supermarkets Pty Ltd <sup>2</sup>	Australia	100	Gobble Gobble Pty Ltd	Australia	55
Advantage Supermarkets WA Pty Ltd	Australia	100	Grand Horizons Pty Ltd <sup>2</sup>	Australia	100
Agribrands Pty Ltd <sup>3</sup>	Australia	33	GreenGrocer.com.au Pty Ltd	Australia	100
Alpine Peaks No 5 Pty Ltd <sup>2</sup>	Australia	100	Hart Retail Group Pty Ltd	Australia	55
Amazed.com Pty Ltd	Australia	80	Health Outcomes Australia Pty Limited <sup>3</sup>	Australia	39
Andmist Pty Limited	Australia	100	Healthylife Company Pty Limited <sup>1</sup>	Australia	100
Appert Pty Limited	Australia	100	Healthylife Direct Pty Limited	Australia	60
Australian Grocery Wholesalers Pty Limited	Australia	100	HP Distribution Pty Limited	Australia	100
Australian Safeway Stores Pty Ltd	Australia	100	Jahaps Pty Ltd <sup>2,3</sup>	Australia	28
Barjok Pty Ltd	Australia	100	Josona Pty Ltd <sup>2</sup>	Australia	100
Bergam Pty Limited	Australia	75	Kennedy Corporation Holdings NZ Limited	New Zealand	100
Best Friends Finco Pty Ltd	Australia	55	Kent St Maryborough Pty Ltd <sup>2</sup>	Australia	100
Best Friends IP Pty Ltd	Australia	55	Leasehold Investments Pty Ltd	Australia	100
Best Friends OpCo Pty Ltd	Australia	55	Macro Wholefoods Company Pty Limited	Australia	100
Best Friends Pets Holdings Pty Limited	Australia	55	Market Blueprint Pty Ltd	Australia	78
Best Friends Retail Pty Ltd	Australia	55	Masters Installation Pty Limited	Australia	100
Best Friends Securityco Pty Ltd	Australia	55	Milkrun Delivery Pty Limited	Australia	100
Best Friends Support Services Pty Ltd	Australia	55	Milkrun Operations Pty Ltd	Australia	100
BIG W HK Procurement Pty Limited	Hong Kong	100	MyDeal.com.au Pty Limited	Australia	80
Birdzone Pty Ltd <sup>3</sup>	Australia	33	Nalos Pty Ltd <sup>2</sup>	Australia	100
Bondi Properties Pty Limited <sup>2</sup>	Australia	100	New Zealand Wine Cellars Limited	New Zealand	100
Calvartan Pty. Limited	Australia	100	Nightingale Dusk Pty Ltd <sup>2</sup>	Australia	100
Cartology NZ Limited	New Zealand	100	Nineteen North Star Pty Ltd <sup>2</sup>	Australia	100
Cartology Pty Limited	Australia	100	OurVet Pty Ltd	Australia	55
Cenijade Pty Limited	Australia	100	PEH (NZ IP) Pty Ltd	Australia	100
Drumstar Pty Ltd	Australia	100	Pet Culture Group Pty Limited	Australia	100
DSE Investments Inc	USA	100	Pet Imports Pty Ltd	Australia	55
Duke Living Pty Ltd	Australia	80	Pet Market (Australia) Pty Ltd	Australia	55
E-Com (Aus) Pty Ltd	Australia	80	Pet Post (Australia) Pty Ltd	Australia	55
Equine Holdings Pty Ltd	Australia	55	Pet Source Pty. Ltd.	Australia	55
Establo Limited	New Zealand	55	Pet Wise Investments Pty Ltd	Australia	55
Fabcot Pty Ltd	Australia	100	Petbiz Pty Ltd	Australia	55
Fishboyz Pty Limited	Australia	65	Peters Pure Animal Foods Pty Ltd <sup>3</sup>	Australia	33
Food Company HK Procurement Pty Limited	Hong Kong	100	Petmarket NZ Limited	New Zealand	55
GDL Rx No1 Limited <sup>3</sup>	New Zealand	49	Petspiration Group Pty Ltd	Australia	55
GDL Rx No2 Limited <sup>3</sup>	New Zealand	49	Petspiration Insurance Pty Ltd	Australia	55
GDL Rx No3 Limited <sup>3</sup>	New Zealand	49	Petspiration Pty Ltd	Australia	55
GDL Rx No4 Limited <sup>3</sup>	New Zealand	49	Petstock (Altona North) Pty Ltd	Australia	55
GDL Rx No5 Limited <sup>3</sup>	New Zealand	49	Petstock (Ashmore) Pty Ltd	Australia	55
GDL Rx No6 Limited <sup>3</sup>	New Zealand	49	Petstock (Balcatta) Pty Ltd <sup>2</sup>	Australia	55
GDL Rx No7 Limited <sup>3</sup>	New Zealand	49	Petstock (Ballarat) Pty Ltd	Australia	55
			Petstock (Bathurst) Pty Ltd	Australia	55
			Petstock (Belmont WA) Pty Ltd	Australia	55

1 Performance highlights

2 Business review

3 Directors' Report

4 Financial Report

5 Other information



# Consolidated Entity Disclosure Statement

ENTITY NAME	PLACE FORMED OR INCORPORATED AND TAX JURISDICTION	% OF SHARE CAPITAL HELD
Petstock (Bendigo) Pty Ltd	Australia	55
Petstock (Braeside) Pty Ltd	Australia	55
Petstock (Brighton) Pty Ltd	Australia	55
Petstock (Caboolture) Pty Ltd <sup>2</sup>	Australia	55
Petstock (Cannonvale) Pty Ltd	Australia	55
Petstock (Capalaba) Pty Ltd	Australia	55
Petstock (Chelsea) Pty Ltd	Australia	54
Petstock (Coffs Harbour) Pty Ltd	Australia	55
Petstock (Craigieburn) Pty Ltd	Australia	55
Petstock (Darwin) Pty Ltd	Australia	55
Petstock (Dural) Pty Ltd	Australia	55
Petstock (Erina) Pty Ltd	Australia	55
Petstock (Essendon) Pty Ltd <sup>3</sup>	Australia	33
Petstock (Geelong) Pty Ltd	Australia	55
Petstock (Hervey Bay) Pty Ltd	Australia	55
Petstock (Hoppers Crossing) Pty Ltd	Australia	55
Petstock (Indooroopilly) Pty Ltd	Australia	55
Petstock (Kawana Waters) Pty Ltd <sup>3</sup>	Australia	28
Petstock (Kilmore) Pty Ltd	Australia	55
Petstock (Kingsford) Pty Ltd <sup>2,3</sup>	Australia	28
Petstock (Mitcham) Pty Ltd	Australia	55
Petstock (Morningson) Pty Ltd	Australia	55
Petstock (MP) Pty Ltd	Australia	55
Petstock (Noosa) Pty Ltd <sup>2</sup>	Australia	55
Petstock (Rouse Hill) Pty Ltd	Australia	55
Petstock (Services) Pty Ltd	Australia	55
Petstock (Shepparton) Pty Ltd <sup>2</sup>	Australia	55
Petstock (Sunbury) Pty Ltd <sup>3</sup>	Australia	28
Petstock (Sunshine) Pty Ltd	Australia	55
Petstock (Swan Valley) Pty Ltd	Australia	55
Petstock (Tamworth) Pty Ltd	Australia	55
Petstock (Taylors Lakes) Pty Ltd <sup>2</sup>	Australia	55
Petstock (Townsville) Pty Ltd	Australia	55
Petstock (Tuggerah) Pty Ltd <sup>3</sup>	Australia	48
Petstock (Vermont) Pty Ltd	Australia	55
Petstock (West Gosford) Pty Ltd	Australia	55
Petstock ACT Pty Ltd <sup>2</sup>	Australia	55
Petstock Baldivis Pty Ltd	Australia	55
Petstock Bunbury Pty Ltd <sup>2,3</sup>	Australia	28
Petstock Foundation Limited	Australia	55
Petstock Holdings Pty Ltd <sup>2,3</sup>	Australia	28
Petstock Industries Pty Ltd	Australia	55
Petstock Inner East Melbourne Pty Ltd <sup>3</sup>	Australia	28
Petstock Investments Pty Ltd	Australia	55
Petstock Joondalup Pty Ltd	Australia	55
Petstock Mini Pty Ltd	Australia	55
Petstock NDC Pty Ltd	Australia	55
Petstock North Qld Pty Ltd	Australia	55
Petstock North Sydney Pty Ltd	Australia	55
Petstock NZ Limited	New Zealand	55
Petstock Property Pty Ltd	Australia	55
Petstock Provincial Pty Ltd	Australia	55
PETstock Pty Ltd	Australia	55
Petstock Qld Pty Ltd <sup>2,3</sup>	Australia	28

ENTITY NAME	PLACE FORMED OR INCORPORATED AND TAX JURISDICTION	% OF SHARE CAPITAL HELD
Petstock Retail Pty Ltd	Australia	55
Petstock Rural Pty Ltd	Australia	55
Petstock Tasmania Pty Ltd	Australia	55
Petstock Toowoomba Pty Ltd	Australia	55
Petstock Vet (Bennetts Green) Pty Ltd	Australia	55
Petstock Vet (Bunbury) Pty Ltd <sup>3</sup>	Australia	28
Petstock Vet (Carrum Downs) Pty Ltd <sup>3</sup>	Australia	28
Petstock Vet (Clyde North) Pty Ltd	Australia	55
Petstock Vet (Essendon) Pty Ltd	Australia	55
Petstock Vet (Gregory Hills) Pty Ltd	Australia	55
Petstock Vet (Lilydale) Pty Ltd	Australia	55
Petstock Vet (North Lakes) Pty Ltd	Australia	55
Petstock Vet (Robina) Pty Ltd	Australia	55
Petstock Vet (Rouse Hill) Pty Ltd	Australia	55
Petstock Vet (Toowoomba) Pty Ltd	Australia	55
Petstock Vet (Wairn Ponds) Pty Ltd	Australia	55
Petstock Vet Pty Ltd	Australia	55
Petstock WA (1) Pty Ltd	Australia	55
Petstock WA Co Pty Ltd <sup>2</sup>	Australia	55
Petstock Wagga Wagga Pty Ltd	Australia	55
Petvet Altona North Pty Ltd	Australia	55
Petvet Craigieburn Pty Ltd	Australia	55
PFD Food Services Pty Ltd	Australia	65
PHIL Ventures Pty Ltd	Australia	55
Philip Leong Stores Pty Limited	Australia	100
Point Gate Developments Pty Limited	Australia	100
Point Gate Properties Pty Limited	Australia	100
Primary Connect International Pty Limited	Australia	100
Progressive Enterprises Holdings Limited	Australia	100
PS Centre of Excellence Pty Ltd	Australia	55
PS Daycare Ballarat Pty Ltd <sup>3</sup>	Australia	39
PS Doggie Daycare Pty Ltd	Australia	55
PS Equine Pty Ltd	Australia	55
PS NSW Group Pty Ltd <sup>2,3</sup>	Australia	28
PS Tech Holdings Pty Ltd	Australia	55
PSD Rural Pty Ltd <sup>3</sup>	Australia	28
PSHO Strategic Pty Ltd	Australia	55
PSM Retail Group Pty Ltd	Australia	55
Quantium Analytics Private Limited	India	78
Quantium Digital Pty. Limited	Australia	78
Quantium Group New Zealand Pty Limited	New Zealand	78
Quantium Health HK Limited <sup>3</sup>	Hong Kong	39
Quantium Health Holdings Pty Ltd	Australia	78
Quantium Health Information Technology Company <sup>3</sup>	Saudi Arabia	39
Quantium Health Limited <sup>3</sup>	UK	39
Quantium Health Pty Limited <sup>3</sup>	Australia	39
Quantium Health SA (Pty) Limited <sup>3</sup>	South Africa	39
Quantium Hong Kong Limited	Hong Kong	78
Quantium Inc.	USA	78
Quantium Limited	UK	78
Quantium Software Pty Limited	Australia	78
Quantium South Africa (Pty) Ltd	South Africa	78
Quantium Ventures Pty Limited	Australia	78



# Consolidated Entity Disclosure Statement

ENTITY NAME	PLACE FORMED OR INCORPORATED AND TAX JURISDICTION	% OF SHARE CAPITAL HELD
Queensland Property Investments Pty Ltd	Australia	100
Raging Bullant Developments Pty Ltd <sup>2</sup>	Australia	100
Ribs Finance Pty Ltd	Australia	55
Shopper Data Group Pty Ltd	Australia	100
Shopper Media Group Holdings Pty Ltd	Australia	100
Shopper Media Group Operations Pty Ltd	Australia	100
Shopper Media Group Pty Ltd <sup>2</sup>	Australia	100
Somerset Eight Pty Ltd <sup>2</sup>	Australia	100
Southern Cross Feeds Pty Ltd <sup>3</sup>	Australia	33
Spaurum Pty Ltd	Australia	100
St Arnaud Equity Pty Ltd <sup>3</sup>	Australia	33
Statewide Independent Wholesalers Limited	Australia	60
Syd Hill & Sons Pty Ltd <sup>3</sup>	Australia	28
The Quantum Group Holdings Pty Limited	Australia	78
The Quantum Group Pty Limited	Australia	78
The Supplychain Limited	New Zealand	100
Total Animal Supplies Pty Ltd <sup>3</sup>	Australia	33
Triton Altas Corporation Pty Ltd <sup>2</sup>	Australia	100
Universal Wholesalers Pty Ltd	Australia	100
Vet Holdings (NSW) & (WA) Pty. Ltd.	Australia	55
Vetland NZ Limited	New Zealand	55
Vincentia Nominees Pty Ltd	Australia	100
W23 Incubator Pty Limited	Australia	100
W23 Investments Pty Limited	Australia	100
W23 Pty Limited	Australia	100
W23 Ventures Pty Limited	Australia	100
W360 R&D Pty Limited	Australia	100
WGP No 1 Pty Limited	Australia	100
WGP No 2 Pty Limited	Australia	100
Wholesale Distributors Limited	New Zealand	100

ENTITY NAME	PLACE FORMED OR INCORPORATED AND TAX JURISDICTION	% OF SHARE CAPITAL HELD
Wholesale Services Limited	New Zealand	100
Woolstar Pty Limited	Australia	100
Woolworths (International) Pty Limited	Australia	100
Woolworths (Q'Land) Pty Limited	Australia	100
Woolworths (South Australia) Pty Limited	Australia	100
Woolworths (Victoria) Pty Limited	Australia	100
Woolworths (W.A.) Pty Limited	Australia	100
Woolworths Captive Insurance Pte Limited	Singapore	100
Woolworths Custodian Pty Ltd <sup>2</sup>	Australia	100
Woolworths Format Development Pty Limited	Australia	100
Woolworths Group Foundation Pty Limited	Australia	100
Woolworths Group Limited	Australia	N/A
Woolworths Group Payments Pty Limited	Australia	100
Woolworths India Private Limited	India	100
Woolworths International Trading Pty Limited	Australia	100
Woolworths Investments Pty Limited	Australia	100
Woolworths Management Pty Ltd <sup>4</sup>	Australia	100
Woolworths Marketplace Pty Limited	Australia	100
Woolworths New Zealand Group Limited	New Zealand	100
Woolworths New Zealand Limited	New Zealand	100
Woolworths Properties Pty Limited	Australia	100
Woolworths Property Double Bay Pty Limited	Australia	100
Woolworths360 Investments Pty Limited	Australia	100
Woolworths360 Pty Limited	Australia	100
WPay New Zealand Limited	New Zealand	100
WPay Pty Limited	Australia	100

For personal use only

# Consolidated Entity Disclosure Statement

## Trusts

ENTITY NAME	PLACE FORMED OR INCORPORATED AND TAX JURISDICTION	ENTITY NAME	PLACE FORMED OR INCORPORATED AND TAX JURISDICTION
1553 Botany Road Trust	Australia	Petstock Brighton Unit Trust	Australia
Advantage Supermarkets Unit Trust	Australia	Petstock Bunbury Trust	Australia
Agribands Property Trust	Australia	Petstock Caboolture Unit Trust	Australia
AP Opportunity Trust	Australia	Petstock Kingsford Unit Trust	Australia
Beverly Hills First Trust	Australia	Petstock Noosa Trust	Australia
Bondi Rd Trust	Australia	Petstock QLD Group Trust	Australia
Botany Rd Trust	Australia	Petstock Shepparton Unit Trust	Australia
Box Road Trust	Australia	Petstock Taylors Lakes Unit Trust	Australia
Brisbane Warehouse Trust	Australia	Petvet Brighton Unit Trust	Australia
Epsilon Mile Trust	Australia	Petvet Unit Trust	Australia
Gembond Trust	Australia	Poseidon Acquisitions Trust	Australia
Home Raglan Property Trust	Australia	PS Lara Property Trust	Australia
Iron Cross Trust	Australia	PS NSW Group Trust	Australia
Jahaps Unit Trust	Australia	Shopper Media Group Unit Trust	Australia
Kent St Maryborough Trust	Australia	The Elermore Vale Property Trust	Australia
Long Term Incentive Plan Trust	Australia	The Entrance Road Trust	Australia
Master Bare Trust	Australia	The Fourth Ave Trust	Australia
Non Executive Director Equity Plan Trust	Australia	The Guntawong Road Trust	Australia
North Bondi Properties Trust	Australia	The Petstock Unit Trust	Australia
Oakville Rd Trust	Australia	The Wilson St Horsham Trust	Australia
Opal Ocean Trust	Australia	Wandella Rd Trust	Australia
Oxford Paddington Trust	Australia	Wodonga Warehouse Trust	Australia
Pacific Green Trust	Australia	Woolworths Employee Share Plan Trust	Australia
Penshurst St Trust	Australia	Woolworths Employee Share Purchase Plan	Australia
Petstock ACT Unit Trust	Australia	Woolworths Non Executive Directors Share Plan	Australia
Petstock Balcatta Unit Trust	Australia	Woolworths Executive Management Share Plan	Australia

- Participant in the Joint Venture, Healthylife Direct Pty Limited, which is consolidated in the consolidated financial report.
- The entity is a trustee of a trust within the consolidated entity.
- The entity is an indirectly owned and controlled subsidiary of the Parent entity, Woolworths Group Limited.
- Woolworths Management Pty Ltd is incorporated in and operates in Australia and has a registered branch in New Zealand. The branch operations have tax obligations in New Zealand.

# Directors' Declaration

The directors declare that:

- (a) in the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;
- (b) in the directors' opinion, the attached Consolidated Financial Statements are in compliance with International Financial Reporting Standards, as stated in Note 1.1.1 to the Consolidated Financial Statements;
- (c) in the directors' opinion, the attached Consolidated Financial Statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the Group; and
- (d) the directors have been given the declarations required by s.295A of the *Corporations Act 2001*; and
- (e) in the directors' opinion, the attached consolidated entity disclosure statement is true and correct.

At the date of this declaration, the Company is within the class of companies affected by ASIC Corporations (Wholly-owned Companies) Instrument 2016/785. The nature of the deed of cross guarantee is such that each company which is party to the deed guarantees to each creditor payment in full of any debt in accordance with the deed of cross guarantee.

In the directors' opinion, there are reasonable grounds to believe that the Company and the companies to which the Instrument applies, as detailed in Note 5.2 to the Consolidated Financial Statements will, as a group, be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee.

Signed in accordance with a resolution of the directors made pursuant to s.295(5) of the *Corporations Act 2001*.

On behalf of the directors.



**Scott Perkins**  
Chair

28 August 2024



**Brad Banducci**  
Managing Director and Chief Executive Officer



For personal use only

# Independent Auditor's Report

# Deloitte.

Deloitte Touche Tohmatsu  
ABN 74 490 121 060

Quay Quarter Tower  
50 Bridge Street  
Sydney NSW 2000

[www.deloitte.com.au](http://www.deloitte.com.au)

## Independent Auditor's Report to the members of Woolworths Group Limited

### REPORT ON THE AUDIT OF THE FINANCIAL REPORT

#### **Opinion**

We have audited the financial report of Woolworths Group Limited (the "Company") and its subsidiaries (the "Group") which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit or loss, the consolidated statement of other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the 53-week period then ended, and notes to the financial statements, including material accounting policy information and other explanatory information, the Consolidated Entity Disclosure Statement and the Directors' Declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- Giving a true and fair view of the Group's financial position as at 30 June 2024 and of its financial performance for the 53-week period then ended; and
- Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

#### **Basis for Opinion**

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



For personal use only

Key Audit Matter	How the scope of our audit responded to the Key Audit Matter
<p><b>Technology environment</b></p> <p>The Group's technology environment is integral to the operations of the business. The technology environment related to financial reporting is complex, with a significant degree of automation, varying levels of integration and a combination of automated and manual internal controls which govern the integrity of the Group's financial reporting process.</p> <p>Each year the Group seeks to enhance its technology environment through uplift and maintenance activities which respond to changing business needs, regulatory developments, external risks and the outcome of the Group's risk management and assurance activities.</p> <p>Our assessment of the technology environment related to financial reporting forms a key component of our external audit and is therefore considered a key audit matter.</p>	<p>In conjunction with our IT specialists, our procedures included:</p> <ul style="list-style-type: none"> <li>Updating our understanding of the technology environment, including the information systems, business processes, automated and manual controls relevant to financial reporting.</li> <li>Evaluating the design and testing the implementation of internal controls within the technology environment relevant to financial reporting.</li> <li>Assessing changes to the technology environment relevant to financial reporting, including the evaluation of remediated control deficiencies.</li> <li>Evaluating control deficiencies identified and, where applicable, responding to them by varying the nature, timing and extent of our substantive audit procedures.</li> </ul>
<p><b>Woolworths New Zealand: Recoverability of the cash generating unit (CGU)</b></p> <p><i>Refer to Note 3.9 Impairment of non-financial assets.</i></p> <p>During the period, management identified an impairment indicator for the Woolworths New Zealand CGU and determined that the carrying value exceeded its recoverable amount by AUD\$1,492 million, which was recognised as an impairment loss. As at 30 June 2024, the Group continues to hold goodwill of AUD\$608 million related to the Woolworths New Zealand CGU.</p> <p>As set out in Note 3.9, a further impairment test was conducted on the Woolworths New Zealand CGU to assess the recoverability of its carrying value as at 30 June 2024, with no further impairment identified.</p> <p>The recoverable amount of the Woolworths New Zealand CGU has been determined by management using the 'value in use' approach, which incorporates significant judgement related to the estimation of future cash flows, short term growth rates, long term growth rates and an appropriate discount rate. The disclosure in the financial report highlights that the recoverability of the CGU remains highly sensitive to achieving performance in line with forecast expectations, taking into account current market and economic conditions, risks, uncertainties and opportunities for improvement.</p> <p>Accordingly, we considered the impairment testing of goodwill for Woolworths New Zealand and the related disclosures in the financial report to be a key audit matter.</p>	<p>In conjunction with our valuation specialists, our procedures included:</p> <ul style="list-style-type: none"> <li>Updating our understanding of management's process to evaluate assets for impairment, including applicable manual controls relevant to financial reporting.</li> <li>Assessing the methodology used to estimate the recoverable amount.</li> <li>Agreeing forecast cash flows to the latest Board approved Annual Operating Plan and assessing those cash flows by considering the reliability of the Group's historical cash flow forecasts, our knowledge of the business and, where applicable, external sources of information.</li> <li>Assessing the reasonableness of other key assumptions, including the discount rate and growth rates.</li> <li>Performing independent sensitivity analysis on the forecast cashflows to challenge the recoverable amount estimate.</li> <li>Evaluating the adequacy of the related disclosures included within the financial report in Note 3.9.</li> </ul>



## Independent Auditor's Report

### Other Information

The directors are responsible for the other information.

The other information comprises:

- the Performance Highlights, Business Review, Directors' Report and Other information which we obtained prior to the date of this auditor's report.
- the Chair Report and CEO Report, which will be included in the Group's annual report, which is expected to be made available to us after the date of this auditor's report.

The other information does not include the Financial Report, Remuneration Report, and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of the directors for the Financial Report

The directors of the Company are responsible:

- For the preparation of the financial report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Group in accordance with Australian Accounting Standards; and
- For such internal control as the directors determine is necessary to enable the preparation of the financial report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Group, and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

### Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group's audit. We remain solely responsible for our audit opinion.

**Auditor's Responsibilities for the Audit of the Financial Report** (continued)

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Report on the Remuneration Report**

**Opinion on the Remuneration Report**

We have audited the Remuneration Report included in pages 80 to 103 of the Directors' Report for the 53-week period ended 30 June 2024.

In our opinion, the Remuneration Report of Woolworths Group Limited, for the 53-week period ended 30 June 2024, complies with section 300A of the *Corporations Act 2001*.

**Responsibilities**

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

DELOITTE TOUCHE TOHMATSU

Tom Imbesi  
Partner  
Chartered Accountants  
Sydney, 28 August 2024

Travis Simkin  
Partner  
Chartered Accountants  
Sydney, 28 August 2024

For personal use only



## Shareholder information (as at 1 August 2024)

The shareholder information set out below was applicable as at 1 August 2024.

### Distribution of shares

Analysis of numbers of shareholders by size of holding:

RANGE OF SHARES	NUMBER OF SHAREHOLDERS	PERCENTAGE OF ISSUED CAPITAL %
1-1,000	256,474	6.86
1,001-5,000	102,928	18.22
5,001-10,000	10,148	5.8
10,001-100,000	4,415	6.97
100,001 and over	89	62.15
<b>Total</b>	<b>374,054</b>	<b>100.00</b>

All shares above are fully paid ordinary shares. Each fully paid ordinary share carries one voting right.

There were 10,907 holders of less than a marketable parcel of shares based on the closing market price on 1 August 2024 of \$34.83.

### Top 20 largest shareholders

	NAME	NUMBER OF SHARES	PERCENTAGE OF ISSUED CAPITAL
1	HSBC Custody Nominees (Australia) Limited	304,306,485	24.91
2	JP Morgan Nominees Australia Pty Limited	211,304,460	17.30
3	Citicorp Nominees Pty Limited	101,367,673	8.30
4	BNP Paribas Nominees Pty Ltd	66,157,164	5.42
5	National Nominees Limited	15,174,545	1.24
6	Pacific Custodians Pty Limited	10,578,491	0.87
7	Netwealth Investments Limited	6,886,078	0.56
8	Australian Foundation Investment Company Limited	6,667,000	0.55
9	IOOF Investment Services Limited	5,636,768	0.46
10	Argo Investments Limited	3,879,526	0.32
11	Custodial Services Limited	3,545,481	0.29
12	Woolworths Custodian Pty Ltd	3,085,737	0.25
13	Washington H Soul Pattinson & Company Limited	1,972,271	0.16
14	BNP Paribas Noms (NZ) Ltd	1,789,414	0.15
15	Mutual Trust Pty Ltd	1,769,476	0.14
16	Djerriwarrh Investments Limited	1,439,000	0.12
17	UBS Nominees Pty Ltd	1,406,899	0.12
18	BKI Investment Company Limited	1,209,906	0.10
19	The Senior Master of the Supreme Court	1,045,820	0.09
20	Woodross Nominees Pty Ltd	834,030	0.07

## Shareholder information (as at 1 August 2024)

### Substantial shareholders

As at 1 August 2024, Woolworths Group Limited had been notified of the following substantial shareholdings:

HOLDER	SHARES HELD AT DATE OF NOTICE	PERCENTAGE OF SHARES HELD AT DATE OF NOTICE %	DATE OF NOTICE
BlackRock Group	80,972,196	6.43	29/05/2019
State Street Corporation	61,386,532	5.06	08/11/2021
Vanguard Group	60,937,675	5.00	25/08/2023
Australian Super Pty Ltd	60,880,107	5.00	30/03/2023

### Unquoted equity securities

As at 1 August 2024, there were 10,831,380 rights over unissued ordinary shares.

### Dividend

The final dividend of 57 cents per share and special dividend of 40 cents per share is expected to be paid on or around 30 September 2024 to eligible shareholders. There is currently no DRP discount applied and no limit on the number of shares that can participate in the dividend reinvestment plan. The Company intends to purchase shares on-market and transfer these to participants on or around 30 September 2024 to satisfy its obligations under the DRP.

### Stock exchange listings

Woolworths Group Limited ordinary shares are listed on the Australian Securities Exchange (ASX) under code: WOW.

### Corporate Governance Statement

The Corporate Governance Statement is located on our website. Visit [www.woolworthsgroup.com.au](http://www.woolworthsgroup.com.au)

### Shareholder calendar <sup>1</sup>

#### 2024

SEPTEMBER	4	Record date for final dividend
SEPTEMBER	30	Payment date for final dividend
OCTOBER	30	Announcement of first quarter sales results
OCTOBER	31	Annual General Meeting

#### 2025

FEBRUARY	26	Announcement of 2025 half-year financial results
MARCH	6	Record date for interim dividend
APRIL	23	Payment date for interim dividend
MAY	1	Announcement of third quarter sales results
AUGUST	27	Announcement of 2025 full-year financial results

<sup>1</sup> Dates are subject to change.

For personal use only

## Subleases

The key terms and conditions of the subleases between Woolworths Group Limited (Woolworths Group) and Endeavour Group Limited (Endeavour Group) are as follows:

TERM	DESCRIPTION
<b>Head lease</b>	The subleases contain an obligation on Endeavour Group to perform and observe Woolworths Group's obligations as tenant under the head lease that relate to the liquor premises. There is an obligation on Woolworths Group to observe and perform its obligations under the head lease.
<b>Commencement date and term</b>	The term and further terms of each sublease align with the term and further terms under the relevant head lease, minus one day.
<b>Option terms</b>	Where Woolworths Group exercises its option to renew the head lease, it must offer a further term to Endeavour Group. However, in circumstances where head leases include an obligation to trade as a liquor store, Endeavour Group is obliged to exercise its option if Woolworths Group does.
<b>Occupancy costs</b>	The rent and outgoings payable are calculated according to the proportion of the area of the liquor premises against the area of the whole premises. All occupancy costs must be paid by Endeavour Group to Woolworths Group, with any adjustments to outgoings to be made at the end of the financial year.
<b>Amenity</b>	Endeavour Group must not do anything that would detract from the amenity of the supermarket premises or interfere with Woolworths Group's business.
<b>Dealings</b>	Endeavour Group must not assign, sublet or license without Woolworths Group's consent. Consent may be granted or withheld at Woolworths Group's absolute discretion. A change in control of Endeavour Group is a breach of the sublease.
<b>Make good obligations</b>	Endeavour Group is required to leave the liquor premises in good and tenantable repair and condition. Endeavour Group must comply with the make good requirements under the head lease.

For personal use only

## GLOSSARY

<b>1P</b>	Sales of Woolworths Group's owned merchandise
<b>3P</b>	Sales of third-party seller's merchandise
<b>Active eCom customer</b>	Customers that have made a purchase online in the last four weeks
<b>AGW</b>	Australian Grocery Wholesalers
<b>AI</b>	Artificial Intelligence
<b>B2B</b>	Business to business
<b>B2C</b>	Business to customer
<b>Cash realisation ratio (CRR)</b>	Operating cash flow as a percentage of Group net profit after tax before depreciation and amortisation
<b>Comparable sales</b>	Measure of sales, excluding stores that have been opened or closed in the last 12 months and existing stores where there has been a demonstrable impact from store disruption because of store refurbishment or new store openings/closures
<b>Cost of doing business (CODB)</b>	Expenses relating to the operation of the business
<b>Customer fulfilment centre (CFC)</b>	Dedicated online distribution centre
<b>DAP</b>	Directly-attributable profit only includes costs directly attributable to the B2C eCommerce business, such as picking, packing and delivery costs; CFC and variable DC costs; marketing costs; eCommerce support costs; and CFC and eCommerce-specific asset depreciation
<b>DC</b>	Distribution centre
<b>Direct to Boot (DTB)</b>	Where a customer places an online order and drives to a dedicated area where a team member places the order directly in the customer's boot
<b>eStore</b>	Dedicated store for the fulfilment of online orders sometimes incorporating automation
<b>Everyday Market</b>	An integrated online marketplace that allows customers to shop products from other Woolworths Group brands and partners alongside their groceries
<b>Funds employed</b>	Net assets employed, excluding net tax balances
<b>GMV</b>	Gross merchandise value
<b>Net Promoter Score (NPS)</b>	A loyalty measure based on a single question where a customer rates a business on a scale of zero to 10. The score is the net result of the percentage of customers providing a score of nine or 10 (promoters) less the percentage of customers providing a score of zero to six (detractors)
<b>NDC</b>	National distribution centre
<b>n.m.</b>	Not meaningful
<b>PC+</b>	Primary Connect third-party logistics
<b>Pick up</b>	A service which enables collection of online shopping orders in store or at selected locations
<b>Renewal</b>	A total store transformation focused on the overall store environment, team, range and process efficiency (including digital)
<b>Return on funds employed (ROFE)</b>	Calculated as EBIT before significant items for the previous 12 months as a percentage of average (opening, mid and closing) funds employed
<b>RFID</b>	Radio Frequency Identification
<b>Sales per square metre</b>	Total sales for the previous 12 months by business divided by average trading area of stores and fulfilment centres



For personal use only

## GLOSSARY

<b>Severity Rate</b>	A blended rolling 12-month measure that includes all team and customer injuries/illnesses and their severity
<b>Total net debt</b>	Borrowings less cash balances, including debt hedging derivatives and lease liabilities
<b>TRIFR</b>	12-month rolling total recordable injury frequency rate
<b>Voice of Customer (VOC)</b>	Externally facilitated survey of a sample of Woolworths Group customers where customers rate Woolworths Group businesses on several criteria. Expressed as a percentage of customers providing a rating of six or seven on a seven-point scale
<b>Voice of Supplier (VOS)</b>	A survey of a broad spectrum of suppliers facilitated by an external provider. The survey is used to provide an ongoing measure of the effectiveness of business relationships with the supplier community. VOS is the average of the suppliers' rating across various attributes, scored as a percentage of suppliers that provided a rating of six or seven on a seven-point scale
<b>Voice of Team (VOT)</b>	Survey measuring sustainable engagement of team members as well as their advocacy of Woolworths as a place to work and shop. The survey consists of nine sustainable engagement questions, three key driver questions and two advocacy questions
<b>VOC NPS</b>	VOC NPS is based on feedback from Everyday Rewards members. VOC NPS is the number of promoters (score of nine or 10) less the number of detractors (score of six or below)
<b>Woolworths MarketPlus (WMP)</b>	Woolworths Group's third-party marketplace platform, combining Everyday Market, MyDeal and BIG W Market capabilities into one team

Other non-IFRS measures used in describing the business performance include:

- Earnings before interest, tax, depreciation and amortisation (EBITDA)
- Volume productivity metrics including transactions growth, items per basket and item growth
- Trading area
- Fixed assets and investments
- Net tax balances
- Closing trade payable days
- Change in average prices
- Margins including gross profit, CODB and EBIT
- Cash from operating activities before interest and tax
- Significant items
- Net investment in inventory
- Net assets held for sale
- Closing inventory days
- Average inventory days



## Company directory

### Registered office

1 Woolworths Way  
Bella Vista NSW 2153  
Tel: (02) 8885 0000  
Web: [www.woolworthsgroup.com.au](http://www.woolworthsgroup.com.au)

### Company Secretaries

Dominic Millgate  
Michelle Hall

### Investor relations

Paul van Meurs

### Auditor

Deloitte Touche Tohmatsu  
Quay Quarter Tower  
50 Bridge Street, Sydney NSW 2000  
Tel: (02) 9322 7000  
Web: [www.deloitte.com.au](http://www.deloitte.com.au)

### Shareholder enquiries

**Link Market Services**  
Locked Bag A14, Sydney South NSW 1235  
Web: [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

**For shareholders:**  
Tel: 1300 368 664  
Email: [woolworths@linkmarketservices.com.au](mailto:woolworths@linkmarketservices.com.au)

**For team members:**  
Tel: 1800 111 281  
Email: [wow.eps@linkmarketservices.com.au](mailto:wow.eps@linkmarketservices.com.au)

### Media

Tel: (02) 8885 1033  
Email: [media@woolworths.com.au](mailto:media@woolworths.com.au)

### Five Year Summary

The Five Year Summary is available on the [Woolworths Group website](#).

**ARMSTRONG**

Communication design, consultancy and production.  
[www.armstrong.studio](http://www.armstrong.studio)

For personal use only

For personal use only

