

# WOOLWORTHS LIMITED

*Passionate About Retail*

The Woolworths Way

25<sup>th</sup> February 2009

# Woolworth Family of Brands



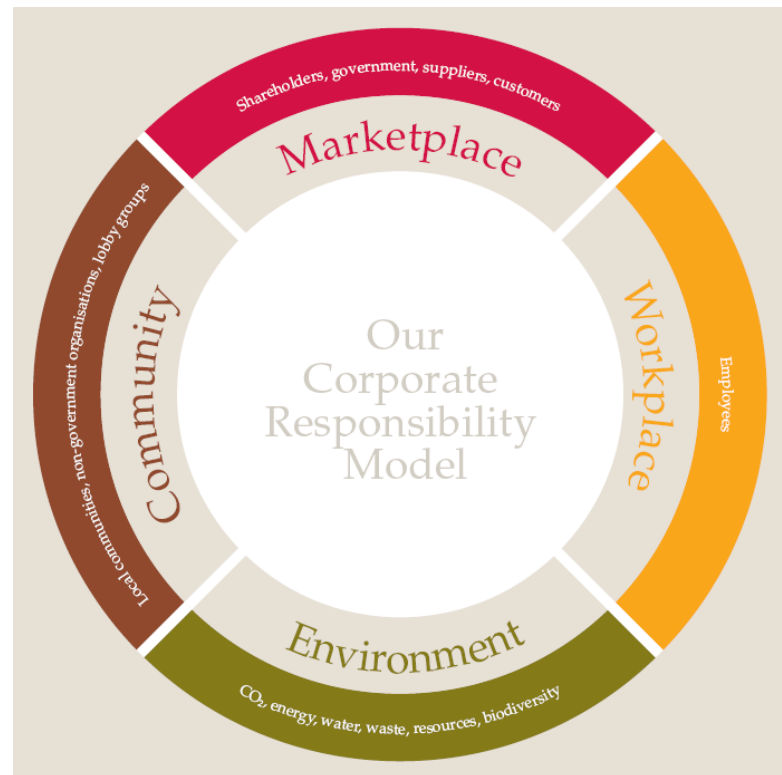


# Woolworths History

1. First store opens in Sydney's Imperial Arcade 5 December 1924
2. Percy Christmas opens first Woolworths store in NZ in Cuba Street, Wellington
3. 1929 2nd store was open in NZ
4. 1933 9 stores
5. 1956 Woolworths first food store at Panmure
6. 158 First Foodtown opened in Otahuhu
7. 1967 Woolworths launched its first full Supermarket in Henderson
8. By late 1970's 98 stores
9. Divested to LD Nathan 1979
10. Acquired Progressive Enterprises in November 2005

# The Woolworths Way

1. Doing The Right Thing
2. All stakeholders
3. Aim to ensure Woolworths is a company people want to...
  - Invest in
  - Work for
  - Do business with
4. We work hard to  
“JOIN THE DOTS”



# Supply Chain – Gate to Plate

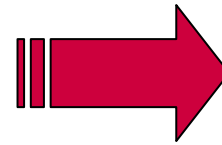
1. Work extensively with farmers, growers and manufacturers
2. Woolworths Quality Assurance (WQA)
3. One touch black Produce crates
4. Extensive Fresh Foods processing
  - Meat
  - Seafood
5. Moving into primary freight
6. Consolidate logistics network
  - NDC
  - RDC

# Systems in place to support

1. Buying
2. Warehousing
3. Ordering
4. Stores



All talking to  
each other



Systems  
in  
sync



Real time inventory and demand profile

“Joining the dots”

# Business Culture

1. Woolworths Limited has built a business culture around the following core values:
  - **Retail Passion**
  - **Integrity**
  - **Leadership**
  - **Responsibility**
2. We take a great deal of pride in our achievements as a team and in our ability to support our business by supporting each other.
3. First and foremost, we believe that everyone at Woolworths Limited is a retailer

# Investment in People

1. 4,700+ trainees and apprentices
2. 75,000 employees in formal training
3. A\$63 million investment in training
4. Woolworths Academy
5. 74% of executive appointments in operational area's are internal
6. 93% of senior appointments are internal
7. 23% reduction in Lost Time Injury Frequency Rate last year
8. Zero employee work related fatalities



# What we have been doing the last 3 years

1. Merging 3 businesses into 1
2. Developing the Woolworth Way in NZ
3. Building our business
  - New store formats
  - Increasing our investment in property
  - Restructuring and streamlining



Joining  
the  
dots

# Investment in systems key to support the supply chain

1. AutostockR
  - Perpetual inventory
  - Sales history
  - Current sales
  - Current stock
  - Forecast sales
  - Stock in transit
  - SKU gross margin
2. CASS merchandising system
3. WoW POS
4. DC Replenishment



# Supply Chain Strategy

1. Build capacity to meet growing demand
2. NDC / RDC network
3. Primary freight
4. Leverage of systems to
  - Reduce cost
  - Improve store service

But performance into our DC's is critical

# Ethical Sourcing Policy

1. Objectives:
  - sourcing our products in a responsible manner
  
2. Scope:
  - all Woolworths Limited's businesses and brands
  - environmental and social criteria
  - all products sourced directly or through agents
  - all suppliers and sub-contractors to our suppliers producing or handling components and packaging featuring any of our brands
  
3. Ethical sourcing criteria:
  - Bribery and corruption
  - Labour rights including occupational health and safety
  - Environmental compliance

# PEL Sustainability Objectives

1. CO<sub>2</sub> footprint - 40% reduction in our CO<sub>2</sub> emissions by 2015
2. 25% reduction in carbon emissions from company owned vehicles by 2012
3. All new stores from Sept 2009 greener stores
4. Packaging
  - Implement revised private label packaging procurement policy
5. Waste - achieve cardboard and plastic waste in general waste to <1% by weight by 2010
6. Sustainable and ethical Global Sourcing

# Philosophy drives policy

## Supermarket chains split on stopping fireworks sales

11:32AM Thursday Nov 08, 2007

By [Alanah May Eriksen](#)

Supermarket chains are split on whether selling fireworks is responsible business.

Yesterday Progressive Enterprises announced that it will stop selling fireworks in its Foodtown, Woolworths and Countdown shops.

But today Warehouse spokeswoman Cynthia Church said the Red Shed will not be looking at a ban.

"We're going to carry on selling them," Ms Church said.



Crackers sales are off. Photo / Bay

## Supermarket group takes voluntary KiwiSaver step

11:43AM Friday Mar 28, 2008

Under 18-year-old KiwiSavers working at one of the country's biggest supermarket chains will receive the bonus of employer contributions from April 1.

# Very confident in New Zealand economy

## Progressive to spend \$200m a year in big supermarket investment

4:19PM Monday Feb 02, 2009

Supermarket chain Progressive Enterprises is planning to spend up to \$200 million annually on new supermarkets and refurbishing existing stores during the next five years.

Owned by Australian-based Woolworths, the company today said it had spent \$320m on a large programme of work during the past three years, since Woolworths bought Progressive in late 2005.

That work included installing new ordering, merchandising, point of sale and back office systems, as well as store refurbishments and buying land and buildings for new supermarkets.

Progressive employs more than 19,000 staff nationwide and owns 148 Countdown, Foodtown and Woolworths supermarkets.



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