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ASX Market Announcements Office
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Update on underpayments proceedings

Please see attached an announcement for release to the market.

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Update on underpayments proceedings

Woolworths Group has conducted a preliminary review of the Federal Court of Australia's decision, received on Friday 5 September 2025, relating to historical underpayments of award-covered salaried store team leaders.

The judgment is lengthy and complex and does not determine all issues in the proceedings. A case management conference has been listed for 27 October 2025 to consider the further conduct of the proceedings with many issues still to be determined. No other substantive orders have been made. It is too early to consider any appeal of any aspects of the decision.

This decision will require significant and widespread changes to accepted retail practice for Woolworths Group and Australian businesses, large and small. The Group has already undertaken an extensive remediation for its affected salaried store leaders, drawing on team member records and contractual arrangements, expert external guidance and industry standard approaches to construction of the award.

On the basis of the preliminary review of the Court's reasons published on Friday, Woolworths Group estimates that the one-off additional impact of the Court's findings, in relation to its potential liability for further remediation to salaried store team leaders is expected to be in the range of \$180 to \$330 million post tax (\$250 to \$470 million pre tax). Once the final remediation obligation is determined, interest, superannuation and payroll tax could add another \$140 to \$200 million post tax (\$200 to \$280 million pre tax) to the net liability.

Woolworths Group's estimate of further potential liability includes an assessment of the impact on all salaried store team members primarily relating to the Court's ruling on set-off provisions, minimum breaks and treatment of leave in relation to overtime. The estimate includes further remediation related to historical underpayments from 2013 to 2019 and the impact of the ruling on set-off from 2019 to 2025.

This is a very preliminary estimate with significant uncertainty, and is based on a historical analysis of clocked time and attendance records. Further detailed review and modelling of team member records and consideration of the Court's decision is required to determine the full financial impact.

Absent any further material changes, an update will be provided no later than the Group's Half Year F26 results in February.

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