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## Update on Woolworths Group supply chain

Please see attached an announcement for release to the market.

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## Update on Woolworths Group supply chain

Woolworths Group today provides an update on its supply chain after the endorsement of new enterprise agreements at four Distribution Centres (DCs) in Victoria and NSW. This follows an extended period of industrial action across these DCs.

All four DCs have re-opened after the company's individual enterprise agreement offers were endorsed by the United Workers Union on Saturday, 7 December. Melbourne South Regional DC (MSRDC) had previously been endorsed by the SDA. The new agreements provide team members with wage increases over three years of approximately 11% in total, which provide team members with competitive rates of pay that are also sustainable for the business, with the individual increases varying by site and year.

Team member concerns about performance metrics have also been addressed. The new agreements continue to ensure team safety and the efficient operation of our DCs, enabling the delivery of products to stores to meet customer needs.

The endorsed deals come after 17 days of indefinite strike action impacting store service levels in Woolworths Supermarkets across Victoria, ACT and parts of NSW.

To date, Australian Food sales have been negatively impacted by approximately \$140 million in total (up to 8 December) with approximately \$90 million incremental since the previous update on Tuesday, 3 December. The estimated direct one-off negative impact of this dispute to date on Australian Food EBIT is approximately \$50 - 60 million, reflecting the impact of lost sales, additional transport and supply chain contingency costs and elevated levels of stock loss. This one-off impact was not factored into the forecast earnings range provided for Australian Food for H1 F25 in October.

While all sites are now operational, Woolworths Group anticipates there will be further sales and earnings impacts for Australian Food in Q2, due to the time and effort required to rebuild stock levels at both the DCs and stores ahead of the busy Christmas trading period. The full extent of the one-off financial impact is unknown at this stage. Woolworths Group will provide a comprehensive update on the one-off impacts of the industrial action at its half-year results in February.

Woolworths Group CEO, Amanda Bardwell said: "We are pleased to have endorsed offers and a competitive wage for our team at the four Distribution Centres subject to industrial action over recent weeks.

"With just over two weeks until Christmas, we are now moving products out of the DCs and onto supermarket shelves as quickly as possible for our customers. We are fully focused on restoring stock levels and getting products to stores where they are needed most, with stock levels to gradually improve as we seek to provide customers with a great shopping experience this Christmas.

"We would once again like to apologise to our customers for this disruption and thank them for their support. We know it has been frustrating shopping in our stores and online in recent weeks in Victoria, the ACT and parts of NSW. I would like to sincerely thank them for their understanding and patience."