

ATTACHMENT A
RESOLUTIONS AND SUPPORTING STATEMENTS

RESOLUTION 1

Special resolution to amend our company's constitution

To amend the constitution to insert a new clause 9.28

Member resolutions at general meeting

The Members in general meeting may by ordinary resolution express an opinion or request information about the way in which a power of the company partially or exclusively vested in the directors has been or should be exercised. However, such a resolution must relate to an issue of material relevance to the company or the company's business and cannot either advocate action which would violate any law or relate to any personal claim or grievance. Such a resolution is advisory only and does not bind the directors or the company.

Proposed by: Australasian Centre for Corporate Responsibility, GPO Box 1596 Canberra ACT 2601, email: office@accr.org.au

SUPPORTING STATEMENT TO RESOLUTION 1

Shareholder resolutions are a healthy part of corporate democracy in many jurisdictions other than Australia. For example, in the UK shareholders can consider resolutions seeking to explicitly direct the conduct of the board. In the UK, the US, New Zealand and Canada shareholders can consider resolutions seeking to advise their board as to how it should act. This is considered global best practice.

As a matter of practice, typically, unless the board permits it, Australian shareholders can follow the example of none of their UK, US, New Zealand or Canadian cousins in this respect.

A Board of Directors is a steward for shareholders and accountability for the discharge of that stewardship is essential to long-term corporate prosperity.

In rare situations the appropriate course of action for shareholders dissatisfied with the conduct of board members is to seek to remove them. But in many situations such a personality-focused approach is unproductive and unwarranted. In those situations a better course of action is to formally and publicly allow shareholders the opportunity at shareholder meetings such as the AGM to alert board members that they seek more information or favour a particular approach to corporate policy.

The Constitution of our company is not conducive to the right of shareholders to place resolutions on the agenda of a shareholder meeting.

In our view, this is contrary to the long-term interests of our company, our company's board, and all shareholders in our company.

Passage of this resolution - to amend our company's constitution- will simply put our company in a similar position in regard to shareholder resolutions as any listed company in the UK, US, Canada or New Zealand.

The Australasian Centre for Corporate Responsibility urges shareholders to vote for this proposal.

RESOLUTION 2

Ordinary resolution on human rights in our company's operations and supply chains

In order to effectively protect workers in our company's domestic fresh food supply chains from human rights and labour abuses, and to protect our company's interests, shareholders recommend that our company :

1. Reach agreement with the National Union of Workers to introduce a Pre-Qualification Program that will improve Labour Hire providers' compliance with labour and human rights standards, as per the commitment made by our company on 22 November 2017, which is yet to be given formal effect.
2. Ensure trade union involvement in worker rights' education activities and grievance resolution procedures, to promote compliance by ensuring workers understand and can exercise their rights, and are protected and supported to raise concerns.
3. Provide ongoing disclosure to shareholders, commencing with the company's 2019 Sustainability Report, about the company's domestic fresh food supply chain, including reporting on:
 - a. The implementation and impact of the Labour Hire Pre-Qualification Program;
 - b. The nature and outcome of enforcement and remediation activities undertaken by the company, and the impact on supply chain workers' wages and working conditions;
 - c. How the company is collaborating with stakeholders, including trade unions, to improve compliance and best practice;
 - d. The barriers to sustainable compliance with human and labour rights standards, and the mechanisms the company has identified and implemented to address them.

SUPPORTING STATEMENT TO RESOLUTION 2

As a shareholder, the Australasian Centre for Corporate Responsibility (ACCR) favours policies and practices that protect and enhance the value of our investments. There is increasing recognition that company risks related to human rights violations, such as litigation, reputational damage, and project delays and disruptions, can adversely affect shareholder value.

Our company has extensive food and agricultural supply chains which expose us to significant risks: for example, our company, through its suppliers, has recently been implicated in reports that seasonal farm workers employed by a major labour hire contractor at a tomato farm in Victoria were exposed to dangerous chemicals and paid as little as \$8 per hour ("Key farm scheme badly rorted, migrant workers paid \$8 an hour," *Sydney Morning Herald*, 19 May 2018)

Serious violations of human rights anywhere in our company's value chain can lead to negative publicity, product recalls, public protests and campaigning, and a loss of consumer confidence that can have a negative impact on shareholder value.

To mitigate these risks, ACCR put forward a shareholder resolution to be considered at our company's 2017 AGM. This resolution was withdrawn by ACCR prior to that AGM, following our company's commitments, via ASX announcement on 22 November 2017 ('Commitment'), to:

work collaboratively towards the implementation of an agreed pre-qualification programme for labour-hire providers to ensure that all labour providers who wish to operate in Woolworths' direct fresh food supply chains comply with labour and human rights standards;

support workers in Woolworths' supply chains:

- *to be educated about their workplace rights, including their right to join a labour union of their choice;*
- *to have access to an effective grievance mechanism to ensure that human rights violations are reported, investigated and remediated; and*

- *to be protected if they report human rights violations.*

We understand our company has met with the National Union of Workers (NUW) regularly to discuss the implementation of these commitments. However, 10 months after the Commitment was made, we understand that no agreement on a mechanism of implementing this Commitment has yet been reached. This is of concern to shareholders, as the operational and business risks to our company persist.

Our resolution seeks shareholder endorsement for the following processes, designed to enhance our company's approach to risk management and protect our company's interests by seeking to:

- formalise an agreement about the introduction of Labour Hire pre-qualification;
- ensure trade union involvement in worker education and grievance mechanisms;
- provide for enhanced disclosure to shareholders.

The use of unscrupulous labour hire providers has been identified time and time again as the weak link in our company's supply chain and risk management processes. An agreement between the NUW and our company to introduce a supply-chain wide labour hire pre-qualification scheme is a necessary first step in managing this risk.

Ensuring trade union involvement in educating workers about human and labour rights is an important risk management tool for our company given its large and diversified supply chains. Well-functioning grievance mechanisms where workers are protected and supported to raise grievances are essential to our company's risk management. Trade union involvement in grievance procedures reassures workers that they will not face retribution for reporting breaches, and that their concerns will be heard.

Similarly, ongoing disclosure to shareholders provides greater transparency to key stakeholders, and can lead to early identification of risks and issues and prevent our company being implicated in future controversies.

Each of these measures are, in our view, thoroughly justified and in our company's interests; ACCR and co-filing shareholders encourage shareholders to vote for this proposal.