

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 (special resolution)

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

Shareholders of Woolworths Limited ("our company") urge the Board of Directors to:

1. report annually to shareholders, at reasonable cost and omitting proprietary information, on our company's due diligence process for identifying, analysing and addressing potential and actual adverse human rights impacts (HRDD Assessment) throughout our group's operations and supply chains. The report should address the following:

- a. Human rights principles used to frame the HRDD Assessment;

Note. We recommend framing the assessment using the set of principles adopted by the UN Guiding Principles on Business and Human Rights: the International Bill of Human Rights (consisting of the Universal Declaration of Human Rights and the main instruments through which it has been codified: the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights), coupled with the principles concerning fundamental rights in the eight ILO core conventions as set out in the Declaration on Fundamental Principles and Rights at Work. The UN Guiding Principles are the authoritative global standard on business and human rights, and are used in the CHRB and ACCR evaluation methodology.

- b. Frequency of HRDD Assessments;

- c. Methodology used to track and measure performance;

- d. Nature and extent of consultation with relevant stakeholders (including trade unions) in connection with the HRDD Assessment;

- e. Nature and operation of grievance mechanisms available to individuals and communities whose enjoyment of human rights is adversely affected by our company's activities or through our supply chains, including the existence of whistleblower protections and support available to those reporting adverse impacts (for example, by trade unions or lawyers);

- f. Where actual adverse human rights impacts are identified through the HRDD Assessment, the nature of those impacts, and actions taken by our company in response, including in remedying adverse human rights impacts; and

- g. How the results of the HRDD Assessment are incorporated into company policies and decision-making, including in contracting practices.

2. make the report available to shareholders on our company's website annually, no later than 90 days before our company's AGM for the relevant year.

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.

To effectively manage such risks, companies must assess the risks to shareholder value posed by the adverse human rights impacts, including incidences of serious labour exploitation, slavery and human trafficking, of their operations and their supply chain.

ACCR recently surveyed a set of large, ASX-listed companies on the measures they have in place for identifying, addressing and disclosing human rights-related risks. Our company performed poorly in this survey, scoring less than 20%.

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 of extreme labour exploitation on Australian farms;¹ and slave-like conditions have been identified in our company's seafood supply chains.² 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.

Our company, like many other companies, has adopted various human rights and ethical sourcing commitments. Some of the brands distributed by our company have adopted commitments in relation to their apparel supply chains. ACCR commends the Board and the relevant brands for adoption of these commitments.

However, our company lacks robust processes to give full effect to these commitments, especially in relation to its food and agricultural supply chains, including formal communication channels with shareholders on these issues, and appropriately resourced grievance and remedy mechanisms accessible to all communities who may be at risk.

Adoption of this resolution would be an important step in enhancing and giving effect to our company's commitments. Importantly, these measures can lead to early identification of risks and issues, and prevent our company from being implicated in future controversies.

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

¹ See <http://www.abc.net.au/news/2015-05-04/supermarkets-food-outlets-exploit-black-market-migrant-workers/6441496>

² See <http://www.abc.net.au/news/2015-12-15/major-australian-supermarkets-implicated-in-child-labour/7031350>