



Investor update - October 2026

Woolworths Chair Re-election

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Summary



Woolworths' governance and risk management of material ESG issues has incurred unnecessary risk to shareholders



Chair ultimately responsible for Directors implementing governance framework, risk management and shareholder communications



Chair's request to extend term to uncommon 15 year length is unjustified when Board has failed to manage governance and reputational risks



This is also a forward-looking recommendation based on signals Board lacks skills and experience to navigate increasingly material sustainability issues



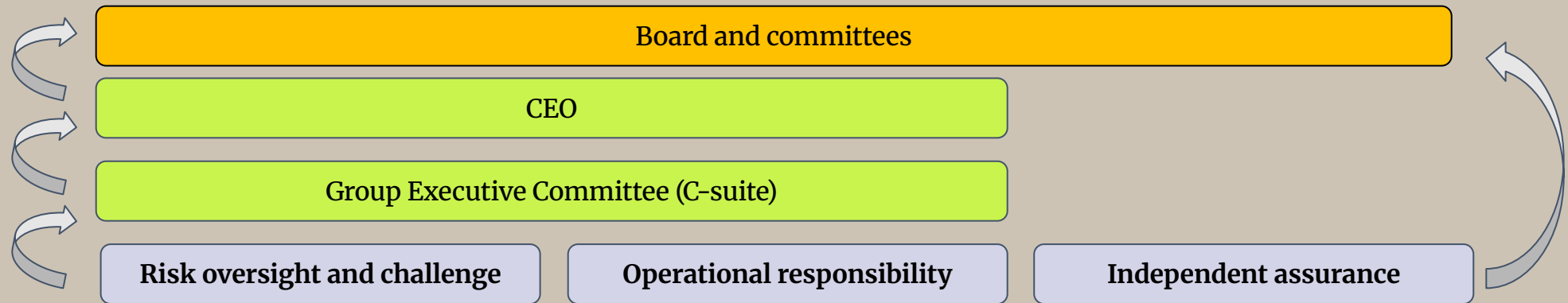
Our Member Statement is available on the UN Principles for Responsible Investment website

We recommend shareholders vote “AGAINST” the re-election of the Chair of the Board, Mr. Scott Perkins



We are not alleging any wrongdoing by Mr. Perkins. We are seeking accountability for, in our view, inadequate governance and risk management by the Board

Woolworths governance framework



Consequences of failure

When risk oversight fails to identify and manage material ESG risks shareholder value may be diminished

Operational teams cannot respond to emerging risks

Failure to recruit or equip Directors with adequate sustainability skills and experience to oversee strategy, policies, and oversight

Warning signs

Exposed to alleged modern slavery, antibiotic overuse and harm to biodiversity, industrial action, regulatory enforcement and fines, shareholder unrest, falling public trust

Persistent ESG controversies with immediate tangible and intangible costs

Reactive + incoherent approach to emerging risks

Chairman accused of acting inappropriately in ACCC complaint

Failure to update risk oversight

Disclosures omitting requested information

Persistent ESG failures harming brand value



Implementing AI employee surveillance that triggered 17 days of industrial action resulting in reduced H1 2025 EBIT by 6.1%.



Ignored expert advice that seafood supply chains exposed to forced labour and harm to endangered species



Sued by competition regulator (ACCC) for illusory discounts on hundreds of products. If found guilty of misleading conduct, like Coles, significant penalties likely.*



\$50m fine for historic staff underpayment resulted in \$730m cost in FY26.



In 2025, Woolworths recorded the highest level of distrust from Australians since records started in 2017. This may contribute to the declining % of Australians who shop exclusively at Woolworths.*

Case study: Seafood

Board ignored advice its seafood supply chains exposed to human rights and environmental harm that now threatens the company's reputation*

- Sells significant volume of Macquarie Harbour farmed salmon that is main cause of potential Maugean skate extinction
- Reported to sell seafood from China made using Uyghur forced labour
- Salmon sourcing is subject of investigation into greenwashing by Australian Parliament and complaint to the ACCC and OECD
- Diverting company resources to manage unwanted scrutiny from media, shareholders, eNGOs and the public

Woolworths' response

- Encourage suppliers to use flawed certifications and change packaging labels to shift responsibility, rather than work together to transition off harmful product
- Chair allegedly discussed salmon strategy with Coles, resulting in complaint to Australia's competition regulator, while both are in court for alleged fake discounts & parallel pricing
- Publishing sustainability reports with little decision-useful information about risks in seafood sourcing

In 2024 and 2025 >30% investors asked Woolworths

To identify and report potential or actual impacts of Own Brand seafood on Endangered species in Australia

Woolworths responded in 2025

"We remain committed...to disclose more information on the **methodology** and **outcomes** of risk and impact assessments of Own Brand farmed seafood in 2026 reporting period" - Scott Perkins

But didn't follow through in 2026

Methodology: Disclosed species and source countries, but opaque methodology

Outcomes: No new disclosure or TNFD recommended metrics (impacts identified, metrics used, remedial actions, etc).

*This includes Australian Government Threatened Species Committee, University of Tasmania IMAS scientists, NGOs (including its advisor WWF, and SeaChoice who briefed them on certifications) and shareholders via engagement and high support for shareholder resolutions - see Annex

Case study: Seafood

Risk oversight and challenge

Board had information to foresee consequences of its strategy but ignored it. This suggests a lack of rigor in Board decision-making.

Board lacks the capabilities and experience to create policies that identify & mitigate risks from domestic seafood, let alone complex and opaque international supply chains.

Operational responsibility

Operational teams have reactive and incoherent approach to address emerging risks. No material change in policy or practices after 3 years of engagement with seafood experts, NGOs and shareholders.

Despite claiming to engage constructively with all stakeholders, its track record is one of obstinance towards external feedback.

Woolworths lacks appropriate Board composition and governance processes to manage these risks, which are increasingly material due to:



Proposed reform to Australian Modern Slavery law includes corporate criminal liability and civil penalties for large businesses failure to reasonably identify and prevent MS in supply chains – impossible to identify without full-chain traceability. Current policy scope is narrowed to Tier 1 suppliers for Own Brand seafood.



Loss of customer trust could increase decline of customers exclusively shopping at Woolworths, or total spend, slowing future growth



As a proxy for materiality for reputational risk, more than 28% of FTSE 350 market value was attributed to corporate reputation in 2026

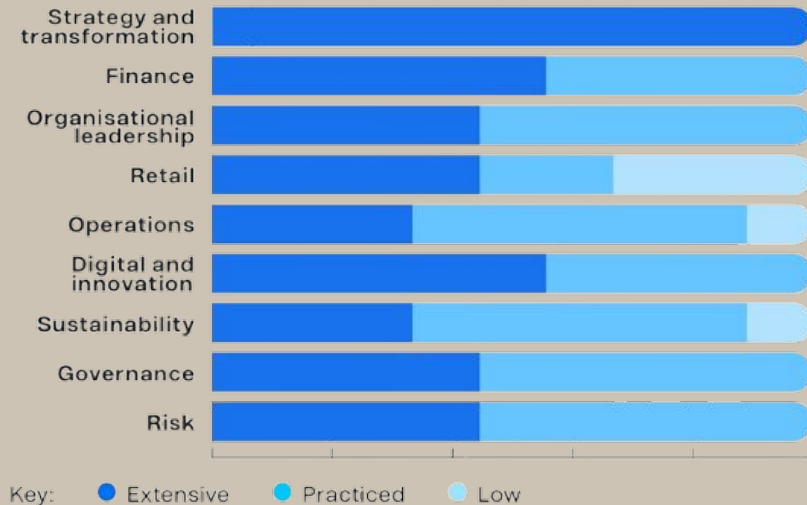
Board lacks sustainability credentials

Corp Gov Statement suggests unspecified number of directors have 'extensive' sustainability capability, including:

“developing and overseeing sustainability initiatives and strategies, including...human rights and responsible sourcing.”

Doesn't say which directors possess specific skills and experience

Capability



New Director. Same strategy

- Experience overseeing Whole Foods Operations, including supply chains and sustainable sourcing
- Whole Foods' farmed seafood standard includes traceability back to the farm
- Mr. Meyers brings needed experience to the Board, but Woolworth's policies and public stance hasn't changed since his addition to Board and Sustainability Committee



Ken Meyer
Elected in 2025

Chair is responsible for governance failures

Scott Perkins, Chair of the Board

- Seeking re-election for additional 3 years on top of existing 12
- As Chair of the Board, Mr. Perkins should be accountable for failing to manage governance and reputational risks, and his request for an extension to 15 years on the Board is unjustified
- Generally accepted independent Chair is best placed to protect shareholders. ISS classifies directors with 12 years tenure as non-independent and Glass Lewis reviews their independence
- 15 years on Board is highly unusual for non-executive director of modern ASX company. Only Chris Brown (Harvey Norman) and Robert Milner (Soul Pattinson) have served longer periods on ASX 200 boards – both are family controlled companies
- Alleged personal actions prompted a complaint to Australia's competition regulator, the ACCC



We recommend shareholders vote **AGAINST** the re-election of the Chair

Board response to Member Statement

Board's response	Our view
Ahead of recommending Mr Perkins' re-election, the Board and Nominations Committee completed a robust, externally facilitated Board effectiveness evaluation, and independence assessment, confirming unequivocally his ongoing leadership effectiveness, and continuing independence.	Doesn't change the fact the Chair's request to extend term to uncommon 15 year length is unjustified when Board has failed to manage governance and reputational risks, and Mr. Perkin's alleged personal behaviour suggests he lacks independence.
The Board strongly refutes the assertion that it has ignored nature-related risks or failed to manage ESG issues. We have listened carefully to our shareholders and other stakeholders and have provided enhanced disclosure on farmed seafood risks.	After 5+ years of stakeholder engagement and 2 years of 30%+ support for shareholder resolutions, WOW published farmed seafood risk disclosure with vague methodology and outcomes. While it provided source countries and species, it lacks details that would help investors assess risk of exposure to potential human rights and environmental harm.
When these allegations [that some of Woolworths' seafood suppliers were connected to fishing boats accused of human rights violations] were first raised in 2023, Woolworths Group investigated the concerns and confirmed that none of its products were sourced from the processors in question.	Woolworths told the Australian Parliament "none of our products are sourced from the processors in question <i>based on information from our supplier</i> ". Risk-based Due diligence needs more scrutiny than accepting the suppliers' word, especially in high-risk countries and commodities like seafood from China. This justifies our concerns that only doing human rights DD on Own Brand Tier-1 suppliers exposes it to significant risk of human rights violations - and without full-chain traceability it is impossible to identify them.
It is an unfounded claim...to suggest the reason for the Industrial Action was as a result of implementing AI surveillance tools	The United Workers' Union explicitly said the strike was primarily to protect workers from unsafe working conditions driven by AI surveillance and automation, and unachievable targets, imposed by Woolworths management.

Board response to Member Statement

Board's response	Our view
WOW's Human Rights Program has been recognised as number 1 in the global Know the Chain Food and Beverage benchmark	This shouldn't be read as WOW has comprehensive or effective forced labour DD. This assessment scores companies on human rights risk across 18 commodities for just direct suppliers ("Tier-1"), meaning it didn't cover most of a supply chain as complex as WOW's and is not specific to seafood, which companies scored low on. Our criticism is that Woolworth's seafood policy exposes the company and shoppers to environmental harm via flawed certifications, and severe human rights violations by excluding vendor products and non-Tier 1 suppliers from the scope of its HR due diligence, as demonstrated by the Outlaw Ocean Project.
Woolworths is taking positive action with Macquarie Harbour salmon suppliers	WOW was the first major retailer to receive an OECD Complaint for environmental violations. The complaint noted there is no evidence to suggest that Woolworths utilized their substantial leverage over their salmon suppliers over the period that adverse impacts were known to mitigate them, which they are expected to do under OECD Guidelines. Instead, Woolworths arguably sent signals to the salmon suppliers that could have been interpreted as encouragement – such as publicly standing behind the certifications that endorse their Macquarie Harbour salmon suppliers' farms

More information

See our previous report for more information on:

- Risks of salmon farming and certifications
- Opportunities for due diligence and traceability
- OECD Complaint concerning Woolworths
- Detailed analysis of Woolworths' response to SIX/SeaChoice engagement



[Available here](#)

FAQs

Are you recommending a candidate as Chair or Board member?

No.

- 1) We may propose a Director in the future if we identify a suitable candidate. The Board can use executive recruitment consultants to help it find candidates with the skills and experience we believe it lacks.
- 2) For the moment, we recommend:
 - Investors vote against re-electing Scott Perkins for the reasons outlined in this presentation
 - The board becomes more willing to be briefed on ESG issues by people who have different views to those it currently receives and implements the recommended risk management processes we have outlined, e.g. seafood traceability to complement due diligence and certifications
- 3) The Woolworths Group Corporate Governance Statement and the Woolworths Group Constitution do not set a specific minimum number of board directors required.

Does Key Meyer's addition to the Board change your view on the capability of the Board to address your concerns?

See slide 7

FAQs

Why are you not recommending investors vote against Coles directors?

- Appears to have better ESG risk management than Woolworths.
- Has so far engaged with SIX and Environment Tasmania in good faith.
- Disclosed more about their seafood sourcing policy changes: triggers for certification reassessment (such as regulatory enforcements, antibiotic controversies or stakeholder concerns), clear roles/responsibilities for certification assessments and exploring traceability and audit transparency in FY27.

Where we still have concerns:

- Coles does not state how they engage with suppliers to improve outcomes. For example, they have no public and clear threshold for ending contracts with suppliers due to harm caused by their products, or working with them to mitigate harm.
- They also provide little information on how they identify high risk species and locations per the OECD Guidelines.
- Coles is still complicit in significant ecological harm via Macquarie Harbour salmon, however investors have indicated they will not vote against Directors on this basis alone.

FAQs

What does better nature risk disclosure look like?

Iberdrola - multinational electric utilities company

Conducted TNFD nature risk assessment by mapping its locations and operations for both operational and in-construction projects

Combined asset data with a range of nature datasets to identify potential sensitive locations as defined by the “LEAP” approach to identify vulnerable species and their associated threat categories across the six regions where it has facilities

Helped Iberdrola understand regions where it has assets interfacing with hotspots for endangered species, and inform actions (see [Iberdrola Biodiversity Report 2022](#) “Additional information on Actions”, p.90).

Woolworths is not following the TNFD Aquaculture Guidance for reporting on its domestic seafood Own Brand nature risks and impacts - TNFD aquaculture guidance has suggested metrics they use to assess and report on nature impacts (Annex 1.1: Evaluate – Dependency and impact metrics)

Protected Species near Iberdrola facilities

See p.42 of Biodiversity
Report 2022

IUCN Red List of Threatened Species

	Critically endangered (CR)	Endangered (EN)	Vulnerable (VU)	Near Threatened (NT)	Least Concern (LC)
Spain	8	20	41	53	561
United Kingdom	2	4	8	12	120
United States - Canada	2	13	12	11	39
Brazil	4	17	33	34	584
Mexico	0	4	6	12	306
IEI	0	2	6	10	105
Totals	16	55	100	113	1,393

FAQs

What does Woolworths have to do to align with international best practice sustainable seafood procurement?

Woolworths has proved inadequate identifying high risk areas / seafood species due to over-reliance on certifications, and so **investing in the people, software and creating processes** to be able to do that to should be priority - ASDA and Metro requirements of supplier include requirements like:

- complete verified self-evaluations,
- undergo annual traceability spot checks,
- resubmit when sourcing changes,
- face delisting if found non-compliant, and
- accept random DNA and chain-of-custody audits

OECD guidance is clear: certification ≠ due diligence. Even credible schemes must be scrutinised for scope, credibility, and data reliability, and companies must verify and act on red flags.

Woolworths know their certifier BAP has been discredited—70+ global groups have condemned its salmon standard as greenwash, citing illegal activity and damage to endangered species.

Without full traceability (“farm/tawler to plate”), human rights abuses, illegal fishing, and ecological harm can easily slip into supply chains. Other retailers anticipating mandatory due diligence are acting.

OECD/CASS Guidance clear they should **act on identified harm** by working with suppliers to mitigate it, or ending supplier relationship

Due to not aligning with the expected OECD Guidelines, Woolworths now finds their sourcing policy, over-reliance of certifications, and lack of due diligence as part of an OECD complaint

FAQs

Is it impossible and too expensive to monitor the full seafood supply chain?

- We are asking them to prioritise and start with just their “Own Brand” seafood that's high risk of harm to nature - it's a journey, as noted by the Conservation Alliance for Sustainable Seafood *Guidance for Business*.
- Not knowing where your fish is coming from means human rights abuses, illegal fishing and environmental damage can easily enter Woolworths' supply chain
- If they cannot trace source of a product then they shouldn't label it as “independently certified” - this shifts the responsibility to certification schemes but the implied message to customers that it's a sustainable product is the same as claiming “responsibly sourced”
- Despite challenges traceability is an issue being taken very seriously by many due to high risks. EU, USA, and other governments either require or are working towards mandatory traceability
- Planet tracker [estimates](#) the savings from a seafood processor implementing a GDST-compliant traceability system to reduce costs by 3.4% of sales (see p.28) via avoided lawsuits, product recalls.. WOW should encourage suppliers to adopt traceability.
- **Overseas, less profitable, supermarkets, such as Metro (Canada) and ASDA (UK), have voluntarily done this** including:
 - A full chain traceability system in place that applies to all seafood products and that involves tracing the scientific name, geographic origin, farmed or wild and gear type or farming method from the source fishery or farm.
 - Suppliers required to fill out traceability questionnaire to allow METRO to conduct sustainability assessment
 - Metro conducts random DNA testing, frequent product traceability tests and random checks on suppliers' chain of custody records

Annex: Timeline of Woolworths stakeholder engagement on seafood

For 13 years Woolworths ignored advice from Government and academic scientists, NGOs and shareholders that its agricultural supply chains exposed to human rights and environmental harm that now threatens the company's reputation



Glossary

ETP – Endangered, Threatened, Protected (species)

ACCC – Australian Consumer and Competition Commission

OECD – Organisation for Economic Cooperation and Development

TNFD – Task Force for Nature Related Disclosures:

LEAP (“Locate, Evaluate, Assess, Prioritise”) – Assessment method developed by the Taskforce on Nature-related Financial Disclosures (TNFD) to help organizations identify and manage nature-related risks and opportunities.

CASS – Conservation Alliance for Sustainable Seafood: a multi-stakeholder NGO that publishes guidance to help businesses achieve sustainable seafood sourcing

UNESCO WHA – United Nations Educational, Scientific and Cultural Organization World Heritage Area

WWF – World Wildlife Fund

eNGO – Environmental Non-Government Organisation

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