
TESCO AGM: 18TH JUNE 2026

As raised at the meeting

I am asking this on behalf of Railpen, which manages £34 billion for 350,000 savers. Railpen also chairs the Workforce Engagement Coalition, a group of UK and US pension funds, managers and advisers with around \$2 trillion in assets under advice, committed to engaging constructively with companies on stronger consideration of the employee voice in board-level discussions.

In that context, we welcome the opportunity to ask this question in person. AGMs are a key forum for investors to engage directly with the board and management, and to hear from other shareholders. The ability to do so in person, once a year, to observe how the full board interacts with its investors and with each other, is vital to building the trust needed for effective stewardship.

We consider the workforce central to long-term value creation, as business performance is largely driven by employees' capabilities, motivation and commitment. We recognise Tesco's positive approach to workforce engagement and value its reporting on what issues have been raised by employees, including through its Colleague Contribution Panels. However, investors currently have limited visibility on how these insights are translated into strategic decisions and measurable outcomes, which would provide investors with more decision-useful insight into workforce stability, productivity and long-term investment in human capital.

We therefore have three questions for the Board:

- How can the Board assure its investors that insights from Tesco's workforce engagement strategies including the Colleague Contribution Panels, are systematically incorporated into strategic decision-making and risk assessment?
- Will the company enhance disclosure by providing clearer examples of how workforce engagement informs strategic decisions and translates into measurable outcomes, accompanied by metrics?
- And would one of the Colleague Contribution Panel hosts, Melissa Bethell or Carolyn Fairbairn, be willing to meet with Railpen to discuss this further?

As emailed in advance

I am asking this on behalf of Railpen, which manages £34 billion for 350,000 savers. Railpen also chairs the Workforce Engagement Coalition, a group of UK and US pension funds and advisers with around \$2 trillion in assets under advice, committed to engaging constructively with companies on greater consideration of the employee voice in board-level discussions.

As long-term investors, we are committed to supporting the success of our portfolio companies and to constructive dialogue that underpins sustainable value creation.

In that context, we welcome the opportunity to ask this question in person. AGMs are a key forum for investors to engage directly with the board and management, and to hear from other shareholders. The ability to do so in person, once a year, to observe how the full board interacts with its investors and with each other, is vital to building the trust needed for effective stewardship.

We consider the workforce central to long-term value creation, as business performance is largely driven by employees' capabilities, motivation and commitment. We recognise Tesco's positive approach to workforce engagement and value its reporting, including through its Colleague Contribution Panels and employee surveys.

However, while these processes provide some useful insights into workforce views, investors have limited visibility on how this input is translated into strategic decision-making, risk assessment and measurable outcomes. These would provide investors with more decision-useful insight into workforce stability, productivity and long-term investment in human capital. More broadly, while Tesco discloses some workforce metrics, such as the proportion of colleagues who would recommend it as a place to work, reporting remains largely narrative-based, with limited evidence of a consistent set of metrics, targets or examples demonstrating how workforce engagement contributes to long-term performance.

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