

Ethical Sourcing Policy

We believe in earning our customers' trust by acting responsibly and doing the right thing for our people, our customers, our communities and we expect the same from our suppliers.

Woolworths is committed to upholding human rights, not only with respect to its own employees but also for workers in its supply chain. Our Ethical Sourcing Policy encompasses comprehensive criteria on anti-corruption, labour rights, fair and safe working conditions, and environmental compliance.

Woolworths is a signatory to the United Nations Global Compact (UNGC) and our Ethical Sourcing Policy embraces and enacts UNGC's core values of human rights, labour standards, the environment and anti-corruption.

Our Ethical Sourcing Policy respects and incorporates all relevant conventions of the International Labour Organisation (ILO) and the principles of the United Nations Universal Declaration of Human Rights.

This Policy aims to communicate a clear set of requirements for our suppliers and work with them to:

- improve working conditions for workers in our supply chain, and
- protect our corporate reputation and the trust in our brands by doing the right thing.

We expect all our suppliers to respect and comply with the criteria set out in this Policy and we will continue to work with and support those suppliers who demonstrate continual improvement. We encourage our suppliers to be open and honest about the challenges they face so we can help them find practical solutions. However, repeated non-compliance may lead to review or termination of contracts.

This Policy applies to all Woolworths suppliers no matter where they operate in the world and it is complemented by a compliance audit program predominantly for suppliers of our own brand products based on the risk rating of the country of origin.

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Compliance with international labour standards and national legislation

This Policy sets minimum requirements. Suppliers are expected to implement and maintain systems to achieve compliance with this Policy as well as national laws. Where the provisions of the law and this Policy address the same subject, whichever affords greater protection applies (refer to Appendix 1).

Suppliers should communicate this code to their own suppliers and, where reasonably practicable, extend the principles of this Policy through their supply chain.

We are committed to working with our suppliers to implement improvement plans and help them achieve compliance.

Ethical Sourcing Criteria

1. Bribery and Corruption

1.1 Suppliers shall not engage in acts of bribery and corruption.

2. Labour Rights

- 2.1 Employment is freely chosen. The use of forced, bonded or involuntary prison labour when not in accordance with Convention 29 is prohibited.
- 2.2 Workers are not permitted or encouraged to incur debt through recruitment fees, fines or other means.
- 2.3 Workers are not required to lodge deposits or their identity papers with their employer and are free to leave their employer after reasonable notice.
- 2.4 Workers are free to leave the workplace after their shift.

3. Freedom of association and the right to collective bargaining are respected

- 3.1 Workers, without distinction, have the right to join or form trade unions of their own choosing and to collectively bargain, without prior authorisation from suppliers' management.
- 3.2 The employer adopts an open attitude towards the activities of trade unions and their organisational activities and does not interfere with or prevent such legitimate activities.
- 3.3 Workers' representatives of trade union members are not discriminated against or penalised because of their membership in or affiliation with trade unions and their legitimate trade union activities.
- 3.4 Supplier shall give workers representatives access to the workplace to carry out their representative functions in the workplace.
- 3.5 Where the right to freedom of association and collective bargaining is restricted under law, the employer facilitates, and does not hinder, the development of parallel means for independent and free association and bargaining.

4. Working Conditions, Health & Safety

- 4.1 A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health in the working environment.

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- 4.2 Suppliers shall provide adequate safeguards against fire and shall ensure strength, stability and safety of buildings and equipment (including residential accommodation where provided).
- 4.3 Workers shall receive regular and recorded health and safety training, and such training shall be repeated for new or reassigned workers.
- 4.4 Access to clean toilet facilities and to clean and drinkable water and, if relevant, sanitary facilities for food preparation and storage shall be provided.
- 4.5 Accommodation, where provided, shall be clean, safe, and meet the basic needs of the workers.
- 4.6 Suppliers shall ensure that personal protective equipment is available and workers are trained in its use. Safeguards on machinery must meet or exceed local laws.
- 4.7 Suppliers shall assign responsibility for health and safety to a senior management representative.

5. Child Labour

- 5.1 Use of child labour is strictly prohibited. If children are found to be working directly or indirectly for the supplier, the supplier shall seek a sensitive and satisfactory solution that puts the best interest of the child first.
- 5.2 Suppliers shall comply with the national minimum age for employment or the age of completion of compulsory education and shall not employ any person under the age of 15, whichever of these is higher. However, if local minimum age law is set at 14 years of age in accordance with developing country exceptions under ILO Convention 138, this lower age may apply.
- 5.3 Young workers under 18 years of age must not be employed to work at night in accordance with the ILO Convention 090.
- 5.4 Young workers must not be employed in conditions which compromise their health, safety or moral integrity, and/or which harm their physical, mental, spiritual, moral or social development.

The term “child labour” is often defined as work that deprives children of their childhood, their potential and their dignity, and that is harmful to physical and mental development.

Child labour refers to work that:

- Is mentally, physically, or morally harmful to children;
- Can negatively affect their mental, physical, or social development, and
- Interferes with their schooling:
 - by depriving them of the opportunity to attend school;
 - by obliging them to leave school prematurely; or
 - by requiring them to attempt to combine school attendance with excessively long and heavy work.

Not all work done by children should be classified as child labour that is to be targeted for elimination. Children’s or adolescents’ participation in work that does not affect their health and personal development or interfere with their schooling, is generally regarded as being something positive. This includes activities such as helping their parents around the home, assisting in a family business or earning pocket money outside school hours and during school holidays. These kinds of activities contribute to children’s development and to the welfare of their families;

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they provide them with skills and experience, and help to prepare them to be productive members of society during their adult life.

6. Living Wages

- 6.1 Wages and benefits paid for a standard working week shall meet or exceed, national legal standards or industry benchmark standards, whichever is higher. In any event wages should always be enough to meet basic needs and to provide some discretionary income for workers and their families.
- 6.2 All workers shall be provided with written and understandable information about their employment conditions in respect to wages before they enter employment and about the particulars of their wages for the pay period concerned each time that they are paid.
- 6.3 Deductions from wages as a disciplinary measure or any deductions from wages not provided for by Law shall not occur without the expressed permission of the worker concerned. All disciplinary measures should be recorded.

7. Working Hours

- 7.1 Working hours comply with any Law and benchmark industry standards, whichever affords greater protection to ensure the health, safety and welfare of workers.
- 7.2 In any event, workers shall not on a regular basis be required to work in excess of 48 hours (excluding overtime) per week and shall be provided with at least one day off for every 7 day period on average. Overtime shall be voluntary, shall not be excessive, shall not be demanded on a regular basis and shall always be compensated at a premium rate.
- 7.3 Suppliers shall respect all workers rights to breaks during work shifts
- 7.4 Suppliers shall comply with national/local laws for workers' entitlements to public and annual holidays.

8. Discrimination

- 8.1 There is no discrimination in hiring, compensation, access to training, pay, benefits, promotion, discipline, termination or retirement based on race, caste, social background, disease, ethnic and national origin, religion, age, disability, gender, pregnancy, marital status, sexual orientation, union membership or political affiliation.
- 8.2 Terms and conditions of employment shall be based on an individual's ability to do the job, not their personal characteristics or beliefs.
- 8.3 Suppliers shall treat all workers with respect and dignity.

9. Regular Employment

- 9.1 To every extent possible work performed must be on the basis of recognised employment relationship established through national law and practice and international labour standards whichever affords greater protection.
- 9.2 Obligations to employees under labour or social security laws and regulations arising from the regular employment relationship shall not be avoided through the use of labour-only contracting, sub-contracting, or home-working arrangements, or through apprenticeship schemes where there is no real intent to impart skills or provide regular employment, nor shall any such obligations be avoided through the excessive use of fixed-term contracts of employment.

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10. Harsh or Inhumane Treatment

10.1 Physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation shall be prohibited.

11. Entitlement to Work and Immigration

11.1 Only workers with a legal right to work shall be employed or used by the supplier.

11.2 All workers, including employment agency staff must be validated by the supplier for their legal right to work by reviewing original documentation.

11.3 The supplier shall implement processes to enable adequate control over agencies with regards to the above points and related legislation.

12. Sub-Contracting and Home Working

12.1 There shall be no sub-contracting unless previously agreed with Woolworths Limited.

12.2 Suppliers must have adequate processes in place for properly managing sub-contracting and home working to ensure sub-contractors do not abuse, exploit or provide unsafe working conditions for their employees.

13. Environmental Compliance

13.1 The facility shall comply with national and local environmental laws and regulations.

13.2 The facility shall dispose of its production waste in accordance with local environmental laws and regulations.

13.3 The facility must have identified and documented its key environmental impacts and implemented controls to eliminate or minimise its impact on the environment with respect to solid waste disposal, hazardous chemicals storage and management, air and water emissions.

Key Contacts

For more information on Woolworths Limited's Ethical Sourcing and Sustainability policies visit our website at www.woolworthslimited.com.au

If you are an existing or prospective supplier with questions or comments, please contact us at consumergoodsquality@woolworths.com.au

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APPENDIX 1 - Compliance with international labour standards and national legislation

Suppliers are required to comply with:

- Fundamental international labour standards as defined by the ILO Declaration on Fundamental Principles and Rights at Work and its Follow-up:
 - C87, Freedom of Association and Protection of the Right to Organise Convention, 1948
 - C98, Right to Organise and Collective Bargaining Convention, 1949
 - C29, Forced Labour Convention, 1930
 - C105, Abolition of Forced Labour Convention, 1957
 - C138, Minimum Age Convention, 1973
 - C090, Night Work of Young Persons (Industry) Convention (Revised), 1948
 - C182, Worst Forms of Child Labour Convention, 1999
 - C100, Equal Remuneration Convention, 1951
 - C111, Discrimination (Employment and Occupation) Convention, 1958
- other applicable international labour standards, such as:
 - The ILO call for Decent Work
 - C1, Hours of Work (Industry) Convention, 1919
 - C14, Weekly Rest (Industry) Convention, 1921
 - C95, Protection of Wages Convention, 1949
 - C131, Minimum Wage Fixing Convention, 1970
 - C135, Workers' Representatives Convention, 1971
 - C155, Occupational Safety and Health Convention, 1981
 - C161, Occupational Health Services Convention, 1985:
 - R85, Protection of Wages Recommendation, 1949
 - R116, Reduction of Hours of Work Recommendation, 1962
 - R135, Minimum Wage Fixing Recommendation, 1970
 - R164, Occupational Safety and Health Recommendation, 1981
 - R184, Home Work Recommendation, 1996
 - R190, Worst Forms of Child Labour Convention Recommendation, 1999
- applicable national and/ or local legislation.