

Responsible Sourcing Policy

We create better experiences together
for a better tomorrow

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1. Introduction

Woolworths Group is an Australian and New Zealand food and everyday needs business, and like all global retailers, our operations and supply chain is exposed to dynamic human rights risks. We have a complex global supply chain, with a long-standing commitment to thousands of domestic and international suppliers.

Our purpose is to create ***better experiences together for a better tomorrow*** which aligns to a deep commitment to uphold respect for human rights. It is our ambition to integrate human rights into the way we go about our business everyday, so that every decision has our purpose at its heart.

We believe in the power of partnerships and in earning stakeholders' trust by acting responsibly and doing the right thing for our people, our customers, our communities, and our environment. We expect the same standards from all of our suppliers, of both goods and services.

Our **Human Rights Program** is the way in which we seek to identify, mitigate and remedy key risks to people across Woolworths Group's operations, businesses and supply chains. Our **Responsible Sourcing Program** is made up of our Responsible Sourcing Policy (Policy), Responsible Sourcing Standards (Standards) and a number of targeted Addendums. Together, these documents set out our expectations for partners in their own businesses and supply chains:

- This **Policy** outlines our overarching commitment to upholding the human rights of workers in our operations and supply chain.
- The related **Standards** underpin the Policy and are a key way that we implement and monitor the Policy commitments via 19 requirement areas.

This Policy also outlines how our stakeholders can confidentially raise a complaint or concern about a breach of this Policy or the Standards using our grievance mechanism, Speak Up (see Section 7).

We believe that by working with partners who share accountability and a commitment to applying this Policy,

together we will activate ethical and mutually beneficial partnerships throughout the whole value chain. These issues can be complex and complicated and we each have an important role to play. Partnerships are therefore essential to addressing the challenges of a large and complex extended supply chain. We believe we are better together.

2. Scope

This Policy applies to Woolworths Group's operations, businesses¹, sellers and all suppliers.

In line with this Policy, we require all those we have a direct relationship with for goods and/or services we sell or use in our businesses to comply both with all relevant laws, rules and regulations in the countries in which they operate, and with this Policy. This also includes having established arrangements and processes which are consistent with a commitment to upholding respect for human rights in their operations and supply chains.

3. Alignment of our Policy

Our Policy, including the Standards and associated Addendums, are based on internationally recognised frameworks and instruments, including:

- Woolworths Group is committed to respecting the human rights of our own team members, workers in our supply chain and other stakeholders in accordance with the United Nations Guiding Principles on Business and Human Rights (UNGPs). This means we undertake ongoing due diligence activities to identify, prevent and mitigate adverse human rights impacts derived from our internal or external operations.
- Woolworths Group upholds and expects our suppliers to commit to respecting each of the International Labour Organisation's (ILO) Declaration on Fundamental Principles and Rights at Work and related core conventions. These include: the right not to be subject to forced labour, child labour or discrimination in respect of employment and occupations; and freedom of association and the right to collective bargaining.²
- Woolworths Group is a signatory to the United Nations Global Compact (UNGC) and this policy embraces and

¹ Wholly owned businesses of the Group are required to comply with this Policy. Majority owned businesses of the Group are required to comply with this Policy or implement their own Policy that is consistent with the principles of this Policy.

² <https://www.ilo.org/global/standards/introduction-to-international-labour-standards/conventions-and-recommendations/lang--en/index.htm>

reflects the UNGC's ten principles relating to human rights, labour standards, the environment and business integrity.

- This Policy is consistent with the United Nations Declaration of Human Rights and complements our commitment to diversity and inclusion and to team members being treated with fairness and respect.
- In November 2020, Woolworths Group became a signatory to the UN Women's Empowerment Principles (WEPs). Woolworths Group is committed to working collaboratively within multi-stakeholder networks to foster business practices that empower women.
- In April 2022, we further strengthened our position on responsible recruitment when we joined the Consumer Goods Forum (CGF) Human Rights Coalition and committed to uphold the CGF Priority Industry Principles.³ These Principles are considered core standards to address key drivers of forced labour: every worker should have freedom of movement, no worker should pay for a job, and no worker should be indebted or coerced to work (Responsible Sourcing Standards 5, 7 and 17 set out further details on the requirements related to recruitment fees).

4. Governance

We recognise that our suppliers operate within a number of diverse legal frameworks and operating environments globally. We also recognise that we need to continuously monitor our responsible sourcing approach. As such, we review this policy and its related standards annually, or when circumstances dictate; for example, to align with changes in regulations or to address emerging issues. Governance oversight of our approach to human rights management is provided by the Board Sustainability Committee.

This Policy and Standards are shared with suppliers during onboarding and forms part of their contract of doing business with us, including the requirement that suppliers communicate this Policy to their own suppliers and/or contractors and extend the principles of this Policy throughout their supply chain and/or operations. This Policy is also shared with our majority owned businesses, with a clear expectation that they comply with its principles as a core Woolworths Group commitment.

Following Policy reviews, relevant changes to the Policy will be shared with suppliers, and relevant team members. We regularly review our supplier arrangements and we encourage our suppliers to be open and honest about the challenges they face so we can support them to find practical solutions. We are committed to working with our suppliers to implement improvement plans and support them in achieving compliance.

Woolworths Group expects its partners and suppliers of goods and services to embed the requirements outlined in this Policy, and for suppliers to actively monitor against the related Standards and Addendums in order to address human rights related risks accordingly.

³<https://www.theconsumergoodsforum.com/wp-content/uploads/2017/11/2020-HRC-One-Pager-final.pdf>

5. Woolworths Responsible Sourcing Program

For an overview of the Woolworths Responsible Sourcing Program, see [this quick reference guide](#).

To maximise our impact, we take a risk-based approach to supply chain management. We prioritise our Program focus on where there is a higher likelihood of severe human rights (including labour rights) violations occurring. We use a supplier segmentation approach based on inherent risk to determine which suppliers are in scope of the Program. We also look for opportunities where we have greater influence to drive change within our supply chains.

Woolworths Responsible Sourcing Standards apply to all of our suppliers with whom we have a direct relationship for Woolworths Group branded goods and services we sell or use in our businesses. The Standards, and associated due diligence, also apply to suppliers of goods and services in higher risk categories, as determined by an annual risk assessment process.

The Responsible Sourcing Standards outline our expectations of suppliers in meeting this Policy. They include comprehensive criteria on business integrity, labour rights, fair and safe working conditions and environmental compliance.

Categories currently in scope of our Responsible Sourcing Standards are listed in the table below:

Business unit	Category
Supermarkets and Metro	Woolworths Own Brand (Including any product carrying Woolworths' name and address)
	Fresh Meat and Seafood (Including products sold behind the counter)
	Fresh Produce (All fresh fruit and vegetables, including those packaged and loose, and floral products)
Big W	Big W Own Brand (Including any product carrying Big W's name and address)
GNFR (Goods not for resale)	Suppliers of high-risk services (Including categories such as cleaning, trolley collection, security, warehousing, logistics and key services)
	Suppliers of branded goods not for resale (Including categories such as shopping bags, baskets, trolleys, signage, uniforms and construction materials)
Companies that are majority owned by the Group ⁴	Own Brand products

⁴Majority owned businesses' refers to businesses that are controlled by the Group, but not wholly owned, as per the definition of 'control' in the Australian Accounting Standards.

6. Verifying compliance to the Policy and Standards

As outlined in the Responsible Sourcing Standards, our audit framework is one of the ways we verify compliance.

We are committed to long term partnerships and working with suppliers to find workable solutions and uplift capacity where required. However, if a supplier is unwilling to work with Woolworths to address compliance issues under our Policy and Standards; refuses to participate in the Program or additional audit requirements; and/or fails to show improvement against critical audit findings, then we reserve the right to review the suitability of Woolworths Group's ongoing relationship with any such supplier. Woolworths Group may explore options to cease or suspend its relationship with any such supplier.

7. Summary of Responsible Sourcing Standards

Our Responsible Sourcing Standards are designed to address specific responsible sourcing risks in our supply chain. The Standards cover 19 separate criteria, in the following key areas:

- **Standards 1-3 | Compliance with Local Laws:**
Suppliers must comply with all relevant local laws, rules and regulations in the countries in which they operate, including those relating to business integrity, transparency, bribery and corruption. Where there is a gap between our requirements and standards and the local laws, rules and regulations, the more stringent requirements and standards apply.
- **Standards 4-5 | Management Systems and Training:**
We believe that robust management systems, including hiring, disciplinary and termination practices, are important for suppliers to build and develop in order to support compliance requirements and sustainability goals. Suppliers are responsible for establishing these management systems to support their operations.
- **Standards 6-15 | Social and Labour Standards:** All workers must be treated with respect and dignity. Suppliers must uphold workers' labour and non-labour human rights, including promoting workers' rights to freedom of association and collective bargaining. Workers' grievances are to be heard, appropriately investigated, and any required remedial action taken, in addition to building capacity and awareness around social and labour practices.
- **Standard 16 | Environmental Standards:** Suppliers must comply with all applicable environmental laws and regulations, and maintain an environmental management system that identifies and manages environmental impacts.
- **Standards 17-19 | Additional Standards:** Where applicable, suppliers must comply with our standards relating to migrant workers, responsible recruitment practices, unauthorised subcontracting and homeworkers, and the sourcing of raw materials and minerals in a responsible way (as outlined in the Standards).

8. Remedy and Grievance Mechanisms

It is important to Woolworths Group that effective remedies are available for affected individuals, workers and communities where it is identified that our operations, or those of our supply partners, have caused or contributed to adverse impacts.

We are committed to engaging with potentially or actually affected stakeholders, including local communities, either directly, or in collaboration with our suppliers or other third parties, to provide remedy.

We recognise particular groups in our global supply chains may be disproportionately impacted. We commit to respect women's and children's rights as well as those of internal and foreign migrant workers in our operations and supply chain.

For all of these principles, we expect the same of our suppliers.

Woolworths Group is committed to ensuring trusted and accessible channels are provided through which adversely affected people or communities can raise complaints or concerns about our business or our

suppliers without fear of retaliation, intimidation, harassment, discrimination or victimisation.

Woolworths Group provides a Speak Up service in key languages for our team members and suppliers (and their workers) as a mechanism by which responsible sourcing concerns can be raised confidentially and, if desired, anonymously. Woolworths Group's suppliers are expected to have their own effective grievance mechanism which embeds the UNGP's eight effectiveness criteria for company grievance mechanisms. Consistent with these criteria, and to promote a robust grievance process, suppliers must also make Woolworths Group's Supplier Speak Up available, as a complementary channel, for all workers in our supply chains to raise concerns.

Woolworths Group does not tolerate nor contribute to threats, intimidation or attacks (physical or legal) against human rights defenders. We commit to working with human rights defenders to create safe and enabling environments for civic engagement and human rights at local, national and international levels. We expect our suppliers to commit to the same.



Brad Banducci CEO,
Woolworths Group

Date approved:	V 1.4 June 2023 By Woolworths Group Human Rights Steering Committee
Date effective:	V 1.4 6 June 2023
Accountable:	Chief Executive Officer
Contact:	Responsible Sourcing team via: Email: responsiblesourcing@woolworths.com.au
Grievance mechanism:	Supplier Speak Up: WoolworthsGroup.com.au/SpeakUp
Related policies:	<ul style="list-style-type: none"> • Requirements for Labour Providers in our Australian Horticultural Supply Chain (An Addendum to Woolworths RS Standards) • Responsible Recruitment Addendum: Supplier Requirements, Guidance & Remediation Protocols • Sustainable Soy Sourcing Policy • Sustainable Tea, Coffee, Cocoa & Cane Sugar Sourcing Policy • Sustainable Cotton Policy • Sustainable Seafood Policy
Related guidance material:	<ul style="list-style-type: none"> • Responsible Sourcing Program Supplier Guidelines • Supplier Guidance on Developing Grievance Mechanisms • Supplier Guidance Addressing Overtime Hours • Human Rights Grievance Process