

2023

Modern Slavery Statement



Accelerating for change

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Acknowledgement of Country



Woolworths Group acknowledges the many Traditional Owners of the lands on which we operate, and pay our respects to their Elders past and present. We recognise their strengths and enduring connection to lands, waters and skies as the Custodians of the oldest continuing cultures on the planet.

We remain committed to actively contributing to Australia's reconciliation journey through listening and learning, empowering more diverse voices and working together for a better tomorrow. Woolworths Group reaffirms our support for the Uluru Statement from the Heart, and its calls for a First Nations Voice to Parliament enshrined in the Constitution.

Statement on reporting entities

Woolworths Group Limited (ACN: 000 014 675) is an Australian public company listed on the Australian Securities Exchange (ASX: WOW). The company is registered at 1 Woolworths Way Bella Vista NSW, Australia. This Statement has been published in accordance with the *Modern Slavery Act 2018* (Cth) (MSA or Act). It identifies the steps Woolworths Group Limited and its controlled entities (including the reporting entities listed on pages 2–3) (together, for the purposes of this Statement, 'Woolworths Group' or 'Group') took to identify, assess, mitigate and remediate modern slavery risks in its operations and supply chain during year ending 25 June 2023 (F23). Woolworths Group Limited makes this joint Modern Slavery Statement (Statement) on behalf of itself and the reporting entities listed on pages 2–3 (other than PFD and Quantum who will lodge their own statements for F23). All amounts are expressed in Australian dollars unless another currency is indicated. This report contains forward looking statements. Please read our disclaimer on page 2 of the 2023 Sustainability Report for more information.

Mandatory reporting criteria of the Modern Slavery Act

This Statement was prepared to meet the mandatory reporting criteria set out under the *Modern Slavery Act 2018* (Cth). The table below identifies where each criterion of the Act is disclosed within sections of this Statement.

MSA CRITERIA	REFERENCE IN THIS STATEMENT
Identify the reporting entity	Inside Front Cover
Describe the reporting entity's structure, operations and supply chains	Pages 2 to 3, 7, 9, 13, 21
Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls	Pages 6 to 23
Describe the actions taken by the reporting entity and any entity it owns or controls to assess and address those risks, including due diligence and remediation processes	Pages 4 to 5, 7 to 25
Describe how the reporting entity assesses the effectiveness of these actions	Pages 26 to 27
Describe the process of consultation with any entities that the reporting entity owns or controls (a joint statement must also describe consultation with the entity giving the statement)	Pages 28 to 31
Provide any other relevant information	Pages 1, 32 to 34

CEO Report

Scaling our contribution

F23 was the midpoint in the delivery of our [2025 Sustainability Plan](#), which includes a commitment to build sustainable human rights outcomes through multi-stakeholder partnerships, underpinned by our purpose of *creating better experiences together for a better tomorrow*.

This year we focused on further enhancing our strategic partnerships in an effort to scale our contribution and take a leadership role in the movement to end modern slavery. Woolworths Group assumed the role of global retail Co-Chair of the Consumer Goods Forum's Human Rights Coalition, with a transparent agenda to increase the spotlight on responsible recruitment practices in the Asia Pacific region. We also worked to embed our collaboration with the Retail Supply Chain Alliance (RSCA) through co-hosting worker forums in Swan Hill and in Bundaberg to engage migrant workers in our fruit and vegetable supply chain.

Remediation for impacted workers remains core to our program. Last year we agreed a plan with a Malaysian supplier to remediate the first identified case of modern slavery in our supply chain. It was important we maintained momentum and this year ~\$734,000 was returned to 230 migrant workers from Nepal, Bangladesh and Myanmar to remediate a situation of forced labour. A remaining ~\$3,300 was donated to our Malaysian NGO partner after three repatriated workers could not be located. This process has been verified by an independent third party. Woolworths Group and our suppliers are just two stakeholders in the recruitment supply chain. Experts in responsible recruitment and human rights defenders identify that risks can reside and originate outside of our direct control in networks of labour recruiters. This year Woolworths Group partnered with the Fair Hiring Initiative to commence a proof of concept to verify the practices of five labour hire providers in Nepal, in an attempt to begin to address one of the root causes of debt bondage.

Closer to home, we commenced similar initiatives in our Australian horticulture supply chain; this includes a proof of concept verification of labour hire providers, rollout of worker voice initiatives to increase insights directly from workers in our supply chain, and the development and distribution of guidance material to assist suppliers to meet the requirements of our Responsible Sourcing Program. As we accelerate towards the delivery of our 2025 Sustainability Plan we remain focused on integrating a rights-respecting culture into the way we go about our business every day.

This Statement was approved by the Woolworths Group Board on 22 August 2023 on behalf of all reporting entities covered by this Statement.

Brad Banducci
CHIEF EXECUTIVE OFFICER




Key progress in F23

- + Remediated the first identified case of modern slavery in our supply chain by verifying the return of ~\$734,000 in recruitment fees to ~98% impacted workers
- + Strengthened our response to address the root causes of modern slavery by launching two pilots in Nepal and Australia to verify labour hire providers
- + Delivered our Responsible Recruitment Addendum in Malaysia and launched in Thailand
- + Identified tuna and prawns as the highest risk seafood categories, and commenced due diligence at lower supply chain tiers
- + Improved the visibility of cotton sourcing with strategic suppliers in Bangladesh
- + Developed a due diligence strategy for our logistics business, Primary Connect
- + Developed a Mergers and Acquisitions Human Rights Framework to assess and mitigate human rights risks in new businesses



Our Group structure

Woolworths Group is a food and everyday needs business that includes some of Australia and New Zealand's most trusted retail brands, unified by our purpose of creating better experiences together for a better tomorrow. Woolworths Group is the parent entity, with other subsidiary reporting entities. Details of each reporting entity covered by this Statement and a description of their overall activities and key brands are set out below.





Woolworths Retail

Woolworths Retail is the Group's cornerstone food retail businesses located in Australia and New Zealand comprising of over 1,000 supermarkets and Metro Food Stores and complementary business to consumer (B2C) eCommerce channels.

Reporting Entities

Woolworths Group Limited	(ACN 000 014 675)
Drumstar Pty Ltd	(ACN 085 415 032)
Woolworths (South Australia) Pty Limited	(ACN 007 873 118)
Leasehold Investments Pty Ltd	(ACN 009 237 932)
Progressive Enterprises Holdings Limited	(ACN 113 919 878)






Woolworths Food Company


Woolworths Food Company (WFC) comprises the development of the Group's own brand and exclusive products; Australian food wholesale and distribution businesses, including Australian Grocery Wholesalers and Statewide Independent Wholesalers. Also includes the red meat business, Greenstock, and the food service business, PFD.

Reporting Entities

Woolworths Group Limited	(ACN 000 014 675)
PFD Food Services Pty Ltd	(ACN 006 972 381) ²
Statewide Independent Wholesalers Limited	(ACN 009 519 546) ^{1,3}
Woolworths (Victoria) Pty Limited	(ACN 004 177 155)



¹ Controlled, but not wholly owned, entity of Woolworths Group Limited.
² Controlled, but not wholly owned, entity of Woolworths Group Limited, to lodge its own Modern Slavery Statement for F23.
³ Statewide Independent Wholesalers Limited registered office is 8 Translink Avenue, Western Junction TAS 7212.





Everyday Rewards

Everyday Rewards comprises Woolworths Group's loyalty, subscription and service businesses.


Reporting Entities

Woolworths Group Limited	(ACN 000 014 675)
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BIG W and Specialty (W Living)




W Living comprises the Group's non-food retail businesses, including discount general merchandise retailer, BIG W, and online businesses Pet Culture and Healthylife.

Reporting Entities

Woolworths Group Limited	(ACN 000 014 675)
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Retail Business Platforms

Retail Business Platforms comprises the Group's supply chain business, Primary Connect, format and development arm, Woolworths360, and property and construction business, Fabcot. It also includes the Group's digital, technology and analytics enabled businesses and platforms.

Reporting Entities

Woolworths Group Limited	(ACN 000 014 675)
Fabcot Pty Ltd	(ACN 002 960 983)
The Quantum Group Holdings Pty Limited	(ACN 121 842 957) ^{2,4}
The Quantum Group Pty Limited	(ACN 102 444 253) ^{2,4}
Cartology Pty Limited	(ACN 009 671 149)
Woolworths Group Payments Pty Limited	(ACN 646 516 001)
Wpay Pty Limited	(ACN 646 547 908)



⁴ Quantum Group Holdings Limited and The Quantum Group Pty Ltd registered office is Bay 12, 2 Locomotive Street, Eveleigh NSW 2015. Except as described in footnotes 3 and 4, the registered office of each of the reporting entities within Woolworths Group is 1 Woolworths Way, Bella Vista NSW 2153.



Governance

Human Rights Program governance and ways of working

Our Human Rights Program is the way we manage risks to people, including modern slavery and broader worker rights, in our operations and supply chain. It is informed by the United Nations Guiding Principles on Business and Human Rights (UNGPs), the International Labour Organization’s (ILO) Declaration on Fundamental Principles and Rights at Work, and the Woolworths Group Risk Management Framework and Risk Appetite Statement (each approved by the Group Board), which identifies human rights as a ‘level one’ risk, meaning we take all practicable steps to work towards zero harm.

Our Group Human Rights team, which sits within the Group Sustainability Platform, is responsible for developing our overarching human rights strategy and annual work plan, which includes our modern slavery work. Human Rights team members in Australia, New Zealand, Hong Kong and Bangladesh are supported by cross-functional working groups for specific prioritised work programs. Our team works with a number of external program partners,

including Lloyd’s Register Quality Assurance (LRQA)/ELEVATE, and Verite South East Asia Australia to provide strategic advice and support in extreme risk areas.

Our Human Rights Program, including our approach to managing modern slavery risk, is supported by the Human Rights Steering Committee (SteerCo), sponsored by the Chief Sustainability Officer (CSO), which oversees the implementation of the Group’s Human Rights Program, including strategic direction, prioritisation, risk management, resourcing, reporting and program effectiveness. SteerCo members are reviewed annually based on our strategic priorities. In F23, this continued to include the Director of Sourcing for Australian Food Group, General Manager of Procurement, Head of Quality Assurance, Ethical Sourcing and Packaging Sustainability for BIG W, Woolworths Group Company Secretary, General Counsel for Australian Food Group and the Group Head of Reputation and Public Policy.

Board engagement and capability building

Progress is periodically reported to the Woolworths Group Board through the CEO Report, complemented by commentary from the Chief Legal Officer. Progress is also reported to the Woolworths Group Board’s Sustainability Committee (SUSCO) each meeting through the CSO Report, complemented with an annual Human Rights Deep Dive session. In F23, the deep dive session provided an opportunity for discussion with the Group Board in relation to key aspects of the Human Rights Program framework, our approach to managing human rights including modern slavery risk, priority and emerging areas of risk, and examples and learnings from the Program in action.



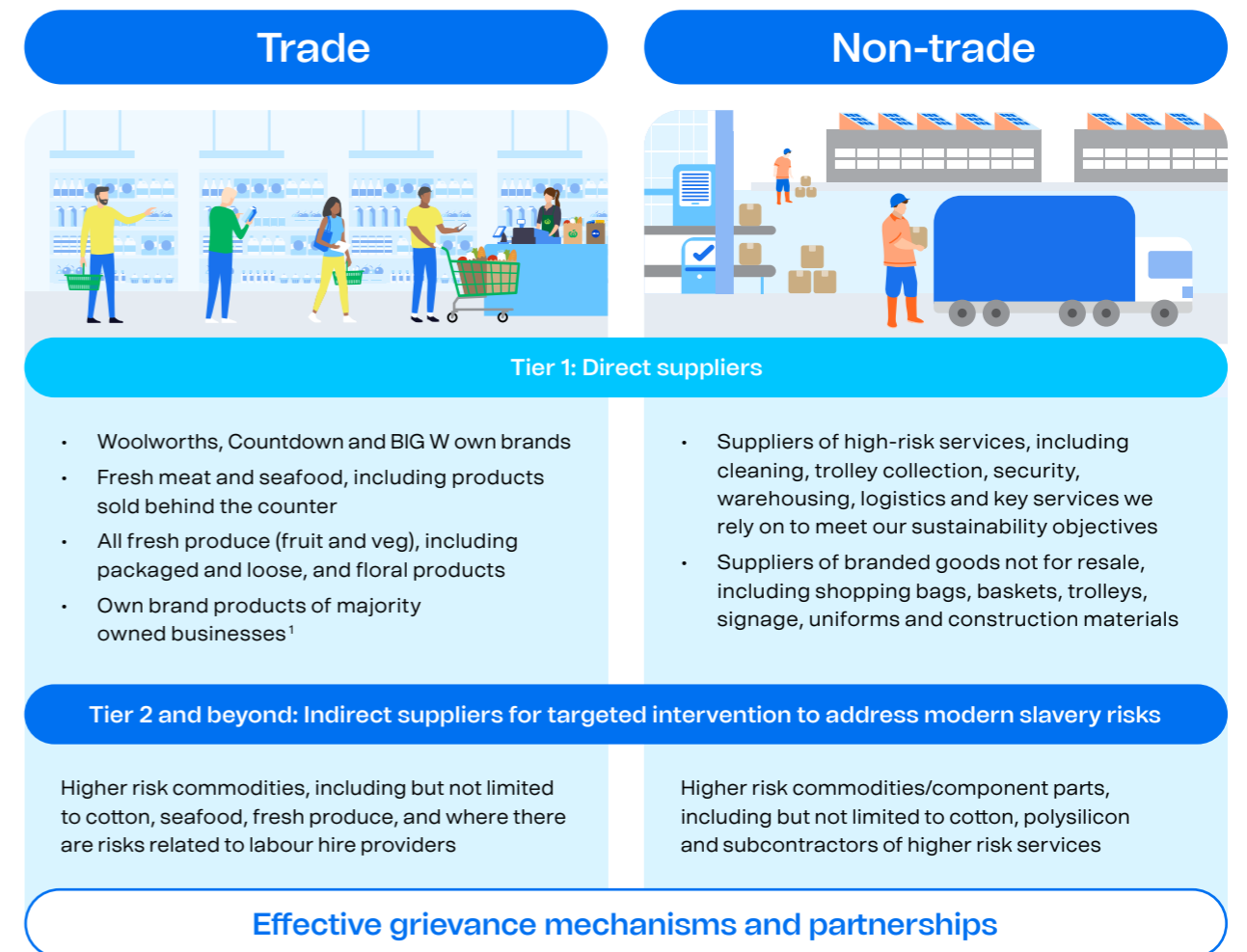
Our Human Rights Program framework

Our Human Rights Program is in its sixth year and continues to evolve. The first phase (2017–2020) focused on developing and embedding our Responsible Sourcing Program (RS Program) across own brand and fresh categories. In this current phase (2021–2025) we are scaling up human rights due diligence across our value chain, while strengthening risk mitigation through targeted pilots which aim to drive structural changes that reduce our biggest risks.

To maximise our impact we take a risk-based approach to identifying issues and, as our program matures, we are shifting our attention to mitigation and leadership. In F23 we:

- + continued to use a supplier and category segmentation approach based on inherent risk to determine which suppliers are in scope of the RS Program requirements for enhanced due diligence
- + prioritised our work where there is a higher likelihood of severe human rights impacts, including modern slavery, and conducted due diligence beyond our direct suppliers to manage risks at multiple supply chain tiers
- + launched a suite of pilots to test new interventions in extreme risk areas to drive change ‘beyond audit’ and begin to address root causes of exploitation
- + enhanced our partnerships approach with advocacy to increase scale and foster collective solutions to shared and complex challenges.

Suppliers in scope of Woolworths Group’s Responsible Sourcing Program and enhanced due diligence



¹ ‘Majority 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.



Identifying and taking action to address modern slavery risks

As the largest retailer in Australia and New Zealand, Woolworths Group's operations and supply chains are complex and exposed to dynamic human rights risks.

We continue to monitor our risk environment through a combination of supplier screening, third party risk assessments, audit programs, grievances management, team member insights, regulatory trends, industry commentary, media, civil society reports, and engagement with human rights defenders and non-government organisations. These diverse sources help us identify and prioritise our response to the most salient human rights risks, including emerging risks.

Forced labour risk assessments

Building on our initial forced labour risk assessment in F20, we conducted our second forced labour risk assessment in F23. Consistent with the approach taken in F20, assessments were conducted at a trade and non-trade level so that identified risks could be managed by the relevant business units:

- + for our own brand **trade suppliers** we combined commodity risk scores with RS supplier segmentation data to evaluate the risks of forced labour based on the commodity/country relationships within our food and non-food supply chains
- + two **non-trade** assessments were conducted at the category-level across products and services.

Overall, there were no material changes to the results of the F20 forced labour risk assessment. At a high level, findings of our F23 assessment were:

- + **trade – food:** seafood remains our top food product risk, followed by coconuts; and cocoa, nuts and coffee remain top ingredient risks
- + **trade – non-food:** cotton and apparel remain our top non-food risks, and risk has increased for hard goods such as domestic appliances and computer equipment
- + **non-trade products:** preferred dress (uniforms) has increased to the most extreme risk
- + **non-trade services:** construction, waste management (particularly recycling), transport and storage (warehousing) remain top inherent risks. In operations services, property management services, including cleaning and security services, remain high risk.

These results reaffirm that our current strategic priorities are appropriate to manage the most extreme inherent forced labour risks in our supply chain, being: manufacturing in Bangladesh and Malaysia; commodity-based priorities such as seafood from Thailand; risks in cotton that may be sourced from Turkmenistan, India and the Xinjiang Uyghur Autonomous Region (XUAR) in China; renewable energy equipment, including risks related to component parts that could originate from the Democratic Republic of Congo and XUAR; and key service providers in our operations.

Incident tracking with Sentinel

Sentinel, an LRQA/ELEVATE tool, analyses internet data and 31 international sanctions lists for incidents, insights and negative news related to human rights violations, including forced labour and child labour at supplier sites. Information is drawn from material in the languages of sourcing countries dating back three years, and new sources of information are regularly added. This provides us strategic insight into localised risks that may otherwise not be visible.

In F23 we expanded Sentinel to include scans of over 2,000 own brand supplier sites. In extreme risk categories such as tomatoes, we included tier two and three ingredient suppliers, and direct suppliers of vendor branded seafood. In the past two years, Sentinel identified 120 incidents linked to our extended supply chain, with 9% occurring in F23. Thirty percent of all issues raised related to labour incidents, 22.5% to health and safety and 12% were environmental concerns. We were already aware of the most material incidents, but in one case the Sentinel alert was the first time the issue was known to our team, resulting in further due diligence. Four other supplier conversations were triggered by the alerts, which provided clarity of the issues and actions taken by our suppliers to address the incidents.

Monitoring emerging risks with Control Risks

Last year we established a framework with third party provider, Control Risks, to identify emerging risks in our supply chain and key sourcing locations. This year Thailand and Bangladesh were added to this scope for proactive monitoring to provide our team with deeper coverage of potential modern slavery risks informed by geopolitical dynamics, supply chain disruptions and regulatory developments.

- **Our specific modern slavery risks and our actions to address them are discussed in more detail in the following sections.**

Our operations

Direct

When it comes to human rights management we are more than a collection of businesses, and our commitment to respecting human rights starts with our team. Our team works in our cornerstone retail business to provide food and everyday needs to our customers in our retail food stores and online, including 1,095 Woolworths Supermarkets and Metro Food stores, and 191 New Zealand Supermarkets. Our team also delivers more everyday to our customers when working in our 177 BIG W stores, and supports our Australian and New Zealand business-to-business (B2B) and B2C network by performing work in our 20 distribution centres (DCs) and 7 customer fulfilment centres (CFCs) in Australia. These activities are supported by professional team members working in Group support functions in our 19 support offices across Australia, New Zealand, Hong Kong, Thailand and Bangladesh.

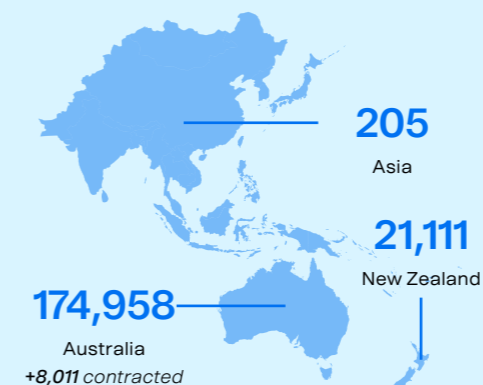
The majority of the Group's approximately 204,000 team members are employed directly. This means we have direct visibility of employment terms and conditions, which are set out in contracts of employment and relevant industrial instruments that are regulated by Australian and New Zealand employment laws. Eighty-nine percent of Australian team members are covered by 29 enterprise agreements and 83% of New Zealand team members are in roles that are covered by 11 collective employment agreements.

We consider that the risk of modern slavery in our direct team is low. Strong policies, ongoing monitoring, team member training and accessible grievance mechanisms are key controls we use to mitigate the risk of modern slavery in our operations. We also recognise the importance of freedom of association and acknowledge the right of team members to negotiate collectively. Woolworths Group has regular engagements with registered trade unions, and an estimated 37% of Australian team members and 49% of New Zealand team members are members of a registered trade union.

We acknowledge that the risks may be greater in inherently higher risk geographies, including Thailand and Bangladesh. However, our 205 team members across these countries are performing specialised roles, including sourcing and quality assurance for our Group businesses such as Woolworths Supermarkets and BIG W. These team members are engaged directly on employment terms and conditions that comply with the Group's policies and procedures and are regulated by the relevant local laws of the country they are based in. These factors lower the risk of modern slavery as the Group has direct visibility over team member's employment terms and conditions, and engages team members in these geographies to perform specialised roles, as opposed to base skill work.

Our team

204,285^{1,2} team members
196,274² directly employed



Our stores

1,463 total
1,095 Woolworths Supermarkets and Metro Food Stores
191 New Zealand supermarkets
177 BIG W stores

¹ Team members include 8,011 contractors.

² Team members and directly employed exclude Statewide Independent Wholesalers Limited, The Quantum Group Holdings Pty Limited, The Quantum Group Pty Limited and PFD Food Services Pty Ltd.



Communicating our human rights expectations

We have a comprehensive set of policies that articulate our human rights expectations to our team and provide transparency on how our team can lodge a workplace grievance. The implementation of policy commitments is supported by our People team, which provide specialised advice to team members on human resources matters. We also have an ambition to embed a rights respecting approach across our business. This year, we continued to conduct briefing sessions with relevant team members, including our Customer Hub team on escalation procedures for human rights and modern slavery concerns, and the Fresh Produce team on identifying forced labour risks during site visits. In F24, we will launch an introductory e-learning module for team members on human rights. The following policies are those that are most relevant to preventing modern slavery among our team members:

POLICY	PURPOSE	F23 IMPLEMENTATION ACTIONS
Code of Conduct (CoC)	How we expect team members (including contractors) to behave towards each other, our customers and the broader community, including compliance with the RS Policy.	Updated in F23, including a specific case study on RS. All team members are required to complete CoC training during induction and then on a regular cycle.
Respectful Workplace Policy	Sets out our expectations that all team members treat everyone with respect when at work, when representing our businesses or when interacting with team members outside of work.	Updated in F23. New training module released and completed by all team members as part of CoC training.
Right to Work Policies	Promotes compliance with Australian and New Zealand immigration laws so that team members' working rights are respected.	Available to all team members on the Group's internal People Portal. Review scheduled for F24.
Fraud, Anti-Bribery and Corruption Policy	Articulates our commitment to complying with laws and regulations addressing fraud, bribery and corruption in each country we conduct business.	Updated in F23. Annual training module completed by relevant team members.
Safety, Health and Wellbeing Policy	Outlines our commitment to physical and psychological safety and health of our customers, team members and business partners.	Available to all team members on the Group's internal People Portal.
Team Member Speak Up Program	An anonymous reporting channel for team members (including contractors), their families and associates to raise serious matters they don't feel comfortable raising through other channels, including breaches of the law and/or conduct that breaches our CoC or policies.	Appointed a new third party provider to improve accessibility of the program, especially for speakers from non-English backgrounds. Team members received training on the program as part of CoC training.

Monitoring compliance in our direct operations

We recognise that controls that are operating effectively are essential to reduce the risk of modern slavery. We have implemented controls to check that we are meeting our legal and policy requirements to our team members. These include:

- + verifying the age of candidates prior to them commencing employment
- + where relevant, requiring team members to verify that they are 18 years or older and that they are licensed or trained to operate machinery
- + communicating our grievance mechanisms, including Team Member Speak Up, through training, posters in-store, on site and online
- + enhancing rostering and time and attendance processes and instruction so that our team members are paid correctly in accordance with applicable industrial instruments
- + conducting an end-to-end pay review to assess our historic compliance with numerous modern awards, enterprise agreements and various legislative entitlements, and continuing to remediate any shortfall where we identify it.

We recognise the fundamental human right to a safe and healthy work environment, and keeping our teams (including contractors) safe when they come to work is one of our core objectives. Tragically, two of our team members lost their lives at work during the year. We are deeply affected by this loss, and our thoughts remain with the families, many friends, and colleagues affected. A number of investigations into these events are ongoing and, while the outcomes may not be known for some time, we are working to make sure any learnings are implemented.

Indirect

We engage a proportion of indirect workers who support our business with ongoing labour to meet the short terms needs of the business, or the provision of services in Woolworths Group facilities. Our F23 forced labour risk assessment validated that, in our operations, this indirect labour carries an inherently higher risk of modern slavery. There are two categories of indirect workers performing work on our sites:

- + labour hire workers, who support activities such as the picking and packing of products in Australian and New Zealand DCs, or picking and packing online orders at CFCs
- + operations services workers, who perform regular work that the Group outsources to third parties, such as cleaning, trolley collection and security services.

This workforce is often characterised by a higher proportion of migrant and lower skilled workers who may be less aware of their workplace rights, alongside higher risk business practises such as subcontracting and tighter industry margins. Woolworths Group has less visibility and control over how workers are engaged, treated and remunerated, as they are engaged through a supplier or labour agency.

Due to these factors, we are cognisant to implement proportionate controls to mitigate the risk of harm occurring to workers performing work on our sites. We have approached this by:

- + conducting a review of our contracts with operations service providers. In F23, 88% of our contracts with operations services providers, and all contracts with labour hire suppliers in Australian DCs include, or are being negotiated to include, modern slavery mitigation requirements
- + ongoing internal monitoring, and external audits, of cleaning and trolley collection suppliers at our Group trading sites which have been in place since 2017 (see breakout box)
- + working closely with our Primary Connect DC team to understand the controls in place to manage modern slavery risks with labour hire casuals engaged in our DCs. To read more on this, see [page 22](#).

In F22 we reported that we had developed an end-to-end labour governance framework to improve oversight of compliance with workplace laws by third party labour in our operations. In F23, we developed a phased approach to implementing this framework, starting with security service suppliers, developing a process to pre-screen all security providers and exit any security suppliers who, after working collaboratively with them to attempt to resolve the issues, may not meet our labour rights expectations. Baseline audits for security suppliers will commence in H1 F24.

Temporary labour makes up less than 10% of Countdown's distribution centre workforce. In New Zealand, Countdown engaged an external legal firm to review its DC labour hire providers' employment contracts against key employment law provisions. A standardised contract is now being finalised to offer to our labour hire providers. As part of this new contract, we will address the need to strengthen contractual terms to effectively mitigate risk.

Managing risks with our cleaning and trolley collection suppliers

Cleaning and trolley collection suppliers continue to be a focus. In F23, 67 Australian trading sites were externally audited, and 32 sites were internally audited by Woolworths' Facilities Management Compliance team. Where non-compliance is identified, our approach is to partner with primary contractors to remedy breaches and provide an appropriate outcome for affected workers. However, if the non-compliance is sufficiently serious or the contractor does not cooperate in remediation, we will no longer engage the contractor. As a result of audits in F23, \$41,166 was repaid to 13 workers. Corrective actions will continue to be implemented as the audits progress towards conclusion. Compliance activities will continue in F24 aligned with our Facilities Management Compliance team's ongoing due diligence program.

In New Zealand, work continued to have all cleaner and trolley collector contractors at trading sites complete a social practice audit by Building Service Contractors New Zealand (BSCNZ). In F23, four of these contractors received critical non-conformances in their audits, including potential underpayments for voluntary retirement savings scheme, Kiwisaver, and incorrect payment for holiday pay. Three contractors are under a Countdown monitored management action plan, which requires contractors to review their employment agreement templates and to update all employment agreements, and conduct a wage assessment and address any underpayments. We continue to investigate the fourth contractor.



Our supply chain

In F23 we conducted a second set of forced labour risk assessments in our trade supply chain for own brand suppliers in food and non-food. We identified top inherent risks by country and commodity, relevant to our supply chain, with the results reaffirming that our current strategic priorities are appropriate to manage the most extreme forced labour risks in our supply chains. As with 2020, overall, we identified higher risks across more categories and countries in our food supply chain.

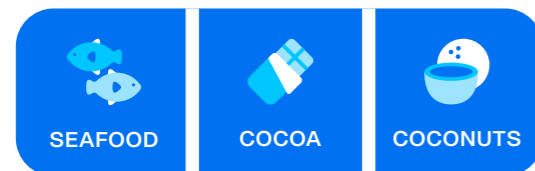


Food commodities

P Product **I** Ingredient (indirect)

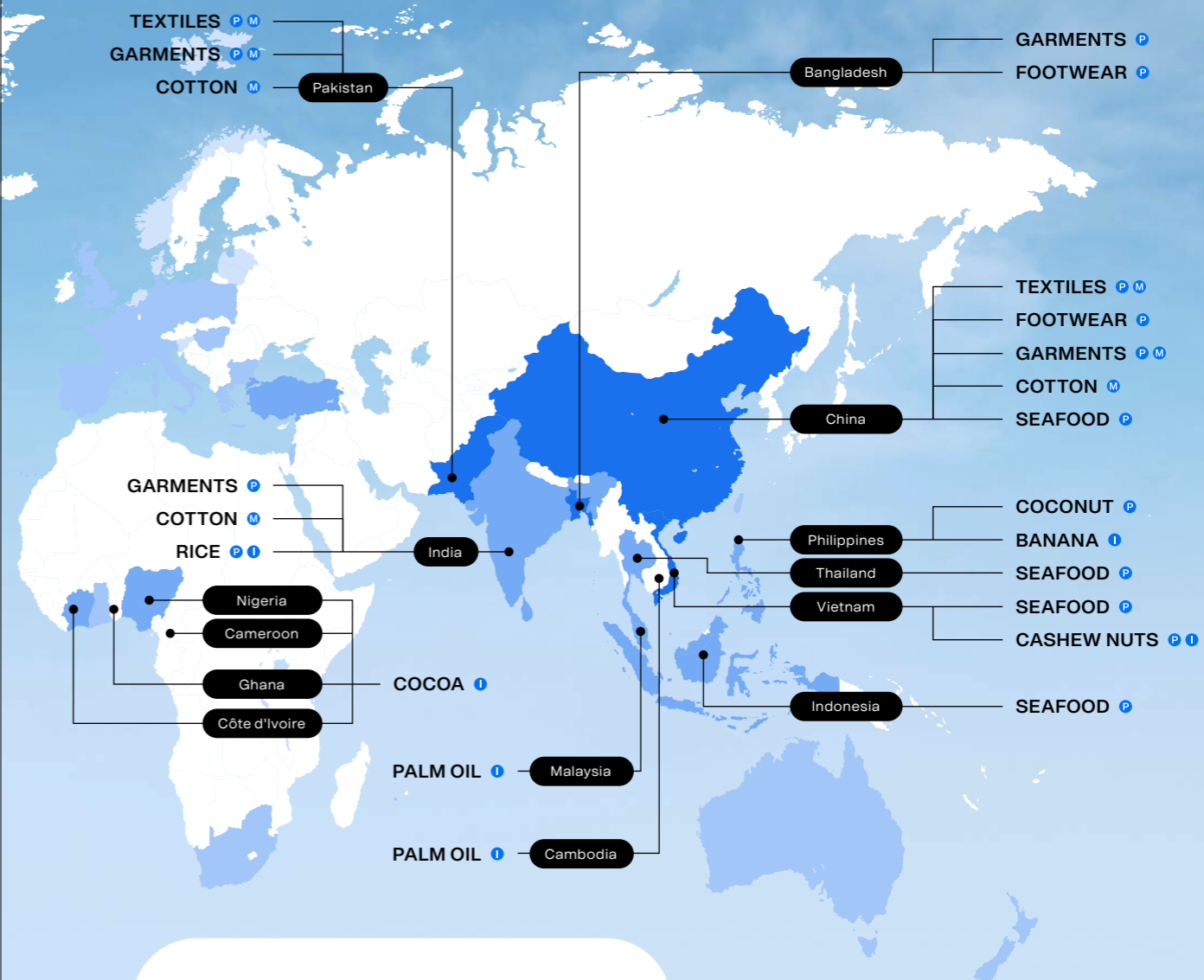
Our food commodities forced labour risk assessment considered both product and ingredient risk for all own brand products developed by Woolworths Food Company (WFC). Five of the 47 reviewed categories are identified as having extreme risks of forced labour. Inherent risks of child labour are more prevalent than forced labour, with known cases of child labour occurring in eight sourcing countries across four commodities, compared to four countries with identified forced labour cases.

Top 3 risks



100% of our own brand tea, coffee and cocoa products are sourced from independently certified sources such as The Rainforest Alliance®.

47% of cocoa used as an ingredient in own-brand products is sourced from independent certified sources, and we are working towards 100%.



Non-food products

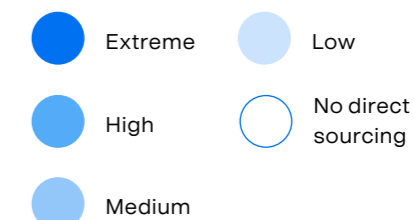
P Product **M** Material (indirect)

Four countries across Asia have the most extreme inherent risks of forced labour in our own brand non-food trade supply chain. Risks are most prevalent in the garment and textiles supply chain, including where cotton is sourced as a raw material. Known cases of child and forced labour are present in three countries.

Top 3 risks



Global supply chain risk landscape



When on-boarding new suppliers we look at inherent country and commodity risk as part of the selection process.



Our Responsible Sourcing Program policies and resources

Our RS Program provides the framework through which we manage modern slavery risks in our supply chain. It is operationalised through a number of policies, standards and addendums, with further support offered in guidance material. Our policies and procedures are regularly reviewed and, as our program matures, have greater applicability across our non-trade supply chain and new majority owned Group businesses. All framework documents are publicly available on the Woolworths Group website, and any changes are communicated to directly impacted suppliers and our team. Suppliers are further briefed on the overall RS Program through interactions with the team throughout the year.

POLICY/RESOURCE	PURPOSE	KEY F23 IMPLEMENTATION/UPDATES
Responsible Sourcing Policy	Sets expectations for our operations and all direct suppliers in relation to human rights and responsible sourcing, including modern slavery.	Updated to include non-trade suppliers and majority owned businesses in scope of Responsible Sourcing Standards.
Sustainable Cotton Policy	Sets out the minimum social and environmental requirements that apply to Woolworths Group own brand products containing cotton, including traceability requirements which seek to mitigate against forced labour risks.	Developed a sourcing strategy and roadmap, trained relevant team members and suppliers and issued a cotton sourcing questionnaire to 34 strategic suppliers.
Supplier Speak Up Policy and service	Independently-hosted reporting channel for all suppliers and workers, their family and community members to raise concerns confidentially and (if desired) anonymously. Potential cases of modern slavery can be raised via Supplier Speak Up.	Onboarded a new service provider, added two in-country hotlines, re-communicated the service to key suppliers and investigated 23 issues raised via Supplier Speak Up. See pages 24–25.
Responsible Sourcing Standards	Detailed requirements for in scope suppliers. The Standards address the ILO's core conventions including forced or compulsory labour. Issued with supporting Guidelines.	Updated expectations for labour hire and working hours to further strengthen modern slavery controls. Our progress is reported on pages 13–20.
Requirements for Labour Hire Providers in our Australian Horticulture Supply Chain	Outlines specific requirements relating to the engagement of labour hire providers by businesses in our Australian horticulture supply chain.	Updated to provide clarity on businesses in scope, transport and accommodation, deductions and compliance criteria. Released additional guidance and a checklist to support suppliers in their due diligence. See page 16.
Responsible Recruitment Addendum	Sets out supplier requirements, guidance and remediation protocols for two modern slavery indicators as they relate to the recruitment of migrant workers in our supply chain.	Updated definition of fees and related costs. Rolled out with 11 Malaysian suppliers and launched in Thailand. See page 19.
Child Labour Addendum	Sets out supplier expectations and remediation protocols relating to the respect for children's rights and the prevention of child labour in our supply chain.	Targeted supplier engagement to raise awareness and lift supplier capability, including articles in our supplier newsletters and training during virtual supplier roadshows.
Human Rights Grievance Process	Outlines the principles and procedures followed during human rights investigations.	Launched a grievance and remedy e-learning course for own brand food suppliers.
Supplier guidance on developing effective grievance mechanisms	A resource to help our suppliers better understand our expectations for implementing effective site level grievance mechanisms.	Shared on an as needed basis, often as part of remediation.
Supplier guidance on overtime hours	A resource to help our suppliers better understand our expectations on overtime hours, including a checklist to help monitor overtime management systems.	Updated to reflect specific requirements related to Young Workers. Shared as needed, often as part of remediation.

Supply chain — trade

Woolworths Group has one of the largest retail supply chains in Australia. We work with approximately 10,000 direct trade suppliers of vendor brands, own brand and fresh produce that approximately 24.5 million customers buy instore or online every week. There are tens of thousands more suppliers that contribute to our trade supply chain through the provision of goods to our direct suppliers. These indirect suppliers are often referred to as tier two or suppliers at lower tiers.

Trade products span an array of categories, including apparel, food, general merchandise, toys and homewares, all of which have different modern slavery risk profiles. We also know that modern slavery risks are often found at lower supply chain tiers, including in raw material extraction.

Our RS Program provides governance for how we manage key human rights risks in our supply chain. Taking a risk-based approach:

- suppliers of vendor branded goods are required to have established arrangements and processes which are consistent with our commitment to responsible sourcing and upholding human rights outlined in the RS Policy
- suppliers of own brand and fresh products are in-scope of our RS Standards, and are segmented into four risk categories which informs their due diligence requirements (see table below). The minimum to priority segments reflect low to high risk, and the specialised segment recognises the unique risks to migrant workers in our Australian and New Zealand agricultural supply chain.

Our RS framework articulates how our risk-based supplier segmentation drives due diligence requirements

	ALL	MINIMUM	MODERATE	PRIORITY	SPECIALISED
Number of non-vendor branded supplier sites		665	184	484	627 ³
8. Annual Unannounced Site Visit¹				✓	✓
7. Implementing a Corrective Action plan				✓	✓
6. Sharing Audit Report			✓	✓	✓
5. Mutual Recognition Audit Schemes²			✓	✓	✓
4. Supplier Self-Assessment		✓			✓
3. Training and Education		✓	✓	✓	✓
2. Responsible Sourcing Standards		✓	✓	✓	✓
1. Responsible Sourcing Policy	✓	✓	✓	✓	✓

1 Certain suppliers are selected based on risk profile.
 2 We accept eight social compliance schemes: amfori BSCI, Sedex, SA80000, ICTI, WRAP, Fair Farms, Global GAP GRASP, and the NZGAP Social Compliance Add-on.
 3 Direct suppliers of Australian and New Zealand fruit and vegetables and Greenstock meat suppliers.

Where we source own brand products

Woolworths Supermarkets prides itself on being Australia's Fresh Food People, this year sourcing 97% of all fresh fruit and vegetables and 100% of fresh meat, sourced by Greenstock, from Australian farmers and growers. Similarly, 100% of fresh meat for Countdown Supermarkets is sourced from New Zealand.

Of the other Woolworths Group branded products, 68% of the food category is manufactured in Australia and New Zealand, with non-food categories such as general merchandise, and health and beauty, sourced mainly from China (80%) and Australia (5%). There are 402 sites supplying BIG W branded products – of these, 91% are sourced from China and Bangladesh.



Our Responsible Sourcing Program

Suppliers in the moderate, priority and specialised risk segments require third-party audits which check for key forced labour indicators. All audits are graded against four possible outcomes – zero tolerance (ZT), critical, moderate, and minor – and forced labour indicators, among others, are considered a ZT issue. Moderate or minor non-conformances (NCs) are addressed during the audit cycle as part of the scheme follow-up, while our team prioritises ZT and critical NCs for follow up. Audit frequency is based on audit outcome; suppliers with a minor and moderate grading are typically re-audited every two years, while those with a critical or ZT outcome are on an annual cycle, with the latter also subject to an issue specific interim audit.

A total of 885 supplier sites were audited in F23. Of those, seven were graded ZT and 238 had critical NCs.

F23 RS audit outcomes – managing zero tolerance cases

This year, as part of our approach to continuous improvement of strategic prioritisation, we updated our ZT case management with a severity matrix to assess human rights impacts based on their scale, scope, and remediability. As a result, seven ZT cases were identified this year:

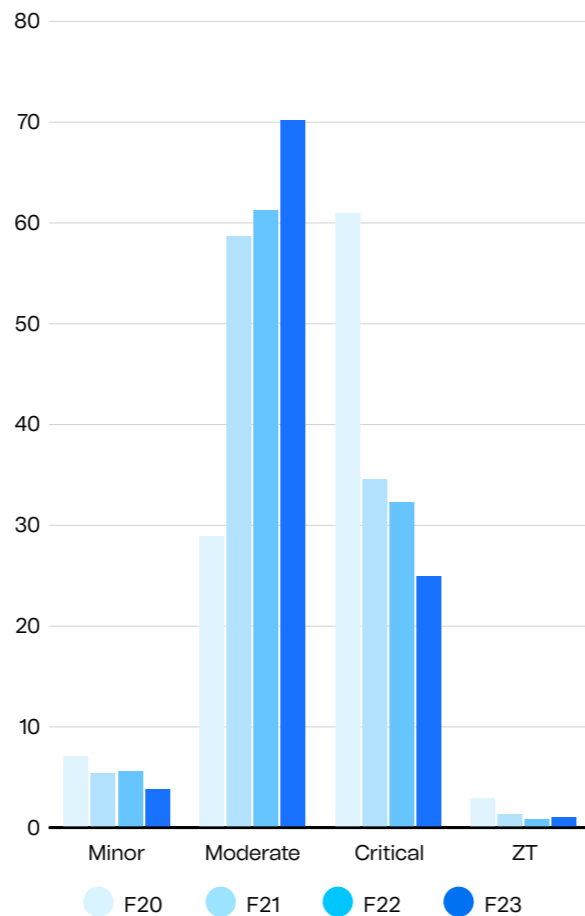
- + one site in Malaysia recorded a potential forced labour indicator of restricted freedom of movement related to security deposits. The supplier amended their leave policy to remove the requirement for workers to leave a cash deposit prior to travel
 - + four sites across China and Thailand were flagged for inconsistent records. All issues in China were addressed and closed by the auditor, and business was terminated with the site in Thailand as documents could not be verified
 - + one supplier in China immediately rectified a potential ZT related to the site's anti-bribery and corruption policy
 - + one supplier in Australia was found to be paying below minimum wage and incorrect overtime, which has since been remediated
- NCs that are determined not to be a ZT are managed as critical issues.

F23 RS audit outcomes – a critical issues approach

We work with moderate and priority risk suppliers with critical NCs to co-develop corrective action plans and, in some cases, conduct site visits to assist in capability building and issues monitoring. This year, 67 (28%) sites closed critical NCs, as verified by a third party. We conducted 48 virtual and onsite visits with suppliers who had a critical NC across our Asia supply chain, of which 31 sites improved their audit grading following the visits.

To address the systemic nature of the remaining critical NCs, a critical issues management squad was established. The squad:

- + identified that NCs relating to building and fire safety certification remain the most recurrent, accounting for 42% (F22: 46%), and environmental permits account for 27% (F22: 25%), largely due to government processes that prevent suppliers from accessing documentation in a timely manner. We estimate 10% can be addressed in the short term, and in F24 we will create procedures to manage the remainder
- + developed guidance on managing suppliers with shared facilities and conducted 13 new site assessments using the guidance
- + enhanced supplier pre-screening, including assessing modern slavery risks. One hundred and eleven sites were reviewed and 16 sites were rejected for reasons including severe fire safety and wage management.



'Beyond audit': Worker voice and responsible purchasing practices

Social compliance audits are an integral control in our RS Program. Whilst 'routine' RS audits continue to identify ZT and critical issues at supplier sites, including modern slavery indicators, we recognise the need for due diligence tools 'beyond audit' that enhance our identification of modern slavery risks and elevate insights directly from impacted workers.

In F23, we partnered with Ulula and AskYourTeam, two providers of technology driven worker-engagement platforms, to deploy worker voice tools that capture worker sentiment through anonymous feedback on topics including wages, wellbeing, health and safety, and accommodation. This year we commenced surveys in different parts of our supply chain to pilot where these tools can be most effectively deployed. This includes to:

- + support small farms due diligence in Australia (see breakout box below)
- + enhance investigations (see page 25)
- + enable feedback from workers on the implementation of fees remediation in our first identified case of modern slavery (see page 18).

Early results suggest that worker voice surveys can help identify issues that are more challenging to surface in a routine audit, such as discrimination or the effectiveness of grievance mechanisms. Insights from these pilots will inform how worker voice initiatives can be integrated into our beyond audit framework in F24.

Responsible Purchasing Practices

We recognise the role we play in promoting responsible supply chains through our purchasing practices. Purchasing practices refers to the way we, as a procurer of goods and services, interact with our suppliers. Responsible Purchasing Practices (RPP) is a commitment to enact policies and procedures that do not have a negative impact on wages and working conditions in the supply chain. In F23 we took steps to advance our RPP strategy, including:

- + 81 BIG W team members across commercial, quality, responsible sourcing and sourcing completed e-learning on fair terms of payment and responsible exit of supplier relationships. 93 BIG W suppliers have also been invited to participate in RPP training
- + commenced the development of an internal Responsible Exit Policy for WFC to provide guidance on terminating supplier relationships related to RS breaches with consideration for human rights risks.

In F24 we will seek to expand our RPP work into our food business with a focus on developing RPP training and guidance, including labour costing.

A tailored approach for small farms through worker voice

Our fresh produce supply chain was selected as a 'test and learn' for worker voice surveys with a focus on small farms. During consultation, small growers told us that worker voice tools could help proactively identify issues impacting workers and, in doing so, help reduce or eliminate the costs of audits. From May 2023 to March 2024, worker voice surveys will be deployed at 13 fruit and vegetable growing and packing sites – at six direct supplier sites and seven second tier growers. To date, four surveys capturing 30 workers have resulted in an average worker sentiment score of 94%. Issues related to labour hire management and effective grievance mechanisms were identified and followed up. A further nine surveys will be conducted in F24 during peak season, including follow-up on F23 surveys. If proven effective, worker voice tools will be considered in our small farm strategy.

Building supplier capability – training and site visits

Increasing knowledge of our suppliers to address modern slavery risks is a key part of our program. This year we conducted virtual and face-to-face training for suppliers across our global supply chain.

Asia: We held online RS Program introductions for 70 participants, and 809 participants attended our annual RS Supplier Roadshows, held in English, Mandarin and Bengali. In addition to the critical NC site visits, we conducted another 80 supplier visits for performance assessments and scoping in new sourcing countries.

Australia: Human rights, including modern slavery, were integrated into key commercial supplier updates throughout the year, including Woolworths Food Company's annual supplier update with some 419 suppliers, and the fruit and veg supplier update at Hort Connections attended by approximately 320 suppliers. Our Human Rights team conducted 26 supplier and industry stakeholder meetings during the event with a focus on modern slavery risk mitigation in labour hire. Two bespoke e-learning modules were launched for suppliers: 'An Introduction to Human Rights' and 'Grievance and Remedy'. Approximately 300 supplier representatives have completed these training courses, with plans to formally incorporate the training into supplier communications in F24.



New Zealand horticulture

The past year, Aotearoa New Zealand saw some of the worst extreme weather events experienced in recent history; Auckland Anniversary flooding and Cyclone Gabrielle wreaked havoc across the country and had a significant impact on our farming communities. In response to these crises, we took a number of steps, including providing \$700,000 recovery cash grants for affected growers; making a commitment not to end any growing agreements with growers in affected areas; and mitigating growers' increased costs of doing business from Cyclone Gabrielle. A tangible

Australian horticulture

This year we focused on completing baseline audits in higher risk fruit and vegetable categories – berries, citrus, grapes, stone fruit, cherries, brassica, tomatoes and cucumbers, with the following target: *By the end of F23 all direct suppliers of high risk products have completed a social audit of at least one growing or packing site for each supplying category, and where a supplier does not grow or pack, complete an audit at a strategic supplier site.* This led to increased visibility of both tier one and tier two sites in higher risk categories, with 273 sites audited across 163 suppliers to date. This represents 91% of our target group, and all remaining sites have a due diligence plan in place. To date, we have visibility of 524 Australian produce sites that have completed a social audit, representing 297 direct suppliers.

Both regulator commentary¹ and our audit trends indicate that RS compliance is improving in horticulture. Despite the increase in sites completing their first audit, the number of critical and ZT issues has marginally decreased year-on-year. Of the 117 critical issues, 27% were related to health and safety; 26% for inadequate systems in place to manage labour hire providers (LHPs), including the right to work, deductions, and contracts; and 16% related to underpayments and overtime wages. Where issues were identified, our team monitored supplier remediation, including improved fire safety controls, improved LHP monitoring involving right-to-work checks, and reviews of worker contracts, payslips and timesheets, and repayments to workers.

Managing risks with labour hire providers in Australian horticulture

Implementing effective controls to manage risks where LHPs are used in our fruit and vegetable supply chain continues to be a priority. This year our focus was on building capability across industry to maximise the effectiveness of the third party systems to improve data capture; strengthening our controls for LHPs related to forced labour risks; co-creating tools for suppliers to conduct due diligence on LHPs; and engaging with industry on a National Labour Hire Licensing Scheme.

example of this was assisting a supplier in Gisborne with the cost of trucking in water for their salad house, which was essential to getting the site operational again.

As a result, RS audits in New Zealand were paused in impacted regions so the industry could focus on recovery. 25 audits were reviewed in F23, identifying three critical NCs related to lack of oversight of LHPs. Eighty-nine suppliers have now completed their baseline audit, and the remaining 37 New Zealand based sites are a priority for F24.

Key actions and outcomes of this work to date include:

- + consultation with Sedex – a data platform to store, share and monitor social compliance assessments – to update their self-assessment questionnaire (SAQ) to capture more information related to LHPs. The SAQ will go live in H1 F24
- + working with Fair Farms – an industry-led training and certification program for fair and ethical employment practices on farms – to include LHP information in supplier profiles. This was implemented in April and since then, of our suppliers who are Fair Farms members, we have visibility that 129 use LHPs to source labour across 283 sites. Through additional checks we found that six LHPs were not compliant with our requirements and we are working with suppliers to rectify the issues
- + updating our [Requirements for Labour Hire Providers in our Australian Horticulture Supply Chain](#) to address stakeholder feedback and improve controls regarding:
 - monitoring LHPs, including subcontractors and LHPs in countries of origin that assist suppliers and/or their direct LHP in the recruitment of workers
 - legal compliance and monitoring of accommodation and transport provided by suppliers, and/or the LHPs
 - deductions of workers' pay should be reasonable and agreed in writing
 - expansion of Woolworths Group-approved compliance options to include third party scheme membership and audit.
- + launching a [Guidance Document](#) and [Checklist](#) to support suppliers to implement our requirements for LHPs
- + 192 supplier contacts completing the bespoke e-learning module 'Labour Hire – what you need to know'
- + launching a LHP verification pilot, On The Level, developed by The Fair Hiring Initiative. Four LHPs have been selected for the pilot which service a number of suppliers in higher risk produce categories.

¹ Steve Ronson, Director of Compliance, Fair Work Ombudsman (7 June 2023), Presentation at Hort Connections Plenary session, 'Navigating the new workforce'.

Targeted risk-based due diligence

Guided by our forced labour risk assessment, we understand modern slavery risks are more prevalent in commodities sourced at lower supply chain tiers. These are often commodities used as an ingredient, or raw materials in final stage manufacturing. Material risks in this area include seafood, cotton and meat processing, bulk dry commodities and products sourced from Malaysia. These areas form part of our targeted workstreams to address specific modern slavery risks and are discussed below.

Seafood

Our F23 forced labour risk assessment confirmed that seafood remains the top modern slavery risk in our food supply chain. The severity of forced labour, human trafficking and debt bondage risks in seafood varies across location, species and gear type (catching method), and risks are increasingly exacerbated by changes in fishing patterns due to climate change¹. In addition to updating our [Seafood Sourcing Policy](#) with human rights provisions, this year we took steps to further segment and prioritise our seafood risk focus areas.

Seafood risk assessment

In partnership with a third party seafood expert, we conducted a seafood risk social responsibility assessment, including a country level risk assessment and a tier two operational risk assessment for 115 packaged own brand seafood products. The methodology included 35 globally accepted indexes, including data from the Global Slavery Index, World Bank governance indicators and vessel/trip specific data.

This risk assessment took into account the species, gear type/farming type, as well as the raw material country of origin. Through this analysis it was identified that the raw material in Woolworths Group's own brand packaged seafood is sourced from at least 23 different

Meat

One hundred percent (49) of our fresh meat suppliers, including abattoirs and boning rooms, that provide products to Greenstock, Woolworths meat business, have completed a social compliance audit. This year, 37% of audits revealed critical non-conformances in the areas of health and safety (39%), wages and benefits (13%) and hiring, disciplinary and termination practices (12%). Seventy-two percent of critical issues are now closed with \$32,000 returned to workers. Audits also identified non-compliances relating to LHPs at 43% of sites where they are utilised. In the most extreme cases, mismanagement of LHPs led to deficiencies in verifying contracts, working hours, and wages and deductions. As a result a number of suppliers have updated their contracts, verified that working hours were aligned with Modern Awards and clarified deductions. In F24 we will work with industry to extend our Addendum on Labour Hire Providers to Greenstock suppliers.

¹ UK Office of the Independent Anti Slavery Commissioner (2018) 'Modern Slavery, Environmental Destruction and Climate Change: Fisheries, Field, Forests and Factories'.

source countries. Fifty-six percent of these source countries are assessed as high risk for modern slavery. Considering combined country and species risk, tuna was identified as the highest risk product type, with 92% of tuna raw material sources classified as high risk, followed by shrimp and prawns at 17% high risk.

Priority focus on our tuna supply chain

We have taken a number of steps to strengthen controls in our tuna supply chain:

- + updated the own brand Supplier Agreement with traceability requirements for canned tuna suppliers. This information is used to conduct vessel level illegal, unreported, unregulated (IUU) checks and sanctions spot checks
- + scoped an on-vessel pilot project to conduct tier three and vessel level modern slavery risk assessments. Results will be reported in F24
- + commenced a pilot to test an end-to-end traceability software solution for a range of seafood products, including tuna.

In F24, we will also review our approach to tuna certification.

Commodities

This year we finalised a framework for managing commodity risks which includes templates to assist direct suppliers implement due diligence. Our F22 pilot with a dried-fruit and nuts supplier has yielded positive results; in F23 the supplier conducted RS due diligence for 25 high-risk suppliers, with our team gaining visibility of compliance at these tier two sites.

We also commenced implementation with suppliers where coconuts and tomatoes are ingredients in own brand products. In coconuts we are working through due diligence where commodity traders in the Philippines act as intermediaries for small-scale farmers. In our tomato supply chain we conducted a mapping exercise to identify and remove products where tomato concentrate may have links to higher risk regions.



Managing modern slavery risks in our Malaysia supply chain

Remediating our first identified case of modern slavery

Last year we disclosed our first identified case of modern slavery – in the form of debt bondage – at a supplier site in Malaysia. Six of the 11 International Labour Organization’s (ILO) forced labour indicators were identified during a routine audit in 2021, and validated in a forced labour audit in 2022, including that workers had paid excessive recruitment fees and security bonds that placed restrictions on freedom of movement.

Our Human Rights Program principles set out that “where potential situations of modern slavery are identified, we will always do the right thing, which means acting in the best interests of potentially affected workers”. In F23, we partnered with our supplier and third parties to remediate impacted workers and co-develop site level controls to prevent recurrence. Key actions included:

- + repayment of recruitment fees to 230 (98%) impacted workers totalling ~\$734,000
- + a local non-government organisation (NGO) oversaw the repayment process, including engagement with affected workers at multiple stages – workers were interviewed,

received a briefing session and written information in their language about the terms and conditions of the remediation program, and confirmed receipt of payment

- + repayments included 44 repatriated workers who were successfully located. Three workers in Myanmar could not be located, and the remaining amount of ~\$3,300 has been donated to our NGO partner to support their ongoing programs for migrant workers in Malaysia
- + a social compliance audit to verify that corrective actions such as an assessment checklist for LHPs and a “no fees” policy were implemented. While significant improvements were identified, further action was required by the supplier to fully remove travel security deposits for migrant workers
- + implementing a worker voice survey to capture worker sentiment and the fees repayment process. The survey results echoed findings from the various audits and provided valuable additional insights to inform the supplier’s action plan.

We will continue to monitor progress with this supplier through a cycle of audits, a second round of worker surveys and engagement in the Nepal Labour Hire Pilot (see below).

Partnerships and a pilot for systems change towards responsible recruitment

To meaningfully shift the dial on ending modern slavery it will take a dedicated multi-sector, multi-stakeholder and multi-year approach. Challenges are not isolated – risks of corruption permeate the recruitment supply chain¹ and migrant workers can experience discrimination that impinge on other civil and political rights. This year we partnered with the Fair Hiring Initiative to launch a pilot with five LHPs in Nepal to test the feasibility of verifying LHPs in the sending countries of migrant workers. If successful, we will seek to scale with global retailers to create demand for LHPs that are verified as adhering to responsible recruitment practices, ultimately linking ethical employers with ethical recruiters to mitigate the risks of debt bondage.

This year, Woolworths Group also assumed the role of Co-Chair of the Consumer Goods Forum (CGF) Human Rights Coalition, with a focus on increasing our leadership on responsible recruitment aligned to the Priority Industry Principles. We contributed to the publication of the CGF’s Guidance on the Repayment of Worker-paid Recruitment Fees and Related Costs; participated in a joint CGF and Fair Labour Association workshop in Kuala Lumpur on recruitment fees; and co-facilitated a webinar with Impactt for CGF and AIM-Progress members on the risks of unethical recruitment practices. In F24 we seek to work with Coalition peers on advocacy and pilot programs as we continue to address these complex issues.

Monitoring modern slavery risks and trends across Malaysia

We continue to monitor modern slavery risk across our 12 supplier sites in Malaysia through regular social compliance audits and the rollout of the [Responsible Recruitment Addendum](#) (see overpage). This year, 11 suppliers completed full or follow up audits. At one site, the audit revealed an instance of migrant workers having paid recruitment fees. Using our modern slavery response plan, we are partnering with the supplier to agree on a remediation plan.

We also received a fees repayment verification audit from another site that commenced remediation in F22. During the interview process, workers reported that they had been able to use the returned money to access healthcare for their families and pay for education for their children, among other things. This is a small but important contribution we have been able to make to identify and remediate forced labour risks, resulting in tangible outcomes for workers.

Since 2020, we have monitored the repayment of recruitment fees across four suppliers, with an estimated \$800,000 returned to 281 migrant workers. This year there were no instances of passports being withheld by suppliers or LHPs in Malaysia, an improvement from having identified and remediated this across six supplier sites over the past three years.

¹ Verite (2016) ‘An Exploratory Study on the Role of Corruption in International Labor Migration’ (page 11).

Implementation of our Responsible Recruitment Addendum – Malaysia

In F22 we launched our Responsible Recruitment Addendum (Addendum) to support suppliers with detailed requirements to help implement the CGF’s Priority Industry Principles (see bottom of page). Rollout was prioritised in Malaysia, and throughout F23 we engaged 11 suppliers across 12 sites in a detailed program of work to help them build policies and processes for responsible recruitment practices in their businesses:

- + all 11 suppliers met with our Human Rights team and Heads of Business at periodic meetings to discuss their key modern slavery risks
- + eight suppliers completed third-party training on responsible recruitment of migrant workers
- + six suppliers submitted migrant worker policies for review, with three making substantial changes to modern slavery mitigation clauses based on our feedback
- + five of six suppliers that have had a close meeting have developed, or have a time bound plan to develop, systems to recruit migrant workers aligned to the Addendum requirements from F24.

The exchange was two-way, with our team gaining unique insights into the Malaysian operating context and workforce challenges. Eight suppliers use labour agents to source workers, and the majority of source countries continue to be Nepal, Bangladesh and Myanmar. Eighty-six percent of surveyed suppliers said the Addendum helped build their capacity to meet the Employee Pays Principles. A condensed version of the Addendum requirements will form the basis for our new site onboarding processes in Malaysia from F24.

Launch of our Responsible Recruitment Addendum – Thailand

Thailand is the next implementation country for the Addendum. Whilst Thailand has the third strongest government response to modern slavery in the Asia Pacific region, exploitation persists, including in the form of recruitment fees and costs for migrant workers, creating the conditions for debt bondage, particularly in the fishing industry.¹

We have 26 direct suppliers in Thailand, employing approximately 43,000 people, mostly in manufacturing food, including canned and frozen seafood, canned vegetables and rice. Five suppliers provide non-perishable products and three supply non-trade items that are customer facing in Woolworths Supermarkets. Migrant workers account for 51% of the total workforce, the majority from Myanmar and Cambodia.

This year we updated the Addendum to include clearer definitions of recruitment fees and related costs, and updated resources from the International Organisation of Migration. These changes were based on feedback from supplier consultations in Thailand and our learnings from Malaysia.

We launched the Addendum at a meeting in Bangkok with representatives from 19 Thailand supplier sites. A guest speaker from Verite Southeast Asia provided insight into the local context in Thai, outlining common risk factors for both local and migrant workers and a representative from

the United Nations Global Compact in Thailand joined the discussion. Notable discussion points that we will consider during F24 implementation included:

- + many companies in Thailand recruit ‘walk-in’ workers, migrant workers who are already living in Thailand when recruited. They tend to be recruited directly via job postings, although some use agencies in Thailand to assist. Suppliers sought clarity over the reimbursement process for fees paid in this case
- + some suppliers face challenges with fraudulent recruitment agents falsely claiming to act on their behalf. The group discussed the need for clear industry-wide communication on fee-free policies, and safe avenues for workers to find legitimate job advertisements
- + suppliers indicated interest in workshops covering topics such as labour cost calculation, access to grievance mechanisms and more sessions to share learnings facilitated by Woolworths Group.

In a post launch event survey, 30% of respondents indicated they hadn’t heard of the Employer Pays Principle and Priority Industry Principles prior to the launch, and 88% of respondents said the launch increased their awareness of the principles and responsible recruitment practises.

Our Responsible Recruitment Addendum outlines our requirements to help suppliers meet the Consumer Goods Forum’s Priority Industry Principles



Every worker should have freedom of movement



No worker should pay for a job



No worker should be indebted or coerced to work

¹ Walk Free Foundation (2023), *The Global Slavery Index 2023*, 183.



Managing modern slavery risks in our cotton supply chains

Cotton remains our top non-food risk in our trade supply chain, verified by our F23 forced labour risk assessment. We remain vigilant in monitoring global cotton-growing regions that are the subject of allegations, or known cases of child or forced labour, including Uzbekistan, Turkmenistan, India and XUAR in China.

This year we continued to take a steady approach to the implementation of our [Sustainable Cotton Policy \(Cotton Policy\)](#) across our core retail businesses, BIG W and Woolworths Supermarkets. BIG W utilises 96% of the Group's cotton consumption for own brand products and leads on the development and implementation of our due diligence tools. We are committed to partnering with our suppliers to improve transparency in the cotton supply chain and to be systematic in our approach to validating certifications accepted under the Policy. In F23, 9.6% of BIG W's cotton consumption was sourced from an approved sustainable cotton certification and/or program as per the Cotton Policy.

This year we:

- + trained over 140 team members and 80 BIG W own brand suppliers on the Cotton Policy and guidance material with high levels of engagement across the sessions
- + conducted a gap analysis of our resources, systems, and processes for managing risks in our cotton supply chain, resulting in updates to our supplier management system to enable tracking of cotton certifications and sustainable material data; and the refinement of our standard operating procedures for validating third party certifications

- + updated our supplier assessment questionnaire to improve its usability based on supplier feedback. Eleven suppliers representing 32% of BIG W's own brand cotton consumption have been assessed against the minimum sourcing requirements of the Cotton Policy, improving our visibility of fibre origin
- + developed business unit sourcing strategies prioritised by risk, cost and supplier readiness
- + established a strategic partnership with Cotton Australia to explore opportunities to bring high quality, sustainable Australian-grown cotton to our customers at great value.

In F24, BIG W will enhance the data collection process to enable more robust half yearly reporting on cotton consumption to maintain focus on transitioning supply to an approved certification or program; establish a testing program with Oritain; grow our partnership with Cotton Australia; and explore partnerships such as the Sustainable Apparel Coalition and Textile Exchange to enhance program delivery.

In addition, Woolworths Food Group has 10 own brand suppliers in the home essentials and health and beauty categories in scope of the Cotton Policy, six of which are shared suppliers with BIG W. One supplier meets our requirements for sustainable cotton, and we have developed a plan to work with the remaining nine to move towards sustainable cotton sources. This process has started with a data collection exercise to assess each supplier's current and future capability to supply cotton sourced through one of our accepted standards or program. This exercise also assesses each supplier's traceability capabilities, with the aim to increase end-to-end visibility of our cotton supply chain.

Managing risk in our uniforms supply chain

In F23 we onboarded an additional three uniform suppliers and RS audits have been completed at two sites. We also reviewed small volume suppliers in order to provide a catalogue of customisable apparel options for the business that meets RS requirements. This year, we also commenced a uniform refresh for Metro and Countdown. Our preferred supplier for Countdown was issued the cotton questionnaire, and a sustainable cotton pathway will be identified in H1 F24 as this sourcing project progresses. The questionnaire will roll out in F24 to other uniform providers, with BIG W training and engaging suppliers based on their lessons learned.



Supply chain — non-trade

We source products and services from over 7,000 direct non-trade suppliers to support our operations. We take a risk-based approach to partnering with our non-trade suppliers to manage modern slavery risk in our supply chain.

Strong policies, contracts and targeted approaches for areas of higher risk are the key mechanisms we have implemented to mitigate modern slavery risk in our non-trade supply chain. The sourcing of non-trade goods, equipment and services is managed by our Non-trade Procurement team and governed by our Woolworths Group Procurement Policy. All non-trade suppliers are required to comply with our RS Policy, and all template contracts include modern slavery clauses and mandate compliance with our RS Policy. Ninety-eight percent of contracts with inherently higher risk non-trade suppliers have modern slavery clauses, and work is ongoing to amend existing clauses with remaining suppliers. The Human Rights team regularly engages with the Procurement team at procurement town halls and leadership meetings to discuss evolving risks.

Our F23 forced labour risk assessment validated that the areas of highest risk in our non-trade supply chain have remained consistent from F20, except for an increase in the inherent risk of uniform sourcing. We continue to prioritise due diligence in risk areas, including uniforms, renewable energy equipment, and transport services. Transport services' risk rating is consistent with the proportionately higher number of Supplier Speak Up grievances that we received regarding our transport service supply chain in F22 and F23. The Group engages transport services suppliers who provide logistics support to stores and CFCs, and last mile delivery partners who deliver products to customers. These suppliers are managed by our Primary Connect and WooliesX businesses. Due to the complexity of this supply chain, we have developed BU-specific approaches to more effectively mitigate modern slavery risks (see pages 22–23).

Our property development business, Fabcot, is also exposed to modern slavery risks inherent in the construction industry. Given the complexity of this area, we are working with the Fabcot team to develop a fit-for-purpose framework for managing modern slavery risks.

Renewable energy equipment

We recognise the inherently higher risk in the procurement of raw materials used to manufacture renewable energy equipment, such as polysilicon from China and cobalt for lithium-ion batteries from the Democratic Republic of Congo. Our sustainability goal to be powered by 100% green electricity by 2025, and over the longer term achieve net positive emissions, has required the ongoing procurement of renewable electricity equipment, including solar panels and electric vehicles (EVs). We are taking steps to both address modern slavery risks and drive green electricity uptake.

This year, we have continued our partnership approach with solar panel providers through 1:1 meetings to monitor their ongoing efforts to improve transparency in their supply chains. As the Group activates its transport decarbonisation strategy, human rights considerations have been embedded in the pre-screening phase for EV suppliers. All potential EV suppliers for Woolworths branded vehicles completed an SAQ tailored to the specific risks of EV manufacturing. Responses were reviewed by the Human Rights team, who supported the project delivery team to identify preferred suppliers based on their level of transparency over their supply chain. Transparency obligations were then cascaded in the contract, and we will continue to monitor EV suppliers as the Group evaluates its ongoing procurement of EV.

Supplier grow

In F22, we reported that Woolworths Group had commenced a program called 'Supplier Grow'. The program focuses on the development and enablement of a supplier management framework within our procurement process to support the identification and mitigation of risks and improve supplier management across our non-trade suppliers. As part of the engagement and onboarding of all non-trade suppliers, triage questions relating to human rights are completed by the business within the purpose-built risk module. If there are any human rights risks identified, the system requests the supplier to complete a human rights control assessment. These responses are then reviewed by the Human Rights team to determine whether the supplier has appropriate controls in place to respond to the identified risks. In F23, Supplier Grow was successfully deployed across core business units (BUs) and selected suppliers with a focus on building awareness and capability across the Group. As we head into F24, deployment will focus on scaling the rollout across our wide non-trade supply base and continuing the identification and mitigation of modern slavery risks.



Primary Connect

Primary Connect is Australia and New Zealand’s largest food and retail supply chain and logistics company. An essential part of the Woolworths Group, Primary Connect delivers products to over 1,200 Woolworths Supermarkets, Metro Food Stores, BIG W Stores and CFCs. Primary Connect also deliver direct to business customers, and this service is called PC+.

Primary Connect stores products in 27 DCs across Australia, where our team, labour hire casuals and third party logistics (3PL) partners pick and pack pallets to store requirements, which are then transported by road, rail and sea, using a fleet of 1,300 road trailers and 68 carrier partners.

WooliesX

Once goods have reached a store or CFC through Primary Connect’s network, WooliesX then partners with multiple carrier partners to perform ‘last mile’ delivery services; that is, delivering online purchases from our stores or CFCs directly to customers’ homes. WooliesX is a business that combines e-commerce, technology, media and data teams to transform the way people shop and live through digital engagements.

WooliesX has four key carrier partners who, in F23, completed approximately 17.7 million deliveries of Woolworths products to customers. Most of these carrier partners deliver products in Woolworths Supermarkets branded trucks, with a smaller proportion engaged through an on-demand model.



International
Transporting goods from overseas to Australia



Primary Connect 3PL (PC+)
Supply chain solutions for business partners



Distribution Centres
Primary Connect storage of products until dispatched



Store Delivery
Transport from DCs to stores or CFC for eCom



Stores/ Last Mile
Replenishment in store or eCom delivery



Customers
End customers in store or through eCom

International

International shipping is a complex industry with unique risks, exacerbated by the physical remoteness of shipping and the restriction of movement for workers. The Group has direct engagement with three freight forwarding companies who we partnered with to import \$2.4 billion worth of goods in F23. Freight forwarders are instructed to only use ocean freight liners that the Group have approved and agreed terms with. This year, we engaged with our freight forwarders to re-communicate our human rights expectations. We then met with each freight forwarding company to further understand their processes and operations. The data collected in these sessions will be used to inform our F24 approach, including seeking to expand our partnerships approach via ongoing discussions with the Institute of Human Rights and Business on the Responsible Shipping Dialogue.

Distribution centres

In F23, we consolidated the number of suppliers who provide labour hire casuals in our DCs to two suppliers. This allows us to focus on collaboration and partnership with suppliers to drive positive outcomes for workers and the business. This year, we undertook a human rights controls assessment to understand what controls are in place to manage modern slavery risks with labour hire suppliers. We found that there are strong contractual and compliance controls in place, such as quarterly business reviews, but there are opportunities to strengthen ongoing monitoring to check that providers are operating consistently to their contractual and legal obligations. Implementation of this recommendation will begin in H1 F24. In F24, we will pilot a worker voice program to understand the experiences of labour hire casuals at key sites.

Store delivery

Our domestic network transports goods from Primary Connect and 3PL warehouses to stores and CFCs, as well as delivering direct to businesses for external customers. The Group does not directly employ team members to conduct this work; rather we use carrier partners to facilitate the transport of goods across our network. In F23, we conducted an end-to-end controls assessment to understand how the Group manages human rights risks with domestic carrier partners. We identified that contractual controls and quarterly business reviews were the main mechanisms in place to manage human rights risks, and found opportunities to strengthen the ongoing monitoring of suppliers to confirm they are complying with key contractual controls. In F24, we will embed improved ongoing monitoring measures.

Last mile

The vast majority of our home deliveries are fulfilled by our delivery truck network of Woolworths’ branded delivery trucks. To service community demand for online food and grocery delivery, we also have partnerships with a range of on-demand delivery platforms to complement our fleet of delivery trucks. We are conscious of balancing customer benefits with our responsibility to make sure all our suppliers are acting in compliance with workplace laws and treating drivers with respect.

We expect all delivery platforms to be safe, responsible and fair in their dealings with drivers. In F22, we developed a Fair Pay and Entitlements Framework to outline our minimum expectations of on-demand platform partners regarding rates of pay, working conditions and access to dispute resolution for drivers who are delivering on behalf of the Group. In F23 this framework was used in business reviews with each platform to discuss safety performance, rates of driver pay and working conditions. Through these discussions, we continue to improve transparency over on-demand partners’ drivers earnings, and receive regular safety incident reporting utilising an incident reporting framework that outlines the severity of the incident and the corresponding reporting protocols.

This year, human rights considerations, including modern slavery indicators, have been embedded into formal risk assessments when the Group is considering new partnerships with on-demand delivery platforms. The Human Rights team is engaged to assess the proposal, and makes recommendations on what controls need to be implemented so the partnership is within risk appetite, such as continued transparency on driver earnings and requiring compliance with our RS Policy.

The Federal Government has indicated it plans to introduce legislation to provide the Fair Work Commission with powers to set minimum standards in the on-demand economy. We support the creation of nationally consistent and enforceable minimum standards for on-demand work, so long as it preserves flexibility for drivers.



Grievance and remediation

We are committed to providing an effective and accessible grievance mechanism to receive and manage complaints about adverse human rights impacts in our operations and supply chain. In addition, our Human Rights Grievance Process provides clarity and transparency about our human rights investigations procedure and approach to remedy.

A focus on effectiveness is at the heart of both our grievance mechanism and our procedure for managing human rights investigations. This draws on international best practice, in particular UNGPs Principle 31 on effectiveness criteria. This year, we investigated a total of 44 human rights-related grievances raised by workers across our supply chain. These were raised through numerous channels, including our grievance mechanism, Supplier Speak Up; Customer Hub; third party channels including the interim dispute resolution mechanism from Action Collaboration Transformation on Living Wages (ACT) and the International Accord; unions; and information received directly from complainants themselves. We provide an overview of these cases below.

Indirect operations

In F23, our Facilities Management Compliance Team investigated 24 matters in the trolley collection and cleaning supply chains, including 17 grievances raised by workers through Supplier Speak Up, one from the Fair Work Ombudsman and six through direct contact or internal sources. Allegations included underpayments (80%), unfair dismissal (13%), subcontractor issues (4% and excessive overtime (3%).

Where non-compliances were identified, we partnered with our supplier to remedy breaches and provide outcomes for affected workers. Where appropriate, including cases where the supplier did not cooperate in remediation, further action – such as termination – was completed. As a result of these investigations, a total of \$165,625 was paid to ten workers. Once underpayments were rectified, six primary contractors were terminated from six sites, and six subcontractors were terminated across 25 sites. Consent was withdrawn for two subcontractors to provide any trolley collection and cleaning service to any Woolworths Group site.



Continuous improvement

In F23 we strengthened Supplier Speak Up by:

- + appointing a new service provider, Your Call, to improve intake of non-English reports
- + adding new hotlines in the higher risk countries of Malaysia and the Philippines, bringing the total to eight in-country hotlines for suppliers and their workers to raise complaints
- + distributing Speak Up posters in Malaysia, Bangladesh, Thailand and Vietnam. Posters are in the country's native language, with key messages translated into the main languages of migrant worker groups
- + reviewing the Speak Up website to address accessibility issues for people with a disability. Improvements include providing access to the Australian National Relay Service and New Zealand Relay Service to enhance Speak Up's accessibility for people who are d/Deaf or hard of hearing
- + implementing website improvements to make Speak Up easier to locate for complainants and the broader community.



Supply chain

In F23, our Human Rights team investigated 22 complaints regarding alleged breaches of our RS Policy and/or Standards, six of which were raised via Supplier Speak Up. Allegations ranged from safety concerns, underpayments, and poor working conditions, through to excessive overtime, victimisation, and forced labour. Fifteen of these investigations are now closed, with seven ongoing.

This year, seven of 22 complaints were from workers in our logistics supply chain. These included:

- + five complaints from home delivery drivers alleging underpayment of subcontracted drivers, unlawful deductions, bullying and/or unfair dismissal
- + one complaint from a driver in our secondary freight supply chain regarding rates of pay, unlawful subcontracting and working conditions
- + one complaint from a worker engaged by a labour hire provider at a Woolworths DC alleging they were being held to unreasonable performance targets and required to work excessive hours.

Where the allegations were substantiated, remediation was provided to complainants. This included: repayment of money deducted or underpaid; clearly communicating to our suppliers, and their subcontractors, that deductions for mis-deliveries are prohibited; and, with complainants' consent, referral of some matters for further investigation by Woolworths' direct supplier. In one case, more systemic issues were identified, and so a management action plan was agreed. This included independent audits of our supplier's subcontractors, including their policies and procedures for meeting Group requirements.

We are working closely with our logistics partners to strengthen subcontractor compliance in line with our requirements. Further, we are collaborating with our suppliers to improve the effectiveness of their own grievance mechanism.

A further eight of the 22 complaints received in F23 related to Woolworths' Supermarket's supply chain, across both Supermarkets and Woolworths Food Company. These included complaints related to horticulture, meat, tomato paste, pet food and bakery suppliers. The allegations against suppliers included: engaging unregistered and/or unethical LHPs; inappropriately placing workers on low award levels; unsafe conditions; inadequate medical treatment for a worker injured onsite; underpayment; and victimising workers for raising a complaint. We also engaged with six complaints raised by workers in the apparel supply chain through external partner mechanisms of ACT and the Accord. One complaint concerned allegations of unfair termination; two complaints concerned an alleged forced resignation of a worker; and another two related to underpayment of wages and entitlements. Two of these cases have been resolved via the Ready-Made Garment (RMG) Sustainability Council and Bangladesh Garment Manufacturers and Exporters Association process, and three remain under investigation. Further due diligence will be carried out at these sites in F24.

Investigating a potential case of forced labour in Vietnam

This year we received an anonymous grievance message from a factory worker in Vietnam, indicating they may be working under conditions of forced labour. This triggered an investigation, including a third party unannounced audit, independent forced labour assessment, and a worker voice survey to triangulate the audit findings. Whilst no forced labour was found, excessive overtime and consecutive work days beyond legal limits were identified. The assessment verified that workers had been paid correctly for the hours worked.

A digital worker voice tool to gain insight into worker sentiment was implemented as an additional layer of due diligence in this investigation. The survey questions were tailored to the findings from previous audits in order to understand the workers' perspectives on the issues raised. We partnered with a worker engagement specialist who provided training sessions and monitored confidentiality protocols during the survey's implementation on site. The survey findings were consistent with the audit outcomes.

We have closed our investigation but will continue to monitor and support the supplier's implementation of agreed remediation steps, including piloting a new productivity and efficiency scheme which aims to reduce the factory's reliance on overtime hours, while maintaining wages. In F24, a follow-up worker survey will provide insight on the effectiveness of implemented actions.

Assessing the effectiveness of our actions

We are committed to maintaining effective systems to identify, assess, respond to and proactively manage modern slavery risks in accordance with relevant legislation, international human rights standards, regulatory obligations, shareholder expectations and good corporate governance principles. This year, we remediated our first identified instance of modern slavery in our supply chain, reaffirmed our definition of effectiveness, and, accordingly, reviewed our effectiveness indicators.

Framework to test controls effectiveness

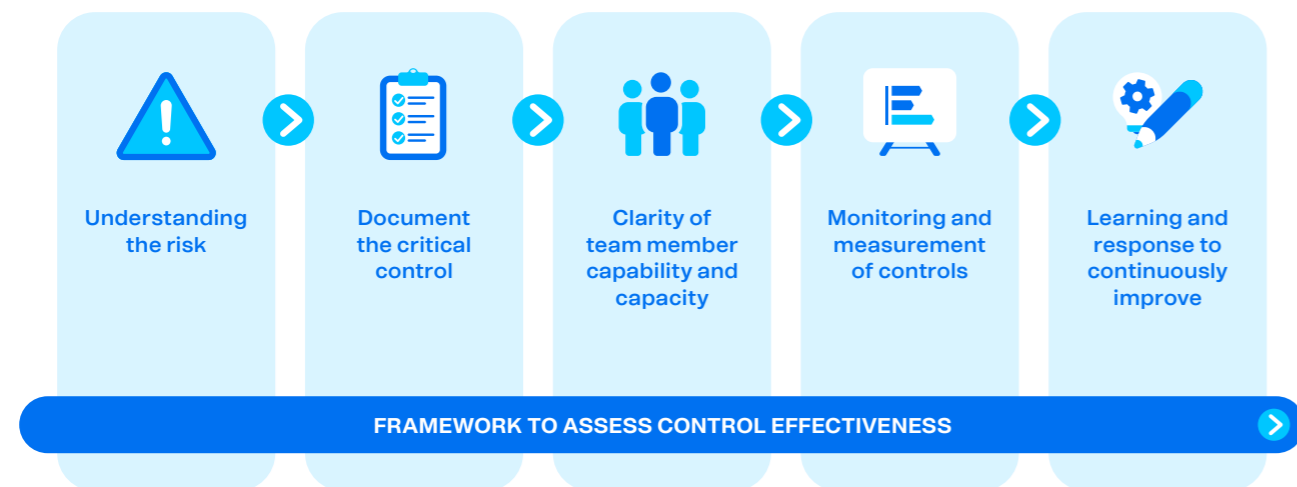
Our Group Risk Management Framework is based on the ISO 31000 (2018) Risk Management Standard and outlines our commitment to ongoing, integrated and consistent risk management across the Group. Identifying, understanding and assessing our modern slavery risks allows us to reduce the likelihood of negative impacts, and make risk-informed choices with confidence.

Our risk management objective is 'we are confident that we are operating effectively to the Woolworths Risk Appetite'. We have developed an approach that gives our teams confidence in the effectiveness of our system of controls in place to manage our risks and conclude as to whether we are operating effectively to appetite. This framework

consists of five pillars: risk understanding; critical controls; focus and capability; monitoring and measurement; and learning and response. In F23, we assessed our modern slavery risks and controls with cross-functional stakeholders from across the Group. This confirmed that our approach to managing modern slavery risks is in line with the Groups' risk appetite. The outcomes of this assessment, any actions and key metrics are reported regularly to the ExCo and the Board's Risk Committee.

We acknowledge that ongoing and proactive management of our risks help us identify how we can be better prepared for the impacts of current and emerging risks.

Group Risk Management Framework: we assess all five pillars to determine how confident we are that our material risk is operating to appetite.



Defining effectiveness and key indicators for F23

In F20, we established our Human Rights Program principles, and these continue to guide our modern slavery due diligence processes. At its core, we consider that an effective approach to modern slavery due diligence is one that enables us to identify actual or potential situations of modern slavery in our operations and supply chain, remediate these appropriately and take steps to address root causes.

Throughout the Statement where different activities are described, and where data is available, we have reported on the outcomes of our activities or actions. The table sets out key effectiveness measures for F23, aligned to our Human Rights Due Diligence (HRDD) Framework.

HRDD FRAMEWORK	KEY INDICATORS IN F23
Identify Risk assessment, supplier segmentation and horizon scanning	<ul style="list-style-type: none"> + Contributed to four large tender activities for high risk categories, where modern slavery considerations informed business sourcing decisions (F22: 3) + 40 tier two suppliers assessed for modern slavery risks across the dried fruit and nuts, and longlife tomato categories, leading to our first supplier segmentation at tier two sites (F22: 65)
Mitigate Policies and monitoring with SAQs, audits, site visits and worker engagement	<ul style="list-style-type: none"> + 885 current supply chain audits, with: <ul style="list-style-type: none"> - 15 sites where indicators of forced labour were identified (F22: 4) - Two suppliers exited for failure to remediate critical NCs (F22:1) - Seven zero tolerance non-conformances identified at seven supplier sites (F22:17 cases at 12 sites) + Worker sentiment collected from 215 workers in Vietnam and 157 in Malaysia resulting in actionable insights as part of investigations into modern slavery risk indicators + Launched five pilots to begin to address systemic modern slavery risks with regards to LHPs, seafood and horticulture.
Remediate Promote grievance mechanisms, provide remedy and take corrective action	<ul style="list-style-type: none"> + 230 workers remediated ~\$734,000 in recruitment fees at a supply site in Malaysia (F22: \$55,000, F21:0) + \$206,791 repaid to 23 workers in our cleaning and trolley supply chains (F22: \$184,000 repaid to 722 workers) + 14 workers remediated ~\$79,925 in recruitment fees in our Greenstock supply chain + One grievance raised with allegations of slavery-like conditions that, while not substantiated, resulted in increased due diligence at the supplier sites (F22: 2, F21:0)
Collaborate To build capability and address root causes	<ul style="list-style-type: none"> + 54 calibration meetings with third-party schemes and audit bodies resulting in improved controls for the management of labour hire providers (F22: 38 and improved ZT procedures) + One new external partnership to accelerate our response to mitigating modern slavery risks (F21:1) + 809 virtual attendees from 207 suppliers at the RS roadshow in Asia (F22: 464, and 335)
Communicate With all stakeholders regularly and transparently	<ul style="list-style-type: none"> + First retailer globally and third company overall in the 2023 Corporate Human Rights Benchmark, with a score of 42.1/100 + First company globally in the 2023 KnowTheChain Food and Beverage Benchmark, with a score of 56/100 + Participated in four business briefing sessions, with more than 100 participants, on our experience remediating our first case of modern slavery



Engaging with entities across the Group

The Group continues to evolve to provide customers with connected experiences across our different businesses, platforms and partnerships. This year, we matured our approach to assessing risk across Group businesses and continued to partner with businesses based on our level of control and influence.

Engaging and consulting with entities to prepare this statement

The development of this Statement was led by our Human Rights team, with input from a range of teams and functions, including Woolworths Food Group, BIG W, Primary Connect, WooliesX, Countdown, Legal, Procurement, Culture and People, and Risk. The Human Rights SteerCo and relevant members of the ExCo also reviewed this Statement. ExCo comprises the functional leads with key responsibility for the day-to-day management of Woolworths Group. Some of our ExCo members are appointed directors of our reporting entities and facilitate consultation between the reporting entities and Woolworths Group, and across our controlled entities, in relation to the development of this Statement.

M+A Human Rights Framework

Pre-acquisition

Due diligence

Conduct due diligence to understand the company's level and materiality of human rights (including modern slavery) risks, including reviewing relevant policies, their implementation and disclosures. Results conveyed to decision makers.

Determine risk level

Based on the materiality of human rights risks, determine what actions need to be taken as a priority to manage the risks once the new business becomes part of the Group.

Integration planning

Plan for the new entity to adopt, or align with, Group Responsible Sourcing Policy. Plan for own brand suppliers onboarded to Group Responsible Sourcing Program, including risk based segmentation and relevant due diligence.

Our framework for engaging across the group

This year, the Board endorsed human rights risks as a top five risk to be considered when making a new acquisition. Building on our existing consultation framework, we developed a Merger and Acquisition (M+A) Human Rights Framework, which is used to assess a potential new acquisition's human rights risks, and determine what actions need to be taken for the new business to meet the Group's human rights commitments. Once part of the Group, our due diligence and ongoing monitoring of an entity is commensurate with the level of control and influence the Group has over the entity based on the Australian Accounting Standards. Where the Group has a minority interest in a company, we take a risk based approach to determine the level of engagement.

Post-acquisition

Engagement

Wholly owned: Regular engagement via SteerCo, Squads and senior leader briefing sessions.

Majority owned: Engage with executive to set expectations, and with operational teams to monitor progress.

Ongoing monitoring

Wholly owned: Business accountable for ongoing monitoring, supported by Group.

Majority owned: Business provides progress reports as requested by Group.

Ongoing support

Wholly owned: Business embedded in Group Human Rights Program governance.

Majority owned: Group Human Rights team supports and provides guidance.

Implementing our framework for new and existing entities

During F23, we have continued to evolve our engagement approach as we embed the M+A human Rights Framework. For example, this year, the Group signed transaction documents agreeing to acquire a majority interest in a company (subject to the satisfaction of certain conditions). The Human Rights team was engaged in the due diligence process to determine the company's level and materiality of human rights (including modern slavery) risks. This involved reviewing relevant policies and disclosures, and meeting the company's management team to understand their approach. The results of the due diligence processes were conveyed to the relevant decision makers, including the Woolworths Group Board, as part of the decision on whether or not to agree to proceed with signing the relevant transaction documentation. Once the decision to proceed with the acquisition was made, the Human Rights team conducted a detailed human rights controls assessment with the new business to fully understand their approach to human rights, particularly for their own brand products, and these findings have been used to develop a detailed integration plan so that

the new business is clear on the Group's expectations in relation to modern slavery and human rights due diligence. The new businesses will then be supported by the Human Rights team in uplifting their processes where required to align with the Group's approach.

In F23 we had 19 1:1 engagements with senior leaders of majority owned entities and minority investments in relation to human rights (including modern slavery) risk management. This is a key mechanism for us to share our knowledge and build capability of our partners. Key outcomes this year included:

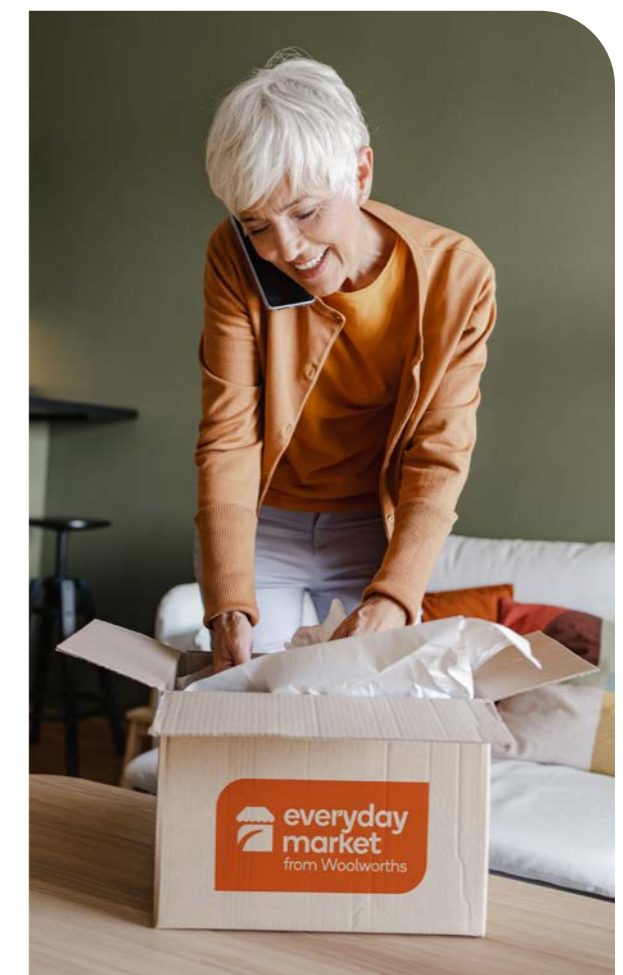
- + a presentation to the Board of a majority owned entity, outlining key business and human rights principles, and opportunities for the company to improve their modern slavery due diligence approach
- + a minority investment communicating their human rights expectations to all suppliers and mandating annual modern slavery compliance statements
- + a minority investment adding the development of a Supplier Code of Conduct to its list of governance priorities which will be tracked at each Board meeting.

Managing risks with sellers in our 3P marketplaces

The Group has expanded its business to include online marketplaces which are online platforms hosted by the Group that connect customers with third party sellers (sellers). Sellers use our platforms to host their products and maintain a direct relationship with customers from purchase through to delivery.

While sellers are responsible for having processes in place to identify and mitigate modern slavery risks in their supply chain, we recognise that modern slavery can only be addressed by working together. This year we developed a Human Rights Marketplace Framework to outline our approach to working collaboratively with sellers. The principles of the Framework are that:

- + where the seller forms part of the Group and is selling a product that is classified as its own brand, we acknowledge we have a higher level of control and influence over how that product is manufactured and sold, so these products need to be integrated into the Woolworths Group RS Program
- + when the seller is not part of the Group and is using our marketplace to list a product, the seller is responsible for having processes in place to manage modern slavery risks. We mitigate risks through communicating our responsible sourcing expectations with the seller and requiring compliance with our RS Policy and modern slavery clause in the contractual agreement.



Statewide Independent Wholesalers

Statewide Independent Wholesalers (SIW) is a distribution company which operates as a joint venture between Woolworths Group (60%) and Tasmanian Independent Retailers (TIR) (40%). It operates out of its distribution centre in Western Junction, Tasmania to pick and dispatch approximately 37 million cartons per annum of goods. These goods are then delivered to various businesses across Tasmania, including 32 Woolworths Supermarkets, 160 IGA and independently bannered stores, three Dan Murphy's and 35 BWS liquor outlets. SIW is not directly managed by Woolworths Group, and accordingly, SIW has its own policies and processes to manage modern slavery risk.

Identifying and mitigating modern slavery risks

Operations

SIW directly employs a mix of full-time, part-time or casual team members who work across the distribution centre, transport services and support roles in Tasmania, Australia. SIW team members are employed directly with their employment terms and conditions set out in either an enterprise agreement, modern award or employment contract.

SIW recognises the need to continually monitor its operations for modern slavery risk and has policies and processes in place to mitigate these risks, including a Code of Conduct, Respectful Workplace Policy, Compliance Policy and Whistleblowing Policy. Procedures include pre-employment screening, including confirmation of working rights and training relevant team members on modern slavery mitigation practises. Due to these factors, the risk of modern slavery in SIW's direct team members is considered low.

SIW also outsources services to third party providers to perform regular and ongoing work on SIW's site. These categories are inherently higher risk due to a workforce often characterised by a higher portion of migrant and unskilled workers who may be less aware of their workplace rights. SIW has implemented onboarding controls such as requiring all indirect labour suppliers to comply with SIW's Code of Conduct and policies and rolling out a modern slavery due diligence questionnaire to suppliers.

Supply chain

SIW procures food, general merchandise and liquor goods directly from suppliers to supply to customers. Woolworths Group, Endeavour Drinks and TIR are responsible for the initial sourcing of goods and

checking that procurement complies with their relevant policies. In F23, SIW worked with TIR through quarterly meetings to better understand their processes for managing modern slavery risks and progress with their improvement plans in the areas of due diligence, governance, training and collaboration. SIW also has monthly engagements with the Woolworths Group Human Rights team to understand Woolworths Group's approach to managing human rights risks.

SIW sources various non-resale products and services to support its operation. This includes IT equipment, uniforms, transport services, and requisites for the maintenance and repairs of its facilities and equipment. All non-resale suppliers are required to comply with SIW's [Human Rights Policy](#) (see below for more information). In F21, SIW conducted a risk assessment focused on its tier one non-trade suppliers. The risk assessment found that the majority of suppliers are Tasmanian based, however products may still be sourced globally by these suppliers. SIW requires new suppliers to complete a due diligence questionnaire that is reviewed by SIW, as well as annually complete a Modern Slavery Compliance Statement. In F23, a supplier questionnaire was sent out to all new non-trade suppliers prior to commencing business with them. In addition, a compliance statement was sent out to existing non trade suppliers with either a high spend or those providing a higher risk product or service. This represented 95% of the total F23 dollar spend.

SIW recognises that there are categories of goods and services that carry an inherently higher risk of modern slavery despite direct suppliers being Australian based, such as the raw materials in uniforms (including freezer gear and boots) and opaque supply chains in logistics.

Launching SIW's Human Rights Policy

As a business that has a significant impact on people right across Tasmania, respecting human rights is core to SIW's business and underpins SIW's organisational value of 'Think People'. To reflect its commitment to respecting human rights, in F23 the SIW Board approved the SIW [Human Rights Policy \(Policy\)](#). The Policy is guided by internationally recognised frameworks, including the UNGPs and the eight ILO core conventions, and sets out SIW's expectations for their team members and suppliers in relation to human rights, including modern slavery.

The Policy has been made publicly available and has been communicated internally to all SIW team members. SIW has trained 28 team members who are responsible for sourcing and management decisions on the Policy's requirements, and has communicated the Policy to all direct suppliers. In F24, SIW will work to embed the Policy throughout its operations and will develop a framework for ongoing monitoring to make sure that suppliers are complying with the requirements of the Policy.



Assessing the effectiveness of SIW's actions

The key activities that enable SIW to monitor the implementation of their modern slavery approach include:

WORKSTREAM	ACTIVITY	MEASUREMENT
Governance	Board education	One Board education session on business and human rights
	Collaboration meetings with Woolworths and TIR	14 meetings
	Team member training	28 team trained in the Policy
Risk Management	Due diligence questionnaire	100% questionnaires returned
	Compliance statement	100% statements completed
Grievance Mechanisms	Channels and mechanisms for grievances to be raised	0 cases raised

Looking ahead to F24

In F24, SIW will consider an external risk assessment to validate the findings of the F21 desktop risk assessment findings and to assist in prioritising which categories of non-trade suppliers SIW will commence ongoing monitoring with. SIW will also focus on strengthening its grievance mechanisms for team members and embedding a grievance mechanism for workers in their supply chain.

The content in relation to SIW (pages 30–31) was approved by the Acting General Manager and Board of Statewide Independent Wholesalers on 7 August 2023.



Partnerships

One of the guiding principles of our Sustainability Plan 2025 is ‘we embrace the power of partnerships to create change’, and this is no more relevant than in our efforts to address modern slavery. This year in aspiring to take a leadership role we accelerated our partnerships strategy through key industry appointments, engaging with governments and regulators, and increasing advocacy in key risk areas.



Member since: February 2020

Action Collaboration Transformation on Living Wages (ACT)

ACT is an agreement between global brands, retailers and trade unions to achieve living wages for workers. BIG W is an active participant in ACT's Bangladesh country group meetings, which are a tripartite dialogue between ACT brands, the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) and trade unions. In F23, BIG W conducted its second Purchasing Practice Assessment – a tool completed by both suppliers and our commercial team to reflect on BIG W's purchasing behaviour. Suppliers identified improvements across 10 of 16 areas, including pricing, sampling, sales and transparency and compliance scores. Opportunities were identified to improve terms of payment and product development, which will be the focus for the BIG W team in F24. Training was also a focus, with 81 team members completing training on fair terms of payment, responsible exit and labour costing. Ninety-three supplier representatives were invited to complete the same modules via ACT's e-learning platform.



Member since: March 2022

Centre for Child Rights and Business

The Centre for Child Rights and Business supported the development of our Child Labour Addendum which sets out prevention and remediation protocols for child labour in our supply chain. In F23 we conducted targeted supplier engagement on the Child Labour Addendum and in F24 we will continue to focus on building our supplier's capability to respond to child labour risks during site visits. We will also carry out a review of Centre's newly published Due Diligence Principles for Child Labour Remediation with a view to strengthening our existing governance.



Member since: March 2019

Cleaning Accountability Framework (CAF)

Last year Woolworths Group continued to engage with CAF on the development of a monitoring framework fit for purpose for retail stores. While we remain members of CAF, the development of a retail framework has not progressed due to a shift in CAF's priorities.



Member since: May 2022

Co-Chair of the HRC since: April 2023

Consumer Goods Forum Human Rights Coalition (HRC) – Working to End Forced Labour

The CGF HRC is a collective of 27 global retailers and manufacturers committed to eradicating forced labour from their operations and consumer goods supply chains. HRC members commit to implement the CGF's human rights due diligence maturity framework for operations, with the goal that all members reach the 'Leadership' level by 2025. There are also two interrelated supply chain workstreams on palm oil and responsible recruitment in Malaysia that the Group participates in (see [page 18](#)).



Member since: September 2021

International Accord

Woolworths Group is a founding signatory of the Bangladesh Accord, and in F22 we signed the International Accord. BIG W remains committed to the ongoing work of Bangladesh Accord – which is now operationalised by the Ready-Made Garment (RMG) Sustainability Council – to maintain safe working conditions for workers in the Bangladesh ready-made garments industry. BIG W's remediation under the Accord is 93.7%, a 1.7% increase on the prior year, and we remain focused on the remaining corrective actions.



Member since: March 2023

Pakistan Accord

In March 2023 BIG W became a signatory to the Pakistan Accord. The Pakistan Accord is more expansive than the original Bangladesh Accord; it includes the RMG sector, but also all Cut-Make-Trim (CMT) facilities, including home textiles, fabric and knit accessories suppliers (such as hats, scarves, gloves and bags). The program of work will include independent inspections and remediation of fire, electrical, structural and boiler safety hazards, an independent complaint mechanism, and joint capacity building with the local Government. BIG W has two sites in scope of the Pakistan Accord.



Member since: May 2020

Property Council of Australia's Modern Slavery Working Group

We continue to keep abreast of property and construction industry developments through participation in the Property Council of Australia's Modern Slavery Working Group. This year we maintained participation in working group meetings, including discussions about solar energy procurement and the review of the MSA, and provided input into the F24 strategic direction.



Memorandum of understanding (MOU): May 2022

Retail Supply Chain Alliance (RSCA)

This year we completed a number of activities under our MOU with the RSCA – a partnership between the Transport Workers' Union, Australian Workers' Union, and the Shop, Distributive and Allied Employees Union. We held two joint worker forums in Swan Hill and Bundaberg with at least 100 workers attending. We also used these visits to connect with government and industry bodies. Through engagement with the RSCA, we became aware of and monitored a number of issues related to worker accommodation. In June we commissioned joint research on a National Labour Hire Scheme, with a view to help inform future policy discussions and best practice.



Member since: May 2018

Woolworths representative on the Board since: December 2020

UN Global Compact Network Australia Modern Slavery Community of Practice (MSCOP)

Woolworths Group continues to be an active member of the MSCOP's 'optimising' stream. In F23, we shared our learnings on identifying our first case of modern slavery, offered our perspective on engaging with migrant workers in our Australian supply chain, and participated in business consultations on the review of the MSA. We also connected with the Global Compact Local Networks in Thailand and Malaysia to explore collaboration opportunities in higher risk areas. We will look to build on these discussions in F24.



RS Program Partners

We accept the following third party social compliance schemes as part of our Responsible Sourcing Program: Sedex, amfori, Fair Farms, GlobalGap GRASP, NZ GAP Social Compliance Add-on, Ethical Toy Program and WRAP. In F23, Sedex and amfori conducted sessions as part of our RS Roadshow in Asia, with 403 suppliers attending both scheme sessions. Woolworths Group also assumed a role on the amfori board in F23.



Progress against objectives and our plans for F24

As we enter F24, we continue to maintain our core Human Rights Program objectives whilst accelerating initiatives to test and learn in our effort to drive systems change. Progress against our annual plan is outlined below, along with our forward-looking F24 plans.

Operations

OBJECTIVES	STATUS	F23 ACTIVITIES
Undertake a salient human rights issue assessment (<i>new in F23</i>)	✓	F23: 26 team members and Group business partners, and 4 external stakeholders consulted. F24: Publish results and integrate into post 2025 strategic planning.
Partner with entities in our ecosystem to strengthen their modern slavery due diligence (<i>new in F23</i>)	✓	F23: Developed a M+A Human Rights Framework to assess new businesses and support the integration of majority owned businesses. F24: Embed M+A Human Rights Framework.
Team member training on modern slavery and human rights, prioritising those managing higher risk categories	🔄	F23: In person training conducted. Training materials drafted for 'Licence To Operate' online learning modules. F24: Launch 'Licence To Operate' team member training on modern slavery and human rights.
Design and pilot a mechanism to engage potentially affected groups	⚠️	F23: Consulted with Shift, a business and human rights non-profit organisation, to develop a scope of work to meet this objective. F24: Partner with Shift to design the framework.

Supply chain

OBJECTIVES	STATUS	F23 ACTIVITIES
Introduce modern slavery e-learning to targeted suppliers and relevant commercial teams (<i>new in F23</i>)	🔄	F23: 135 suppliers completed e-learning on grievance and remedy. F24: Launch RS, and modern slavery training.
Pilot opportunities to embed worker voice in our RS program (<i>new in F23</i>)	🔄	F23: Piloted in three countries with 391 workers from six suppliers engaged. F24: Continue pilot in Australia and other high risk countries.
Conduct a forced labour risk assessment (<i>new in F23</i>)	✓	F23: Completed and reaffirmed our strategic plan. F24: Continue to implement our plan, prioritising targeting due diligence in extreme risk areas.
Continue to prioritise due diligence of labour providers in our Australian horticultural supply chain	🔄	F23: Updated Labour Hire Addendum, with supporting Guidelines and Checklist. F24: Accelerate advocacy for a robust National Labour Hire Licencing scheme.
Design and deliver due diligence for identified high-risk commodities	✓	F23: Delivered Framework and began implementation. F24: Continue implementation in coconuts and long-life tomatoes, and commence in rice.
Design and deliver a due diligence approach for non-trade suppliers based on category risk segmentation	✓	F23: Phased rollout of Supplier Grow and commenced due diligence for Primary Connect. F24: Scale due diligence in non-trade business units, such as Fabcot.

Key: ✓ Complete 🔄 Ongoing ⚠️ Partially complete

Corporate reporting suite

Woolworths Group is pleased to share how we're building a better tomorrow and encourage you to explore our full reporting suite detailing our performance.



2023 Annual Report

Performance on our strategic priorities as part of our transformation into a more focused food and everyday needs retail business.

[Click here](#) to view the report on our website



2023 Sustainability Report

Shares our F23 performance and progress on our sustainability goals and commitments.

[Click here](#) to view the report on our website



2023 Sustainability Data Pack

Provides key sustainability metrics.

[Click here](#) to view the report on our website



2023 Corporate Governance Statement

Describes our corporate governance framework, including key policies and practices for the F23 financial year.

[Click here](#) to view the report on our website

Corporate Directory

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Woolworths Group Sustainability

Alex Holt
Chief Sustainability Officer

We encourage you to contact us if you have feedback or questions at sustainability@woolworths.com.au

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