

# Responsible Sourcing Policy

We create better experiences together  
for a better tomorrow

# Responsible Sourcing Policy

## 1. Introduction

Woolworths Group is an Australian and New Zealand food and everyday needs business. We have a complex global supply chain, with a long-standing commitment to thousands of domestic and international suppliers.

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

This Policy outlines our commitment to upholding the human rights of the workers in our supply chain. The related Responsible Sourcing Standards (herein Standards) are a key way that we implement the Policy commitments and set out 19 requirement areas. Together, the Policy and Standards outline our Responsible Sourcing Program across Woolworths Group businesses, setting out our expectations for partners in their own businesses and supply chains. The Responsible Sourcing Program is designed to help identify and mitigate human rights and labour risks that exist within our supply chain and seeks to remediate or address adverse human rights impacts where they are found.

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

We believe that by working with partners who share accountability and a commitment to applying this Policy, together, we will be able to activate ethical and mutually beneficial partnerships throughout the whole value chain. This is essential to addressing the challenges of a large and complex extended supply chain.

## 2. Alignment of our Policy

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

- Woolworths Group is committed to respecting the human rights of our own team members, workers in our supply chain and other stakeholders in accordance with the United Nations Guiding Principles on Business and Human Rights (UNGPs). This means we undertake ongoing due diligence activities to identify, prevent and mitigate adverse human rights impacts derived from our internal or external operations.
- Woolworths Group upholds and expects our suppliers to commit to respecting each of the International Labour Organisation's (ILO) Declaration on Fundamental Principles and Rights at Work and related core conventions. These include: the right not to be subject to forced labour, child labour or discrimination in respect of employment and occupations; and freedom of association and the right to collective bargaining.<sup>1</sup>
- Woolworths Group is a signatory to the United Nations Global Compact (UNGC) and this policy embraces and reflects the UNGC's ten principles relating to human rights, labour standards, the environment and business integrity.
- This Policy is consistent with the United Nations Declaration of Human Rights and complements our commitment to diversity and inclusion and to team members being treated with fairness and respect.
- In April 2022, we further strengthened our position on responsible recruitment when we joined the Consumer Goods Forum (CGF) Human Rights Coalition and committed to uphold the CGF Priority Industry Principles, which are considered core standards<sup>2</sup> to address key drivers of forced labour: every worker should have freedom of movement, no worker should pay for a job, and no worker should be indebted or coerced to work (Responsible Sourcing Standards 5, 7 and 17 set out further details on the requirements related to recruitment fees).

### 3. Governance

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

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

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

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

### 4. Woolworths Responsible Sourcing Program

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

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

Suppliers of vendor branded goods and services are required to have established arrangements and processes which are consistent with our commitment to responsible sourcing and upholding human rights.

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

Business unit	Category
Supermarkets and Metro	Woolworths Own Brand (Including any product carrying Woolworths name and address)
	Fresh Meat and Seafood (Including products sold behind the counter)
	Fresh Produce (Fresh fruit, vegetables and floral products, including those bearing a Woolworths label)
Big W	Big W Own Brand (Including any product carrying Big W's name and address)
GNFR (Goods not for resale)	Suppliers of high-risk services (Including but not limited to Cleaning, Trolley Collecting, Security and logistics)
	Suppliers of branded goods not for resale (including but not limited to shopping bags, baskets, trolleys, signage and uniforms)

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

## 5. Verifying compliance to the Policy and Standards

We have an audit framework as one of the ways to review compliance with our Responsible Sourcing Standards. It is built on the principle of mutual recognition and we accept findings from the following social compliance industry programs:

- Supplier Ethical Data Exchange (Sedex) and Sedex Members Ethical Trade Audit (SMETA)
- International Council of Toy Industries (ICTI) Ethical Toy Programme
- Amfori Business Social Compliance Initiative (BSCI)
- Social Accountability (SA) 8000
- Worldwide Responsible Accredited Production (WRAP)
- Global Good Agricultural Practice Risk Assessment (GAP, GRASP)
- Fair Farms
- NZGAP Social Practice Add-on

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

## 6. Summary of Responsible Sourcing Standards

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

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

## 7. Remedy and Grievance Mechanisms

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

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

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

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

Woolworths Group is committed to ensuring trusted and accessible channels are provided through which adversely affected people or communities can raise complaints or concerns about our business or our suppliers without fear of retaliation, intimidation, harassment, discrimination or victimisation.

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

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

We are committed to working with our suppliers to ensure appropriate mechanisms are made available within their own supply chains.



Brad Banducci CEO,  
Woolworths Group

<b>Date approved:</b>	<b>V 1.3 June 2022</b> By Woolworths Group Limited Board of Directors
<b>Date effective:</b>	<b>V 1.3 6 June 2022</b>
<b>Accountable:</b>	Chief Executive Officer
<b>Contact:</b>	Responsible Sourcing team via: <b>Email:</b> <a href="mailto:responsiblesourcing@woolworths.com.au">responsiblesourcing@woolworths.com.au</a>
<b>Grievance mechanism:</b>	<b>Supplier Speak Up:</b> <a href="https://woolworthsSpeakUp.ethicspoint.com">WoolworthsSpeakUp.ethicspoint.com</a>
<b>Related policies:</b>	<ul style="list-style-type: none"> <li>• Requirements for Labour Providers in our Australian Horticultural Supply Chain (An Addendum to Woolworths RS Standards)</li> <li>• Responsible Recruitment Requirements</li> <li>• Woolworths Sustainable Soy Sourcing Policy</li> <li>• Woolworths Sustainable Tea, Coffee, Cocoa &amp; Cane Sugar Sourcing Policy</li> <li>• Woolworths Group Seafood Sourcing Policy</li> <li>• Woolworths Responsible Cotton Policy</li> </ul>
<b>Related guidance material:</b>	<ul style="list-style-type: none"> <li>• Responsible Sourcing Program Guidelines</li> <li>• Supplier Guidance on Developing Effective Grievance Mechanisms</li> <li>• Supplier Guidance on Overtime Hours</li> <li>• Woolworths Group Grievance and Investigation Procedure</li> </ul>