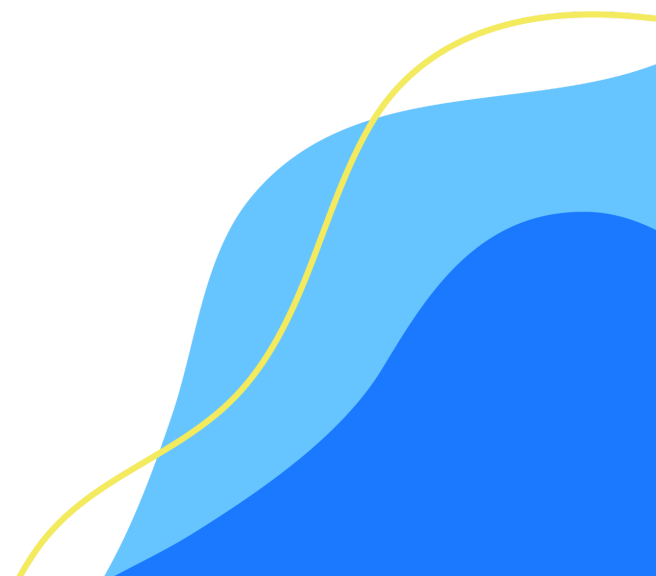


Guidance Framework for Meaningful Engagement with Stakeholders Impacted by Woolworths Group's Operations or Supply Chain

We create better experiences together



Introduction

The Woolworths Group (the Group)'s Human Rights team were supported by leading business and human rights advisory partner *Shift* for expert advice in the development of a **Guidance Framework for Meaningful Engagement with Stakeholders Impacted by Woolworths Group's Operations or Supply Chain (the Framework)**.

The intent of this document is to serve as a guidance framework to support engagement with potentially affected stakeholders by the Human Rights team as it relates to our Group Human Rights Program, including in program design and evaluation.

The Framework is intended to complement existing stakeholder engagement efforts by the Human Rights team by providing supporting guidance which focuses attention on those whose human rights may be most at risk and designing meaningful engagement approaches to hear, understand and respond to their concerns.

Meaningful engagement with impacted stakeholders can provide us with vital information to help us make better decisions and more effectively identify and mitigate human rights risks. It can also help us improve the quality of our relationships with those stakeholders over the longer-term.

This Framework is not intended to be static, but rather allows room to incorporate feedback and learning by providing a foundation to be strengthened over time. Recognising the complexity and depth of global supply chains, the Framework may also be used to support suppliers and other partners to engage meaningfully with their potentially affected stakeholders, encouraging the integration of these stakeholders' perspectives throughout our supply chain and among industry networks.

Scope

The Framework serves to guide stakeholder engagement initiatives by the Woolworths Group Human Rights team and does not necessarily reflect the way other teams across the Group may or should conduct their engagement. It sets out principles to be considered when engaging stakeholders impacted by our operations or supply chain, however these are not mandatory and should be applied on a case-by-case basis depending on the particular needs of the engagement.

Defining Key Terms

Human rights impacts: refers to negative impacts on human rights that may occur when an action removes or reduces the ability of an individual to enjoy their human rights. They include both actual and potential impacts.

Severe human rights impacts: An impact on human rights that is severe on one or more of three dimensions: scale (gravity of the impact), scope (number of people affected by the impact) and/or remediability of the impact (the ease or not with which it can be put right).

Affected / Impacted stakeholder(s): An individual or group whose human rights have been or may be affected by a business's operations, products or services. They may be internal to our operations (e.g. team members, contract

workers) or external (such as workers in the supply chain). This can also include the legitimate representatives of impacted stakeholders (such as trade unions where workers are unionised).

Stakeholder engagement: A process of interaction and dialogue between a business and its stakeholders that enables the business to hear, understand and respond to their interests and concerns, including through meaningful and collaborative approaches.

Engagement owners: The team members responsible for the design, implementation and follow up of an engagement with stakeholders.

Involvement in a human rights impact: The way in which a business is or may be connected to an impact based on how they may cause or contribute to it through their activities, or be directly linked through their operations, products or services, as outlined in the United Nations Guiding Principles on Business and Human Rights (UNGPs).¹

¹ UNOHCHR, *United Nations Guiding Principles on Business and Human Rights* (2011), Principle 13.

9 Principles to Inform Meaningful Engagement

- 1**  Be clear about who we need to engage with to meet our human rights commitments.
- 2**  Design how we engage with impacted stakeholders to support everyone feeling respected and safe.
- 3**  Be transparent with stakeholders about the purpose and scope of engagement and about how we have responded to their perspectives.
- 4**  Use feedback from stakeholders to verify assessments of effectiveness.
- 5**  Elevate the perspectives of stakeholders in our programmatic and strategic decision-making.
- 6**  Seek to build longer-term relationships with stakeholders based on mutual trust.
- 7**  Address issues raised by stakeholders outside of our own business needs.
- 8**  Design grievance mechanisms that are more likely to be trusted by impacted stakeholders.
- 9**  Recognise that respectful stakeholder engagement is a skill.

1. Be clear about who we need to engage with to meet our human rights commitments.

WHY IT'S IMPORTANT

While we may use different terminology across the Group, whenever we are managing human rights risk, we should always prioritise engagement with individuals and groups whose human rights are or may be the most severely impacted by our business (e.g. migrant workers). Where it is not feasible to engage directly with these stakeholders or their legitimate representatives, we may seek to engage with credible proxies for their views (such as peak advocacy bodies or local non-governmental organisations) to inform our approach. Focusing on the most impacted stakeholders helps to create an environment where we do not only hear from the loudest or most influential voices, but from those at greatest risk of harm or marginalisation. These individuals and groups often have deep experience on how to effectively prevent and address impacts on their rights. By designing programs with their perspectives in mind from the start, we can better manage human rights risks.

KEY QUESTIONS WE MAY CONSIDER

1. Who may be most severely impacted by this project or activity?
2. Are we already engaging with any of these groups or have we engaged with any of them in the past? What did we learn from those engagements? Who are we not engaging with that we should prioritise?
3. Can we engage with these individuals directly? Do we need advice on how to do so appropriately and safely (see principle 2)? Do we have existing partners who can help us?
4. If we cannot engage with the individuals directly, are there people or organisations who can provide us with credible insights into their views?
5. Are we engaging with impacted stakeholders who are critical of us? If not, is that because we are concerned about managing the dynamic? Who could help us navigate that?

2. Design how we engage with impacted stakeholders to support everyone feeling respected and safe.

WHY IT'S IMPORTANT

When people engage with us, we want them to feel that the process is respectful, inclusive and safe. This means that engagement owners should consider the needs of impacted individuals and groups in the process, including those whose perspectives or experiences may be marginalised in our wider society. This involves taking into account any risks such stakeholders may face, such as the risk of reprisals if they speak out, and/or any capacity constraints that could prevent them from being able to engage with us. In some cases, we may need to take specific steps to remove knowledge and resource barriers. Consulting with stakeholders themselves about the design of engagements is typically the best way to create a process where participants feel respected in practice, especially where there may be diverging or strongly held views.

KEY QUESTIONS WE MAY CONSIDER

1. To what extent are the chosen methods for engagement appropriate to the nature and sensitivity of the topics on which we are engaging?
2. What safeguards can we put in place to prevent any potential negative impacts from the engagement itself (e.g. supply chain workers facing reprisals from their employers for sharing concerns with us)?
3. What do the people we are engaging with consider to be culturally appropriate ways of interacting with them on these issues? If we don't know, how can we find out?

4. How can we adapt our methods for engagement (such as the language, tools, timing, location and setting for the engagement) to meet stakeholders' needs or preferences?
5. What support do stakeholders need to meaningfully participate in the engagement with us (e.g. time, ability to access the location or use the relevant technology, language skills or access to translation services)?

3. Be transparent with stakeholders about the purpose and scope of engagement and about how we have responded to their perspectives.

WHY IT'S IMPORTANT

Stakeholders tell us that being transparent about why and what we are engaging with them about, and how we will use their feedback, is essential to creating trust and incentives for ongoing engagement. The purpose and scope of the engagement will inform the approach adopted.

Closing the loop with stakeholders after the engagement on what we have done and how their feedback has been integrated (or if not, why not) is not only the respectful thing to do, it also helps show stakeholders that engaging with us is worth their time and makes future engagement more likely (see principle 6).

KEY QUESTIONS WE MAY CONSIDER

1. Have we clearly articulated the purpose and scope of the engagement: what does it seek to achieve and what is the subject matter it will address?
2. To what extent do stakeholders agree or disagree with our proposed purpose, scope and approach? How do we know this?
3. Have they raised any questions or concerns or provided any feedback about these aspects? If so, how are we responding and/or incorporating their feedback in the design of the engagement?
4. How are we planning to inform stakeholders about whether and how their views have influenced our decisions or actions after the engagement?

4. Use feedback from stakeholders to verify assessments of effectiveness.

WHY IT'S IMPORTANT

It is important to test our views about how well we are meeting our commitments and managing our impacts against the perspectives of the people who are actually impacted. Engaging those individuals and groups in providing feedback on the effectiveness of what we do is central to credible human rights due diligence and to continuously improving efforts over time. This can also help us know whether we are building the kinds of longer-term relationships we want to have with stakeholders (see principle 6).

KEY QUESTIONS WE MAY CONSIDER

1. Have we developed indicators that measure whether impacted stakeholders are seeing changes in key practices and behaviours (within our business or by our business partners) that are more likely to lead to better human rights outcomes (such as how managers respond to worker complaints)?
2. Have we involved stakeholders in the design of context-specific program evaluation questions and indicators? If not, how could we?
3. How will we incorporate lessons learned into the design of future programs and stakeholder engagement activities?

5. Elevate the perspectives of stakeholders in our programmatic and strategic decision-making.

WHY IT'S IMPORTANT

Integrating stakeholder perspectives into critical decisions can lead to better human rights risk management as well as stronger relationships between the Group and its stakeholders (see principle 6). To achieve this, we can leverage established structures in our business that enable us to hear directly from impacted stakeholders or their legitimate representatives. We can also identify new opportunities to elevate stakeholder views in our human rights governance processes as the guidance framework is operationalised.

KEY QUESTIONS WE MAY CONSIDER

1. Through which channels will feedback be conveyed? Who is responsible for implementation?
2. How will we know where and how stakeholder feedback did influence business decisions, and where it did not and why?
3. How will we convey this information to the stakeholders we engaged, in order to close the loop (see principle 3)?

6. Seek to build longer-term relationships with stakeholders based on mutual trust.

WHY IT'S IMPORTANT

The aim of meaningful stakeholder engagement from a human rights perspective includes building longer-term and mutually respectful relationships that go beyond one-off engagements. We can demonstrate a commitment to building trust in a range of ways, for example by encouraging two-way communication through our current channels for engagement so that stakeholders can activate them without waiting to be consulted. We can also work towards evaluating the quality of our relationships with stakeholders to understand whether these approaches are working.

KEY QUESTIONS WE MAY CONSIDER

1. Have we sought to understand the context in which these relationships occur (including local socio-economic, cultural and political factors) and how that might influence stakeholders' attitudes towards and perceptions of us?
2. How do we communicate to impacted stakeholders that we are open to hearing, managing and responding to questions and concerns when they need to raise issues with us (see principle 7)?
3. When we are asking impacted stakeholders for their time or expertise, have we considered with them and/or with expert input what would be appropriate to offer in return?

7. Address issues raised by stakeholders outside of our own business needs.

WHY IT'S IMPORTANT

Where stakeholders' concerns involve an impact on their human rights, we have a responsibility to take appropriate action, according to how we are involved in the impact (specifically, whether we may have caused or contributed to it). Engagement owners should make sure that whenever human rights risks are raised by stakeholders, they are followed up on. In other cases, stakeholders' concerns can help us identify issues before they escalate into human rights impacts.

KEY QUESTIONS WE MAY CONSIDER

1. How will we assess this feedback to identify if any of it relates to potential impacts on stakeholders' human rights and, if so, the nature of our involvement?
2. How will we keep stakeholders informed about the steps we are taking to assess and address the additional issues they have raised?

8. Design grievance mechanisms that are more likely to be trusted by impacted stakeholders.

WHY IT'S IMPORTANT

To be effective, grievance mechanisms, like our Supplier SpeakUp mechanism, need to be trusted by their potential users. Stakeholders should be confident that if they raise concerns, the mechanism is capable of delivering a fair and respectful process and outcome. This means that when we are designing and evaluating such mechanisms, in addition to any legal requirements, we need to think about how potential users may experience them. We should also seek users' feedback on their experiences of the grievance mechanism process, and any outcomes from it, to improve our approach.

KEY QUESTIONS WE MAY CONSIDER

1. Who are the intended users of the mechanism and what impacts on them is the mechanism trying to address?
2. What barriers could prevent users from accessing or trusting the mechanism (e.g. language, technology, lack of awareness of its existence, lack of clarity on process, the traumatic nature of the impacts on them, or a fear of retaliation)? What can we do to remove or reduce those barriers?
3. Do/how do we evaluate those service providers who are involved in delivering the mechanism for their sensitivity and ability to respectfully handle impacted stakeholders' concerns?
4. Do we routinely ask users of the grievance mechanism for their views on the effectiveness of the process and their satisfaction with the outcomes?
5. Have/will we engage stakeholders to give us feedback on proposed changes to the mechanism?

9 Recognise that respectful stakeholder engagement is a skill.

WHY IT'S IMPORTANT

When our team members are engaging with impacted stakeholders, we want to make sure they are equipped and supported with the knowledge, skills and opportunities to design and carry out respectful engagement and act on the results (principles 2-5). This includes supporting them to have the right skills (e.g. cultural competence, communication and/or conflict resolution).

KEY QUESTIONS WE MAY CONSIDER

1. What support do our team members leading the stakeholder engagement need, for the engagement to be meaningful?