

Responsible Sourcing Program - Supplier Guidelines (Trade)

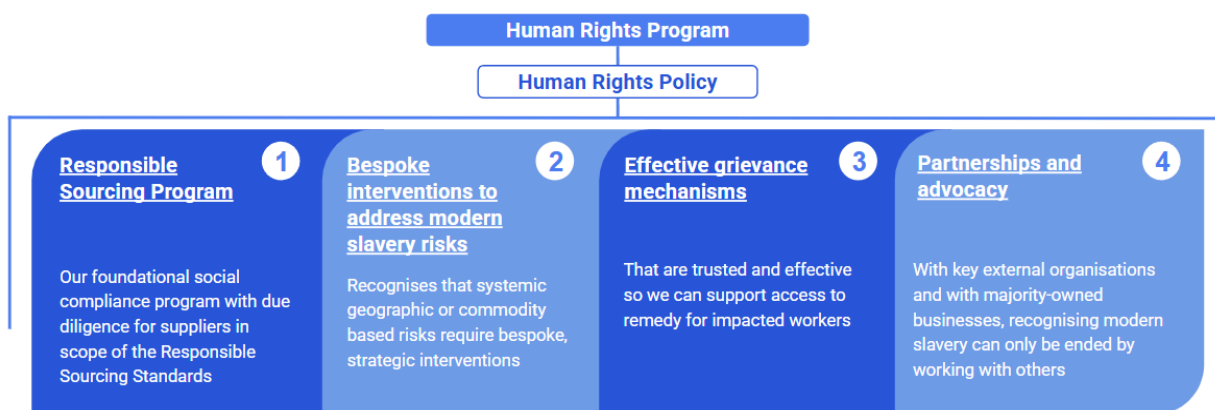
We create better experiences together for a better tomorrow

1. Introduction

1.1 Overview

This document supplements our **Responsible Sourcing Standards** and is designed to provide suppliers with further guidance on our **Responsible Sourcing Program** and our expectations for doing business with Woolworths Group.

The Responsible Sourcing Program is one of the four operational pillars comprising our Human Rights Program (see below diagram).



Suppliers are required to ensure that Woolworths Group's Human Rights Policy and Responsible Sourcing Standards are met throughout their supply chain, including downstream manufacturing sites.

1.2 Scope

This document applies to all of our suppliers with whom we have a direct relationship for Woolworths Group branded goods we sell or use in our businesses. This includes the following Trade suppliers that are in-scope of the Responsible Sourcing Standards:

Suppliers to Woolworths Supermarkets and Metro:

- Own-brand products
- Fresh meat, poultry and seafood (including behind-the-counter)
- Fresh produce (All fresh fruit and vegetables, including those packaged and loose, and floral products)
- Bulk commodities directly sourced by Woolworths Group to form all or part of an own-brand product

Suppliers to Big W:

- Own-brand product

This document should be read in conjunction with the **Human Rights Policy** and **Responsible Sourcing Standards**.

1.3 Overview of our Responsible Sourcing Program

Our Responsible Sourcing Program governs how we manage human rights risks with suppliers. The Responsible Sourcing Program consists of two main documents - the **Human Rights Policy** and the **Standards** - with three supporting **Addendums** on specific topics:

- [Woolworths Group Responsible Recruitment Addendum](#)
- [Woolworths Group Labour Hire Addendum](#)
- [Woolworths Group Child Labour Addendum](#)

The Standards are further supported by the **Responsible Sourcing Program Supplier Guidelines** (this document) which provide suppliers with further guidance on our expectations for doing business with Woolworths Group.



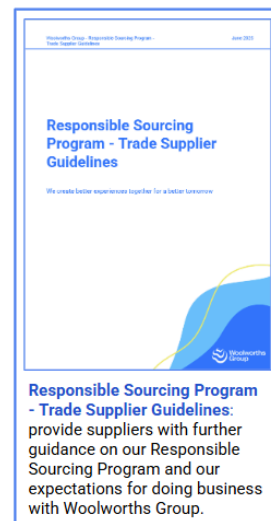
Human Rights Policy: articulates Woolworths Group's overarching commitment to upholding respect for human rights.



Responsible Sourcing Standards: outline our expectations for suppliers in scope of our Responsible Sourcing Program.



Responsible Sourcing Program Addendums: 3 addendums support the Standards and must be read in conjunction with the relevant section in the Standards. These include Labour Hire in Australian Horticulture, Responsible Recruitment and Child Labour.



Responsible Sourcing Program - Trade Supplier Guidelines: provide suppliers with further guidance on our Responsible Sourcing Program and our expectations for doing business with Woolworths Group.

1.4 Our Human Rights Policy

All suppliers are required to comply with our **Human Rights Policy**. This includes suppliers of Own Brand, exclusive brands and vendor branded products. This Policy is shared with suppliers during onboarding and forms part of their terms of engagement for doing business with Woolworths Group, including a requirement to do all things required and necessary to mitigate or reduce modern slavery risks in suppliers own operations and supply chains. In doing all things required and necessary, we expect suppliers to communicate this Policy to their own suppliers and/or contractors and extend the principles of this Policy throughout their operations and supply chain.

Note: the Human Rights Policy replaces and supersedes Woolworths Group's former Responsible Sourcing Policy. Any references to the Responsible Sourcing Policy in other related Woolworths Group materials, should be interpreted as referring to the Human Rights Policy.

1.5 Our Responsible Sourcing Standards

Our **Responsible Sourcing Standards** are the way that we implement and operationalise our Human Rights Policy commitments. The Responsible Sourcing Standards apply to all of our suppliers who are in scope of the Responsible Sourcing Program (see 'Scope' section above).

All in-scope suppliers and their sites must comply with the Standards as a condition of business. Compliance with the Standards is verified through our third party audit and/or Self Assessment Questionnaire (SAQ) process described below.

Contact Us

We encourage our suppliers to be open and honest about the challenges they face so we can work with them to find practical solutions. For questions, feedback or further information regarding these Guidelines including our approach to responsible sourcing, please contact us directly at: responsiblesourcing@woolworths.com.au.

2. Risk assessment process and due diligence framework

2.1 Overview

All sites supplying Woolworths Group that are in-scope of the Responsible Sourcing Standards are placed into one of four risk segments – **minimum**, **moderate**, **priority** or **specialised**. The risk assessment considers a number of factors including country risk, industry risk, third-party audit data and the nature of Woolworths Group's commercial relationship.

The assigned segment defines a site's responsible sourcing due diligence requirements (i.e. social audit/SAQ) and is communicated to suppliers as part of the supplier onboarding process.

Existing suppliers have visibility of their assigned segmentation by logging on to the relevant Woolworths Group supplier compliance database (e.g. PLMS, SPHERE, Foods Connected). If the supplier does not have access to the appropriate database or experiences difficulties, the supplier should contact the relevant technical support team or responsiblesourcing@woolworths.com.au for referral to the relevant team.

A site's risk segmentation may change based on a number of factors including an updated risk methodology, third party information or audit results. If your site's assigned risk segmentation changes, Woolworths Group will communicate any new compliance requirements to you.

2.2 Demonstrating compliance: Minimum risk sites - SAQ required

Suppliers in the minimum risk segmentation must, at a minimum, complete an annual self-assessment questionnaire (SAQ), for each supplier site that is supplying to Woolworths Group.

The SAQ must be completed prior to trade with Woolworths Group commencing. The SAQ will need to be completed annually, when prompted by a systems reminder or sooner if/when any significant business changes occur that could impact SAQ responses. The SAQ should be seen as a baseline assessment of current social compliance practices. In some instances, the results of a SAQ may lead to further due diligence. Woolworths Group will recognise SAQs from any of the mutually recognised third party schemes listed below:

- Sedex
- Fair Farms (AU/NZ Fresh Produce sites only)
- NZGAP (NZ Fresh Produce only)

Note: *certain small suppliers/agents may complete a Woolworths Group SAQ in lieu of the above mutually recognised SAQ. If this is relevant to you it will be communicated to you at onboarding.*

Suppliers may choose to submit a full social compliance audit from one of the approved mutual recognition schemes listed below as well as a SAQ. If they do so, they will be expected to adhere to

the relevant audit scheme's rules and address any non-conformance issues identified in the audit. Non-conformance audit findings may also result in a revised risk-segmentation for the site.

2.3 Demonstrating compliance: Moderate, Priority and Specialised sites - Audit required

Suppliers in the moderate, priority and specialised risk segmentations are required to submit a social compliance audit and maintain ongoing compliance on an audit cycle.

For direct suppliers in this risk category, all sites supplying Woolworths Group must have an audit.

For suppliers that are agents/brokers in this risk segment, audits may be required at selected sites supplying Woolworths Group via the agent/broker. The specific site-level requirements for agents/brokers depends on site location, importing country, and product type, and will be communicated to the supplier by the Woolworths Group Responsible Sourcing team.

Audit requirements will be communicated via the Woolworths Group Responsible Sourcing team at onboarding, and suppliers are required to maintain the required due diligence for themselves and their suppliers as requested, as a condition of continued trade with Woolworths Group.

2.4 Mutual recognition at Woolworths Group

Recognising many of our suppliers are already a part of a third party social compliance scheme, Woolworths Group mutually recognises third party programs to help reduce the compliance burden on suppliers. This means, if a supplier completes an audit for another buyer, they have the option to use this audit for Woolworths Group too, so long as the audit scheme used is one of the below nine 'mutually recognised schemes'. We accept the following audit schemes:

- amfori BSCI
- Supplier Ethical Data Exchange (Sedex) and SMETA
- Social Accountability SA 8000
- LRQA ERSAs Standard
- Ethical Supply Chain Program (ESCP)
- Worldwide Responsible Accredited Production (WRAP)
- GLOBALG.A.P Risk Assessment on Social Practice (GRASP)
- NZGAP Social Practice Add-on (New Zealand only)
- Fair Farms

Any exceptions, typically only approved in locations where the above schemes are not available options, must be in writing and approved by the Woolworths Group Responsible Sourcing team. The nine schemes will be reviewed as required and any major changes, including the addition of new schemes, will be communicated to suppliers.

Step 1: Selecting your audit scheme

Suppliers that are not part of an existing scheme are able to choose a program based on industry and location. Other customer requirements may also be a consideration. Woolworths Group does not

mandate which scheme to select; however, once selected, suppliers should not change programs until zero tolerance or critical non-conformances are closed. Suppliers are encouraged to stay with the same scheme to better demonstrate and track continuous improvements. Suppliers are responsible for:

- Selecting and engaging their mutual recognition scheme of choice.
- Joining the program and paying any required fees.
- Arranging and participating in all necessary SAQs, preliminary and follow-up inspections and audits.
- Following the program's prescribed corrective action and remediation plans.
- Participating in required training programs.
- Maintaining the validity of the chosen scheme's accreditation/audit.
- Keeping Woolworths Group informed of any delays in audits, supported with evidence of legitimate reasons.
- Submitting / providing access to a copy of the latest audit reports to Woolworths Group at least 10 days before the expiry date for the Woolworths Group team to review.

Failure to meet mutual recognition scheme requirements may result in suspension or termination of business with Woolworths Group. It is important to plan for the audit and submit reports ahead of the expiry date to ensure the audit's validity does not lapse.

Step 2: Submitting a valid mutual recognition audit

Wherever possible, suppliers should choose the semi-announced or unannounced audit option.

Audits are considered valid if they are:

- in date and meet the requirements of the respective scheme's audit program (less than 12 months old, usually);
- include the full official audit report, corrective action plan (CAP) report and photo report where applicable; and
- are conducted by scheme-approved certification bodies (CBs).

Scheme-specific information:

Mutual recognition scheme	Specific Woolworths Group Requirements
amfori BSCI	<ul style="list-style-type: none"> • Ensure your Woolworths Group Responsible Sourcing Specialist is aware of your "Database ID" number (DBID) and where appropriate select Woolworths Group as the RSP Holder.
Sedex SMETA	<ul style="list-style-type: none"> • Please connect with Woolworths Group on Sedex via our company reference

	<p>number:</p> <ul style="list-style-type: none"> ○ WGL ZC293159401 (when factories are based in Asia and the Indian subcontinent) ○ Woolworths Food Australia ZC1041297, (when factories are based in the rest of the world) <ul style="list-style-type: none"> ● Woolworths Group accepts SMETA Pillar 2 or Pillar 4 audits.
LRQA ERS Standard	<ul style="list-style-type: none"> ● Please share your full ERS Standard audit report
SA8000	<ul style="list-style-type: none"> ● While SA8000 certificates are valid for three years, the scheme conducts certification and surveillance reports. ● Please ensure Woolworths Group has the most up-to-date report. We generally expect the latest report to be within one year of validity. ● Please submit the SA8000 certificate along with the full audit report.
Ethical Supply Chain Program	<ul style="list-style-type: none"> ● Please share your full ESCP report along with the certificate.
WRAP	<ul style="list-style-type: none"> ● Please share your full WRAP report along with the certificate.
GlobalGAP GRASP	<ul style="list-style-type: none"> ● GlobalGAP and GRASP Add-on reports and certificates must be submitted. ● Accepted only for agriculture, horticulture and aquaculture suppliers. ● GRASP "Option 1" - including individual site audits is preferred.
NZGAP Social Practice Add-on	<ul style="list-style-type: none"> ● NZGAP Social Practice Add-on reports and certificates must be submitted ● Accepted only for horticulture suppliers in New Zealand.
Fair Farms	<ul style="list-style-type: none"> ● This scheme is specific to agriculture and horticulture suppliers in Australia.

Step 3: Sharing your audit with Woolworths Group

Woolworths Group manages responsible sourcing requirements in its own compliance platforms. If you are a new supplier that is not yet registered to have access to our systems, please contact your Woolworths Group representative who will organise your access. Please email valid reports to your Woolworths Group Responsible Sourcing Specialist:

- In Asia: responsiblesourcingasia@woolworths.com.au
- In New Zealand: responsiblesourcing@woolworths.co.nzcountdown.co.nz
- Australia and rest of world: responsiblesourcing@woolworths.com.au

3. Audit outcomes and corrective action plans

3.1 Woolworths Group's audit grading system

All mutually recognised audits will be reviewed by Woolworths Group and receive a responsible sourcing audit outcome. We call this process "equivalency grading" as it allows us to standardise our supplier assessments across all nine mutual recognition schemes against Woolworths Group's Responsible Sourcing Standards. The ratings are as follows:

Woolworths Group's Grading	Green	Amber	Purple	Red
Grading criteria	≤5 Minor non-conformances	≤10 Major and/or ≥6 Minor or ≥ 1 Moderate non-conformances	≥1 Critical and/or ≥11 Major non-conformances	Any Zero Tolerance non-conformance. or repeated failure to make efforts to address consecutive critical non-conformances.
Responsible Sourcing Status	Approved to trade - follow scheme rules to address non-conformances	Approved to trade - follow scheme rules to address non-conformances	Approved to trade - conditional on a corrective action plan in place	May lead to temporary suspension, pending investigation

Non-conformances are typically given a deadline for closure by the audit scheme. If the scheme does not give a closure deadline then the deadline will be aligned with the audit expiry date. Audit non-conformances can only be closed by the auditor, who may require a follow-up audit or desktop review to review corrective actions taken and close the non-conformance.

If you are facing challenges in addressing non-conformances or seek guidance, you can reach out to the audit scheme or reach out to the Woolworths Responsible Sourcing team.

3.2 Definition of severity of non-conformances:

- **Zero tolerance:** The most serious breach of our Standards. These are non-conformances against Woolworths Group's Human Rights Policy, Responsible Sourcing Standards and associated Addendums that we consider to be an egregious breach. These include: modern slavery (or modern slavery indicators) and exploitative conduct including, but not limited to, forced labour, deceptive recruitment, child labour,

human trafficking and debt bondage, bribery and corruption, mental or physical harassment or abuse, discrimination, and egregious health and safety breaches.

- **Critical:** A serious breach of our Standards. A critical non-conformance indicates a severe breach of the standard or local law which represents imminent or critical threats to workers' safety, or which constitutes a critical breach of workers' human rights or ethical business standards.
- **Major:** An absence or breakdown of the social compliance system, a systematic or material breach of the standard or local law which poses an imminent and immediate, but not life-threatening, threat to workers' safety or human rights.
- **Moderate:** A breach of the standard or local law which represents a danger to workers or an infringement of workers' human rights. The impact is less than those imposed by "Major" issues.
- **Minor:** An isolated failure or oversight which represents low risk to workers. A minor issue is not a systematic failure which can be reversed quickly.

Red audit outcome (Zero Tolerance)

- A red audit outcome is considered a zero-tolerance breach of the Standards.
- Where necessary, agreed actions may be recorded on a Management Action Plan (MAP). This is a mutually agreed set of actions with a focus on root cause and improvement of management systems in order to address them.
- In cases of systemic violations, a site may be required to undertake a third party capacity development program at their own expense.
- If we believe that there is both commitment from the supplier to remedy and avoid recurrence, and capability to do so, we will typically seek to work with the supplier to remediate the issues.
- If a supplier is unable or unwilling to remedy their non-compliance within a specified timeframe, we may suspend and/or terminate our relationship with that supplier. When considering terminating the relationship with the supplier, we will assess whether this is likely to have adverse human rights impacts on workers.
- Sites whose third-party certification has been revoked may be rated as red and suspended until certification can be reinstated.
- Sites must be re-audited by a third party to close audit non-conformances resulting from a red audit outcome.

Purple audit outcome (Critical)

- A purple audit outcome identifies sites where there is a critical violation of the Standards.
- A site is considered 'conditionally approved to trade', pending agreement of a corrective action plan to remedy non-conformances.
- Woolworths Group will actively follow up with suppliers to monitor progress made in closing non-conformance audit findings.

- A site with a purple audit outcome may also be prioritised for a Woolworths Group site visit and further due diligence measures such as worker voice surveys.
- If a site has multiple consecutive purple audits and continually fails to demonstrate that reasonable effort is being made to address the critical issues raised, we may consider this a zero-tolerance issue.

Amber audit outcome (Major)

- An amber audit outcome identifies sites where there is a major violation of the Standards.
- Amber sites are approved to trade, subject to any further findings or information.
- Non-conformances must be closed according to the mutual recognition scheme's rules.

Green audit outcome (Minor)

- A green audit outcome indicates compliance to the Standards. Non-conformances must be closed according to the mutual recognition scheme's rules.

Note on Sedex SMETA "Collaborative Action Required (CAR)" audit findings: In 2024, Sedex updated their audit methodology to include a new form of audit finding called a 'CAR'. These findings may require a different way of working. The auditor may not provide a deadline date for closure and the auditor may explain that closing these issues may involve actions from both buyers and suppliers, as well as additional stakeholders such as third-party labour providers, impacted workers, local NGOs, and trade unions. If you receive a CAR finding, you should contact Woolworths Group Responsible Sourcing to discuss our expectations with regards to next steps.

3.3 Re-audit schedule:

All suppliers must maintain audits/certification requirements as per their mutual recognition scheme rules. Most audit schemes provide an expiry date for the audit which should be followed.

Where a scheme does not define an expiry date for an audit, the following applies:

- **Red** – immediate follow up or investigation usually resulting in an audit within 3-6 months (based on violation).
- **Purple** – 1 year expiry
- **Amber** – 2 year expiry
- **Green** – 2 year expiry. Following two consecutive green initial audit outcomes, this will shift to 3 years expiry.

Taking a risk-based approach, sites in Australian Horticulture were required to have had a baseline audit by 2025 before moving onto the above audit schedule through a phased roll-out. While our ambition is to have an annual audit cadence in place for our Australian Horticulture sites, we acknowledge that there are practical challenges and limitations (e.g. auditor capacity in Australia) which at times may impact a supplier's ability to adhere to the audit schedule defined above.

4. 'Beyond audit' due diligence

Regardless of segmentation, Woolworths Group may request further due diligence activities or verification at any time including, but not limited to:

- an audit (including unannounced) or a site visit;
- worker voice initiatives;
- results from third party corrective action plans or verification;
- involvement in an investigation or remediation of grievances; and/or
- capacity building or training.

4.1 Site visits

Visits may be made by Woolworths Group team members or a third party auditor. These visits aim to build a deeper understanding of the root causes of issues found through audits and may be required as additional due diligence to verify compliance with our Human Rights Policy and Standards.

We periodically conduct unannounced site visits of our suppliers. Audit results (red and purple grading) or other red flag indications (e.g. media reports or complaints received through other channels, such as Speak Up) may trigger an unannounced site visit to aid Woolworths in identifying and resolving serious breaches of our Standards.

4.2 Special audits

Woolworths Group reserves the right to conduct an audit and/or request a site to be audited outside of Woolworths Group's standard audit requirements. These audits may be announced, semi-announced or unannounced based on the circumstances warranting a special audit.

In the event a special audit is triggered as part of an investigation, Woolworths Group may direct an audit firm to act on our behalf. The scope will be at the discretion of Woolworths Group, and the cost may be borne by the supplier or Woolworths Group based on the nature of the suspected breach.

4.3 Notifying Woolworths of changes to your site

The Responsible Sourcing Program focuses on a suppliers' site or factory that manufactures or produces the product that Woolworths Group purchases. Woolworths Group must be informed of any changes such as:

- a change of address when the site of production moves to a different location (a new account will be created in Woolworths Group's systems);
- any significant change to the site (i.e. addition of new buildings, extensions or renovations that alter exit routes). This includes moving to a different floor in a building;
- a change of company name that affects any licence to operate; and/or

- the inclusion of a new product type / crop into the site's usual production process, as the process may bring other risk considerations.

The site will undergo a new risk assessment, that may lead to the site requiring a new audit ahead of the usual schedule.

4.4 Shared Facilities in Asia

'Shared Facilities' is a term used when a factory shares its premises with others. This may be where parts of the building are occupied by others or where shared workplaces have "common areas" that are under the control of a landlord rather than the occupier(s) of the premises.

For Asian suppliers, further risk assessment may be required in order to accept this type of arrangement. Please reach out to responsiblesourcingasia@woolworths.com.au for information.

4.5 Subcontracting

Unauthorised subcontracting of your production obligations under your contract with Woolworths Group is prohibited. If you wish to move or subcontract production to a new site, Woolworths Group's Responsible Sourcing team must be informed of intended changes before they occur and further due diligence may be required to get approval.

We require our suppliers to respect our requirements for subcontracting and follow these principles:

1. Suppliers must always be transparent with Woolworths Group from the beginning regarding the processes performed in-house versus processes that they outsource.
2. Suppliers must get written approval from Woolworths Group's Responsible Sourcing team before they intend to engage in subcontracted production, before the production begins - this is an obligation under our Vendor Trading Terms and the Group Responsible Sourcing Standards.
3. Suppliers must conduct appropriate due diligence so that their suppliers and subcontractors are suitable and capable of performing the obligations being passed to them, and will be able to meet Woolworths Group's Standards and requirements.
4. Suppliers will always be responsible for their obligations, under the Vendor Trading Terms, even if they choose to subcontract some or all of those obligations to subcontractors.

5. Other information

5.1 Grievance Mechanism - Supplier Speak Up

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

The Supplier Speak Up service is available to our suppliers and their team members as a mechanism to confidentially and, if they choose, anonymously raise any responsible sourcing concerns. You can read more about Woolworths Group's Supplier Speak Up Policy or raise a concern at: WoolworthsGroup.com.au/SpeakUp.

It is expected that suppliers display the Speak Up poster at all sites supplying Woolworths Group, in an area freely and easily accessible to workers.

The Supplier Speak Up Policy is also available to download on our website under the Speak Up/Whistle blower section here.

- Australian suppliers can download the poster for their sites [here](#)
- Malaysian suppliers can download the poster for their sites [here](#)
- Bangladesh suppliers can download the poster for their sites [here](#)
- Thailand suppliers can download the poster for their sites [here](#)
- Chinese suppliers can download the poster for their sites [here](#)
- Vietnamese suppliers can download the poster for their sites [here](#)

We are committed to working with our suppliers to ensure appropriate grievance mechanisms are made available within their own supply chains. You can read more information on the [Speak Up website](#) and in the [Supplier Speak Up FAQs](#).

We are similarly committed to develop the capacity of suppliers to provide workers with a channel to share their feedback, concerns and ideas, at their place of work. We call this site-level grievance mechanisms. More information on grievance mechanisms can be found in our additional guidance materials section below.

5.2 Beyond Tier 1 suppliers

We expect that our suppliers and our suppliers' suppliers (in our upstream supply chain) are committed to the same Standards as we are. Our suppliers must be able to meet our minimum expectations and have capacity to continuously improve on key responsible sourcing indicators.

We expect our suppliers to share Woolworths Group's Standards with their suppliers so that our expectations and standards are known and implemented along the supply chain. We require suppliers

to be transparent about their upstream supply chain or sites and may request information to verify that our Standards are known and upheld at multiple supplier tiers.

5.3 Additional guidance resources

A number of stand alone guidance materials developed by the Woolworths Group Human Rights and Responsible Sourcing teams are available to support our Supplier partners in understanding and meeting the requirements of the Policy and Standards:

Topic	Guidance material	Relates to Standard No.
Grievance Mechanisms	Woolworths Group Supplier Guidance on Developing Grievance Mechanisms	11
Overtime	Woolworths Group Supplier Guidance on Overtime Hours	13
Labour providers	Woolworths Group Requirements for Labour Providers in our Australian Horticulture Supply Chain Addendum	5, 7, 17
Shared Facilities	Woolworths Group Supplier Guidance on Shared Facilities - Asia Woolworths Group Supplier Guidance on Shared Facilities - Asia [Mandarin]	2, 14, 15
Contacts for Responsible Sourcing Teams	Asia: responsiblesourcingasia@woolworths.com.au New Zealand: responsiblesourcing@woolworths.co.nz Australia / rest of world: responsiblesourcing@woolworths.com.au	N/A

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Accountable:	Chief Group Public Affairs, Communication and Sustainability Officer
Contact:	Responsible Sourcing team via: <ul style="list-style-type: none"> • Asia: responsiblesourcingasia@woolworths.com.au • New Zealand: responsiblesourcing@woolworths.co.nz • Australia / rest of world: responsiblesourcing@woolworths.com.au
Grievance mechanism:	Supplier Speak Up: WoolworthsGroup.com.au/SpeakUp
Related policies and guidance materials:	Available here .