

# Responsible Sourcing Policy

## 1. Introduction

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 our suppliers. This policy covers our approach to our upstream supply chain in all of our businesses and outlines our expectations for all Woolworths Suppliers in their own business and underlying supply base. The businesses that form the Woolworths Group are described [on our website](#).

Woolworths Group is committed to respecting the human rights of our own team members and the workers in our upstream supply chain and endorses the principles and guidance contained in the United Nations *Guiding Principles on Business and Human Rights*. This means we undertake due diligence activities to identify, prevent and mitigate any 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) fundamental principles and rights at work. 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 core values of human rights, labour standards, the environment and business integrity. This policy is consistent with the United Nations Declaration of Human Rights and complements our comprehensive Diversity & Inclusion strategy that ensures our team members are treated with fairness and respect.

In line with our purpose and values, Woolworths Group is committed to the regular review of our responsible sourcing approach. Governance oversight of our approach to human rights management is provided by the [Board Sustainability Committee](#).

## 2. Commitment to Responsible Sourcing

Woolworths Group is an Australian and New Zealand business. We have a complex global upstream supply chain, with a long standing commitment to a large number of domestic and international suppliers.

We recognise that there are a number of different legal frameworks and cultural environments that our suppliers operate in globally. We also recognise that we need to continuously monitor our responsible sourcing framework. We will review this policy annually, or when circumstances dictate; for example, to align with changes in regulations or address emerging issues.

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<sup>1</sup> <https://www.ilo.org/global/standards/introduction-to-international-labour-standards/conventions-and-recommendations/lang--en/index.htm>

We require all suppliers with whom we have a direct relationship for goods and/or services we sell or use in our businesses to comply both with all relevant laws, rules and regulations in the countries in which they operate, and with this Policy. 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 require our direct suppliers to communicate this Policy to their own suppliers and extend the principles of this Policy through their supply chain. We are committed to working with our suppliers to implement improvement plans and help them achieve compliance.

To support this Policy, Woolworths Group has developed a set of [Responsible Sourcing Standards](#), which apply to all of our suppliers with whom we have a direct relationship for goods and/or services we sell or use in our businesses (other than suppliers of branded goods and services).

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

We have an audit framework 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)
- Social Accountability (SA) 8000
- Worldwide Responsible Accredited Production (WRAP)
- Global Good Agricultural Practice Risk Assessment
- Fair Farms
- NZGAP Social Practice Add-on

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

### 3. Summary of Responsible Sourcing Standards

Our Responsible Sourcing Standards are designed to address specific responsible sourcing risks in our upstream 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.

- **Standards 4-5. Management Systems:** 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, authorised subcontracting and homeworkers, and sourcing raw materials and minerals in a responsible way (as outlined in the standards document).

## 4. Remedy and Grievance Mechanisms

It is important to Woolworths that effective remedies are available for affected people 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 are committed to promoting women's and children's rights as well as those of internal and foreign migrant workers in our operations and supply chain. We expect the same of our suppliers.

Woolworths 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. Woolworths provides a [Speak Up](#) service in 8 languages for our team members and direct suppliers (and their team members) as a mechanism by which responsible sourcing concerns can be raised anonymously. 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**



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| <b>Date approved:</b>       | <b>V.02 June 2020</b><br>By Woolworths Group Limited Board of Directors  |
| <b>Date effective:</b>      | <b>V.02 1st July 2020</b>  |
| <b>Accountable:</b>         | Chief Executive Officer  |
| <b>Contact:</b>             | Responsible Sourcing team via:<br><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="http://WoolworthsSpeakUp.ethicspoint.com">WoolworthsSpeakUp.ethicspoint.com</a><br><b>Telephone</b> <ul style="list-style-type: none"> <li>● Australia 1800 772 173</li> <li>● New Zealand 0800 393 76736</li> <li>● Hong Kong 800-96-0016</li> <li>● China 400-6-612-693</li> <li>● India 000-117; at the prompt dial (844) 476-9151</li> <li>● Thailand 1800-013-018</li> </ul> |
| <b>Related policies:</b>    | Requirements for Labour Providers in our Australian Horticultural Supply Chain   |