



## Responsible Sourcing Standards

### Supplier guidance on developing grievance mechanisms

#### Overview

We at Woolworths Group are committed to ensuring workers within its supply chain are treated with respect and dignity. This is why our Responsible Sourcing Standards require our suppliers to provide workers with a channel to share their feedback, concerns and ideas, at their place of work (**site**). This channel is commonly referred to as a grievance mechanism. We also require sites to have policies and procedures in place to review and respond to workers' comments, concerns, or complaints.

It is well recognised in corporate human rights benchmarking that site-level grievance mechanisms are one of the most effective ways to address worker concerns in a timely manner while also helping improve worker engagement. We have developed this resource to help our suppliers better understand our grievance mechanism expectations and provide recommendations to improve their effectiveness.

#### Knowing Woolworths Group's grievance mechanism standards

We expect suppliers to respect and comply with the criteria set out in our Responsible Sourcing Standards and develop the necessary tools and management systems to support this compliance. This includes meeting Standard 11 outlining our expectations for grievance mechanisms.

As part of Standard 11, we expect:

- Suppliers maintain and provide multiple grievance mechanisms (e.g. confidential suggestion boxes, hotlines, email, worker committees, designated space for worker meetings, meetings between management and worker representatives, etc.) to provide confidential means for workers to raise grievances.
- Workers are trained and aware of grievance mechanism options and understand that they can communicate without fear of retaliation, intimidation, harassment, or discrimination.
- Suppliers maintain a resolution history of grievances raised, including evidence of communication between management and worker, and whether or not the resolution was reached.

#### Defining grievance mechanisms

##### What is a grievance mechanism?

A grievance mechanism is a channel for workers to raise concerns or feedback about management practices, or any other issue related to the workplace. A functioning grievance mechanism also has a dedicated process for investigating, resolving or addressing concerns raised. The benefit of having a grievance mechanism at the site-level is that it allows management to identify and address potential and emerging issues before they escalate.

The UN Guiding Principles on Business and Human Rights (UNGPs) recommend companies also implement grievance mechanisms for non-employees and communities (e.g. the community the site is located, and communities located in proximity of its operations) to report concerns for companies to review and respond to. This is not an explicit requirement of Woolworths Group, but we encourage suppliers and sites to provide a community grievance channel because it aligns with international best

practice. This also helps ensure supplier and sites fulfill their responsibility to respect human rights and to provide a remedy for any adverse impacts that may be related to them operating within the local community.

## **How many grievances mechanisms should a site have?**

Woolworths Group does not have a specific required number or type of channels provided by sites. Instead, the design and implementation should reflect the size and scale of its operations and the needs of a supplier's workers.

For example:

- If a site has multiple nationalities represented within its workforce which speak and read multiple languages, it is important to ensure workers can raise issues and speak to members of management in their own language to prevent any type of barriers. This could include having a telephone hotline or an open-door policy where they can speak to a member of management they are comfortable raising concerns to.
- It is possible a grievance channel may be provided through an electronic platform like a mobile application or on computers provided at the site. However, if workers do not have access to computers to report concerns or feedback, the site should either provide an unmonitored computer workstation where workers can report issues confidentially through a webform, make an electronic reporting process accessible from personal mobile devices, or provide non-electronic channels, such as suggestion boxes, a telephone hotline or an open-door policy where they can speak to a member of management they are comfortable raising the concern to.

## **Does Woolworths Group operate a grievance mechanism?**

Yes. Our confidential grievance mechanism is called Speak Up. It is available for our team members, suppliers and any other individuals to report concerns for our attention. Matters can be raised in a variety of ways, confidentiality is maintained so those using the service can do so without fear of retaliation.

We expect our suppliers to provide similar grievance mechanisms which align with the expectations outlined in this resource. In addition, we expect our suppliers to raise any concerns of non-compliances with our Responsible Sourcing Standards either directly to us or through Speak Up.

To review our Supplier Speak Up program policy and learn how to submit a concern, visit:

[woolworthsspeakup.ethicspoint.com](http://woolworthsspeakup.ethicspoint.com)

## **Does the site-level grievance mechanism need to be confidential?**

Yes. Grievance mechanisms should be designed to ensure workers can confidentially report concerns or feedback without being identified, unless they choose to identify themselves. If worker confidentiality isn't prioritised, it may discourage other workers from reporting issues in the future. This impacts worker trust and, ultimately, the effectiveness of the grievance channel.

For example, if a site places its confidential suggestion box outside of the human resources office or in front of a CCTV camera, workers could perceive management is watching to see who reports issues and be afraid to use the box. Workers may then decide not to use the suggestion box to report their concerns and/or feedback.



## Assessing the effectiveness of grievance mechanisms

### What is an effective grievance mechanism?

The UNGPs outlines eight characteristics of an effective grievance process. These listed in the table below with actionable steps of how to apply these steps at the site-level.

Criteria	UNGP's Definition	Actionable Steps
Legitimate	Enables trust from the stakeholder groups for whose use they are intended, and being accountable for the fair conduct of grievance processes	<ul style="list-style-type: none"> <li>• A process must conform to a set of rules to be considered legitimate.</li> <li>• Sites should have a defined grievance mechanism process to act as a “set of rules” used to receive concerns confidentially, investigate, respond to and remediate any concerns as necessary.</li> </ul>
Accessible	Known to all stakeholder groups for whose use they are intended, and providing adequate assistance for those who may face barriers to access	<ul style="list-style-type: none"> <li>• Site channels and the defined grievance process should be communicated to all workers in a language they understand.</li> <li>• Workers cannot access a channel they aren't aware of or know how to submit a concern or feedback through.</li> <li>• Workers should be able to access channels without any type of barrier that prevents them from communicating through the channel.</li> <li>• A barrier could include having a grievance channel which requires submissions to be submitted in writing. Workers who are illiterate experience a barrier preventing them from using the system.</li> <li>• Another barrier could exist if a site uses a hotline or web-based system that operates in a language that is not understood by all workers. Workers who do not speak or read the language then experience a barrier preventing them from using the system.</li> </ul>
Predictable	Provides a clear and known procedure with an indicative time frame for each stage, and clarity on the types of process and outcome available and means of monitoring implementation	<ul style="list-style-type: none"> <li>• The grievance mechanism process should involve a defined time frame for how long each step should take. This way workers know how long to expect management to take when responding to their concerns.</li> <li>• Depending on the concern, the site may need to have different processes, including different responsible individuals, for investigating the concerns. For example, concerns could be related to pay, overtime, health and safety, and therefore need to be investigated and responded to by different areas of responsibility such as Human Resources.</li> <li>• All processes should follow the established grievance processes as closely as possible so workers experiences using the channel are reliable regardless of the concern reported.</li> <li>• Deviation from the grievance process should not occur unless there are special circumstances.</li> </ul>

		<ul style="list-style-type: none"> <li>This grievance process should be communicated to and understood by workers, supervisors and management to define their expectations of how the process works.</li> </ul>
Equitable	Seeks to ensure that aggrieved parties have reasonable access to sources of information, advice and expertise necessary to engage in a grievance process on fair, informed and respectful terms	<ul style="list-style-type: none"> <li>The grievance mechanism process should be fair and impartial for all workers.</li> <li>The process should be respectful and consistent for all workers – regardless of level, status or any other consideration.</li> </ul>
Transparent	Keeps parties to a grievance informed about its progress, and providing enough information about the mechanism's performance to build confidence in its effectiveness and meet any public interest at stake	<ul style="list-style-type: none"> <li>A transparent process is one that communicates openly.</li> <li>Any worker who uses the channel should receive communication of some form acknowledging their concern and/or feedback has been received and is under review. They should then receive a follow-up communication to let them know what action is being taken to address their feedback.</li> <li>If workers who use the channel receive consistent, transparent communication, they will positively reinforce the channel is effective with coworkers.</li> <li>Sites should also consider including examples of how they have improved processes benefitting all workers because of concerns and feedback received through the channel.</li> </ul>
Rights Compatible	Ensures that outcomes and remedies accord with internationally recognised human rights	<ul style="list-style-type: none"> <li>The process should ensure workers are treated with dignity and respect and should comply with Woolworths Group's Responsible Sourcing Standards.</li> <li>A worker's rights should not be impacted because of raising a concern, being involved in an investigation, or as part of any disciplinary actions.</li> </ul>
A source of continuous learning	Draws on relevant measures to identify lessons for improving the mechanism and preventing future grievances and harms	<ul style="list-style-type: none"> <li>When a site addresses concerns and feedback through its grievance process, it should consider if the issue is affecting additional workers or could occur again in the future.</li> <li>If multiple workers are affected or there are chances the situation could occur again, the site should take action based on what it has learned from addressing the issue.</li> </ul>
Based on engagement and dialogue	Consults the stakeholder groups for whose use they are intended on their design and performance, and focusing on dialogue as the means to address and resolve grievances.	<ul style="list-style-type: none"> <li>Sites should consult workers to understand their experiences using the available channels.</li> <li>Workers can help identify what is working well and what improvements could be made.</li> <li>If asking workers for feedback, it is important workers see evidence of their advice being used to improve the channels and process. This does not mean sites need to act on all feedback shared, but they should act on what they can.</li> </ul>



## How do I assess the effectiveness of grievance mechanisms at the site level?

Sites can assess the effectiveness of its channels through three key steps:

1. Track key performance indicators for each channel:
  - Set indicators to identify the count and types of grievances raised by channel. This creates a baseline to monitor increases or decreases year on year. If usage volume is increasing, this is a positive signal because it demonstrates workers are confident using the channel(s).
  - Depending on the size of the site, sites can maintain demographic information to identify the types of workers who have used the channel (e.g. gender, ethnicity, languages used, job type and which shifts are worked). However, privacy and confidentiality must be maintained as a priority, so the demographic information should not be able to specifically identify the worker, or include any information specifically identifying the worker. This information can help sites identify if all groups are equally using the channel, or if there are any barriers preventing certain populations from using the channels. In addition, it can help identify if certain groups of workers are reporting similar concerns identifying any trends of discrimination, harassment and/or other concerns.
2. Speak to workers and supervisors to get their perspective on using the system.
  - Incorporating workers in the design process is constructive way to identify and address barriers preventing usage.
  - One way to do this is to engage the site's Worker Committee to involve representatives from management, supervisory management and workers to solicit feedback.
  - A worker committee can be helpful in reviewing and implementing the grievance process because they represent different types of workers. They also help effectively communicate the policy because they are often seen as a trusted resource by other workers and employees.
  - Another approach is to interview workers. All feedback should be kept confidential.
  - When receiving feedback, it is important not to become defensive. Instead, ensure the worker feels heard and valued for sharing their opinions.
  - Once feedback conversations are completed, identify what feedback is actionable. Actionable feedback can be used to improve current procedures, address issues which are compromising worker trust in available channels, and enhance training for management, supervisors and workers.
  - Communicate changes to channels and/or procedures to workers, supervisors and management so they are aware and understand their responsibilities in supporting the channel. This communication also reinforces what improvements were made because of their feedback, which should increase confidence in the channel.
3. Conduct a gap assessment on site-level channels using the UNGPs effectiveness criteria outlined above.
  - Review the site's performance against each of the indicators and identify what improvements can be made. This is a gap assessment.
  - It may be beneficial to incorporate worker interviews as part of the assessment. If so, interview workers across all shifts to ensure accurate representation of the workforce is being consulted (e.g. gender, ethnicity, country of origin). Worker feedback should be kept confidential.
  - Identify any gaps in achieving the criteria and develop action plans to close the gaps.
  - Consider engaging the site's Worker Committee to involve representatives from management, supervisory management and workers to create the plan.
  - Communicate any changes and conduct any required training with management, supervisors, and workers to ensure everyone knows how the channels work and what is expected of them.



## Site communication & training

### **Do sites need to conduct training and communication on grievance mechanisms?**

Yes. Training and clear explanations of the process should be provided to all workers (and repeated at regular intervals) to ensure all workers know how to use the system and that they understand the process for handling any issues that are raised. Both should emphasise workers can confidentially report concerns or feedback without fear of retaliation, and how to report any perceived retaliation for immediate action by the site.

### **What are examples of ways to communicate to workers?**

There are multiple ways to inform workers about available grievance channels. Two primary ways include worker orientation training and having posters displayed throughout the site. The training and posters should be in languages all workers can understand and updated when and if changes are made. Training should be repeated on a regular basis to encourage active knowledge and use of grievance mechanisms.

### **Am I required to communicate about Woolworths Group's Speak Up grievance mechanism at the site-level?**

Yes. Woolworths Group is developing material to support the rollout of the Supplier Speak Up program in our supply chain. You will receive more information about this in the coming weeks.

### **Should supervisors and management be trained on grievance mechanism procedures and policies?**

Yes. Supervisors should be aware of the channels and all related procedures and policies. It is essential supervisors and management do not perceive grievance channels as a threat or criticism on how the site operates. Instead, these channels can be a valuable tool to address worker feedback and concerns early on, and lead to positive improvements at the site.

## Establishing policies & procedures

### **Should sites have procedures for reviewing concerns and/or feedback submitted through grievance channels?**

At a minimum, sites should define the following procedures for grievance mechanisms:

- How workers confidentially report grievances and are protected from retaliation
- How management investigates grievances submitted by workers and non-workers
- How management communicates the outcomes after the investigation
- How outcomes are documented and maintained confidentially and
- How management determines and implements appropriate remedy, where necessary, in a timely manner.

### **What is retaliation?**

Retaliation is considered any kind of negative action against an employee that takes the form of punishment and/or a hostile, threatening or uncomfortable environment due to reporting a grievance. Workers should not face any retaliation for raising concerns.



## **What should a site do if a worker has been retaliated against for a concern they raised through a channel?**

If a worker has been retaliated against, management should ensure any type of retaliatory behavior is stopped immediately. This includes retaliation that occurs outside of the site for any issue a worker reports through the site-level channel.

The worker should be removed from the situation without negatively impacting his or her schedule or working hours. Appropriate disciplinary action should be taken for the individual who retaliated, as defined by the site's anti-retaliation procedures and local law.

## **How does a site communicate actions taken in response to an issue raised anonymously?**

If you have received an anonymous issue and still need to report back on an issue, consider the following options:

- Provide a monthly update at the beginning of each shift to communicate themes of issues received and what the response was.
- Create a bulletin board with a log of actions the site has taken in response to issues raised without compromising the confidential nature of the complaints.

Beyond these options, consider asking the Worker Committee for their recommendations on how to best communicate this information in a manner that workers trust.

## **How does a site determine if communicating an issue raised/response could single out any individual?**

If the nature of the complaint could easily identify someone because it only applies to a minority of workers or includes details identifying a specific situation involving an individual, these should not be communicated broadly because it could indirectly break confidentiality. This may be more common at smaller sites employing fewer workers.

## **What is harassment?**

Harassment is considered any type of unwelcome conduct from a manager, coworker, group of coworkers, customer or vendor whose actions, communication or behavior mocks, demeans, puts down, disparages or ridicules an employee. Physical assaults, threats and intimidation are severe forms of harassment.

Any form of harassment of workers, including in response to using a grievance channel and/or in response to issues raised through a channel, at the site is a violation of Woolworths Group's Responsible Sourcing Standards.

## **Should sites have an anti-harassment and discrimination policy?**

Sites should develop policies and procedures to address any potential or actual discrimination or harassment issues. This includes hiring, termination, promotion, raise evaluation and grievance procedures. In addition, policy should be communicated to management, supervisors and workers.

## **What is discrimination?**

Woolworths Group's Responsible Sourcing Standard 9.3 defines discrimination as people [being] treated differently because of certain characteristics – such as race, ethnicity, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, marital

status, pregnancy status, physical appearance, HIV status, or age, or any other applicable prohibited basis – or, in this case because they reported a concern through the channel, which results in unequal treatment in the workplace.

A worker choosing to use a channel to report a concern should not result in them being treated unequally to other workers. This is a violation of Woolworth Group's Responsible Sourcing Standards.

## **What is intimidation?**

Intimidation is the act of threatening or frightening someone to coerce them to do something they do not want to do. This could include threatening someone to take back a concern they have reported or to change their testimony about an incident. Intimidation could also include threats of violence, punishment or job loss.

Any form of intimidation of workers, including and in response to using a grievance channel and/or in response to issues raised through a channel, at the site is a violation of Woolworth Group's Responsible Sourcing Standards.

## **Should sites have an anti-retaliation policy and procedures?**

Sites should have an anti-retaliation policy in place, either as a standalone policy or as part of another policy. This includes having defined procedures for how to protect workers from retaliation, conduct investigations, and determine disciplinary actions, which should be an appropriate response to the level of retaliation displayed. The policy should be communicated to management, supervisors and workers.

## **Investigating reported concerns**

### **Who should investigate concerns reported?**

The site should carefully consider who it designates to receive and investigate grievances received. Selected individuals should be considered a trustworthy person by both management and workers, who also possesses cultural and gender sensitivity. The investigator should not be the subject of the complaint or, if possible, the manager of those being complained about. In some cases, this individual may work outside of the business. These people must be trained and empowered to make decisions or have access to people who can make decisions.

### **Do all issues need to be investigated the same way?**

There should be a general procedure defining how issues are investigated. This helps ensure the process is consistent and equitable. Organisations such as the Australian Human Rights Commission have [Good Practice Guidelines](#) to provide support for creating such procedures. There may be some issues which require additional steps due to the sensitivity of the issue, such as reporting the incident to the authorities if required by local law and/or if a worker is in danger of physical harm. Some grievances may be vexatious or false, and so confidentiality in the process is essential to limit damage to those who might suffer retaliation following a false or vexatious complaint.

### **Can workers have a representative with them as part of the investigation?**

Yes. Workers are entitled to have a representative assist them with any complaint. Woolworths Group expects all relevant parties (such as suppliers, labour hire providers, workers and unions) to work constructively and in good faith together to seek to resolve workers' grievances and complaints at the site level. This includes recognising any representative (including a union) by which a worker chooses to be represented.