



Know the Chain 2018

Additional disclosure by Woolworths Group Ltd.

REQUESTED COMMENTS

Commitments: Please clarify whether the scope of the retailer roundtable on human rights has already been identified.

The retail roundtable of the Australian Business Pledge Against Forced Labour has identified human rights remedy as an area of common challenge. As outlined in response 7.2, the group has commissioned a report titled, *Human Rights Remedy*, that is due for release in Q1 FY19. With increasing human rights-related issues impacting the retail industry in Australia, Woolworths' believes there is value in collaborating on shared industry issues and solutions. We have therefore initiated a series of Responsible Sourcing Retail Roundtables with the purpose to surface material issues and emerging risks in the area of responsible sourcing and human rights. The first of these multi-stakeholder events was held in March 2018 in Australia and covered the topics of overseas migrant workers in Australia, and the approaching Australian Modern Slavery Act. The second Retail Roundtable is scheduled to take place in Hong Kong in July 2018.

3.2. Please clarify your definition of "offshore suppliers" to which your selection process applies (i.e all non-Australian suppliers?)

In the context, "offshore suppliers" refers to Woolworths direct suppliers of own and exclusive branded goods or services that operate in countries outside of Australia and New Zealand.

5.2. and 5.3.: If already available after your commitment being published in November 2017, please provide updates on your work towards educating workers on their rights, and especially with regards to freedom of association.

Woolworths continues to work collaboratively with the National Union of Workers (NuW) and other industry partners, to develop a mutually agreed labour hire scheme for our Australian fresh food supply chain. Agreement on this scheme will include a process for educating workers on their rights, including freedom of association and collective bargaining.

6.1. Please provide the information that is available under the link to your "ethical sourcing audit checklist" on this website:

[https://www.woolworthsgroup.com.au/page/community-and-responsibility/group-responsibility/partners/Labour Practices in our global supply chain/](https://www.woolworthsgroup.com.au/page/community-and-responsibility/group-responsibility/partners/Labour_Practices_in_our_global_supply_chain/)

Please see the Ethical Sourcing Audit Checklist here:

[https://www.woolworthsgroup.com.au/content/Document/Ethical%20Audit%20Checklist%20v2.0%20\(Final%2020160602\).pdf](https://www.woolworthsgroup.com.au/content/Document/Ethical%20Audit%20Checklist%20v2.0%20(Final%2020160602).pdf)

7.2 Is there an update on the company's pledge "to seek research and recommendations to underpin a debate on the appropriate role for members in supporting effective remedy when instances of forced labour or other human rights abuses are identified within their supply chains"?

Woolworths, as a signatory of the 2015 Australian Business Pledge against Forced Labour, has coordinated the development of a report titled, *Human Rights Remedy*. The report, commissioned by Pledge signatories, aims to contribute to the discourse on what constitutes an appropriate and effective remedy in instances of forced labour. The report is scheduled for release in Q1 FY19.



ADDITIONAL COMMENTS

1.3 Management and Accountability

The company has established clear responsibilities and accountability for the implementation of its supply chain policies and standards relevant to human trafficking and forced labor, both within the company and at board level. The company:

(1) has a committee, team, program or officer responsible for the implementation of its supply chain policies and standards relevant to human trafficking and forced labor;

In undertaking a review of our current Ethical Sourcing Policy and processes, Woolworths has convened a Responsible Sourcing Steering Committee comprised of Executive Leaders across the different business units. The Steering Committee has been supported by a Working Group that has been responsible for reviewing our existing program and making recommendations for review. The outcome of this review and program changes will be disclosed in July 2018.

This April, Woolworths appointed a Responsible Sourcing Manager, Woolworths Group, who is responsible for overseeing and embedding supply chain policies on social compliance, including standards relevant to human trafficking and forced labor.

(2) has tasked a board member or board committee with oversight of human rights and/or supply chain policies and standards that address forced labor and/or human trafficking.

Woolworths' Board Sustainability Committee oversees all environmental and social governance issues for the Group, including the protection of human rights. This Committee has oversight of the Ethical Sourcing Policy, and any future human rights policies and standards that address responsible sourcing.

1.5 Stakeholder Engagement

The company engages with relevant stakeholders on human trafficking and forced labor. This includes engagement with policy makers, worker rights organisations, or local NGOs in countries in which its suppliers operate, as well as active participation in one or more multi-stakeholder or industry initiatives. In the last three years, the company has engaged relevant stakeholders by:

(1) providing at least two examples of engagements on forced labor and human trafficking with policy makers, worker rights organisations, local NGOs, or other relevant stakeholders in countries in which its suppliers operate, covering different supply chain contexts; and

In addition to our ongoing discussions with the National Union of Workers (NuW), Woolworths has actively engaged with policy makers in regards to the Australian Government's Inquiry into Establishing an Australian Modern Slavery. This included making a written submission to the Inquiry, presenting evidence at the Inquiry consultations and in May 2018 participating in the Department of Home Affairs Modern Slavery Act 'Exposure Draft' sessions.

(2) actively participating in one or more multi-stakeholder or industry initiatives focused on eradicating forced labor and human trafficking across the industry.

In addition to participating in the Consumer Goods Forum and Australian Business Pledge Against Forced Labour, Woolworths is a participant in the Bali Process Business Forum. We attended the Sydney Working Group in May 2018 and have since continued our engagement and interest in this Forum.



3.1 Purchasing Practices

The company is taking steps towards responsible raw materials sourcing. It is adopting responsible purchasing practices in the first tier of its supply chain, and provides procurement incentives to first-tier suppliers to encourage or reward good labor practices. Purchasing practices and pricing may both positively impact labor standards in the company's supply chain, and increase risks of forced labor and human trafficking. The company:

(1) is taking steps towards responsible raw materials sourcing;

In addition to commitments to use only RSPO-certified in own brand food products, Woolworths are working towards sourcing all products and primary packaging from Forest Stewardship Council (FSC) and Programme for the Endorsement of Forest Certification (PEFC); or recycled sources.

Woolworths is making substantial progress in sustainably sourcing paper and timber products.

- 100% of our own brand tissues, toilet paper, and kitchen towels are sourced from third-party certified sustainable sources.
- 100% of our copy and catalogue paper used in our Australian businesses is from sustainably managed sources certified by FSC or PEFC.

https://www.woolworthsgroup.com.au/page/community-and-responsibility/group-responsibility/responsible-sourcing/Sustainable_forestry_products

Further, 100% of Woolworths branded tea and chocolate blocks, and more than 70% of Woolworths coffee and sugar are sustainably sourced. Woolworths and Fairtrade are working together to create positive impact on communities around the world by sourcing products in an ethical and sustainable way. You can view our Fair Trade crange here:

<https://www.woolworths.com.au/shop/productgroup/2007-display-fairtrade>

More information available here: <https://www.woolworths.com.au/shop/discover/sustainability>

3.3 Integration into Supplier Contracts

The company integrates supply chain standards addressing forced labor and human trafficking into supplier contracts. The company:

(1) integrates supply chain standards addressing forced labor and human trafficking into supplier contracts.

Compliance with Woolworths' Ethical Sourcing Policy is a requirement for supplying goods to Woolworths in accordance with Woolworths' Vendor Trading Terms. According to Woolworths' Vendor Trading Terms, suppliers are required to comply with Woolworths' policies set out on our supplier portal, Wowlink. The Ethical Sourcing Policy is available on Wowlink here:

https://www.wowlink.com.au/wps/portal/topic_centre?WCM_GLOBAL_CONTEXT=/cmgt/wcm/connect/Content%20Library%20-%20WOWLink/WOWLink/Topic%20Centre/DoingBusiness/VendorGuide/EthicalSourcing

4.1 Recruitment Approach

The company has a policy that requires direct employment in its supply chain, and requires employment and recruitment agencies in its supply chain to uphold workers' fundamental rights and freedoms. The company discloses information on the recruitment agencies used by its suppliers.



The company:

(2) requires employment and recruitment agencies in its supply chain to uphold workers' fundamental rights and freedoms (those articulated in the International Labour Organization's Declaration on Fundamental Principles and Rights at Work), including the elimination of forced labor;

As outlined in Woolworths' Policy for employing or engaging overseas workers, "suppliers who engage overseas workers through a contractor or labour hire agency must: implement processes to enable adequate oversight of the contractor, sub contractor or labour hire agency with regards to its compliance with workplace laws, including, without limitation, correct rates of pay and hours of work and the minimum rights and conditions at work outlined in Section 5 of this Policy."

You can find Section 5 of this Policy here:

<https://www.wowlink.com.au/cmgt/wcm/connect/6ab218804b7c075b8c368e22377c5b0d/Policy+for+employing+overseas+workers+November+2015.pdf?MOD=AJPERES>

5.1 Communication of Policies

The company ensures its human trafficking and forced labor policies and standards are available to supply chain workers in their native languages, and that its human trafficking and forced labor policies and standards are communicated to workers in its supply chain. The company ensures:

(1) its policies and standards, which include human trafficking and forced labor, are available in the languages of its suppliers' workers; and

Woolworths Ethical Sourcing Policy is available in seven languages. They are: English, Bangla, Chinese, Hindi, Urdu, Thai and Vietnamese. They are available here:

https://www.wowlink.com.au/wps/portal/topic_centre?WCM_GLOBAL_CONTEXT=/cmgt/wcm/connect/Content%20Library%20-%20WOWLink/WOWLink/Topic%20Centre/DoingBusiness/VendorGuide/EthicalSourcing

5.2 Worker Voice

The company works with relevant stakeholders to engage with and educate workers in its supply chain on their labor rights. To ensure scalability and effectiveness, the company takes steps to ensure that there are worker-to-worker education initiatives on labor rights in its supply chain, and it provides evidence of the positive impact of worker engagement in its supply chain. The company

(1) works with relevant stakeholders to engage with and educate workers in its supply chain on their labor rights;

As outlined in Woolworths' Policy for employing or engaging overseas workers, Woolworths requires direct suppliers in its Australian and New Zealand Fresh Food supply chain to educate workers on labour rights.

In Australia the relevant requirements are:

- In addition to complying with all applicable workplace laws, Woolworths requires its suppliers to ensure that all workers receive an induction before starting work, in a language they understand or with an interpreter present. The induction as a minimum must include an explanation of workers' basic rights, safety at work and contact details for Fair Work Australia and the Australian Government's Translating and Interpreting Service (TIS) www.tisnational.gov.au.

- All overseas workers must be provided a copy of the Fair Work Information Statement and 'My employment checklist' available from www.fairwork.gov.au in a language they understand.
- All overseas workers must be provided information about the Pay and Conditions Tool, available for mobile devices from www.calculate.fairwork.gov.au and be informed of their employment level to enable them to use the Pay and Conditions Tool.

In New Zealand the relevant requirements are:

- All workers must receive the minimum employment rights and obligations as set out at www.employment.govt.nz.
- In addition to complying with all applicable workplace laws, Woolworths requires its suppliers to ensure that all workers receive an induction before starting work, in a language they understand or with an interpreter present. The induction as a minimum must include an explanation of workers' basic rights, safety at work and contact details for the Ministry of Business, Innovation & Employment in New Zealand and the New Zealand government's Language Line service <http://ethniccommunities.govt.nz/browse/languageline>.

6.1 Auditing Process

The company audits its suppliers to measure compliance with applicable regulations and with its supply chain standards. The process includes non-scheduled visits, a review of relevant documents, interviews with workers, and visits to associated production facilities and related worker housing. The company also audits suppliers below the first tier. The company has a supplier audit process that includes:

(1) non-scheduled visits;

As outlined in Part 6 of Woolworths' Policy for employing or engaging overseas workers, non-scheduled visits are one mechanism by which Woolworths may assess compliance. For service providers, it states that "Woolworths reserves the right to conduct random and unannounced audits to verify compliance with this Policy".

(2) a review of relevant documents;

Please find Woolworths ethical sourcing audit checklist here:

[https://www.woolworthsgroup.com.au/content/Document/Ethical%20Audit%20Checklist%20v2.0%20\(Final%2020160602\).pdf](https://www.woolworthsgroup.com.au/content/Document/Ethical%20Audit%20Checklist%20v2.0%20(Final%2020160602).pdf)