



Our Partners

Promoting better labour practices in our global supply chains

At Woolworths Group, one of our core values is: I care deeply. This is at the heart of our sustainability programs and is particularly relevant in our approach to responsible sourcing and how we manage the rights of workers across our global supply chain.

In 2009, Woolworths Group (the Group) launched its first Ethical Sourcing Policy. Since then, global retailers have made huge progress towards mature best practice programs; regulation and legislation such as the forthcoming Australian *Modern Slavery Act* require companies to report on their due diligence steps, and sustainability issues are top of mind for our customers and other stakeholders.

The Group's new Responsible Sourcing Program, launched in July 2018, responds to this changing situation and sets out our business expectation for social compliance. Aligned with our [2025 Sustainability Plan](#) to activate ethical and mutually beneficial partnerships through the whole value chain, it is our vision to be Australia's leading retailer in Responsible Sourcing.

Our Responsible Sourcing Program

While our operations and supply chains are complex, our aim is to ensure that human rights issues are understood, respected and upheld. We expect our business partners to adhere to ethical business conduct consistent with our own, and are committed to working with them to fulfil this common goal, and proactively address human rights.

Our approach to doing this is anchored by two main documents:

- [Responsible Sourcing Policy](#) that applies to all direct suppliers; and
- [Responsible Sourcing Standards](#) that apply to all direct suppliers, other than suppliers of branded goods and services.

These are supported by our Responsible Sourcing Program Guidelines and its translation in Chinese .

The Policy

The Responsible Sourcing Policy outlines our commitment to upholding the human rights of the workers in our supply chain. The Policy applies to all of our suppliers globally and is a part of doing business with the Group.

Our Responsible Sourcing Policy replaces our Ethical Sourcing Policy.

The Standards

The Responsible Sourcing Standards are a key way that we implement the Policy commitments. They include comprehensive criteria on business integrity, labour rights, fair and safe working conditions and environmental compliance:

- 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.
- 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.
- Social and Labour Standards : All workers must be treated with respect and dignity. Suppliers are to provide workers with a safe place to work, and

respect 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.

- Environmental Standards: Suppliers must comply with all applicable environmental laws and regulations, and maintain an environmental management system that identifies and manages environmental impacts.
- Additional Standards: Where applicable, suppliers must comply with standards relating to overseas foreign migrant workers, authorised subcontracting and homeworkers, and responsible sourcing of minerals.

As part of the rollout and ongoing due diligence, we are committed to supporting suppliers with relevant information sessions, guidance documents, training materials and, in higher-risk categories, establishing communities of practice.

In our Responsible Sourcing Standards, we commit to an annual review so we can ensure we maintain the right standards as against our standards, and the expectations of our communities and customers. Our 2019 review includes further detail regarding our verification and audit framework, clarification on the role of our Guidance notes, and recognition of our extended Speak Up program for management of grievances. Our 2020 Policy enhancements included explicit endorsement of the UN Guiding Principles on Business and Human Rights; acknowledgement of our human rights governance via the Board Sustainability Committee; further emphasis on the expectation for suppliers to cascade requirements into their own supply base; and recognition of our internal responsibility (e.g. Responsible Purchasing Practices) as a vital factor in promoting respect for human rights.

The Addendum

[Requirements for Labour Providers in our Australian Horticulture Supply Chain](#)

In February 2019, we released an Addendum to our Responsible Sourcing Standards, [Requirements for Labour Providers in our Australian Horticulture Supply Chain](#). These are supported by our [Statement of Principles](#).

The Addendum outlines specific requirements relating to the engagement of labour providers by participants in our horticulture supply chain. Safeguarding responsible employment practices by labour providers involved in our supply

chain is a key component of Woolworths' responsible sourcing commitments. Our approach to responsible recruitment is aligned with industry standards and underpinned by three core principles known as the [Priority Industry Principles](#):

- every worker should have freedom of movement;
- no worker should pay for a job; and
- no worker should be indebted or coerced to work.

Information on labour providers currently used by our recognised third party programs can be found below:

- Queensland Government's Register of Labour Hire Licenses [here](#)
- Seasonal Worker Program Listing of current Approved Employers [here](#)
- The Registry of StaffSure Certified Workforce Service Providers [here](#)

For more information please read these [FAQs](#).

Our Approach

- A risk-based approach to better understand our risks and prioritise supplier categories for relevant due diligence measures.
- To minimise duplication we are taking a 'mutual recognition' approach and will no longer be conducting *Woolworths Ethical Audits*. Rather, where required, we will accept third-party social compliance audits from approved third-party schemes.
- A focus on effective grievance mechanisms to ensure a common framework to identify and remediate concerns raised.
- Ongoing training and capacity building of our internal teams that manage the implementation of our responsible sourcing program; and fostering partnerships with our strategic suppliers, to develop their capability to identify and respond to responsible sourcing challenges.

Risk-based supplier segmentation

While our operations and supply chains are complex, our aim is to ensure that human rights are respected and understood. At Woolworths Group, responsible sourcing is not about auditing all suppliers in scope of the Standards; it is about taking a targeted and informed approach in sectors where there are known risks and where we have limited visibility.

To this end, we will conduct an annual supplier risk assessment. This assessment is based on a number of factors including country risk, third-party social compliance data and the nature of the supplier arrangement. You can read more about our approach [here](#).

Based on this assessment, suppliers will be categorised into four risk segments and this segmentation will determine the activities suppliers are required to complete in order to verify compliance with the Standards. These include, but are not limited to:

- Attending training and education sessions
- Completing a supplier self -assessment questionnaire (SAQ)
- Submitting an audit under our third-party social compliance 'Mutual Recognition' scheme
- Agreeing to and implementing a corrective action plan
- Demonstrating continuous improvement
- Announced and unannounced factory or site visits.

Minimising duplication through 'mutual recognition'

Recognising many of our suppliers are already a part of a social compliance audit program, we will now accept compliance information from seven different third-party schemes. These schemes were selected based on their coverage, governance, relevance to our at-risk supply chain and alignment to our Standards. The schemes are:

- amfori BSCI
- Supplier Ethical Data Exchange (Sedex) and SMETA
- Social Accountability (SA) 8000
- International Councils of Toy Industries (ICTI) Ethical Toy Program
- Worldwide Responsible Accredited Production (WRAP)
- GLOBALG.A.P. Risk Assessment on Social Practice (GRASP) and NZGAP Social Practice Add-on
- Fair Farms

Effective grievance mechanisms and access to remedy

The 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. This commitment extends to the work of human rights

defenders, and the expectation they can operate in a safe and respectful environment across our operations. The Group provides a Speak Up service for our team members and direct suppliers (and their team members) as a mechanism by which responsible sourcing concerns can be raised anonymously, and we are committed to working with our suppliers to ensure appropriate 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](#).

With suppliers in some 50 countries, we acknowledge there are different socio-cultural barriers that may prevent vulnerable workers from raising concerns, either directly with their employer (our supplier) or the Group. We know there is work to do to strengthen our grievance response and will prioritise this in FY19. At the same time, we will work to raise supplier awareness of the eight characteristics of an effective grievance process outlined by the United Nations Guiding Principles on Business and Human Rights (known as the UNGPs).

It is important to us that effective remedies are available for affected people and communities where it is identified that our operations have caused or contributed to adverse impacts. These remedies may be provided through direct engagement with affected people and communities, or in collaboration with our suppliers or other third parties.

As a signatory of the 2015 Australian Business Pledge against Forced Labour, we have coordinated the development of a report [The business response to remedying human rights infringements](#). The research, commissioned by Pledge signatories, aims to contribute to the discourse on what constitutes an appropriate and effective remedy in instances of forced labour.

Training and capacity building

We will be rolling out training over the coming year to increase the awareness of all team members on the topic of human rights and our commitment in this area. For our buying and sourcing teams, we will implement more targeted training on how to better incorporate respect for human rights into business decisions.

The Group will support suppliers to understand and embed our Responsible Sourcing Standards. We will do this through information sessions, guidance documents, training materials and, in higher-risk categories, establishing

communities of practice.

Governance

We have developed an organisational structure and accountability to embed human rights management into our business. Governance oversight of human rights management is provided by the [Board's Sustainability Committee](#). Responsible sourcing and related human rights issues are raised at the Board through papers compiled by our Group Sustainability team, who have oversight of the Group approach to human rights.

Our Human Rights Steering Committee comprises of Executive and Senior leaders from across each of the Group's business units. This Committee oversees our Group-wide framework for identifying human rights risks and impacts in the supply chain, as well as setting and now monitoring our policy and minimum standards.

Each business unit is supported through working groups and the Human Rights Steering Committee, with progress reported to the Board Sustainability Committee.

A Group Sustainability Chapter has been established to drive our sustainability transformation, and human rights has been recognised as one of five strategic areas. Day-to-day, the Chief Sustainability Officer has responsibility for the human rights program and this is discharged to the Head of Sustainability - Human Rights. The Head of Sustainability - Human Rights manages a team of 8 human rights subject matter experts, who partner with businesses across the Group to develop frameworks to mitigate human rights risks across our operations and supply chain. In recognition of the breadth of our operations and supply chain, the Human Rights team is also supported by human rights experts in New Zealand and Asia to ensure consistent and targeted delivery of our human rights program.

Tracking Progress

Increasing transparency

Woolworths Group is an Australian company with a long-standing commitment to a large number of domestic suppliers. 100 percent of the fresh meat sold at Woolworths supermarkets is produced in Australia and 96 percent of fresh fruit and vegetables sold at our supermarkets are grown on farms in Australia.

We also have a complex global supply chain and source products from many countries, including China, India and Bangladesh.

The apparel industry carries a higher risk of child labour, forced labour and freedom of association. Our BIG W business is committed to the ongoing transparency of its supply chain by publishing the details of factories that directly produce their own brand apparel and general merchandise quarterly on our website. The latest list is available [here](#) (as at March 2022) and represents 100% of our direct suppliers in these categories. Further information on direct suppliers in Bangladesh is available [here](#) in Excel format (note when the excel is downloaded this information is uncontrolled). This represents 100% of direct suppliers in Bangladesh as at 16 March 2022.

Similarly, Woolworths Food Group publishes the list of factories that directly produce our apparel and textile products [here](#) (as at March 2022).

We are working to map our suppliers beyond tier one (supplier producing the final product) to include, where possible, tier two and three suppliers (suppliers producing components of a final product e.g. cotton suppliers). In FY22, our BIG W business commenced a project to enhance transparency in its cotton supply chain. The project commenced with a pilot of five strategic tier one suppliers. To date (March 2022) more than 150 second tier suppliers have been identified in BIG W's cotton supply chain, see [here](#) (note when the excel is downloaded this information is uncontrolled).

Partnerships to drive a multi-stakeholder response

Human rights and responsible sourcing challenges do not occur in isolation. They are embedded in complex socio-economic systems of migration, gender, under-employment, weak rule of law and low wages. Where possible, the Group seeks to work in multi-stakeholder partnerships that both scale impact and promote a coordinated approach to tackling complex issues.

Woolworths Group Retail Roundtable series

There are well known human rights challenges facing the retail industry in Australia. To promote knowledge sharing and collaboration in a pre-competitive space, we have initiated a set of Retail Roundtables. These multi-stakeholder events include representatives from retail, industry bodies, civil society, and suppliers. The first of these sessions was held in Sydney in March 2018 and covered the topics of the forthcoming Australian Modern Slavery Act and labour-hire in Australian fresh food supply chains.

In November 2021, Woolworths Group Chairman Gordon Cairns and Chair of the board Sustainability Committee, Holly Kramer, co-hosted a roundtable on modern slavery reporting with senior leaders from top ASX listed companies. In the session Gordon and Holly outlined Woolworths' approach to managing human rights risks, the Woolworths Group board's risk appetite statement for human rights, and how this informed the Groups approach to disclosure. Our human rights team presented on the lessons learned from implementing human rights due diligence and facilitated discussion on opportunities for improvement. The roundtable reflected a continuation of our efforts to bring together like-minded companies with a shared ambition and openness to collective learning.

Bangladesh Accord

In 2019, BIG W business, along with other brands, signed an agreement to extend the Bangladesh Accord on Building and Fire Safety to 2021.

Woolworths Group strongly supports ongoing efforts to ensure a robust, transparent and industry-wide mechanism delivers safe working conditions for all factory workers. The ACCORD handed over their responsibilities to the National Initiative Ready Made Garment Sustainability Council (RSC) and BIG W supports the RSC's continued operation in Bangladesh.

Our suppliers have made significant progress under the Accord. We remain committed to suppliers in their remediation activities. BIG W has 21 active sites under the Accord and is the lead brand for six sites (as at January 2021). The remediation progress rate for the active sites is 97% (initial progress).

Bali Process Business Forum

The Bali Process Government and Business Forum is a joint business and government initiative to combat modern slavery and human trafficking in the Indo-Pacific region. The Group is a participant in the Bali Process Business Forum and attended the Sydney Working Group in May 2018. We are in ongoing dialogue with the Bali Process Business Forum Secretariat, providing insights particularly into labour hire and overseas migrant workers in Australia.

UN Global Compact Network Australia (GCNA) Modern Slavery Community of Practice

Woolworths Group is an active member of the UN Global Compact Network Australia, with our team participating in numerous events throughout the

year and contributing to the Human Rights Leadership Group. Building on our contribution, the Group is now represented on the GCNA Modern Slavery Community of Practice. The purpose of this group is to share emerging best practices to build common capability in addressing modern slavery and human rights risk management among Australian businesses.

Other stakeholder engagements

We regularly engage with key external stakeholders to understand their expectations in relation to human rights and responsible sourcing. This includes:

- Civil Society: Over the years, the Group has established a dialogue with key non-government organisations (NGOs) in Australia and overseas, largely as they relate to external benchmarking programs. This year, we plan to build and strengthen these engagements and develop new partners with broader civil society actors.
- Government: Woolworths Group supports the introduction of a Modern Slavery Act in Australia and has participated in a number of the Government's consultations. Our inquiry submission is available [here](#).
- Workers: Our teams regularly engage with workers in our supply chain through factory and farm visits, both announced and unannounced. As we roll out our new Responsible Sourcing Program, we will identify opportunities for enhanced worker engagement and consultation.
- Unions: Woolworths supermarkets is in dialogue with the United Workers Union (UWU) as we work collaboratively towards the implementation of an agreed pre-qualification programme for labour-hire providers who operate in Woolworths' direct fresh food supply chains. For more information read the press release [here](#).



Responsible Sourcing FAQ

Download a copy of our Responsible Sourcing FAQ [Find out more >](#)



Addendum to the Responsible Sourcing Standards: Requirements for Labour Providers

Download a copy of our Addendum to the Responsible Sourcing Standards: Requirements for Labour Providers [Find out more >](#)



Addendum to the Responsible Sourcing Standards - FAQs Feb 2019

Download a copy of our Addendum to the Responsible Sourcing Standards - FAQs Feb 2019 [Find out more >](#)



Uzbek Cotton Policy

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Supplier Guidance on Developing Grievance Mechanisms

Download a copy of our Supplier Guidance on Developing Grievance Mechanisms [Find out more >](#)



Human Rights Grievance Process

Download a copy of our Human Rights Grievance Process [Find out more >](#)



Responsible Recruitment Addendum

Download a copy of our Responsible Recruitment Addendum [Find out more >](#)



Responsible Sourcing Policy

Download a copy of our Responsible Sourcing Policy [Find out more >](#)



Responsible Sourcing Program Overview

Download a copy of our Responsible Sourcing Program Overview [Find out more >](#)



Responsible Sourcing Standards

Download a copy of our Responsible Sourcing Standards [Find out more >](#)



Supplier Guidance on Overtime Hours

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Sustainable Cotton Policy

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