



we

are  
Woolworths  
Group

2022  
Modern Slavery Statement

Woolworths Group Limited  
ABN 88 000 014 675



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### Acknowledgment of Country

Woolworths Group acknowledges the Traditional Custodians of Country throughout Australia and recognises their continuing connection to land, waters and community. We pay our respects to them and their cultures; and to Elders both past and present.

Aboriginal and Torres Strait Islander people should be aware that this report may contain the names and images of deceased persons.

### Statement on reporting entity

Woolworths Group Limited (ACN: 000 014 675) is an Australian public company listed on the Australian Securities Exchange (ASX: WOW). The company is registered at 1 Woolworths Way Bella Vista NSW, Australia. This Statement has been published in accordance with the Modern Slavery Act 2018 (Cth) (MSA or Act). It identifies the steps Woolworths Group Limited and its controlled entities (including the reporting entities listed in the Appendix) (together, for the purposes of this Statement, 'Woolworths Group' or 'Group') took to identify, assess, mitigate and remediate modern slavery risks in its operations and supply chain during year ending 26 June 2022 (F22). Woolworths Group Limited makes this joint Modern Slavery Statement (Statement) to cover the Woolworths Group.

All amounts are expressed in Australian dollars unless another currency is indicated.

This report contains forward looking statements, please read our disclaimer on [page 2 of the 2022 Sustainability Report Appendix](#) for more information.

## Mandatory reporting criteria of the Modern Slavery Act

This Statement was prepared to meet the mandatory reporting criteria set out under the Modern Slavery Act 2018 (Cth). The table below identifies where each criterion of the Act is disclosed within sections of this Statement.

MSA CRITERIA	REFERENCE IN THIS STATEMENT
Identify the reporting entity	<a href="#">Inside front cover</a>
Describe the reporting entity's structure, operations and supply chains	<a href="#">Pages 4 to 5, 32, 38 to 39</a>
Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls	<a href="#">Pages 8 to 27</a>
Describe the actions taken by the reporting entity and any entity it owns or controls to assess and address those risks, including due diligence and remediation processes	<a href="#">Pages 8 to 28, 31 to 32, 36 to 37</a>
Describe how the reporting entity assesses the effectiveness of these actions	<a href="#">Pages 28 to 30</a>
Describe the process of consultation with any entities that the reporting entity owns or controls (a joint statement must also describe consultation with the entity giving the statement)	<a href="#">Pages 31 to 34</a>
Provide any other relevant information	<a href="#">Pages 35 to 37</a>



Human rights is increasingly integrated into the way we go about our business every day, so that every decision we make has our purpose at heart; *creating better experiences together for a better tomorrow.*

Our Human Rights Program is underpinned by our core values of caring deeply, listening and learning, and always doing the right thing. We are committed to continuous improvement so that our processes and interventions remain effective in preventing and remediating modern slavery.

### These approaches come together in our Human Rights Program principles that guide our work in this area:



No global retailer is immune to modern slavery risk in their operations and supply chains.



We adopt a human rights-based approach in our modern slavery strategy. That means that we consider risks to people alongside risks to the business.



Identifying actual or potential situations of modern slavery demonstrates our program is effective. It means we are better placed to provide remedy to affected workers and address root causes.



Where potential situations of modern slavery are identified, we will always do the right thing, which means acting in the best interests of potentially affected workers.



Modern slavery can only be ended by working with others. We will work collaboratively to drive change that addresses the root causes of modern slavery.



## Section 1

# CEO message

**This year's Modern Slavery Statement is a reflection of our commitment to being truly purpose-led; *creating better experiences together for a better tomorrow.* As a people business, upholding respect for human rights is critical across our operations and supply chain as we continue to be guided by our core values of caring deeply, listening and learning, and always doing the right thing.**

Modern slavery can only be ended by working with others, and partnerships are a key principle of our approach. This year we focused on building long-term strategic partnerships that will help us play a broader proactive role in our ambition to end modern slavery via international peer learning, dedicated engagement and advocacy streams. These include joining The Consumer Goods Forum Human Rights Coalition, entering into a Memorandum of Understanding with the Retail Supply Chain Alliance and the reintroduction of Woolworths Group hosted roundtables on modern slavery. Further information on partnerships established this year can be found on [page 36](#).

We are moving to a deeper phase of program maturity. This year we intentionally focused on getting the right policies and frameworks in place to provide our teams and suppliers appropriate guardrails to manage key risk areas. These governance enhancements included updating our Responsible Sourcing Policy and Standards, launching a Sustainable Cotton Policy and delivering an end-to-end governance framework for labour providers used in our business, among others.

Moving forward, we remain focused on embedding delivery against these frameworks, prioritising ongoing strategic work in extreme risk areas, and remediating negative impacts where these are identified.

Last year, Woolworths Group identified and disclosed a potential case of debt bondage at a supplier site in Malaysia. A number of forced labour indicators were identified at the supplier site, including workers having paid excessive recruitment fees, and security bonds that placed restrictions on freedom of movement. Following further work and the support of an independent third party assessment which considered the interplay of these indicators, we've since confirmed this is the first instance of modern slavery identified in our supply chain.

In the interest of current and future workers, the most enduring impact we can have is when we continue engaging with the supplier to not only remediate impacted workers but lift standards through enhanced policies and procedures. Our team worked diligently

in partnership with the supplier and a number of external stakeholders to secure fees remediation to impacted foreign migrant workers, and to put systems in place to prevent the recurrence of similar forced labour issues at this site.

This year we agreed with the supplier that approximately \$750,000 is to be returned to an estimated 226 migrant workers from Nepal, Bangladesh and Myanmar. We also took learnings from this case and launched a Responsible Recruitment Addendum to our Responsible Sourcing Standards. The Addendum sets out our supplier requirements, guidance and remediation protocols as they relate to migrant workers in higher risk geographies. Roll out will commence in Malaysia in F23.

This is a complex space to navigate, and we are still learning. During the investigation and remediation process, our team was guided by a number of our Human Rights Program principles:

- identifying actual or potential situations of modern slavery demonstrates that our program is effective. It means we are better placed to provide remedy to affected workers and address root causes
- where potential situations of modern slavery are identified, we will always do the right thing, which means acting in the best interests of potentially affected workers.

In sharing our experiences, we hope other companies can learn from and build on our approach. More information on our remediation principles, process and lessons learned can be found on [pages 20 to 21](#).

**This Statement was approved by the Woolworths Group Board on 23 August 2022, on behalf of all reporting entities covered by this Statement.**

**Brad Banducci**  
Chief Executive Officer  
23 August 2022

## Key program highlights in F22

- ~\$1 million in repayments has been, or is in the process of being, returned by suppliers to more than 990 workers across our supply chain
- 132 passports were returned to migrant workers in our supply chain in Malaysia
- Commenced a cotton supply chain traceability pilot to increase visibility of raw material sourcing
- Developed a labour governance framework to monitor third party labour risks at our sites
- 65 tier two suppliers assessed for modern slavery risks across apparel and dried fruit categories
- Supported our suppliers to manage modern slavery risks and meet the Group's expectations with the launch of three new resources:
  1. [Child Labour Prevention and Remediation Addendum](#)
  2. [Responsible Recruitment Addendum](#)
  3. [Sustainable Cotton Policy](#)
- Strengthened our commitment to collaboration with three partnerships:
  1. Centre for Child Rights and Business
  2. Consumer Goods Forum Human Rights Coalition
  3. Retail Supply Chain Alliance

## Progress against our objectives

The ambition of our current five-year Human Rights Program is outlined in the [Woolworths Group Sustainability Plan 2025](#). Our 2025 commitments are underpinned by annual plans and quarterly objectives. We continue to monitor progress against our annual plans and this is outlined below.

### Operations

OBJECTIVES	STATUS	COMMENT
Team member training on modern slavery, prioritising those managing higher risk categories		<b>Continue in F23.</b> Developed four bespoke modules designed to build awareness of the risks of modern slavery and labour exploitation in our supply chain. Roll out will commence in F23.
Design and pilot a mechanism for potentially affected groups to participate in program design and evaluation		<b>Continue in F23.</b> Consulted our Refugee Employment Program team members to understand their views on our human rights program. Engaged 211 cleaners and trolley collectors in a survey on Supplier Speak Up.
Create an end-to-end labour governance monitoring framework to proactively monitor compliance with contractual controls (new for F22)		<b>Complete.</b> A cross-functional squad designed an end-to-end framework with five key pillars to mitigate modern slavery risks associated with labour providers used in our operations.
Commence due diligence framework for controlled entities across the Group ecosystem		<b>Complete.</b> Held 13 one-to-one engagements with entities that we control (but do not wholly own) or have a minority interest in, to share learnings and understand their approach to managing modern slavery risks. We will continue this in F23.



Complete



Partially complete

### Supply Chain

OBJECTIVES	STATUS	COMMENT
Pilot a due diligence approach with vendor branded suppliers of an extreme risk commodity (new for F22)		<b>Complete.</b> Piloted a listen and learn approach with four vendor branded apparel suppliers that offered practical insights into the operationalisation of our sourcing policies.
Continue to prioritise due diligence of labour providers in our Australian horticultural supply chain, engaging suppliers and industry groups (new for F22)		<b>Continue in F23.</b> Continued to increase visibility of labour providers in high risk categories and conducted a focus group discussion with suppliers on implementation challenges.
Partner with Woolworths Food Company Strategic Sourcing team to design and deliver due diligence for identified high-risk commodities		<b>Continue F23.</b> Established a Commodities squad and piloted a due diligence approach at tier two supplier sites for dried fruit and nuts.
Design and deliver a due diligence approach for non-trade suppliers based on category risk segmentation		<b>Continue in F23.</b> Finalised the 'Supplier Grow' Supplier Management Framework for implementation in F23.
Prioritise the rollout of strategies in extreme risk areas including seafood, cotton and at supplier sites in Malaysia		<b>Continue in F23.</b> Launched a seafood supplier gap assessment, Sustainable Cotton Policy, and Responsible Recruitment Addendum. Managing extreme risk areas remains a priority.



# Our structure, operations and supply chain

Woolworths Group is a food and everyday needs ecosystem which includes some of Australia and New Zealand's most trusted retail brands, unified by our purpose of creating better experiences together for a better tomorrow. Our food and everyday needs ecosystem consists of our core retail food businesses, leading eCommerce, digital and data capabilities, and complementary platforms and partnerships that enhance the customer experience and provide adjacent growth opportunities.

Details of each reporting entity covered by this Statement, together with a description of their respective activities and key brands, is set out in the Appendix on [pages 38 to 39](#). Woolworths Group also has a number of controlled entities and these are discussed in Section 6 on [pages 31 to 34](#).



## Business to Consumer (B2C) Food:

Our cornerstone retail food stores and online channels are famous for fresh produce and Woolworths branded products made by our dedicated Woolworths Food Company team.

## More Everyday:

This segment complements our focus on food and includes everyday categories, such as BIG W, to provide more value for our customers.

## Business to Business (B2B) Food:

Building on our strength in food, we continue to expand into new customer segments and international markets.

## Retail Platforms:

Our technology and supply chain platforms help bring our business to life through data, analytics and logistics capabilities that support the Group and our partners.



## Our operations

Woolworths Group is Australia's largest retailer with a collective store footprint spanning all states and territories. Our 1,261 stores in Australia are comprised of 1,085 food stores (Woolworths Supermarkets and Metro Food Stores) and 176 BIG W stores. We are also the largest retailer in New Zealand with 190 Countdown supermarkets. Our retail entities are supported by other businesses and platforms, including our logistics business Primary Connect, our circular economy initiative Woolworths360 (W360), retail media business Cartology, and venture capital and innovation fund W23. Our 19 support offices span 5 countries, with the majority in Australia and New Zealand.

Our workforce comprises the approximately 197,000 directly employed team members who work across Woolworths Group in our stores, distribution centres, logistics and support offices. Our operations also include indirect workers, including a F22 average of approximately 7,900 professional services contractors, as well as sub-contractors and labour-hire resources that support our business with ongoing labour or the provision of services in Woolworths Group's facilities.

## Our supply chain

Woolworths Group has one of the largest and most complex retail supply chains in Australia. We work with approximately 18,270 direct suppliers across trade (vendor and non-vendor branded) and non-trade. Non-vendor branded refers to suppliers that produce or pack products for a Woolworths Group brand and fresh categories. These are commonly referred to as our 'own brands'.

Woolworths Supermarkets prides itself on being Australia's Fresh Food People, this year sourcing 97% of all fresh fruit and vegetables and 100% of fresh meat, sourced by Greenstock, from Australian farmers and growers. Similarly, 100% of fresh meat for Countdown Supermarkets is sourced from New Zealand, as is 83% of fresh fruit and vegetables.

Of the other Woolworths Group branded products, 75% of the food category is manufactured in Australia, with non-food categories sourced mainly from China (76%) and Australia (10%). There are 417 sites supplying BIG W branded products – of these 91% are sourced from China and Bangladesh.

Non-trade suppliers provide goods and services to support our operations. The largest non-trade supplier categories by spend are supply chain, corporate services, construction and equipment, IT and property services.

Direct suppliers are also known as tier one suppliers. There are thousands of other suppliers that contribute to the Group's supply chain through the provision of goods or services to direct suppliers. These suppliers are indirect suppliers, often referred to as suppliers beyond tier one or tier two, three or four suppliers. We know that modern slavery risks are often found beyond tier one suppliers at different stages of production, including raw material extraction. We have prioritised risk management in extreme risk categories beyond tier one suppliers, and this is discussed further in the Statement.



<sup>1</sup> Excludes Statewide Independent Wholesalers Pty Ltd, Quantum Group Holdings Pty Ltd, Quantum Group Pty Ltd and PFD Food Services Pty Ltd.



## Human Rights Program governance and ways of working

We manage modern slavery and broader human rights risks in our operations and supply chain through our Human Rights Program. It is informed by the United Nations Guiding Principles on Business and Human Rights (UNGPs), the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work, our Woolworths Group Risk Management Framework and the Board approved Risk Appetite Statement, which identifies human rights as a level one risk, meaning we work 'towards zero'.

Our Group Sustainability team, like the rest of Woolworths Group, is transitioning towards agile ways of working. Agile allows teams to focus on delivering projects at pace through iterations and helps to actively prioritise activities, based on feedback and other changes. Agile at Woolworths Group follows the principles of:

- Platforms—build capability to scale across Woolworths Group and deliver value in the businesses
- Chapters—technical experts responsible for providing thought leadership and partnering with squads to deliver work
- Squads—cross-functional working groups that accelerate the work
- Businesses—delivering directly to our customers with ownership for delivery relating to their businesses.

Human Rights is a Chapter within the Group Sustainability Platform. The Group Human Rights team is responsible for developing the overarching human rights strategy

and annual work plan. Human Rights team members in Australia, New Zealand, China, Hong Kong and Bangladesh are supported by allocated business partners that come together in Squads based on annual priorities.

This operational approach is supported by the Human Rights Steering Committee (SteerCo) that is sponsored by the Chief Sustainability Officer (CSO). Members of SteerCo are reviewed annually based on the strategic priorities of that year, aligned to risk. In F22, this included the Director of Sourcing for Australian Food Group, General Manager of Procurement, Head of Quality Assurance, Ethical Sourcing and Packaging Sustainability for BIG W, Woolworths Group Company Secretary, and General Counsel for Australia Food Group.

SteerCo oversees the implementation of the Group's Human Rights Program, including strategic direction, prioritisation, risk management, resourcing, reporting and program effectiveness. Progress is reported to the Board through periodic updates via the CEO report, and the Board Sustainability Committee (SusCo) through the quarterly CSO report and deep dive paper into human rights each financial year.

This year, for the first time, Woolworths Group's incentive scheme for the senior executive team included a reputation metric measured externally by RepTrak. This represents an important step in further aligning and embedding delivery of our strategy against purpose, which includes our human rights strategy.

### Woolworths Group Board

Responsible for reviewing, appraising and approving the Group's Sustainability Plan 2025, which includes human rights and our annual Modern Slavery Statement

#### Sustainability Committee (SusCo)

Reviews and monitors the Group's human rights initiatives and due diligence. SusCo is responsible for reviewing the Group's Modern Slavery Statement and recommending it to the Board for approval

#### The CEO and Executive Committee, including the CSO

Accountable for the implementation of our Human Rights Program and managing human rights risks across the Group. Progress is reported to SusCo quarterly

Supported by external human rights advisory partners, ELEVATE and Verité



#### Human Rights Steering Committee (SteerCo)

Oversees the implementation of the Group's Human Rights program

#### Squads

Procurement  
(non-trade)

Third party labour  
governance (operations)

Commodities  
(Woolworths Food Group)

Sustainable Cotton  
(Woolworths Group)



#### Functions and Business Units (BU)

Woolworths Supermarkets

Woolworths Food Company

BIG W

Countdown

Procurement

Primary Connect

Brand and Reputation

Legal

WooliesX

Group Risk



## Our Human Rights Program framework

Our approach to human rights has been in place for five years and we have made solid progress in that time. The first phase (2017–2020) focused on the development, rollout and embedding of the Responsible Sourcing Program (RS Program) across own brand and fresh product categories. In this current phase (2021–2025) we are scaling up human rights due diligence across our value chain, including non-trade, operations and ecosystem partners, while maintaining a focus on higher-risk commodities and countries in our trade supply chain.

To maximise our impact we take a risk-based approach to supply chain management. This means we:

- Prioritise our work where there is a higher likelihood of severe human rights impacts, including modern slavery, occurring
- Look for opportunities where we have greater influence to drive change within our supply chains
- Use a supplier and category segmentation approach based on inherent risk to determine which suppliers are in scope of the RS Program.

Our Human Rights Program includes three sub-programs through which we manage key human and labour rights risks in our supply chain:

- **Responsible Sourcing–Trade:** the most developed program, includes supplier segmentation and due diligence of own brand and fresh suppliers
- **Responsible Sourcing–Non-trade:** includes category level risk segmentation and supplier engagement for non-trade procurement
- **Bespoke and targeted risk-based due diligence:** focuses on industry and country specific modern slavery due diligence in extreme risk areas, including supplier capability, advocacy and industry memberships.

Suppliers of vendor branded goods and services are required to have established arrangements and processes which are consistent with our commitment to responsible sourcing and upholding human rights outlined in the Responsible Sourcing Policy (RS Policy).

Suppliers and categories in scope of our RS Program, operationalised through our Responsible Sourcing Standards (RS Standards), are listed in the table below:

BUSINESS UNIT	CATEGORY
Supermarkets and Metro Food Stores	<b>Woolworths Own Brand</b> (Including any product carrying Woolworths name and address)
	<b>Fresh Meat and Seafood</b> (Including products sold behind the counter)
	<b>Fresh Produce</b> (Fresh fruit, vegetables and floral products)
BIG W	<b>BIG W Own Brand</b> (Including any product carrying BIG W's name and address)
GNFR (Goods not for resale)	<b>Suppliers of high-risk services</b> (Including but not limited to cleaning, trolley collecting, security and logistics)
	<b>Suppliers of branded goods not for resale</b> (Including but not limited to shopping bags, baskets, trolleys, signage and uniforms)

### Understanding our risks of involvement in modern slavery

In identifying and assessing the modern slavery risks in our operations and supply chain, we use the UNGPs continuum of involvement to determine whether we may cause, contribute to or be directly linked to harm. Under the UNGPs:

- A company may cause modern slavery if its own acts or omissions directly result in the modern slavery occurring (for example, if it engaged children in hazardous work)
- A company may contribute to modern slavery if its own acts or omissions are significant in facilitating, encouraging or enabling another party to cause a situation of modern slavery (for example, if its purchasing practises put significant cost and time pressures on suppliers that they could only met through the use of forced labour)
- A company may be directly linked to modern slavery by its operations, products or services through a business relationship (for example, if a product it purchases was manufactured using workers in debt bondage).



# Identifying and taking action to address modern slavery risks

**As the largest retailer in Australia and New Zealand, Woolworths Group's operations and supply chains are complex and exposed to dynamic human rights risks. We continue to monitor our risk environment through a combination of supplier screening, third party risk assessments and advice, audit results, grievances raised, team member insights, regulatory trends, industry commentary, and media and civil society reports. These diverse sources help us identify and prioritise our response to the most salient human rights risks, including emerging risks.**

Our insights into modern slavery risks are driven by a number of risk platforms. This includes global risk and sustainability solutions provider ELEVATE's integrated risk platform, EiQ. Each year we look at EiQ's global forced labour indicators to identify changes in forced labour and other risks related to our key sourcing countries and product categories. Key trends most relevant to our supply chain this year that we have monitored through EiQ include:

- Malaysia forced labour risk metrics are now at extreme risk levels. This is largely driven by the deterioration in freedom of association and increased breaches across industries related to working hours, harassment and discrimination, and wages
- Despite small improvements in EiQ's forced labour index, Thailand and Vietnam saw an overall increase in risk due to a decline in business integrity and transparency
- In Vietnam and China, risks related to document transparency and domestic migrant workers are at extreme risk levels
- India and Bangladesh's overall forced labour risk remains high, and the past year saw a sharp increase in risks related to domestic migrant workers, driven by ongoing supply chain volatility of COVID. There has been little improvement in child labour outcomes, which remain at an extreme risk level in India, and there has been a decline in building safety across both countries
- Australia and New Zealand have maintained an overall low risk rating, however, there has been a noticeable decline in nearly all indicators related to management systems, such as record keeping and documentation.

This year we added two new intelligence sources to our risk process—EiQ's incident-tracking function, Sentinel; and geopolitical monitoring with Control Risks, a specialist risk consultancy:

- Sentinel analyses the internet for supplier specific news in key areas, including forced labour, child labour, wages and working hours, and fire and health and safety. In F22, we conducted a Sentinel scan of our direct own brand suppliers in Thailand and Malaysia

and none were identified as having an incident reported against them. In F23, we will extend Sentinel scans to all own brand suppliers as an additional component to our risk assessment process

- In partnership with Control Risks, we co-developed a monitoring framework to identify emerging risks in our supply chain and key sourcing locations. Control Risk issues a monthly report focusing on key indicators where our risks have changed due to geopolitical dynamics, supply chain disruptions, regulatory developments and commodity specific modern slavery risks. Recent events impacting our supply chain risks have included the war in Ukraine and the ongoing effect of COVID in key sourcing locations.

Finally, we continue to monitor global regulatory trends, including:

- The United States' Uyghur Forced Labor Prevention Act and Withhold Release Orders
- The European Union Directive on Corporate Sustainability Due Diligence that includes provisions for mandatory human rights and environmental due diligence
- The Malaysian Government's ratification of the Protocol of 2014 to the Forced Labour Convention
- The New Zealand Government's consultation on a potential Modern Slavery Act
- The Australian Government's forthcoming three-year review of the Modern Slavery Act.

Anticipating future human rights due diligence requirements in this rapidly evolving regulatory environment forms part of the strategic development of our Human Rights Program.

**Our specific modern slavery risks and our actions to address them are discussed in more detail in the following sections.**

# Our operations

## Direct

The majority of Woolworth Group's approximately 204,000 team members are employed directly. This means that we have direct visibility of employment terms and conditions, which are set out in either contracts of employment that are regulated by Australian and New Zealand employment laws and relevant industrial instruments. 85% of Australian team members are covered by 28 enterprise agreements in Australia and 85% of New Zealand Food Group team members are in roles that are covered by 12 collective employment agreements in New Zealand.

We consider that the risk of modern slavery in our direct team is low. Strong policies, team member training, accessible grievance mechanisms and ongoing monitoring are key program controls we use to mitigate the risk of modern slavery in our operations. We also recognise the importance of freedom of association and acknowledge the right of team members to negotiate collectively. Woolworths Group has regular engagements with registered trade unions, and an estimated 37% of Australian team members and 42% of New Zealand team members are members of a registered trade union.

While we acknowledge the risks may be greater in inherently higher risk jurisdictions, including mainland China, Hong Kong, Macau, Thailand and Bangladesh, our 427 team members across these countries are professional team members. These team members are employed directly on employment terms and conditions that comply with the Group's policies and procedures and are regulated by the relevant local laws of the country they are based in.

### Engaging potentially affected stakeholders – our Refugee Employment Program participants

We acknowledge the importance of engaging with potentially affected stakeholders to incorporate their voices into our program design. Our Refugee Employment Program (REP), delivered in partnership with Community Corporate – a diversity and inclusion social enterprise – helps refugees build new lives and community connections in Australia. This provides us with a unique group of team members who can provide insights based on their diversity of life experiences.

In F22, Community Corporate contacted 50 REP team members, inviting them to participate in an interview on our Human Rights Program. Despite being reassured that their responses would be confidential, the majority of those contacted were generally concerned that participating in the survey may negatively impact their employment, and therefore they declined to participate. The 15 REP team members that agreed to participate were interviewed in English or Arabic, and were asked 20 questions focused on what human rights meant to them, and Woolworths Group's approach to building a rights-respecting culture.

While not a statistically representative sample size, through this process we learned that:

- Respondents were supportive of Woolworths Group's ambition for everyone to feel comfortable and supported in raising concerns, but noted

language challenges and cultural awareness were barriers they faced at work

- There are opportunities for us to enhance training of team members and managers to improve the experiences of team members with refugee backgrounds at work
- Respondents would prefer that the Human Rights team engage with them face to face in the future, to better understand their perspectives.

These findings were similar to those of the Supplier Speak Up Survey discussed on [page 30](#). Together they reinforce the importance of taking the time to build trust and design culturally meaningful methods of stakeholder engagement. In F23, we will establish principles for consultation, drawing on lessons from teams across Woolworths Group who have set up similar frameworks that foster safe spaces for open dialogues, create feedback loops and provide a sense of belonging.

**"To me, human rights means someone just being human - deal with people as a human, don't think about their colour or background."**

**Team Member**  
NSW Store





## Communicating our human rights expectations

Our policy framework articulates our human rights expectations to our team members and provides transparency on our grievance management processes.

Our Code of Conduct, Fraud, Anti-Bribery and Corruption Policy and Team Member Speak Up Program are communicated to all team members through mandatory training. All policies are available on the team member intranet. The implementation of policy commitments is supported by our Culture and People team, a dedicated team that provide specialised advice to team members on human resources matters.

POLICY/RESOURCE	PURPOSE
<b>Code of Conduct</b>	How we expect team members (including contractors) to behave towards each other, our customers and the broader community. References compliance with the RS Policy and has details of our Team Member Speak Up Program
<b>Respectful Workplace Policy</b>	Sets out our expectations that all team members treat everyone with respect when at work, when representing our businesses or when interacting with team members outside of work
<b>Right to Work Policy</b>	Promotes compliance with Australian immigration laws so that team members' working rights are respected
<b>Fraud, Anti-Bribery and Corruption Policy</b>	Articulates our commitment to complying with laws and regulation addressing fraud, bribery and corruption in each country we conduct business
<b>Diversity and Inclusion Policy</b>	Outlines our commitment to value and respect the unique contributions of people with diverse backgrounds
<b>Safety, Health and Wellbeing Policy</b>	Outlines our commitment to the physical and psychological safety and health of our customers, team members and business partners
<b>Team Member Speak Up Program</b>	An anonymous reporting channel for team members (including contractors), their family and associates to raise serious matters they don't feel comfortable raising through other channels, including breaches of the law and/or conduct that breaches our Code of Conduct or Policies

## Monitoring compliance in our direct operations

Policy frameworks and contractual documents are integral to mitigating modern slavery risks in our operations, but they are only effective when operationalisation is monitored. To this end, we have controls in place to check that we are meeting our legal and policy requirements to our team members. These include:

- Verifying the age of candidates prior to them commencing employment
- Requiring team members to verify that they are 18 years or older and that they are licenced or trained (as appropriate) to operate machinery
- Introducing rostering and time and attendance guidelines so that our team members are paid correctly in accordance with applicable industrial instruments
- Communicating our grievance mechanisms, including Team Member Speak Up, through training, posters in-store and on site
- Conducting an end-to-end pay review to assess our historic compliance with numerous modern awards, enterprise agreements and various legislative entitlements, and continuing to remediate any shortfall where we identify it.

## Indirect

We engage a proportion of indirect workers who support our business with ongoing labour or the provision of services in Woolworths Group's facilities. We acknowledge that labour rights risks may be higher for indirect workers who work on Group sites. There are two categories of these workers:

- Labour hire workers, who support activities such as the picking and packing of products in Australian and New Zealand distribution centres or picking and packing of online orders at customer fulfilment centres (CFCs)
- Operations services workers, who perform regular work that Woolworths Group outsources to third parties, such as cleaning, trolley collection and security services.

Some of this workforce is characterised by migrant and unskilled workers who may be less aware of their workplace rights, and higher risk business practises such as subcontracting and tight industry margins. Woolworths Group also has less visibility and control over how these workers are engaged, treated and remunerated, as they are engaged through a supplier or labour agency.

Due to these factors, we recognise that workers engaged as contractors or labour hire casuals are more vulnerable to modern slavery risks, and we are cognisant that we must implement proportionate controls to mitigate the risk of actual harm occurring.

We are addressing labour rights risks related to the indirect workers who perform work for Woolworths Group and on Woolworths Group's sites in a range of ways. In F21, we conducted a review of our contracts for operations service providers to understand what contractual controls were in place to mitigate human rights risks. This work continued in F22, with 84% of our contracts with operations service providers now including, or as a part of a negotiation will include, modern slavery clauses.

In New Zealand, Countdown engaged an external legal firm to review their distribution centre labour hire providers' employment contracts against key employment law provisions. Each labour hire provider was issued with the findings, which largely related to leave entitlement and personal protective equipment (PPE) clauses needing to be updated. Follow up actions are underway with each provider to update their employment contract templates to check compliance with current legislation. Temporary labour makes up less than 10% of Countdown's distribution centre workforce.

## Managing risks with our cleaning and trolley collection suppliers

Cleaning and trolley collection suppliers continue to be a focus. In our Australian trading sites in F22, 168 sites were subject to external auditing by independent audit companies, 153 sites were self-audited by the service providers, and three sites were audited by Woolworths Facilities Management team. As a result of these audits:

- \$91,801 was repaid to 671 workers. The majority of the underpayments were due to one service provider having payroll system issues. These issues have since been rectified
- Five primary contractors and two subcontractors were terminated from their existing sites
- Six contractors had consent to service trading sites withdrawn, prohibiting them from working at any trading sites in the future.

Compliance activities will continue in F23 aligned with our labour governance framework for service providers.

As of this year, all 26 of Countdown's cleaning and trolley collectors service providers, including subcontractors, are members of Building Service Contractors New Zealand (BSCNZ). Membership requires that companies follow the BSCNZ Code of Practice and undertake social audits. Six have completed their site visit audit, with the remainder scheduled for F23. Audit non-conformances to date have mostly related to employment agreement clauses needing to be updated with current legislative requirements (e.g. sick leave days) and leave entitlement miscalculations. In one case a cleaning supplier returned a total of \$2,345 NZD of underpayments to 14 workers due to pay miscalculations. Remediation has occurred with all current employees and the company is working to remediate a further \$1,203 NZD with 17 former employees.

**"You are really very helpful and kind to me as it was looking impossible to get my money back from them but you really made it. I am grateful to you for your help."**

**Cleaner**  
Woolworths Supermarkets



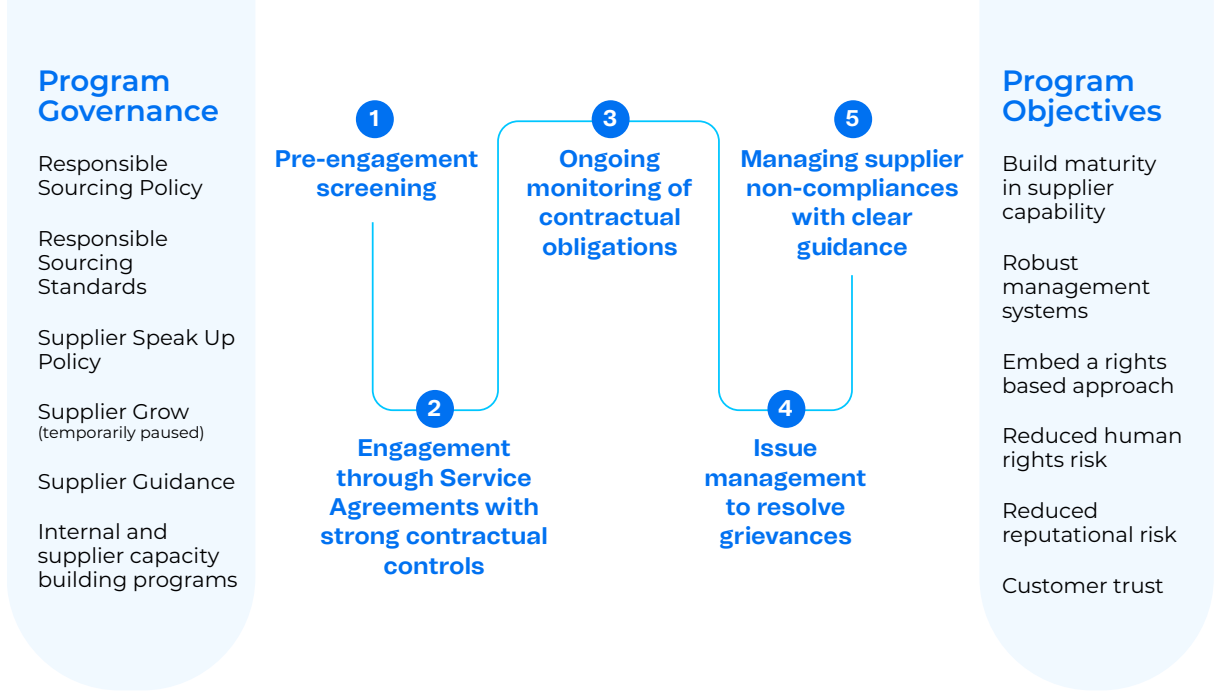
## Framework for monitoring labour providers in our operations

Last year, we identified an opportunity to strengthen our monitoring of supplier’s compliance with human rights contract controls, specifically suppliers whose workers perform work on our sites, such as security services and labour hire. To address this, in F22 a cross-functional squad was formed to develop an approach to manage third party labour risks in our operations and to clarify accountability and processes across Woolworths Supermarkets, Metro Food Stores and BIG W stores. The squad developed a framework with the objective to improve oversight of compliance with workplace laws and labour rights through the following key pillars:

- Pre-qualification due diligence of potential suppliers
- Strong contractual controls that are operationalised and communicated to suppliers
- Sustainable pricing model, which involves labour costing controls to verify that the contract price is sufficient to satisfy minimum statutory requirements
- Regular supplier check-ins and internal and external audits
- Clear accountability for investigating worker complaints and addressing audit non-conformances.

In F23, implementation of the framework is planned to begin, with a phased approach for security service suppliers. It will also be used to inform our approach with other operations service suppliers and labour providers in our operations.

Labour governance framework is designed to provide end-to-end management of labour rights risks, including legal compliance, for our third-party labour suppliers in our operations. The framework sets out how Woolworths Group will monitor these supplier’s compliance with workplace laws and implement key controls to strengthen labour governance



Capacity building and support ➤

Governance, good practice and industry engagement ➤



# Our supply chain

Our RS Program is operationalised through a number of policies, standards and addendums, with further support offered in guidance material. Together, these provide the framework through which we manage modern slavery risks in our supply chain. All are publicly available on the Group website, and any changes are communicated, at a minimum, to directly impacted suppliers and our team. Suppliers are further briefed on the overall RS Program through interactions with the team during the year.

POLICY/RESOURCE	PURPOSE	F22 IMPLEMENTATION ACTIONS
<a href="#"><u>Responsible Sourcing Policy</u></a>	Sets expectations for our operations and all direct suppliers in relation to human rights and responsible sourcing, including modern slavery	Since July 2018, all new Supermarket suppliers sign a receipt of acknowledgement of the RS Policy when signing the Vendor Trading Terms
<a href="#"><u>Sustainable Cotton Policy</u></a>	Sets out the minimum social and environmental requirements that apply to Woolworths Group own brand products containing cotton	Published in F22 with proactive supplier engagement in F23
<a href="#"><u>Supplier Speak Up Policy and service</u></a>	Anonymous reporting channel for direct and indirect suppliers, their family and others to raise concerns. The service can be accessed by phone in local language from key sourcing countries and is available globally online	This year we investigated 30 issues raised via Supplier Speak Up. These are detailed on <a href="#"><u>page 30</u></a>
<a href="#"><u>Responsible Sourcing Standards</u></a>	Detailed explanation of specific requirements for all direct suppliers of own brand and fresh products. The Standards address the ILO's core conventions including forced or compulsory labour	Our RS due diligence framework is how we monitor compliance to the RS Standard. Our progress is reported on <a href="#"><u>pages 14 to 21</u></a>
<a href="#"><u>Requirements for Labour Providers in our Australian Horticulture Supply Chain</u></a>	Outlines specific requirements relating to the engagement of labour hire providers by participants in our Australian horticulture supply chain	Proactive monitoring of compliance, through supplier and grower information requests. The outcomes of these checks are detailed on <a href="#"><u>page 17</u></a>
<a href="#"><u>Responsible Recruitment Addendum</u></a>	Sets out supplier requirements, guidance and remediation protocols for two modern slavery indicators as they relate to the recruitment of migrant workers in our supply chain. Rollout has been prioritised in Malaysia	Published and launched via webinar with Malaysia based suppliers in F22. A series of implementation activities are planned in F23, outlined on <a href="#"><u>page 21</u></a>
<a href="#"><u>Child Labour Addendum</u></a>	Sets out supplier expectations and remediation protocols relating to the prevention of child labour in our supply chain	Published in F22 with proactive supplier engagement planned in F23
<a href="#"><u>Human Rights Grievance Process</u></a>	Replaces our previous Grievance and Investigations procedure as the public facing document to align with our new internal Standard Operating Procedures on human rights investigations	Published in F22 and commenced implementation by sharing with stakeholders on as needed basis
<a href="#"><u>Responsible Sourcing Supplier Guidelines</u></a>	Explains how suppliers can meet our RS Program requirements, including consequences when a zero tolerance non-conformance, such as forced labour, is identified	Updated in F22 with additional guidance on managing zero tolerance cases
<a href="#"><u>Supplier guidance on developing effective grievance mechanisms</u></a>	Resource to help our suppliers better understand our expectations for implementing effective site level grievance mechanisms	Previously communicated with suppliers. Shared on an as needed basis, often as part of remediation
<a href="#"><u>Supplier guidance on overtime hours</u></a>	Resource to help our suppliers better understand our expectations on overtime hours, including a checklist to help monitor overtime management systems	Previously communicated with suppliers. Shared on an as needed basis, often as part of remediation



## Supply chain – trade

Our RS-Trade Program provides the governance for how we manage social compliance of our own brand and fresh products. During onboarding, suppliers are segmented into four risk categories with corresponding due diligence requirements. Simply put, the greater the risk, the more controls we have in place.

Suppliers in the moderate, priority and specialised risk segments are required to have a third party audit, which includes checks on key forced labour indicators. All audits are graded against four possible outcomes – zero tolerance (ZT), critical, moderate,

and minor – and forced labour indicators, among others, are considered a ZT issue. Moderate or minor non-conformances (NCs) are addressed during the audit cycle as part of the scheme follow-up, while our team prioritises ZT and critical NCs for follow up. Audit frequency is based on the audit outcome; suppliers with a minor and moderate grading are typically re-audited every two years, while those with a critical or ZT outcome are on an annual cycle, with a ZT finding also subject to an issue specific interim audit.

**Our RS framework articulates how our risk-based supplier segmentation drives due diligence requirements.**

	ALL	MINIMUM	MODERATE	PRIORITY	SPECIALISED
Number of non-vendor branded supplier sites		671	208	275	406 <sup>3</sup>
8. Annual Unannounced Site Visit <sup>1</sup>				✓	✓
7. Implementing a Corrective Action Plan				✓	✓
6. Sharing Audit Report			✓	✓	✓
5. Mutual Recognition Audit Schemes <sup>2</sup>			✓	✓	✓
4. Supplier Self-Assessment		✓			✓
3. Training and Education		✓	✓	✓	✓
2. Responsible Sourcing Standards		✓	✓	✓	✓
1. Responsible Sourcing Policy	✓	✓	✓	✓	✓

1 Certain suppliers are selected based on risk profile.

2 We accept eight social compliance schemes: amfori BSCI, Sedex, SA8000, ICTI, WRAP, Fair Farms, Global GAP GRASP, and the NZGAP Social Compliance Add-on.

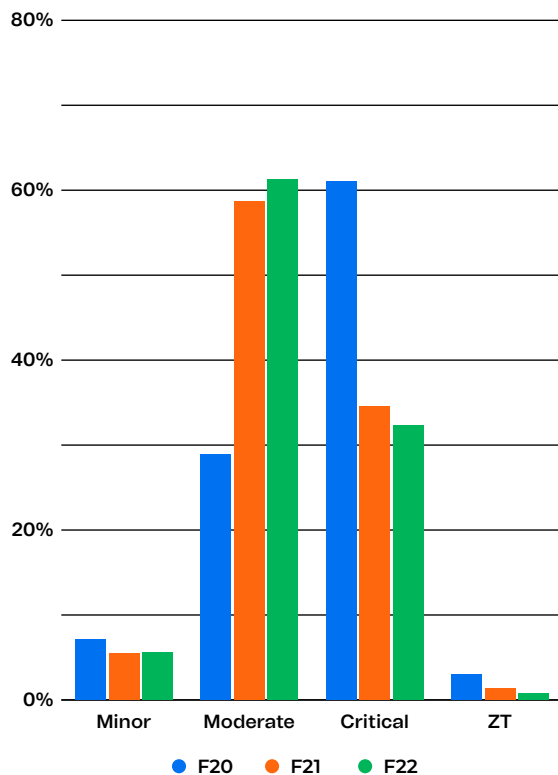
3 Australian horticulture.



### F22 RS audit outcomes

This year, we continued to see directional improvement in supply chain audit results for suppliers in the moderate and priority risk segmentation. This is measured by a year-on-year decrease in the number of critical issues raised from F20 (as a percentage of the total audits conducted that year). The data indicates that a decrease in critical issues identified correlates with an increase in moderate rated issues, which are less severe. Our team prioritises remediation of critical issues and we are now seeing less recurrence of these.

Critical issues that are recurring or cannot be closed immediately may indicate a more systemic issue. Non-conformances related to safety (46%, a 10% decrease year-on-year), and the environment (25%, the same as F21) persist. This is consistent with our findings over the previous two years. This year, our team conducted 29 site visits with suppliers that had persistent or multiple critical issues raised. Seventeen of these were onsite and 12 were conducted virtually. Two sites had already proactively addressed issues ahead of the site visit and of the remaining 27, nine had an improved audit outcome following guidance provided by our team during the visit. During these engagements our team sought to understand the different challenges suppliers were facing to address repeat non-conformances. We learned that licences and permits required from local authorities covering a number of areas continued to be delayed, and this is also impacting new builds or site extensions.

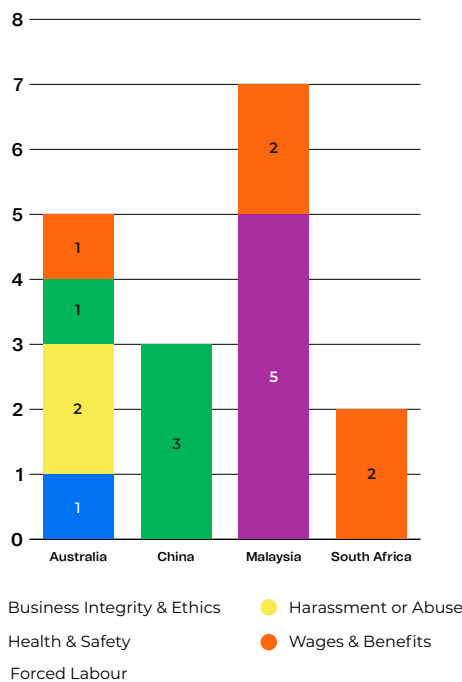


Year-on-year audit gradings from our RS Program

### Managing zero tolerance cases

Managing zero-tolerance (ZT) NCs is a top priority for our RS team. This year we received a total of 17 ZT non-conformances across 12 sites. Malaysia saw an increase in identified forced labour indicators from two in F21 to four in F22, this is discussed in more detail on pages 20 to 21. The other increase was for Australian suppliers where five cases were identified this year across horticulture and meat suppliers, up from two cases last year, in line with expanding due diligence (discussed on pages 16 and 18 respectively).

There was a decrease in the ZT issues identified in China from 12 in F21 to three in F22, while ZTs were identified at supplier sites for the first time in South Africa. In China, two issues were identified relating to the production or storage areas connecting directly to the worker dormitories, which is a breach of local regulation and poses a fire safety risk. In both cases our Commercial and RS teams worked together with the supplier through the corrective action plan process to remedy these issues. The other case of blocked fire exits was immediately addressed. The two cases in South Africa related to indirect workers at one supplier site either being paid below the minimum wage or having wages deducted for disciplinary measures. Our RS team monitored remediation including repayment of the amounts owed to impacted workers, updated worker contracts and team member training on deductions.



Zero tolerance audit findings by country and issue





## New Zealand horticulture

The fruit and vegetable supply chain remains a high priority for Countdown. Countdown accepts three third-party certification schemes for suppliers to demonstrate compliance to our RS Program requirements: Sedex, Global G.A.P GRASP and NZGAP Social Practice Add-on. Supplier audits continued to be delayed due to site visit restrictions from prolonged COVID lockdowns and travel restrictions. To date, 64 (59%) of New Zealand produce suppliers have been audited resulting in 44 minor, 15 moderate and one critical finding. There have been no ZT findings. The remainder have submitted a SAQ while they await their audit, and these have been reviewed by the RS team to identify and manage any outlying risks.

To support continued engagement with the sector, this year the Countdown team presented at the annual HortNZ Conference covering topics including our RS Program; the key risks that we are identifying in the sector, particularly the use of labour hire providers; and tips to manage these risks, such as the use of certified contractors that have completed the NZGAP Contractor Standard.

## Australian horticulture

We recognise that the horticulture sector has an inherently higher risk of labour exploitation due to its seasonal nature and reliance on temporary and migrant workers.

Monitoring alignment to Woolworths Group's RS Standards through baseline audits is one of the core activities of our RS Program in Australian horticulture. In F22, regional flooding, ongoing COVID travel restrictions for auditors, and a shortage of qualified auditors continued to place limitations on the number of audits completed. This year, 67 suppliers completed either a baseline or follow up audit, bringing the total number of audited suppliers to 170 (43% of all Australian produce suppliers), which represents approximately 70% of total fruit and vegetable supplier spend. Due to the seasonal nature of horticulture production, some previously audited suppliers are no longer active suppliers and, therefore, are not represented in the F22 data.

We have taken a risk-based approach to prioritise audit requests in higher risk categories based on commodity and type of harvest, geography (including hotspot regions and regulatory oversight), seasonality and suspected or known red flag sites. These categories are berries, cherries, grapes, stone fruit, citrus, tomatoes, cucumber and brassica.

This targeted approach has resulted in an audit baseline for high risk fruit category suppliers of 61%, and 42% for high risk vegetable suppliers. As we have further focussed on strategic suppliers, the audit baselines have coverage of 84% of high risk fruit and 62% of high risk vegetable suppliers by spend.

The 67 audits conducted in F22 had the following non-conformances:

NON-CONFORMANCE (NC) RATING	NUMBER OF NCS AND % OF TOTAL
Minor	25 (8%)
Moderate	234 (79%)
Critical	35 (12%)
Zero Tolerance (ZT)	3 (1%)

87% of audit non-conformances were in the moderate and minor rating categories. These included, for example, unhygienic working conditions and health and safety assessments which are managed by the supplier to address and close. Top audit non-conformances in the critical and ZT categories included insufficient management systems for oversight of labour providers, excessive working hours and incorrect application of wages payments. Each of these cases had Woolworths Group's oversight to address and close issues by the supplier. One case is pending auditor follow up for verification and closure.

In F23, we will seek to activate our partnerships with industry bodies, suppliers, government and certification bodies to accelerate our RS Program in Australian horticulture. This includes partnering with suppliers to increase grower awareness and capability, support for increasing auditor capacity, worker voice initiatives, and advocacy.





## Grower visibility and due diligence of labour hire providers (LHPs)

LHPs are businesses that employ workers, including temporary, seasonal, casual, contract, student or migrant workers, and place these workers with 'host' employers. Some LHPs supply temporary seasonal labour to farms and packing sheds throughout Australia involved in the supply of fresh produce to Woolworths Group. Safeguarding responsible employment practices by labour providers involved in Woolworths Group's supply chain is the focus of our Requirements for Labour Providers in our Australian Horticulture Supply Chain (Requirements). Suppliers are expected to conduct a level of due diligence in their operations, on growers and any LHPs used in their supply chains.

We continue to prioritise addressing the unique risks to migrant workers in horticulture and conduct LHP information checks in higher risk categories. We collect information relating to supplier sites and their growers including the name, licence number or scheme to which the LHPs adhered. We then verify the information with the relevant labour hire licensing or accreditation body.

Last year's verification process identified 257 unique LHPs, 130 of which were identified as meeting our Requirements. This year we engaged 35 suppliers whose grower responses had been incomplete, to verify the status of the remaining 127 LHPs. This has resulted in an increase in the number of LHPs to 178 due to information gaps being addressed. Of these, 141 (79%) were identified as meeting our Requirements, 15 were identified as having had their licence cancelled

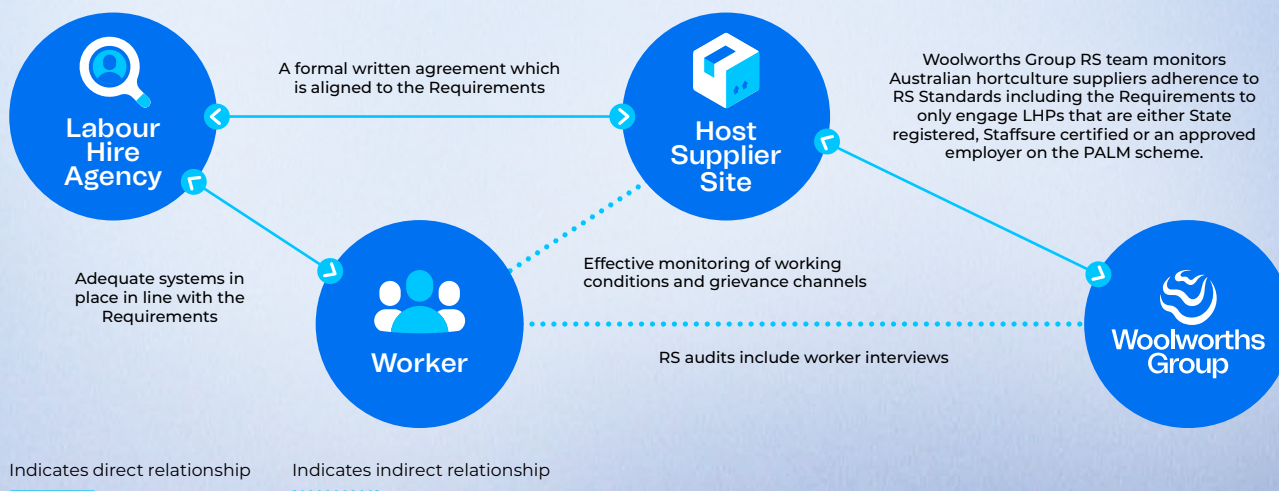
or refused, and 23 LHPs were unable to be verified. Those cancelled or unverified have been communicated to suppliers to manage.

We encourage suppliers to be open about the challenges they face so we can partner together and provide support where needed. In order to better understand these challenges in F22, we held a supplier focus group and conducted a survey among high risk suppliers on labour hire compliance. Through these consultations we identified that:

- 82% of surveyed suppliers had read and understood our Requirements, and 80% found the questionnaire and the information provided to be helpful in further understanding these
- Suppliers would benefit from simple guidance and recorded materials to share with their LHPs outlining their role in meeting compliance expectations
- Suppliers supported advocacy for improved monitoring of LHPs.

Taking action on this feedback, we partnered with Verité to develop a training module on building awareness and compliance to our Requirements. In F23, we will also review our guidance materials with a focus on clarity, simplicity and audience. Looking forward, the Federal Government has indicated support for the introduction of a National Labour Hire Licensing Scheme. We support the creation of nationally consistent and enforceable standards for labour hire providers that safeguard the welfare of workers.

### Key controls in the Requirements for labour providers and the intersection with supply chain actors



## Bespoke and targeted risk based due diligence

Guided by our forced labour risk assessment, we understand modern slavery risks are more prevalent in commodities sourced at lower supply chain tiers that are used as an ingredient or raw material in final stage manufacturing. In our trade supply chain, material risks in this area include seafood, cotton and bulk dry commodities such as rice, cocoa and dried fruit and nuts. In final stage manufacturing our most material risks are in meat processing, and products sourced from Malaysia. These areas form part of our bespoke workstreams to address specific modern slavery risks and are discussed in the following sections.

### Seafood

Inherent modern slavery risks known across the global seafood sector include forced labour, human trafficking and debt bondage. The severity of these varies across geographical location and seafood species. There are four main channels for seafood to enter Woolworths Group's supply chain: unpackaged or 'behind the counter'; own brand fresh packaged and long-life; seafood as an ingredient in other own brand products and in vendor branded products. This year we have focused on policy alignment in seafood sourcing and closing information gaps for behind-the-counter seafood. Due diligence on seafood as a visible ingredient in own brand products will commence in F23.

In February 2022, the Group launched its first **Seafood Sourcing Policy** that refined the list of accepted third-party accreditations, integrated RS Policy expectations, and signalled sourcing preferences for vendor branded seafood suppliers. The policy also highlights areas of potential investigation, including sourcing from vessels listed in the combined Illegal, Unregulated or Unreported vessel list, factors which could also exacerbate modern slavery risks.

### Meat Processing

We have continued the work with our Australian meat supply chain to embed our RS Program requirements. All of our own brand fresh meat (beef, lamb and pork) sourced from Australian farmers is processed through primary and secondary processors. Those processors are in scope of our RS Program and are required to submit a social compliance audit. In F22, 33 audits were conducted, bringing our coverage to 43 of 45 meat processors onboarded to the RS audit cycle. The remaining processors will be onboarded in H1 F23. The majority of non-conformances (62%) related to health and safety such as inadequate emergency lighting, access to emergency exits and gaps in documented procedures. Our team monitors these issues until resolved.

The one ZT case related to verbal harassment that, based on further investigation, was determined to be an isolated incident with training provided to relevant team members.

The majority of behind the counter seafood sold in Woolworths Supermarkets is fished in Australia and New Zealand. All behind the counter seafood is third-party certified or independently verified as environmentally responsible, as outlined in the Seafood Sourcing Policy. This year, to better understand suppliers' modern slavery risk profile, we rolled out a self assessment questionnaire (SAQ) to the 18 behind the counter seafood suppliers, who are assessed against the WWF's Ecological Sustainability Evaluation of Seafood. We found that while most are processing locally sourced seafood, there are a number of agents and processors of internationally sourced seafood. Gaining visibility over these sources and their human rights due diligence controls is a focus for F23.

A similar SAQ process was conducted for 11 New Zealand-based seafood suppliers to Countdown. All suppliers reported being able to trace the seafood to where it was caught or farmed, and that workers had ways of raising issues confidentially. Seven suppliers noted that workers on their sites were represented by unions. All own brand seafood suppliers to Countdown have now either completed an SAQ or social audit as per program requirements.

This year, we also responded to a number of media reports related to the meat processing industry in Australia. These reports identified sector wide challenges, particularly those facing migrant workers, and also made allegations in relation to direct suppliers to Woolworths Group. We commenced internal investigations, including third party audits, to review the claims made, provide for remedy to any impacted workers, and mitigate against future non-compliances through strengthening systems and processes.

We have used insights from these investigations to help inform our RS strategy for meat processing, which is to accelerate industry specific due diligence and stakeholder engagement in F23. This includes evaluating the risk of value-added meat, and partnering across industry and government with the goal to improve outcomes for migrant workers in the meat sector.



## Commodities

Our Woolworths Food Company Strategic Sourcing team is responsible for sourcing bulk commodities sold as own brand products, or used as ingredients in own brand products. This year we looked to better understand the commodities sourcing and trading process to inform our proactive risk mitigation strategy in this area.

Firstly, we refined the findings of the F20 forced labour risk assessment by overlaying volume and sales data to determine a combined risk and leverage score. Rice, dried fruit, nuts, coconut, cocoa, coffee and palm oil were identified as the highest priorities.

Certification requirements for a number of higher risk commodities are already in place, and in F22:

- We maintain 100% sustainably sourced single product own brand tea, coffee, cocoa and sugar in Australia and New Zealand. Certifications are by Rainforest Alliance and Fairtrade International. We aim to increase to 100% by 2025 the use of certified and/or verified coffee, tea and cocoa as ingredients in our own brand products
- 100% of palm (kernel) oil in Woolworths own brand food products supports the production of Roundtable on Sustainable Palm Oil (RSPO) certified sustainable palm (kernel) oil. This year we built action plans and sought tenders to increase our supply of sustainable palm oil in non-food products from 1.5% to 85% of volume by the end of F23.

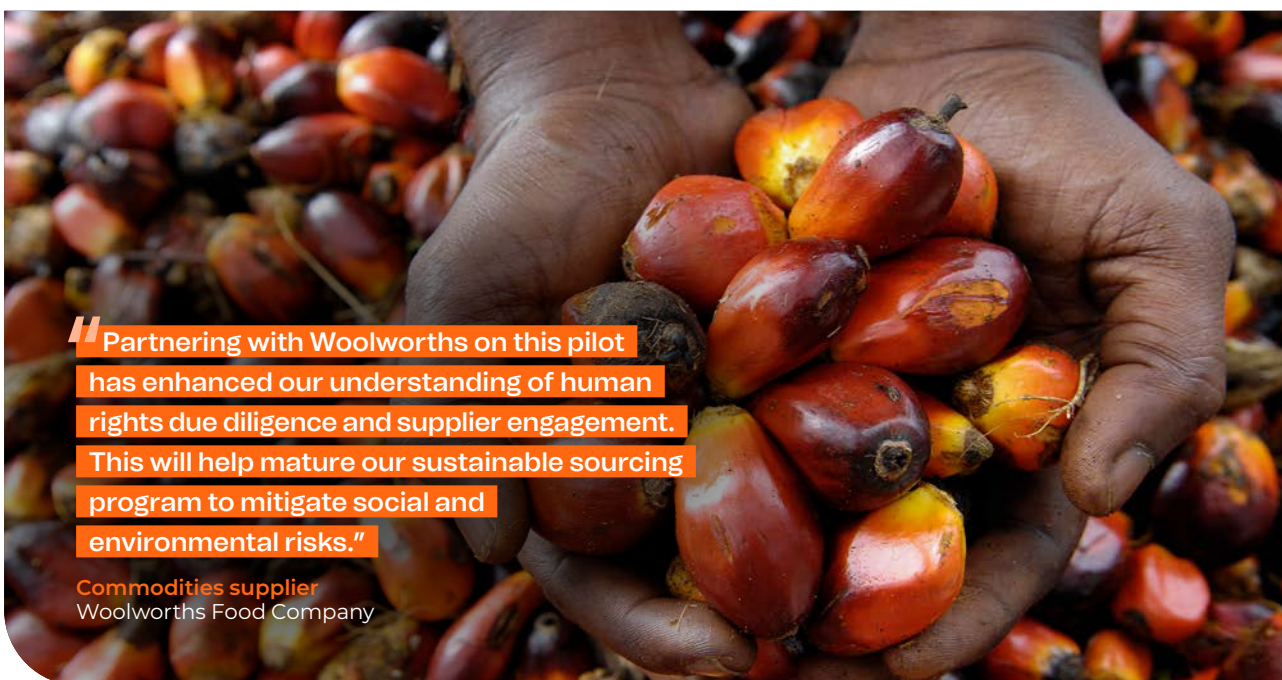
We then conducted a gap analysis of existing controls for other higher risk commodities. The gap analysis found that while all direct suppliers met RS Program requirements, some large suppliers are agents or wholesalers based in Australia sourcing commodities from overseas. That means any modern slavery risks are more likely to be present lower in the supply chain, rather at the direct supplier level.

In order to address the risk among indirect commodities suppliers, we piloted our RS Program framework with a strategic dried fruit and nut supplier to help build their capability to mitigate human rights risk in their supply chain. In line with the RS Program framework, we conducted a tier two supplier risk segmentation resulting in 25 priority risk and six minimum risk suppliers identified. Our supplier partner sent out an information request to their 31 suppliers to establish an understanding of their suppliers' due diligence process.

Of the 31 suppliers, 11 had an existing SMETA audit, four were Sedex members but not yet audited and 16 were not part of any social compliance scheme. A review of three supplier's SMETA audit history found that fewer issues were identified in the most recent audits, but complexities around local law adherence and meeting peak season demand remain key challenges. The remaining 14 priority risk suppliers were sent an audit request, and we have recommended that those in the minimum risk category complete a SAQ. Our supplier made the strategic decision to upgrade to a Sedex Buyer membership and to monitor their suppliers' ongoing compliance via the Sedex platform.

This pilot will continue in F23, then be assessed to inform our recommendation for managing risk in other higher risk commodity areas.

In addition to partnering with an existing supplier to mitigate risks, this year we also piloted additional due diligence on potential suppliers during a tender activity for rice. As part of this process, our team reviewed the RS audits of shortlisted suppliers to assess each supplier's risks of modern slavery. The outcomes of this assessment was provided to the Sourcing team who considered this as part of the final tender decision.



**“Partnering with Woolworths on this pilot has enhanced our understanding of human rights due diligence and supplier engagement. This will help mature our sustainable sourcing program to mitigate social and environmental risks.”**

Commodities supplier  
Woolworths Food Company





# Managing risk in our Malaysia supply chain

## Identifying and remediating modern slavery in our supply chain

In our F21 Statement we reported that foreign migrant workers at a supplier site in Malaysia had paid excessive recruitment fees to a labour agent for their employment, which is an indicator of debt bondage. This indicator was identified during a routine social compliance audit and then verified in a subsequent investigative audit. While our business accounts for a small portion of total supply from this supplier, rather than terminate the supplier relationship, we sought to use our influence to secure remedy for impacted workers and uplift human rights standards ongoing. The following outlines our principles, process and lessons from F22 as we continued to investigate and work to remedy this situation of forced labour.

### The principles underpinning our approach

- **Rights-based:** We consider risks to people alongside risk to business so that processes, outcomes and remedies align with international human rights standards
- **Assisted compliance:** We are committed to working with our suppliers to implement improvement plans and help them achieve compliance. Our priority is that issues are remediated, a root cause analysis conducted, and systems put in place to avoid recurrence
- **Case by case investigation:** It is important that each indicator of modern slavery is investigated with careful consideration of the facts, including further independent assessment as required. Indicators can be interrelated, and vary in scale and complexity
- **Caused, contributed or directly linked:** Drawing on the UNGPs, we will assess Woolworths Group's and the suppliers' role in causing, contributing or being directly linked to the impact. This will inform our role in remediation
- **Responsible exit:** If a supplier is unwilling to remedy the non-compliance, we may take steps to end our relationship with that supplier and, in doing so, seek to mitigate any potential adverse impact on affected workers
- **Partnership:** We seek to partner with a range of stakeholders including subject matter experts, NGOs, unions, governments, industry bodies and peers.

### The investigation

Three independent audits were conducted at the supplier site over an 18 month period; the initial audit that raised the zero tolerance finding; a deeper dive recruitment fees investigation to validate the initial finding and to determine the average fees paid per person; and a follow up audit to verify action taken with respect to other identified non-conformances.

Throughout this process, more than 28 meetings were held, including regular meetings with the supplier's human resources executives and CEO. Meetings included education and awareness on different forced labour topics, facilitated discussions with subject matter experts, and planning the fees remediation process. We sought input from various stakeholders including international peers, a Malaysian non-government organisation (NGO) specialising in migrant worker rights, the Department of Foreign Affairs and Trade, and ELEVATE and Verité, our third party expert advisors.

### The finding of forced labour

Together, the audit findings reasonably indicated the presence of a number of the ILO's indicators of forced labour at the site including debt bondage, excessive overtime, retention of identity documents, restriction of movement, and withholding wages including penalties for leaving employment or bonds for workers to return to their home country. In making a determination of modern slavery, international instruments such the ILO's forced labour indicators<sup>1</sup>, and the Australian Government's Guidance on the Modern Slavery Act were also considered.

### Remediation

In line with the UNGPs we determined that we were directly linked to these impacts, which means that Woolworths Group did not cause or contribute to this situation arising. Following the UNGP's, we used our leverage to support our supplier to remediate the impact on workers and put systems in place to mitigate and prevent future harm. We secured an agreement with the supplier that ~\$750,000 will be reimbursed to an estimated 226 migrant workers, based on the average fees determined to be paid by each nationality cohort. This will commence in H1 F23 and be facilitated by a local NGO, with ongoing monitoring by another third party.

During this time, the supplier has also put in place a number of controls to mitigate against recurrence, including an assessment checklist for recruitment agencies, a recruitment policy including that no fees are to be charged to workers, and the site-level grievance procedure translated into key languages of migrant workers. We will continue to monitor these procedures through a two year cycle of unannounced audits, executive meetings, and ongoing supplier capacity development.

<sup>1</sup> See: [https://www.ilo.org/wcmsp5/groups/public/---ed\\_norm/---declaration/documents/publication/wcms\\_203832.pdf](https://www.ilo.org/wcmsp5/groups/public/---ed_norm/---declaration/documents/publication/wcms_203832.pdf)

### Partnering with suppliers to mitigate risks at other sites in Malaysia

This year we partnered with another two suppliers in Malaysia to remediate four issues considered to be forced labour indicators. Where forced labour indicators are identified, through further investigation it may be concluded that modern slavery is present or we may determine that it is not a situation of modern slavery but still a critical non-conformance. As an investigation continues, suppliers are issued management action plans and engaged in regular meetings with Woolworths Group until identified indicators are satisfactorily addressed. We then continue to monitor system changes such as updates to policies and procedures designed to prevent future non-conformances.

At the two sites where indicators were identified, 132 passports have been returned to migrant workers; approximately \$40,000 has been repaid to 35 workers at one supplier site, 36 of whom were directly hired and 14 security guards provided through a labour agency; and \$15,000 in reimbursements has commenced for 10 workers for the repayment of recruitment fees.

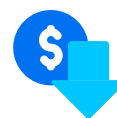
Managing the inherent risks of modern slavery at our 12 supplier sites in Malaysia is a priority and we are committed to working with all our Malaysia suppliers to help build any necessary capability. In F22 we released a **Responsible Recruitment Addendum** to support suppliers with detailed requirements to implement the Priority Industry Principles. The Principles, developed by the Consumer Goods Forum, are considered core standards to address key drivers of forced labour:



**Every worker should have freedom of movement**



**No worker should pay for a job**



**No worker should be indebted or coerced to work**

The Addendum rollout is in three stages with clear milestones that need to be achieved after 12 months of implementation. These stages and key activities are:

- 1 **Educate:** Kick-off training, e-learning, and 1:1 senior leader meetings
- 2 **Develop:** Supplier action plan to meet Addendum requirements
- 3 **Implement:** Suppliers have commenced migrant worker recruitment in line with Addendum requirements.

We know that some labour migration corridors present higher risks to migrant workers than others, and these have been prioritised for proactive due diligence and assessment against the Addendum Requirements. In Malaysia supplier audit data indicates there are around 1,100 foreign migrant workers across 12 supplier sites, the majority of whom are from Nepal and Myanmar. These workers are most at risk of having paid excessive fees during the recruitment process and having their passports held during employment. In F23, rollout of the Addendum will be prioritised for Malaysian based suppliers of own brand products, followed by the same in Thailand in F24.

#### Lessons learned

In F22 we remediated a number of modern slavery indicators at supplier sites, and secured a remediation agreement for the first identified case of modern slavery in our supply chain. In all cases, we reflected on what worked and what didn't, to continue to improve our response to future cases of potential or actual modern slavery. We have learned that:

- 1 Affected workers must remain at the centre of decision making, so they are supported and do not experience further harm
- 2 Engage immediately and directly with the CEO or Managing Director, both internally and at the supplier site
- 3 Immediately set clear expectations of next steps, timeframes for completion of individual action items, as well as set an overall timeline to complete remediation
- 4 Build supplier capability by facilitating external advice and providing resources
- 5 Consider leverage from multiple perspectives including, for example, commercial, peers, the global regulatory landscape, requirements of other global customers, best practice, investors, and reputation risks.

Drawing on this experience we have developed the Group's first principles-based modern slavery response plan. Work will continue in F23 to refine, formalise and embed this plan through training and scenario planning.



# Managing risk in our cotton supply chain

Cotton is one of the most commonly used fibres across our own brand products and the sourcing of cotton remains Woolworths Group's top inherent non-food risk of modern slavery. We continue to monitor cotton-growing regions that are the subject of allegations, or known cases of child or forced labour, including Uzbekistan, Turkmenistan, India and the Xinjiang Uyghur Autonomous Region in China.

Our 2025 commitment is to source cotton that has been produced sustainably and responsibly, and by doing so, we seek to mitigate against the risks of modern slavery. We aim to achieve visibility of the origin of cotton used by our suppliers to produce own brand products and selected non-trade products.

Whilst BIG W apparel utilises the majority of cotton sourced for own brand products and leads our response, we have taken a Group-wide approach to cotton governance. This year, we formed a Cotton Squad that guided the development of the Group's Sustainable Cotton Policy. The policy seeks to use the dual levers of certification programs and supply chain traceability to validate the origin of cotton.

In F23, we will build on the lessons from our two cotton supply chain pilots as we accelerate work to implement the policy and meet our commitments.

## Actions completed in F22:

- Established a Group-wide Cotton Squad
- Published our [Group Sustainable Cotton Policy](#)
- Explored and benchmarked options for cotton certifications
- Commenced collection of baseline data of own brand products that contain cotton to inform our sustainable cotton transition roadmap
- Piloted an engagement approach with suppliers of vendor branded apparel (see below)
- Piloted BIG W's cotton traceability protocol to validate country and region of origin of cotton used in our supply chain ([see page 23](#))
- Ongoing monitoring of geopolitical risks across our supply chain in recognition of the dynamic environment and evolving international legislative environment in this area

## Engaging with suppliers of vendor branded apparel

Last year we made a commitment 'to pilot an approach with vendor branded suppliers of an extreme risk commodity to explore how retailers can influence risk management in complex global supply chains.' In F22, we selected cotton as the commodity and commenced a proof of concept with four vendor branded suppliers to BIG W to deliver on this commitment.

Our approach was different to other supplier pilots. Rather than gather desktop information, we designed a short methodology based on listening, learning and sharing. Woolworths Group, represented by senior commercial leads from BIG W and the Human Rights team, met with equivalent senior leaders and sustainability team members from our supplier partners to discuss:

- Governance and communication
- Supply chain assurance, certifications and industry partnerships
- Transparency, traceability and supply chain visibility at multiple tiers
- Increasing regulation and availability of supply.

### This approach helped us:

- Identify mutually beneficial opportunities, particularly around innovation in recycled materials
- Engage in transparent dialogue to share experiences and challenges in addressing modern slavery risks. This offered critical insights into the practical implications of sourcing policies and informed our strategic approach.

In F23, we will also look to expand this initiative to a broader cotton supplier cohort. We will additionally look to replicate this methodology with vendor brands in other categories at extreme risk of modern slavery.



### Limitations and lessons from our cotton traceability pilot

Our commitment to transparency acknowledges the wider industry’s challenges in securing visibility and traceability beyond direct tier one suppliers. To help address this, in F21, we established a cotton tracing protocol with a view to test and learn from a number of underlying questions:

- What type of supply chain data is possible to gather at lower supplier tiers?
- How can the accuracy of this data be validated?
- What processes for data collection and verification are scalable across a variety of product categories and sourcing locations?

In F22, we partnered with ELEVATE to develop and deploy the pilot methodology, with the ultimate objective to establish further visibility of the cotton supply chain from our direct tier one suppliers, through to mills, spinners and ginners, and to the cotton field. Key steps of the methodology included:

- Kick-off meetings with 10 strategic apparel suppliers representing 28% of overall business volume
- An online supplier SAQ to collect information on the types of materials used, the country of origin, and social compliance systems in place
- Onsite traceability audits to validate the SAQ information through an assessment of the suppliers’ materials management system; verification of purchasing and sales documents for sample orders; verification of supplier lists against material storage; document review to verify product and purchase order traceability; and production capacity assessments. We also

used these audits to assess the sites’ human right due-diligence processes, as a control check against routine social compliance audits

- Based on this information, suppliers are assigned a risk segmentation score
- The SAQs are then replicated at the tier two suppliers’ sites identified as contributing to BIG W’s cotton supply chain and so on
- Onsite traceability audits beyond tier one suppliers will be conducted by exception where information provided in the SAQ warrants further validation or investigation.

The pilot was executed in two phases, with five suppliers in each phase. We adapted lessons along the way, including modifying the SAQ to include more information on suppliers’ human rights due diligence processes and worker-related information. Due to the timing of this phased approach, we are further progressed down the supply chain for phase one suppliers and have made the following interim observations:

- Beyond first tier suppliers, factories have limited management systems to conduct supplier due diligence
- Few factories in the supply chain have capability for complete supply chain mapping and product level fibre traceability
- There is greater risk of modern slavery at lower supply chain tiers.

The pilot will continue in H1 F23 and the results will inform the next iteration of our cotton traceability protocol.



Interim results of the cotton traceability pilot tracking the number of pilot suppliers linked to the BIG W cotton supply chain and the activities conducted at each supply chain tier.





# Supply chain – non-trade

We source products and services from over 7,400 direct non-trade suppliers to support our operations across Woolworths Group. Some categories of non-trade products and services carry unique risks, including in relation to modern slavery. The sourcing of non-trade goods, equipment and services is managed by our Non-trade Procurement team and governed by our Group Procurement Policy.

In F22, the Human Rights team was involved in the development of the 'Supplier Grow' Supplier Management Framework. This framework aims to apply multiple risk lenses over the procurement of goods not for resale to make sure that the Group is adequately managing and monitoring risk related to non-trade products and services. Key parts of the program from a human rights perspective include:

- Requiring the business unit (BU) to answer specific questions about the good, equipment or service they are seeking to procure, such as a product's country of origin and component parts, or whether the service provided will be from an inherently high-risk category
- When the BU is looking to procure a good, equipment or service that is inherently higher risk for human rights, including modern slavery, then the supplier will be required to answer human rights specific questions
- Responses from the suppliers will be sent to the Human Rights team, who determine whether the supplier has appropriate controls in place to mitigate the risks.

The roll out of this framework was paused due to the ongoing COVID disruption, and more recently to respond to the Queensland and New South Wales floods. We will continue to assist when Supplier Grow resumes in F23.

In the meantime, strong policies, contracts and targeted approaches for areas of higher risk are the key mechanisms we have implemented to mitigate modern slavery risk in our non-trade supply chain. Our RS Policy applies to suppliers of non-trade goods, equipment and services. All template contracts include modern slavery clauses and mandate compliance with our RS Policy. 98% of agreements with inherently extreme and high-risk suppliers now have modern slavery clauses, with the remaining 2% prioritised as part of our work with our logistics business, Primary Connect, in F23.

In F22, we have continued to focus on categories that were rated as having an inherently higher risk of modern slavery in our F20 forced labour risk assessment, including uniforms, and monitoring areas of evolving risk, such as the procurement of solar panels.

## Managing uniform risks

This year we continued to onboard eight vendors and 15 sites that supply team member uniforms for Woolworths Supermarkets, Countdown and Primary Connect to the RS Program. 12 sites have completed a RS audit with four critical issues identified related to permits, which our team are reviewing. The remaining audits are scheduled in F23. Uniform suppliers are further in scope of the Sustainable Cotton Policy and risk-based implementation will commence in F23.

## Developing our approach to mitigate risks in property and construction

One of the entities in Woolworths Group is Fabcot – our property development business which includes retail property, mixed-use property and supply chain development. We are conscious of the dynamic modern slavery risks in the construction industry and have included modern slavery clauses in our template contracts in this category to manage the risk at a high level. Given the complexity of this area, we are committed to developing an appropriately detailed and fit-for-purpose framework for identifying, mitigating and remediating modern slavery risks in Fabcot. Our Human Rights team will develop this approach in F23, with a view to embedding in F24.

## Solar panels

In F22, we continued to monitor the inherent human rights risks in the procurement of raw materials, including polysilicon from China, used in the manufacture of renewable energy equipment. Our sustainability target, to be powered by 100% green energy by 2025, requires ongoing procurement of renewable energy equipment, and we are conscious of taking appropriate steps to both address modern slavery risks and drive solar energy uptake.

To mitigate this risk, we prepared a supplier SAQ that potential suppliers of solar panels had to complete as part of a new tender process. The SAQ was tailored to the specific risks of the industry in order to understand the supplier's approach to mitigating modern slavery risks in their supply chain. SAQ responses were then assessed by our Human Rights team, who assisted the project delivery team to identify preferred suppliers based on the level of transparency the suppliers had over their supply chain. We held one follow up call with a potential supplier to understand their approach in detail.

Now that preferred suppliers have been identified, the Human Rights team will partner with suppliers to agree on specific work plans, including regular check-ins with to track progress in mitigating modern slavery risks and monitor our suppliers' engagement with industry bodies.

## Engaging with our waste management suppliers

Our F20 forced labour risk assessment identified waste management as a non-trade category with a higher risk of workplace breaches in their operations and supply chain. In F22, we moved beyond a category level risk assessment to assess the actual risk in our supplier base by:

- Developing a tailored SAQ focussing on the known risks for the sector, which was completed by four New Zealand and seven Australian strategic, high-spend suppliers. The SAQ identified indirect labour, outsourced logistics suppliers, and uniform and PPE sourcing as key risks

- Holding 1:1 meetings with four New Zealand suppliers and hosting a roundtable for five Australian suppliers, where we discussed industry-specific risks and how Woolworths Group addresses similar risks in its supply chain.

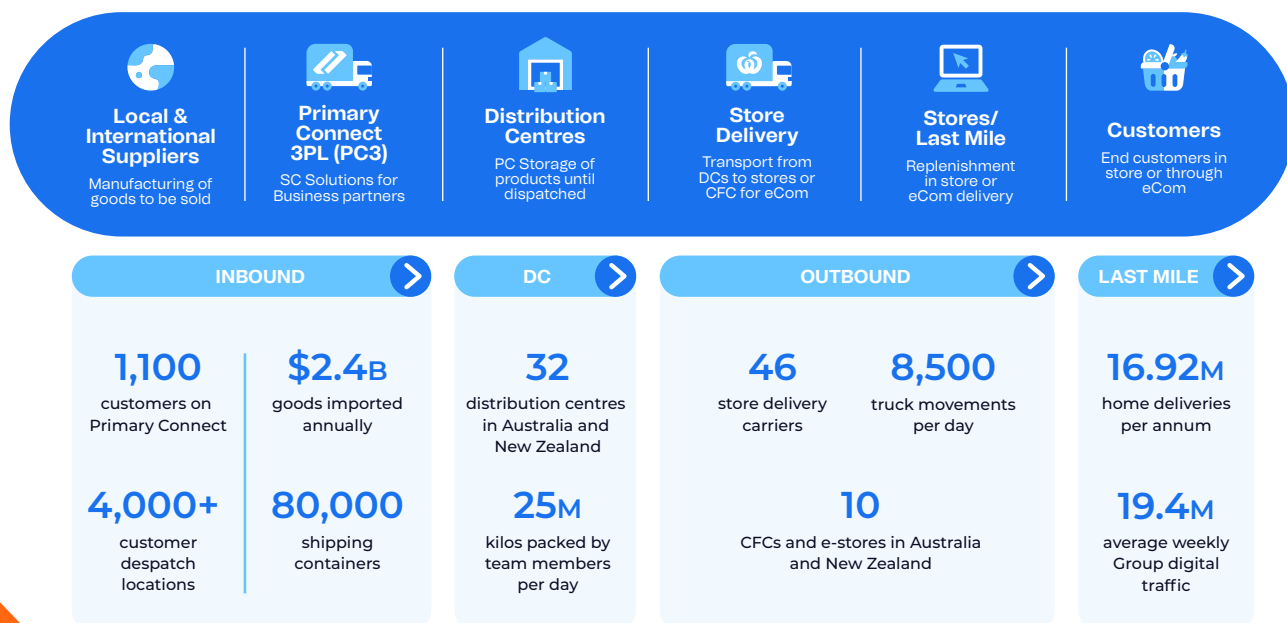
To assess the effectiveness of our approach, four suppliers completed a survey, with all suppliers indicating that they felt better equipped to manage modern slavery risks in their business. Suppliers further indicated that conversations and peer-to-peer learning were valuable opportunities to improve capability. We will continue engagement with waste management suppliers while also replicating this industry-specific approach in other higher risk categories in F23.

## Logistics and last mile

Our logistics and supply chain business, Primary Connect, operates the largest retail supply chain network across Australia and New Zealand. It is owned by Woolworths Group and delivers food, drinks and everyday needs goods for Woolworths Supermarkets, Metro Food Stores and BIG W stores, and also delivers direct to businesses for an increasing number of external customers. To do this, Primary Connect operates

across road, rail and sea, provides and engages with multiple carrier partners to facilitate the provision of goods nationally to our distribution centres, and then on to our stores and CFCs.

Once goods have reached a store or CFC, we then partner with multiple carrier partners to perform 'last mile' delivery services; that is, delivering online purchases from our stores or CFCs to customers' homes.



Key information related to our logistics and last mile supply chain.



## Primary Connect

Transport services and storage were both non-trade service categories recognised as having an inherently higher risk of modern slavery in our F20 forced labour risk assessment. The Human Rights team have worked with the Primary Connect team to develop a bespoke plan to improve human rights due diligence through the Primary Connect supply chain.

We have developed a work plan to embed human rights due diligence in the end-to-end management of direct suppliers in Primary Connect's Australian operations in F23 which will focus on areas of higher risk, including:

- Management of subcontractor compliance
- Review of labour hire and container unloading contractors who perform work on our sites and engaging with key suppliers
- Engage with our freight forwarding partners to increase transparency in our international supply chain.

## WooliesX

The vast majority of our home deliveries are fulfilled by our delivery truck network of Woolworths Supermarkets branded delivery trucks.

Comparatively, on-demand is a small but important part of the business with community demand for online food and grocery delivery growing significantly over recent years. This acceleration was most noticeable through the pandemic, as customers relied on delivery for food and essentials while in quarantine, or sought to limit their outings in the community.

To help service this surge in demand, we established new partnerships with a range of on-demand delivery platforms, such as Uber, Sherpa and 13Cabs, to complement our fleet of delivery trucks. This enabled us to quickly scale up delivery capacity to service peaks in demand.

We continue to see strong consumer demand for faster and more flexible grocery delivery. Accordingly, there will be an enduring need for on-demand delivery partners in our network alongside delivery trucks. We are conscious, however, of balancing the customer benefits with our responsibility to make sure all our suppliers are not only acting in compliance with workplace laws, but also treating drivers with respect. In particular, we recognise the potential risks to drivers in the on-demand economy business model, including safety risks and the absence of legislated minimum rates of pay or entitlements.

We expect all delivery platforms to be safe, responsible and fair in their dealings with drivers and continue to prioritise this with all our on-demand partners. In October 2021, Woolworths Group was asked to attend the Senate Select Committee's Inquiry into Job Security. The Inquiry challenged some shortfalls in the level of oversight we had on our partnerships and we have been working to correct those over the past several months.

- As part of the annual review of our RS Program, we strengthened our RS Policy to provide clarity that all supply partners of Woolworths Group are required to comply with this Policy, as was always intended. In F23 we will commence work to include the RS Policy in our on-demand partner contracts and continue to scale up our human rights due diligence in non-trade and apply learnings to continually evolve our RS Program

- We have developed a framework to outline our minimum expectations with delivery platform partners regarding rates of pay, working conditions and access to dispute resolution for delivery drivers who are delivering on behalf of Woolworths Group. This framework will be used during quarterly governance forums in place with each platform partner to discuss safety performance, rates of driver pay within our delivery network and other entitlements or concerns, and to work collaboratively with our driver platform partners to improve any shortcomings that are identified.

The Federal Government has indicated it plans to introduce legislation to provide the Fair Work Commission with powers to set minimum standards in the on-demand economy. Leading on-demand platforms have also pledged to support the development of this regulation framework in collaboration with the Transport Workers Union (TWU). We welcome both developments. We support the creation of nationally consistent and enforceable minimum standards for on-demand work that preserves the benefits of flexibility for participants.



# Grievance and remediation

This year, we investigated a total of 42 human rights grievances raised by workers across our indirect operations and supply chain. These matters were raised through numerous channels, including our grievance mechanism, Supplier Speak Up, media reporting, third party channels including the interim dispute resolution mechanism from Action Collaboration Transformation on Living Wages (ACT) and the International Accord, and from information received directly from complainants themselves. We provide an overview of these cases below.

## Indirect operations

In F22, our Facilities Management Team investigated 29 matters in the trolley collection and cleaning supply chains of our Australian trading sites, which consist of contractors and subcontractors. This included 26 grievances raised by workers through Supplier Speak Up and three grievances received from direct contact or internal sources. These allegations included underpayments (76%), subcontractor issues (10%), bullying and intimidation (7%), unfair dismissal (3%) and other matters (4%).

Where non-compliances were identified, our approach was to partner with the service provider to remedy breaches and provide an outcome to the affected workers. If the non-compliance was sufficiently serious, or the service provider did not cooperate in remediation, further action, including termination, was completed. As a result of these investigations, a total of \$90,758 was paid to 37 workers, and one primary contractor was suspended from all their sites.

## Supply chain

In F22, our Human Rights team investigated 13 grievances relating to alleged breaches of our RS Policy. The allegations included safety concerns, underpayments, excessive overtime and poor treatment of subcontracted workers. Twelve of these investigations are now closed and one continues. Where we identified possible underlying causes, work is ongoing to address these issues.

Of these, four cases were received through Supplier Speak Up from workers in our logistics supply chain, including:

- A complaint made by a labour hire worker alleging that unachievable performance targets were compromising the safety of workers at a distribution centre. Although the specific complaint was not substantiated, we took a proactive approach and wrote to labour hire providers to re-emphasise our requirements and reviewed our performance targets to make sure they are reasonable and sustainable
- Three complaints from workers in our transport supply chain alleging underpayment of subcontractors and their workers, ineffective safety practices and procedures for drivers, and poor treatment of

subcontracted workers. Further to these investigations, we are continuing to collaborate with partners on a strategic approach to strengthen human rights due diligence in this part of our logistics supply chain. This includes strengthening the management of subcontractor compliance and improving the effectiveness of supplier grievance mechanisms.

Other actions we took as a result of investigations included overseeing a supplier implementing training for their workers on human resources policies to clarify expectations on overtime, and incorporating additional protections into our contract with one service provider.

We also assisted with four additional complaints that were raised from workers in the apparel supply chain through external partner mechanisms of ACT and the Accord. Two complaints related to the non-payment of wages and other entitlements at termination. In both cases, BIG W was not the lead brand but participated in the respective brand collaboration meetings. Through the ACT mechanism, allegations were substantiated and BIG W was informed the issues were closed via the local union and IndustriALL. BIG W verified that payments had been made through subsequent RS audits. The other two complaints were wage-related, and were raised by the local union representatives at two factories in Bangladesh. These were resolved through the intervention of the Bangladesh Garment Manufacturer and Exporter Association (BGMEA).

## Continuous improvement

In F22 as part of our continuous improvement approach to grievance and remediation we:

- Updated the Supplier Speak Up website to improve accessibility to all workers, including those from linguistically diverse backgrounds and those with a disability
- Revised and updated the Supplier Speak Up Policy to simplify its readability and accessibility
- Conducted regular testing of the Supplier Speak Up hotline in five languages and at different times. Feedback from this testing to the service provider included the length of wait times for callers, operators' familiarity with Woolworths Group, and interpreter accuracy
- Introduced Standard Operating Procedures for Human Rights Investigations (SOPs). The SOPs codify and elaborate on our existing practice for conducting human rights investigations, and provide clarity, consistency and transparency to those managing an investigation process
- Published an overview of the new SOPs on our Group website to raise awareness and support stakeholders' trust in the new process
- Conducted an effectiveness survey of Supplier Speak Up, discussed on [page 30](#).





# Assessing the effectiveness of our actions

We are committed to maintaining effective systems to identify, assess, address and proactively manage modern slavery risks in accordance with relevant legislation, international human rights standards, regulatory obligations, shareholder expectations and good corporate governance principles. This year, the Human Rights team continued to work with the Group Risk function to understand key controls and consider indicators of program effectiveness.

The Group Risk Management Framework, which is aligned to the ISO:31000 Risk Management Standard, sets out our approach to identifying, assessing, responding to, managing and reporting risks that could impact Woolworths Group's ability to meet strategic objectives and operating plans. Continuing to implement this framework, this year we conducted a deeper review of our modern slavery bowtie risk assessment, a risk evaluation method used to analyse and demonstrate causal relationships, and identified potential control gaps. Our focus in F23 is to close these gaps and test the control effectiveness which will be centred around the following pillars:



## Strengthening key controls through engagement with schemes and audit bodies

A number of our suppliers around the world undertake audits that increase our visibility over risks in our global supply chains. This includes suppliers covered by our RS Standards who we require to be audited against a Woolworths Group approved third party scheme. While Woolworths Group has a direct relationship with social compliance schemes such as Sedex and amforiBSCI, the relationship between audit firms and suppliers is independent of the Group.

We are committed to improving both audit quality and third party scheme governance so the compliance aspect of our program is as robust as possible. This year we:

- Engaged scheme partners and certification bodies in a total of 38 calibration meetings across Asia and Australia to identify gaps between our Standards and audit protocols and align on process
- Informed by these discussions, we issued an auditor guide covering topics such as onsite verification of the Woolworths Group Supplier Speak Up program; timeframes for escalating zero tolerance issues to Woolworths Group; and effective worker interview skills. As a result we have noted an increased responsiveness from auditors in reporting issues and we will continue to emphasise this during calibration meetings
- Participated in multiple scheme review processes with partners Sedex, Fair Farms and Global Gap. Key inputs related to end user experience of online platforms for suppliers, non-conformance severity scores, approach to findings related to the payment of recruitment fees and audit quality assurance
- Joined amfori BSCI's taskforce on standards related to building safety and fire certification in China, an issue we previously identified as requiring an industry-wide response.

## Continuous improvement of our Human Rights Program

As part of our commitment to continuous improvement, this year Pillar Two, a business and human rights advisory firm, conducted a review of our modern slavery approach, with a focus on our RS Program. The scope of the review included a gap analysis of our approach against the UNGPs, the mandatory criteria of the MSA, the MSA Guidelines for Reporting Entities from the Australian Government, and an analysis of our progress against commitments. The review identified a number of opportunities for continuous improvement, with priority recommendations listed below together with our response:

AREA	PRIORITY RECOMMENDATIONS TO STRENGTHEN OUR HUMAN RIGHTS PROGRAM	OUR RESPONSE
<b>Policy and governance</b>	Assess relevant policy expectations against the UNGPs, and review policies, standards and guidelines against each other to provide consistency	To be considered in F23
<b>Risk assessment</b>	Further maturing Woolworths Group's supplier risk assessment process for greater alignment with the UNGPs and to better understand risks in vendor branded goods and services	To be considered in F23
<b>Remediation</b>	Formalise and embed a principles-based modern slavery response plan to guide the Group's response to any future modern slavery allegations or incidents	Commenced in F22 (see page 21) and will continue in F23
	Clarify information online about grievance mechanisms	Completed in F22 <a href="#">see here</a>
	Consider providing human rights training to the Speak Up service provider	To be considered in F23
<b>Assessing effectiveness</b>	Increase the number of program effectiveness indicators with a focus on outcomes rather than quantitative outputs, and linking indicators to major initiatives underway	Commenced in F22 (see page 27) and will continue in F23
<b>Integrating findings</b>	Build the Group's mature human rights program to extend supplier monitoring to high risk vendor branded goods and services	To be continued in F23
	Continue to expand 'worker voice' pilots and other engagement with affected stakeholders	To be continued in F23

In our first Statement, we said that *"Our success will be measured by how well we can "know and show" both where slavery risks are in our supply chains and what we are doing about it."*

This year we identified the first instance of modern slavery in our supply chain and secured tangible outcomes to impacted workers (page 20). However, the scale of our program and its interrelated components means there are multiple layers of activities that need to be assessed for effectiveness. We continue to consult both internally and externally on how we prioritise the most impactful measurements and report on their effectiveness. As we evolve how we assess the effectiveness of our actions, we are looking to:

- Include indicators with a focus on both qualitative and quantitative outcomes (including for impacted workers) rather than focus only on quantitative outputs
- Indicate the extent to which indicators relate to concrete outcomes 'on the ground'.

The table on page 30 sets out salient measures of our effectiveness for F22, which builds on the approaches taken in previous years. While we continue to track key quantitative data, we are also now seeking to identify and measure key outputs and, where possible, outcomes. These, and other examples of program effectiveness, are discussed throughout this Statement.

**"Overall, Woolworths demonstrates significant commitment to its modern slavery program, with key areas of strength including the Responsible Sourcing Program, the new human rights investigations procedure, targeted pilots to delve beyond tier one, an increasing focus on incorporating worker voice into Woolworths' program of work and focus on continuing to evolve its approach."**

— Findings of Pillar Two's review into Woolworths Group's Human Rights Program



## Key effectiveness indicators for F22

HRDD FRAMEWORK	KEY INDICATORS IN F22
<b>Identify</b> Risk assessment, supplier segmentation and horizon scanning	<ul style="list-style-type: none"> <li>Two large tender activities for extreme risk categories, where modern slavery considerations informed business sourcing decisions</li> <li>65 tier two suppliers assessed for modern slavery risks across cotton and dried fruit categories, leading to our first supplier segmentation at tier two sites</li> </ul>
<b>Mitigate</b> Policies and monitoring with SAQs, audits, site visits and worker engagement	<ul style="list-style-type: none"> <li>720 current supply chain audits, with:               <ul style="list-style-type: none"> <li>Four sites where indicators of forced labour were identified</li> <li>One supplier exited for failure to remediate critical NCs</li> <li>17 zero tolerance non-conformances identified at 12 supplier sites</li> </ul> </li> <li>21 supplier meetings and three virtual site assessments to monitor COVID related risks</li> </ul>
<b>Remediate</b> Promote grievance mechanisms, provide remedy and take corrective action	<ul style="list-style-type: none"> <li>One confirmed case of modern slavery, based on previously reported (F21) indicators, resulting in an agreement with the supplier to reimburse an estimated 226 workers ~\$750,000 (F21:0)</li> <li>\$184,000 repaid to 722 workers in our cleaning and trolley supply chains monitored by Woolworths Group</li> <li>Two grievances raised with allegations of slavery-like conditions that, while not substantiated, resulted in increased due diligence at the supplier sites (F21:0)</li> </ul>
<b>Collaborate</b> To build capability and address root causes	<ul style="list-style-type: none"> <li>38 calibration meetings with third party schemes and audit bodies resulting in enhanced zero tolerance escalation procedures</li> <li>3 new external partnerships to accelerate our response to mitigating modern slavery risks (F21:1)</li> <li>Two modern slavery roundtables were hosted by the Group for external businesses and suppliers, with participants indicating they felt better equipped to manage modern slavery risks as a result</li> <li>464 virtual attendees from 335 suppliers at the RS roadshow in Asia</li> </ul>
<b>Communicate</b> With all stakeholders regularly and transparently	<ul style="list-style-type: none"> <li>Hosted an internal better together Forum on Human Rights with approximately 90 participants with the view to increase awareness of modern slavery among our team</li> <li>1 of ASX100 in Monash University's benchmark of modern slavery statements, indicative of transparency in public disclosure</li> <li>First Australian retailer shortlisted for the Stop Slavery Enterprise Award, a proxy of our aspiration to lead by example</li> </ul>

### Engaging stakeholders – effectiveness of Supplier Speak Up

This year we conducted a voluntary and confidential online survey of contracted trolley collectors and cleaners working in Woolworths Supermarkets and Metro Food Stores. The purpose was to better understand workers' awareness of our Supplier Speak Up program and to assess whether end users think it is accessible, trusted and effective. It was available in English, Hindi, Arabic, Korean and Mandarin.

A total of 211 workers completed the survey, giving us a statistically significant sample of workers' views. Sixty-seven percent of surveyed workers are aware of Supplier Speak Up. While the majority of respondents said they would be willing to use Speak Up if they had a complaint, 50% of respondents said they would trust

speaking to their supervisor or manager the most, compared to 16% who would trust Supplier Speak Up the most. For the majority of workers who did make a complaint through Supplier Speak Up, the process was clearly explained to them. As a result, we will be implementing strategies to raise awareness of – and trust in – Supplier Speak Up and our investigations process with workers.

We found that delivering the survey via a phone application posed an accessibility and/or trust challenge for a high proportion of culturally and linguistically diverse workers, and that providing access to the survey by email elicited more responses.

Section 6

# Engaging with ecosystem entities

We aim to create value by bringing our customers good food and more every day through connected experiences across our different businesses, platforms and partnerships. We engage with entities across the ecosystem based on our level of control and influence.

## Engaging and consulting with entities to prepare this Statement

There are a number of owned and controlled entities in Woolworths Group, including a number of reporting entities which are listed in the Appendix. The development of this Statement was led by our Human Rights team with input from a range of teams and functions, including Woolworths Food Group, BIG W, Primary Connect, Legal, Procurement, Culture and People, and Risk. Relevant members of the Group Executive Committee (ExCo) also reviewed this Statement. ExCo comprises the functional leads with key responsibility for the day-to-day management of Woolworths Group. Some of our ExCo members are appointed directors of our reporting entities and, where relevant, facilitate consultation between the reporting entities and across our controlled entities.

## Our framework for engagement across the ecosystem

We aspire to lead by example to assist our ecosystem partners in mitigating the risk of modern slavery in their operations and supply chains. In F21 we designed a consultation framework to apply a level of due diligence that reflects the level of control or influence we have over an entity as defined by the Australian Accounting Standards.

In F22, we further simplified our approach to align with the Group's ecosystem sustainability engagement framework. We have further reviewed the Group's Portfolio Risk Governance Framework. With this alignment we seek to drive consistency in risk-based due diligence approaches for entities in the ecosystem. This reflected in the table below:

CATEGORY	WHOLLY OWNED	MAJORITY OWNED/CONTROLLED	MINORITY INVESTMENT
<b>Description</b>	Woolworths Group owns 100% of the entity and has control	Woolworths Group owns greater than 50% of the entity and control, and is supported by the BU	Woolworths Group owns less than 50% and is non controlling
<b>Engagement</b>	Regular engagement via SteerCo, Squads and annual senior leader briefing sessions	Engage with Executive to set expectations and set quarterly check-ins with operational team	Initial risk analysis and annual engagement, where relevant
<b>Due diligence</b>	Ongoing due diligence through Group processes  Monitor human rights due diligence via Group program maturity framework	Review relevant policies and request further information to inform due diligence advice  Entity may adopt Group policies and processes where required	Conduct due diligence during investment and ad hoc as determined by risk
<b>Ongoing monitoring</b>	Business accountable for ongoing monitoring, supported by Group  Business Executive approves disclosure, including this Statement	Provides progress reports as requested by Woolworths Group  Approves any references to the entity in disclosure, including this Statement	Woolworths Group can request reports and updates  Where relevant, conversations as part of W23 investees yearly review process
<b>Ongoing support</b>	Embedded in Group Human Rights governance	Group Human Rights team supports and provides guidance material to entities	Group Human Rights team provide guidance material to support entities as required





During F22 our Human Rights team had 13 1:1 engagements with senior leaders of majority owned entities and minority investments to understand their approach to managing modern slavery risk. As evidenced by the outcomes from these conversations, these engagements are a key mechanism for us to transparently share our knowledge and experience and build the capability of our partners. Key outcomes this year include:

- A joint venture partner considering embedding modern slavery clauses in their supplier contracts and issuing annual modern slavery compliance statements to their suppliers
- A minority investment considering developing a Supplier Code of Conduct
- A minority investment consulting with us on human rights risks as their business expands to include international suppliers, and another asking for advice as they consider developing a specific modern slavery pre-qualification risk assessment for suppliers
- Preparing a bespoke engagement plan with a minority investment to outline how we will inform each other where we receive allegations of serious human rights issues relating to suppliers we believe may be a supplier to the other.

### Working with our mergers and acquisitions team

When Woolworths Group is considering buying a controlling stake in an entity or a business, our Human Rights team (along with other key business stakeholders) may be engaged in the due diligence process undertaken in connection with the proposed investment to determine the level and materiality of human rights risk. This may undertake actions such as reviewing relevant policies and meeting the company's management to understand their approach. This determination is then conveyed to relevant decision makers (including potentially the Woolworths Group Board depending upon factors such as the size and materiality of the investment) as part of the decision on whether to make the acquisition and, if so, the appropriate controls to put in place. In F22, the Human Rights team was involved in five due diligence activities of this nature.

If we are considering making a minority investment, then the entity may be asked specific questions to help us determine the entity's modern slavery risks.

## Reporting approach for controlled but not wholly owned entities

There are three reporting entities in the Group that we have a controlling interest in, but are not wholly owned. Our approach to reporting on these entities for F22 is outlined below:

COMPANY	SECTOR	F22 REPORTING APPROACH	RATIONALE
Statewide Independent Wholesalers Limited (Woolworths Group 60% interest)	Logistics and Distribution	Included in Woolworths Group F22 Statement ( <a href="#">see over page</a> )	Lower risk in this business and close partnership with Woolworths Group.
Quantium (Woolworths Group 77.6% interest)	Data analytics	Standalone statement for reporting under the UK and AU Acts	Quantium is required to report under Modern Slavery Act 2015 (UK), and therefore produces one standalone MSS for UK and AU.
PFD Food Services Pty Ltd (Woolworths Group 65% interest)	Food sourcing and distribution	Standalone statement for reporting under the AU Act	Given the inherent modern slavery risks in seafood sourcing, PFD will produce its own statement to provide appropriate detail of the approach to risk mitigation.

## Statewide Independent Wholesalers

Statewide Independent Wholesalers (SIW) is a distribution company which operates as a joint venture between Woolworths Group (60%) and Tasmanian Independent Retailers (TIR) (40%). It operates out of its distribution centre in Western Junction, Launceston to deliver goods to various businesses across Tasmania, including Woolworths Supermarkets, IGA stores, other independently bannered stores and Dan Murphy's and BWS liquor outlets. SIW is not managed by Woolworths Group, and accordingly, SIW has its own policies and processes to manage modern slavery risk which are detailed below.

### Identifying and mitigating modern slavery risks

#### Operations

SIW directly employs a mix of full-time, part-time and casual team members who work across their distribution centres, transport services and support roles. All SIW team members are covered by either an enterprise agreement, relevant modern award or employment contract and perform work in Tasmania, Australia.

SIW recognises the need to continually monitor its operations for modern slavery risk, and has policies and processes in place to manage potential risks of modern slavery for their direct team members. Policies include a Code of Conduct, Respectful Workplace Policy, Compliance Policy and Whistleblowing Policy. Procedures include pre-employment screening, including confirmation of working rights, and training relevant team members on modern slavery mitigation practises. Due to these factors, the risk of modern slavery in SIW's direct team members is considered low.

SIW also contracts companies who provide security, cleaning, maintenance, transport, and health and wellbeing services to SIW. This includes labour hire workers who pick and pack goods in SIW's distribution centre. Recognising that indirect workers are at an

inherently higher risk of modern slavery, SIW has implemented onboarding controls such as requiring all indirect labour suppliers to comply with SIW's Code of Conduct and policies, providing indirect workers with mediation when required, and rolling out a modern slavery due diligence questionnaire to suppliers. A review of these mechanisms in line with the Group's continuous improvement approach will be conducted in F23.

#### Supply chain

SIW procures food, general merchandise and liquor goods directly from suppliers to supply to customers. Woolworths Group, Endeavour Drinks and TIR are responsible for the initial sourcing of goods and checking that procurement complies with their respective ethical sourcing policies. In F23, SIW will work with TIR to further understand their processes for human rights due diligence. SIW also sources various non-resale products and services. This includes IT equipment, uniforms, transport services and furniture.

In F21, SIW conducted a risk assessment focused on its tier one non-resale suppliers. This risk assessment identified that the majority of suppliers are Tasmanian based, however products may still be sourced globally by these suppliers. To strengthen their governance systems, in F22 SIW updated their processes to require all suppliers contracting SIW to complete a due diligence questionnaire and annually complete a Modern Slavery Compliance Statement. SIW reviews the questionnaire responses and follows up on any concerns, disqualifying suppliers if required.

SIW recognises that there are categories of goods and services that carry an inherently higher risk of modern slavery despite direct suppliers being Australian based, such as the raw materials in uniforms and opaque supply chains in logistics.

### Supply partners

**700** trade suppliers (approx.)

**220** non-trade suppliers (approx.)

#### Including:

**3** outbound logistics suppliers

**3** labour hire providers

**2** operations service suppliers

### Operations

**1** Distribution centre  
Western Junction,  
Launceston

**14,500** (approx.)

wholesale grocery and liquor product lines received, picked and dispatched

Distributed to approximately

**240** outlets

(including Woolworths Supermarkets, IGA stores, independent stores, BWS and Dan Murphys)

### Team

**438** directly employed team members

**89%** directly employed team covered by 1 enterprise agreement

**37%** directly employed team members of a registered trade union

**8** labour hire casuals



### Assessing the effectiveness of SIW's actions

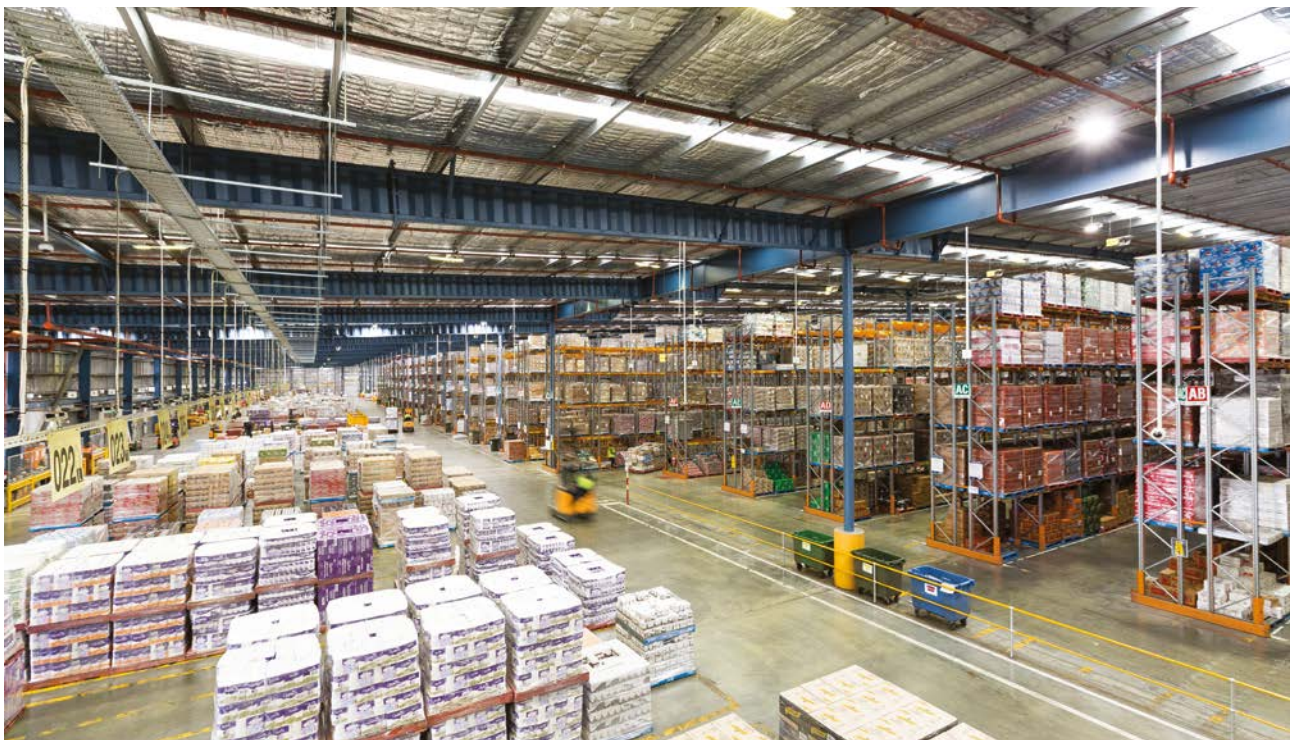
SIW has focused on establishing a system of enhanced controls to monitor compliance with its policies and processes. The key activities that enable SIW to monitor the implementation of their modern slavery approach include:

WORKSTREAM	ACTIVITY	MEASUREMENT
<b>Governance</b>	<ul style="list-style-type: none"> <li>• Team member training</li> <li>• Policy reviews</li> <li>• Contracts with modern slavery provisions</li> <li>• Annual review</li> </ul>	<ul style="list-style-type: none"> <li>• 100% of team trained</li> <li>• All policy reviews in line with plan</li> <li>• % of contracts with modern slavery commitments</li> <li>• Effectiveness of due diligence system</li> </ul>
<b>Risk Management</b>	<ul style="list-style-type: none"> <li>• Due diligence questionnaire</li> <li>• Compliance statement</li> <li>• Risk assessments</li> <li>• Remediation</li> </ul>	<ul style="list-style-type: none"> <li>• 100% of questionnaires returned</li> <li>• 100% of compliance statements returned</li> <li>• % of risk assessments completed</li> <li>• Timely remediation of non-conformances, when identified</li> </ul>
<b>Monitoring</b>	<ul style="list-style-type: none"> <li>• In-house audits</li> </ul>	<ul style="list-style-type: none"> <li>• One audit completed in line with plan</li> </ul>
<b>Grievance Mechanisms</b>	<ul style="list-style-type: none"> <li>• Channels and mechanisms for grievances to be raised</li> </ul>	<ul style="list-style-type: none"> <li>• Awareness of channels and mechanisms for grievances to be raised</li> <li>• No cases remediated</li> </ul>

### F23 Horizons

In F23, SIW and Woolworths Group will partner to develop bespoke human rights due diligence approaches to areas of inherently higher risk in SIW's non-resale products and services. This will include a focus on the procurement of uniforms and the management of drivers performing work for SIW's logistics suppliers.

The content in relation to SIW (pages 33 to 34) was approved by the General Manager and Board of Statewide Independent Wholesalers Limited on 15 August 2022.







# Looking forward: our plans for F23

Since our Human Rights Program was launched, we have been committed to continuous learning and innovation of program design to proactively mitigate and address the risks of modern slavery in our value chain. Over the coming year we will continue to strengthen our approach to identifying, mitigating and remediating risks and to do this, we have set ourselves a number of strategic priorities for F23.

In F23, our priorities are to:

- Continue to scale up our human rights due diligence in non-trade and inherent risk areas such as cotton and seafood
- Remain committed to our ongoing focus on high risk commodities and geographies utilising bespoke strategic responses
- Conduct a detailed forced labour risk assessment, resulting in a refreshed supplier or category risk segmentation across our operations and supply chains
- Investigate opportunities to embed a worker voice approach to enhance our RS Program audits
- Partner with entities in our ecosystem to strengthen their modern slavery due diligence
- Introduce modern slavery e-learning to targeted suppliers and relevant commercial teams
- Undertake a salient human rights issue assessment.

This is a complex space to navigate, and we are still learning. We are guided by our values – ‘I care deeply’ and ‘I always do the right thing’ as well as our Sustainability Plan 2025 guiding principles – ‘We act like a leader and speak up on issues that matter’ and ‘We embrace the power of partnerships to create change’. These values and principles continue to be our north star and set the tone for our ambition.

We hope our Statement also becomes a means for workers in our operations and supply chains to feel confident in the commitment set by the Board and that they continue to come forward if they feel that a breach of our standards has, or may, occur.





# Partnerships

One of the guiding principles of our Sustainability Plan 2025 is 'we embrace the power of partnerships to create change', and this is no more relevant than in our efforts to address modern slavery. We know that modern slavery can only be ended by working with others and we seek out partnerships where we can drive strategic initiatives, add value to existing approaches, leverage collective action and learn from others.

## ACT Action Collaboration Transformation on Living Wages (ACT)

To accelerate the living standards of workers in the apparel and footwear supply chain, BIG W joined ACT in February 2020. ACT is an agreement between global brands, retailers and trade unions to achieve living wages for workers through collective bargaining at industry level linked to brands' purchasing practises. BIG W is an active participant in ACT's Bangladesh country group meetings, a tripartite dialogue between ACT brands, the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) and trade unions.

After an initial two years focused on COVID response, this year ACT participants made progress on a number of key commitments known as the ACT Global Purchasing Practices Commitments. For BIG W that meant:

- Developing and implementing a roadmap towards a labour costing model. This included testing tools from global retailers, joining a workshop with the Fair Wear Foundation, commencing a trial with three suppliers and a check-in meeting with IndustriALL
- Developing a Responsible Exit Policy that outlines the steps BIG W will take prior, during and post factory exit to minimise any adverse impacts on workers
- Embedding ACT's 'Responsible Purchasing Practices' e-learning module in our internal training system and planning deployment to cross functional teams in HI.

## THE CENTRE FOR CHILD RIGHTS AND BUSINESS Centre for Child Rights and Business

New in F22

This year we joined the Centre for Child Rights and Business working group. The working group meets four times a year and brings companies together to collaborate, share best practice, and access the latest information and insights related to child rights. Membership to the Centre also provides expertise on the ground in key risk countries, including a 24-hour response mechanism should a case of child labour be identified in our supply chain. Leveraging our partnership, the Centre subject matter experts reviewed our Child Labour Addendum which was released in F22.



## Cleaning Accountability Framework

In F22, Woolworths Group continued to engage with Cleaning Accountability Framework (CAF) on the development of an education and monitoring framework fit for purpose for retail stores. This resulted in an updated draft concept plan considering different approaches for tender processes, site inductions and in person consultation with in-store cleaners.



## Consumer Goods Forum Human Rights Coalition – Working to End Forced Labour

New in F22

This year Woolworths Group joined the Consumer Goods Forum Human Rights Coalition (CGF HRC). The HRC is a collective of 30 global retailers and manufacturers committed to eradicating forced labour from their operations and consumer goods supply chains. HRC members commit to implement the CGF's human rights due diligence maturity framework for operations, with the goal that all members reach the 'Leadership' level by 2025. We have commenced implementing steps of the maturity framework and adopted some of the milestones in our internal maturity framework for BUs.

There are also two optional and interrelated supply chain workstreams on palm oil and responsible recruitment in Malaysia. The workstreams in Malaysia align to our strategic focus on responsible recruitment, as well as our recognition of the value of dedicated engagement with government and ambition to partner with other retailers to scale positive industry-wide change and manage risk in this area. Where possible, we will look to take the learnings from the HRC and apply them to other higher risk categories and geographies. Woolworths Group is the first Australian company to join the HRC.



### International Accord

Since its inception as the Accord, BIG W has continued to support ongoing efforts to provide a robust, transparent and industry-wide mechanism to deliver safe working conditions to garment workers in Bangladesh. In F22 we signed the International Accord and joined the Brand Association with 170 other brands and retailers globally. Remediation at our active sites is at 92%, a slight decrease on F21 due to the onboarding of new sites. We continue to educate our internal team and suppliers on our Accord obligations through training and supplier updates.



### New Zealand Government Modern Slavery Leadership Advisory Group

Countdown has taken a proactive leadership role in supporting the development of modern slavery legislation in New Zealand. In F21, Countdown was invited to participate on the Modern Slavery Leadership Advisory Group, set up to advise the Government on establishing legislation in New Zealand. In F22, Countdown submitted a response to the Government's consultation in support of the proposed legislation with graduated reporting responsibilities for companies based on their annual revenue.



### Property Council of Australia's Modern Slavery Working Group

We continue to contribute to and keep abreast of property and construction industry developments through participation in the Property Council of Australia's Modern Slavery Working Group. This year our team participated in the research for the Property Council and KPMG's joint publication on effective grievance mechanisms, *Listening and Responding to Modern Slavery in Property and Construction*, and was involved in conversations about emerging risks in global supply chains, including renewable energy solutions. In F23, we will contribute to the Working Group's newly formed sub-committee on remediation, with a view to contribute cross-industry learnings from our recent remediation activities to help raise awareness of and improve education around effective remediation practices across supply chains.



### Retail Supply Chain Alliance

New in F22

This year Woolworths Group and the Retail Supply Chain Alliance (RSCA) entered into a two-year memorandum of understanding (MOU) in Australia, with the goal of working towards ending worker exploitation in the horticulture supply chain. The RSCA is a partnership between the Transport Workers' Union, Australian Workers' Union, and the Shop, Distributive and Allied Employees Union. The MOU strengthens our ongoing efforts to engage with horticulture workers across Australia and promote supply chains that respect the rights of people who work within it. In F23, we will collaborate with the RSCA on worker education initiatives and industry engagement, including forums in key growing regions.

**"This agreement will go a long way to promoting fair and ethical conditions for pickers, packers and other workers in the supply of fruit and vegetables right across Australia."**

**Daniel Walton**  
Australian Workers Union



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

We have been a participant in the UNGCNA's Modern Slavery Community of Practice since its inception in 2018. This year the Community of Practice evolved into two streams. Those participants in the process of 'implementing'; and those participants 'optimising' their modern slavery risk management response. Woolworths Group joined the optimising stream and continued active participation in meetings, sharing insights from our program and learning from other participants' experiences.

### Additional RS Program partners

We also accept the following third party social compliance schemes as part of our Responsible Sourcing Program: Sedex, amforiBSCI, Fair Farms, GlobalGap GRASP, NZ GAP Social Compliance Add-on, Ethical Toy Program and WRAP.



# List of reporting entities

Below is a list of reporting entities of Woolworths Group Limited arranged by the four segments of the Woolworths Group ecosystem outlined on [page 4](#). All reporting entities listed below are covered by this joint statement, except for Quantum Group and PFD Food Services who will lodge their own statements in F22.

## B2C Food

### GROUP BUSINESSES



#### REPORTING ENTITIES

Woolworths Group Limited (ACN 000 014 675)  
 Drumstar Pty Ltd (ACN 085 415 032)  
 Woolworths (South Australia) Pty Limited (ACN 007 873 118)  
 Leasehold Investments Pty Ltd (ACN 009 237 932)  
 Progressive Enterprises Holdings Limited (ACN 113 919 878)

#### PRINCIPLE ACTIVITIES

Woolworths retail food store and online channels across Australia and New Zealand, operating 1000+ sites. Each of these reporting entities operate Australian supermarkets, employ team members who work in our stores, or hold supermarket assets.

## B2B Food

### GROUP BUSINESSES



#### REPORTING ENTITIES

Woolworths Group Limited (ACN 000 014 675)  
 PFD Food Services Pty Ltd (ACN 006 972 381)<sup>1,2</sup>  
 Statewide Independent Wholesalers Pty Limited (ACN 009 519 546)<sup>1</sup>  
 Woolworths (Victoria) Pty Limited (ACN 004 177 155)

#### PRINCIPLE ACTIVITIES

Food wholesale and distribution operations across Australia and in select international markets.  
 Food service operations across Australia, servicing organisations such as pubs, restaurants, airlines, hotels, aged care, resorts, convenience outlets, schools, and child care.  
 Wholesale and distribution operations, responsible for the warehousing and distribution of grocery and dry-goods to Woolworths stores and to independent customers in Tasmania.

## More Everyday

### GROUP BUSINESSES

#### REPORTING ENTITIES

Woolworths Group Limited (ACN 000 014 675)

#### PRINCIPLE ACTIVITIES

Retail activity beyond food, each based in Australia, including, BIG W, a discount retailer of apparel, general merchandise and foodstuffs; Healthy Life, an online retailer of specialty products such as vitamins, personal care, and health foods to support a healthy life.

Woolworths Group Payments Pty Limited (ACN 646 516 001)  
Wipay Pty Limited (ACN 646 547 908)

Wipay is a single payment platform offering, provided to Woolworths Group and Australian partner businesses.

## Retail Platforms

### GROUP BUSINESSES

#### REPORTING ENTITIES

Woolworths Group Limited (ACN 000 014 675)

#### PRINCIPLE ACTIVITIES

Primary Connect is a logistics business that moves the products of Woolworths Group and customers across Australia, New Zealand and where internationally sourced.

The Quantum Group Holdings Pty Limited (ACN 121 842 957)<sup>1,2</sup>  
The Quantum Group Pty Limited (ACN 102 444 253)<sup>1,2</sup>

Quantum delivers solutions in data and technology, by developing, analysing and monetising datasets, generating insights, creating decision support tools and embedding automated decision engines.

Cartology Pty Limited (ACN 009 671 149)

A retail media business across digital, print and out of home platforms in Australia and New Zealand.

<sup>1</sup> Controlled, but not wholly owned, entity of Woolworths Group Limited.

<sup>2</sup> Will lodge its own Modern Slavery Statement for F22.

The registered office of each of the reporting entities within Woolworths Group is 1 Woolworths Way, Bella Vista NSW 2153, except for The Quantum Group Holdings Pty Ltd (ACN 121 842 957) and The Quantum Group Pty Ltd (ACN 102 444 253) where the registered office is Bay 12, 2 Locomotive Street, Eveleigh NSW 2015; and Statewide Independent Wholesalers Pty Ltd (ACN 009 519 546) where the registered office is 8 Translink Avenue, Western Junction TAS 7212.





# Our corporate reporting suite

Woolworths Group is pleased to share how we're building a better tomorrow and encourage you to explore our full reporting suite detailing our performance across Australia and New Zealand.



## 2022 Sustainability Appendix

Providing data across key sustainability metrics, UNGC table, GRI index and assurance report.

[Click here to find the report on our website](#)



## 2022 Sustainability Report

Shares our F22 performance and progress on our sustainability goals and commitments.

[Click here to find the report on our website](#)



## Sustainability Plan 2025

Our program of positive change incorporating our goals and commitments across three pillars: our people, our planet and our products.

[Click here to find the report on our website](#)



## 2022 Annual Report

Read about our F22 performance and our progress on our strategic priorities as part of our transformation into a more focused food and everyday needs retail ecosystem.

[Click here to find the report on our website](#)



## Corporate Governance Statement

Describes our corporate governance framework, policies and practices in line with the ASX Corporate Governance Principles and Recommendations.

[Click here to find the report on our website](#)



For more on our approach to sustainability visit our website [woolworthsgroup.com.au](https://www.woolworthsgroup.com.au)

# Company directory

## Registered Office

1 Woolworths Way  
Bella Vista NSW 2153

**Tel:** (02) 8885 0000

**Web:** [www.woolworthsgroup.com.au](http://www.woolworthsgroup.com.au)

## Woolworths Group Sustainability

**Alex Holt**

Chief Sustainability Officer

We encourage you to contact us if you have feedback or questions at [sustainability@woolworths.com.au](mailto:sustainability@woolworths.com.au)



