

WOOLWORTHS GROUP



MODERN SLAVERY
STATEMENT 2020

Respecting Human Rights



WOOLWORTHS GROUP LIMITED
ABN 88 000 014 675

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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.



This is an interactive PDF designed to enhance your experience. The best way to view this report is with Adobe Reader. Click on the links on the contents pages or use the home button in the footer to navigate the report.

Woolworths Group Limited (ACN:000 014 675) is an Australian public company listed on the Australian Stock 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 other relevant group companies, including each wholly owned entity of Woolworths Group Limited and other entities over which Woolworths Group Limited has control for accounting purposes such as Endeavour Group Limited (ACN 159 767 843) during year ending 28 June 2020 (F20) (together, for the purposes of this Statement, "Woolworths Group"). Woolworths Group Limited makes this single joint Modern Slavery Statement to cover the Woolworths Group.

The images selected are a representation of our operations and supply chain. Thank you to our suppliers and team members who agreed to be featured.

Introduction

This is Woolworths Group’s first Modern Slavery Statement, which outlines the steps we have taken to identify, manage and mitigate the specific risks of modern slavery in our operations and supply chain.

Retail is a people business, and respecting the human rights of our teams and of every worker in our supply chain is an important element of our sustainability strategy. We have integrated sustainability, including human rights, into the way we go about our business every day, so that every decision we make has our purpose at its heart - **“We create better experiences together for a better tomorrow”**.

Modern slavery is a growing global and systemic issue affecting an estimated 40.3 million people, with 16 million people in forced labour in the private economy.¹ Modern slavery occurs at the most extreme end of a spectrum that ranges from decent work to serious criminal exploitation,² and is defined as “situations of exploitation that a person cannot refuse or leave because of threats, violence, coercion, deception, and/or abuse of power.”³

We are committed to continuous improvement so that our processes and interventions remain effective in preventing and remediating modern slavery. Our human rights strategy is underpinned by our values **“I care deeply”** and **“I always do the right thing”**, and is guided by the following principles:



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.

1 The 2017 Global Estimates of Modern Slavery are the result of a collaborative effort between the International Labour Organization (ILO) and the Walk Free Foundation.

2 Commonwealth Modern Slavery Act 2018 Guidance for Reporting Entities: <https://www.homeaffairs.gov.au/criminal-justice/files/modern-slavery-reporting-entities.pdf> pg. 9

3 *Op cit*, 1.





Chief Executive Officer's Message

People are the core of our business - our customers, team members, suppliers and the workers in our global supply chains. We believe in a better tomorrow for everyone and are deeply committed to upholding human rights across our operations and supply chains.

We recognise that as Australia's largest retailer our responsibility is to lead by example. Leading is not about doing better than others; it is about doing the right thing, taking responsibility for our actions and collaborating across industries and sectors to achieve common standards to help eradicate modern slavery.

The Board of Woolworths Group Limited views this, our first Modern Slavery Statement, as more than compliance with legislation. Our goal in this Statement is to share our approach, our successes and the challenges we faced in implementing our modern slavery due diligence. We hope our transparency will help other companies learn from our experiences, as they implement their own approaches. We welcome feedback and look forward to learning from others as we work together with our stakeholders to address this serious issue.

Situations that exacerbate worker vulnerability such as natural disasters, political discontent and economic crisis are becoming the norm. This past year, Australian businesses faced two unparalleled events: the summer bushfires in Australia; and the COVID-19 pandemic. In response to these unprecedented events we adjusted some of our planned activities in favour of addressing the immediate health, safety and well-being of our operational team members and the communities we serve. We also took significant steps to support our suppliers in their response to the emerging labour risks within our global supply chain.

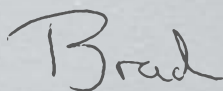
We know that modern slavery disproportionately affects women, migrant workers, people of colour and other vulnerable workers. The ongoing COVID-19 crisis has only

Key milestones in F20

increased their risk of exploitation, which is why we have increased our industry engagement to reduce the vulnerability of workers in our supply chains and to reinforce our commitment to respecting human rights. In future, we seek to work with, and learn from, potentially affected communities as they, too, have a genuine stake in program design and implementation.

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 is the standard we are striving toward in our ways of working because it is the right thing to do and it is what is expected by our customers, stakeholders and the communities we serve.

This Statement was approved by the Board of Woolworths Group Limited.



Brad Banducci
CHIEF EXECUTIVE OFFICER

August 2020

Conducted forced labour risk assessments across three areas:

- Non-trade product categories
- Non-trade and operations services
- Key commodities for all non-vendor branded suppliers

Strengthened supplier contracts with additional clauses on compliance with modern slavery legislation

Strengthened our approach by establishing a modern slavery working group to coordinate due diligence activities across our operations and supply chains

Delivered targeted briefings to build greater awareness of modern slavery and our program to key business leaders responsible for managing high risk categories

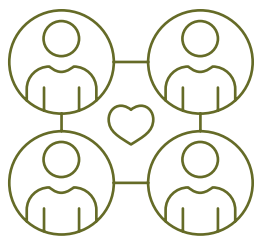
Strengthened our team with the appointment of a dedicated Group Human Rights Manager to coordinate our efforts to address modern slavery across our operations and supply chain.



Our structure, operations and supply chain



1 Voice of Customer Net Promoter Score



SUPPLY PARTNERS

Direct active suppliers

20,000+

Trade suppliers: **12,000**
Procurement suppliers: **8,000**

Number of own brand suppliers

2,240

From **42** sourcing countries

1,684 FoodCo Australia	461 BIG W
46 Procurement	49 BWS/Dan Murphy's

Number of supplier audits reviewed this year

474

Horticulture suppliers onboarded

100%

Commercial team members completed responsible purchasing practices e-learning module

703

RESPONSIBLE SOURCING PROGRAM



OPERATIONS



Support offices

21

Distribution centres

19

Pallets per year

17M

Shipping containers per year

78,000

Transport fleet assets

1,100

Home deliveries

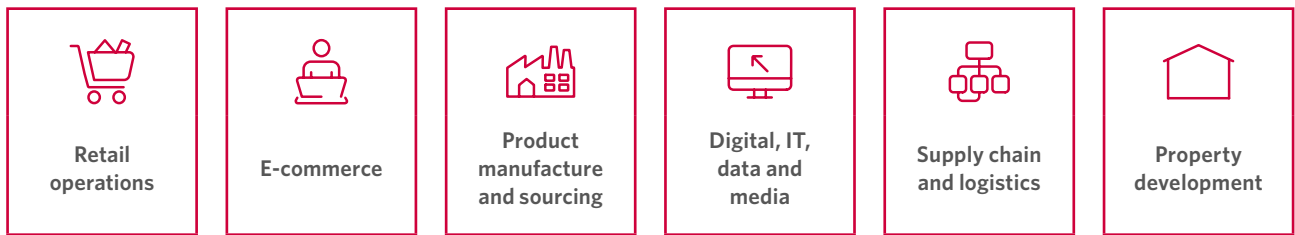
6M



Structure and Operations

This Statement applies to every wholly owned entity of Woolworths Group Limited and entities over which Woolworths Group Limited has control.

Collectively, the Group is comprised of diverse entities that undertake the following functions:




Our retail entities and their operations as at 28th June 2020 were:

AUSTRALIAN FOOD 

Woolworths supermarkets, FoodCo, Metro and WooliesX, all wholly owned.

NEW ZEALAND FOOD 

Countdown supermarket and CountdownX, both wholly owned. NZ Food is also the franchisor of the FreshChoice and SuperValue supermarket chains, which are owner-operated and have 31 and 39 supermarkets across New Zealand, respectively.

BIG W 

BIG W is a wholly owned discount retailer.

ENDEAVOUR GROUP 

This year our business interests in drinks (Endeavour Drinks) and hotels business (ALH Group) were restructured and then merged to form Endeavour Group Limited. Woolworths Group now owns a 85.4% interest in Endeavour Group. Stores include Dan Murphy's and BWS, and online retailers Cellarmasters, Langton's and Jimmy Brings. Entertainment venues include bars, dining, gaming, accommodation and venue hire operations. Endeavour Group also fully owns and controls three wineries across Australia and New Zealand and a bottling facility in South Australia. Endeavour Group also has a controlling share in Shorty's Liquor.

INNOVATION

Innovation is fuelled by new entities MediaCo, Cartology, W23 Investments and Woolworths360 - a circular economy initiative.

Consultation with controlled entities

Where Woolworths Group held a “controlling interest” in an entity during F20 we met with the appropriate organisational representative to frame our expectations, raise awareness and understand their approach in mitigating modern slavery risks. Where Woolworths Group did not hold a “controlling interest” in an entity for F20, but they were nonetheless an entity in which we held a minority equitable interest, we communicated our expectations and offered our assistance where they required further guidance.

We provided all entities with documentation outlining our expectations, directed towards the appropriate governmental resources and offered all partners the opportunity to contact our human rights team.

An example of this is Woolworths MeatCo., a joint venture (JV) partnership with Hilton Foods Asia Pacific Limited, a UK incorporated company. During the reporting period, Hilton Foods held all responsibility for the operations of the two Hilton Foods manufacturing sites covered by the JV. As part of the process in preparing this Statement, we conducted a desktop review of labour management systems at their manufacturing sites and reviewed Hilton’s statement for the purposes of Modern Slavery Act 2015 (UK).

This year we further worked with our Mergers and Acquisitions legal team and new investment business, W23, to embed modern slavery considerations into their due diligence processes.

Supply Chain

Globally, we work with more than 20,000 direct suppliers across trade and non-trade.

- Trade suppliers provide the products we sell in our stores and online, including food, apparel, general merchandise, toys and liquor. Trade suppliers are categorised as vendor or non-vendor branded. Non-vendor branded refers to suppliers that produce or pack products for Woolworths Group businesses, or are loose on shelf. Some suppliers supply both vendor and non-vendor branded products.
- Non-trade suppliers, provide goods and services to support our effective operations. Our biggest non-trade categories include IT, construction, logistics, packaging and consumables and marketing.

Our supply chain is complex, geographically diverse and encompasses small family businesses through to global multi-nationals.



Fresh food trade suppliers - Australia

Our Australian food businesses stock Australian fresh food wherever possible and only import supplementary stock when local supply is low or out of season. This means that:

- All fresh meat is produced in Australia
- 96% of fresh fruit and vegetables are Australian-grown and directly supplied by over 420 Australian businesses.

Our Brands

Non-vendor branded products produced for our businesses are sourced from different countries based on the product category. The top three sourcing countries for our food businesses and BIG W are:

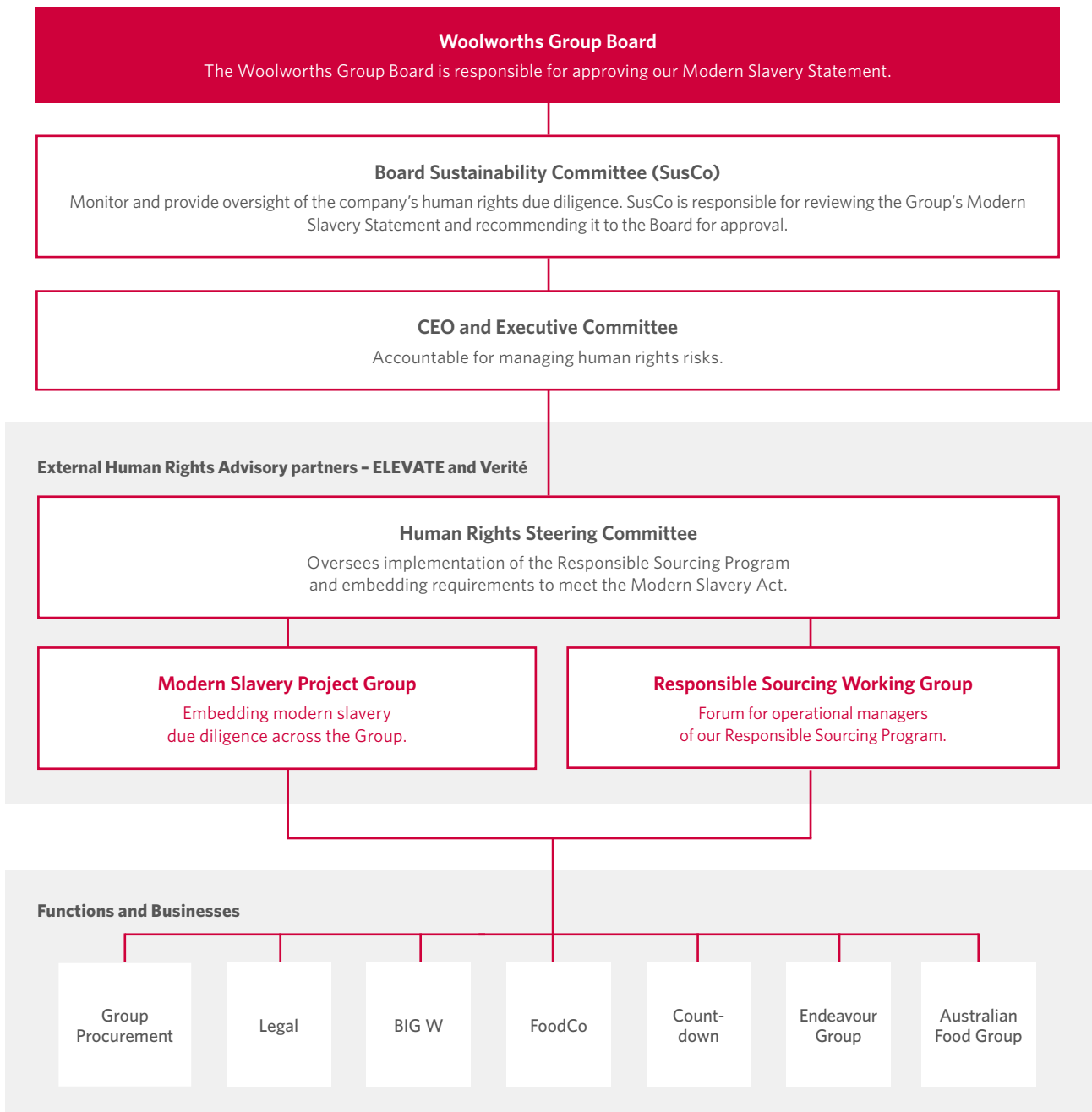
- FoodCo food suppliers source: 53% Australia, 19% in New Zealand, 3% from Thailand
- FoodCo non-food suppliers (general merchandise, health and beauty) source: 77.3% China, 8.9% Australia, 2.7 % Thailand
- BIG W branded suppliers source: 90% of products from China and Bangladesh.



Human Rights Governance

Our human rights program sets out our Group-wide modern slavery framework that is owned and operationalised by each business. Our approach is to empower teams with the right tools and processes to identify and act on modern slavery risks. They are supported through working groups and a centralised steering committee attended by senior

stakeholders across the Group, with progress reported to the Board Sustainability Committee (SusCo). The Managing Director of each business is ultimately responsible for managing human rights risks, and they are directly accountable to the CEO and Board.



Board Oversight

SusCo is responsible for overseeing the Group’s human rights program and makes recommendations to the Board. The SusCo Charter describes the duties and responsibilities with respect to human rights:

- Review the effectiveness of Woolworths’ policies and initiatives to respect human rights across the Group and its supply chain
- Oversight of the Responsible Sourcing Policy and Standards
- Monitoring and review of key human rights developments
- Making recommendations to the Board regarding the management of human rights issues across the Group and its supply chain.

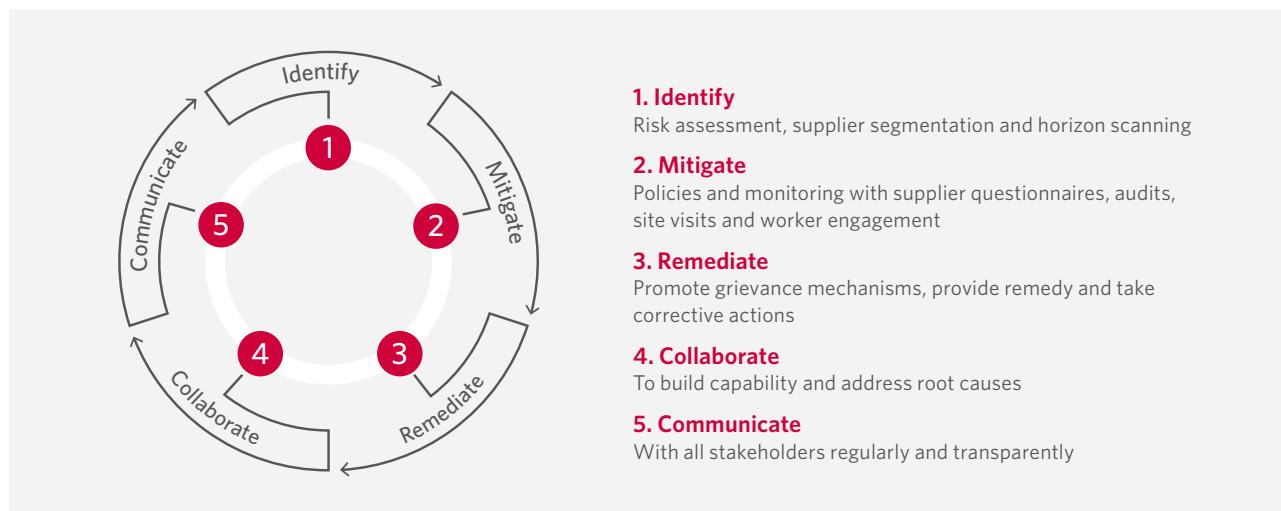
SusCo meets a minimum of four times annually. Standing business attendees are the Group Executive sponsor for Sustainability, General Manager Quality, Health and Sustainability, and Head of Sustainability Governance. In F20 SusCo’s oversight of responsible sourcing and human rights issues in our supply chains included:

MEETING	PURPOSE	OUTCOME
All quarters	Quarterly Responsible Sourcing Program update	Reviewed the update to the Responsible Sourcing Program and approach to managing risks to supply chain
Q1	Approach to preparing our first Modern Slavery Statement	Reviewed the approach to be taken by the Group
Q3	Responding to modern slavery risks of COVID-19 and preparation for reporting under the Act	Updated on the progress of the Group’s preparation for reporting under the Act and reviewed the Group’s Responsible Sourcing approach, with a focus on horticulture
Q4	Paper outlining the structure, content, accountability and ambition of our first Statement	Updated on the progress of the Group’s preparation for reporting under the Act and recommended the Board to approve the revised Responsible Sourcing Policy.

The Board Audit and Risk Management Committee (ARMCC) also appointed Internal Audit to assess our readiness for lodging the Modern Slavery Statement in accordance with the seven mandatory criteria required under the Act.

Human rights due diligence framework

We have been actively working to incorporate human rights due diligence within our operations and supply chain, based on following approach:



Our key human rights milestones

We have been attuned to human rights risks in our supply chains for many years. Identifying and preventing forced and child labour has always been the cornerstone of our approach to supplier social compliance. Our program has matured over time to reflect evolving best practice, including due diligence approaches outlined in the UN Guiding Principles on Business and Human Rights. We continue to strengthen our program controls to manage emerging risks, and have a plan to address issues embedded deeper in our supply chain.



Note: Year refers to Australian financial year as reported in our annual Sustainability Reports.



Following the Rana Plaza factory collapse and Tazreen factory fire, we became a signatory to **The Accord on Bangladesh Fire and Building Safety**. We further audited all factories in Bangladesh supplying to BIG W

2013



Launched our **2020 Corporate Sustainability Strategy** with goal 16 dedicated to develop a best practice social compliance system to manage human rights in our supply chain

Launched our **Responsible Sourcing Steering Committee and Working Group**

Commenced our partnership with **ELEVATE** to conduct a best practice review of our approach to ethical sourcing and human rights

Supported the establishment of an **Australian Modern Slavery Act** through written submissions to the Government's inquiries and hearings

2017

Reviewed 650+ mutual recognition audits

Re-launched **Supplier Speak Up**, making it available to workers in our global supply chains

Launched our **Requirements for Labour Providers in our Australian Horticultural Supply Chain**

Signed a partnership agreement with the **Cleaning Accountability Framework**

Accepted the **Fair Farms Program** as our seventh mutual recognition audit scheme

2019

2014

In collaboration with the Walk Free Foundation, The Salvation Army and the Uniting Church we developed our **Uzbek Cotton Policy** and implementation plan for stopping the use of Uzbek cotton in our products

2016

Integrated an **Overseas Worker Checklist** in our quality audits in Australian horticulture to better identify risks to migrant workers

Disclosed Bangladesh factory lists



2018

Implemented our **Responsible Sourcing Program**, prioritising higher risk groups in year 1, and introduced the associated **policy and supplier requirements**

Adopted mutual recognition of 6 third party schemes for social compliance audits

Our team member Code of Conduct was refreshed with reference to our Responsible Sourcing Program

Hosted retailer roundtable sessions in Australia and signed a **Collaboration Protocol with the National Union of Workers** (now United Workers Union)

Vendor Trading Terms updated with Responsible Sourcing clause

2020

Embedded modern slavery specific clauses in our contracts and due diligence for new partnerships







Conducted a forced labour risk assessment of trade suppliers and non-trade supply categories

Prepared our first **Modern Slavery Statement**



Partnerships

Our principles recognise that no single entity alone can end modern slavery. Partnerships, industry collaboration and cross-sector learning are an important part of our strategy to scale good practice and cultivate shared learning. We seek out partnerships where we can drive strategic initiatives, add value to existing approaches and learn from others.

INITIATIVE	PURPOSE OF PARTNERSHIP IN SUPPORTING OUR MODERN SLAVERY STRATEGY ¹
ACT on Living Wages 	<p>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 practices. 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. ACT's ongoing support for workers during the pandemic is in close coordination with the International Labour Organisation's (ILO's) Global Call for Action, of which BIG W has endorsed.</p> <p>Engaged since: February 2020 Woolworths Group representation: Managing Director, BIG W</p>
Cleaning Accountability Framework (CAF) 	<p>CAF is a labour rights assurance scheme that uniquely places cleaners at the heart of compliance certification. CAF works with independent auditors to verify that the CAF Standards – as they relate to wages, benefits, and responsible contracting – are being met in a building. Woolworths has invested \$100,000 to assist CAF build a retail specific assurance scheme. We are working with CAF to build effective preventive and detective control mechanisms to drive higher standards in our cleaning supply chain.</p> <p>Founding retail partner since: March 2019 Woolworths Group representation: National Facilities Management Support Manager</p>
Fair Work Ombudsman (FWO) Horticulture Reference Group 	<p>The FWO Horticulture Reference Group seeks to promote collaborative approaches to address non-compliance in the horticulture sector, as identified by the FWO's Harvest Trail Report. This enables us to understand the perspectives of the regulator, unions, suppliers, and industry groups, which helps to inform our specialised horticulture strategy.</p> <p>Engaged since inception: March 2019 Woolworths Group representation: Group Human Rights Manager Government Relations Manager</p>
Property Council of Australia (PCA) Modern Slavery Working Group 	<p>Woolworths joined the PCA Modern Slavery Working Group to collaborate with leading property companies in Australia to better understand and remediate modern slavery risks associated with the property and construction sectors. Our objective in this group is to understand subcontracting arrangements and identify opportunities for the industry to collectively strengthen controls.</p> <p>Engaged since: May 2020 Woolworths Group representation: Group Human Rights Manager</p>
UN Global Compact Network Australia Modern Slavery Community of Practice 	<p>The community of practice fosters a collaborative environment for top ASX-listed companies to share good practices and lessons learned in embedding modern slavery due diligence. We are an active participant in these discussions with a focus on sharing practical examples to enhance the collective knowledge in this space.</p> <p>Engaged since inception: May 2018 Woolworths Group representation: Group Human Rights Manager</p>
United Workers Union 	<p>In 2019 Woolworths and the United Workers Union signed a Collaboration Protocol, agreeing to quarterly meetings to drive improved labour hire standards in our horticultural supply chain. During meetings we meet directly with worker representatives as well as union delegates to better understand and address risks to vulnerable workers in our fresh produce supply chains. We are currently engaged with UWU, Coles and labour providers on a worker education pilot project in the Sunraysia region, one of the highest known risk areas.</p> <p>Engaged since: October 2017. Collaboration Protocol signed May 2019 (previously as the National Union of Workers) Woolworths Group representation: GM Quality, Health and Sustainability Head of Sustainability Governance Group Human Rights Manager</p>

Government engagement

The policy and regulatory environment in which we and our suppliers operate is part of the ecosystem that can help strengthen, or conversely weaken, the risks of modern slavery in our operations and supply chains. This year we met with local representatives and Members of Parliament in Australia, New Zealand and the Victorian Labour Hire Authority to discuss the role of policy makers in strengthening our modern slavery response.

¹ We also accept the following third party social compliance schemes as part of our Responsible Sourcing Program: Sedex, amforiBSCI, Fair Farms, GlobalGap GRASP, Ethical Toy Program and WRAP. Our Sustainable Sourcing Program further recognises Fairtrade and UTZ/Rainforest Alliance.

Identifying risks of modern slavery practices

Risks of modern slavery in global retail operations and supply chains are dynamic, complex, and often described as ‘hidden in plain sight’. We are constantly reviewing risks to prioritise our efforts where there is greatest impact to people in our operations and supply chain.

Since 2017, we have conducted supplier risk assessments designed together with our program partner ELEVATE, a global business risk and sustainability solutions provider. These assessments inform our Responsible Sourcing Program and areas of focus. This year, we expanded our supplier segmentation methodology to focus on forced labour risks across Group operations and supply chains. These assessments focused on the inherent risks of exploitation involved in producing the products and delivering the services in our operations and supply chains.

As a diverse and complex business, Woolworths Group acknowledges the following modern slavery risks as most salient in our global operations and supply chains:

<p>Forced labour</p> <p>restrictions of movement, intimidation, threats, including human trafficking</p>	<p>Debt bondage</p> <p>the payment of excessive recruitment fees or associated costs, and retention of identity documents</p>	<p>Deceptive recruiting for labour</p> <p>workers promised certain jobs, benefits or conditions</p>	<p>Worst forms of child labour</p> <p>where children are engaged in hazardous work</p>
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Forced marriage, while considered a form of modern slavery, was not identified as a material risk to operations or supply chain.

In addition to our annual, data-driven risk assessment process, our human rights team is regularly reviewing media stories, reports from civil society and collaborating with industry groups to keep abreast of emerging human rights risks. We anticipate, and are watching for, increased human rights risks relating to climate change, cotton sourced from China¹, and the ongoing management of COVID-19.

Operations

Most of our Woolworths Group team members are employed directly and on permanent contracts. This lowers modern slavery risks within our direct team. Therefore, our operational risk assessment focused on areas of the business that use contracted or third-party labour providers. We have less direct visibility and control over these workers and their employment terms. Many of these workers are immigrants, temporary migrant workers, international students, or other vulnerable groups, who may be less aware of their rights and, consequently, susceptible to exploitation.

This year, as part of our specific forced labour risk assessment, we identified service suppliers that deliver services at a Woolworths-owned and operated site. We examined the inherent risks involved with delivering the services based on:

- Workforce characteristics: Nature of the work and required skillset
- Product characteristics: Seasonality, production costs, product value, market competition

- Business processes: Labour recruitment, supply chain transparency, complexity of the value chain.

The following were identified, as the highest risk services in our operations:

- Security arrangements
- Cleaning arrangements
- Trolley collection services
- Third-party labour at direct production sites
- Temporary labour in our distribution and logistics operations.

While not in our direct operations, onsite businesses such as sushi kiosks were also flagged for further analysis.

These results validate our previous risk assumptions and so we have existing controls in place. These are described on [page 21](#).

In F21, we will review our risk assessment to include spend per supplier, the number of suppliers per category, the number of contracted workers per supplier, and arrangements that allow for subcontracting. This will inform our enhanced due diligence priorities for operations service suppliers.

1 Vicky Xiuzhong Xu et al., “Uyghurs for Sale: Re-education, forced labour and surveillance beyond Xinjiang”, ASPI, February 20, 2020: <https://www.aspi.org.au/report/uyghurs-sale>



Supply chain

Trade

RESPONSIBLE SOURCING ANNUAL RISK ASSESSMENT

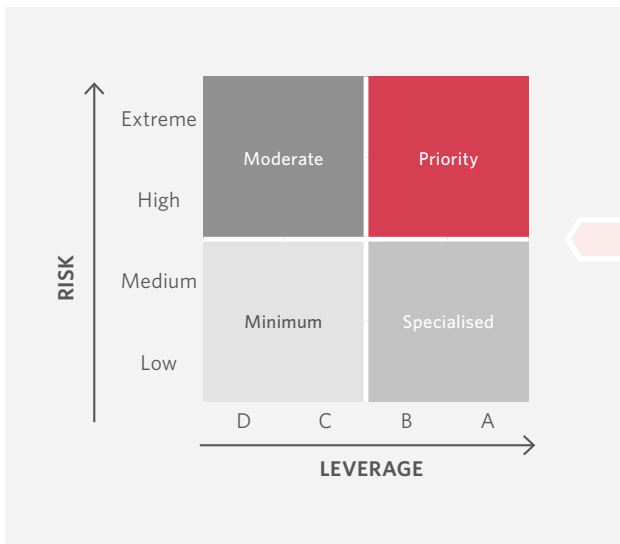
The products we sell in our stores and online are sourced from more than 50 countries. Each of these products and sourcing countries presents a different set of human rights challenges, including risks of modern slavery.

We source products from suppliers that are both vendor and non-vendor branded. Like many global retailers, we have identified greater risks and leverage among suppliers of fresh produce and non-vendor branded products, including any non-trade suppliers that manufacture products exclusively for Woolworths Group - these are the risks we may cause or contribute to. We are more directly connected to these products because suppliers are producing, manufacturing,

growing, and packing products directly for our businesses, which means we have greater connection to the workers and influence to remediate breaches.

These suppliers are in scope of our Responsible Sourcing Standards and subject to further risk assessment. This risk assessment allows us to “segment” suppliers into four groups: priority, moderate, specialised, and minimum. Each segment has different due diligence requirements based on associated risks.

Below is our supplier segmentation methodology, which was used to conduct our F20 segmentation refresh.



Methodology	
Risk	Leverage
<p>40% Inherent country risks from public domain data (e.g. World Bank, Global Slavery Index, Transparency International)</p> <p>60% ELEVATE country and sector risk scores based on annual audit data and trends (including audit findings related to ILO Forced Labour Indicators)</p>	<p>25% Length of business relationship</p> <p>40% \$ spend amongst peer suppliers in each business unit</p> <p>35% \$ spend trend over the past 3 years</p>

SPECIALISED RISK

It is important to us and our customers to source locally, which is why 96% of our fresh fruit and vegetables for Woolworths Supermarkets are from Australia. Despite being a typically “low risk” country in global indices, we recognise this as a specialised risk segment because of the risks of deceptive recruitment, debt bondage and forced labour in horticultural supply chains. This is based on the nature of the industry, its reliance on third party labour providers and the high prevalence of migrant and vulnerable workers often working on a casual or seasonal basis.

Migrant workers, including those from the Pacific region, face increased vulnerability to exploitation “driven by disconnection from social and formal supports, low visibility and transparency stemming from physical isolation and highly monitored and restricted movements, limited understanding of local contexts driven by low literacy and education, and language barriers between workers and locals.”¹ For more information on how we manage these risks see [pages 57-61](#) of our 2020 Sustainability Report.

¹ Walk Free Foundation, Murky Waters: A Qualitative Assessment of Modern Slavery in the Pacific Region: <https://cdn.minderoo.org/content/uploads/2020/03/29112025/Walk-Free-Foundation-Pacific-Report-04-2020.pdf> pg. 3

FORCED LABOUR RISK ASSESSMENT

This year we conducted two forced labour risk assessments for non-vendor branded trade suppliers in food and non-food categories. The food assessment examined risks associated with both products and ingredients, while the non-food assessment was focused on the product level. We combined commodity risk scores with our supplier segmentation data to evaluate the risks of forced labour based on the commodity/country relationships within our supply chain. The methodology looks at:

- Country risk: based on external data and aggregated insights from ELEVATE’s global audit data
- Commodity risk: the level of inherent human rights risks involved in producing a commodity or product

- Export value: incorporates the export value of commodities by country, which helps identify the likelihood of us sourcing from a country
- Supply chain information: countries we are actively sourcing from are weighted higher because they are part of our current supply chain.

The results are summarised on [pages 16-17](#).

In F21 we will use these results to prioritise suppliers for further due diligence. This will include layering in leverage data to better understand the dollar amount sourced and total number of suppliers by country to correlate product risks with our supply chain.

Non-Trade

We also source products and services from some 8,000+ non-trade suppliers. While most non-trade suppliers are vendor brands, they carry unique risks based on the nature of the product (construction materials) or service (transport).

Our non-trade forced labour risk assessment was conducted at the category-level. We:

- Reviewed non-trade supplier categories and created separate product and services assessments
- All data was mapped to ELEVATE’s categories to correlate our products and services with its inherent risk scores.

The risk assessment results, summarised below, were reviewed and validated by our team.



In F21, we will further review the extreme and highest risk products and services to better understand the volume and scope of business with these categories and conduct further due diligence to mitigate identified risks.



Key commodities risk map

We conducted two forced labour risk assessments for non-vendor branded trade suppliers in food and non-food. We identified top inherent risks by country and commodity, relevant to our supply chain, which has informed our priority areas for further due diligence at multiple supply chain tiers. Overall, we identified higher risks across more categories and countries in our food supply chain.



Food commodities

PRODUCTS (P) AND INGREDIENTS (I)

The forced labour risk assessment of food commodities looked at those sourced as both a product (sold directly as is e.g. bananas) and an ingredient (used as an ingredient in another product e.g. bananas in banana bread) for all non-vendor branded products developed by FoodCo. We reviewed 53 food related product categories. We found the global supply chains for nine food categories we source have extreme risks of forced labour. This is due to the inherent risks in agriculture, high levels of product exported from high risk countries and substantiated cases of forced and child labour associated with a product category.

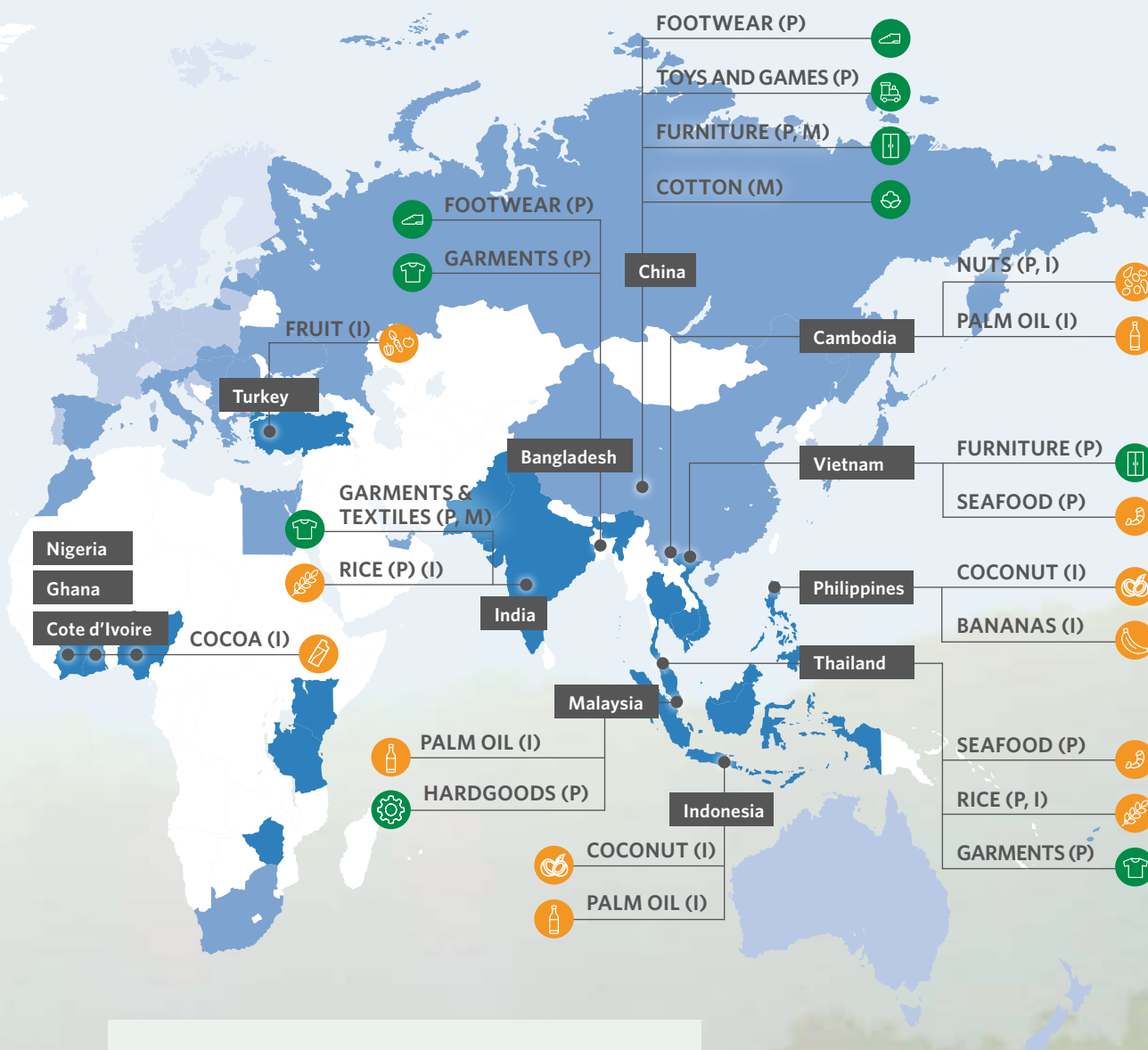
Top 3 risks



As part of our 2020 Sustainability Commitments, we have achieved the following certifications across key risk commodities:

- 100%** of Woolworths branded coffee, tea or chocolate products are UTZ/Rainforest Alliance or Fairtrade certified
- 100%** Woolworths Branded sugar is bonsucro certified
- 100%** of Woolworths own brand food suppliers support the production of sustainable palm oil through RSPO certification

We recognise certifications help to lower supply chain risks, but they alone do not prevent modern slavery. We will continue to review these certifications as part of our ongoing due diligence.



Non-food products

PRODUCTS (P) AND MATERIALS (M)

The non-food risk assessment was conducted for products and key materials across 138 categories for BIG W, FoodCo general merchandise, and health and beauty. We found five non-food categories have extreme risks of forced labour. In response to allegations of forced labour in Xinjiang province in China, we have commenced tracing our garment supply chain in that region. We have no direct suppliers producing goods in Xinjiang and are conducting further due diligence on cotton sourced as a raw material.

Top 3 risks



Global supply chain risk landscape

- Extreme
- High
- Medium
- Low
- No data

When on-boarding new suppliers we look at inherent country and commodity risk as part of the selection process.



Mitigating and remediating risks of modern slavery

Strong policies, contracts, monitoring and worker engagement are our key program controls to manage potential or actual risks of modern slavery in our operations and supply chain.

Policy framework

We have a comprehensive set of policies and procedures that articulate our values, ways of working and expectations of our team and suppliers that are reviewed regularly. This policy framework ensures that our team members and suppliers clearly understand our expectations, and equally that they can recognise when they are being treated in a way that is inconsistent with these expectations and understand how to raise a grievance or complaint. The following policies are those that are most relevant to preventing modern slavery among our team members and workers in our supply chains:

POLICY/PROCEDURE - OPERATIONS	PURPOSE
Code of Conduct	How we expect team members to behave towards each other, our customers and the broader community.
Respectful Workplace Policy	Articulates expectations regarding team member behaviours at work, when representing our businesses or when interacting with team members outside of work.
Fraud, Anti-Bribery and Corruption Policy	Outlines our commitment to complying with laws and regulation addressing fraud, bribery and corruption in each country in which we conduct business.
Team Member Speak Up	An anonymous reporting channel for team members, their family and others to raise concerns.
Team Member Complaints Handling Standard	Provides a clear, structured and consistent approach to complaints handling.
People Advisory	Support on Human Resource matters.
Enterprise Agreements (EAs)	30 EAs across the Group, with coverage for approximately 80% of our team members.

POLICY/PROCEDURE - SUPPLY CHAIN	PURPOSE
Responsible Sourcing Policy	Sets our expectations for all direct suppliers in relations to human rights and responsible sourcing.
Responsible Sourcing Standards and Responsible Sourcing Supplier Guidelines	Further defines our expectations that apply to all direct suppliers, other than suppliers of branded goods and services.
Requirements for Labour Providers in our Australian Horticulture Supply Chain	Outlines specific requirements relating to the engagement of labour providers by participants in our horticulture supply chain.
Supplier Speak Up	An anonymous reporting channel for direct and indirect suppliers, their family and others to raise concerns.
Grievance and Investigation Procedure	Sets out our grievance procedures including assessment, investigation and remediation.
Supplier guidance on developing grievance mechanisms	A resource to help our suppliers better understand our grievance mechanism expectations and provides recommendations to improve their effectiveness.

Relevant anti-modern slavery extracts from our Responsible Sourcing Standards

Our Standards address the International Labour Organisation’s Forced Labor Indicators¹, including debt bondage, the retention of identity documents, verbal or physical threats and abuse of vulnerability. One or more of these indicators can signal a forced labour situation, with the indicators providing a basis to assess whether or not an individual worker is a victim of this crime.

ELEMENT	WOOLWORTHS GROUP RESPONSIBLE SOURCING STANDARD
Debt Bondage	5.3 Workers are not indebted or coerced to work. No workers should pay to work.
	5.4 Workers are not required to leave deposits or identity papers (e.g. passports, visas) or bank cards with their employers.
	7.7 Suppliers shall not subject, bind, or encourage workers to employment as a condition of fulfilling terms of debt to a third party or to the employers themselves. Personal loans to workers under circumstances where repayment terms suggest debt bondage or forced labour is strictly prohibited.
Child Labour	6.3 Suppliers are prohibited from employing any children for work under the age of 15. However, in countries where the local minimum age is 14 in accordance to ILO Convention 138, the younger age shall apply.
	6.6 Suppliers shall comply with local laws on employment of young workers. Young workers shall not engage with any hazardous work.
Forced Labour	7.1 Suppliers have a written policy prohibiting all forms of forced labour, including but not limited to bonded, indentured, prison, or involuntary labour.
	7.3 Employment is freely chosen. All workers shall have the right to enter into or terminate their employment freely without fear of retaliation, threat of physical or mental coercion, or face unlawful notice periods.
	7.4 All overtime work shall be voluntary. Suppliers shall ensure that workers have the right to refuse overtime work without fear of retaliation or disciplinary actions.
	7.6 Workers retain possession of their own original identification papers or personal things (e.g. passports, visas, ID cards, bank cards etc.).
Deceptive Recruitment	17.2 Suppliers communicate a clear policy to all labour hiring/recruitment agencies that no recruitment fees or other forms of payment are to be levied to workers.
	17.3 Suppliers ensure that there were no deposits or other charges paid or services provided by workers either for their jobs or to cover other fees at the site or at their place of origin, including fees levied during termination.

Migrant workers are one of the highest risk groups to forced labour in the private economy. We have taken additional measures so that our Standards align with the Priority Industry Principles, an initiative of the Consumer Goods Forum², on the recruitment of migrant workers:

 Every worker should have freedom of movement	 No worker should pay for a job	 No worker should be indebted or coerced to work
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1 ILO Indicators of Forced Labour: https://www.ilo.org/wcmsp5/groups/public/---ed_norm/---declaration/documents/publication/wcms_203832.pdf
 2 The Priority Industry Principles are an initiative of the Consumer Goods Forum. You can read more about Principles here: <https://www.theconsumergoodsforum.com/initiatives/social-sustainability/key-projects/priority-industry-principles/>



Strengthening supplier contracts

One of the key ways in which we articulate our human rights expectations and control the potential risk of modern slavery arising in our global supply chain is through our contracting process with our direct suppliers. Building on existing Responsible Sourcing provisions, modern slavery specific provisions have been incorporated in our non-trade procurement contracts and Vendor Trading Terms.

For moderate to high risk areas, another control mechanism we use is a Compliance Statement, which is a supplier modern slavery compliance confirmation. We request the supplier to sign and provide this statement to Woolworths on the commencement date of an agreement and on each anniversary of the commencement date during the agreement term. A termination right is available for Woolworths if a signed Compliance Statement is not provided within a reasonable period of time.

Similarly, our purchase order Terms and Conditions and Vendor Trading Terms require suppliers to comply with the requirements under our Responsible Sourcing Policy

and Responsible Sourcing Standards. Since the launch of our Responsible Sourcing Program in 2018, all new trade suppliers, both vendor and non-vendor brands, have signed an acknowledgement that they have read, understood and will comply with our Responsible Sourcing requirements when doing business with the Group. To date, new active trade suppliers (100%) have signed the specific Responsible Sourcing Program Acknowledgment Form, representing 20% of total active trade suppliers.

In F21, we will continue to review contracts across other business arrangements, such as property, to streamline modern slavery provisions in standard contracts to ensure our management framework is consistent across the Woolworths Group. We recognise the importance of building greater understanding of modern slavery risks and our requirements with the team members who are responsible for supplier relationships and oversight so that they are equipped to provide guidance to our partners to comply with our expectations.

An example of a modern slavery clause we use in our contracts to procure goods and/or services which attract higher levels of modern slavery risk

Modern Slavery

Compliance

In performing its obligations in connection with this Agreement, the Supplier will, and will ensure that each Supplier Personnel and each of its Related Bodies Corporate will:

- a) comply with all Modern Slavery Laws; and
- b) take reasonable steps to ensure that there is no Modern Slavery in the Supplier's or Supplier Personnel's supply chains or in any part of their business or the supply chains of the Supplier's Related Bodies Corporate or in any part of their businesses.

Assistance

The Supplier will comply (and ensure that all Supplier Personnel and its Related Bodies Corporate comply) with any reasonable requests made by Woolworths for assistance, for the provision of information or documents as required by Woolworths to enable Woolworths' own compliance under or related to Modern Slavery Laws.

Notification

The Supplier will immediately give written notice to Woolworths if it becomes aware of a possible, potential, suspected or actual breach by it or its Supplier Personnel of any Modern Slavery Laws.

Compliance Statement

The Supplier must complete and provide to Woolworths the Compliance Statement on or within 7 (seven) days prior to the Commencement Date of this Agreement and on each anniversary of the Commencement Date during the Agreement Term.

Supplier warranties

The Supplier represents and warrants that neither it nor the Supplier Personnel or its Related Bodies Corporate:

- a) have been convicted of any offence involving Modern Slavery; and
- b) to the best of its knowledge, having made reasonable enquiries, have been or are the subject of any investigation, inquiry or enforcement proceedings by any Government Agency regarding any offence or alleged offence of, or in connection with Modern Slavery.

Due diligence procedures

The Supplier agrees to implement due diligence procedures for its own suppliers, subcontractors and other participants (together with other processes, procedures, investigations and compliance systems as deemed necessary) to ensure that there is no Modern Slavery in the Supplier's or Supplier Personnel's supply chains or in any part of their business.

Monitoring in practice – our operations

Our forced labour risk assessment validated that risks of modern slavery in our operations are associated with third party labour providers. This is through the provision of services such as security, cleaning and trolley collecting, as well as contracted workers in our distribution centres (DCs) and production sites. This year we commenced a review of our existing controls with the view to streamline our risk management protocols in F21.

Our Facilities Management team manages cleaning and trolley providers for all retail sites in Australia that have contracted services, except ALH sites. Through a Proactive Compliance Deed with the Fair Work Ombudsman, we have developed an effective risk management model outlined in the case study below. As we increase monitoring of security contractors, we will look to replicate this approach.

Contracted workers represent 24% of our DC workforce. We use temporary workers to augment our warehousing workforce based on demand, such as Christmas and during the first peak of the COVID-19 crisis. We have several controls in place that lower the risks associated with this area. Two of these are:

- **Fair wages:** We expect our service suppliers to compensate contracted workers employed in our DCs fairly and in accordance with their legal requirements. We ask them to ensure pay rates comply with the relevant Award benchmarks and conduct checks as part of contract management
- **Worker surveys:** Contracted workers participate in our regular Voice of Team engagement surveys where they can anonymously raise any concerns. In F19, 83% of DC workers surveyed reported feeling enabled, engaged, and energised when at work.

The vineyards owned by Endeavour Group were identified as production risks in our operations. This year we conducted audits at two of our sites in South Australia. Underpayments via labour hire providers and insufficient record keeping were the main issues identified. All non-conformances have been closed and we are working closely with our head contractor to monitor these sites ongoing. Due to COVID-19, the planned audit of our winery in New Zealand scheduled for March 2020 will be conducted in F21.

Case study

Managing risks in facilities management

The Facilities Management team has been undertaking due diligence among trolley collection and cleaning contractors at our retail sites since 2017. This has helped us to uncover and address potentially non-compliant practices by some service suppliers and make valuable systemic and operational improvements to deal with the risks and issues identified. In this time the team has:

- Streamlined our trolley collector (from 32 to 15) and cleaning (from 38 to 14) contractors to enable us to have better oversight of their operational processes and compliance practices
- Reviewed and updated the Service Agreements to include explicit Commonwealth workplace laws and related provisions
- Held briefings to educate contractors on compliance requirements. Regular contractor meetings are also conducted and any non-compliances are escalated and resolved
- Conducted annual audits of all suppliers at a percentage of the sites they manage. Each supplier is required to be audited at 5% of their total sites via an independent audit company. Additional sites (up to 5%) are audited in-house by the Woolworths compliance team
- Audits and investigations by the Compliance Team resulted in service contractors' paying an additional \$878,000 to 109 workers across 73 sites.

This year labour costing controls were introduced in the tender process for trolley collecting and cleaning contracts. These are "should cost" and "benchmark rate" models.

- **"Should cost" model for the trolley collection tender** – the team considered an individual contractors' labour mix, cost structure and profit margins as part of the costing model.
- **"Benchmark rate" model for cleaning contracts** – the team independently evaluated an average rate for each site prior to tendering the process out to contractors which will ensure all employees can be paid their legal entitlements

In both cases, if any contractor tendered at a lower rate but it was evident through the labour costing modelling that minimum statutory requirements (including modern slavery requirements) could not be met, we communicated our concerns with the supplier and they were not able to proceed.

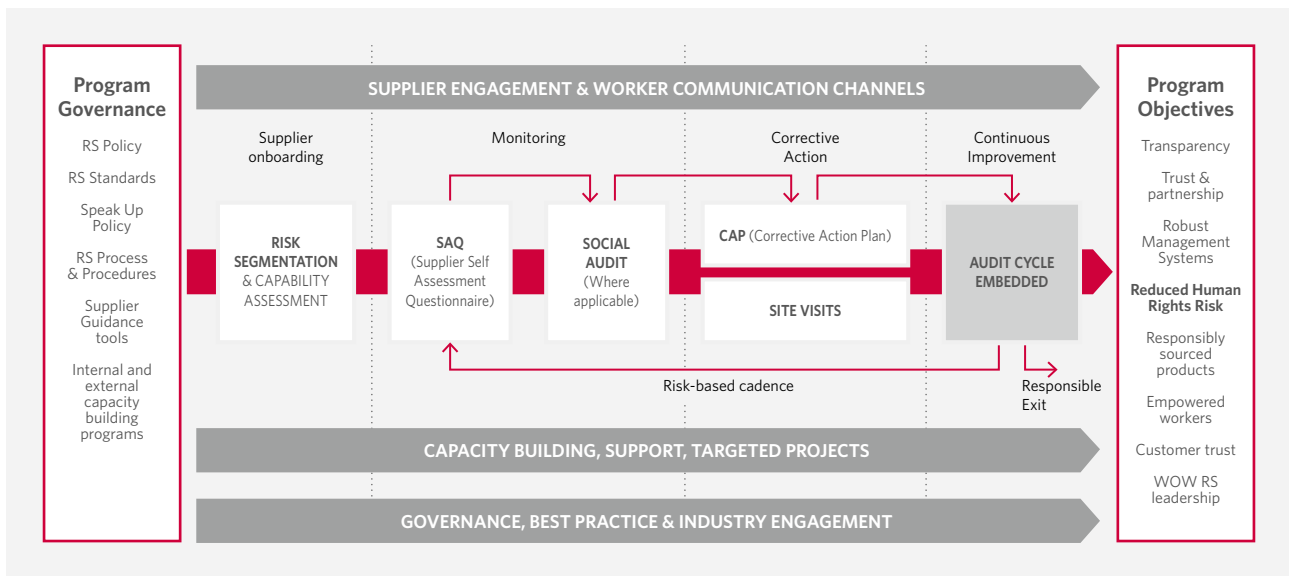
Through the work of the Facilities Management team, we have learned that a partnership is exactly that – not a one-sided affair but a joint effort. We strive to be up front with our suppliers to better understand and manage risks. Our National Compliance team also acknowledges that no matter how many processes are in place, constant review and data checks are critical to identifying trends, improving systems and minimising human rights harm.



Monitoring in practice – our supply chain

Our due diligence process for suppliers is guided by our overarching Group framework. Taking a risk-based approach, we have prioritised due diligence for all non-vendor branded suppliers, that are in scope of monitoring of our Responsible Sourcing Program.

Framework for supplier engagement in our Responsible Sourcing Program



We monitor supplier compliance and identify potential red flags through supplier self-assessment questionnaires, a third party social audit program and worker engagement.

Self-Assessment questionnaires (SAQs)

Minimum risk suppliers, typically food manufacturers in Australia and New Zealand, are required to submit an annual SAQ on their social compliance management systems, which include how they identify and address potential forced labour indicators. These are reviewed for trends and any red flags trigger further supplier engagement and investigation.

Worker engagement

We engage with workers both formally and informally including onsite visits by our teams, surveys and structured meetings with unions and worker representatives. This year we completed 55 site visits, 5 worker briefing sessions with union representatives in the horticulture sector and surveyed more than 1,200 supply chain workers in Australia and Bangladesh. These engagements are a valuable insight into the experience of workers and help validate other sources of information. We take action from these engagements and they continue to inform our program development.

Third party social compliance audits

Moderate, priority and specialised suppliers are required to be audited by any of the seven third-party social compliance schemes accepted by Woolworths. We understand supply chain audits do not eliminate modern slavery, however, they are one of the tools we use to help identify indicators of modern slavery that prompt further investigations. Our Responsible Sourcing team reviews each audit report and identifies non-compliances against our standards, including indicators of forced labour. These are classified as critical or zero tolerance findings and escalated for additional supplier engagement and investigation.

There were 474 audits undertaken by our suppliers this year across our international supply chain, which identified modern slavery risks at 13 supplier sites related to the recruitment of migrant workers, passport retention and forced overtime. In line with our policy, we communicated our remediation expectations and worked with suppliers to resolve these issues, as outlined in the table over the page.

Indicators of forced labour identified in supply chain audits

RESPONSIBLE SOURCING STANDARD	SUPPLIERS AND COUNTRY	PRODUCT CATEGORIES	AUDIT SCHEME	REMEDY
5.3 & 17.3 Recruitment fees	6 suppliers from Malaysia	Food, hardgoods, formulated non-food	Sedex - SMETA	<ul style="list-style-type: none"> 2 cases open/4 cases closed: <ul style="list-style-type: none"> 6 workers from Myanmar reimbursed approx. \$1251 each in recruitment fees One site implemented a 'Home Leave Procedure Policy' ensuring workers do not pay a leave deposit One site partnered with Impactt to review historic recruitment fees
5.4 & 7.6 Document deposits	5 suppliers from Malaysia and Thailand	Food, hardgoods, formulated non-food	Sedex - SMETA	<ul style="list-style-type: none"> 5 cases closed: <ul style="list-style-type: none"> At 4 sites, passports were returned to all migrant workers At 1 site, workers have a key to access the security box where passports are stored
7.4 Forced overtime	2 suppliers from South Africa and India	Food	Sedex - SMETA	<ul style="list-style-type: none"> 1 case open/1 case closed

Case study

Identifying trends from Malaysia

Our audit findings, as outlined in the above table, validate known ethical recruitment challenges in Malaysia, which is why we have taken further steps to address this systemic issue. While Woolworths and other retailers have adopted a "no fees" policy, compliance is affected by:

- Inconsistent definitions of recruitment fees
- Gaps between company requirements and local regulations (Malaysian law permits workers to pay recruitment fees up to one month's salary)
- Varying remediation requirements
- Limited transparency of labour recruiters and sub-agents in sending and receiving countries
- Lack of factory management awareness.

In FY20 we took the following actions to improve our "no fees" policy:

- Reviewed audit reports for all direct suppliers in Malaysia

- Mapped migration corridors to identify primary source countries (Nepal, Bangladesh and Myanmar)
- Reviewed the amount of recruitment fees paid by workers and identified remediation gaps
- Developed an internal protocol to define our approach to remediation.

In F21 we will build on these efforts:

- Develop and disseminate supplier guidance
- Facilitate supplier training to reinforce our expectations
- Conduct deeper due diligence on suppliers identified as extreme risk through:
 - a supplier survey on recruitment processes
 - worker surveys on the recruitment experience
 - capacity building training to address identified gaps
 - random site checks to assess the effectiveness of our approach.

Vendor brands

We understand there are modern slavery risks in the vendor branded products we sell in our stores. These suppliers have committed to our Responsible Sourcing Policy in our contracts with them. When serious issues arise in the operations or supply chains of our business relationships, we use our due diligence framework to guide our response in line with this policy, our values and customer expectations. These are often situations where we may be "directly linked" to the risk and so we seek to understand our leverage to influence a positive outcome. This year, for example, we engaged with our vendors on the issue of child labour risks in hazelnut production in Turkey.



Responding to COVID-19

We understand first hand that the COVID-19 pandemic has increased the vulnerability of workers in our local and global operations and supply chains.

We have been closely monitoring how the response to the crisis has amplified the extremes of modern slavery risks, such as a sudden loss of income at one end and excessive overtime at the other. The crisis has impacted migrant workers due to border closures and travel restrictions, which has left some workers displaced and without the same governmental protections as citizens. Whilst our ambitions were interrupted as we responded locally to the needs of Australians and New Zealanders, we have also taken active steps to protect vulnerable workers in our global operations and supply chains as part of our broader response to the pandemic.

Operations

COVID-19's impact on our human rights work plan

In response to COVID-19 the following activities were paused to ensure our team could respond to the heightened human rights risks presented by the pandemic:

- Modern slavery specific compliance training has been delayed however our Responsible Purchasing Practices training has been running throughout the pandemic
- Awareness raising of modern slavery among our team members
- Identifying strategic partnerships to enhance our modern slavery program
- Consultation with potentially affected groups of workers across our operations and global supply chain on our modern slavery strategy.

Identifying and mitigating heightened risks in our operations during COVID-19

Frontline operations and support teams faced unprecedented demand during the peak of the pandemic. During this time we hired an additional 22,000 temporary team members, and saw an unparalleled spike in contractors in the provision of cleaning, trolley collecting, security, DC and logistics services. Among these categories of service providers, heightened risks of unauthorised subcontracting in security contracting has been identified. We are currently conducting a review with head contractors to assess compliance with the subcontracting arrangements we have in place, and to determine if appropriate award rates have been applied.

Safeguards for our team

- Significant investment in COVID-19 related safeguards, including PPE and hand sanitisers, to protect our team and customers
- Team members aged 70 years and over, those with compromised immune systems or chronic illnesses still received pay while staying home or performing alternative duties
- Financially supported our team members who were required to isolate and had no personal/carer's leave available with up to 2 weeks paid special leave. For casual team members, we paid up to 2 weeks based upon the upcoming 2 week roster
- Lobbying the government to lift student visa limitations to ensure that students could work more than 20 hours in a week, commencing 7 March 2020 and ending 1 May 2020. This allowed 3,658 team members in our Supermarkets to work 40 hours per week.

Supply Chain

During the pandemic, we provided financial and other support to our direct suppliers so they and their workers would be better protected against the financial, social and other impacts of the crisis. At the same time, COVID-19 has limited our ability to conduct site audits because of lockdowns and restrictions established to help maintain health and safety. In response we developed alternative monitoring through virtual site visits and supplier desktop consultations.

Identifying and mitigating heightened risk in our supply chain during COVID-19

COVID-19 saw a wave of panic buying across our retail stores and unprecedented global demand for personal protective equipment (PPE). During the height of the pandemic in Australia during March and April our priority was to work with suppliers to meet customer demand. We have seen sustained increased purchases across our cleaning, paper products, frozen, packaged foods, baking and apparel categories as well as PPE. Our human rights team are working alongside our commercial and procurement teams to prioritise ongoing supplier monitoring in high demand and high risk categories including PPE.

General support for suppliers during COVID-19

During the peak of the pandemic we have also instituted a number of other key initiatives to reduce or minimise the potential for human rights harm including:

- Reducing payment terms from 60 days to 14 days for eligible small suppliers to ensure cash flow across the entire Group, creating a positive impact on more than 1,100 small suppliers
- Creating 'COVID Hub' – a communications portal for FoodCo suppliers that centralised all updates including our expectations for responsible sourcing
- In special circumstances, released early payments to nine suppliers to assist with cash flow.

FoodCo Voice of Supplier overall feedback score during COVID-19 increased considerably, from 66.8% to 73.0%. This is the highest Voice of Supplier score that FoodCo has received since FoodCo Voice of Supplier began in 2016.

Lessons learned: A focus on preparedness

Our human rights team has used the unfolding COVID-19 experience to refine our approach to crisis management. During this time we have recognised the need to:

- Simplify our supplier onboarding processes in emergency situations
- Strengthen our networks with workers, worker representatives and local organisations for real time information on the ground
- Focus on core labour rights issues in times of crisis
- Partner closely with our commercial business to address ongoing and evolving risks of COVID-19.

In F21, we will review our responses to COVID-19 to develop these learnings into a human rights crisis response framework. We will continue to assess the operations and supply chains risks of COVID-19, and prioritise these risks where the impact is high.

Case study

BIG W partners with suppliers in Bangladesh to manage risks to workers

At the start of the pandemic, BIG W identified our garment supply chain in Bangladesh as being at heightened risk of modern slavery. Our team in Dhaka continues to monitor the situation with a focus on workers most at risk. This includes migrant workers (internal and cross-border) and those working and living in COVID-19 hotspots.

We are engaged with all 27 of our Bangladeshi suppliers via our Commercial and Responsible Sourcing teams. Together, our teams and suppliers worked quickly to:

- Ensure the safety and well-being of workers, including partnering on return-to-work measures and ongoing health and safety measures
- Maintain the integrity of core labour standards, such as the on-time payment of all wages, including Eid bonuses at the end of Ramadan
- Arrange for the delivery of care packages and other measures to support people working from home, and their families

- Conduct virtual site visits to review COVID-19 safety measures such as temperature checks, personal protective equipment and adequate social distancing (14 conducted)
- Move all suppliers to 30 day payment terms.

Meeting our commercial commitments to all of our suppliers, including those in Bangladesh, was important throughout the first peak of the pandemic. Not only was it the right thing to do, it has also helped to foster trust and strengthen relationships with our supply partners. We did not cancel any orders, and have honoured all of our future commitments to pay in full for orders that were completed, and for those still in production.

Worker surveys were scheduled for June at five supplier sites. These were postponed until July due to travel restrictions. These will help verify our current information and identify potential gaps in our response.



Assessing the effectiveness of our actions

We are working to understand the effectiveness and impact of the initiatives detailed in this Statement and our broader human rights program. Currently, we track the performance through a combination of internal and external mechanisms, and we use these mechanisms to assess the performance of each activity undertaken.

We have integrated the outputs and, in some instances, the outcomes of key activities throughout this Statement and our 2020 Sustainability Report using many of the following measures:

WORKSTREAM	ACTIVITY	MEASUREMENT
Governance	<ul style="list-style-type: none"> Board oversight Streamline human rights processes across Group Team member training Policy reviews Contracts with modern slavery provisions Supply chain data disclosure External benchmarks. 	<ul style="list-style-type: none"> Discussed at each SusCo Maturity assessments of processes and protocols % of team trained Completed policy reviews in line with plan % of contracts with modern slavery or responsible sourcing commitments Quarterly updates of BIG W and FoodCo general merchandise factory lists Results in the Corporate Human Rights Benchmark, Know the Chain, and Ethical Fashion Report.
Risk management	<ul style="list-style-type: none"> Annual risk assessments Supplier onboarding and risk segmentation Identifying trends from risk data. 	<ul style="list-style-type: none"> % of risk assessments undertaken by country and commodity % of assessments for tier one and tier two suppliers against plan Supplier segmentation Number of identified risks without a mitigation plan in place.
Monitoring	<ul style="list-style-type: none"> Third-party audits In-house audits Supplier self-assessment questionnaire (SAQ) Supplier corrective action plans Worker engagement Site visits Voice of Team. 	<ul style="list-style-type: none"> % of audits completed in line with plan Audit grading - zero tolerance, critical Number and % of non-conformances by materiality Number and % of non-conformances closed and an aged analysis of open items Number of worker engagements Number of site visits Number of suppliers suspended or ceased trade Voice of Team results.
Grievance mechanisms	<ul style="list-style-type: none"> Channels and mechanisms for grievances to be raised Cases remediated Identifying trends from grievance data and a root cause analysis of key issues raised. 	<ul style="list-style-type: none"> Total number of issues raised Channels through which issues were raised Number of cases remediated Remedy for workers Aged analysis of investigations.

Insights drawn from these measurements inform our immediate and longer-term risk management approach and feed into our overall human rights strategy. In F21, we will assess the practicality of these measurements, identify gaps, and incorporate changes into a broader effectiveness and evaluation framework. Over time we aim to report on the impact of our activities.

The way forward

We are committed to identifying and remedying modern slavery risks in our supply chains and operations. We have a plan for F21 and a clear vision of where our program is headed which will be shared in our 2025 Sustainability Strategy.

F21

Operations

- Team member training on modern slavery, prioritising those managing higher risk categories
- Group-wide risk assessment and due diligence on third party labour hire providers
- Design and pilot a mechanism for potentially affected groups to participate in program design and evaluation
- Complete the Group-wide review of standard contracts to embed modern slavery clauses
- Assess the practicality of effectiveness measurements and incorporate changes into a broader evaluation framework.

Supply chain

- Partner with FoodCo Strategic Sourcing to design and deliver due diligence for identified high-risk commodities
- Design and deliver due diligence approach for non-trade suppliers based on category risk segmentation
- Monitor ongoing impacts of COVID-19 on our supply chain prioritising countries and products most at risk.

Horizon 2025

Monitoring

- Continued deep-dive due diligence in high-risk commodities
- Design and pilot risk segmentation for higher risk vendor brands
- Move beyond audit and build our worker engagement strategy to strengthen real-time supply chain intelligence.

Transparency

- Enhanced supply chain transparency and risk management of raw materials by becoming early adopters of emerging traceability technologies
- Supply chain mapping with key human rights indicators for strategic supplier sites and/or higher risk commodities.

Partnerships

- Establish an external Human Rights Advisory Committee, with an initial focus modern slavery
- Establish a human rights supplier leadership program
- Address the drivers of modern slavery risks through strategic and collaborative root cause interventions based on evidence-based research
- Partner with and fund targeted community projects that address modern slavery risks and support at-risk workers in our global supply chains.

Empowering customers

- Communicate our human rights program to customers through different channels, to help them make informed decisions.

An ongoing commitment to transparency through sustainability disclosure

This Statement, as well as our other sustainability disclosures, are a key part of communicating with our stakeholders – customers, team members, suppliers, civil society and investors – as part of our commitment to human rights due diligence. Our approach to this and future Statements is to:

- Be transparent about our risks and not shy away from challenges
- Disclose potential or actual situations of modern slavery (ensuring worker protection)
- Demonstrate the effectiveness and limitations of our program through practical examples and reporting on outcomes, not just outputs
- Be forward looking and focus on continuous improvement.

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.



Appendix

This Statement was prepared to meet the mandatory reporting criteria set out under the Modern Slavery Act.

The table below identifies where each criterion is disclosed within the different sections of the statement and where more information can be found in our 2020 Sustainability Report.

MSA CRITERIA	MODERN SLAVERY STATEMENT 2020	SUSTAINABILITY REPORT 2020
Identify the reporting entity	Inside front cover	NA
Describe the reporting entity's structure, operations and supply chains	Our structure, operations and supply chain (pgs. 4-7)	NA
Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or control	Identifying risks of modern slavery practices (pgs. 13-17) Responding to COVID-19 (pgs. 24-25)	Risk trends and due diligence (pg. 48)
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	Mitigating and remedying risks of modern slavery (pgs. 18-23) Responding to COVID-19 (pgs. 24-25)	Data driven due diligence (pg. 49) Audit grading and non-conformance trends (pgs. 50-52) Supplier Engagement (pg. 53) Due diligence in high risk categories (horticulture) (pgs. 57-59)
Describe how the reporting entity assesses the effectiveness of these actions	Assessing the effectiveness of our actions (pg. 26) The way forward (pg. 27)	Grievance and remediation procedures (pg. 54-55) Reviewing effectiveness of grievance channels (horticulture) (pg. 60)
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)	Consultation with controlled entities (pg. 7) Human rights governance (pgs. 8-9)	Countdown (pg. 61) Endeavour Group (pg. 61)
Provide any other relevant information	Introduction and CEO message (pgs. 1-3) Key human rights milestones (pgs. 10-11) Partnerships (pg. 12)	Projects and partnerships (pg. 56)

This Statement complements our existing sustainability disclosure, noting that:

- All resources related to our Responsible Sourcing Program, including policies and factory lists, are available on the [Woolworths Group website \(Sustainability/Our Partners\)](#)
- Our annual Sustainability Reports have demonstrated continuous disclosure on human rights in the supply chain. Our [2020 Report](#) includes detailed information about our Responsible Sourcing Program, including information on supplier performance and capacity and remediation efforts.

Company directory

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Web: www.woolworthsgroup.com.au

WOOLWORTHS GROUP SUSTAINABILITY

Alex Holt
General Manager, Quality, Health & Sustainability

Fiona Walmsley
Head of Sustainability Governance

Laura McManus
Human Rights Manager



What we mean by 'we'

Our team and our partners

What we mean by 'create'

We constantly innovate to make a positive impact on the lives of our customers and team

What we mean by 'experiences'

The moments we create in store and online for customers, communities and shareholders, as we work together in our teams – and with our partners

We create **better** experiences **together** for a **better** **tomorrow**

What we mean by '**better**'

We always look for ways to improve – for our customers, team, communities and partners

What we mean by '**together**'

How we work in partnership – with each other, as well as with our partners and communities

What we mean by '**tomorrow**'

The plans we make and the actions we take today will have a positive impact for generations to come

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