

An aerial photograph of a terraced tea plantation. The tea bushes are arranged in neat, winding rows that follow the contours of the hills. In the foreground, two workers wearing traditional conical hats and carrying baskets are seen tending to the plants. The background shows more terraced fields and a small wooden structure on a hillside.

WOOLWORTHS GROUP

2021 MODERN SLAVERY STATEMENT

# Respecting Human Rights

WOOLWORTHS GROUP LIMITED  
ABN 88 000 014 675

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## Acknowledgement 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.



We support the Uluru Statement from the Heart and the recognition of Aboriginal and Torres Strait Islander peoples in the Australian Constitution. We commit to continued listening and learning from First Nations voices and to work in partnership to create change. We acknowledge that we have a responsibility and must do more to truly live our purpose to create better experiences together for a better tomorrow.

## Statement on the 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 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 27 June 2021 (F21) (together, for the purposes of this Statement, 'Woolworths Group' or 'Group'). Woolworths Group Limited makes this single joint Modern Slavery Statement to cover the Woolworths Group.

Due to the timing of the acquisition, The Quantum Group Holdings Pty Limited (ACN 121 842 957) ('Quantum') will publish a separate Modern Slavery Statement this reporting period.

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



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 bottom right corner to navigate the report.

# Chief Executive Officer's message



This is Woolworths Group's second Modern Slavery Statement, which outlines the progress we have made to identify, manage and mitigate the specific risks of modern slavery in our operations and supply chain.

As with F20, F21 was an extraordinary year. Our efforts to embed human rights due diligence occurred against a backdrop of the ongoing impacts of COVID-19. Both our teams and suppliers globally faced extended lockdowns, shifts in production, and stricter health and safety protocols.

The past 18 months have reminded us that people – our team, supplier partners and workers across our supply chain – are not only core to our business, *they are essential*. Our purpose is **to create better experiences together for a better tomorrow** and we are deeply committed to upholding respect for human rights.

As Australia's largest retailer, taking action to address modern slavery risks is not only the right thing to do, it is what is expected of us. Stakeholders continue to identify human rights as one of our material environmental, social and governance (ESG) risks. Our Human Rights Program is the cornerstone of our work to address the 'S' in ESG, including specific programs to mitigate the most extreme risks of modern slavery. In designing and implementing these programs, our

team makes decisions guided by our values – **"I care deeply"** and **"I always do the right thing"**.

This year the Woolworths Group Board approved a Risk Appetite Statement that identified human rights at level one: we work "towards zero" and take all reasonably practicable measures to achieve risk elimination. The Human Rights commitments in Goal 4 of the People Pillar in our [Sustainability Plan 2025](#), launched in November 2020, reflect a scaling up of human rights due diligence in non-trade and operations, while maintaining focus on commodities and countries with higher modern slavery risks.

Our 2025 Plan is underpinned by five guiding principles. Two of these in particular deeply resonate with the objectives of our Human Rights Program and have set the tone for our ambition in this space:

- We act like a leader and speak up on issues that matter
- We embrace the power of partnerships to create change.

Continuing to innovate our program design, meaningfully engaging all stakeholders and transparent reporting

## Key highlights in F21

Conducted a risk analysis of labour and service providers in our operations and strengthened key controls

Developed bespoke due diligence strategies for higher risk commodities including seafood and cotton

Oversaw the repayments of **\$361,851** to **24** workers in the cleaning and trolley collector sector

Supported our teams to manage modern slavery risks with the launch of three new resources

1. A toolkit for addressing modern slavery in our supply chains and operations
2. A guide to drafting and negotiating modern slavery contract clauses
3. Human rights due diligence maturity framework

are some of the ways we speak up and demonstrate our responsibility to prevent harm and eliminate risks of modern slavery. There is more work to do.

This Statement was approved by the Board of Woolworths Group.

**Brad Banducci**  
CEO

24 August 2021



# Our structure, operations and supply chain



## Supply partners

Direct active suppliers

**19,959**

Trade suppliers **11,795**  
Procurement suppliers **8,164**

Number of own brand suppliers

**2,113**

Woolworths Food Company **1,599**  
BIG W **524**  
Procurement **46**  
BWS/Dan Murphy's **65**

Number of sourcing countries for own brand suppliers

**44**

## Operations

Support offices

**22**

Distribution centres

**20**

Customer fulfilment centres and eStores

**10**

Shipping containers

**86,000**

Pallets per year **20M**

Online visits per week

**19.7M**

Delivery partners in ANZ

**10**

## Team

Team members

**217,052**

Directly employed **210,067**  
Contracted (excl. NZ) **6,985**

Located in

**7**

countries

**190,009**

in Australia

**19,636**

in New Zealand

**422**

in Asia

## Our store network and customers

Total

**3,416**

Australian Food **1,074**

New Zealand Food **184**

Endeavour Drinks **1,643**

Hotels **339**

BIG W **176**

Group customers served on average per week

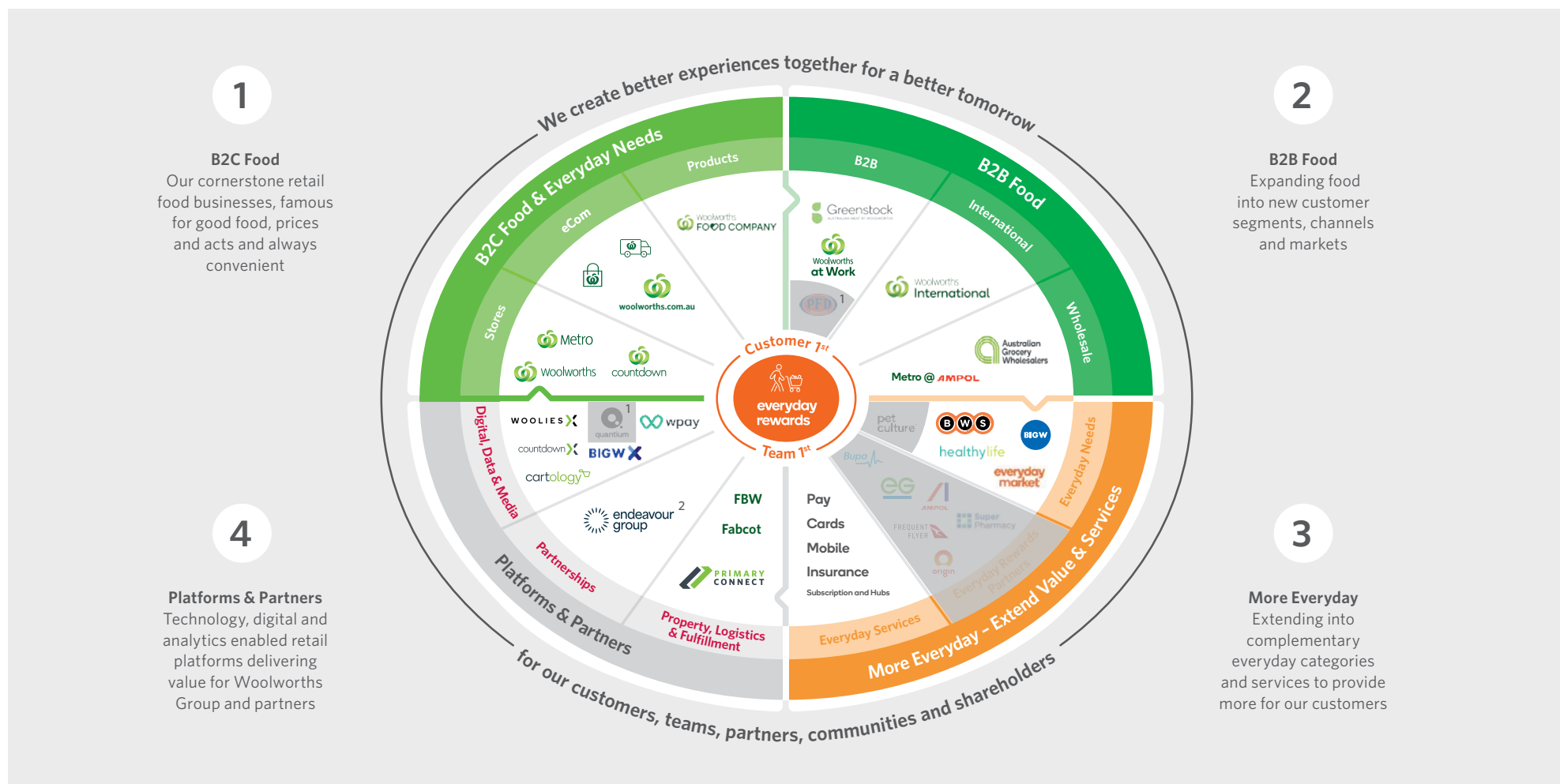
**27.8M**



## Our structure, operations and supply chain

Woolworths Group is a food and everyday needs ecosystem, comprising everyday needs businesses and partnerships, digital and data platforms, eCom enabled customer services and business to business (B2B) adjacencies.

We aim to create value by bringing our customers good food and more every day through truly connected experiences. Not all elements of the ecosystem are, however, controlled or operated by Woolworths Group. Those shaded grey represent arrangements that are not in scope of our F21 Modern Slavery Statement. This may be because they are contracted partnerships, or the entity only joined the Group late in the reporting year.



1 The Quantum and PFD arrangements were completed late in the financial year and as such will be included in the Group's F22 Modern Slavery Statement.  
2 Endeavour Group is included in this Statement but will not be included from next year due to the demerger of Endeavour Group from Woolworths Group.



## Our structure, operations and supply chain

### Our operations

People are the core of our business, and our commitment to respect human rights of all workers starts in our own operations. We work across the diverse entities that undertake our retail operations, e-commerce, supply chain and logistics, property development and hotel businesses to create better experiences for a better tomorrow.

In F21, our retail entities and their operations were:

- Australian Food: including Woolworths Supermarkets, Woolworths Food Company, Metro and WooliesX
- BIG W: our wholly owned discount retailer
- New Zealand Food: Countdown Supermarkets and CountdownX
- Endeavour Group: stores include Dan Murphy's and BWS, and online retailers Langton's, Shorty's Liquor and Jimmy Brings. Endeavour Group also fully owns and controls six wineries across Australia and New Zealand and a bottling facility in South Australia
- Entertainment venues including bars, dining, gaming, accommodation and venue hire operations.

Our aspiration to be our customer's preferred food and everyday needs provider is fuelled by entities including Cartology, W23 Investments and Woolworths360.

Our directly employed workforce comprises the approximately 210,000 directly employed team members who work across the Group in areas such as our stores, distribution centres and support offices. Our operations also include indirect workers including contractors, sub-contractors and labour hire resources that support our business with ongoing labour or the provision of services in the Group's facilities.

### Our supply chain

Globally, we work with approximately 20,000 direct suppliers across trade (vendor branded and our brands) and non-trade.

- Vendor-branded products are bound by our Responsible Sourcing Policy, and in fresh categories many are captured by compliance activities. In F22 we will pilot an approach with vendor branded suppliers of an extreme risk commodity to explore how retailers can influence risk management in these complex global supply chains.
- Non-vendor branded refers to suppliers that produce or pack products for a Group brand and fresh categories. These are commonly referred to as our "own brands". Key sourcing countries by business and category are:
  - Fresh fruit and vegetables:
    - Woolworths Supermarket: 96% Australia
    - Countdown Supermarket: 83% New Zealand
  - Fresh meat:
    - Woolworths Supermarket: 100% Australia
    - Countdown Supermarket: 100% New Zealand
  - Woolworths Food Company food categories: 75% Australia
  - Woolworths Food Company non-food categories: 75% China and 11% Australia
  - BIG W own brand suppliers: 90% sourced from China and Bangladesh.
- Non-trade suppliers provide goods and services to support our operations. The biggest non-trade categories are IT, construction, logistics, packaging and consumables and marketing.

## PEOPLE

### Goal 4

Activate ethical and mutually beneficial partnerships through the whole value chain

#### Progress



#### Sustainable Development Goals



### Reporting on our Human Rights Program

Our approach to human rights has been in place for three years and we have been making solid progress. The first phase (2017-2020) focused on the development, rollout and embedding of the Responsible Sourcing (RS) Program across own brand and fresh product categories.

The next program horizon (2021-2025) will see a scaling up of human rights due diligence across our value chain, including non-trade, operations and ecosystem partners, while maintaining a focus on higher-risk commodities/countries in our trade supply chain.

Our RS Program is integrated across our Human Rights Due Diligence Framework, which is why we will now also report on RS Program outcomes in our Modern Slavery Statement. Together, this is how we manage risks to workers across our value chain to meet People Goal 4 of our [Sustainability Plan 2025](#).



## Our structure, operations and supply chain

### Human rights governance and consultation with controlled entities

Our Human Rights Program includes our Groupwide modern slavery framework that is operationalised by each business unit (BU). Our Group governance approach promotes ongoing consultation with BUs on human rights due diligence and the outcomes are reported annually in this Statement:

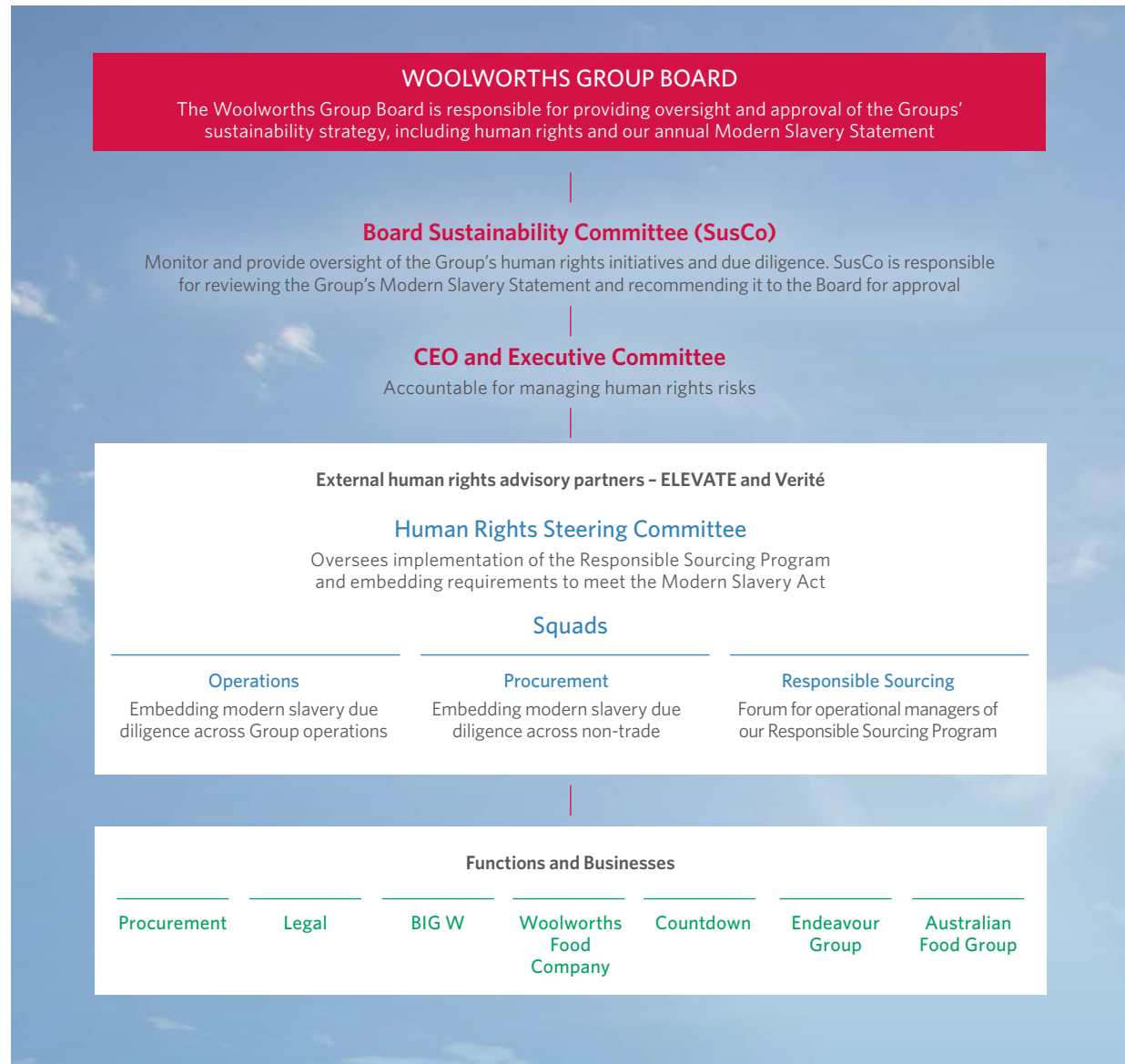
- A centralised Human Rights Steering Committee (SteerCo) meets monthly and is attended by senior leaders of each BU
- Three cross-functional Agile 'Squads' meet fortnightly in the areas of: responsible sourcing (our brands), procurement (non-trade), and operations (Group). These Squads were our F21 focus areas designed to accelerate due diligence in these businesses and will be reviewed in F22 aligned with our strategy.

The Managing Director of each BU is ultimately responsible for managing human rights risks. They are directly accountable to the CEO and Board, and endorse the final Modern Slavery Statement to the Board Sustainability Committee (SusCo).

#### Our sustainability transformation

Setting up for sustainable success to create a better tomorrow is key to our Sustainability Plan 2025. Aligned to Agile ways of working, a Group Sustainability Chapter has been established to drive our sustainability transformation, and human rights has been recognised as one of five strategic areas, or sub-chapters. Key principles of this approach that will continue to inform our governance approach are:

- Chapters coordinate our team to ensure we focus on what is important
- Sustainability Squads are accountable across BUs and for new and emerging areas
- Ownership of delivery is with the BU where the work gets done.





## Our structure, operations and supply chain

### Consultation with Group entities

Woolworths Group is an ecosystem of businesses and partnerships that deliver value to our customers, and we aspire to lead by example to assist our partners in mitigating the risk of modern slavery in their operations and supply chains. We have inserted specific modern slavery questions into precedent due diligence processes, which allow us to assess an entity's modern slavery risks before we enter into a relationship with that entity or where there are changes in levels of control.

Once an entity becomes part of Woolworths Group, we apply a consultation framework commensurate with the level of influence Woolworths Group holds over the entity based on the definition of "control" under the Australian Accounting Standards. In the event that a recently acquired entity is subject to a historical human rights related allegation, we would take the same approach to remediation as any controlled entity and determine an appropriate course of action based on whether the entity had caused, contributed to, or been directly linked to the adverse human rights impact.

	Wholly owned	Controlled entity	Associate	Equity investments
Engagement	Regular engagement via SteerCo, Squads and annual senior leader briefing sessions	Engage with Executive to set expectations and conduct quarterly check-ins with operational teams	Engage with entity annually	Initial risk analysis undertaken as part of due diligence process and annual engagement (where relevant) as part of ongoing monitoring
Due diligence	Ongoing due diligence through Group processes Monitor human rights due diligence via Group program maturity framework (see page 21)	Review relevant policies and request further information to inform due diligence advice The entity is required to align to Group policies related to human rights	Review publicly available documents and request further information to inform due diligence advice	Conduct due diligence during investment and ad hoc as determined by risk
Ongoing monitoring	Business accountable for ongoing monitoring, supported by Group Business Executive approves disclosure, including this Statement	Provide 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. W23 is Woolworths Group's venture capital arm
Ongoing support	Embedded in Group human rights governance	Human Rights team supports and provides guidance material to entities	Human Rights team provide guidance material to support entities	Human Rights team provide guidance material to support entities as required

We are constantly evolving our business to meet the needs of our customers, and we are committed to making human rights considerations a part of this evolution. Key changes this year were:

<p><b>Increased</b> our shareholding in Quantum from 47% to 75% on 31 May 2021. Due to the timing of acquisition Quantum will produce its own Statement in F21 and be included in Woolworths Group's Statement from F22.</p>	<p>During the transaction our Human Rights team met with Quantum to discuss modern slavery risks and governance. Next year we will conduct quarterly meetings with Quantum with the view to integrate them into our human rights risks and governance bodies by the end of F22.</p>
<p><b>Acquired</b> a 65% equity interest in PFD Food Services Pty Ltd (PFD) on 28 June 2021.</p>	<p>Our team completed due diligence prior to the acquisition, including a review of PFD's policies and procedures to prevent forced labour. We made and agreed recommendations with PFD's management on their human rights due diligence processes and in F22 we will execute the agreed action plan.</p>
<p><b>Decreased</b> our shareholding in Endeavour Group Limited (EGL) from 85.4% to 14.6% as of the demerger on 28 June 2021.</p>	<p>During F21 EGL remained integrated in Woolworths Group's Responsible Sourcing and Human Rights Program. We completed a human rights handover on demerger and will continue to engage with EGL in our capacity as an investor in F22.</p>





## SECTION 3

# Identifying and taking action to address modern slavery risks

As the largest retailer in Australia, 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 third party risk assessments and advice, audit trends, grievances raised, team member insights, industry commentary and media and civil society reports. Combining these multiple risk lenses help us to identify and prioritise the most salient human rights risks.

Working with our program partner, ELEVATE, a global business risk and sustainability solutions provider, and their integrated risk platform, EiQ, our insights into modern slavery risks continues to improve. In F21, two timely new indicators were added to the risk assessment process – data on domestic migrant worker labour; and hygiene and sanitation (including COVID-19 risks). Generally, this risk assessment indicated that the ongoing impact of COVID-19 and changing geopolitical dynamics saw a continuation, and in some cases escalation, of macro risk trends such as:

- Deterioration in health and safety practices across global supply chains
- Increase in employment-related violations including non-compliance with minimum-wage requirements
- Decrease in audit transparency and integrity, particularly across Asia
- Increase in forced labour risks, notably among countries with large numbers of economic labour migrants.

In addition, we proactively monitored international trade policies and enforcement tools that are designed to improve transparency and integrity in the supply chain. These include US Government’s Withhold Release Orders (WROs) as well as emerging global policy trends. For example, in June 2021 the Australian Senate Foreign Affairs, Defence and Trade Legislation Committee published a report that includes a recommendation to prohibit the import of any goods into Australia

made wholly or in part with forced labour, regardless of geographic origin. We will continue to monitor legislative initiatives that may increase the requirements of Woolworths Group and review our policies accordingly.

Our team used these insights to conduct proactive risk analysis, as described throughout this section. In addition to considering these risks, our priority in F21 was developing strategies to address higher risk areas identified in our previously reported forced labour risk assessment.

## Our Operations

### Direct

The vast majority of Woolworths Group team members are employed directly, with their employment terms and conditions set out in employment contracts governed by Australian and New Zealand employment laws and relevant industrial instruments. Eighty-six percent of Australian team members are covered by 39 enterprise agreements in Australia, and 90% of New Zealand team members are in roles that are covered by 11 collective employment agreements in New Zealand. Woolworths Group recognises the right of team members to negotiate collectively, with or without the involvement of third parties (including industrial associations/unions). An estimated 46% of Australian team members and 47% of New Zealand team

### Team member underpayments

We recognise that underpayments, when present with other factors, may be an indicator of modern slavery which could prompt further investigation. Since identifying significant underpayments of our salaried award covered store team members, we have worked hard to remediate these underpayments. We have also taken steps to ensure future compliance by introducing a range of measures, such as rostering and time and attendance guidelines and reporting arrangements to enable us to identify and address any discrepancies. Due to absence of other indicators and improved processes and systems for setting and monitoring salaries across the Group, we consider the likelihood of modern slavery remains low.





## Identifying and taking action to address modern slavery risks

members are members of a registered trade union with whom Woolworths Group regularly engages. These factors, combined with our comprehensive policy framework (see [page 18, 2020 Modern Slavery Statement](#)), which is communicated to our team members through training, regular monitoring and extensive grievance mechanisms, mean that the modern slavery risk in our direct operations is low.

### Right to Work Policy

Potential labour compliance risks may be heightened for approximately 12% of our directly employed team members who are visa holders. In FY21, we identified that there was an opportunity to strengthen our controls to mitigate the risk of non-compliance with right to work obligations for these team members. We introduced a Right to Work Policy to clearly communicate our commitment to promoting a culturally diverse workplace where team members' working rights are respected. This was supported by compulsory, tailored training to our managers, team members and culture and people partners to operationalise the policy. The program was launched in February 2021, and 93% of relevant team members have completed the training to date.

### Indirect

Last year, we conducted a forced labour risk assessment which confirmed that in our operations, indirect labour carries an inherently higher risk of modern slavery. There are two categories of indirect labour who perform work for Woolworths Group and on the Group's sites:

- Labour Hire:** Labour hire agencies employ workers who perform work on the Group's sites. The labour hire agency is responsible for paying the worker, and the Group oversees the day to day work. Woolworths Group uses temporary labour to support activities such as the picking and packing of pallets at Australian and New Zealand distribution centres and picking and packing of online orders at customer fulfilment centres, as well as providing information technology services across the Group.
- Operations Services:** Woolworths Group outsources various services to third party service providers to perform regular and ongoing work at the Group's sites. The service provider is responsible for delivering the service and pays workers either directly or through subcontractors. Woolworths Group uses operations service providers for services such as trolley collection, cleaning, security and the delivery of food and everyday needs goods to customers, referred to as 'last mile delivery'.

These categories are inherently higher risk due to a workforce often characterised by a higher portion of migrant and unskilled workers who may be less aware of applicable rights and available protections. Woolworths Group has less visibility and control over how workers are engaged, and there is a higher prevalence of subcontracting and independent contracting models. These factors, combined with tight industry margins, make workers in these categories more susceptible to exploitation. This year we conducted a Group-wide risk

assessment and due diligence on labour hire and operations services providers who provide regular workers to Group operated sites as we continue to mitigate this risk. The outcomes of this assessment are detailed in the sections below.

### Strengthening contractual controls

This year we conducted a review of 94 contracts for operations service providers and 14 contracts for labour hire providers to understand what contractual controls exist to mitigate human rights risks, including modern slavery. We found:

- 80% of operations services and 78% of labour hire contracts include, or will be negotiated to include, that the supplier must comply with our Responsible Sourcing Policy and Standards
- 82% of operations services and 86% of labour hire contracts include, or will be negotiated to include, modern slavery clauses
- Subcontracting was prohibited without approval in 85% of operations services and 100% of labour hire contracts.

As a result we:

- Worked with 11 BUs to strengthen human rights contractual controls, such as inserting modern slavery clauses and increasing labour governance controls where contracts were currently being negotiated
- Identified one instance of potential risk to workers due to lack of adequate contracts and escalated for further investigation.



### COVID-19: Bangladesh and Thailand

We recognise the ongoing impact of the COVID-19 pandemic on our team, particularly our 38 team members located in Bangladesh and Thailand, who experienced additional lockdowns this year. To support our team, we introduced safeguards to mitigate the impact of the pandemic including:

- Providing shuttle bus services to testing facilities for team members and their immediate families in Bangladesh
- Delivering care packs to all team members in Bangladesh and Thailand with essential items and hygiene supplies
- In the few instances where team members tested positive for COVID-19 we worked with the team member to ensure they were not financially disadvantaged, delivered fruit baskets and specific COVID care packs with essential hygiene items for themselves and their family, and covered the cost of COVID testing for team members and their immediate family in the same household.

## Identifying and taking action to address modern slavery risks

### Strengthening contract monitoring

We recognise that contractual mechanisms are an important part of mitigating the risk of modern slavery, but they are only effective when accompanied with robust compliance monitoring. To understand how key human rights clauses operate, we conducted a baseline assessment to map how contractual controls were monitored in practice. Overall, capability to monitor compliance with human rights controls of service providers and labour hire arrangements across the Group is varied for several reasons, notably:

- There can be multiple touch points for the same service provider across the Group with different compliance approaches
- A lack of clarity and consistency in consequences of supplier non-compliance
- Limited two-way communication between procurement and operational/compliance functions following the procurement activity
- Degrees of subject matter expertise in operational teams.

We have a plan to address this gap through the creation of an end-to-end labour governance monitoring framework that can be applied consistently across all Group businesses. This will equip our teams with the tools to proactively monitor compliance with labour governance contractual controls and mitigate the risk of modern slavery indicators in our indirect workforce.

### Strengthening controls in New Zealand facilities management

Last year, we outlined the approach that our Woolworths Group Facilities Management team has in place to manage due diligence on trolley collection and cleaning service providers at our Australian retail sites. We recognised the need for similar levels of due diligence for cleaners and trolley collectors in New Zealand, so this year Countdown increased controls by partnering with the [Building Service Contractors New Zealand Ltd \(BSCNZ\)](#). Countdown now requires all cleaning and trolley collection suppliers and subcontractors to be certified BSCNZ members. This includes complying with BSCNZ's Code of Practice, undertaking social audits and applying collective employment agreement conditions.

Countdown has also been proactive in communicating our expectations to New Zealand suppliers. For example, in February the New Zealand Employment Relations Authority determined that an unauthorised subcontractor to one of Countdown's cleaning contractors from 2019 had failed to keep correct employment records and failed to pay over \$12,000(NZD) in employee entitlements. While the subcontractor was liquidated in March 2020, Countdown used the Authority's decision as an opportunity to communicate our human rights expectations to our cleaning suppliers, particularly regarding the requirement to obtain Countdown's authorisation for the use of any subcontractors. Countdown now has greater visibility of subcontractors in its supply chain and has, to date, authorised seven cleaning subcontractors in its supermarkets.



### Reviewing our arrangements with security providers

The security industry had been identified by the Group as a higher risk service in our operations. Underpayments, sham contracting and other forms of worker mistreatment are a concern across the sector in general, and this has been recognised publicly in parliamentary and government reports. At the onset of the pandemic, we increased the visible security presence in our stores to protect our team in response to panic buying and increased customer aggression, and to make our stores a safe place to shop for our customers. This saw an increase in our supplier base in a short space of time from two suppliers to six.

Recognising that fast onboarding of suppliers can exacerbate already existing human rights risks, in F21 we worked cross functionally to conduct a review of all security providers in our Australian operations. This review involved requests for documents and information from all six security suppliers, and follow up interviews with four suppliers. As a result of the review, one supplier's contract was not renewed and we are implementing recommendations to strengthen contractual requirements for remaining suppliers. These controls include unannounced audit rights and implementing stricter subcontracting controls, with a goal of lowering levels of subcontracting across all suppliers over time.



## Identifying and taking action to address modern slavery risks

### Our Supply Chain – Trade

Woolworths Group sources non-vendor branded products for our own brand products from 40 countries. Certain products and categories present higher risks of modern slavery. These risks are more prevalent in commodities that contribute to a final product

as an ingredient or raw material than in final stage manufacturing.

Our Responsible Sourcing (RS) 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.

The third party audit for moderate, priority and specialised risk-segmented suppliers 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.

In F21 we achieved a 23% decrease in the overall number of critical audit gradings through a targeted remediation strategy. This strategy included a focus on working hours non-conformances including the rollout of our [Supplier Guidance on Overtime Hours](#), and engagement with suppliers in India and China to close out critical audit outcomes.

Critical NCs that become overdue, in spite of follow-ups and reminders, may indicate a more systemic issue. NCs related to safety (56%) and the environment (25%) continue to be overdue, and this is consistent with our findings last year. We recognise that auditing alone will not be sufficient to resolve these issues in the long term, so in F22 we will partner with strategic suppliers to explore the root cause of these issues and pilot improvement KPIs in an attempt to make progress on these industry-wide issues.

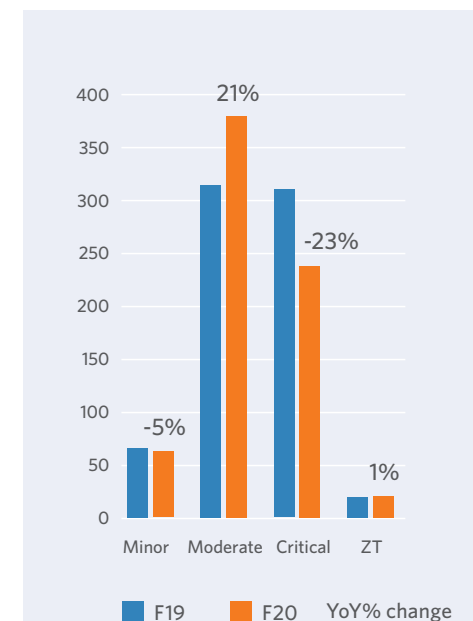
**Our RS framework articulates how our risk-based supplier segmentation drives due diligence requirements.**

	All	Minimum	Moderate	Priority	Specialised
Number of non-vendor branded supplier sites	716	233	453	464	
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	✓	✓	✓	✓	✓

<sup>1</sup> Selected based on risk profile.

<sup>2</sup> We accept 8 social compliance schemes: amfori BSCI, Sedex, SA8000, ICTI, WRAP, Fair Farms, Global GAP GRASP, and the NZGAP Social Compliance Add-on.

### Initial audit gradings from our RS Program



**In F21 we saw a decrease in the number of critical issues raised in our RS audit program. This shift towards more moderate risk findings is indicative of an improved residual risk profile among our directly contracted own brand and fresh suppliers.**

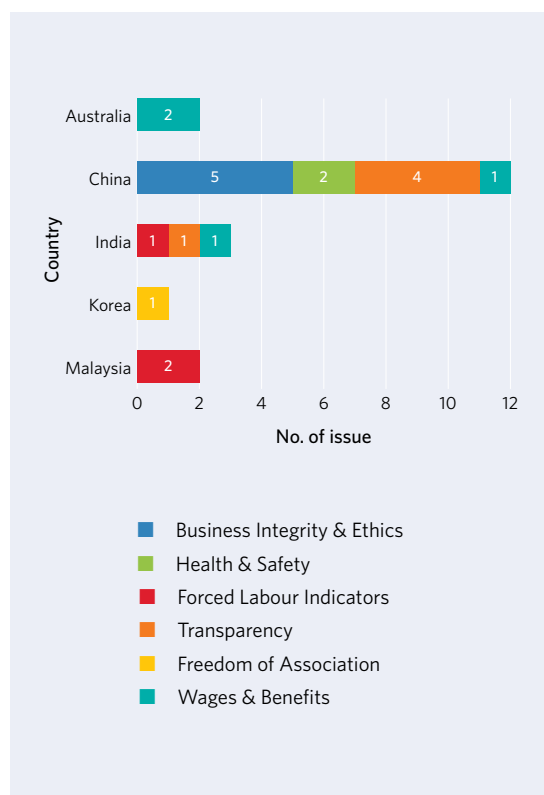


## Identifying and taking action to address modern slavery risks

### Managing zero tolerance cases

This year 20 ZT cases were identified in five countries across our food, hardgoods, soft goods, medicinal and non-trade categories. Thirteen cases have been resolved, three factories have been exited due to repeated non-compliance with our Standards, and four cases are under follow-up.

#### F21 ZT issues by country



Breaches related to transparency and integrity are consistent with risk trends identified in our F21 risk assessment. Each audit scheme has a process for responding, and our team follows up directly with the supplier. Despite being a ZT finding, the issues related to business integrity were relatively minor. In F22 we will review our ZT audit grading protocols so these are proportionate to the act.

Three suppliers recorded a ZT against a forced labour indicator of the RS Standards. One was a case in India related to underpayment of wages and following a root cause assessment the vendor decided to exit the factory due to repeated non-compliance.

#### Managing forced labour risks in Malaysia

Of the two cases in Malaysia, one was related to withholding of passports, which was remediated by giving workers unrestricted access to their safety deposit box. The other identified that foreign migrant workers from countries including Bangladesh, Myanmar and Nepal had paid recruitment fees in their home countries and were required to pay a deposit to their employer before being allowed to travel outside of Malaysia.

Where there is a potential for modern slavery, routine audits serve the purpose of identifying red flags for further investigation. As a potential indicator of debt bondage, Woolworths Group triggered our ZT procedure and engaged ELEVATE, to conduct a full investigation at the site. The investigation:

- Found factory management to be generally cooperative and there is no indication of falsification of records or coaching of workers
- Found workers have their own set of keys to access personal lockers to safely store their

passports/personal documents (reducing the forced labour risk of restriction on freedom of movement)

- Validated the original audit finding on the payment of recruitment fees and determined that the amounts paid were broadly consistent with the fee payments from other sectors in Malaysia
- Estimated the fees paid by 226 workers to be approximately \$3,300 per worker.

As a result:

- Our team and the supplier are finalising a fees reimbursement plan
- We have agreed further corrective actions that seek to address the root cause of the payment of recruitment fees including governance of labour agents and a requirement for pre-departure briefing for migrant workers before they leave their home country
- Additional measures include:
  - Providing policies and information in languages workers can understand
  - Improvements to bring current dormitory conditions into line with Malaysian legal requirements.

Last year we committed to disseminate supplier guidance and conduct training at sites in Malaysia to address forced labour risks. These were paused due to the prioritisation of remediation and the ongoing impacts of COVID-19. Incorporating the lessons learned from this case will inform our due diligence for other sites in Malaysia and recommencing these activities is a priority in F22.



## Identifying and taking action to address modern slavery risks

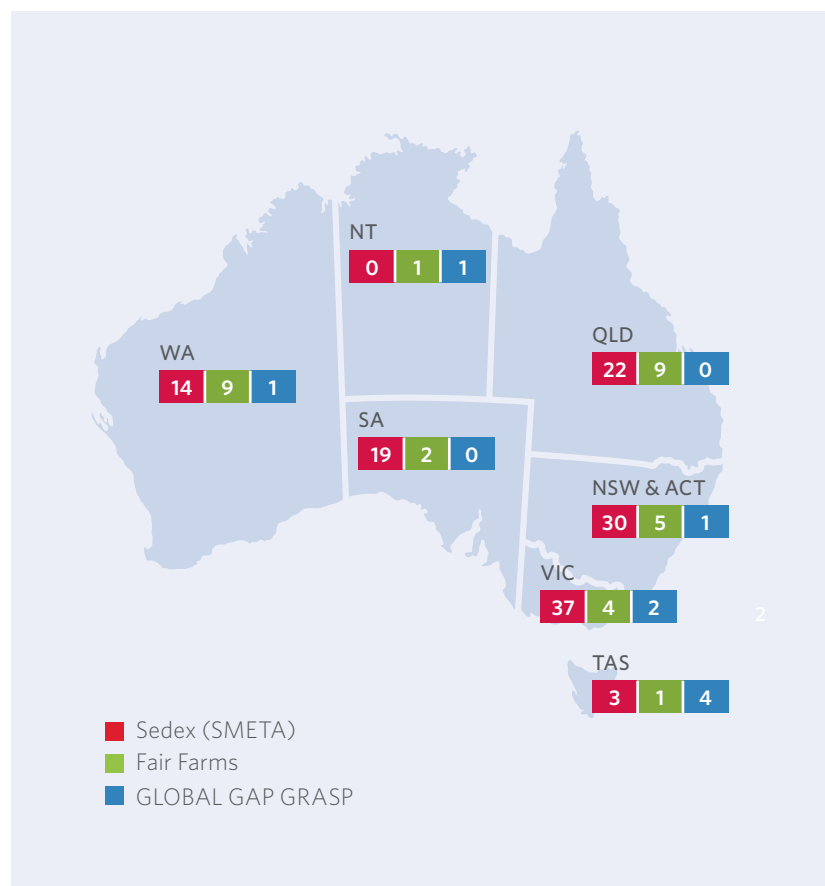
### Broadening visibility in our fresh produce supply chain

Globally, horticulture remains an inherently higher risk industry for labour exploitation due to its seasonal nature and reliance on temporary and informal workers. The rollout of our RS Program in Australia remains a priority to support our suppliers in mitigating these risks.

Our goal is to have every direct supplier complete an initial audit to establish a baseline risk profile. This year there were an additional 59 new audits conducted, bringing the total to 165 (36%) produce suppliers having carried out at least one audit at their main site. Aligned with our risk-based principles, we have prioritised audit requests in seven higher risk categories and have 54% coverage in higher risk fruit categories (berries, cherries, grapes, stone fruit and citrus) and 33% coverage in vegetables (tomatoes and cucumbers). While this might seem low, our audit request commenced in mid-2019 and has been stalled due to the summer bushfires during 2019-2020 and COVID-19 travel restrictions that have been ongoing since March 2020.

The current audit grading of the 165 conducted to date are: 140 (85%) had minor non-conformances, 14 (8%) had moderate findings, nine identified critical issues and two remain a ZT. The two ZT cases relate to underpayment of wages and both are under investigation. Other top audit non-conformances include inadequate management systems for labour providers, insufficient emergency exits and underpayment of overtime premiums.

**Number of direct fruit and veg supplier sites in Australia audited based on third party scheme**



### Countdown

In New Zealand, Countdown has been working closely with New Zealand Good Agricultural Practice (NZGAP) to develop their Social Practice Add-on which will enable New Zealand produce suppliers to demonstrate compliance to our RS Standards. To date, 67% of Countdown's fresh produce direct suppliers are using the NZGAP Social Practice Add-on, 32% are using the Global GAP Risk Assessment on Social Practice and 1% are using Sedex SMETA. Of the 32 completed audits, 29 have been graded as Green and 3 have been graded as Amber with our team following up on non-compliances.



## Identifying and taking action to address modern slavery risks

### Grower visibility and labour hire due diligence

We continue to focus on the unique risks to migrant workers in horticulture. In line with our [Requirements for Labour Providers in our Australian Horticulture Supply Chain](#) (Requirements), suppliers are expected to conduct basic due diligence in their operations, for growers and any labour hire providers (LHPs) used in their supply chains. Information for both supplier sites and their grower's, including the names of LHPs and which accreditation scheme they meet, is submitted to Woolworths Group.

Focussed engagement and follow-up with suppliers has resulted in an increase in response rate to grower information requests from 63% to 96%. Across the 532 sites using LHPs, 257 unique providers were identified. In our first phase due diligence, 130 (51%) LHPs were identified as meeting the Requirements. Of these, 81% have state-based labour hire licences, 17% have registered employer status on the Seasonal Worker Program, and 2% hold StaffSure accreditation.

Of the 127 LHPs who were not yet confirmed as meeting licensing requirements, three (2%) have been verified as 'under application', ten (8%) were based in NSW or WA where state licensing is not yet in place, and 114 (90%) stated they were compliant with either a state licence or the Seasonal Worker Scheme. Verification of these providers is our next focus area. We further engaged Verite to conduct research and a deep dive with four suppliers and their LHPs. Verite found that supplier management systems for LHPs are not well documented, and that LHPs themselves have limited documented processes. Both of these elements make it difficult to verify

compliance. This will remain a priority for our team in F22, and we will:

- Re-communicate our Requirements to all suppliers and provide additional guidance material as required
- Conduct workshops with key suppliers to embed our Requirements further in the supply chain
- Engage key industry groups and activate their support in educating growers
- Continue to contribute to industry and government dialogue on LHPs.

#### Pre-harvest briefing sessions and union engagement

COVID-19 travel restrictions have meant our team could not resume on the ground pre-harvest briefs nor worker engagement sessions. Instead, we conducted two virtual pre-harvest briefing sessions which enabled us to open the forum to industry. More than 90 participants joined the sessions which were attended by suppliers and LHPs to both major retailers, with presentations from key regulators and unions. Workplace compliance, COVID-safe harvest and the importance of worker rights education were the topics covered.

#### Current status of grower and labour hire information checks in higher risk fresh produce categories

Category	Response rate	# Direct suppliers	# Indirect supplier sites	# total sites using labour hire	# of labour providers identified	# of labour hire providers meeting requirements
Berries	100%	43	158	128	74	30
Cherries	100%	20	38	26	21	9
Grapes	97%	33	132	85	52	27
Stonefruit	100%	34	129	106	60	21
Citrus	95%	46	255	123	65	41
Tomatoes	91%	32	129	57	35	24
Cucumbers	89%	20	67	7	7	5



## Identifying and taking action to address modern slavery risks

Our forced labour risk assessment is a step beyond the RS risk assessment. It considers key forced labour indicators as well as third party sources such as the Global Slavery Index and NGO reports. This year, we expanded on the results of our F20 forced labour risk assessment by overlaying this information with specific supply chain data from our RS Program. The table highlights our supply chain footprint in higher risk manufacturing countries and the actions we have taken to mitigate these risks.



Country	Inherently higher risk product categories	# Direct suppliers	Top non-conformances from supplier audits	Examples of actions taken
China	Footwear, furniture, toys & games	534	Lack of internal RS policies and procedures Excessive overtime	Resumed in-person site visits to 15 factories and held 15 remote virtual assessments, reducing six sites from critical to moderate risk.
Bangladesh	Footwear, garments	20	Lack of machine safety guards Lack of personal protective equipment (PPE)	Completed 54 remote virtual assessments (initial and follow up), addressed 47 issues and reduced health and safety risk through monitoring PPE.
India	Garments, textiles	22	Fire safety mechanisms not maintained	Completed 18 remote virtual assessments and six factories improved their audit outcome from critical to moderate. Three sites were exited due to repeated ZT audit outcomes.
Malaysia	Hardgoods	12	Excessive overtime Workers not provided one days rest	Conducted an investigation into recruitment fees (see <a href="#">page 12</a> ) and monitored an indirect supplier identified in a Withhold Release Order (see <a href="#">page 17</a> ).
Thailand	Garments, rice, seafood	27	Excessive overtime Lack of internal RS policies and procedures	Completed three virtual assessments and held an emergency COVID management meeting with one factory during an outbreak.
Vietnam	Furniture, seafood	12	Limited internal RS governance Employment contracts do not comply with applicable local laws and/or international standards	Completed an emergency COVID management meeting with one factory during an outbreak.





## Identifying and taking action to address modern slavery risks

### Our progress to date on managing extreme risk commodities

Last year we also reported on extreme risk commodities. We found modern slavery risks tended to be more prevalent at lower supply chain tiers where raw materials are extracted and/or in early stage processing. In this context, supply chain visibility and traceability will be key to effectively managing multi-tiered risks. As key operational principles, we define these as:

- **Visibility:** being able to identify and know suppliers, both direct and indirect, in our supply chain, without them being linked to specific orders
- **Traceability:** knowing exactly where a product comes from including all stakeholders that have added value during the manufacturing process.



### Seafood

Forced labour, human trafficking and debt bondage are known modern slavery risks across the global seafood sector. The severity of these risks varies across geographical location and species, and may be exacerbated by structural challenges including illegal, unreported or unregulated fishing, flags of convenience, and transshipment, which permits extended time at sea.

There are three main avenues of seafood entering the Group's supply chain: fresh or 'behind the counter', own brand 'long-life' (e.g. tinned salmon), and as an ingredient in other products. Fresh and own brand seafood is sourced from 43 direct suppliers spanning operations and fisheries in 22 countries. Sixty-eight percent of fresh seafood is fished in Australia followed by transboundary waters to the north east and west of Australia, Vietnam and New Zealand. In line with our RS Program requirements, a third of these were required to submit a social compliance audit based on their risk segmentation. The remainder have completed a self assessment questionnaire (SAQ). The review of these audits identified top non-conformances in health and safety, and working hours. No indicators or instances of modern slavery have been identified among direct seafood suppliers.

This year, expanding on our RS Program, we:

- Reviewed existing seafood ranges to assess the human rights coverage of current third party accreditations:
  - 100% of our own brand seafood suppliers are covered by our RS Program and their fisheries are covered by an approved accreditation
  - 58% of behind the counter seafood is certified by an approved accreditation
  - Accreditations for seafood are MSC for wild caught, and ASC, BAP, Global GAP for farmed.
- Proposed a human rights seafood strategy based on benchmarking, subject matter expert recommendations, and key industry stakeholder consultations. The strategy covers governance, enhanced due diligence, traceability, grievance mechanisms and access to remedy and participation in international initiatives. It will be launched in the first half of F22.



### Cotton

The human rights risks for workers along the cotton supply chain include low wages, undocumented labour and allegations of child and forced labour across different producing markets.

As part of our program, we monitor cotton-growing regions that are the subject of allegations or known cases of child labour and forced labour. These include certain regions in Bangladesh, Uzbekistan, India, and the Xinjiang Uyghur Autonomous Region of China. We audit our direct suppliers to check that they do not utilise forced labour and are improving our processes to gain visibility on cotton sourced as a raw material in the supply chain.

BIG W apparel utilises the majority of cotton sourced for own brand products and is leading the Group's cotton response. This year BIG W established a Cotton Sourcing Steering Committee that governs the cotton traceability working group. The working group conducted a review of our current procedures for cotton sourcing and found:

- All sourcing divisions have full visibility over direct Tier 1 suppliers of finished goods
- We continue to gain visibility over Tier 2 suppliers, though there were inconsistencies in the approach to the collection and recording of relevant information
- We have traceability procedures for certified products with a sustainability claim.

Based on these findings, we have:

- Developed an improved approach to supply chain mapping
- Developed a Cotton Sourcing Policy for release in H1 F22
- Established an internal cotton tracing protocol to support the implementation of the Policy. The Protocol will be piloted in H1 F22.

Aligned with our [2025 Sustainability goals](#) we are committed to greater traceability of our cotton so that we know it has been produced sustainably and responsibly. We further encourage the use of recycled and reclaimed cotton in manufacturing where possible.



## Identifying and taking action to address modern slavery risks



### Woolworths Food Company (WFC) Commodities

We have made progress on our commitment to design and deliver due diligence for high risk commodities. Identified high risk commodities from our risk assessment include, but are not limited to, dried fruit and nuts, coffee, palm oil, cocoa, coconut and rice. The WFC Strategic Sourcing team buys bulk commodities that are then sold as products or used as ingredients in our own and exclusive brands. This year our Human Rights team began to strengthen our bulk commodities sourcing process by:

- Shadowing the Strategic Sourcing team to better understand their sourcing process
- Reviewing the new product development process and implementing recommendations
- Piloting controls in the sugar sourcing activity, including a review of the Bonsucro certification
- Commenced mapping of the human rights controls in third party commodity certifications – UTZ/Rainforest Alliance, Fair Trade, and RSPO
- Including human rights in the review of our Sustainable Palm Oil (Food and Non Food), Soy, Tea Coffee Sugar and Cocoa Policies, to be launched in the first half of F22.

In F22 we will continue to focus in this area and implement our due diligence framework across prioritised high risk commodities.

### Fresh meat in Woolworths Supermarkets

Since our RS Program commenced in 2018, we identified our fresh food supply chain as an area of interest due to the known inherent risk associated with agricultural production. We first prioritised our response in horticulture and from last year commenced work in our Australian meat supply chain. To date:

- 100% of our own brand fresh meat is in scope of our RS Program
- Fresh meat (beef, lamb and pork) is sourced in Australia from 26 suppliers across 49 abattoirs and boning room sites
- Twenty-seven of the 49 sites submitted an existing social compliance audit with the following outcomes:
  - Three sites with previous ZT findings related to underpayment of wages and fire safety have been remediated, six sites had critical findings, ten were moderate and eight were minor issues
  - Following remediation efforts two sites remain critical and under active follow up, three are moderate, and 22 have been downgraded to minor.
- The remaining 22 sites will be prioritised for audit in F22.

### Monitoring international trade enforcement tools

This year we proactively monitored international trade policies and enforcement tools that are designed to improve transparency and integrity in the supply chain. These include withhold release orders (WROs) and findings published by US Customs and Border Protection (CBP). CBP issues a WRO when the agency has reasonable evidence of the use of forced labour in the manufacturing of goods entering the US supply chain. Using this information, in F21 we reviewed our supply chain to check if any direct suppliers had been identified through such mechanisms. To date, no direct suppliers have been identified. We then worked with our sourcing teams to understand whether any indirect suppliers were impacted.

In December 2020, it came to our attention that a WRO was placed on all palm oil coming from Sime Darby Plantation's (SDP) Malaysian operations, due to allegations of forced labour on their plantations. Sime Darby is a high volume indirect supplier to Woolworths Group. SDP has established an Expert Stakeholder Human Rights Assessment Commission and appointed Impactt, an ethical trade consultancy, to conduct a comprehensive independent assessment of SDP's labour practices across its Malaysian operations. SDP has committed to releasing this publicly, as well as any remediation measures the company will take in response. This is expected in early F22. We have identified one direct supplier sourcing from SDP and we will continue to work with them to monitor the situation.



## Identifying and taking action to address modern slavery risks

### Engaging potentially affected stakeholders

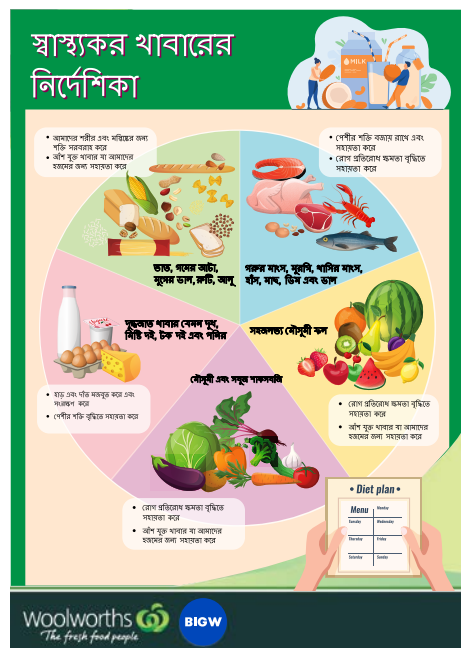
Engaging potentially affected stakeholders in program design and evaluation is the cornerstone of any genuinely robust Human Rights Program. On this, we need to do more. While we made progress on our commitment to “design and pilot a mechanism for potentially affected groups to participate in program design and evaluation,” our desired pace has been hampered by the ongoing impacts of COVID-19 in both our local and international value chains. The following are three examples of where this work has begun.



#### Listening to our COVID-19 affected workers in Bangladesh

To triangulate the findings from the virtual factory visits and management interviews at supplier sites in Bangladesh, this year we rolled out a survey to 2,694 workers across 10 apparel factories. The responses from workers regarding grievance mechanisms, wages and benefits, medical facilities and COVID-19 initiatives of the factory were positive. The survey did, however, identify that workers required more hygiene products and that they experienced stress when at work. In response, our team coordinated with suppliers so that more hygiene products are available onsite. We are further preparing a train-the-trainer on wellbeing at work and stress release exercises.

The survey also identified that 85% of workers felt they would benefit from training on nutrition. Working better together, our Woolworths Health + Nutrition team helped develop a nutrition awareness poster that was translated and distributed in factories. Our local team arranged nutrition training which was attended by 185 workers in three factories. More sessions are scheduled for F22. We will work to integrate this learning into our program on the Indian subcontinent.



The nutrition poster that was distributed at our supplier sites in Bangladesh following feedback from workers that they were keen for more training in this area.



#### Working with the unions and workers in Australian horticulture

In F21 we planned to continue worker education programs in partnership with the unions. Due to COVID-19 border restrictions and timing of harvest seasons, we were unable to deliver these.

Instead Woolworths Group coordinated and facilitated multi-stakeholder, pre-harvest information sessions for suppliers and labour providers on workplace compliance. The sessions were targeted at higher risk regions, Sunraysia and Goulburn Valley, and included presentations from the Fair Work Ombudsman, WorkSafe Vic, Department of Health and Human Services, Labour Hire Licensing Authority (Vic) and unions. Presenters communicated key messages on legislative requirements, labour hire licensing regimes and facilitating a COVID safe harvest. Ninety-two participants attended the two sessions. In F22 we aim to return to in-person events as soon as practicable.



#### Consulting with our teams

In November 2020 Woolworths Group launched our [Sustainability Plan 2025](#). As part of the company-wide consultation on the plan, we held two interactive sessions with team members from across the Group on our Human Rights strategy. We were joined by survivor advocate, Moe Turaga, who shared his past experience of working in a situation of bondage on an Australian farm. Through this discussion our team contributed ideas on how we could better identify and support at-risk customers, something we will explore further in F22.

Recognising the diversity within our team and seeking their input into issues that matter, we have designed listening sessions with participants on Woolworths Refugee Employment program. These will be rolled out in F22.





## Identifying and taking action to address modern slavery risks

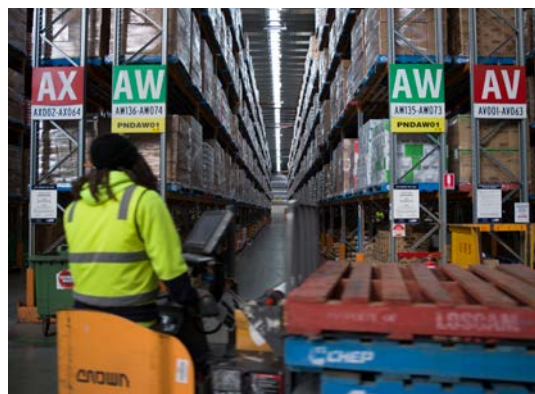
### Our Supply Chain – Non-Trade

In F20 we conducted an inherent forced labour risk assessment at a category level for our 8,000+ non-trade procurement suppliers. The results included a number of key extreme and high risk areas. This year, we prioritised due diligence in the top risk areas for non-trade products:



See the full list of inherent risks in Modern Slavery Statement 2020, page 15.

Due diligence for the remaining high risk categories – namely refuse disposal, manufacturing support and storage – will be progressed in F22. We have begun work to understand the current controls in place to mitigate human rights risks in Woolworths Group operated storage sites (our distribution centres), and will expand this work to look at storage facilities internationally.



#### ● Structural materials and heavy construction machinery

Structural materials and heavy construction machinery are the two categories from our third party risk assessment with the most extreme inherent risks of modern slavery. This year we reviewed Woolworths' comparable procurement category "construction and equipment" and identified more than 700 suppliers ranging from equipment, fixtures and installations. In F22 we will further segment this category to refine our risk identification in this area.

#### ● Collaborating to manage risks in uniform sourcing

Our forced labour risk assessment identified uniforms as a high risk category. To mitigate this risk, the BIG W Apparel team is supporting the Procurement team to onboard four uniform suppliers, utilising 23 factories, to our RS and Supplier Quality Excellence Program. This process will be completed in F22. We are also strengthening our contracts with uniform suppliers by incorporating key human rights obligations.

#### ● Specialised construction

In F21, we continued to monitor evolving risks and identified raw materials used in the manufacture of renewable energy equipment as a potential risk. Our Sustainability goal to be powered by 100% green energy by 2025, will require ongoing procurement of renewable energy equipment, and we have accelerated our due diligence in this category accordingly. We are conducting a desktop review of our current Group suppliers and have inserted pre-qualification questions in the tender process used for Countdown Supermarkets, that will be rolled out to the rest of the Group.



#### ● Packaging Materials

'Not for resale' packaging, such as mushroom bags or deli wraps, are used across our operations and are part of our non-trade supply chain. Where these packaging materials intersect with customers, they already meet the due diligence requirements of our RS Program. We will work closely with the packaging team to ensure our RS requirements continue to be considered alongside the environmental targets for product packaging in our Sustainability Plan 2025.



## Identifying and taking action to address modern slavery risks

### Non-trade supplier agreements

In F21, we reviewed our arrangements with suppliers in inherent extreme and high risk product and service categories. Of the 2,087 suppliers identified in these categories in F21, 97% had agreements with modern slavery clauses. The remaining 3% are being followed up by our Legal and Procurement teams.

Legal further conducted a gap analysis across other template contracts and have worked to extend modern slavery clauses into other key templates across the Group. These include supply chain, IT, IP, crowd delivery partner contracts as well as our New Zealand standard form contracts. Additionally, we have launched a Modern Slavery Contract Drafting Toolkit to empower our internal legal services team to take a risk-based approach in selecting appropriate clauses to address modern slavery when negotiating contracts with third parties.

### Supporting our Procurement team to manage risk

The Procurement team has also enhanced supplier pre-screening activities by including modern slavery related questions into the tendering questionnaire, as well as increasing the capabilities of the team by conducting multiple human rights briefing sessions. In addition to operational updates, two specific briefing sessions on modern slavery compliance were conducted in F21 on the modern slavery legal landscape in Australia and its implications for non-trade, each attended by over 45 team members.

### Integrating human rights into the non-trade Supplier Management Framework

Woolworths Group is currently developing a supplier management framework to improve risk management in non-trade procurement. This framework will deliver a risk based approach to identify and manage risk in the end-to-end management of non-trade supplier contracts. The Human Rights team is involved in the development of the framework so that human rights (including modern slavery) risks are appropriately considered at all stages of the supplier contract lifecycle. This will include two components:

- Supplier segmentation based on estimated expenditure and supplier criticality, with human rights considered in determining a supplier's criticality
- Supplier management activities which will support BUs to undertake proportionate due diligence to address modern slavery risks.



## Building the capacity of our teams

Educating our teams is part of our approach to continuous improvement. This year we opted for in-person training delivered by our internal subject matter experts targeting the senior leaders of all Group businesses and functions. We delivered interactive training to 126 senior leaders across 12 teams resulting in 30 follow up action items, of which 24 are complete and the remaining in progress.

We launched a resource, *Addressing Modern Slavery in our Supply Chains and Operations: a toolkit for our teams*, to better equip BUs to identify and act on modern slavery risks. The Toolkit contains templates, an action item checklist, key dates, indicators of modern slavery, escalation procedures and additional resources to support our teams embed due diligence in their area.

## Identifying and taking action to address modern slavery risks

### Our human rights due diligence maturity framework

We recognise that our BUs have varying maturity in human rights due diligence depending on previous engagement through our RS Program or other proactive compliance. To maintain momentum across all teams we developed a human rights due diligence maturity framework that is both aligned to our Group Risk Management Framework and adapted from the work of the Consumer Goods Forum Human Rights Coalition<sup>1</sup>. The levels of maturity are defined as Launched, Established and Leadership and the activities are cumulative through each stage. In F21 we conducted workshops with our core BUs (WFC, BIG W, WooliesX, Procurement and Countdown) to define their baseline level of maturity and set their F22 ambition. The aggregate baseline results are captured in the Maturity Tracking section of the framework. We will report annually on the maturity exercise and will expand the number of our BUs that are captured as a way of demonstrating continuous improvement across the Group.

	1. Identify ▶ Risk assessment, supplier segmentation and horizon scanning	2. Mitigate ▶ Policies and monitoring with supplier questionnaires, audits, site visits and worker engagement	3. Remediate ▶ Promote grievance mechanisms, provide remedy and take corrective actions	4. Collaborate ▶ To build capability and address root causes	5. Communicate ▶ With all stakeholders regularly and transparently
Launched	Partnered with the Human Rights team to conduct a category level risk assessment	<u>Group Responsible Sourcing Policy</u> known and reflected in key policy docs Governance and management systems developing Contract templates have modern slavery provisions	Team member or Supplier Speak Up service known to key stakeholder groups	Team completed Responsible Purchasing Practice e-learning Suppliers engaged ad hoc through letter, newsletters, supplier updates etc.	Provide basic information to the Human Rights team for our annual Modern Slavery Statement
Established	Partnered with the Human Rights team to conduct a supplier risk segmentation	Governance and management systems established with responsibilities defined Proactive inclusion of modern slavery provisions in existing high-risk supplier contracts	Speak Up actively promoted to key stakeholder groups in a language they understand Processes established for managing investigations	Team training on modern slavery, prioritising team members managing higher risk categories Supplier communications plan developed and executed	Engage throughout the year with the Human Rights team so team's reporting obligations are known and planned for
Leadership	Supplier segmentation embedded in new product development (NPD) and responds to new (e.g. COVID-19) and emerging risks (e.g. climate change)	Executive or Senior Leader sponsor involved in monitoring Inclusion of modern slavery clauses tracked and reportable Align activities to Board approved risk appetite (Level 1)	Increased issues raised via Speak Up Investigations managed according to agreed protocols and rights-based principles	Relevant team members embedded in human rights committees/working groups Strategic/high risk suppliers supported with additional capacity development	Establish a regular reporting rhythm so risks and actions are captured in quarterly Board updates, and in case studies in the Modern Slavery Statement etc.
Maturity Tracking	2 3 0	3 2 0	5 0 0	4 1 0	2 3 0

■ Launched ■ Established ■ Leadership

<sup>1</sup> CGF Human Rights Coalition, Maturity Journey Framework for Human Rights Due Diligence (HRDD) Systems Focused on Forced Labour in Own Operations: Version 1.0, March 2021: <https://www.theconsumergoodsforum.com/wp-content/uploads/2021/03/2021-HRC-HRDD-Framework.pdf>



SECTION 4

# Grievance and remediation



Effective remediation and grievance processes are critical to a robust human rights due diligence program. Considering the breadth of our sourcing countries and the diverse nature of risk profiles, we are continually striving to improve opportunities for workers to raise issues either through Woolworths Group channels or onsite grievance mechanisms.

## Supplier Speak Up

Supplier Speak Up, governed by the [Supplier Speak Up Policy](#), is an independent and confidential platform available to suppliers and workers in our domestic and global supply chain. The service can be accessed by phone from key sourcing countries and is available globally online. The Speak Up Policy, online intake form, Speak Up Poster and telephone service are available in the languages of our key sourcing countries and their migrant worker populations. Last year we prioritised the translation and distribution of Speak Up Posters in China, Bangladesh, Thailand.

Acknowledging the risks to migrant worker cohorts in the provision of services to our stores, this year we updated and redistributed the Supplier Speak Up poster in our Australian Supermarkets. This process involved:

- Updating the poster to clearly state that Supplier Speak Up was available for contractors in our stores, and differentiating the service from Team Member Speak Up

- Translating key messages into languages of main worker cohorts (English, Hindi, Arabic, Korean and Mandarin)
- Distributing store communications to all Store Managers so that they understood the intent and place the poster in a position where contractors would be likely to view it
- Including the display of the Supplier Speak Up Poster in the Stores Compliance Self Assessment (CSA), an in-store tool that store managers use to monitor compliance obligations. In the first CSA, conducted in March 2021, 98% of stores confirmed the Supplier Speak Up poster was displayed. The next CSA will be completed in August 2021, and we will proactively follow up stores that have not complied with the requirement to display the Speak Up poster.

## Supplier Speak Up

If you are a contractor such as a cleaner, trolley collector or security guard, and you experience any of the below problems at work, please reach out to Supplier Speak Up

 <b>Forced to work</b>	 <b>Underpaid</b>
 <b>Bullied, abused or treated badly</b>	 <b>In danger</b>

Supplier Speak Up is a whistleblowing hotline for raising serious issues operated by an independent third party. It provides an avenue for suppliers and their workers to report issues confidentially and anonymously, where they have not been resolved by the employer or regulator.

**Contact Supplier Speak Up on:**  
 AU 1800 772 173  
 NZ 0800 393 76739  
[WoolworthsSpeakUp.ethicspoint.com](https://www.woolworths.co.uk/supplier-speak-up)



Scan the QR code for more information

إذا كنت تواجه أي من هذه المشكلات في العمل، يتم إجبارك على العمل، أو دفع لك أجر منخفض، أو تعرض للتمييز أو المعاملة السيئة، أو أنت في خطر - يمكنك التحدث مع Supplier Speak Up هي خدمة بلاغ سرية لطرف ثالث متاحة لمساعدة موردي وعامل Woolworths.

如果您在工作中遇到以下任何问题——被强迫工作、报酬过低、遭受霸凌或虐待、或处于危险之中——您可以勇敢地说出来。Speak Up是一项保密的第三方举报服务，为Woolworths的供应商及其工作人员提供。

अगर आपको अपने कार्यस्थल पर इनमें से कोई समस्या है - काम करने के लिए बाध्य किया जाता है, कम पारिश्रमिक दिया जाता है, इतरथा-धमकाना जाता है, दुर्व्यवहार किया जाता है या बुरी तरह से पेश आया जाता है, या आप खतर में हैं - तो आप अपनी बात कह सकते हैं। स्पिक अप (Speak Up) एक गोपनीय, तृतीय पक्ष निर्भर सेवा है जो आपकी बात (Woolworths) अनुभविताओं और उनके कार्यस्थलों के लिए उपलब्ध है।

직장에서 강제 업무, 임금 체불, 괴롭힘, 부당 대우, 위험 상황 등과 같은 문제가 있을 경우 스피크업으로 제보하십시오. 스피크업(Speak Up)은 비밀이 유지되는 제삼자 제보 서비스로서, 울워스(Woolworths) 공급업체와 소속 직원들이 이용할 수 있습니다.

Woolworths Group team members can also raise concerns via multiple channels. Team members can contact People Advisory on 1800 008 584 for information about their options.





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

(Sup Eng Aus FM Feb2021)





## Grievance and remediation

### Investigations and remediation

This year we investigated 72 supply chain breaches or worker grievances, a decrease of 15% from last year. This decrease can be attributed to a lower amount of grievances being reported through regulators in our trolley and cleaning collection services, but a higher portion of grievances being raised through Speak Up channels for the same services. This indicates increasing awareness of our Speak Up program and less reliance on regulators by workers in operations services. We also had a decrease in audits and self-assessment questionnaires raising concerns, but an increase in ZT cases which are reported separately and outlined on [page 12](#). There are multiple channels through which issues can be raised:

Channel	F20	F21
Supplier Speak Up	56	44
Regulator referral	17	8
Media investigations	4	3
Audits and self assessment questionnaires	5	0
Union engagement or direct contact from affected workers to our RS team	3	3
Channel - Other	0	7

In F21, our Facilities Management Compliance team investigated 65 matters involving allegations in the trolley collection and cleaning supply chains at our Australian trading sites. These allegations included underpayments (74%), subcontractor non-conformance (15%), visa irregularities (5%) and other issues (6%). All matters are investigated using the

team's Standard Operating Procedure. Where non-compliance is identified, our approach is to partner with primary contractors to remedy breaches and provide an outcome for affected workers. However if the non-compliance is sufficiently serious or the contractor does not cooperate in remediation, we will no longer engage the contractor.

As a result of the investigations, this year service providers repaid \$361,851 to 24 workers in the trolley and cleaning sector across 25 sites in five states. Thirteen subcontractors and their key management personnel were terminated based on critical and deliberate non-compliance, such as intentional underpayments, falsification of records or manipulating Woolworths Group procedures. A further four primary contractors were temporarily suspended while critical issues were investigated, resulting in one termination at the conclusion of the investigation.

In F21, our RS team managed a total of 19 grievance investigations - seven of these investigations involved allegations of breaches of our RS policy that were raised in F21, and the remaining 12 were investigations that commenced in F20 and continued in F21. The allegations investigated included alleged underpayments, failure to provide minimum employment entitlements and business integrity. As a result of these investigations, we entered into nine Management Actions Plans (MAPs).

A MAP is a methodology introduced last year to directly engage suppliers involved in a grievance case or where zero tolerance issues were identified in an audit. MAPs are co-created and co-signed with suppliers with the goal of identifying root causes of a particular issue/s. The duration of the MAP generally ranges between three to six months during which time we work closely with our suppliers to support remediation and the building of robust management systems to prevent recurrence. This year examples of MAP actions included a review of supplier's management systems for labour providers, training on our RS Policy and Standards and supporting suppliers to develop their own RS manuals.







SECTION 5

# Assessing the effectiveness of our actions

This year the Woolworths Group Board approved Group Risk Appetite Statements that has human rights at level one. This means we work “towards zero” and take all reasonably practicable measures to achieve risk elimination. Our review of effectiveness considers how our activities align to this risk appetite.

Over F21, Woolworths Group commenced a risk management maturity uplift across the organisation with the appointment of a Chief Risk Officer and development of a risk management strategy to support the Risk Appetite Statements. A key focus of this strategy is in-depth understanding of key material risk events, of which modern slavery is one. Our Human Rights team, working with a number of risk partners across the Group, has begun embedding human rights into BU risk frameworks. We further leveraged the Group’s risk expertise to review and improve the Human Rights Program. Notably we:

- Provided input into the development of the Group’s new Risk Assessment Standard
- Completed a risk profile of our Human Rights Program (i.e. risks to strategy) to confirm key control improvements are captured into the program and validated with the Human Rights Steering Committee
- Completed a supply chain process map to understand the multiple stakeholders, handover points and related controls across our international logistics

- Completed a bowtie risk assessment, a risk evaluation method used to analyse and demonstrate causal relationships, in the scenario of a modern slavery event occurring in our operations or supply chain. This allowed us to determine the control environment supporting the management of this risk.

An improved understanding of our control environment has informed our approach to measuring the effectiveness of previously reported actions and measurements. Utilising Group Risk’s scale of Control Effectiveness Ratings we assessed three elements of our measurements: control effectiveness, design effectiveness and operating effectiveness. We found that while some controls are substantially effective, there is more work to do to improve the operating discipline of controls. Further, the controls applied to the broad set of measures across the RS Program.

As a result, it was determined that we would maintain separate monitoring for the whole RS Program and report on specific measures to address modern slavery in this Statement. A draft of these measures for further consultation and finalisation in F22 are in the table on the right-hand side.

## Measures to address modern slavery risks

Measure	F21 Outcomes
BU progress in the Human Rights Due Diligence Maturity Assessments (see page 21)	Baseline assessments completed
Number of sites where indicators of forced labour were identified	3
Number of modern slavery cases confirmed	0
Number of suppliers exited for critical non-compliance and failure to remediate	4
Percentage of higher risk non-trade arrangements with modern slavery clauses	97%
Number of grievances raised with modern slavery indicators	0
Number of team members completed e-learning on responsible purchasing	375
Number of senior leaders briefed in annual modern slavery leaders update	126
Results of Know the Chain Food and Beverage Benchmark	Ranked sixth with a score of 52/100. Top placed Australian retailer
Number of new external partnerships dedicated to eliminating modern slavery (see page 26)	1 - NZ Govt. Modern Slavery Leadership Advisory Group



SECTION 6

# Progress on commitments



- Green - Complete
- Amber - Partially complete
- Blue - New for F22

We continue to monitor progress against our F21 commitments and have identified priorities for F22.

Operations commitments	Status	Comment
Team member training on modern slavery, prioritising those managing higher risk categories	<span style="color: orange;">●</span>	<b>Continue in F22.</b> Trained 126 senior leaders across 14 teams including procurement and construction. Targeted team training will continue in F22.
Group-wide risk assessment and due diligence on third party labour hire providers	<span style="color: green;">●</span>	<b>Complete.</b> Reviewed contracts with labour hire agencies, worked with the relevant teams to better understand how the contracts were monitored in practice, and made recommendations for improvements.
Design and pilot a mechanism for potentially affected groups participate in program design and evaluation	<span style="color: orange;">●</span>	<b>Continue in F22.</b> This is amber as planned engagement in Australian horticulture was paused due to COVID-19. We plan to resume as soon as we can in F22. We completed worker surveys in Bangladesh, and held listening sessions with team members on our strategic direction.
Conduct a Group-wide review of standard contracts to embed modern slavery clauses	<span style="color: green;">●</span>	<b>Complete.</b> Inserted modern slavery provisions into contract templates for IT, supply chain, crowd delivery partner contracts as well as our New Zealand standard form contracts. Most commonly used contracts now have a modern slavery clause.
Assess the practicality of effectiveness measurements and incorporate changes into a broader evaluation framework	<span style="color: green;">●</span>	<b>Complete.</b> Worked with Group Risk to review the effectiveness of our measurements and aligned with our Risk Management Framework.
Commence due diligence on controlled entities in the Group ecosystem	<span style="color: blue;">●</span>	<b>New in F22.</b> In F21 we designed and piloted an approach to due diligence for controlled entities. In F22 we will rollout this framework across the Group ecosystem.
<b>Supply chain commitments</b>		
Partner with FoodCo Strategic Sourcing to design and deliver due diligence for identified high-risk commodities	<span style="color: orange;">●</span>	<b>Continue in F22.</b> This is amber as this year we piloted a due diligence approach in the sourcing of sugar. In F22 we will implement our Human Rights Due Diligence Framework across prioritised high risk commodities.
Design and deliver due diligence approach for non-trade suppliers based on category risk segmentation	<span style="color: orange;">●</span>	<b>Continue in F22.</b> This is amber as the work to embed human rights requirements into the Non-Trade Supplier Management Framework is ongoing and will be delivered in F22.
Monitor ongoing impacts of COVID-19 on our supply chain prioritising country and products most at risk	<span style="color: green;">●</span>	<b>Complete.</b> Completed 90 remote check-ins and assessments at key sourcing sites across Asia, engaged garment workers in Bangladesh and improved access to COVID PPE as a result. As we shift into the new COVID normal, monitoring will continue as part of our RS Program.
Prioritise the rollout of strategies in extreme risk areas including seafood, cotton and at supplier sites in Malaysia	<span style="color: blue;">●</span>	<b>New in F22.</b> In F21 we developed strategies to mitigate risks in extreme risk areas and the rollout of these is a priority for our team in F22.

## Progress on commitments

### Multi-stakeholder engagement

One of the guiding principles of our Sustainability Plan 2025 is we embrace the power of partnerships, and this is no more relevant than in our efforts to address modern slavery. We seek out partnerships where we can drive strategic initiatives, add value to existing approaches and learn from others. Below is an update on new and existing multi-stakeholder initiatives that are central to our Human Rights Program:

Initiative	Engaged since	Woolworths representation	Purpose of partnership in supporting our modern slavery strategy
<b>ACT on Living Wages</b>	February 2020	Managing Director, BIG W	<b>F21 update:</b> This year BIG W made progress against ACT's Responsible Purchasing Practice (RPP) commitments. 111 BIG W team members and suppliers completed the RPP survey identifying areas for improvement including planning and forecasting, product development, and sampling. Work will continue on implementing a labour costing protocol and an exit strategy policy in F22.
<b>Cleaning Accountability Framework (CAF)</b>	March 2019	Compliance Manager, Facilities Management, Woolworths Supermarkets	<b>F21 update:</b> Woolworths Group has invested \$100,000 to assist CAF build a retail specific framework. Following a pause in F20 due to COVID-19, a multi-retailer working group has been established to conceptualise how the CAF model can be adapted for a retail environment.
<b>New Zealand Government Modern Slavery Leadership Advisory Group</b>	June 2021	General Manager Corporate Affairs, Health and Safety, Food Safety, Quality and Sustainability, Countdown	<b>New in F21:</b> This year Countdown was one of 85 companies to sign an open letter supporting a government inquiry into introducing modern slavery legislation in New Zealand. In response the government has convened a Modern Slavery Leadership Advisory Group including a Countdown representative.
<b>Property Council of Australia Modern Slavery Working Group</b>	May 2020	Group Human Rights Manager	<b>F21 update:</b> maintained participation in working group meetings and provided input into F22 strategic direction.
<b>UN Global Compact Network Australia (GCNA) Modern Slavery Community of Practice</b>	May 2018	Group Human Rights Manager	<b>F21 update:</b> maintained active participation in the community of practice meetings, sharing insights from our program.
<b>United Workers Union</b>	May 2019	Head of Sustainability Governance Group Human Rights Manager	<b>F21 update:</b> in-person worker education programs remained paused due to COVID-19 restrictions. As an alternative, Woolworths Group coordinated pre-harvest information sessions for growers and labour providers, targeted at inherently higher risk regions of Sunraysia and the Goulburn Valley. UWU presented alongside regulators and retailers.



# Company directory

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Design Communication and Production by ARMSTRONG  
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### F21 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.




2021 Annual Report

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



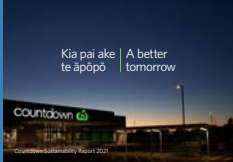
2021 Sustainability Report

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



2021 Sustainability Report Appendix

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



2021 Countdown Sustainability Report

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



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